

Annual Report **2017**

Table of Contents

Governance	4
From Our Chair	4
Registrar's Report 2016 – 2017	6
The Osteopathic Council	7
Corporate Governance	8
Board Members	8
Board Meeting Attendance 2016 – 2017	9
Secretariat	10
Philosophy and Principles of Osteopathic Treatment	10
Scope of Practice	11
Registration Data	12
Notification Information	14
Notifications – Their source and outcome	14
Health Practitioners Disciplinary Tribunal	15
Financial Statements	17

Governance

From Our Chair

Dear Minister,

The Osteopathic Council of New Zealand (OCNZ) has been busy with continuing progress of a number of projects in this past year, as well as beginning the work on others.

The Council has been hosted within the Occupational Therapy Board of New Zealand (OTBNZ), and the shared services with the Nursing Council are functioning well. Co-location with a number of other authorities has occurred and as a smaller council the OCNZ is committed to shared secretarial functions and the benefit this brings to both quality regulation and financial prudence.

Child and Adolescent Health

The Osteopathic Council has engaged Ara Institute of Canterbury to undertake the development of a recertification programme for Osteopaths in the field of Child and Adolescent Health. This programme is the outcome of several years of research and consultation into the knowledge, skills and attitudes that registrants should have in relation to patients under 18 years of age. This recertification programme will be in two parts, the first of which will focus on patients under the age of five, and will be available to practitioners in late 2017. The second part, focussing on the 5 to 18 year age bracket, will be available in early 2018. This recertification process will be compulsory for all registered osteopaths who wish to treat children under 18 years of age, and practitioners currently registered will have a three year period to complete the two parts. The recertification programme will be compulsory for new entrants to the register from overseas. New Zealand graduates will also have to complete the recertification until the elements of the programme can be incorporated into the pre-registration training courses in New Zealand.

Facilitated Resolution Policy

In conjunction with OTBNZ the Council has developed a process based upon the principles of restorative justice for achieving resolution to notifications when a patient/complainant may not wish to proceed with an investigation, and the possible outcomes of this.

For this process to be utilised the notification must meet defined guidelines and be agreed to by the notifier and practitioner. Special mention must be made of our Registrar, Andrew Charnock, for the work put in to establish this policy.

Return to Practice Policy

In accordance with the requirements of the HPCA Act the Council has now determined a Return to Practice policy for registrants who have not had a practising certificate for some time. Elements of the policy vary depending on the amount of time that a registrant has not had clinical currency.

Guidelines

In the past year the Council has published guidelines for practitioners regarding advertising and record keeping. These guidelines are to bring to registrants' attention the relevant legislation and obligations they hold as registered health professionals.

Recertification/CPD

The Council is engaged in the process of establishing a new scheme focused around self-reflective practice and the principles embedded in life long learning for maintaining the ongoing clinical competence of registrants. The Council is committed to ensuring the scheme is well researched and that communication with registrants is maintained through the process. Council envisages the new scheme will roll out over several years as it develops, allowing a gradual change process to occur.

Competent Authority Pathway Programme (CAPP) and Overseas Assessment

The Council continues to use the year-long CAPP process to support around 20 overseas trained osteopaths per year. While this process has only previously been available to British trained osteopaths, the Council has now established a policy for assessing the qualifications of non-British trained osteopaths.

If the qualification is assessed as suitable for registration, and defined English language requirements are met, these osteopaths can join the register and enter the CAPP process. The manual for the Preceptors of the CAPP process has undergone a significant review and a further training for Preceptors is planned for later this year.

The Council was able to reduce the fee for an Annual Practising Certificate this year, while maintaining the Disciplinary Levy at the previous figure. This reflects the activity in this area Council has had to undertake and may require in the future.

The Council continues to hold Regional Conferences in the main centres. These allow the Council the opportunity to update registrants on the activities the Council is involved in, as well as discussion and engagement regarding policy, legislation and clinical practice.

