OCNZ

THE OSTEOPATHIC COUNCIL OF NEW ZEALAND

Kaunihera Whakanao Uaiwi

# Annual Report **2018**

# Table of Contents

**Governance** **4**
Functions of the Osteopathic Council 4
Report from the Chair 5
Board Members 6

**Operations** **7**
Report from the Registrar 7
Secretariat 8
Setting and Maintaining Standards 8
Managing the Register of Osteopaths 10
Assuring Fitness to Practise 12

**Financial Statements** **15**

**We are pleased to present this report for the year ending 31 March 2018 to the Minister of Health. The report is presented in accordance with section 134(1) of the Health Practitioners Competence Assurance Act 2003.**

# Governance

## Functions of the Osteopathic Council

The Council is an appointed body corporate in accordance with the Health Practitioners Competence Assurance Act 2003 (the Act). As an Authority under the Act the Council is responsible for the registration, competence and fitness to practise of osteopaths.

The functions of the Council are listed in section 118 of the Act.

a. To prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, to accredit and monitor education institutions and degrees, courses of studies, or programmes

b. To authorise the registration of health practitioners under the Act, and to maintain registers

c. To consider applications for annual practising certificates

d. To review and promote the competence of health practitioners

e. To recognise, accredit, and set programmes to ensure the ongoing competence of health practitioners

f. To receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of health practitioners

g. To notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public

h. To consider the cases of health practitioners who may be unable to perform the function required for the practice of the profession

i. To set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession

j. To liaise with other authorities appointed under the Act about matters of common interest

k. To promote education and training in the profession

l. To promote public awareness of the responsibilities of the authority

m. To exercise and perform any other functions, powers, and duties that are conferred or imposed on it by or under the Act or any other enactment.

# Report from the Chair

The Osteopathic Council is a small regulatory authority and as such we have been committed for many years to the efficiencies and regulatory practice gains we can make by sharing secretarial functions with other health regulators. Our biggest change in the past year was the move in September 2017 of our secretariat from the Occupational Therapy Board of New Zealand to the Nursing Council of New Zealand.

The move was driven by our growing requirements, which exceeded the capacity of the Occupational Therapy Board. I want to thank the Occupational Therapy Board for its support and service over the past seven years.

Another major step forward in the past year was the accreditation of a new Osteopathic programme at Ara Institute of Canterbury in Christchurch. Ara is offering an under-graduate Bachelor in Musculoskeletal Health and a Graduate Diploma in Osteopathy. The new programme commenced delivery this year.

This is a significant development and for the first time we now have two providers of osteopathic education in New Zealand. The new programme creates flexibility for students and offers options outside of Auckland.

Ara is also offering the new Child and Adolescent Health Recertification Programme, which all osteopaths must complete by 2020. The programme is the result of several years of research and consultation into the knowledge, skills and attitudes that we should have when working with patients under the age of 18 years. The Council has been delighted with the prompt uptake from the profession on this. In the first six months of the programme being available, over 100 people completed the first stage which focuses on patients under the age of five. The second part of the recertification programme, covering the 5 to 18 year age bracket, is also now available.

Despite the different spheres of practice, all health regulators share a commitment to public safety under the Health Practitioners Competence Assurance Act which governs us all and there is much we can learn by working together. We are now looking forward to learning from the country's largest health regulator and using the experience of the larger Council to improve our policies and practices.

That process got underway promptly with the planning for a review of accreditation standards for education providers and the development of a Code of Conduct. Osteopaths have never had a code of conduct so this will be an important development for our profession. We are also planning a review to look at the Council's fee structure and a review of the registration pathway for those with non-New Zealand qualifications.

Its has been a busy period but it is stimulating working with a new secretariat that brings fresh eyes to look at our performance to ensure we deliver the best possible regulatory function. We have entered a new chapter in our history with the Board's role evolving to focus more on effective governance than operations.

**Martin Lambert**
Chairperson

# Board Members

Members are appointed to the Council by the Minister of Health for an initial term of three years. A member can be reappointed for a subsequent three year term/s. After 3, three-year terms a member must step down.

| Name | Profession | Region | Date of Original Appointment | Term | Term Ends |
|---|---|---|---|---|---|
| **Martin Lambert** | Osteopath<br>Chairperson | Auckland | January 2010 | 3 | November 2018 |
| **Tim Friedlander** | Osteopath<br>Deputy Chairperson from February 2018 | Auckland | March 2012 | 2 | September 2018 |
| **Emma Fairs** | Osteopath | Christchurch | September 2010 | 3 | September 2019 |
| **Lara Sanders** | Osteopath | Wellington | September 2015 | 1 | November 2018 |
| **Lawrence Cartmell** | Osteopath | Wellington | May 2014 | 2 | May 2020 |
| **Sue Ineson** | Layperson<br>Deputy Chairperson from February 2017 to January 2018 | Wellington | September 2015 | 1 | November 2018 |
| **Melinda Sweeney** | Osteopath | Christchurch | April 2017 | 1 | April 2020 |
| **Janet Miller** | Layperson | Wellington | August 2017 | 1 | August 2020 |

# Operations

## Report from the Registrar

It is a pleasure to work with The Osteopathic Council and, in the short time that we have been working together, it has been clear that public safety is at the forefront of everything the Council does.

