



AUSTRALIAN PHARMACY COUNCIL LTD

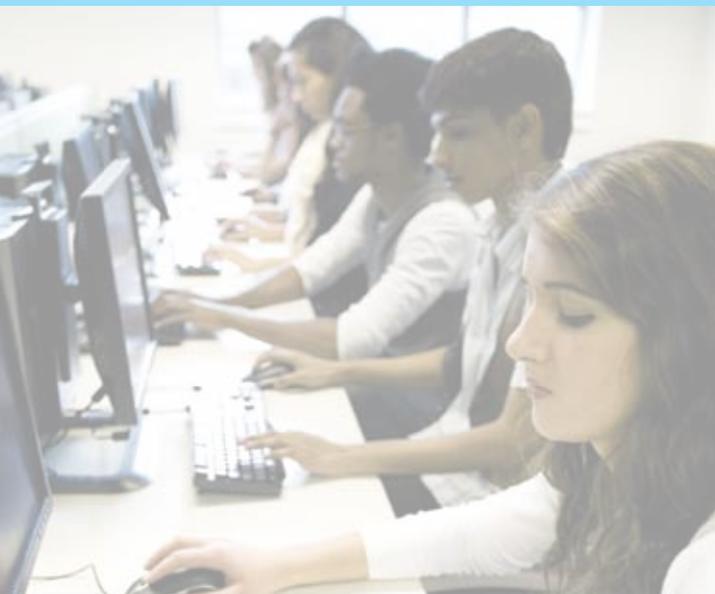


ANNUAL REPORT JULY 2013 - JUNE 2014

# APC year at a glance

in 2013 / 2014

We completed	3	Accreditation Site Evaluation SET visits of pharmacy degree programs
We completed	3	CPD Accrediting Organisation audits
We completed	1	Pharmacist Prescriber course evaluation
We accredited	1	New pharmacy degree programs
We monitored	25	Pharmacy degree programs
We monitored	8	Intern Training programs
We resolved	10	Pharmacy degree program conditions
We resolved	3	Intern Training program conditions
We delivered	2,103	Intern Written Exams by computer delivery across Australia
We delivered	259	Exams for internationally trained pharmacists
We offered	14	Exam sessions in Australia and overseas
Our Clearing house delivered	3,435	Exam papers in 20 countries for 10 professions
We processed	343	Eligibility assessments for pharmacists
We answered	2423	KAPS / CAOP Examinations and Assessments phone calls
We replied to	2312	KAPS / CAOP Examinations and Assessments emails
We hosted	2	International guests and observers
We appointed	12	New committee members to APC committees
We welcomed	4	New full time staff members



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# Introduction

The Australian Pharmacy Council (APC) was formed in 2002. Under the National Registration and Accreditation Scheme, the Australian Pharmacy Council Ltd is designated the independent accreditation agency for Australian pharmacy until July 2018 fulfilling the following functions:

- Accrediting pharmacy schools and programs; intern training programs; and accrediting agencies to accredit continuing professional development activities.
- Conducting written examinations on behalf of the Pharmacy Board of Australia that must be passed prior to sitting the final oral competency assessment
- Assessing the qualifications and skills of overseas trained pharmacists and international students graduating from an Australian pharmacy program to determine their eligibility to apply to commence the registration process.
- In December 2013, the APC was endorsed by the organisations that represent the pharmacy profession in Australia as the independent assessment entity being responsible and accountable for the credentialling of Advanced Practice Pharmacists.
- The APC is a not-for-profit company limited by guarantee under the Corporations Act 2001 and registered with the Australian Securities and Investments Commission (ASIC). It is funded by grants and fees from its accreditation, assessment and examinations services.

## Vision

A leading accreditation and educational assurance agency.

## Mission

APC is an independent body engaged, in the public interest, in the development and assurance of education, training and assessment standards.

## Values

In all of its activities the APC maintains:

- Independence and high ethical standards
- Honesty and transparency
- Accountability to clients and stakeholders
- Evidence-based decision making and benchmarking
- High quality business processes and outcomes
- Continuous improvement
- Collaborative models of leadership

## Brand essence

- Protecting public safety

## Brand promise

Australian Pharmacy Council accredits education programs and assesses competency to ensure pharmacists have the skills and knowledge to deliver effective healthcare that meets the changing needs of the community.

