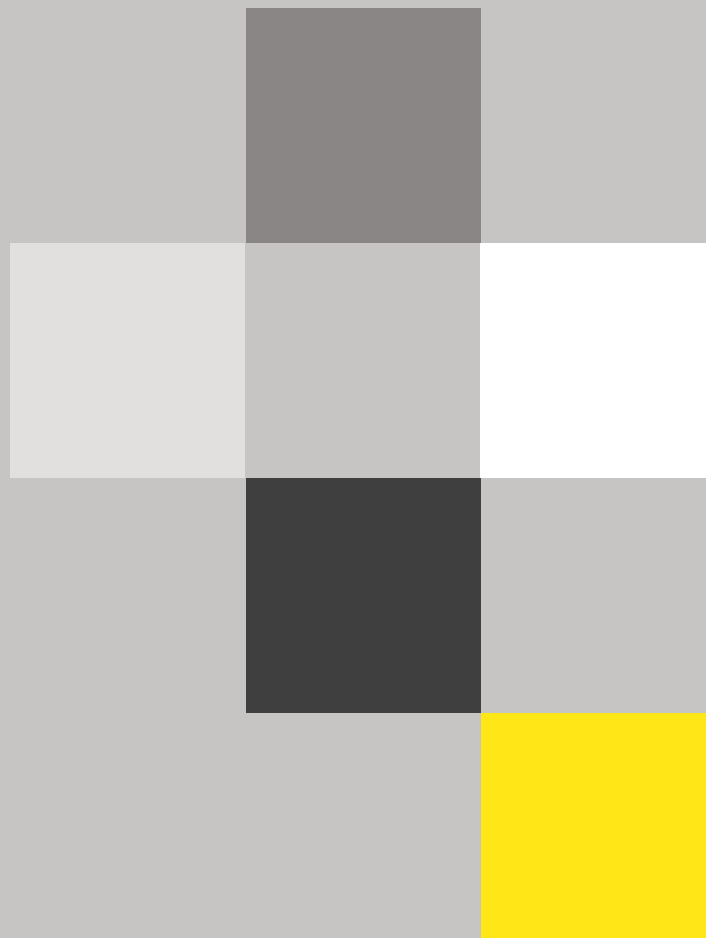




ANNUAL REPORT and ACCOUNTS

2011 - 2012



Kaunihera Whakanaoaiwi

Hon. Tony Ryall
Minister of Health
Parliament Buildings
WELLINGTON

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

This report highlights the Osteopathic Council's activities for the eighth year since the Council was established following the enactment of the Health Practitioners Competence Assurance Act (2003) (HPCA Act). It also contains the audited accounts for the year ended 31 March 2012.

Chairperson's Report

2011-12 was another productive year for the Osteopathic Council of New Zealand (OCNZ) and a transitional period moving from the Health Regulatory Authorities Secretariat (HRAS) to a new service level agreement with the Occupational Therapy Board of New Zealand (OTBNZ).

The excessive reserves previously held by the OCNZ had been run down over a three-year period and used to subsidise the APC. The APC for the year was set on a cost recovery basis with a separate levy identified for disciplinary processes as permitted by the HPCA Act (2003). In addition to the service level agreement with the OTBNZ for the provision of a registration and secretariat support for the OCNZ, for the first quarter of the financial year the OCNZ was still financially committed to funding the shared costs of HRAS while the audit was completed and the commercial lease terminated. We are optimistic that in future years the relationship with the OTBNZ will allow significant cost savings that will allow the financial burden placed on the APC payers to be reduced.

Finalising the accounts and audit was a protracted process as the OCNZ made arrangements to separate the affairs of the five constituent regulatory authorities from hosting arrangements. This resulted in the production of this annual report being delayed.

It is likely that there will be considerable changes within the healthcare regulatory authorities sector in the near future. The Health Minister has directed regulatory authorities to establish a single secretariat to support the work of all regulatory authorities established under the Act. It is hoped that such an arrangement will deliver cost savings that will reduce the financial burden on the APC payer and allow more effective use of resources to deliver a high quality regulatory system to enhance public protection.

Council Meetings

In the 2011-12 financial year the Council had three Council meetings in Wellington and one in Auckland. Much of Council business is mandated by committees who conduct their work by teleconference.