After seven years of being hosted by OTBNZ the Service Level Agreement the Council has had with OTBNZ will finish this year. Council is at the time of writing pursuing other hosting arrangements to ensure the requirements of Registrar and Secretariat functions can be fulfilled.



Martin Lambert

Chairperson

Registrar's Report 2016 – 2017

Another financial year draws to a close and it is traditional in the Annual Report to reflect on the activities of the past twelve months.

Operational Management

The Service Level Agreement with the Occupational Therapy Board of New Zealand (OTBNZ) will come to an end in September 2017. This ends a six year relationship which has seen a considerable growth and development in the work of Council. This growth has meant that the OTBNZ can no longer support the work of the Council.

Continuing Professional Development (CPD)

As previously, practitioners will be asked to declare that they have achieved a minimum of 25 hours of CPD in the last 12 months. This is a high trust model, requiring practitioners to self-declare at recertification that they have met requirements.

In the future the Council will be looking at which model of CPD it is going to adopt. There are a number of models available so it will be important for Council to consider the appropriate fit for the profession as well as providing assurance of continuing competence.

Developments of Policies and Guidelines

The Council has developed a number of policies and guidelines for practitioners:

- » Assessment of overseas qualifications
- » Return to practice
- » Management of research requests
- » Medical advertisement
- » HVLA position statement
- » Supervision, definitions and guidelines
- » Primary source validation
- » Guidelines for clinical record keeping.

Child and Adolescent Health Recertification Programme and Vocational Scope

Council's work on developing a recertification programme and a vocational scope is now coming to an end. The next stage will be to Gazette the requirements and support practitioners to undertake the recertification programme. The Council has kept practitioners informed of progress in this area through its newsletters. A written explanation of requirements will be sent to all practitioners.

The recertification programme will be offered on-line through Ara Institute of Canterbury.

The vocational scope will be available through AUT; again, we will provide advice about this to practitioners.

Facilitated Resolution Policy

The *Facilitated Resolution Policy* (the Policy) is the result of a collaboration between the Occupational Therapy Board of New Zealand (the Board) and the Osteopathic Council of New Zealand (the Council). This work was supported by Professor Chris Marshall, Diana Unwin Chair in Restorative Justice, at Victoria University of Wellington.

The purpose of the Policy is to allow for suitable complaints and concerns brought to the Board's or the Council's attention to be addressed by a facilitated resolution process involving the complainant, the health practitioner and other relevant stakeholders.

The Policy allows for a variety of resolution processes to be used depending on the circumstances, including negotiation, mediation and restorative resolution.

A facilitated resolution process aligns with the Board's and Council's "right touch" approach to the regulation of health practitioners. This recognises that there is always risk that needs to be managed through regulation, but urges taking a common sense approach to dealing with a risk or problem.



Andrew Charnock
Registrar

The Osteopathic Council

We are pleased to present this report for the year ending 31 March 2017 to the Minister of Health. This report is presented in accordance with section 134(1) of the Health Practitioners Competence Assurance Act 2003.

Our Functions

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 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
- 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.

Corporate Governance

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. After 3, three-year terms a member must step down. Re-election is possible.

Name	Profession	Region	Date of Original Appointment	Term	Term Ends
Martin Lambert	Osteopath Chairperson	Auckland	November 2010	3	November 2018
Tim Friedlander	Osteopath Deputy Chairperson (until February 2017)	Auckland	March 2012	2	September 2018
Max Belcher	Osteopath	Whangarei	March 2012	2	November 2018 (resigned 09 March 2017)
Emma Fairs	Osteopath	Christchurch	September 2010	3	September 2019
Adele Blackwood	Layperson	Wellington	September 2015	1	November 2018
Lara Sanders	Osteopath	Wellington	September 2015	1	November 2018
Lawrence Cartmell	Osteopath	Wellington	May 2014	2	May 2020
Sue Ineson	Layperson Deputy Chairperson (from February 2017)	Wellington	September 2015	1	November 2018

Board Meeting Attendance 2016 – 2017

From February 2017, the Council moved from a day and a half business meeting quarterly to one day meetings bimonthly.

