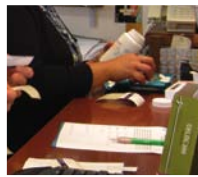


# Pharmacy Industry Training Organisation

*Dispensing Success*



ANNUAL REPORT 2010

## Chair's Report

In retrospect, I believe 2010 will be seen as a pivotal year in the development of technician and assistant training. Changes by TEC to our funding has made our long term future untenable, forcing us to re-evaluate our future. The board, with Alasdair's foresight, has embraced the inevitable change as an opportunity to widely consult with the pharmacy sector and look at the creation of a new set of qualifications which better meet the requirements of students and pharmacy. While this process is sad, as it marks the end of an era with PITO, it is also exciting with the potential for a better qualification and therefore a better profession.

We are now in the third year of a research project being undertaken with the University of Otago regarding pharmacy assistant training. We are looking forward to the results of this at the end of the year, which will be timely given our current sector wide review.

Last year we saw our retail technician representative Shelley Bonkovitch step down to allow her to pursue other ventures. The gap left by Maree Jensen stepping down as community pharmacy proprietor representative (and chair) has been ably filled by Karen Crisp, who is a community pharmacy owner and Guild VP from Christchurch.

They say good things come in small packages, which well describes the PITO team. Tina Meyer, Programme Co-ordinator and Jill Watt, National Moderator continue to oversee and support the training of students and the ongoing development of the pharmacy programmes. The latter has resulted in the launching this year of the e-modules in cardiology and respiratory with two more in development which will be released

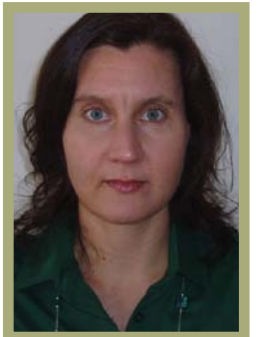
shortly. These online modules are open to all technicians and we hope will be a valuable tool in up skilling.

As we look to the future of our profession, my plea is that the pharmacy sector would engage with us in a meaningful and wholehearted way as we seek to better our profession. So often factions and competing priorities see PITO and our attempts to make the training of technicians and assistants visible, put to one side. The decreasing financial support we get from industry, whilst potentially understandable, in these hard times, only seems to enforce our lack of importance. We are faced with a chance to make meaningful changes to the future of our training and it would be a waste if this was let slip. Too often I talk to pharmacists who do not see the value in non pharmacist staff, but without these we will find it difficult to move out of our "count and pour" mode into a role that truly utilises our worth and the value we can bring to our patients.

I would like to thank the board and the PITO staff for their support and enthusiasm in these changing times.



Anthea Gregan  
*Chair*



## National Manager's Report



In many ways 2010 is the year which will be seen as the one which created many challenges for PITO and has set it on a new path. One where the outcomes will create a new future for qualifications and training for pharmacy support staff. It was a year in which many changes were proposed in the tertiary education sector. These changes are being implemented in 2011 and all will have a significant impact on how PITO will operate in the future.

The Tertiary Education Commission announced operational and funding changes affecting all ITOs. The most significant of these changes to impact on PITO, is limiting funding to 70 credits per year for each trainee. The net effect of this will be to greatly reduce the income received from the Industry Training Fund. It also requires a change to the way we structure our programmes and will require more strict adherence to training plans and times.

NZQA also completed changes to the qualifications framework and have introduced changes to qualifications structures. These changes have the potential to change the way qualifications and training are delivered and potentially have great benefit for the pharmacy sector.

Throughout all this change, the Board of PITO have taken a very positive outlook on the future and are working to ensure that the interests of the pharmacy sector are at the forefront and wherever possible, are being enhanced. It is with this in mind that the Board agreed the best way forward for PITO was to conduct a review of qualifications and training in 2011. The outcome of this review will determine what qualifications and training are required for the future and will also ultimately determine the best operational structure for PITO.

In the midst of all this change it was business as usual during 2010. Some highlights to come out of this included:

- trainee numbers increased at the start of the year and were maintained throughout
- a significant increase in STM achievement over 2009
- new assessment material was introduced and a process of updating and renewal implemented
- moderation systems were enhanced
- the development of e-learning resources continued
- new continuing education programmes were finalised ready for implementation in 2011
- PITO combined with Workbase to begin implementation of our Literacy and Numeracy strategy. This will be ongoing through 2011.

