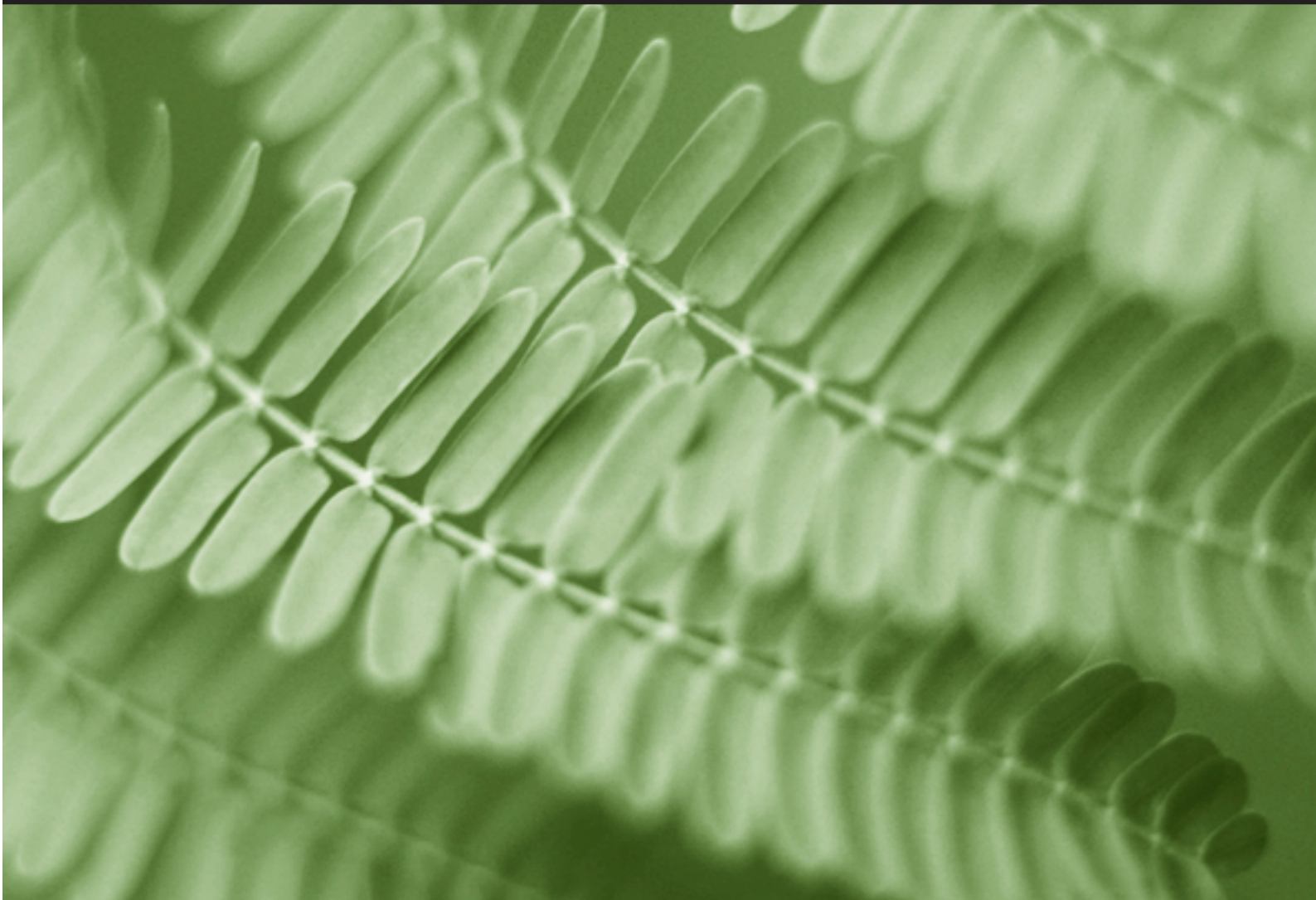




Annual Report

To the Minister of Health for the
year 2006–2007

THE OSTEOPATHIC COUNCIL OF NEW ZEALAND



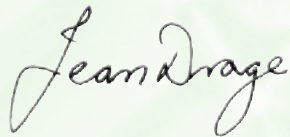
THE OSTEOPATHIC COUNCIL OF NEW ZEALAND

ANNUAL REPORT FOR THE YEAR 2006/2007

Hon. David Cunliffe
Minister of Health
Parliament Buildings
WELLINGTON

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

This report highlights the Osteopathic Council's activities for the third 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 2007.