The Council had a full complement of members during the period. We would like to express our thanks to all Council members for their contributions during the year. The members were:

Emma Fairs – Osteopath from Christchurch (Chair from February 2012)

Stiofán Mac Suibhne Osteopath from Australia (Chair to February 2012, Deputy Chair from February 2012)

Dee Taylor – Osteopath from Christchurch (Deputy Chair until February 2012)

Matthew Cooper – Osteopath from Wellington retired January 2012

Martin Lambert – Osteopath from Auckland

Clive Standen – Osteopath from Auckland retired July 2012

Warwick Bullen – Layperson from Whanganui appointed May 2011

Sharon Lambert – Layperson from Tauranga

Continuing Professional Development (CPD)

There were no mandatory CPD activities scheduled by the OCNZ in 2011-12 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 keen to integrate the best practice approaches from worked based competence assessment component of the new overseas assessment process. Major changes to the CPD scheme will not be made until scope of practice reforms have been completed.

OCNZ Regional Conferences

Regional conferences were held in Wellington, Auckland and Christchurch during the year. The OCNZ is committed to raising awareness of the Act amongst the registrants and engaging in meaningful consultation processes to ensure that the context of OCNZ regulatory policy is understood by the profession.

The main themes of the conferences were:

- Scope of practice reform
- OCNZ research projects – osteopathic paediatric practice and a comparative analysis of ACC claim data
- Competence reviews, disciplinary processes and fitness to practice processes
- Disseminating the findings from the Rodriguez Case of the Health Practitioner's Disciplinary Tribunal. The case involved a complaint relating to a paediatric patient and underlines the importance of the ongoing paediatrics capabilities research project the Council is conducting.

The conferences were generally well received by registrants and the OCNZ feels that they are a useful means of engaging with the profession.

APC Statistics

On 31st March 2012 there were **386** Osteopaths in New Zealand with annual practising certificates (an increase of **15** on the previous year).

At the same time there were **565** Osteopaths on the Register, **179** of whom were inactive (those who are registered, but do not have an Annual Practising Certificate). **26** registrations were granted during the year; **10** were Unitec graduates, **15** came from overseas having passed the entry examination (up from **9** in the previous year). **1** registrant was entered under the provisions of the Trans Tasman Mutual Recognition Agreement.

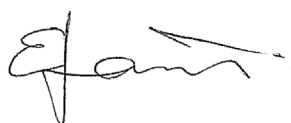
Nearly **23%** (**89**) of APC holders are **50** or over, **11%** (**41**) being over **60**. Such a large proportion of the osteopathic workforce potentially reaching retirement age in the next decade emphasizes the importance of international osteopathic graduates to the future of the profession.

Western Medical Acupuncture & Related Needling Techniques Scope of Practice

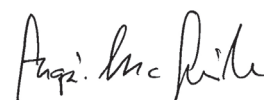
Seven osteopaths successfully completed the grandfathering process and two new registrants were enrolled in the period bringing the number of Western Medical Acupuncture and Related Needling Techniques Scope of Practice to nine.

Complaints and Disciplinary Processes

A number of complaints from the public to the Health and Disability Commission were referred to the Council for investigation. No competence reviews were held during this period. Four fitness to practice investigations took place leading to either conditions on the practitioner's scope of practice or voluntary agreements. A professional conduct review that had been prosecuted through the Health Practitioner's Disciplinary Tribunal (HPDT) was finalised during the year. The registrant pleaded guilty. The report¹ is available on the HPDT website. The HPDT directed the Council to bring the report to the attention of all registrants and Council duly emailed the report to all registrants.



Emma Fairs
Chair OCNZ



Stiofán Mac Suibhne
Deputy Chair OCNZ

1. <http://www.hpdt.org.nz/portals/0/ost11173pdecisionweb.pdf>

Osteopathic Council of New Zealand

Financial Reports

For the year ended 31st March 2012

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Osteopathic Council of New Zealand

Statement of Financial Performance

For the year ended 31st March 2012

	Note	2012 \$	2011 \$
REVENUE			
Annual Practise Certificates Fees		418,841	229,961
Examination Fees		64,000	22,571
Registration Fees		28,460	18,610
Other Income		20,771	812
Interest		8,373	9,865
Foreign exchange gain/loss		155	-
Total Revenue		540,598	281,819
Expenditure			
Board & Committees	1	134,033	187,297
Secretariat	2	255,367	366,297
Total Expenditure		389,400	553,594
NET SURPLUS/(DEFICIT)		\$151,198	(\$271,775)