PITO continues to engage with all sector organisations and participate in a range of pharmacy related forums. These relationships are important and keep PITO at the forefront of developments within the sector and allows us to have input when necessary.

PITO continues to be well served by a very dedicated team both in the office and in the wider group of assessors. Likewise the Board provides professional leadership and support to the team and organisation. I would like to express my thanks to all of these for their ongoing support and work on behalf of PITO.

2011 will be a year of change, but we stand ready to embrace the challenges that it will bring us.

Alasdair McIntosh  
*National Manager*

## National Moderator's Report

During 2010, moderation and quality control have continued to be important features of our programme. Achievements during the year were:

### Verifiers Training Pack

This pack was originally a generic training manual and has now been re-written specifically for pharmacists. It has relevant examples and the two assessments are now more "user friendly." This will increase the relevance of pharmacists having to do these and enable them to complete the assessments more effectively.

### Assessment Verification

We have reviewed "task" orientated assessments and introduced verifying pharmacist checklist lists. This system is more robust because now assessors can be assured that all essential aspects of any task have been verified. PITO is in a fortunate position because our verifiers are all competent to act as an "expert witness." Their Annual Practicing Certificate provides quality assurance that they are all competent and current.

### Literacy and Numeracy

The technicians' and assistants' roles have been scoped to identify the literacy and numeracy skills required. There is now a plan to review assessments to increase the readability and make sure that plain English is used. An expert in Literacy and Numeracy gave an excellent presentation at the annual PITO staff workshop. There was constructive discussion as to when it is appropriate for Assessors to correct or comment on literacy skills.

### Short Course Programmes

One continuing education module has been launched for technicians who already have the National Certificate. This module includes three unit standards from the new version of the National Certificate and incorporates two

e-learning resource modules with another two being written. PITO appreciate all the work that our writers and assessors have done in order to develop these e-learning resources. It is encouraging to see the number of technicians who have already enrolled in these courses.

### Moderation

Training providers and PITO assessors have met the stringent pre- and post-moderation requirements. The process has continued smoothly, with providers meeting their obligations. The moderation results indicate that there is a high standard of consistent and helpful marking.

### Assessments

These have been updated when there have been changes made in legislation. Assessors have been pro-active in reporting when an assessment needs amendments.

PITO acknowledges the support given by the group of pharmacists who have worked as writers, assessors and moderators. Several have multiple roles and their experience has been invaluable.

Jill Watt  
*National Moderator*



# Financial Statements

for the year ended 31 December 2010

## Independent Audit Report

### To the Readers of the Financial Statements of Pharmacy Industry Training Organisation Incorporated

We have audited the attached financial statements of Pharmacy Industry Training Organisation Incorporated, which comprise the statement of financial position as at 31 December 2010 and the statement of financial performance and statement of movements in equity for the year then ended, and a statement of other material information, which includes a statement of accounting policies.

#### Board's Responsibility for the Financial Statements

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Board determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

An associated entity has carried out other assignments for Pharmacy Industry Training Organisation Incorporated, providing assistance in the area of financial statement finalisation, and monthly reporting. We have no other relationship with, or interests in, Pharmacy Industry Training Organisation Incorporated.

#### Opinion

In our opinion, the attached financial statements present fairly, in all material respects, the financial position of Pharmacy Industry Training Organisation Incorporated as at 31 December 2010 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Markhams Miller Dean Audit  
**Chartered Accountants**  
 Wellington, New Zealand  
 25 February 2011

# Financial Statements

for the year ended 31 December 2010

## Statement of Financial Position

	Note	2010 \$	2009 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Bank Balances		491,697	346,756
Receivables and Accruals	8	18,192	13,661
<b>Total Current Assets</b>		<b>509,889</b>	<b>360,417</b>
<b>Non-Current Assets</b>			
Fixed Assets	9	4,203	5,915
<b>Total Non-Current Assets</b>		<b>4,203</b>	<b>5,915</b>
<b>Total Assets</b>		<b>514,092</b>	<b>366,332</b>
<b>Current Liabilities</b>			
Payables and Accruals	10	99,011	49,072
<b>Total Liabilities</b>		<b>99,011</b>	<b>49,072</b>
<b>Net Assets</b>		<b>415,081</b>	<b>317,260</b>
<b>Equity</b>			
Retained Surplus		415,081	317,260
<b>Total Equity</b>		<b>415,081</b>	<b>317,260</b>



**Chairperson**  
 26 February 2010



**National Manager**  
 26 February 2010

These financial statements should be read subject to the Statement of Other Material Information.

