

COMMUNITY
PHARMACIES



**Pharmacy Industry
Training Organisation**

Non-practicing Pharmacists

Practicing Pharmacists
ANNUAL REPORT 2006

Pharmacy
Technicians

Hospital

Pharmacy Technicians

Hospital
Pharmacy
Assistants

Hospital
Pharmacies

71% of Pharmacy Technicians and 60% of Pharmacy Assistants work full-time

Board Members 2006

SANDY BHAWAN



Sandy is the Competence Policy Advisor for the Pharmacy Council of NZ. She comes from a background in hospital pharmacy. Sandy has been involved in the assessment of intern pharmacists since 2001 and has had some experience in the teaching and assessment of final year pharmacy students. Her role at the Council includes developing competence-based learning material to facilitate

pharmacists returning to practise; for recertification requirements, and for the Preregistration Programme as well as for assessing pharmacists undergoing a competence review. She is also involved in other Council projects including setting competence standards for medicines management services.

ALISTAIR WHYTE



Alistair is a registered pharmacist who was lucky enough to experience both hospital pharmacy and pharmaceuticals manufacturing, as an intern, before concentrating upon a community pharmacy career spanning over 20 years in the Manawatu. Alistair has been involved in the startup of several pharmacies; he founded and currently operates The Chemist Shop Palmerston North. For over ten years Alistair has

enjoyed involvement as a preceptor and has been involved in the training of a number of technicians and intern pharmacists. Alistair is a board member for the Manawatu Community Pharmacy Group and has also previously served upon the boards of Primenet, the Vantage Group as well as its later integration into Pharmacy Retailing Limited. Alistair remains a ProPharma Regional Advisor and joined the PITO Board in 2005. Alistair became a Member of the College of Pharmacists in 2001.

Aside from the rigors of a changing pharmacy environment, Alistair's current focus is the development of extended pharmacy services in the Manawatu and he was actively involved in the establishment of a pilot subsidised diabetics sharps disposal system.

MUHAMMAD NASEEM (JOE) ASGHAR



Joe is currently working for the Foundation for Research Science & Technology in Wellington. Prior to this, he spent over 20 years working in the health sector predominantly in the UK. He has experience across a number of settings working with patients (as a pharmacist), managers and healthcare staff (as an Assistant Director of Primary Care), with students (as a lecturer) and with Ministers (through the

Department of Health). In the recent past he worked for Capital & Coast Health. He has a continuing interest in pharmacy practice research, ethics and has a number of published papers to his name. Joe and his family moved to New Zealand some 2 years ago. Since then, Joe has developed a keen interest in civil defence, cycling, DIY and sailing.

MAREE JENSEN – CHAIR



Maree is a registered pharmacist in New Zealand and the UK. She has worked as a hospital pharmacist in the UK and in both hospital and community pharmacy in New Zealand.

Maree currently owns a pharmacy in Auckland offering a number of specialised services. She is also Course Co-ordinator for Professional Pharmacy Studies and Senior Tutor in Pharmacy

Practice at Auckland School of Pharmacy and was awarded the Dennis Pickup Clinical Teaching Award from the FMHS Auckland University in 2004.

Maree was awarded a Fellowship of the Pharmaceutical Society of NZ in 2002 and is an active member of a number of professional bodies.

98.25% of Pharmacy Technicians are female.

25%

Board Members 2006 – Continued

JULIE YEE – DEPUTY CHAIR



Julie obtained her B Pharm degree from the Victorian College of Pharmacy, Melbourne and completed her masters in Clinical Pharmacy via distance teaching from Otago University in 1997. She served on the NZHPA Executive Board and represents the hospital sector on the PITO Board. She has previously been active in Competency Working Parties and is on the assessment panel for overseas

pharmacists. Julie is also privileged to have been a preceptor for several pharmacy interns during her time at Christchurch Hospital.

Julie is currently employed as the Pharmacy Service Leader at Wellington Hospital, where she has an interest in the continuing professional development of pharmacy technicians. Several innovative technician positions have been created at Wellington Hospital in recognition of the contribution and expertise technicians bring to the pharmacy department.