Osteopathic Council of New Zealand

Statement of Movement in Equity

For the year ended 31st March 2012

	2012 \$	2011 \$
EQUITY AT BEGINNING OF PERIOD	4,900	276,675
Net Surplus/(Deficit) for the year	151,198	(271,775)
Total recognised revenues & expenses	151,198	(271,775)
EQUITY AT END OF PERIOD	\$156,098	\$4,900

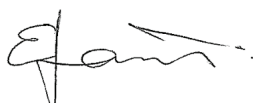
The accompanying notes form part of these Financial Statements

Osteopathic Council of New Zealand

Statement of Financial Position
For the year ended 31st March 2012

	Note	2012 \$	2011 \$
EQUITY		156,098	4,900
CURRENT ASSETS			
Cash, Bank & Bank deposits		516,445	421,012
Accounts Receivable		807	8,493
Prepayments		1,637	-
Loan to Health Regulatory Authorities Secretariat Ltd	3	6,528	5,000
Investment in Health Regulatory Authorities Secretariat Ltd	4	20	20
Total Current Assets		525,438	434,525
NON-CURRENT ASSETS			
Fixed Assets	6	1,691	4,526
Intangible Assets	7	6,755	11,868
TOTAL ASSETS		533,884	450,919
CURRENT LIABILITIES			
Goods and Services Tax		35,142	29,689
Accounts Payable	8	45,519	95,334
Income in Advance	9	297,124	320,996
Total Current Liabilities		377,786	446,019
TOTAL LIABILITIES		377,786	446,019
NET ASSETS		156,098	4,900

For and on behalf of the Council



Chair
Emma Fairs

Date 6/8/12



Registrar
Andrew Charnock

Date 6/8/12

The accompanying notes form part of these Financial Statements

Osteopathic Council of New Zealand

Statement of Accounting Policies

For the year ended 31st March 2012

BASIS OF PREPARATION

The Osteopathic Council of New Zealand 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 is an entity qualifying for differential reporting exemptions as it has no public accountability and is not large as defined by the Framework for Differential Reporting. The Council has taken advantage of all differential reporting exemptions.

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 2-3 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.

TAXATION

The Board is exempt from Income Tax.

INVESTMENTS

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

Osteopathic Council of New Zealand

Statement of Accounting Policies
For the year ended 31st March 2012

INCOME RECOGNITION

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

GOODS & SERVICES TAX

All amounts are stated exclusive of Goods & Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied on a consistent basis with those of the previous period.

COMPARATIVES

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

UNCERTAINTY ABOUT THE DELIVERY OF OFFICE FUNCTIONS IN FUTURE

In February 2011, Health Workforce New Zealand, on behalf of the Minister of Health (the Minister), issued a consultation document proposing a single shared secretariat and office function for all 16 health-related regulatory authorities. Following consultation, the 16 health-related regulatory authorities were given the opportunity to submit proposals for a single shared administrative secretariat. The Osteopathic Council of New Zealand is one of two collaborative groups working on the development of business cases to progress towards shared administrative secretariat functions.

The proposals, if they proceeded, would likely have a significant effect on the Osteopathic Council of New Zealand.

We have not quantified the possible effect.

Until a decision is made, there is uncertainty about the form in which our office functions will be delivered in future.

Osteopathic Council of New Zealand

Notes to the Financial Statements

For the year ended 31st March 2012

1. BOARD & COMMITTEES

	2012	2011
	\$	\$
Fees	55,275	109,210
Meeting expenses, training, travel & others	78,758	78,087
Total	134,033	187,297

2. SECRETARIAT

Audit fees	4,412	4,000
Depreciation & amortisation	12,103	10,977
Telephone, Postage & Printing and Stationery	3,851	16,221
Other costs	17,147	110,960
ANZOC Levies	38,443	37,343
Secretariat Operating Cost	100,295	122,149
Legal and Professional fees	77,272	64,647
Loss on Disposal	1,845	-
Total	255,367	366,297

3. RELATED PARTIES

HRAS provided administrative services to the Board on a non-profit cost recovery basis. The cost of those services for the period till mid August 2011 was \$10,273.

The Financial Management Agreement with HRAS was terminated on 1st April 2011 because Osteopathic Council has entered into a new arrangement with Occupational Therapy Board of New Zealand for provision of support services.

The working capital advance to HRAS of \$5,000 and the accounts payable of \$1,528 remain outstanding.