## Brand personality

- Professional
- Well-informed
- Forward-thinking
- Organised

## Brand values

- Knowledge
- Consultation
- Efficiency
- Innovation

## Brand benefits

- Competency evidence to commence registration processes as a pharmacist (or other health professionals)
- Recognition of practice, improvement, advanced skills and knowledge
- Sense of achievement
- Assurance pharmacy education providers meet acceptable standards

# President's Message

The Australian Pharmacy Council (APC) is a not-for-profit company registered with the Australian Securities and Investments Commission (ASIC). Its income is derived from fees received from accreditation, assessment and examination services; it also receives an annual grant from the Pharmacy Board of Australia (PBA).



John Low, President

Since the *Health Practitioner National Law Act 2009* came into effect on 1 July 2010, pharmacy has been regulated by nationally consistent legislation. This legislative framework addresses the issues relating to the registration of health practitioners and the accreditation of all aspects of health practitioner education and training. Pursuant to that legislation, the Australian Pharmacy Council (APC) had been assigned the functions of accrediting educational providers and programs of study for the pharmacy profession and for assessing overseas trained pharmacists until 2018. The APC has also been appointed by the Pharmacy Board of Australia as the entity responsible for providing and delivering the written examination for interns.

I do not believe the importance of an independent accrediting entity for the pharmacy profession under the *Health Practitioner National Law Act 2009* can be overemphasised. The APC holds independence in all its accreditation activities and decision-making as one of its highest priorities. To that end it has clear procedures in place for ensuring the independence of all its activities and that it has clear procedures for identifying and managing conflicts of interest. While the APC has a professional and congruent working relationship with the PBA, in the interest of such independence, no standing committees of the APC have nominees or representatives of the PBA nor are persons directly connected with the PBA members of the APC.

This last year has been a busy period for the APC. The introduction of the newly reviewed *Degree Program Accreditation Standards* came into force on 1 January 2014. The Advanced Pharmacy Practice credentialing project was initiated with the formation of the oversight Committee and the subsequent development and circulation of the consultation paper on a credentialing and recognition model. The APC has also consulted on and finalised the *Standards for the accreditation of programs to support pharmacist administration of vaccines*. It is also currently drafting an intern pharmacy assessment blueprint, has finalised an information systems strategic plan that is currently being implemented, and carried out a review and expansion of its examination item-bank.

While hospital and retail pharmacists remain off the Skilled Occupation List (after returning to it for the period July 2011 – June 2012) they remain on both the Consolidated Sponsored Occupation List (CSOL), and state and territory-based lists. However the lack of contemporary and robust workforce modelling remains a barrier to defensible decision-making by governments regarding the immigration of overseas-trained pharmacists and prediction by professional pharmacy organisations of future workforce demands.

The Council is extremely fortunate with the skills and commitment brought to it by the current Council, and would like to sincerely thank all current and past Councillors for their commitment to and support of the APC. The continuing involvement of Ms Debra Rowett as Chair of the Accreditation Committee and Emeritus Professor Lloyd Sansom as Chair of the

Examining Committee enhances this critical work of the APC. I thank them, both for their continuing involvement in Council and the wisdom and skill they bring to their respective tasks.

I would also like to recognise the work done by Dr Ian Coombes in his role as the inaugural Chair of the Advanced Practice Credentialing Committee. The unanimous decision of the profession to recognise APC - an independent entity - as the body best placed to oversee the implementation of an advanced practice credentialing system for Australian pharmacists facilitated the formation of this committee. The APC has subsequently committed significant resources to this project as it sees it as critical to the further development of the profession.

In conclusion and in thanking the staff of the APC for their assistance, guidance, support and forbearance, I would like to recognise Bronwyn Clark, APC's Chief Executive Officer, whose enthusiasm and skills, along with her wide experience in and understanding of regulatory matters has done much to invigorate and focus the continued development of the APC. She has guided the APC through what seems to be a never-ending period of significant and sustained change while being actively involved in broadening the skills of the staff to enable the organisation to respond rapidly to a changing work environment.

**John Low**  
*President*

# The Year in Review

## Chief Executive Officer

This past year has been one of considerable growth of the Council as a best practice Accreditation Council. Having been assured of our extended assignment by the Pharmacy Board of Australia until July 2018, we have focused on both supporting the systems behind our processes and expanding into new services for the future.

Following a governance review and strategic audit, Council set a new Strategic Plan and directions, which gives a clear road map of APC priorities for the next three years. I am accountable for achieving the outcomes of our annual corporate plan which falls out of this strategy.

At the beginning of 2014 Health Ministers announced the terms of reference for the review of the National Registration and Accreditation Scheme. This review is to look at the early achievements of the scheme and to review its efficiency and cost effectiveness. It will include an analysis of the work and efficiency of Accreditation authorities such as APC. We are constantly striving to provide excellent and efficient accreditation services, and are hopeful that this will be recognised. The results of the review will be announced by Health Ministers in early 2015. In the meantime, we continue to work on improving our policies, processes and procedures.