KAHU MCMURDO



Kahu started in the pharmacy industry in 1997. She was ZUELLIG Pharma Pharmacy Assistant of the Year in 2001, the same year that she completed her National Certificate in Pharmacy (Assistant). Kahu was also a member of the organising committee for the 2001 Pharmacy Technicians and Assistants Conference. In 2003, she was a member of the team who were Zuellig Pharma Runner Up Outstanding

Team. In 2004 she obtained her National Certificate in Pharmacy (Technician). Kahu represents pharmacy assistants and pharmacy technicians on the Board.

DIANE KING



Diane has a community pharmacy background and joined the Pharmacy Guild staff in 1996 as tutor for the Pharmacy Assistant Diploma (PAD). She was directly involved in the establishment of the NZQA registered National Certificates in Pharmacy and the transition from the Pharmacy Assistant Diploma to the new qualifications for pharmacy assistants and technicians.

Diane is currently the Guild's Resource Development Manager where her focus is on new service development.

39% 13% of Pharmacy Assistants hold the National Certificate in Pharmacy (Assistant)

Chair's Report

Welcome to the Pharmacy Industry Training Organisation (PITO) 2006 Annual Report.

2006 saw PITO move from relative obscurity to becoming a key player in the pharmacy sector.

Early in 2006 the board undertook a strategic review of our organisation. The conclusions drawn from this process have been acted upon by our very able and dedicated manager and staff, resulting once again in PITO exceeding the targets set by the Tertiary Education Commission.

Communication with our target market was seen as one of our key priorities, consequently the PITO website has been launched, a technician focus group has been established and regular newsletters continue to be sent out to all members and pharmacies.

Community pharmacies, like hospital pharmacies, rely on the help of their pharmacy technicians and pharmacy assistants to operate efficiently. Last year PITO's main focus was to complete the review of the qualifications for pharmacy support staff. This involved bringing them up to date and in line with current best practice, as well as expanding the topics contained within them.

This project is now complete. The industry has endorsed the contents of the revised National Certificates, confirming that these qualifications cover the tasks carried out by pharmacy technicians and pharmacy assistants, both in community and hospital pharmacy settings. The revised qualifications are due to be registered in June 2007.

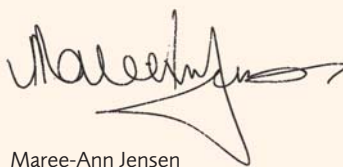
During 2006, the Board identified the need to market and promote to pharmacists and pharmacy support staff alike, the benefits of continuing training and education. This will be a priority for 2007, with the development of individual study modules being high on the agenda to accommodate those who have completed their National Certificate and wish to study a wider range of specific topics.

In today's rapidly changing employment climate, the value of skill recognition cannot be stressed too much. Employers want to know what potential staff can do. Keeping an on-going record of new skills learned and courses completed will become more and more valuable as the scope of pharmacy practice expands to meet the ever increasing expectations of its clients.

Numbers – well, 160 pharmacy technicians and 79 pharmacy assistants receiving their National Certificates, including 25 technicians who upgraded their qualification through PITO and the first pharmacy assistant to have their skills and knowledge recognised through PITO's recognition of current competence programme; 31 new unit standards, 4 new assessors, a balance sheet in the black – what more could one ask for?

2006 has been a year in which PITO has seen many changes, not least the assertion of independence in the move to its own office on the 2nd Floor of Pharmacy House. The tertiary landscape is changing and PITO is fired up and ready to meet the challenges that these changes will bring in 2007 and the years to come in the world of pharmacy education and training.

My thanks go to the Board, PITO staff, moderators and assessors, for their hard work during the year. I look forward to continuing to work with you all in 2007 as we deliver high quality and relevant skills and qualifications to pharmacy technicians and assistants throughout New Zealand



Maree-Ann Jensen

Chair



100% of Pharmacy Technicians are qualified or a working towards the National Certificate in Pharmacy (Technician)

National Manager's Report



It's been great to review the last year and see how much PITO has developed.

