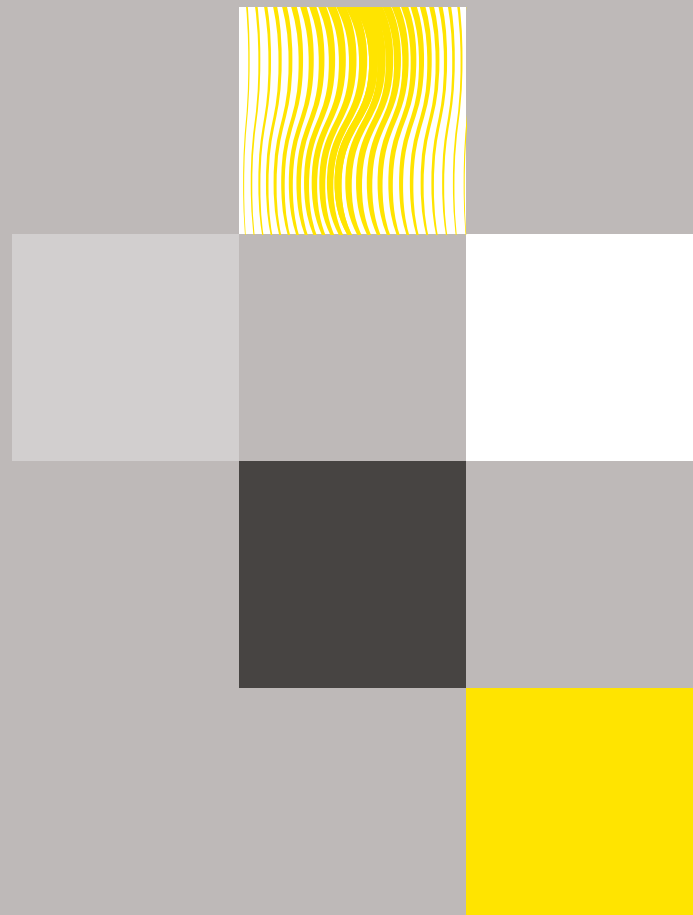




# ANNUAL REPORT and ACCOUNTS

2013 – 2014



**Kaunihera Whakanaoaiwi**



Hon. Tony Ryall  
Minister of Health  
Parliament Buildings  
WELLINGTON

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

This report highlights the Osteopathic Council's activities for the ninth 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 2014.

## Chairperson's Report 2013 – 2014

Dear Minister,

It was another busy year for the Osteopathic Council with the continuing development of a number of projects.

### **Pebblepad Development**

The Council has been developing a new recertification process over the last two years and will be gradually moving to an online portfolio/reflective practice model process. The relationship of the new process to ongoing clinical competency will be far higher than the current recertification /continuing professional development and Council intent is that the overall effect will be a more competent and capable profession.

In the 2014-2015 period the initial phase of PebblePad will roll out and over the following two year period registrants will gradually engage and use PebblePad as their recertification tool.

### **Paediatric Capabilities**

Over the last three years the Council has been looking into the profession in order to establish what the baseline for clinical competency is with regard to the treatment of the paediatric patient. The Council is wishing to standardise the knowledge, skills and attitudes required in relation to the paediatric patient and therefore improve the quality of osteopathic care this patient group is receiving. This process is ongoing and the report from the 2013-2014 project is soon to be published.

### **Reviewing of the Treatment of Sensitive Areas/Internal Techniques Protocols**

The Council, in response to the criminal case taken against Mr. Richard Davis, is undergoing a full review of the treatment of sensitive areas and internal techniques protocols. The Council will be consulting with the profession and stakeholders during this review. In the meantime the Council has provided registrants with guidance for this area of practice.

### **Review of the Clinical Relevance of Using High Velocity Low Amplitude Techniques (Hvla) in Children**

Current research into the use of HVLA techniques with children indicates that the profession is not using these techniques in children under eight years old. However the Council is looking into whether these techniques should, for the safety of the younger patient, be removed from the scope of practice.

