

ANNUAL REPORT and ACCOUNTS

2009 - 2010

Hon. Tony Ryall
Minister of Health
Parliament Buildings
WELLINGTON

It is with much pleasure that I present the sixth annual report of the Osteopathic Council of New Zealand.

This report highlights the Osteopathic Council's activities for the sixth year since the Council was established following the enactment of the Health Practitioners Competence Assurance Act (2003). It also contains the audited accounts for the year ending 31 March 2010.



Stiofán Mac Suibhne
Chairperson
THE OSTEOPATHIC COUNCIL OF NEW ZEALAND

Chairperson's Report

The Osteopathic Council of New Zealand (OCNZ) had a busy and productive year in 2009 / 10. The OCNZ continues to be a member of the Health Regulatory Authorities Secretariat (HRAS), with four of the other smaller regulatory authorities (Dietitians, Optometrists and Dispensing Opticians, Chiropractors and Podiatrists). The purpose of HRAS is to allow the partner regulatory authorities to mitigate their diseconomies of scale by sharing the costs of accommodation and administration staff required to administer the Health Practitioners Competence Assurance Act (2003) (the Act).

The Council had 7 members until August 2009, as there had been a vacancy for a lay member until the appointment of Sharon Lambert.

The members were:

Stiofán Mac Suibhne (Chair)
from Christchurch

Deepa Ranchhod (Deputy Chair)
from Wellington (until December 2009)

Dee Taylor (Deputy Chair)
Osteopath from Christchurch

Sharon Awatere
Osteopath from Napier

Matthew Cooper
Osteopath from Wellington

Paul Hume
Osteopath from Hamilton (until August 2009)

Martin Lambert
Osteopath from Auckland (Appointed January 2010)

Caryl Blomkvist
Layperson from Whanganui

Sharon Lambert
Layperson (Appointed August 2009)

Clive Standen
Osteopath from Auckland (Appointed August 2009)



Collaboration with Australia

The Trans-Tasman Mutual Recognition Act (1997) (TTMRA) requires that the OCNZ works with the Australian osteopathic regulatory authorities on standards in practice, common standards for registration and accreditation of training providers. The Chair and Deputy Chair attended the annual meeting of the Australasian Conference of Chiropractic / Osteopathic Registration Boards (ACCORB), the 2009 meeting was held in Perth, hosted by the Osteopathic Registration Board of Western Australia.

The Osteopathic profession in Australia is to move to a national registration scheme under proposed reforms and this was the final ACCORB meeting to be held. When the national health regulation scheme comes into force (July 2010) there will be a single Australian osteopathic regulatory body, the Osteopathy Board of Australia. The OCNZ agreed to work towards forming a joint advisory, accreditation and policy body with the future Australian regulator, the Australian and New Zealand Osteopathic Council (ANZOC). This will ensure that the profession maintains 'equivalency' as per the TTMRA. Co-operation on policy development will allow resources to be pooled and synergies and cost savings for the regulatory authorities in both jurisdictions.

Through the ACCORB collaboration a common standard for accrediting pre-registration training courses has been developed. ANZOC will build on that work and reflect the changing realities of tertiary education in the revised accreditation policy, to ensure that the osteopathic training courses are able to adapt to the evolving funding and educational environments. ANZOC will also be responsible for developing a common overseas assessment process for both jurisdictions.

International Co-operation

Throughout the year the OCNZ has been negotiating a memorandum of understanding (MoU) with the Osteopathy Board of Australia and the General Osteopathic Council (GOC) in the United Kingdom.

At present the osteopathic profession is subject to statutory regulation only in Australia, New Zealand

and the United Kingdom. The osteopathic regulators in the three jurisdictions carry out substantively similar functions to ensure the health and safety of the public. It is hoped over time that closer co-operation will lead to a streamlining of assessment process for Australasian registrants wishing to work in the UK (and vice-versa), better information exchange between regulators and collaboration on the development of best practice in osteopathic regulation.

The osteopathic profession in several other overseas jurisdictions is seeking to become regulated by statute. In order to facilitate communication and sharing of best practice the OCNZ has become a partner member of the International Osteopathic Alliance (OIA).