The Council Board has renewed its focus on effective governance and, as you will be aware, has delegated operational functions to the Nursing Council, while maintaining its overview of decisions and accountability for performance of the Secretariat.

The role of the Council is to protect public safety by regulating osteopaths and ensuring they are competent and fit to practise. This involves setting standards for the profession and managing breaches of those standards. The maintenance of public register – which allows the public to know if osteopaths are registered and if they have maintained their competence and if there has been any disciplinary action – is core.

Regulatory thinking is rapidly changing and there is a worldwide drive to create flexible, enabling regulatory services that work towards right touch regulation.

Right touch regulation is a concept developed by the Professional Standards Authority in the United Kingdom. It oversees the nine statutory bodies that regulate health professionals and has become a global thought leader. It has been very influential and helpful to the New Zealand Nursing Council's approach to regulatory decision-making. We will be working towards ensuring right touch regulation for osteopaths.

According to the PSA, effective regulation should be built around six principles. The first is that regulation should aim to be **proportionate** which means regulators should only intervene when necessary. Remedies should be appropriate to the risk posed, and costs identified and minimised.

Regulation should also be **consistent**, **targeted**, **transparent** and **accountable**. A couple of years ago the PSA added **agile** as a core principle. In a rapidly changing healthcare environment, standards for safe practice need to be robust, enabling and future-proofed. We do not want to be forever changing regulatory standards.

Our initial work with Council has been focused on developing a Code of Conduct for osteopaths and ensuring that Council policies and processes support the development of public safety. A code is important as effective regulation relies heavily on each individual practitioner understanding the importance of professional standards and accountability. A Code reinforces understanding of the nature of the therapeutic relationship and what is expected of a health professional.

As you will see from the Chair's report, the Council has achieved a lot in the past year. My thanks go to the Council chair and members for their openness to new ways of working in the complex environment of regulation.

**Clare Prendergast**
Registrar

# Secretariat

| | |
|---|---|
| Registrar | **Clare Prendergast** |
| Deputy Registrar | **Lindsay Hiener** |
| Coordinator | **Shona Jefferies** |

# Setting and Maintaining Standards

The Council is responsible for prescribing the qualifications for registration in the Osteopath Scope of Practice so that registered practitioners are prepared and competent to protect the health and safety of New Zealanders.

All applicants must:

1. hold a Master of Osteopathy awarded by Unitec New Zealand or a Bachelor of Musculoskeletal Health and a Postgraduate Diploma in Osteopathy, a one-year Level 8 programme from Ara, Institute of Canterbury; or
2. hold a Master of Osteopathy awarded by Royal Melbourne Institute of Technology or Victoria University, Melbourne or Southern Cross University, NSW, provided those qualifications remain accredited by the New Zealand Osteopathic Council; or
3. pass the overseas assessment process endorsed by the Council; or
4. be registered under the Competent Authority Pathway endorsed by the Council, which means that an applicant is registered with the General Osteopathic Council of the United Kingdom and holds a qualification from an approved institution.

## The Osteopath Scope of Practice

Osteopaths are primary healthcare practitioners. Central to the competent practice of osteopathy is an understanding of the roles of the primary care team and referral routes within the primary care team and to hospital based services.

Osteopathy is a person-centred form of manual medicine informed by osteopathic principles. Osteopathic medicine is not confined to historical osteopathic knowledge; other osteopathic philosophies and concepts inform the interpretation and application of interdisciplinary knowledge and the basic medical sciences. Osteopathic medicine is an evolving field of knowledge and incorporates new concepts as understanding of health and disease progresses.

Osteopaths treat people and conceptualise health and disease within a broad holistic bio-psycho-social and environmental context. Osteopaths have a particular interest in conditions of the neuro-musculoskeletal system and the management of pain. Osteopaths seek to prevent disease and promote health by empowering patients through sharing knowledge of lifestyle choices that improve health outcomes.

Osteopathic practice may be situated within a continuum of healthcare and wellness, with osteopaths applying evidence-based approaches to the management of named pathologies and conditions through to promoting wellbeing through supportive treatment.

The competent practice of osteopathy clearly requires broad diagnostic competencies and a differential diagnosis is required to determine if a structural diagnosis and the use of Osteopathic Manual Treatment (OMT) is appropriate. Although osteopathic practice is often defined by OMT, the practice of osteopathy is not limited to a structural diagnosis and OMT. While there may well be a somatic component to disease, OMT may not be a suitable or principal modality in every presentation.

Osteopaths work across the lifespan and may treat an individual from birth to old age, or deliver services in group settings. Professional knowledge may be applied in a range of settings not limited to clinical practice, such as health promotion, education and research, health policy and healthcare management.