A handwritten signature in black ink that reads "Jean Drage". The signature is written in a cursive style with a large initial 'J'.

Jean Drage
Chairperson

Chairperson's Report

The Health Practitioners Competence Assurance Act 2003 provided for osteopaths practising in New Zealand to be included in the same legislation as other regulated health practitioners and to practice as statutory regulated health professionals. As a result the Osteopathic Council was set up in 2004 as the regulatory authority that ensures the provisions of the Act are complied with.

Our first two years have seen both regulatory and competency frameworks for osteopaths established, along with a complaints process and a programme of policies and mechanisms for ongoing consultation with stakeholders. This year we have concentrated on developing an accreditation process for assessing the osteopathic qualification at Unitec, and established the Council's Competence Review team, while also strengthening our policies and reviewing the way we work as a Council.

The Council now has in place a continuing professional development programme, which includes a set of six core competency courses that all osteopaths are required to attend over a three year period. This mandatory programme began in 2006.

The Council also has an established Professional Conduct Committee (PCC) to deal with complaints against osteopaths that are not dealt with by the Health and Disability Commissioner. The PCC has dealt with one complaint during this financial year, a complaint that resulted in a referral to the Health Practitioners Disciplinary Tribunal.

This year the Council has set up a Competence Review Committee, a process that we see as being a helping hand as opposed to a heavy hand. Several resources have been developed to form the basis of these reviews and a training programme was carried out in March for committee members, which included information on conducting reviews and the legal framework for these.

Another significant policy developed during the year is an Accreditation policy and Handbook in preparation for an assessment of the osteopathic training course at Unitec.

While Unitec currently provides the only New Zealand based qualification for osteopaths, the Council's exam process continues to be the main entry point for overseas osteopaths applying for New Zealand registration. This exam requires each applicant to do three clinically based assessments of one hour each and be examined by one moderator and two examiners. All applicants wanting to sit this exam must already have an osteopathic qualification.

Exams are held in the last weekend of every month at the Unitec Osteopathic Clinic in Auckland. The pass rate in 2006 was 81%.

With the Trans-Tasman Mutual Recognition Act 1997 requiring the Council to work with the Australian osteopathic regulatory authorities on common entry issues, Council members attended an annual meeting with the Australian regulators and worked closely on common policies.

This year, following attendance at a governance workshop, members of the Osteopathic Council undertook a governance audit in order to review the way we work.

In the 2006-2007 financial year the Council had 5 council meetings in Wellington supported by several subcommittee meetings (by teleconference). The Registration Boards Secretariat (RBS) provides administrative support for the Council, with Diane Totton as our registrar.

On 31 March 2007 there were 330 Osteopaths in New Zealand with practising certificates. At the same time there were 438 Osteopaths on the Register, 38 registrations having been granted during the year.

The Osteopathic Council

The Osteopathic Council is the only regulatory authority established under the Health Practitioners Competence Assurance Act that has a consumer as chairperson.

The council has 8 members, 6 of whom are osteopaths and 2 consumers. Membership of the council changed during the year. The members are:

Jean Drage (*Chair*) from Wellington
Deepa Ranchhod (*Deputy Chair*) from Wellington
Duncan Bowles from Napier
Matthew Cooper from Wellington
Paul Hume from Hamilton
Stiofan Mac Suibhne from Christchurch
Dominic O'Sullivan from Hamilton
Dennis Stewart from Hawera

* Matthew Cooper and Stiofan Mac Suibhne were appointed to the Board in December 2006. They replaced Alison Couldrey who resigned in September 2006 and Bruce Harper whose term was completed in December 2006. Both had been Council members since it was first established.

Continuing Professional Development

In light of the legislative requirement that the Osteopathic Council develop systems that ensure osteopaths maintain their competence, the Council has established a continuing professional development (cpd) programme. Each year all osteopaths are required to complete 25 approved cpd credits. These credits must include two core competency courses and an up to date first aid certificate.

These cpd requirements can also be fulfilled through other means, such as attending Council approved courses, peer group meetings, teaching, tertiary study and attendance at annual general meetings of osteopathic associations. All practitioners are expected to keep a portfolio of courses attended and attach this to their applications for annual practising certificates.