The Council will shortly be consulting with the profession and stakeholders regarding this matter and consolidate its position.

### **Ongoing Training in Western Medical Acupuncture (WMA)**

The Council, over the 2014 year, will run a further two training days in the use of WMA. There has been a very healthy interest in this from the profession and the extended scope of practice in WMA improves patient care and safety.

### **Vocational Scopes of Practice**

The Council currently has two vocational scopes of practice:

- Pain Management
- Gerontology.

The Council is looking into the process and further training required to add a third scope of practice in rehabilitation.

The Osteopathic Council of New Zealand (OCNZ) continues to be hosted within the Occupational Therapy Board of New Zealand and is engaged through the Health Regulatory Authorities of New Zealand (HRANZ) at looking into further efficiencies of function and economies of scale. As a smaller council the OCNZ is committed to shared secretarial functions and the benefit this brings to both quality regulation and financial prudence.

The OCNZ is currently in the initial phases of implementing a change from its current IT platform to utilising the NERS IT platform which the Nursing Council have kindly allowed us to adopt and customise.

## Council Meetings

In the 2013-14 financial year the Council had two Council meetings in Wellington and two in Auckland. Much of Council business is conducted by committees who conduct their work by teleconference.

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)

**Stiofán Mac Suibhne** – Osteopath from Australia (Deputy Chair)

**Max Belcher** – Osteopath from Whangarei

**Warwick Bullen** – Layperson from Whanganui

**Tim Friedlander** – Osteopath from Auckland

**Martin Lambert** – Osteopath from Auckland

**Sharon Lambert** – Layperson from Tauranga

**Dee Taylor** – Osteopath from Christchurch (term ended August 2013)

## OCNZ Regional Conferences

Regional conferences were held in Wellington, Auckland, and Christchurch during the year. The OCNZ holds conferences to engage with the profession; making them aware of Council policy, the ACT and informing them of upcoming changes and events.

The main themes of the conferences were:

- Standardising osteopathic abbreviations – A guideline
- How to remain compliant in your business
- Online portfolio and the Council's move to PebblePad
- The pediatric capabilities project.

## Extended, Vocational and Special Purpose Scopes of Practice

Western Medical Acupuncture and Related Needling Techniques (WMA):	<b>13</b> registrants
Pain Management:	<b>1</b> registrant
Educator:	<b>2</b> registrants

## APC Statistics and the Osteopathic Workforce

On 31st March 2014 there were **439** Osteopaths in New Zealand with annual practising certificates (an increase of **32** on the previous year), at the same time there were **536** Osteopaths on the Register, **97** of whom were inactive (those who are registered but do not have an annual practising certificate). **39** registrations were granted during the year; **18** were Unitec graduates, **17** came from overseas having had their qualifications assessed by ANZOC (down from **21** in the previous year). **4** 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 Commission were referred to the Council for investigation. During the year the Council received **2** complaints about practitioners

The complaints were investigated further by Council with **1** being referred to a Professional Conduct Committee.



Emma Fairs  
Chair OCNZ

# Osteopathic Council of New Zealand

## Financial Statements

For the year ended 31 March 2014

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# Osteopathic Council of New Zealand

Statement of Financial Performance  
For the year ended 31 March 2014

	NOTE	2014 \$	2013 \$
<b>Revenue</b>			
Annual Practice Certificates Fees		364,319	338,256
Examination Fees		48,513	89,826
Registration Fees		28,497	28,500
Other Income		12,106	11,291
Interest		9,523	14,108
Foreign exchange gain/loss		0	0
<b>Total Revenue</b>		<b>462,959</b>	<b>481,981</b>
<b>Expenditure</b>			
Board & Committees	1	480,021	258,778
Secretariat	2	158,782	165,256
Total Expenditure		638,803	424,034
<b>Net Surplus/(Deficit)</b>		<b>-175,844</b>	<b>57,947</b>