Overseas Assessment Exam

Ensuring that all osteopaths that are seeking registration in New Zealand are competent to practise is an important function of Council. Overseas osteopaths who wish to practise in New Zealand must have an osteopathic qualification approved by Council and sit a clinical assessment. Achieving an IELTS test score of 7.5 is a requirement for those whose first language is not English and/or those who completed their osteopathic qualification in a language other than English.

16 international osteopathic graduates were assessed with a 44% (7 out of 16) pass rate on first attempt, adjusted to 62.5% (10 out of 16) after 3 passing at a second attempt.

Building on research on osteopathic capabilities carried out by the University of Technology Sydney (UTS) and funded by the New South Wales Osteopathic Registration Board, the ANZOC and the OCNZ commenced work on developing a new assessment process. This process will have wider application in competence and fitness to practice reviews and in the development of clinical preceptorship and mentoring programmes to assist registrants to return to competency.

Council Meetings

In the 2009-2010 financial year the Council had 5 Council meetings in Wellington, much of Council

business is conducted by sub-committees who conduct their work by teleconference and other electronic communications. Annette Instone was the Registrar throughout the whole period.

Continuing Professional Development

OCNZ established a compulsory programme of continuing professional development (CPD) in 2006 based on the competency framework developed for the profession in 2004. The competency framework is based on capabilities required for practice and is grouped into six domains:

- Clinical skills
- Communication
- Cultural competence
- Legal requirements
- Ethical requirements
- Professional management

There were no mandatory CPD activities scheduled by OCNZ in the 2009-2010 financial year. The CPD programme helps ensure that osteopaths maintain their competence. Each year every osteopath is required to complete 25 approved CPD credits and maintain an up-to-date first aid certificate. Council is keeping the programme under review and is particularly interested in the research and policy development being carried out on revalidation by the GOsC. Major changes to the CPD scheme will not be made until further developments have been made on the scope of practice review and the overseas assessment / competence assessment, clinical preceptorship and mentoring programmes developed.

Website

The Council website underwent a major redesign and was updated during the period. Authorisation of CPD activities may now be sought on line and submitted via the website. As the principal means of contact for the public and osteopaths with the Council it is a priority that the website be kept up to date and contains accurate information.

Scope of Practice

Council has been managing a wide-ranging review of the scope of practice. In September 2009 after extensive consultation a second scope of practice was gazetted; Scope of Practice - Osteopath Using Western Medical Acupuncture and Related Needling Techniques.

Previously Council had issued guidance that needling techniques were not part of the osteopathic scope of practice as the accredited pre-registration qualification did not prepare osteopaths for competent practice in this area. The development of this extended scope of practice for acupuncture and related needling techniques provides a mechanism for osteopaths to incorporate these techniques into their personal scope of practice whilst affording public protection by the development of a code of practice and prescribing minimum qualifications. The scope was developed in co-operation with the Health Sciences Department of AUT University in Auckland, the Physiotherapy Acupuncture Association of New Zealand and the British Medical Acupuncture Society.

In November 2009 Council held a symposium in Wellington on reform of the osteopathic scope of practice within the context of the New Zealand regulatory framework with representation of professional bodies from New Zealand, Australia and the UK, NZ Ministry of Health, osteopathic educators and senior students and along with regulators from Australia. The meeting report was widely circulated.

The consensus position of the meeting was a need to reform the (general) osteopathic scope of practice to produce a statement that more closely reflects the comprehensive nature of osteopathic practice and the creation of a number of additional scopes of practice to allow individuals practitioners to be able develop their skills and clinical interests. The restricted view of practice given by the wording of the current scope may unwittingly be placing practitioner outside the scope where that was not the intention.

It is important that the scopes of practice are developed to reflect the reality of professional life. There needs to be mechanisms for skills and knowledge acquired in practice through post

graduate study to be incorporated into one's personal / professional scope. The following areas being identified as initial priorities:

- Child health / Paediatrics
- Gerontology
- Osteopathic Prescribing
- Pain Management
- Rehabilitation / Occupational Health.