The Osteopathic Council also has several additional vocational scopes of practice for practitioners which may be practiced along with the general scope. They are:

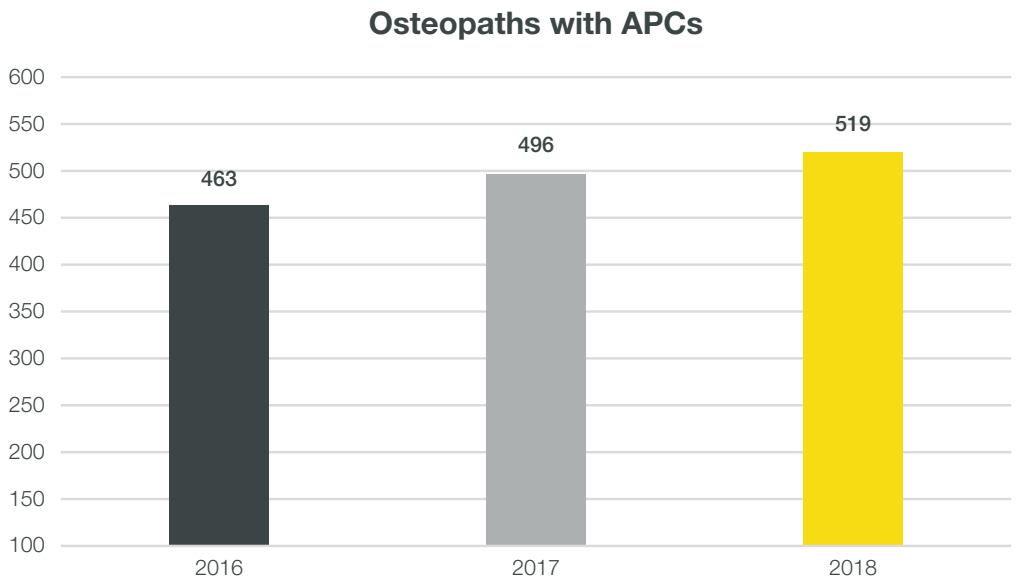
- Gerontology
- Pain Management
- Special Purpose
- Trainee Osteopath
- Visiting Osteopathic Presenter/Educator.
- Western Medical Acupuncture and Related Needling Techniques is an extended scope requiring additional qualifications.

## Highlights 2017-2018

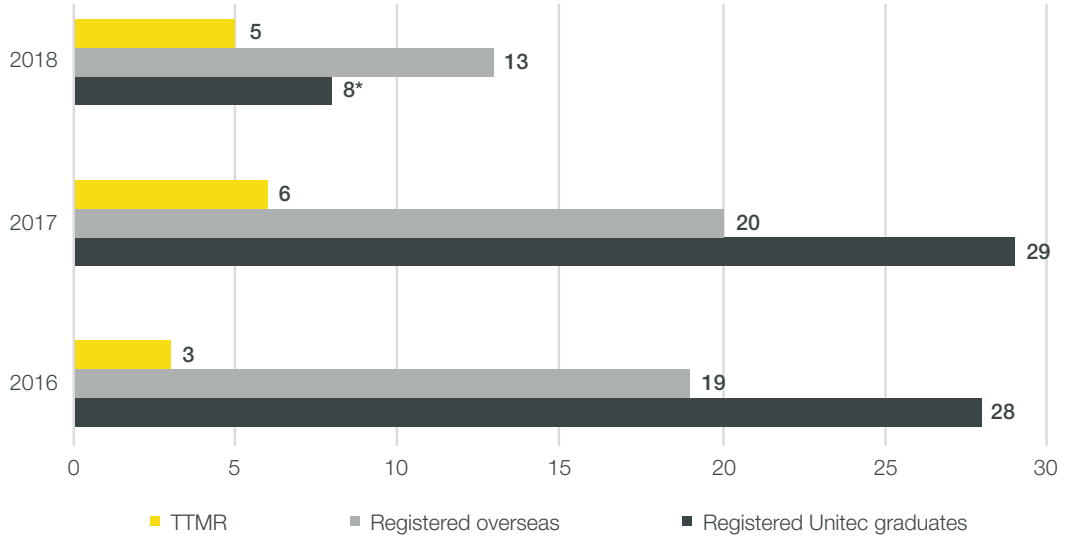
- **Accreditation at the end of 2017 of a new Osteopathic programme at Ara Institute of Canterbury in Christchurch**
- **Commencement of the Child and Adolescent Health Recertification Programme with 100 osteopaths completing the first part of the programme in the first six months of it being available**

# Managing the Register of Osteopaths

The Council registers osteopaths who meet the required standards, maintains the New Zealand Register of Osteopaths and issues Annual Practising Certificates (APCs). Every osteopath working in New Zealand must be registered and hold a current APC. This informs the public that the osteopath is competent and fit to practise.