# Osteopathic Council of New Zealand

Statement of Movement In Equity  
For the year ended 31 March 2014

	2014 \$	2013 \$
<b>Equity at beginning of period</b>	214,045	156,098
Net surplus/(deficit) for the period	-175,844	57,947
Total recognised Revenues and Expenses for the period	-175,844	57,947
<b>Equity at end of period</b>	<b>38,201</b>	<b>214,045</b>

*The accompanying notes form part of these Financial Statements*



# Osteopathic Council of New Zealand

Statement of Financial Position  
as at 31 March 2014

	NOTE	2014 \$	2013 \$
<b>Equity</b>		<b>38,201</b>	<b>214,045</b>
<b>Current Assets</b>			
Cash, Bank & Bank deposits		499,425	591,792
Accounts Receivable		1,796	5,070
Prepayments		3,918	5,242
Loan to Health Regulatory Authorities Secretariat Ltd	3	6,528	6,528
Investment in Health Regulatory Authorities Secretariat Ltd	4	20	20
Office rental		694	694
<b>Total Current Assets</b>		<b>512,383</b>	<b>609,347</b>
<b>Non-Current Assets</b>			
Fixed assets	6	2,611	7,494
Intangible assets	7	0	250
<b>Total Assets</b>		<b>514,993</b>	<b>617,091</b>
<b>Current Liabilities</b>			
Goods and Services Tax		47,811	42,143
Accounts payable	8	47,361	52,536
Income in Advance	10	381,620	308,366
<b>Total Current Liabilities</b>		<b>476,792</b>	<b>403,046</b>
<b>Total Liabilities</b>		<b>476,792</b>	<b>403,046</b>
<b>Net Assets</b>		<b>38,201</b>	<b>214,045</b>

For and on behalf of the Board.



Emma Fair  
Council Chair  
Dated:



Andrew Charnock  
Registrar  
Dated:

# Osteopathic Council of New Zealand

Statement of Accounting Policies  
For the year ended 31 March 2014

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## **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

Computer equipment 20% – 50% Straight Line Method

# Osteopathic Council of New Zealand

Statement of Accounting Policies

For the year ended 31<sup>st</sup> March 2014

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## **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 annual practicing 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 .

# Osteopathic Council of New Zealand

Notes to the Financial Statements  
For the year ended 31 March 2014

## 1. BOARD & COMMITTEES

	NOTE	2014 \$	2013 \$
Fees		145,217	80,034
Meeting expenses , training ,travel & others		129,037	114,014
Special projects		100,956	44,728
Legal,investigation and hearing expenses		104, 812	20,003
		<b>480 ,021</b>	<b>258,778</b>

## 2. SECRETARIAT

Audit fees		5,836	5,651
Depreciation & amortisation		5,133	9,942
Telephone , Postage & Printing and Stationery		6,961	6,726
Other costs		28,272	46 ,470
ANZOC Levies		0	0
Secretariat Operating Cost		83,686	78,864
Legal and Professional fees		28,893	16,821
Loss on Disposal		0	782
		<b>158,782</b>	<b>165,256</b>

## 3. RELATED PARTIES

The working capital advance to Health Regulatory Authorities Secretariat Limited (HRAS) of \$5 ,000 and the accounts payable of \$1,528 remain outstanding from 2011. Total remuneration paid to Board Members of Osteopathic Council during the year is as follows. The remuneration paid includes attendance at board meetings , travel and meeting expenses, special projects and discipline expenses.

	2014 \$	Unpaid at 31/03/14 \$	2013 \$
Emma Fairs	60,812	1,167	56, 151
Stiofan Mac Suibhne	51,587	2,235	42 ,005
Martin Lambert	12, 580	280	6,508
Sharon Lambert	5,926	0	2,170
Max Belcher	11, 991	1,439	3,516
Warwick Bullen	4 ,788	0	2,889
Tim Friedlander	10, 399	0	3,179
Dee Taylor	2,902	0	10,618
Clive Standen	0	0	1,231
<b>Total Key Management Personnel</b>	<b>160, 985</b>	<b>5,121</b>	<b>128,267</b>

## 4. INVESTMENT

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

# Osteopathic Council of New Zealand

Notes to the Financial Statements

For the year ended 31 March 2014

## 5. FINANCIAL MANAGEMENT AGREEMENT

Osteopathic Council Of New Zealand has entered into a service agreement with Occupational Therapy Board Of New Zealand. 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 2014.