Our continued work on improving processes has been in both the accreditation and examinations units of business. The implementation of risk-based assessments in accreditation has allowed a "right-touch" regulation and a transparent approach in the accreditation and monitoring of programs that have been well accepted by the Pharmacy Board of Australia and education providers. Additionally, the accreditation team has been forward-facing with providers and stakeholders, facilitating workshops and fora to enable the development of evidence guides in program and CPD accreditation. In examinations, the team has focussed on improving the delivery of the exams as well as continuing to improve the validity and quality of the items within the item banks,



Bronwyn Clark, Chief Executive Officer

through psychometrics and developing new writing guides for items. We have appointed an operational editorial board committee to assist with this work, whose members come from around the country and from both pharmacy practice and the pharmaceutical sciences. This year also saw our introduction of computer-delivered exams in New Zealand and Great Britain, which aligns with our strategy of modern and robust delivery of services.

2014 has seen the start of a new exciting line of business for APC, as the nominated independent credentialing body for advanced practice pharmacists in Australia. The Advanced Pharmacy Practice credentialing project has commenced under the oversight of a new committee, and we have commenced consultation on the standards, policies and processes that will underpin the process. We have also consulted on some *Standards for the accreditation of programs to support pharmacist administration of vaccines* and are drafting an intern pharmacy assessment blueprint for consultation later in 2014.

To support our operations, we are working on the implementation of Information Systems Strategic Plan (ISSP) which will assist us to implement systems to meet our requirements for the next five years. This work will begin in earnest in late 2014, and will allow us to realise further efficiencies in our operations.

We are continuing to focus on our communications with key stakeholders, and enjoy a very productive working relationship with the Pharmacy Board of Australia. We also continue to work collaboratively with other accreditation councils within Australia and New Zealand as part of the Health Professions Accreditation Councils' forum. This year we hosted our first ever one-day "Colloquium" in Melbourne in July, where over 60 participants joined us to discuss the theme of *Innovation and Drivers to Quality Education*. This event was very well received and will now be part of the regular APC calendar.

On the international front, this year we have continued developing our relationship with the American Accreditation Council for Pharmacy Education (ACPE) and I have been appointed as a member of the ACPE's International Services Program Advisory Group (ISPAG). We have a very close relationship with the Pharmacy Council of New Zealand (PCNZ) and value this. We are also working on formalising our relationship with the Royal Pharmaceutical Society (RPS) and the General Pharmaceutical Council (GPhC) of the United Kingdom. I am a member of the International Committee on Life Long Learning in Pharmacy Conferences, and APC was well represented at the 10th International conference held in Orlando, Florida. As an observer member of the International Pharmacists Federation (FIP), we are also well connected in the international pharmacy education space.

I am most grateful to those members of the pharmacy profession who assist us as Councillors, committee members, assessors, evaluators, exam writers and exam reviewers. Equally, the community members of our Council and committees are excellent contributors, and I would like to thank each of these people for their work. I am also grateful for the direction and support of the Council and, in particular, Mr John Low. John's wise counsel, and his gravitas within the profession, is an enormous asset to the APC and I am most fortunate to work under his guidance.

The team around me at the APC are smart, capable and committed, and I am most grateful to them for their work and dedication. The next period for us will be one of hard work and continuing change, and together we will work to ensure we are able to achieve our goal to ensure the standards of education and training of the pharmacy profession promote and protect the health of the public.

**Bronwyn Clark**  
*Chief Executive Officer*

# Strategic Priorities 2013–2016

## Goal One

### Best Practice accreditation, assessment and examination services

- 1.1 Ensure examinations are robust, fair and scientifically defensible
- 1.2 Ensure assessment outcomes are consistent and fair
- 1.3 Ensure the Clearing House remains as a functional unit
- 1.4 Ensure accreditation functions are best practice
- 1.5 Ensure standards are developed according to robust and inclusive models
- 1.6 Inform and influence intern pharmacist assessment

## Goal Two

### Capable and reliable systems and processes

- 2.1 Ensure the Information System infrastructure meets the current and future needs of the organisation
- 2.2 Seek external recognition for APC as a standards development organisation
- 2.3 Agree on a quality assurance framework for the organisation
- 2.4 Conduct regular reporting against quality framework for accreditation
- 2.5 Ensure operations are protected from disaster and loss
- 2.6 Review governance and constitution to ensure governance structures support future activity

## Goal Three

### Sustainable Growth

- 3.1 Establish markets where APC has parenting advantage
- 3.2 Establish a sustainable practitioner credentialing unit
- 3.3 Develop collaborations with partners domestically and internationally
- 3.4 Eliminate or restructure business activities that are not core business