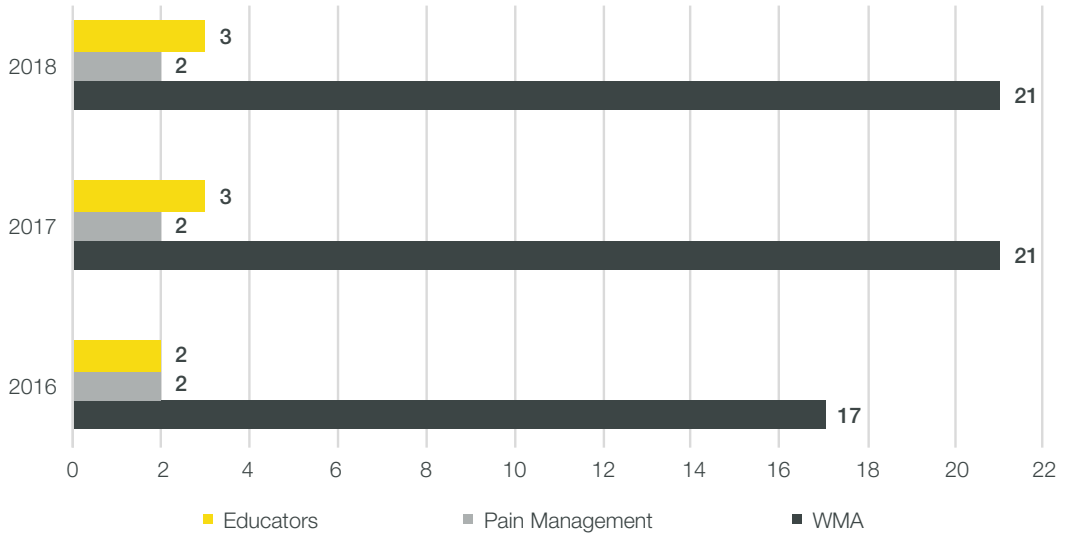


## Additions to the Register




* This is a significant drop from 29 in the previous year as the cohort that completed the taught elements at Unitec was small.

## Specialist Scopes (APC)



# Assuring Fitness to Practise

## Notifications and complaints

A system to receive and manage notifications about the competence or health of an osteopath or complaints about conduct enables the Council to ensure the public that registered osteopaths are competent and fit to practise.

| Type | Number |
|---|---|
| Competence notifications | 7 |
| Conduct complaints | 2 |
| HDC opinions | 1 |
| Health notifications | 2 |
| Convictions | 0 |
| Tribunal decisions | 0 |

## Health Practitioners Disciplinary Tribunal

The functions of the Tribunal are:

» To hear and determine charges brought under section 91 of the HPCA Act

» To exercise and perform any other functions, powers, and duties that are conferred or imposed upon it by or under the HPCA Act or any other Act.

There were no cases of professional misconduct reported to the Tribunal in the 2017-2018 year.

## Members at 31 March 2018 included:

For each hearing there is a chair, layperson and three osteopaths.

| | |
|---|---|
| **Chairperson** | David Carden |
| **Deputy Chairperson** | Maria Dew |
| **Osteopath Panellist** | Julia Griffiths |
| **Osteopath Panellist** | Michael Jones |
| **Osteopath Panellist** | Michelle Moynes |
| **Osteopath Panellist** | Tim Soar |
| **Osteopath Panellist** | Victoria Tate |
| **Osteopath Panellist** | Ben Evans |

# Financial Statements

For the year ended 31 March 2018


**Non-Financial Information** **16**
Entity Information 16

**Financial Information** **17**
Statement of Financial Performance 17
Statement of Movement in Equity 17
Statement of Financial Position 18
Statement of Cash Flows 19
Statement of Accounting Policies 20
Notes to the Performance Report 21

**Auditor's Report** **27**

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
## Entity Information
## "Who are we?", "Why do we exist?"
## FOR THE YEAR ENDED 31 March 2018

| | |
|---|---|
| Legal Name of Entity: | THE OSTEOPATHIC COUNCIL OF NEW ZEALAND |
| Type of entity and Legal Basis : | The Osteopathic Council of New Zealand (the Council) is a body corporate established by the Health Practitioners Competence Assurance Act 2003 (HPCAA) and is a Responsible Authority under that Act. |

Entity's Purpose or Mission:
As an Authority under the Act the Council is responsible for the registration and oversight of osteopathic practitioners.

The functions of the Council are listed in section 118 of the Act.

(a) To prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, to accredit and monitor education institutions and degrees, courses of studies, or programmes
(b) To authorise the registration of health practitioners under the Act, and to maintain registers
(c) To consider applications for annual practising certificates (APCs)
(d) To review and promote the competence of health practitioners
(e) To recognise, accredit, and set programmes to ensure the ongoing competence of health practitioners
(f) To receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of health practitioners
(g) To notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public
(h) To consider the cases of health practitioners who may be unable to perform the function required for the practice of the profession
(i) To set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession
(j) To liaise with other authorities appointed under the Act about matters of common interest
(k) To promote education and training in the profession
(l) To promote public awareness of the responsibilities of the authority
(m) To exercise and perform any other functions, powers, and duties that are conferred or imposed on it by or under the Act or any other enactment.