Core Competency Programme

The Osteopathic Council has also set up a three year core competency programme that forms the basis of continuing professional development (cpd) from 2006 onwards. This core competency programme has been established to meet the requirements in the Health Practitioners Competence Assurance Act that the Council set standards and assess the clinical competence, cultural competence and ethical standards to be observed by registered osteopaths. This standard of competence is based on a set of six core competencies developed by the Council. These are clinical skills, communication, cultural, legal and ethical requirements, and professional management.

In 2006 osteopaths completed the clinical skills and communication competency courses. The two mandatory courses to be completed in 2007 are ethical requirements and cultural competencies. The 2007 courses have been provided by Unitec and UCOL.

Professional Conduct Committee

Whilst the Health Practitioners Competence Assurance Act requires that complaints against health practitioners involving health consumers are referred to the Health and Disability Commissioner, in some instances the Osteopathic Council is asked to deal with some complaints. To date, the Council's Professional Conduct Committee (PCC) has dealt with one complaint, which was referred to the Health Practitioners Disciplinary Tribunal.

Members of the PCC include Anna Swindells, Oliver Russell and Nigel Brooke (osteopaths) and Barbara Robson and Nola Fox (consumers).

Competence Review Committee

The Health Practitioners Competence Assurance Act also requires the Council to set up a competence review process. This review process occurs when the Council is alerted to concerns about standards of competence or risk of harm. It is evaluative and educational rather than punitive.

This year the Council has established and trained a Competence Review Committee. Members of this committee include Sharon Awatere, Stephen Halliday, Bruce Harper, Jose Kunzler, Christophe Pallies, Richard Robertson, Michaela Ross and Roseanne Shaw (osteopaths) and Diane Grant and Anne McCracken (consumers).

Accreditation

Another requirement of the Health Practitioners Competence Assurance Act is that the Council accredits and monitors osteopathic training courses. During this year, the Council has developed an accreditation process and will carry out an assessment of Unitec osteopathic training courses in the first quarter of 2008. Policy for this accreditation has been developed in conjunction with Registration Boards in Australia to ensure uniform standards are adopted within the framework of the Trans-Tasman Mutual Recognition Agreement.

As part of this policy, an accreditation handbook has been developed. This handbook defines the educational standards against which accreditation is assessed and outlines the procedures and timelines for this assessment process. The assessment team will be led by Professor Barry Cole, head of the Victorian College of Optometry, who has lead the assessment teams for four osteopathy accreditations in Australia.

Registration Criteria

The qualifications required for Registration are:

All applicants must either:

- Hold a Master of Osteopathy awarded by Unitec New Zealand

Or

- Pass an assessment or examination set or approved by the Council
(Applicants must provide evidence of osteopathic qualifications in order to sit this exam)

Under the Trans-Tasman Mutual Recognition Act 1997 all osteopaths registered with an Australian state or territory authority (except Western Australia) may also apply for registration in New Zealand.

Annual Practising Certificate

All registered osteopaths in New Zealand must apply for an annual practising certificate by 31 March 2007 in order to continue practising. Applications must show evidence of having undertaken 25 continuing professional development credits including the two mandatory core competency courses and a current first aid certificate, between 1 January 2006 and 31 December 2006.

Fees

Fees for registration and for an annual practising certificate for the period 1 April 2006 to 31 March 2007 were:

Application to register	\$600.00 plus GST
Practising Certificate, if practising more than 10 hours per week	\$1,000.00 plus GST
Practising Certificate, if practising 10 hours or less per week	\$500.00 plus GST
Practising Certificate, if newly graduated osteopath (i.e. applicants who completed their course in the period 1 April 2006 to 31 March 2007 or if for part-year 1 October to 31 March)	\$500.00 plus GST
Examination Fee	\$3,000.00 plus GST
Examination Review	\$1,000.00 plus GST