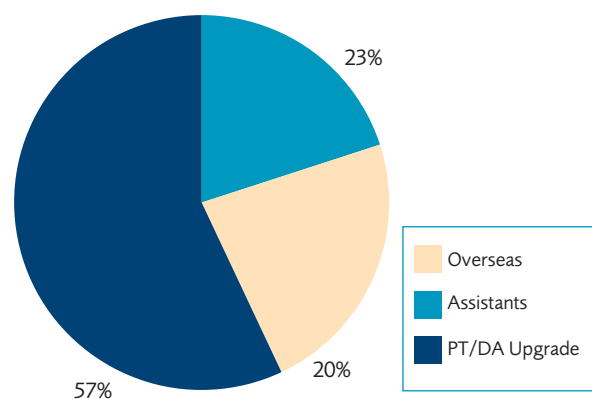
Key Achievements for 2006:

- PITO again exceeded the targets set by the Tertiary Education Commission (TEC) and again received the full amount of funding allocated in the Funding Contract;
- The Profile for 2007-2009 has been approved and funding will increase by 7.5% for 2007;
- Four new assessors came on board;
- PITO launched its own website;
- 31 new unit standards were written and signed off by the industry;
- An Industry Skills Strategy for Pharmacy Support Staff was developed after extensive consultation;
- PITO moved to its own office within Pharmacy House.

General Activity

2006 has again been a year of consolidation for PITO with trainee numbers shifting as more technicians chose to upgrade their qualifications and a higher than usual number of overseas technicians enrolled.

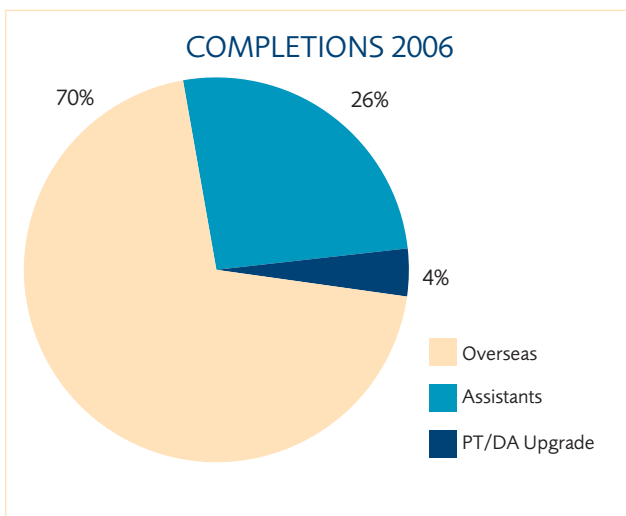
TRAINEES IN 2006



Our research clearly shows that a very low percentage of pharmacy assistants hold a relevant qualification, we will be marketing to this group in particular in 2007.

During the year 25 pharmacy technicians and one pharmacy assistant were awarded their National Certificates in Pharmacy through a PITO programme. Congratulations to all of you.

45% of Pharmacy Technicians and Pharmacy Assistants have left the industry for 1–5 years



Qualifications Review

PITO employed a qualifications consultant which enabled us to develop a number of new unit standards to broaden the scope of the current pharmacy technician and assistant qualifications into all areas in which technicians and assistants are currently able to work.

As the role of pharmacy support staff develops to keep pace with the developing roles of pharmacists, the structure of the training required is changing. Our research clearly indicates that technicians and assistants are keen to continue to train and develop their skills and knowledge once they have completed the National Certificate. As a result, a closer association is developing with the College of Pharmacists to enable access to their courses, while PITO plans to develop new training modules during 2007.

As a result of the research conducted late last year, a technician focus group was formed to look at the way forward in terms of continuing professional development and networking amongst technicians. This group will continue to meet in 2007 with a view to expanding its membership and shaping the development of further learning materials.

Industry Skills Strategy

PITO has, after extensive consultation, developed an Industry Skills Strategy for pharmacy support staff. This includes strategies to ensure that the existing skill needs of pharmacy support staff are met and to promote practices to meet future skill needs. This strategy received approval from the Tertiary Education Commission in December and now forms part of PITO's overall strategic plan.

Accreditation of New Provider

In December PITO and NZQA approved the accreditation of the Academy Group (NZ)'s Christchurch campus to offer the National Certificate in Pharmacy Technician, the first full-time provider of the National Certificate in the South Island.

Conclusion

2006 was a big year for PITO in terms of stepping out as a truly independent organisation. The foundations are now firmly in place and the blocks currently being laid will ensure the emerging organisation is one that is dynamic and proactive in its approach to meeting the training and development needs of the pharmacy industry.