## Goal Four

### Enhanced communication and reputation

- 4.1 Set a comprehensive and effective communication strategy
- 4.2 Forge strong clear relationships with key stakeholders
- 4.3 Demonstrate leadership, both nationally and internationally
- 4.4 Establish APC as a thought-leader in pharmacy education policy

## Goal Five

### Appropriate resources in people and finances

- 5.1 Invest in necessary operational infrastructure and premises
- 5.2 Support and invest in staff development and growth
- 5.3 Ensure staff capability and capacity is appropriate
- 5.4 Ensure prudent fiscal management
- 5.5 Support governance training and development

# Australian Pharmacy Council Councillors

Councillor	Qualifications	Term of Appointment
Mr John Low (President)	PhC, CertIV AWT, MSHP	1 July 2010 – 1 July 2013 Reappointed 13 May 2013 - present
Mr John Jackson (Vice President - part year)	BPharm, GradDipHosPharm, MPubHealth, FSHP, MPS	1 July 2010 – 1 July 2013 Reappointed 13 May 2013 - present
Mrs Debra Rowett (Vice President - part year)	PSM, BPharm, CGP, MAICD	26 March 2009 – 26 March 2012 Reappointed 26 March 2012 - present
Mr Mark Bedford	DipPharm, RegPharmNZ, AFNZIM	2 March 2011 - March 2014 Reappointed March 2014 - present
Dr Ian Coombes	BPharm (Hons), MSc, PhD	1 July 2010 – 30 June 2012 Reappointed 28 May 2012 - present
Mrs Gayle Ginnane	BA, BEcon, MDefStudies, GradDipStratStud, FAICD, MIPAA	23 December 2011 - 28 May 2012 Reappointed 28 May 2012 - present
Ms Tricia Greenway	BA, TPTC	28 May 2012 - present
Ms Lenette Mullen	DipPharm, PGDipPharm, Cert IV, AWT, GAICD, FPS	1 July 2010 – 30 June 2011 Reappointed 30 June 2011 - 30 June 2014
Emeritus Professor Lloyd Sansom, AO	DipPharm, BSc, PhD (Adel), HonDSc (Syd), HonDSc (Qld), HonDHealth (N'Cle), HonDUniv (Griff), FPS	26 March 2009 - 26 March 2012 Reappointed 26 March 2012 - present
Professor Nick Shaw	BSc(Hons), PhD, MPS, CSci, CChem, FRSC, FRPharmS	1 July 2010 – 30 June 2012 Reappointed 28 May 2012 - present



**Mr John Low, PhC, CertIV AWT, MSHP**

Mr John Low is President of the Australian Pharmacy Council, held since July 2010.

He has had a long and distinguished career in pharmacy, in particular in hospital pharmacy, regulation and publication. His current interests are those of accreditation, regulation and workforce issues surrounding the profession.

In his role with APC, John aims to ensure Council has contemporary standards and fulfils its governance responsibilities.

John has an active role with the Health Professions Accreditation Councils' Forum, and is on the Health Workforce Australia Health Practitioners Prescribing Pathway's steering committee. He is the Chairman of the Australian Pharmacy Liaison Forum. His qualifications in pharmacy are PhC (NZ), and Cert IV in Workplace Training and Assessing.



**Mr John Jackson, BPharm, GradDipHospPharm, MPubHealth, FSHP, MPS**

Mr Jackson is a Councillor of the Australian Pharmacy Council, served part of the year on the Accreditation Committee, and is a member of the FARM Committee.

He practises in institutional pharmacy with particular interests in health, medicines and pharmacy policy, funding of pharmaceuticals, quality use of medicines, patient safety and standards in pharmacy practice.

He brings to Council expertise from a number of areas of pharmacy practice, extensive experience in the governance of the pharmacy profession and the policy framework that underpins the practice of pharmacists.

John is President, Western Pacific Pharmaceutical Forum, Chairs the Advisory Committee on Medicines Scheduling, Department of Health and Ageing and is a Member, Health Service Medication Expert Advisory Group of the Australian Commission on Safety & Quality in Health Care.

A Fellow of the Society of Hospital Pharmacists of Australia, his other pharmacy qualifications include a Bachelor of Pharmacy, Graduate Diploma in Hospital Pharmacy and Master of Public Health.



**Mrs Debra Rowett, PSM, BPharm, CGP, MAICD**

Debra Rowett is the Vice President of the Australian Pharmacy Council and also the Chair of the Accreditation Committee. Her particular areas of current practice are in research, training and service delivery in primary care. Debra has a particular interest in aged care, palliative care, pharmacoepidemiology and pharmacovigilance. She also has strong interest in health policy and workforce development.