As a maturing and diversified profession additional scopes of practice are an important element of public protection. The public ought to be able to use the register to identify practitioners with advanced standing in particular areas of practice so that they can identify osteopaths with the skills and experience most suited to their needs.

A scope of practice schema needs to be developed that ensures the osteopathic profession can meet the changing needs of society. As a primary healthcare profession osteopathy must adapt to the changing demographics, in particular to allow an ageing workforce to meet the needs of an ageing population.

APC Statistics

On 31st March 2010 there were 384 Osteopaths in New Zealand with annual practising certificates. At the same time there were 544 Osteopaths on the Register, 160 of whom were inactive (those who are registered, but do not have an Annual Practising Certificate). 26 registrations were granted during the year; 17 were Unitec graduates, 9 came from overseas having passed the entry examination. No registrants were entered under the provisions of the Trans Tasman Mutual Recognition Agreement.

Complaints and Disciplinary Processes

A number of complaints from the public to the Health and Disability Commissioner were referred to the Council for investigation. During the year the council held 4 competence reviews, one fitness to practice investigation and one professional conduct review. Council has decided to review all disciplinary cases

going back to 2004 and produce a report for the profession with the hope that by highlighting areas of practice and behaviours that give rise to complaints registrants can identify best practice strategies and reduce their likelihood of being the subject of a complaint.

The Osteopathic Workforce

Statistics collated for the 2009 Ministry of Health Workforce Annual Survey show that there were slightly more male (54%) than female osteopaths (46%) working in New Zealand at that time and that more than 80 percent worked in the North Island.

Of the 293 osteopaths who responded to the survey, 56% had UK based qualifications, around 34% had gained their osteopathic qualification in New Zealand and around 12% had gained their qualification in Australia. 82% reported being self-employed.

Nearly 40% of survey respondents indicated that they are aged 50 or over. 15% of those reported that they are over 60. The number of APC holders at year-end showed a net increase of 8 (376 to 384).

Reduced APC & other Fees

For the second consecutive year, OCNZ has operated a deficit budget and has been able to subsidise the APC fee paid by osteopaths for the annual practising certificate from the unrestricted reserves. As planned, the reserves are being run down over three financial years with the expectation that by the 2011-2012 financial year Council will need to return to an APC based on full cost-recovery.

AUDIT REPORT

TO THE READERS OF OSTEOPATHIC COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010.

The Auditor-General is the auditor of the Osteopathic Council of New Zealand (Osteopathic Council). The Auditor-General has appointed me, Robert Elms, using the staff and resources of PKF Martin Jarvie, to carry out the audit of the financial statements of the Board, on her behalf, for the year ended 31 March 2010.

Unqualified Opinion

In our opinion, the financial statements of the Osteopathic Council on pages 1 to 6:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Osteopathic Council's financial position as at 31 March 2010 and
 - the results of its operations for the year ended on that date.

The audit was completed on 27 August 2010, and 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 Members of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not

corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Osteopathic Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Members of the Board and the Auditor

The Members of the Council are responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Osteopathic Council as at 31 March 2010 and the results of its operations for the year ended on that date. The Members of the Council's responsibilities arise from the Health Practitioners Competence Assurance Act 2003.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you.

This responsibility arises from section 15 of the Public Audit Act 2001 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

Independence

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

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

Robert Elms
PKF Martin Jarvie
On behalf of the Auditor-General
Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of the Osteopathic Council of New Zealand (Osteopathic Council) for the year ended 31 March 2010 included on the Osteopathic Council's website. The Osteopathic Council is responsible for the maintenance and integrity of the Osteopathic Council's website. We have not been engaged to report on the integrity of the Osteopathic Council's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements as well as the related audit report dated 27 August 2010 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

AUDIT REPORT
TO THE READERS OF
OSTEOPATHIC COUNCIL OF NEW ZEALAND'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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Osteopathic Council of New Zealand