## 6. PROPERTY, PLANT & EQUIPMENT

	<b>COST</b>	<b>ACCUMULATED</b>	<b>BOOK</b>
	<b>\$</b>	<b>DEPRECIATION</b>	<b>VALUE</b>
		<b>\$</b>	<b>\$</b>
<b>At 31 March 2013</b>			
Office furniture & equipment	5,986	5,051	935
Computer equipment	9,260	2,701	6,559
	<b>15,246</b>	<b>7,752</b>	<b>7,494</b>
<b>At 31 March 2014</b>			
Office furniture & equipment	5,986	5,304	681
Computer equipment	9,260	7,331	1,929
	<b>15,246</b>	<b>12,635</b>	<b>2,611</b>

## 7. INTANGIBLE ASSETS

	<b>COST</b>	<b>ACCUMULATED</b>	<b>BOOK</b>
	<b>\$</b>	<b>AMORTISATION</b>	<b>VALUE</b>
		<b>\$</b>	<b>\$</b>
<b>At 31 March 2013</b>			
Website	25,114	25,114	0
Computer Software	6,000	5,750	250
	<b>31,114</b>	<b>30,864</b>	<b>250</b>
<b>At 31 March 2014</b>			
Website	25,114	25,114	0
Computer Software	6,000	6,000	0
	<b>31,114</b>	<b>31,114</b>	<b>0</b>

# Osteopathic Council of New Zealand

Notes to the Financial Statements  
For the year ended 31<sup>st</sup> March 2014

## 8. ACCOUNTS PAYABLE & PROVISIONS

	2014	2013
	\$	\$
Accounts payable and accruals	41,134	44,354
PAYE/WHT	6,228	8,182
	<u>47,361</u>	<u>52,536</u>

## 9. DEPRECIATION & AMORTISATION

	2014	2013
	\$	\$
Depreciation has been charged against:		
Office furniture & equipment	253	736
Computer equipment	4,630	2,701
	<u>4,883</u>	<u>3,437</u>
Amortisation of intangible assets		
Website	0	3,505
Computer Software	250	3,000
	<u>250</u>	<u>6,505</u>

## 10. INCOME IN ADVANCE

	2014	2013
	\$	\$
Fees received relating to next year		
Annual practicing certificate fees	379,227	308,366
Inactive Registration	2,393	0
	<u>381,620</u>	<u>308,366</u>

# Osteopathic Council of New Zealand

Notes to the Financial Statements  
For the year ended 31 March 2014

## 11. CREDIT CARD FACILITY

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

## 12. COMMITMENTS

Osteopathic 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 annual cost of \$84,696 (2013: \$78,448.50). An amended provision of services agreement came into effect 1 November 2013.

Contractual commitments for operating leases of premises and equipment.

<b>101-103 The Terrace Wellington ASB Bank House</b>	<b>\$</b>
Not Later than one year	5,381
One to two years	1,345
	<hr/>
	<hr/> <b>6,726</b>

The figures disclosed above reflect Osteopathic Council's portion of rent, as currently payable. The lease agreement is in the names of a number of Health Regulatory Authorities which have joint and several liability. The full liability as at 31 March 2014 is Current \$231,384 and non current \$57,846 .

## 13. CONTINGENT LIABILITIES

There are no contingent liabilities at balance date. (2013: \$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.

## 15. UNCERTAINTY ABOUT THE DELIVERY OF OFFICE FUNCTIONS IN FUTURE

In February 2011 , Health Workforce New Zealand (HWNZ) . on behalf of the Minister of Health, issued a consultation document proposing a single shared secretariat and office function for all16 health regulatory authorities (RAs). As at 31 March 2014 , this proposal is no longer under consideration with any uncertainty disclosed in previous financial years being removed.