Debra sees her place on Council to serve in the public interest to improve outcomes from medicines and to minimise harm through good policy and standards which build a skilled and competent workforce that is adaptive and able to meet the future health care needs of society. She wishes to contribute at an international level to enhance the Accreditation Standards and the processes by which we assess and monitor the training and development of the pharmacy workforce.

Debra holds a Bachelor of Pharmacy, is a Certified Geriatric Pharmacist through the Commission for Certification in Geriatric Pharmacy, United States of America, is an accredited pharmacist and has completed Company Director training.

Debra is the Director, Drug and Therapeutics Information Service at the Repatriation General Hospital. Debra serves on a number of boards including as Chair, NPS Medicinewise Prescribing Intervention Expert Advisory Group, Executive Committee member of the South Australian Department of Health, Cardiovascular Clinical Network; Executive Committee member of Department of Veterans' Affairs Veterans' MATES project; Member, Drug Utilization SubCommittee; Member of national Scientific Subcommittee and Trials Management Committee of the Palliative Care Clinical Studies Collaborative; Chair, Committee of Specialty Practice (Academic Detailing) of Society of Hospital Pharmacists Australia.



**Mr Mark Bedford, DipPharm, RegPharmNZ, AFNZIM**

Mr Bedford is New Zealand pharmacist and the Pharmacy Council of New Zealand nominee to the Australian Pharmacy Council. He currently has an active involvement in community pharmacy in a medical centre providing high level patient centred services.

Mark is keen to foster ongoing relationships between Australia and New Zealand especially in the areas of accreditation. His qualifications are a Diploma in Pharmacy, and he is an Associate Fellow NZ Institute of Management. Mark is also a Registered Pharmacist in New Zealand and is currently the Deputy Chair of the Pharmacy Council of New Zealand.



**Dr Ian Coombes, BPharm, MSc, PhD**

Dr Coombes is a Councillor and also the Chair of the Advanced Practice Credentialing Committee. He has a background in both hospital pharmacy and academia, both in Australia and the United Kingdom, and is currently a hospital pharmacy director. His particular interests are in competency-based development of clinical practice, medication safety and prescribing safety. He is also involved in developing clinical pharmacy services in Sri Lanka.

Ian sees his involvement with Council as providing hospital pharmacy input, practitioner development and evaluation and a research perspective.

His qualifications are Bachelor of Pharmacy, a Master of Science and a Doctor of Philosophy. He also sits on the Board of the Society of Hospital Pharmacists of Australia.



**Mrs Gayle Ginnane, BA, BEd, MDefStud, GradDipStratStud, FAICD, MAIM, IPAA**

Mrs Ginnane is a community member of the Australian Pharmacy Council. As an independent director and consultant, she aims to bring a non-pharmacy and consumer perspective to the Council deliberations and to contribute through her knowledge of governance and process. Her time as CEO of the Private Health Insurance Administration Council assists her with an excellent knowledge of the overall health system in Australia. She would like to see better links between all parts of the health care system to seek better outcomes for patients.

Gayle serves on a wide variety of other Boards. She is the Chair of the National Blood Authority; Director, CIT Solutions Ltd; an Independent Chair, Finance Audit and Risk Monitoring Committee (Australian Pharmacy Council); Director, Australian Council for Education and Care Quality Authority (ACECQA); Director, Police Health; Director, ACT Medicare Local; Independent Chair, Finance Audit and Risk Committee, Professional Services Review (PSR); and is Trustee and Honorary Secretary, The Arthur Shakespeare Foundation for Scouting.

Mrs Ginnane holds a Graduate Diploma in Strategic Studies, Master of Defence Studies, Bachelor of Economics, and Bachelor of Arts.



**Ms Tricia Greenway, BA, TPTC**

Ms Greenway is a community member of the Australian Pharmacy Council. She is particularly interested in contributing to the availability of qualified and up-to-date pharmacists for the Australian community now and in the future.

Ms Greenway's qualifications are a Bachelor of Arts and Trained Primary Teacher's Certificate.

Ms Greenway has significant Board experience as follows: Recognition of Medical Specialties Advisory Committee Community Member for Australian Medical Council; Code of Conduct Advisory Committee Consumer Member for Medical Technology Association of Australia; Code Monitoring Committee Consumer Member for Medicines Australia; Advertising Code Committee Consumer Member of Therapeutic Goods Advertising Code Council for the Therapeutic Goods Administration; and Community Member of Advisory Committee on Complementary Medicines for Therapeutic Goods Administration.