Statement of Financial Performance

For the Year Ended 31st March 2010

	Note	2010 \$	2009 \$
REVENUE			
Examination Fees		48,222	60,000
Interest Income		21,027	53,155
Other Income		668	2,157
Practising Certificates		152,975	256,279
Recoveries		1,424	5,465
Registration		13,200	21,975
Total Income		237,516	399,031
Less Expenses			
Accident Compensation Levy		642	-
Advertising		695	1,209
Audit Fees		3,915	2,912
Authority Member Fees		113,522	23,980
Bank Charges		5,010	5,474
Catering		4,258	851
Chair Fees		3,039	16,421
Cleaning		870	-
Committee Fees		13,173	28,704
Competence Compliance		-	2,254
Computer Software & Support		4,238	-
Conference & Seminars		2,622	5,746
Contract Fees		18,811	6,362
Examination Costs		53,821	58,494
Expensed Equipment		770	2,298
General Expenses		462	-
Hire of Plant & Equipment		2,217	689
Legal Expenses		88,222	8,162
Office Expenses		313	-
Personnel and Training Costs		78,841	65,033
Postage		4,364	4,053
Printing & Stationery		6,398	5,970
Professional Fees		21,902	35,502
Publications		8,877	-
Rents		17,912	-
Repairs & Maintenance		230	-
Secretariat Operating Costs		28,519	22,315
Service Charges		1,538	43,290
Subscriptions		4,146	-
Teleconferences		249	2,074
Telephone		3,795	818
Travel & Accommodation		59,020	35,998
Utilities		476	-
Website Expenses		15,753	145
Total Expenses		568,620	378,754
Net Surplus Before Depreciation & Amortisation		(331,104)	20,277
Less Depreciation & Amortisation Adjustments			
Depreciation		4,318	3,329
Amortisation		4,883	-
Net Depreciation & Amortisation Adjustment		9,201	3,329
NET SURPLUS/(DEFICIT)		(\$340,305)	\$16,948

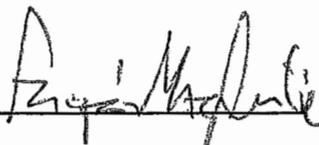
These statements are to be read in conjunction with the notes to the Financial Statements.

Osteopathic Council of New Zealand
Statement of Movements in Equity
For the Year Ended 31st March 2010

	Note	2010 \$	2009 \$
EQUITY AT START OF PERIOD		616,980	600,032
Net Surplus/(Deficit) for the year		<u>(340,305)</u>	<u>16,948</u>
Total recognised revenues & expenses		<u>(340,305)</u>	<u>16,948</u>
EQUITY AT END OF PERIOD		<u><u>\$276,675</u></u>	<u><u>\$616,980</u></u>

Osteopathic Council of New Zealand
Statement of Financial Position
As at 31st March 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Westpac Cheque Account		130,048	50,776
Westpac Cash Management Account		36,378	36,783
Westpac Term Deposits		391,159	737,829
Accounts Receivable		271	244
Accrued Income		1,812	8,577
Loan to Health Regulatory Authorities Secretariat Ltd	4	<u>5,000</u>	<u>5,000</u>
Total Current Assets		564,668	839,209
NON-CURRENT ASSETS			
Fixed Assets	5	6,676	6,372
Intangible Assets	6	20,231	-
Investments			
Investment in Health Regulatory Authorities Secretariat Ltd	3	<u>20</u>	<u>20</u>
Total Non-Current Assets		26,927	6,392
TOTAL ASSETS		591,595	845,601
CURRENT LIABILITIES			
GST Due for payment	1(e)	12,014	8,631
Accounts Payable		78,343	72,427
Income in Advance		203,206	138,664
KiwiSaver Deductions Payable		850	454
PAYE Payable		2,099	1,522
WHT Payable		<u>18,408</u>	<u>6,923</u>
Total Current Liabilities		314,920	228,621
TOTAL LIABILITIES		314,920	228,621
NET ASSETS		\$276,675	\$616,980
EQUITY			
Retained Earnings		<u>276,675</u>	<u>616,980</u>
TOTAL EQUITY		\$276,675	\$616,980

Chairperson:  Date: 27-08-10

Registrar:  Date: 27/8/10

Osteopathic Council of New Zealand

Notes to the Financial Statements

For the Year Ended 31st March 2010

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The Osteopathic Council of New Zealand is constituted under the Health Practitioners Competence Assurance Act 2003. These financial statements have been prepared in accordance with the Financial Reporting Act 1993.