Jane Watson-Baker

National Manager

90% of Pharmacy assistants have email

90%

National Moderator's Report



2006 was another busy year for us.

- Once again we met and talked with all the providers in terms of expectations and requirements for pre- and post- moderation of the pharmacy unit standards in our two national qualifications;
- We held a meeting with providers to discuss the content and structure of the proposed new national qualification for technicians, and what this would mean to providers;

- We brought on board and trained four new assessors;
- We developed 31 new pharmacy unit standards.

Moderation

PITO has stringent pre- and post-moderation requirements. If pre-moderation is carried out correctly and thoroughly, then post-moderation becomes more of a formality check for consistent and appropriate assessment marking. All providers have willingly complied with moderation requirements, and PITO has worked with them to ensure that the qualifications are consistently delivered to the required standard throughout New Zealand.

We continue to see a high standard of consistent marking in post moderation. This is very encouraging.

New National Qualification for Technicians

Our qualifications advisory group has met several times to examine the content and structure of the current National Certificate in Pharmacy (Technician). It has proposed a new structure and content that is more in line with international standards for technicians, and one that will give them the academic and practical background to move into some of the expanded roles which could become available to technicians in the future, particularly those in the hospital sector.

PITO met with all the providers to discuss these options. This was a very positive exercise, and PITO appreciated the constructive feedback and submissions made by those who are responsible for delivering the programmes. We also appreciated their willingness to work with us and move forward to meet the changing needs of the pharmacy sector.

As a result, providers are considering the structure and length of their training programmes. This could entail an increase in course duration and subjects covered and even a structured internship period towards the end of the training.

This has been a huge amount of work, both for providers and PITO. We owe a large debt of thanks to the advisory group that toiled so hard and so long, especially Janice Hunt who did a sterling job on the new unit standards.

It is very exciting to be on the brink of having a national qualification that not only meets the needs of pharmacy now, but has enough flexibility to continue to grow and evolve with our ever changing profession.

PITO Assessment only option

PITO continues to deliver this option for technicians holding either an old New Zealand or an overseas technician qualification and for assistants with 2 years or more experience, who wish to achieve the National Certificates. Moderation and development of the material for these assessments is ongoing, and in 2007 all existing material will be reviewed. In addition, PITO will review key performance indicators and standard operating procedures to ensure that all our customers, both internal and external, know what they can expect from us in terms of service and delivery.

We look forward to another busy and productive year in 2007.

A handwritten signature in black ink that reads "Elizabeth Johnstone". The signature is written in a cursive, flowing style.

Elizabeth Johnstone

National Moderator

STATEMENT OF FINANCIAL PERFORMANCE

for year ended 31 December 2006

	Note	2006 \$	2005 \$
OPERATING REVENUE			
STM Funding		147,910	121,144
Industry members	1	64,484	72,903
Trainees	2	30,716	26,296
Other Revenue	3	30,343	34,103
Total Operating Revenue		273,453	254,446
OPERATING EXPENDITURE			
Governance	4	8,613	5,686
Operating Expenditure	5	160,073	164,003
Standards & Qualifications	6	64,563	33,457
Total Operating Expenditure		233,249	203,146
Net surplus before taxation for the year		40,204	51,300
Taxation Credit		0	1,161
Net surplus after taxation for the year		40,204	52,461

STATEMENT OF MOVEMENTS IN EQUITY

for year ended 31 December 2006

	2006 \$	2005 \$
Net operating surplus for the year	40,204	52,461
Total recognised revenues and expenses	40,204	52,461
Equity at the beginning of the year	220,828	168,367
Equity at the end of the year	261,032	220,828

The Statement of Accounting Policies and Notes to the Financial Statements on pages 9 to 11 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2006

	Note	2006 \$	2005 \$
Assets			
Cash and bank balances		223,053	193,513
Receivables and accruals	7	43,146	39,513
Fixed Assets	8	24,802	7,675
Total assets		291,001	240,701
Liabilities			
Payables and accruals	9	29,969	19,873
Total liabilities		29,969	19,873
Net Assets		261,032	220,828
Equity			
Retained surplus		261,032	220,828
Total Equity		261,032	220,828

On behalf of the Executive Board



M Jensen
Chairperson
30 March 2007



J Watson-Baker
National Manager
30 March 2007

STATEMENT OF ACCOUNTING POLICIES

for year ended 31 December 2006

A. Basis of preparation

The Pharmacy Industry Training Organisation (PITO) is an incorporated industry training organisation and is responsible for setting standards and qualifications for Pharmacy Technicians and Pharmacy Assistants.