**Ms Lenette Mullen, DipPharm, PG DipPharm, CertIV AWT, GAICD, FPS**

Ms Mullen has a background in community pharmacy and pharmacy organisation administration. Her current interests are in the area of training, especially that of pharmacy assistants and pharmacy interns.

Lenette was a member of the Council of Pharmacy registering authorities, the precursor to the Australian Pharmacy Council. She wishes to see the Council grow to be an accrediting and examining body recognised as a leading organisation by all the health professions.

Lenette also sits on the National Executive of the Pharmacy Guild of Australia, is a Board member with the Pharmacy Registration Board of Western Australia and is on the Poisons Advisory Committee of Western Australia.

Her qualifications are Diploma of Pharmacy, Post Graduate Diploma in Community Pharmacy, Graduate Australian Institute of Company Directors, Cert IV in Workplace Training and Assessment and she is a Fellow of the Pharmaceutical Society of Western Australia.



**Emeritus Professor Lloyd Sansom, AO, PhC, BSc, PhD, HonDSc, HonDSc, HonDHealth, HonDUniv, FPS**

Professor Sansom is a Councillor and also the Chair of the Examining Committee of the Australian Pharmacy Council. He has a particular research interest in pharmacokinetics, biopharmaceutics, the quality use of medicines and pharmaceutical policy.

In his role with the Council his intention is to contribute to the accreditation of programs and individuals to ensure the Australian public is provided with a pharmaceutical service of the highest standard. Professor Sansom is Chair of the South Australian Medication Advisory Committee, the Medication Reference Group of the Australian Safety and Quality Commission and the Codes of Conduct Advisory Group. He is a member of the Therapeutic Goods Advisory Council and a director of BellBerry Ltd a not-for-profit human research ethics company. Professor Sansom is a member of the international advisory board of NICE International and of the Policy Forum Committee of Health Technology Assessment International and a Faculty member of the Salzburg Global Seminar. He serves on a number of national committees relating to pharmaceutical policy.

Professor Sansom holds a number of qualifications including the title of Emeritus Professor at the University of South Australia. He has received honorary Doctorates from the University of Sydney, University of Queensland, University of Newcastle and Griffith University and is a Fellow of the Pharmaceutical Society of Australia.

**Professor Nick Shaw, BSc (Hons), PhD, CSci, CChem, FRSC, FRPharmS**



Professor Shaw is a Councillor and also a member of the Accreditation Committee of the Australian Pharmacy Council. He is currently the Head of School of Pharmacy at University of Queensland. In his role on the Council he aims to provide an academic perspective on issues such as accreditation, pharmacy workforce and the pharmacy degree and he is particularly interested in the education, curriculum development and workforce issues in pharmacy.

Professor Shaw's areas of research include: the application of bioanalytical methodologies to solve clinical and health-related problem; metabolite profiling methodology applied to nutrient profiles of tropical and other plants and secondary metabolite identification and quantitation from bacteria; drug metabolism, biopharmaceutics, drug delivery and pharmacokinetic studies. He is currently the Director of the Council of Pharmacy Schools of Australia and New Zealand.

Professor Shaw holds a Bachelor of Science in Pharmacy with Honours, and PhD from Manchester, UK and is a Fellow of the Royal Pharmaceutical Society.



#### APC Council

**Standing L to R:** Ms Tricia Greenway, Mr Mark Bedford, Mrs Gayle Ginnane, Dr Ian Coombes, Professor Emeritus Lloyd Sansom AO, Professor Nick Shaw, Mrs Debra Rowett, Ms Lenette Mullen

**Seated L to R:** Mr John Jackson, Mr John Low, Ms Bronwyn Clark

## Council meetings and attendance

**General meeting:** 26 – 27 August 2013, Canberra ACT

**General Meeting and Annual General meeting:** 25 – 26 November 2013, Canberra ACT

**General meeting:** 19 – 20 February 2014, Canberra ACT

**General meeting:** 19 – 20 May 2014, Canberra ACT

Councillor	Eligible to Attend	Attendance
Mr John Low	4	4
Mr John Jackson	4	4
Dr Ian Coombes	4	4
Ms Lenette Mullen	4	4
Mr Mark Bedford	4	4
Professor Emeritus Lloyd Sansom AO	4	4
Ms Debra Rowett	4	4
Professor Nick Shaw	4	4
Ms Gayle Ginnane	4	4
Ms Tricia Greenway	4	4

# Finance, Audit and Risk Monitoring Committee

## Scope

The FARM committee reviews the Australian Pharmacy Council's financial and compliance risks and makes recommendations to Council on managing the risks of the APC.