Name	29/05/16	30/05/16	28/08/16	29/08/16	27/11/16	28/11/16	13/02/17
Martin Lambert	√	√	√	√	√	√	√
Tim Friedlander	√	√	√	√	√	√	√
Max Belcher	√	√	√	√	√	√	√
Emma Fairs	√	√	√	√	√	√	√
Adele Blackwood	√	√	√	√	X	X	√
Lara Sanders	√	√	√	√	√	√	√
Lawrence Cartmell	√	√	√	√	√	√	√
Sue Ineson	√	√	√	√	√	√	√

Secretariat

Registrar	Andrew Charnock Overall management responsibility for statutory matters pertaining to the Health Practitioners Competence Assurance Act 2003.
Senior Solicitor	Trina Williams (until 24/02/17) Provides legal advice concerning the HPCA Act including competence, conduct and fitness cases.
Registration Officer	Josephine Lange Oversees the processing of all registration processes ensuring policies are met.
Administrator	Madeline Jensen (until 20/01/17) Provides general administrative services to the organisation as needed.

Philosophy and Principles of Osteopathic Treatment

The Council endorses the following philosophy and principles of osteopathic treatment:

- » The body is a unit.
- » Structure and function are reciprocally interrelated.
- » The body possesses self-regulatory mechanisms.
- » The body has the inherent capacity to defend itself and repair itself.
- » When normal adaptability is disrupted, or when environmental changes overcome the body's capacity for self-maintenance, disease may ensue.
- » Movement of body fluids is essential to the maintenance of health.
- » The nerves play a crucial part in controlling the fluids of the body.
- » There are somatic components to disease that are not only manifestations of disease but also are factors that contribute to maintenance of the diseased state.

Implicit in these philosophies is the belief that osteopathic intervention has a positive influence on the above.

Scope of Practice

The Scope of Practice – Osteopath on the Council’s Register is:

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; rather 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.

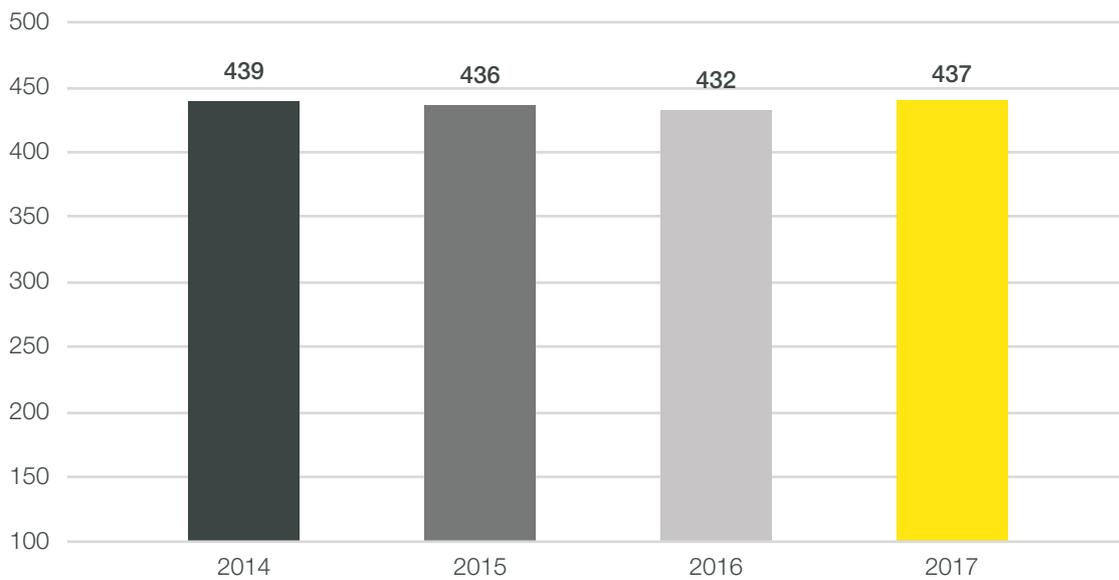
The Osteopathic Council also has several specific scopes of practice for practitioners. They are:

- » Western Medical Acupuncture and Related Needling Techniques
- » Gerontology
- » Pain Management
- » Special Purpose
- » Trainee Osteopath
- » Visiting Osteopathic Presenter/Educator.