# Financial Statements

for the year ended 31 December 2010

## Statement of Financial Performance

	Note	2010	2009
		\$	\$
<b>Operating Revenue</b>			
STM Funding		294,819	251,034
Industry Members	2	30,812	34,694
Trainees	3	47,879	36,123
Other Revenue	4	202,052	94,038
<b>Total Operating Revenue</b>		<b>575,561</b>	<b>415,889</b>
<b>Operating Expenditure</b>			
Governance	5	9,817	9,839
Operating Expenditure	6	354,043	302,150
Standards & Qualifications	7	113,880	108,664
<b>Total Operating Expenditure</b>		<b>477,741</b>	<b>420,653</b>
<b>Net Surplus/(Deficit) for the Year</b>		<b>97,821</b>	<b>(4,764)</b>

## Statement of Movements in Equity

	2010	2009
	\$	\$
Net Operating Surplus/(Deficit) for the Year	97,821	(4,764)
<b>Total Recognised Revenues and Expenses</b>	<b>97,821</b>	<b>(4,764)</b>
<b>Equity at the Beginning of the Year</b>	<b>317,260</b>	<b>322,024</b>
<b>Equity at the End of the Year</b>	<b>415,081</b>	<b>317,260</b>

These financial statements should be read subject to the Statement of Other Material Information.

# Financial Statements

for the year ended 31 December 2010

## Statement of Other Material Information

### 1. Statement of Accounting Policies

#### Reporting Entity

The Pharmacy Industry Training Organisation (PITO) is an incorporated industry training organisation registered under the Incorporated Societies Act 1908. It is responsible for setting standards and qualifications for Pharmacy Technicians and Pharmacy Assistants.

#### Basis of Preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Practice in New Zealand.

#### Measurement Base

These financial statements have been prepared on a going concern basis in accordance with historical cost and accrual concepts.

#### Specific Accounting Policies

The following specific accounting policies that materially affect the measurement of the financial performance and financial position have been applied.

#### Revenue and Expenditure Recognition

All revenue except trainees' income is recognised when billed or earned on an accruals basis.

Trainees' income is recognised on a cash received basis.

All expenditure is recognised when billed or an obligation arises on an accruals basis, except for donated services.

#### Donated Services

The work of PITO is dependent on the voluntary services of many members. Due to the difficulty in determining the value of the donated services with sufficient reliability, donated services are not recognised in the statement of financial performance.

#### Taxation

PITO was registered as a charity with the Charities Commission, effective from 17 July 2007, and accordingly its transactions for a charitable purpose are exempt from income tax.

#### Accounts Receivable

Trade receivables are stated at expected realisable value after providing for bad or doubtful debts. All known bad debts are written off and charged to the statement of financial performance in the period in which they are identified.

#### Fixed Assets

Fixed assets are recorded at cost and depreciated over the estimated useful lives of the assets. Subsequent expenditure that extends or increases the asset's service potential is capitalised.

Depreciation is provided on a straight-line basis on all fixed assets other than work in progress to allocate the cost or value of the asset (less any residual value) over its useful life. The estimated useful lives and depreciation rates of the major classes of fixed assets are as follows:

	Estimated Useful Lives	Straight Line Depreciation
Computer Equipment	2–3 years	36–48%
Website	2–3 years	48%
Databases	2–3 years	48%
Office Furniture	10–12.5 years	8.4–12.6%
Office Appliances	8 years	21%

# Financial Statements

for the year ended 31 December 2010

## Statement of Other Material Information continued

### Equity

Equity is the member's interest in PITO and is measured as the difference between total assets and total liabilities.

Retained surpluses represent the accumulated amount of unexpended government funding and revenue from trainee members. It is retained and available to cover future expenditure.

### Differential Reporting

PITO is a qualifying entity by virtue of the fact that it has no public accountability and is small

as defined by the Framework for Differential Reporting issued by the New Zealand Institute of Chartered Accountants. All available differential reporting exemptions allowed have been applied.

### Comparatives

To ensure consistency with the current year, the comparative figures have been reclassified where appropriate.

### Changes in Accounting Policies

There have been no changes in accounting policies during the year.