Entity Structure:
The Council has eight (8) members. Six (6) Osteopaths and two (2) lay members to represent public interests. Board Members are appointed by the Minister of Health.

Main Sources of the entity's cash and Resources:
The Council has received its main income from APC fees paid by registered osteopaths.

Additional information:
To protect the public, the Council is also responsible for making sure that Osteopaths keep high standards of practice by continuing to maintain their competence once they have entered the workforce

General Description of the Entity's Outputs
To protect the health and safety of members of the public by providing for mechanisms to ensure that osteopaths are competent and fit to practise.

Contact details

| | |
|---|---|
| Physical Address: | Level 5, 22 - 28 Willeston Street, Wellington 6011 |
| Phone: | 04 - 4740747 |
| Email: | registrar@osteopathiccouncil.org.nz |
| Website: | www.osteopathiccouncil.org.nz |

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# STATEMENT OF FINANCIAL PERFORMANCE
# "How was it funded?" and "What did it cost?"
# FOR THE YEAR ENDED 31 MARCH 2018

| | NOTE | 2018 $ | 2017 $ |
|---|---|---|---|
| **Revenue** | | | |
| APC Fees | | 379,245 | 360,200 |
| Examination Fees | | 34,435 | 61,918 |
| Registration Fees | | 15,750 | 33,445 |
| Non-Practising Fees | | 7,628 | 6,730 |
| Other Income | | 9,121 | 9,213 |
| Interest | | 22,613 | 13,275 |
| Disciplinary Penalties | | - | 10,670 |
| Disciplinary Levy | | 128,204 | 168,073 |
| **Total Revenue** | | 596,995 | 663,525 |
| **Expenditure** | | | |
| Board & Committees | 1 | 232,840 | 186,951 |
| Secretariat | 2 | 268,724 | 202,261 |
| Disciplinary | 3 | 15,277 | 51,239 |
| **Total Expenditure** | | 516,841 | 440,451 |
| **Net Surplus/(Deficit)** | | 80,154 | 223,074 |

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# STATEMENT OF MOVEMENT IN EQUITY
# FOR THE YEAR ENDED 31 MARCH 2018

| | 2018 $ | 2017 $ |
|---|---|---|
| Accumulated Funds at the beginning of period | 474,061 | 250,987 |
| Net surplus/(deficit) for the period | 80,154 | 223,074 |
| Accumulated Funds at the end of period | 554,215 | 474,061 |

The accompanying notes form part of these financial statements

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# STATEMENT OF FINANCIAL POSITION
## "What the entity owns?" and "What the entity owes?"
## AS AT 31 MARCH 2018

| | NOTE | 2018 $ | 2017 $ |
|---|---|---|---|
| **Equity** | | **554,215** | **474,061** |
| **Current Assets** | | | |
| Cash, Bank & Bank deposits | | 495,234 | 598,995 |
| Investments | | 502,892 | 370,084 |
| Accounts Receivable | 5 | 5,253 | 3,799 |
| Prepayments | | 8,097 | 7,427 |
| Total Current Assets | | 1,011,477 | 980,305 |
| **Non-Current Assets** | | | |
| Fixed assets | 4 | 4,893 | 5,561 |
| Intangible assets | 4 | 32,458 | 36,558 |
| **Total Non-Current Assets** | | 37,351 | 42,119 |
| **Total Assets** | | **1,048,827** | **1,022,424** |
| **Current Liabilities** | | | |
| Goods and Services Tax | | 47,379 | 59,456 |
| Accounts payable and accruals | | 57,931 | 43,681 |
| WHT | | 3,307 | 7,931 |
| Income in Advance | 6 | 385,994 | 437,295 |
| Total Current Liabilities | | 494,612 | 548,363 |
| **Total Liabilities** | | **494,612** | **548,363** |
| **Net Assets** | 7 | **554,215** | **474,061** |

For and on behalf of the Board.

Martin Lambert
Council Chair
Dated: 06/08/2018

Clare Prendergast
Registrar
Dated: 06/08/2018

The accompanying notes form part of these financial statements

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# STATEMENT OF CASH FLOWS
# "How the entity has received and used cash"
# FOR THE YEAR ENDED 31 March 2018

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Cash flows from Operating Activities** | | |
| Cash was received from: | | |
| Statutory fees and levies | 456,905 | 544,224 |
| Registration income | 57,812 | 102,094 |
| Other fees | 8,425 | 9,213 |
| Interest Revenue | 5,822 | 4,216 |
| Cash was applied to: | | |
| Payments to suppliers & employees | (512,842) | (423,756) |
| Net cash flows from operating activities | 16,122 | 235,991 |
| **Cash flows from Investing and Financing Activities** | | |
| Cash was received from: | | |
| Short-term investments | 312,529 | 242,582 |
| Sales of fixed assets | 1,126 | - |
| Proceeds from loan | - | 6,528 |
| Cash was applied to: | | |
| Purchases of fixed Assets | (3,538) | - |
| Short-term investments | (430,000) | (420,000) |
| Net Cash Flows from Investing and Financing Activities | (119,882) | (170,890) |
| **Net Increase / (Decrease) in Cash** | (103,761) | 65,101 |
| Opening Cash Brought Forward | 598,995 | 533,894 |
| **Closing Cash Carried Forward** | 495,234 | 598,995 |
| Represented by: | | |
| **Cash and cash equivalents** | 495,234 | 598,995 |