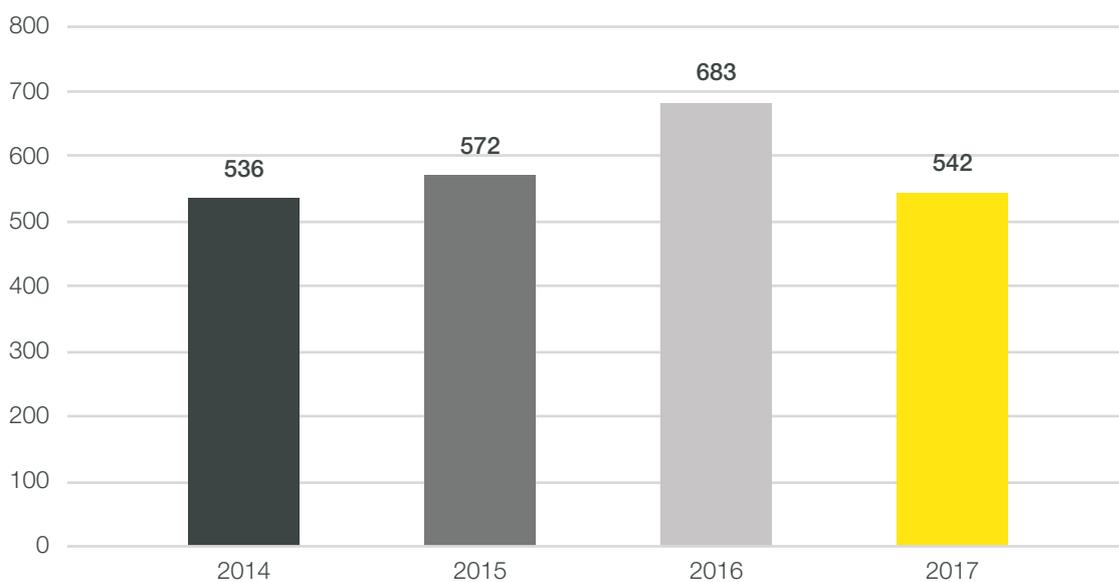
Registration Data

As at 31 March 2017

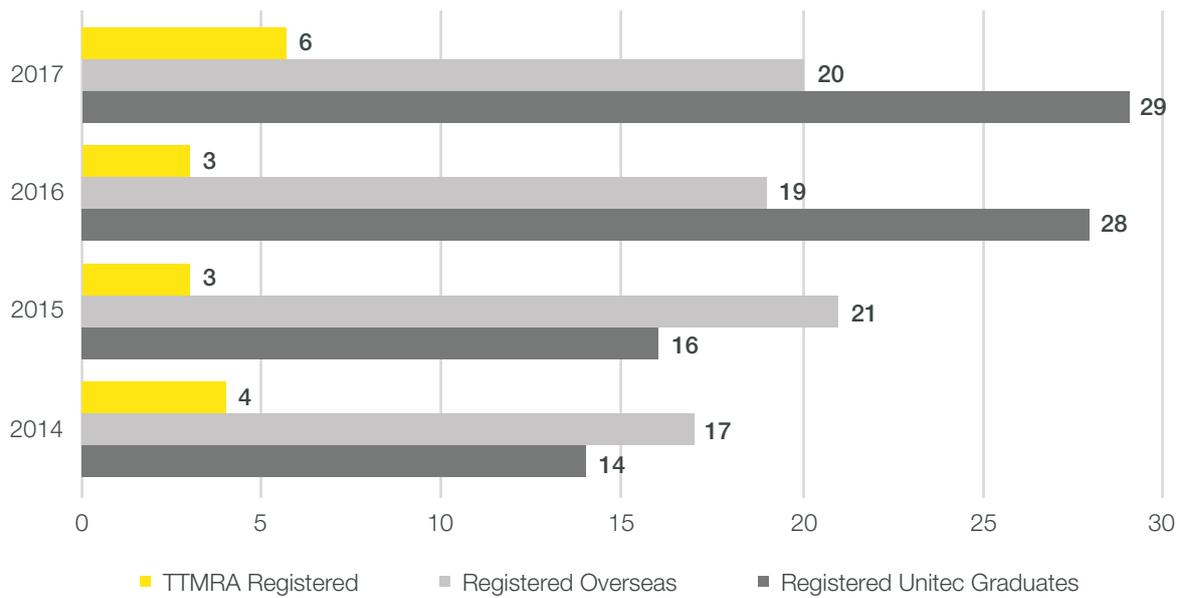
Osteopaths with APC



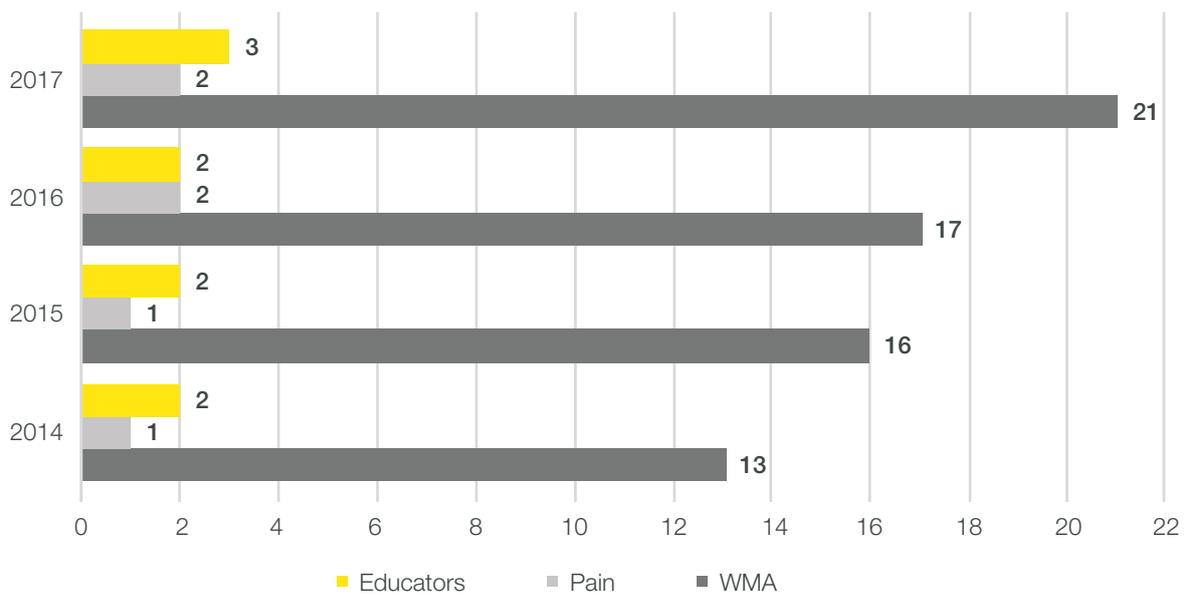
Registered Osteopaths



Additions to the Register



Specialist Scopes (APC)



Notification Information

Notifications – Their source and outcome

As at 31 March 2017

TYPE	Number	HPCAA 2003 Reference
Competence Notifications	6	Section 34
Conduct Notifications	9	Sections 7, 8
Complaint HDC	2	Section 64
Health Notifications	1	Sections 16, 45
Fitness – conviction	0	Sections 16, 67
Tribunal Cases	1	

Health Practitioners Disciplinary Tribunal

As at 31 March 2017

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.