The Council qualifies for differential reporting as it is not publicly accountable and is not large. The Council has taken advantage of all applicable differential reporting exemptions.

General Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and on the basis of historical cost. Reliance is placed on the fact that the business is a going concern.

Specific Accounting Policies

- (a) **Annual Practising Certificate Income**
Annual Practising Certificate Income is recorded only upon receipt. No Accounts Receivable are recognised and receipts for Annual Practising Certificates issued for future years are shown as Income Received in Advance.
- (b) **Changes in Accounting Policies**
There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.
- (c) **Fixed Assets & Depreciation**
Fixed assets are shown at original cost less accumulated depreciation. Depreciation has been calculated over the expected useful life of the assets at the following rates:
- | | |
|------------------|-------------------------|
| Office Equipment | 20% - 50% Straight Line |
|------------------|-------------------------|
- (d) **Intangible Assets & Amortisation**
Websites have a finite useful life. Website costs are capitalised and amortised over their currently estimated useful life of 3 years on a straight line basis.
- Costs associated with maintaining websites are recognised as expenses when incurred.
- (e) **Goods & Services Tax**
The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.
- (f) **Income Tax**
The Council is registered as a charitable entity under the Charities Act 2005. It is exempt from Income Tax
- (g) **Investments**
Investments are recognised at cost. Investment income is recognised on an accruals basis where appropriate.

2. CONTINGENT LIABILITIES and COMMITMENTS

At balance date there are no known contingent liabilities (2009:\$0).

There are no capital or other commitments at balance date (2009:\$0).

Osteopathic Council of New Zealand

Notes to the Financial Statements

For the Year Ended 31st March 2010

3. INVESTMENT

The Council has an undivided 1/5th share in the issued share capital of Health Regulatory Authorities Secretariat Limited (HRAS). The consideration of \$20 is not yet paid.

4. RELATED PARTIES

HRAS provides administrative services to the Council on a non-profit cost recovery basis. The cost of those services for the year was \$28,519 (2009:\$22,315).

The five shareholding Boards and Council in HRAS have each advanced \$5,000 to that company to provide it with working capital.

5. FIXED ASSETS

	2010 \$	2009 \$
Office Equipment		
At cost	14,323	9,701
Less Accumulated Depreciation	<u>7,647</u>	<u>3,329</u>
Total	<u>6,676</u>	<u>6,372</u>

6. INTANGIBLE ASSETS

	2010 \$	2009 \$
Website Costs		
At cost	25,114	-
Less Accumulated Depreciation	<u>4,883</u>	<u>-</u>
Total	<u>20,231</u>	<u>-</u>

7. FINANCIAL MANAGEMENT AGREEMENT

Health Regulatory Authorities Secretariat Limited (HRAS) has been established to provide business management support to the Osteopathic Council of New Zealand, the Dietitians Board, the Podiatrists Board of New Zealand, the Optometrists & Dispensing Opticians Board and the New Zealand Chiropractic Board (collectively 'the entities'). HRAS provides financial management support to each of the entities according to the number of conditions:

- Each of the entities holds an undivided share in HRAS; that company was formed to provide management support to those entities.
- Each of the entities contributed an equal sum to the working capital of HRAS. This amount has been set initially at \$5,000 each.
- HRAS is not to make a profit from its business partnership with the entities.
- Each Board or Council will be invoiced monthly for an equal amount equivalent to the expenses incurred by HRAS in managing its own business.
- Each Board or Council will also be invoiced monthly for those direct costs and expenses that HRAS has incurred on its behalf.
- At the end of the month and financial year, HRAS will show a nil financial balance on all its operations.

At 31st March 2010 the HRAS Statement of Financial Position showed net assets of \$100.

Osteopathic Council of New Zealand

Notes to the Financial Statements

For the Year Ended 31st March 2010

8. RECLASSIFICATION OF EXPENDITURE

Service charges have been reclassified into rent and other expenditure to provide more useful information about the performance of the Council. It has not been practicable to restate all relevant comparative balances.