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# STATEMENT OF ACCOUNTING POLICIES
# "How did we do our accounting?"
# FOR THE YEAR ENDED 31 March 2018

**BASIS OF PREPARATION**

The Council is a body corporate established by the Health Practitioners Competence Assurance Act 2003 and is a Responsible Authority under that Act.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and have been prepared on the basis of historical cost.

The Council has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) on the basis that it does not have public accountability and has total annual expenses of equal to or less than $2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

**SPECIFIC ACCOUNTING POLICIES**

**Income recognition**

Fees received for the issue of APCs and register maintenance are recognised in the year to which the fees relate. All other fees are recognised on receipt.

**Receivables**

Receivables are stated at estimated realisable values.

**Property, plant & equipment**

Initially stated at cost and depreciated as outlined below. Initial cost includes the purchase consideration plus any costs directly attributable to bringing the asset to the location and condition required for its intended use.

Assets are written down immediately if any impairment in the value of the asset causes its recoverable amount to fall below its carrying value.

**Intangible Assets**

Intangible Assets comprise non-physical assets which have a benefit to the Board for periods extending beyond the year the costs are incurred.

**Amortisation**

Intangible assets are amortised over the period of benefit to the Board at the following rate:
Website/Database 10 years straight line.

**Depreciation**

Depreciation of property, plant & equipment is charged at the same rates as the Income Tax Act 1994.
The following rates have been used:
Office furniture & equipment 20% - 100% Straight Line Method
Computer equipment 20% - 50% Straight Line Method
Office refit 20% Straight Line Method

**Taxation**

The Council is exempt from Income Tax.

**Investments**

Investments are recognised at cost. Investment income is recognised as an accrual basis where appropriate.

**Goods & Services Tax**

The Council is registered for Goods & Services Tax (GST), and all amounts are stated exclusive of GST, except for receivables and payables that are stated inclusive of GST.

**Leases**

Payments made under operating leases are recognised in the statement of financial performance on a basis representative of the pattern of benefits expected to be derived from the leased asset.

**Cash and cash equivalents**

Cash and cash equivalents includes petty cash, deposits at cheque account and saving account with banks.

**Changes in accounting policies**

Accounting policies have included leases and cash & cash equivalents. All other policies have been applied on a consistent basis with those used in previous years.

**Comparatives**

Some prior year comparative figures have been reclassified to match current year disclosure.

STAPLES RODWAY WELLINGTON
For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# NOTES TO THE PERFORMANCE REPORT
# FOR THE YEAR ENDED 31 MARCH 2018

| | NOTE | 2018 $ | 2017 $ |
|---|---|---|---|
| **1.BOARD & COMMITTEES** | | | |
| Fees | | 109,264 | 85,116 |
| Conferences | | 29,322 | 14,302 |
| Meeting expenses, training ,travel & others | | 86,015 | 75,390 |
| Projects | | 8,239 | 12,143 |
| | | 232,840 | 186,951 |
| **2.SECRETARIAT EXPENSES** | | | |
| Audit fees | | 6,387 | 5,968 |
| Depreciation & amortisation | 4 | 7,152 | 6,502 |
| Telephone, Postage & Printing and Stationery | | 9,855 | 4,266 |
| Other costs | | 48,751 | 57,564 |
| Occupancy costs | | 5,818 | 5,818 |
| Professional fees | | 171,281 | 100,736 |
| Legal costs | | 19,480 | 21,407 |
| | | 268,724 | 202,261 |
| **3. DISCIPLINARY EXPENSES** | | | |
| Doubtful Debts | | (60) | 10,435 |
| PCC Investigation Expense | | 15,337 | 7,866 |
| HPDT Hearing Expense | | - | 32,938 |
| | | 15,277 | 51,239 |

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# NOTES TO THE PERFORMANCE REPORT
# FOR THE YEAR ENDED 31 MARCH 2018