The membership of the Tribunal consists of:

Chairperson	Mr David Carden, Barrister
Deputy Chairperson	Ms Maria Dew, Barrister
Deputy Chairperson	Mr Kenneth Johnston, Barrister
Osteopath Panellist	Ms Julia Griffiths
Osteopath Panellist	Mr Micheal Jones
Osteopath Panellist	Mr Tim Soar
Osteopath Panellist	Mr Ben Evans
Osteopath Panellist	Ms Victoria Tate
Lay Members are appointed as needed by the Minister of Health	

Constitution of the Tribunal for Hearings

- » Chairperson (or Deputy Chairperson)
- » Three Osteopath Panel members
- » One Layperson

Executive Officer

The OCNZ has contracted Gay Fraser as Executive Officer for the Tribunal for cases involving Osteopaths. The Executive Officer is responsible for administrative functions associated with the Tribunal.

Financial Statements

For the year ended 31 March 2017

Non-Financial Information	18
Entity Information	18
Financial Information	19
Statement of Financial Performance	19
Statement of Movement in Equity	19
Statement of Financial Position	20
Statement of Cash Flows	21
Statement of Accounting Policies	22
Notes to the Financial Statements	23
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 2017

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



**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 2017**

		2017	2016
		\$	\$
Revenue	NOTE		
APC Fees		360,200	340,286
Examination Fees		61,918	75,966
Registration Fees		40,176	32,096
Other Income		9,213	21,198
Interest		13,275	13,152
Disciplinary Penalties		10,670	19,334
Disciplinary Levy		168,073	158,024
Total Revenue		663,525	660,055
Expenditure			
Board & Committees	1	215,472	288,534
Secretariat	2	224,979	196,662
Total Expenditure		440,451	485,196
Net Surplus/(Deficit)		223,074	174,859

**THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
STATEMENT OF MOVEMENT IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

		2017	2016
		\$	\$
Equity at the beginning of period		250,987	76,128
Net surplus/(deficit) for the period		223,074	174,859
Total recognised Revenues and Expenses for the period		223,074	174,859
Equity at the end of period	7	474,061	250,987

The accompanying notes form part of these financial statements



**THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
STATEMENT OF FINANCIAL POSITION
"What the entity owns?" and "What the entity owes?"
AS AT 31 MARCH 2017**

	NOTE	2017 \$	2016 \$
Equity		474,061	250,987
Current Assets			
Cash, Bank & Bank deposits		598,995	533,894
Investments		370,084	186,176
Accounts Receivable	3	3,799	13,839
Prepayments		7,427	13,794
Loan to Health Regulatory Authorities Secretariat Ltd	4	-	6,528
Investment in Health Regulatory Authorities Secretariat Ltd	5	-	20
Total Current Assets		980,305	754,251
Non-Current Assets			
Fixed assets	8	5,561	7,963
Intangible assets	9	36,558	40,658
Total Non-Current Assets		42,119	48,621
Total Assets		1,022,424	802,872
Current Liabilities			
Goods and Services Tax		59,456	54,969
Accounts payable	10	51,612	62,728
Income in Advance	12	437,295	434,188
Total Current Liabilities		548,363	551,885
Total Liabilities		548,363	551,885
Net Assets		474,061	250,987

For and on behalf of the Board.



Martin Lambert
Council Chair

Dated: 26-07-17



Andrew Charnock
Registrar

Dated: 26-07-17

The accompanying notes form part of these financial statements



**THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
STATEMENT OF CASH FLOWS**

**"How the entity has received and used cash"
FOR THE YEAR ENDED 31 March 2017**

	2017 \$	2016 \$
Cash flows from Operating Activities		
Cash was received from:		
Statutory fees and levies	544,224	512,998
Registration income	102,094	32,096
Other fees	9,213	88,288
Interest Revenue	4,216	8,864
Cash was applied to:		
Payments to suppliers & employees	(423,756)	(467,974)
Net cash flows from operating activities	235,991	174,271
Cash flows from Investing and Financing Activities		
Cash was received from:		
Short-term investments	242,582	411,043
Proceeds from loan	6,528	-
Cash was applied to:		
Purchase of fixed Assets	-	(41,529)
Short-term investments	(420,000)	(460,000)
Net Cash Flows from Investing and Financing Activities	(170,890)	(90,486)
Net Increase / (Decrease) in Cash	65,101	83,785
Opening Cash Brought Forward	533,894	450,108
Closing Cash Carried Forward	598,995	533,894
Represented by:		
Cash and cash equivalents	598,995	533,894



THE OSTEOPATHIC COUNCIL OF NEW ZEALAND

STATEMENT OF ACCOUNTING POLICIES

"How did we do our accounting?"