	2010	2009
	\$	\$
<b>2. Industry Members</b>		
Pharmacy Guild of New Zealand (Incorporated)	13,000	15,000
Pharmaceutical Society of New Zealand (Incorporated)	13,000	15,000
Other Industry Members	4,812	4,694
<b>Total Industry Members</b>	<b>30,812</b>	<b>34,694</b>
<b>3. Trainees</b>		
Enrolments	47,879	36,123
<b>Total Trainees</b>	<b>47,879</b>	<b>36,123</b>
<b>4. Other Revenue</b>		
Interest Received	16,300	15,918
Project Funding	153,750	58,516
Standards and Qualification Income	13,893	13,345
Sundry Revenue	18,109	6,259
<b>Total Other Revenue</b>	<b>202,052</b>	<b>94,038</b>

# Financial Statements

for the year ended 31 December 2010

## Statement of Other Material Information continued

	2010	2009
	\$	\$
<b>5. Governance</b>		
Board Member's Fees	2,512	3,690
Board Expenses	7,305	6,149
<b>Total Governance</b>	<b>9,817</b>	<b>9,839</b>
<b>6. Operating Expenditure</b>		
Accounting Services	5,885	5,495
Audit Services	3,600	3,660
Bad Debts	39	0
Communications	24,529	18,660
Conference Attendances	5,648	2,853
Depreciation	2,083	1,960
Loss on disposal of Fixed Assets	339	0
Management Charge	86,667	70,833
Overheads	18,718	14,076
Printing & Stationery	2,895	5,813
Professional Fees & Subscriptions	4,028	4,195
Project Expenditure	109,868	60,784
Remuneration	64,337	83,446
Sundry Operating Expenditure	25,409	30,375
<b>Total Operating Expenditure</b>	<b>354,043</b>	<b>302,150</b>
<b>7. Standards and Qualifications</b>		
Assessment	61,233	49,053
CPD & Development	34,298	39,978
Moderation & Qualifications Review	9,273	10,264
NZQA Expenses	9,053	7,318
Provider Visits	24	2,051
<b>Total Standards and Qualifications</b>	<b>113,880</b>	<b>108,664</b>

# Financial Statements

for the year ended 31 December 2010

## Statement of Other Material Information continued

	2010	2009		
	\$	\$		
<b>8. Receivables and Accruals</b>				
Trade Receivables	3,240	3,057		
Pharmacy Guild of New Zealand (Incorporated)	3,656	4,219		
Pharmaceutical Society of New Zealand (Incorporated)	5,399	1,148		
Accrued Income	4,150	3,979		
Sundry Receivables	1,747	1,258		
<b>Total Receivables and Accruals</b>	<b>18,192</b>	<b>13,661</b>		
<b>9. Fixed Assets</b>				
	\$	\$	\$	\$
	Cost	Depn	Acc Depn	Carrying Value
<b>2010</b>				
Website	5,784	0	5,784	0
Office Appliances	257	54	223	34
Office Furniture	5,428	578	2,306	3,122
Databases	7,675	0	7,675	0
Computer Equipment	15,605	1,451	14,558	1,047
	<b>34,749</b>	<b>2,083</b>	<b>30,546</b>	<b>4,203</b>
	\$	\$	\$	\$
	Cost	Depn	Acc Depn	Carrying Value
<b>2009</b>				
Website	5,784	0	5,784	0
Office Appliances	257	54	169	88
Office Furniture	5,927	635	1,888	4,039
Databases	7,675	0	7,675	0
Computer Equipment	14,895	1,271	13,107	1,788
	<b>34,538</b>	<b>1,960</b>	<b>28,623</b>	<b>5,915</b>

# Financial Statements

for the year ended 31 December 2010

## Statement of Other Material Information continued

	2010	2009
	\$	\$
<b>10. Payables and Accruals</b>		
Creditors	9,604	8,133
Accrued Expenditure	89,407	40,939
<b>Total Payables and Accruals</b>	<b>99,011</b>	<b>49,072</b>

### 11. Related Parties

PITO receives membership fees from Pharmacy Guild of New Zealand and Pharmaceutical Society of New Zealand who are PITO's board members. Total membership fees received from board members in 2010 is \$26,000 [2009 : \$30,000]. Otherwise, there have been no related party transactions.

	2010	2009
	\$	\$
<b>12. Statement of Commitments</b>		
Current	2,964	0
Non-current	4,446	0
	<b>7,410</b>	<b>0</b>

### 13. Contingent Liabilities

There are no contingent liabilities at year end [2009:nil]. Pharmacy Industry Training Organisation has not granted any securities or given any guarantees in respect of liabilities payable by it or any other parties.



**ANNUAL REPORT 2010**

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