### 4: PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETs

| | Opening carrying value | Current year additions | Current year disposals/sales | Net Depreciation, amortisation & Impairment | Closing Carrying Value |
|---|---|---|---|---|---|
| At 31 March 2018 | | | | | |
| Furniture & fittings | 2,418 | - | (1,154) | (425) | 839 |
| Computer equipment | 702 | 3,538 | - | (2,004) | 2,236 |
| Office refit | 2,441 | - | - | (623) | 1,817 |
| | 5,561 | 3,538 | (1,154) | (3,052) | 4,893 |
| Database & Website software | 36,558 | - | - | (4,100) | 32,458 |
| | 36,558 | - | - | (4,100) | 32,458 |

| | Opening carrying value | Current year additions | Current year disposals/sales | Net Depreciation, amortisation & Impairment | Closing Carrying Value |
|---|---|---|---|---|---|
| At 31 March 2017 | | | | | |
| Furniture & fittings | 3,036 | - | - | (617) | 2,418 |
| Computer equipment | 1,855 | - | - | (1,152) | 702 |
| Office refit | 3,072 | - | - | (632) | 2,441 |
| | 7,963 | - | - | (2,402) | 5,561 |
| Database & Website software | 40,658 | - | - | (4,100) | 36,558 |
| | 40,658 | - | - | (4,100) | 36,558 |

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# NOTES TO THE PERFORMANCE REPORT
# FOR THE YEAR ENDED 31 MARCH 2018

| 5. ACCOUNTS RECEIVABLE | 2018 $ | 2017 $ |
|---|---|---|
| Accounts receivable | 10,375 | 10,435 |
| Allowance for doubtful debts | (10,375) | (10,435) |
| Accrued income | 5,253 | 3,799 |
| | 5,253 | 3,799 |

**6. INCOME IN ADVANCE**

| | 2018 $ | 2017 $ |
|---|---|---|
| Fees received relating to next year | | |
| APC fees | 382,756 | 433,705 |
| Inactive Registration | 2,543 | 3,590 |
| Conference income | 696 | - |
| | 385,994 | 437,295 |

**7. EQUITY**

| General Reserve | 2018 $ | 2017 $ |
|---|---|---|
| Accumulated surpluses with unrestricted use | | |
| Balance at 1 April | 240,833 | 145,263 |
| Surplus/(deficit) for year | (32,773) | 95,570 |
| Balance at 31 March | 208,060 | 240,833 |
| | | |
| Discipline Reserve | | |
| Opening Balance | 233,228 | 105,724 |
| Levies received | 128,204 | 168,308 |
| Discipline Costs | (15,277) | (40,805) |
| Balance at 31 March | 346,155 | 233,228 |
| | | |
| Total Reserves | 554,215 | 474,061 |

General reserve is used for operating expenses;
Discipline reserve is used for the Professional Conduct Committees and Health Practitioners Disciplinary Tribunal costs.

| The Council expects to allocate the general reserve funds to the following projects in the 18/19 financial year | Estimated $ |
|---|---|
| CPD programme development | 20,000 |
| Development of bespoke CPD platform | 25,000 |
| Development of guidance for practitioners - supervision | 12,000 |
| New website | 30,000 |
| Multimedia developments - how to register and obtaining your licence to practice | 40,000 |
| CAPP evaluation report | 12,000 |
| Workforce survey | 20,000 |
| | 159,000 |

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# NOTES TO THE PERFORMANCE REPORT
# FOR THE YEAR ENDED 31 MARCH 2018

## 8. COMMITMENTS

The Council have a Service Level Agreement with Nursing Council of New Zealand for the provision of back office corporate services. The Service Level Agreement is for an initial period of five years. The future estimated commitments based on the expected costs included in this agreement as at 31st March 2018 are: property $3,382; Corporate Services $27,723; Total $31,105.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Due in 1 year | 27,723 | 15,743 |
| Due between 1-2 years | 27,723 | 15,743 |
| Due between 2-5 years | 24,913 | 29,933 |
| | 80,359 | 61,419 |

Contractual commitments for operating leases of premises
Level 5, 22 Willeston Street Wellington

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Due in 1 year | 3,382 | 3,382 |
| Due between 1-2 years | 3,382 | 3,382 |
| Due between 2-5 years | 3,039 | 6,430 |
| | 9,803 | 13,194 |

The figures disclosed above reflect the Council's rent, as currently payable.
The lease agreement is in the name of Nursing Council of New Zealand.

The Council have entered into a Regulatory Support Services agreement with Nursing Council Of New Zealand on 25th September 2017, which provided regulatory support to the Council for an initial term of one year. This included the provision of a Registrar, a Deputy Registrar, and a Coordinator, so there was no separate personnel expense.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Due in 1 year | 60,000 | - |
| Due between 1-2 years | - | - |
| Due between 2-5 years | - | - |
| | 60,000 | - |

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# NOTES TO THE PERFORMANCE REPORT
# FOR THE YEAR ENDED 31 MARCH 2018

**8. COMMITMENTS (continued)**

The Council had an agreement with the Occupational Therapy Board of New Zealand for the provision of secretariat services. The provision of services are continuing to be provided at a minimum cost of Nil (2017: $60,000). This agreement was terminated on 24th September 2017.

Contractual commitments for Registrar and management operational functions.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Due in 1 year | - | 60,000 |
| Due between 1-2 years | - | - |
| Due between 2-5 years | - | - |
| | - | 60,000 |

**9. CREDIT CARD FACILITY**

A visa credit card with a limit of $15,000 is held with Westpac.