## Committee members

<b>Chair</b>	Mrs Gayle Ginnane (Councillor)
<b>Members</b>	Mr John Jackson (Councillor) Ms Ros Jackson (Independent Member)

## Activities

The Committee met four times during the 2013-14 financial year and considered a number of issues, including:

- Overseeing the preparation of the 2014-15 Annual Budget including the setting of fees and grants.
- Reviewing the annual financial statements and ensuring compliance with ASIC reporting requirements.
- Reviewing the risk management framework for the APC.
- Developing new governance policies.
- Reviewing existing delegations and investment policies.
- Addressing taxation matters including fringe benefits tax and income tax exemption.
- Monitoring assets, including testing for impairment.
- Over-sighting the management of key projects including IT replacement.



Gayle Ginnane, Chair, FARM Committee

## Audit

The Committee oversaw the annual audit conducted by PricewaterhouseCoopers. The Committee agreed the scope of the audit and reviewed the audited financial statements. The auditor attended the FARM Committee meeting held in August 2014 and answered questions from the committee. The financial statements were unmodified with no items raised in the management letter and the Committee was able to recommend that Council approved the financial statements.

## Internal Audit Processes

APC has engaged an internal auditor to conduct six monthly reviews of APC's internal accounting processes and controls with the objective of providing governance improvements. The most recent report provided recommendations for improvements in the governance of the APC, although there were no significant risks or breaches of processes.

## Identified Investments

APC reserves are primarily held in interest-bearing accounts in major Australian banks. Investment income has been lower in the last year because of sustained low interest rates. The Committee and Council recognises that these low interest rates affect our investment returns but by choice we remain a conservative investor.

**Gayle Ginnane**

*Chair, FARM Committee*

# BUSINESS UNITS

## Examinations and Assessments

The APC Examinations and Assessments unit is responsible for the development and application of valid and reliable assessment and examination processes to pharmacists with overseas qualifications, international graduates of Australian and New Zealand pharmacy programs and Australian intern pharmacists. This past year also saw the APC commence the delivery of the New Zealand Intern Written Examination for New Zealand intern pharmacists completing their registration process with the Pharmacy Council of New Zealand (PCNZ).

The unit's activities are overseen by the APC Examining Committee, which is a standing committee of the Australian Pharmacy Council.

### Assessment of overseas qualified pharmacists

The Examinations and Assessments unit assesses the qualifications and skills of pharmacists with overseas qualifications and international graduates of Australian and New Zealand pharmacy programs.

Due to the removal of the pharmacy profession from the Department of Immigration and Border Protection's Skilled Occupation List, combined with changes to available bridging visas for international graduates of Australian/New Zealand pharmacy programs, the APC saw a 30% reduction in assessment numbers from last year's figures in 2013 – 2014.