Stiofán Mac Suibhne and Clive Standen being members of the Osteopathic Council of New Zealand are also Directors of Australia New Zealand Osteopathic Council (ANZOC). During the year the council paid \$37,487 for membership of ANZOC (2011 \$39,177). The balance outstanding at year end was \$3,465 receivable from ANZOC. (2011 \$3,465)

4. INVESTMENT

The Board 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.

5. FINANCIAL MANAGEMENT AGREEMENT

Osteopathic Council Of New Zealand has entered into a service agreement with the Occupational Therapy Board of New Zealand from 1st April 2011.

Occupational Therapy Board provides business management support to Osteopathic Council of New Zealand.

This includes the provision of a Registrar, so there is no separate personnel expense in 2012.

The service agreement with HRAS has been terminated, however certain services were still provided by Health Regulatory Authorities Secretariat Limited (HRAS) till mid August 2011.

Osteopathic Council of New Zealand

Notes to the Financial Statements
For the year ended 31st March 2012

6. PROPERTY, PLANT & EQUIPMENT

	COST	ACCUMULATED DEPRECIATION	BOOK VALUE
At 31 March 2011			
Office furniture & equipment	10,769	6,243	4,526
Horis Database (1/5th share)	3,733	3,733	-
Server (1/5th share)	1,067	1,067	-
Total	15,569	11,043	4,526
At 31 March 2012			
Office furniture & equipment	5,224	3,533	1,691
Total	5,224	3,533	1,691

7. INTANGIBLE ASSETS

	COST	ACCUMULATED AMORTISATION	BOOK VALUE
At 31 March 2011			
Website	25,114	13,246	11,868
Total	25,114	13,246	11,868
At 31 March 2012			
Website	25,114	21,609	3,505
Computer Software	6,000	2,750	3,250
Total	31,114	24,359	6,755

8. ACCOUNTS PAYABLE & PROVISIONS

	2012	2011
	\$	\$
Accounts payable and accruals	42,340	89,617
PAYE/WHT	3,179	5,717
Total	45,519	95,334

9. DEPRECIATION & AMORTISATION

	2012	2011
	\$	\$
Depreciation has been charged against:		
Office furniture & equipment	990	2,614
Total	990	2,614
Amortisation of intangible assets		
Website	8,363	8,363
Computer Software	2,750	-
Total	11,113	8,363

10. INCOME IN ADVANCE

	2012	2011
	\$	\$
Fees received relating to 2012 / 2013 year	-	-
Annual practicing certificate fees	297,124	320,996
Total	297,124	320,996

Osteopathic Council of New Zealand

Notes to the Financial Statements

For the year ended 31st March 2012

11. CREDIT CARD FACILITY

A Visa credit card with a limit of \$10,000 is held with Westpac.

12. COMMITMENTS

The Council has a current commitment of \$80,220 (2011 \$80,220) and a nil non current commitment of \$0 (2011 \$80,220) to the Occupational Therapy Board of New Zealand for the provision of secretariat services.

13. CONTINGENT LIABILITIES

There are no contingent liabilities at balance date. (2011 \$Nil)

14. EVENTS AFTER BALANCE DATE

There were no events that have occurred after balance date that would have a material impact on these financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
OSTEOPATHIC COUNCIL OF NEW ZEALAND'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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 PKF Martin Jarvie, to carry out the audit of the financial statements of the Council on her behalf.

We have audited the financial statements of the Council on pages 2 to 7, that comprise the statement of financial position as at 31 March 2012, the statement of financial performance, and statement of movements in equity for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the Council on pages 2 to 7:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's:
 - financial position as at 31 March 2012; and
 - financial performance for the year ended on that date.

Uncertainty about the delivery of office functions in future

Without modifying our opinion, we draw your attention to the disclosure on page 4 regarding a proposal for combining the secretariat and office functions of the Council with other health-related regulatory authorities. We considered the disclosure to be adequate.

Our audit was completed on 6 August 2012. 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, 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 International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Council's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control 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.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Council

The Council is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Council's financial position and financial performance.

The Council is also 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.

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

Responsibilities of the Auditor

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

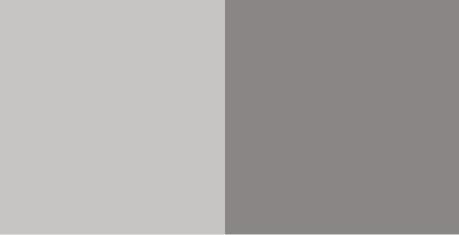
Independence

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

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



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



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