**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF  
OSTEOPATHIC COUNCIL OF NEW ZEALAND'S  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

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 Wellington, 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 2014, the statement of financial performance, and statement of movement 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 2014 and
  - financial performance for the year ended on that date.

**Potential Financial Difficulties**

Without modifying our opinion, we draw attention to the fact that the Council incurred a deficit of \$175,844 for the year ended 31 March 2014. This is a significant deficit in relation to the Council's net assets, and was incurred because of an increase in Board and Committee expenditure, including specific project expenditure and board fees. Specific project expenditure and board fees, totalling \$246,173 (2013: \$124,762) are reflected in note 1 and note 3 to the financial statements. In our view, a continuation of deficits of the size incurred for the year ended 31 March 2014 will result in the Council becoming financially unsustainable.

Our audit was completed on 18 December 2014. 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, in our judgement, are likely to influence readers' 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 preparation of the Council's 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. Also we did not evaluate the security and controls over the electronic publication 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 is also responsible for the publication of the financial statements, whether in printed or electronic form.

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.

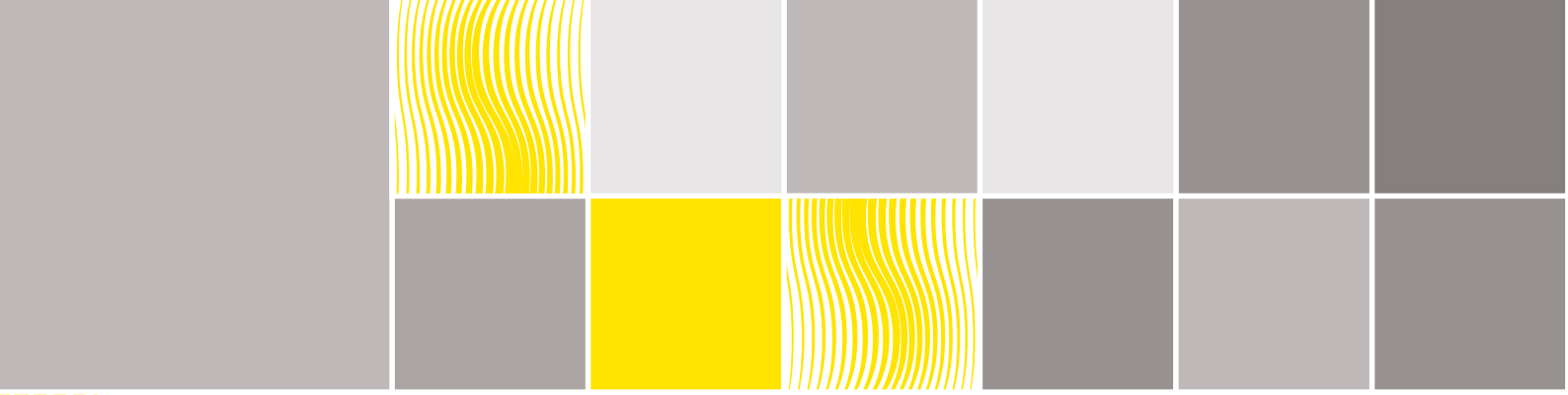
### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Council.

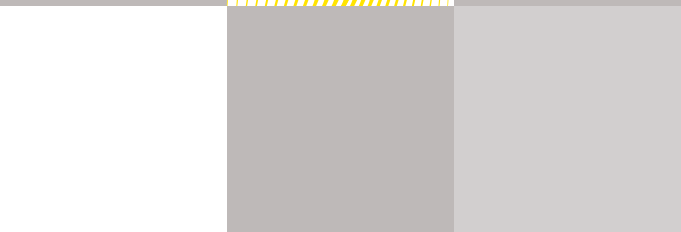
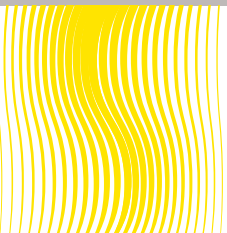
Other than the audit, we have no relationship with or interests in the Council.



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







**OCNZ**  
OSTEOPATHIC COUNCIL  
NEW ZEALAND