FOR THE YEAR ENDED 31 March 2017

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

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 Board is exempt from Income Tax.

Investments

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

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.

Goods & Services Tax

The board 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.

CHANGES IN ACCOUNTING POLICIES

Office Refit is depreciated based on 20% Straight Line Method. 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.



**THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

	NOTE	2017 \$	2016 \$
1. BOARD & COMMITTEES			
Fees		109,219	122,745
Meeting expenses, training ,travel & others		51,036	64,510
Special projects		14,413	29,095
Legal, investigation and hearing expenses		40,805	72,183
		<u>215,472</u>	<u>288,534</u>
2. SECRETARIAT			
Audit fees		5,968	6,152
Depreciation & amortisation	11	6,502	1,640
Telephone, Postage & Printing and Stationery		4,266	2,838
Other costs		57,564	41,253
Secretariat Operating Cost		102,127	91,228
Legal and Professional fees		38,118	53,381
Loss on disposal		-	172
Doubtful debts expense		10,435	-
		<u>224,979</u>	<u>196,662</u>
3. ACCOUNTS RECEIVABLE			
Accounts receivable		10,435	23,144
Allowance for doubtful debts		(10,435)	(10,535)
Accrued income		3,799	1,230
		<u>3,799</u>	<u>13,839</u>

4. RELATED PARTIES

The working capital advance to Health Regulatory Authorities Secretariat Limited (HRAS) of \$6,528 was repaid in full.

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

The last change in the Chair position was in February 2016 from Emma Fairs to Martin Lambert.

Sue Ineson was appointed as a Council member in July 2015 with fees being paid from September 2015 which represents seven months of fees in the year of 2016.

Sue Ineson was appointed as the Deputy Chair in January 2017.

	2017	Unpaid on 31/03/17	2016
Emma Fairs	12,978	172	34,493
Stiofan Mac Suibhne	-	-	6,558
Martin Lambert	26,013	1,303	15,957
Max Belcher	7,441	-	8,238
Warwick Bullen	-	-	1,947
Tim Friedlander	8,957	-	7,869
Lawrence Cartmell	9,150	337	9,082
Sue Ineson	13,399	1,571	6,042
Lara Sanders	5,160	-	4,945
Adele Blackwood	2,752	-	1,376
Total	<u>85,850</u>	<u>3,382</u>	<u>96,506</u>



THE OSTEOPATHIC COUNCIL OF NEW ZEALAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5. INVESTMENT

The Council had an undivided 1/5th share in the issued share capital of HRAS . The consideration of \$20 has been contributed upon dissolution of HRAS.

6. FINANCIAL MANAGEMENT AGREEMENT

The Council has entered into a service agreement with Occupational Therapy Board Of New Zealand. which provides business management support to the Council.

This includes the provision of a Registrar, so there is no separate personnel expense in 2017.

7.EQUITY	2017	2016
	\$	\$
General Reserve	240,833	145,263
Disciplinary Reserve	233,228	105,724
	474,061	250,987

The Council expects to allocate the general reserve funds to the following projects in the 17/18 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

8.PROPERTY, PLANT & EQUIPMENT

	COST	ACCUMULATED DEPRECIATION	BOOK VALUE
At 31 March 2016			
Office furniture & equipment	5,524	2,488	3,036
Computer equipment	12,648	10,793	1,855
Office Refit	3,116	43	3,072
	21,287	13,325	7,963
At 31 March 2017			
Office furniture & equipment	5,524	3,106	2,418
Computer equipment	12,648	11,946	702
Office Refit	3,116	675	2,441
	21,287	15,726	5,561