	2007	2006
	\$	\$
REVENUE		
Registration Fees	22,200	16,200
Annual Practising Certificates	324,034	314,147
Examination Fee	54,222	66,667
Interest Income	36,365	28,174
Other Income	297	201
Total Revenue	437,118	425,389
LESS EXPENDITURE		
Audit Fees	2,451	2,040
Bank Charges	4,713	2,992
Council Member Fees	35,445	77,406
Committee Members Fees	38,951	4,052
PCC Fees	5,314	–
Conferences/Seminars	7,695	3,660
Catering	1,407	1,553
Examiners Fees	26,288	24,502
Other Expenses	2,690	–
Equipment Hire	657	602
Room Hire	12,551	–
Legal Fees (General)	1,628	6,541
Discipline Hearings	27,199	–
Postage	2,844	2,455
Printing & Stationery	9,390	8,438
Professional Fees	–	45,300
Publications	–	152
Service Charges	98,644	99,592
Website Upgrades	902	2,005
Teleconference Costs	378	1,698
Telephone	3,715	3,193
Travelling Expenses	10,681	27,846
Committee Member Travel	975	–
Committee Accommodation	2,188	–
Council Accom & Expenses	4,973	–
Examiners Travel (airfares, parking, taxi)	8,991	137
Examiners Accommodation & Expenses	1,313	–
Examinations Standards Development	–	3,500
Total Expenditure	311,983	317,664
NET SURPLUS/(DEFICIT)	125,135	107,725

	2007	2006
	\$	\$
Equity at Beginning of Year	336,971	229,245
Net Surplus/(Deficit) for Year	125,135	107,725
EQUITY AT END OF YEAR	462,106	336,970

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED
31 MARCH 2007

STATEMENT OF MOVEMENTS IN EQUITY

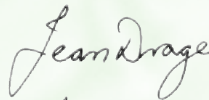
FOR THE YEAR ENDED
31 MARCH 2007

**STATEMENT
OF FINANCIAL
POSITION**
AS AT 31 MARCH 2007

	2007	2006
	\$	\$
EQUITY	462,106	336,970
<i>Represented By:</i>		
CURRENT ASSETS		
Accrued Income	1,761	3,912
Westpac Cheque Account	178,194	272,674
Westpac Call Account	93,816	101,756
Westpac Term Deposits	466,745	262,136
Total Current Assets	740,516	640,478
TOTAL ASSETS	740,516	640,478
CURRENT LIABILITIES		
Income Received in Advance – 2008	228,968	243,500
Accounts Payable	24,031	33,702
GST Payable	25,411	26,306
Total Current Liabilities	278,410	303,508
TOTAL LIABILITIES	278,410	303,508
NET ASSETS	462,106	336,970

For and on behalf of the Board

Chairperson:



Date: 3 October 2007

Registrar:



Date: 3 October 2007

1. STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The Council 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

The Measurement base adopted is that of historical cost. Reliance is placed on the fact that the business is a going concern.

Accrual accounting is used to match expenses and revenues.

SPECIFIC ACCOUNTING POLICIES

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.

Goods & Services Tax

The Financial Statements have been prepared on a tax exclusive basis with the exception of Accounts Receivable and Accounts Payable which include GST.

Investments

Investments are recognised at cost. Investment income is recognised on an accruals basis where appropriate.

Income Tax

The Council has been granted Charitable Status by the Inland Revenue Department. Therefore, under exemption CW34(1)(b) of the Income Tax Act 2004 the Council is exempt from Income Tax.

2. CONTINGENT LIABILITIES AND COMMITMENTS

A contractual liability of \$98,644 (2005 \$98,644) exists to the Registration Boards Secretariat Limited regarding service charges until 28 February 2008.

There are no contingent liabilities (2006: Nil)

3. RELATED PARTY TRANSACTIONS

There were no transactions involving related parties during the year, other than those already disclosed elsewhere in these Financial Statements.

Martin Jarvie PKF
Chartered Accountants



AUDIT REPORT
TO THE READERS OF THE
OSTEOPATHIC COUNCIL OF NEW ZEALAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

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 Martin Jarvie PKF, to carry out the audit of the financial statements of the Council, on his behalf, for the year ended 31 March 2007.

Unqualified Opinion

In our opinion:

- The financial statements of the Council on pages 6 to 8:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Council's financial position as at 31 March 2007; and
 - the results of its operations for the year ended on that date.

The audit was completed on 3 October 2007, and is the date at which our opinion is expressed.

The basis of the 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 our 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 the opinion.

Our 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 Members of the 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 the opinion above.

Responsibilities of the Members of the Council and the Auditor

The Members of the Council are responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Council as at 31 March 2007. They must also fairly reflect 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 Council.

A handwritten signature in black ink, appearing to read 'Robert Elms'.

Robert Elms

Martin Jarvie PKF

On behalf of the Auditor-General
Wellington, New Zealand

Contacting the Council

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