The financial statements are prepared in accordance with the Incorporated Societies Act 1908.

B. Measurement base

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

C. 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 is recognised when billed or earned on an accruals 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.

D. Taxation

PITO was granted charitable exemption from income tax in 2005. Accordingly, there is no income tax expense for the current year.

E. Accounts receivable

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

F. 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 Rates
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%
*Formerly the databases were part of computer equipment		

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 Institute of Chartered Accountants of New Zealand. 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.

G. Changes in accounting policies

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

In order to give a more detailed picture of sources of income and expenses incurred, additional accounts-codes have been introduced in the latter part of 2006 year to reflect these changes.

NOTES TO THE FINANCIAL STATEMENTS

for year ended 31 December 2006

	Note	2006 \$	2005 \$
1. Industry members			
Pharmacy Guild of New Zealand (Incorporated)		30,025	35,000
Pharmaceutical Society of New Zealand (Incorporated)		30,025	35,000
Other industry members		4,434	2,903
Total Industry members		64,484	72,903
2. Trainees			
Enrolments		30,716	26,296
Total trainees		30,716	26,296
3. Other revenue			
Interest received		8,300	7,003
Project funding		3,482	9,830
Standards and qualification income		14,443	12,249
Sundry revenue		4,118	5,021
Total other revenue		30,343	34,103
4. Governance			
Board member's fees		3,594	2,731
Board expenses		5,019	2,955
Total Governance		8,613	5,686
5. Operating Expenditure			
Accounting Services		8,483	7,290
Audit Services		2,147	2,444
Communications		5,174	6,586
Conference attendances		2,594	2,133
Depreciation		6,170	810
Management charge		112,670	104,474
Printing and stationery		8,781	9,508
Professional fees and subscriptions		3,873	4,286
Project expenditure		–	15,320
Sundry operating expenditure		10,181	11,152
Total operating expenditure		160,073	164,003
6. Standards and qualifications			
Assesment		23,414	13,732
Moderation and qualifications review		34,376	13,897
NZQA expenses		6,773	5,069
Provider visits		–	759
Total standards and qualifications		64,563	33,457

NOTES TO THE FINANCIAL STATEMENTS (continued)

for year ended 31 December 2006

	Note	2006 \$	2005 \$
7. Receivables and accruals			
Trade receivables		3,508	2,807
Pharmacy Guild of New Zealand (Incorporated)		7,506	9,844
Pharmaceutical Society of New Zealand (Incorporated)		7,506	9,844
Accrued income		21,241	15,757
Sundry receivables		3,385	1,261
Total receivables and accruals		43,146	39,513
8. Fixed Assets			
Website		4,859	0
Office Appliances		249	0
Office Furniture		5,227	0
Databases		3,991	7,675
Computer Equipment		10,476	0
		24,802	7,675
9. Payables and accruals			
Pharmaceutical Society of New Zealand (Incorporated)		14,481	14,245
Accrued expenditure		15,488	5,628
Total payables and accruals		29,969	19,873



AUDIT REPORT

To the readers of the financial statements of the Pharmacy Industry Training Organisation

We have audited the financial statements on pages 7 to 11. The financial statements provide information about the past financial performance of the Organisation and its financial position as at 31 December 2006. This information is stated in accordance with the accounting policies set out on page 9.

Executive Board Responsibilities

The Executive Board is responsible for the preparation of financial statements which give a true and fair view of the financial position of the Organisation as at 31 December 2006 and the results of its operations and cash flows for the year ended on that date.

Auditors' responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Board and report our opinion to you.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgments made by the in the preparation of the financial statements;
- whether the accounting policies are appropriate to the Organisation's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to obtain reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditors we have no relationship with or interests in the Organisation.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements on pages 7 to 11:

- comply with New Zealand generally accepted accounting practice;
- give a true and fair view of the financial position of the Organisation as at 31 December 2006 and the results of its operations and cash flows for the year ended on that date.

Our audit was completed on 28 March and our unqualified opinion is expressed as at that date.

Wellington