9. INTANGIBLE ASSETS

	COST	ACCUMULATED AMORTISATION	BOOK VALUE
At 31 March 2016			
Database	72,114	31,456	40,658
	72,114	31,456	40,658
At 31 March 2017			
Database	72,114	35,556	36,558
	72,114	35,556	36,558



**THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10.ACCOUNTS PAYABLE & PROVISIONS	2017	2016
	\$	\$
Accounts payable and accruals	43,681	54,907
Lease liability	-	793
PAYE/WHT	7,931	7,029
	<u>51,612</u>	<u>62,728</u>

11.DEPRECIATION & AMORTISATION

	2017	2016
	\$	\$
Depreciation has been charged against:		
Office furniture & equipment	617	262
Computer equipment	1,152	992
Office refit	632	44
	<u>2,402</u>	<u>1,298</u>
 Amortisation of intangible assets		
Database	4,100	342
	<u>4,100</u>	<u>342</u>

12.INCOME IN ADVANCE

	2017	2016
	\$	\$
Fees received relating to next year		
APC fees	433,705	431,047
Inactive Registration	3,590	3,141
	<u>437,295</u>	<u>434,188</u>

13. CREDIT CARD FACILITY

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

14. COMMITMENTS

The Council have an 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 31 March 2017 are: property \$3,382; Corporate Services \$15,743; Total \$19,125.

	2017	2016
	\$	\$
Due in 1 year	15,743	34,600
Due between 1-2 years	15,743	34,600
Due between 2-5 years	29,933	100,387
	<u>61,419</u>	<u>169,587</u>

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

	2017	2016
	\$	\$
Due in 1 year	3,382	3,463
Due between 1-2 years	3,382	3,463
Due between 2-5 years	6,430	10,047
	<u>13,194</u>	<u>16,973</u>

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 OSTEOPATHIC COUNCIL OF NEW ZEALAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. COMMITMENTS (continued)

The Council have 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 \$60,000 (2016: \$80,000). This agreement will be terminated over six months after the balance date.

Contractual commitments for Registrar and management operational functions.

	2017	2016
	\$	\$
Due in 1 year	60,000	80,000
Due between 1-2 years	-	73,644
	60,000	153,644

15. CONTINGENT LIABILITIES

There are no contingent liabilities at balance date. (2016: \$nil)

16. EVENTS AFTER BALANCE DATE

Occupational Therapy Board of New Zealand is terminating the agreement with the Council, and the termination period is over six months. The main impact will be on the Registrar, Registration Officer and Senior Admin roles. There may be an impact on the an agreement with the Nursing Council of New Zealand.

17. CAPITAL COMMITMENTS

There are no capital commitments at balance date. (2016: \$nil)

18. Assets Held on Behalf of Others

There were no assets held on behalf of others during the financial year. (2016: \$nil)

19. Correction of Errors

There were no Correction of Errors at balance date. (2016: \$nil)

20. SHARED SERVICES

On 1st June 2015 the Occupational Therapy Board of New Zealand, Podiatrists Board of New Zealand, Psychotherapists Board of Aotearoa New Zealand and Osteopathic Council of New Zealand entered into an agreement to co-locate to 90 The Terrace, Wellington. The lease agreement for 90 The Terrace (signed jointly by the 4 Responsible Authorities) is for one year taking effect from 1st June 2015 and expiring 1st June 2016. The total lease commitment is \$66,640.00

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, 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.



**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
THE OSTEOPATHIC COUNCIL OF NEW ZEALAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

The Auditor-General is the auditor of The Osteopathic Council of New Zealand (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 1 to 9, that comprise the entity information, statement of financial position as at 31 March 2017, 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 financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Council on pages 1 to 9, present fairly, in all material respects:

- its financial position as at 31 March 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 Simple Format Reporting – Accrual (Public Sector)

Our audit was completed on 31 July 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 Council and our responsibilities relating to the financial statements, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the Auditor section of our report.

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

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

Responsibilities of the 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 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