**10. RELATED PARTIES**

Total remuneration paid to Board Members of the Council during the year is as follows. The remuneration paid includes attendance at council meetings, other council activities, travel and meeting expenses, special projects and discipline expenses

| | **2018** | **Unpaid on 31/03/18** | **2017** |
|---|---|---|---|
| Adele Blackwood | 1,376 | - | 2,752 |
| Emma Fairs | 18,026 | - | 12,978 |
| Janet Miller | 4,902 | - | - |
| Lara Sanders | 11,991 | - | 5,160 |
| Lawrence Cartmell | 10,967 | - | 9,150 |
| Martin Lambert | 28,179 | 990 | 26,013 |
| Max Belcher | - | - | 7,441 |
| Melinda Sweeney | 7,785 | - | - |
| Sue Ineson | 13,744 | - | 13,399 |
| Tim Friedlander | 10,240 | - | 8,957 |
| Total | 107,212 | 990 | 85,850 |

STAPLES RODWAY WELLINGTON For Identification Purposes Only

# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
# NOTES TO THE PERFORMANCE REPORT
# FOR THE YEAR ENDED 31 MARCH 2018

**11. CONTINGENT LIABILITIES**
There are no contingent liabilities at balance date. (2017: $nil)

**12. EVENTS AFTER BALANCE DATE**
There were no events that have occurred after balance date that would have a material impact on the Performance Report.

**13. CAPITAL COMMITMENTS**
There are no capital commitments at balance date. (2017: $nil)

**14. ASSETS HELD ON BEHALF OF OTHERS**
There were no assets held on behalf of others during the financial year. (2017: $nil)

**15. CORRECTION OF ERRORS**
There were no Correction of Errors at balance date. (2017: $nil)

**16. SHARED SERVICES**
In 2015/16, Nursing Council of New Zealand, Occupational Therapy Board of New Zealand, Podiatrists Board of New Zealand, Dietitians Board, Midwifery Council of New Zealand, Psychotherapists Board of Aotearoa New Zealand, Osteopathic Council of New Zealand, Chiropractic Board, Psychologist Board, and Optometrists & dispensing Opticians Board entered into an agreement to co-locate to 22 Willeston Street , Wellington. The lease agreement for 22 Willeston Street (signed solely by Nursing council of New Zealand) is for five years taking effect from 1st February 2016 and expiring on 1st February 2021.

To facilitate the management of shared resources, including a joint lease agreement for office rental purposes and corporate supports, the ten RAs entered into an agreement for the provision of corporate services.

**17. RECLASSIFICATION OF EXPENDITURE**
Certain items have been reclassified so as to provide more useful information about the performance of the Board. It has not been practicable to restate all relevant comparative balances.

STAPLES RODWAY WELLINGTON For Identification Purposes Only

Level 6, 95 Customhouse Quay
Wellington 6011
New Zealand

PO Box 1208
Wellington 6140
New Zealand

T +64 4 472 7919
F +64 4 473 4720
W staplesrodway.com

staplesrodway
CHARTERED ACCOUNTANTS

# INDEPENDENT AUDITOR'S REPORT
# TO THE READERS OF
# THE OSTEOPATHIC COUNCIL OF NEW ZEALAND'S PERFORMANCE REPORT
# FOR THE YEAR ENDED 31 MARCH 2018

The Auditor-General is the auditor of the Osteopathic Council of New Zealand (the 'Osteopathic 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 performance report of the Osteopathic Council on his behalf.

## Opinion

We have audited the performance report of the Osteopathic Council on pages 1 to 11, that comprise the entity information, the statement of financial position as at 31 March 2018, the statement of financial performance, the statement of movement in equity and statement of cash flows for the year ended on that date and the notes to the performance report that include accounting policies and other explanatory information.

In our opinion the performance report of the Osteopathic Council on pages 1 to 11, present fairly, in all material respects:

- the entity information,
- its financial position as at 31 March 2018; 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 Simple Format Reporting – Accrual (Public Sector)

Our audit was completed on 8 August 2018. 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 performance report 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 performance report

The Council is responsible for preparing the performance report that is fairly presented and that complies 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 the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Council is responsible on behalf of the Osteopathic Council for assessing the Osteopathic 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 Osteopathic 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 performance report**

Our objectives are to obtain reasonable assurance about whether the performance report, as a whole, is 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 performance report.

We did not evaluate the security and controls over the electronic publication of the performance report.

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 performance report, 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 Osteopathic 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 performance report 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 Osteopathic Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents 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 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

staplesrodway
CHARTERED ACCOUNTANTS

**Independence**
We are independent of the Osteopathic Council of New Zealand 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 Osteopathic Council of New Zealand.

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

**Osteopathic Council of New Zealand**

**Postal address:**
PO Box 9644
Marion Square
Wellington 6141
New Zealand

**Physical address:**
Level 5
22–28 Willeston Street
Wellington 6011
New Zealand

**Tel:** + 64 4 474 0747
www.osteopathiccouncil.org.nz