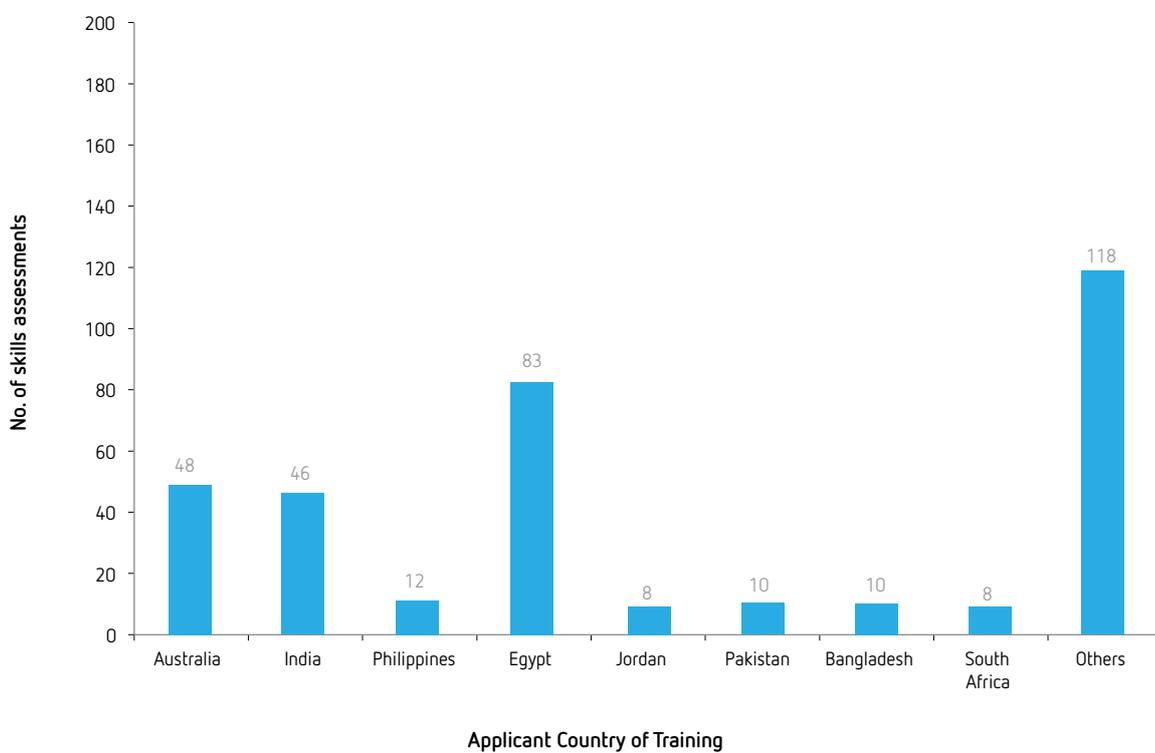


Nathan Ford, Director, Examinations and Assessments

In 2012 - 2013, the APC Examinations and Assessments unit undertook 495 skills assessments including 229 eligibility assessments of Stream A applicants, 70 eligibility assessments of Stream B applicants and 196 assessments of international graduates of Australian or New Zealand programs.

In 2013 – 2014, the APC completed a total of 343 skills assessments including 238 eligibility assessments for Stream A applicants, 56 eligibility assessments of Stream B applicants and 49 assessments of international graduates of Australian or New Zealand programs.

## Assessment Chart



## Examination of overseas qualified pharmacists

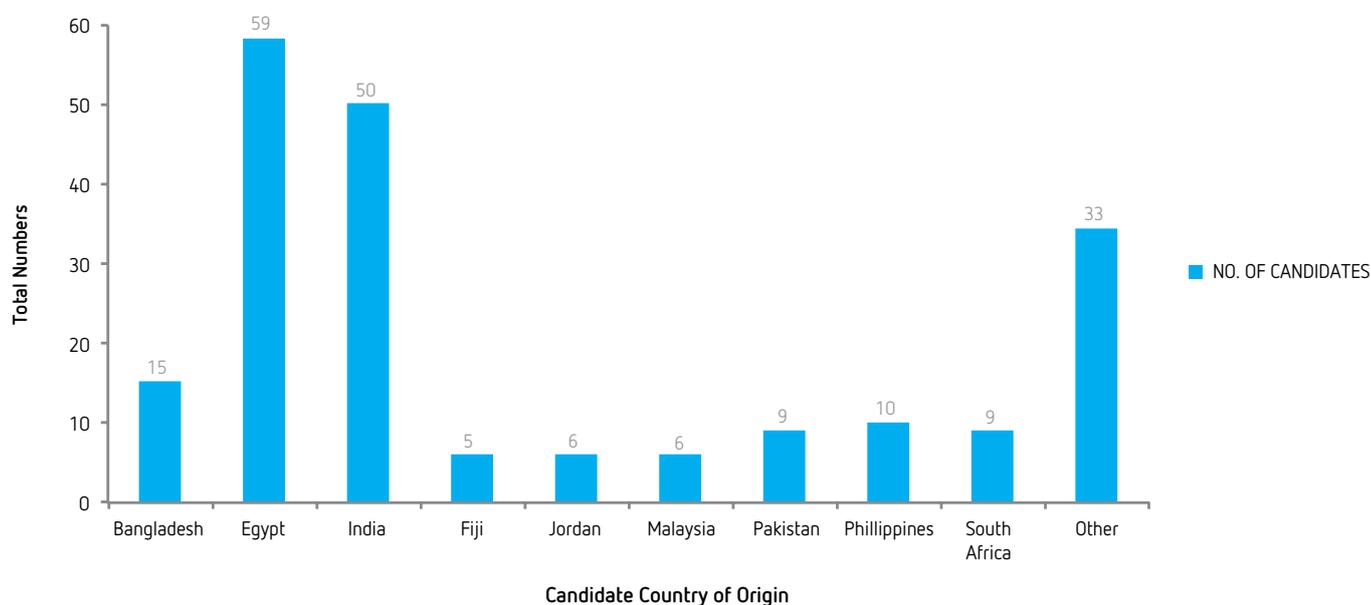
After confirming eligibility to proceed through the APC assessment processes, overseas trained pharmacists must sit and pass an examination delivered by the Examinations and Assessments unit.

Stream A candidates must pass the Knowledge Assessment of Pharmaceutical Sciences (KAPS) examination. The KAPS examination is offered twice annually in all capital cities in Australia and in approximately 25 international sites in Europe, Asia, Africa and South America.

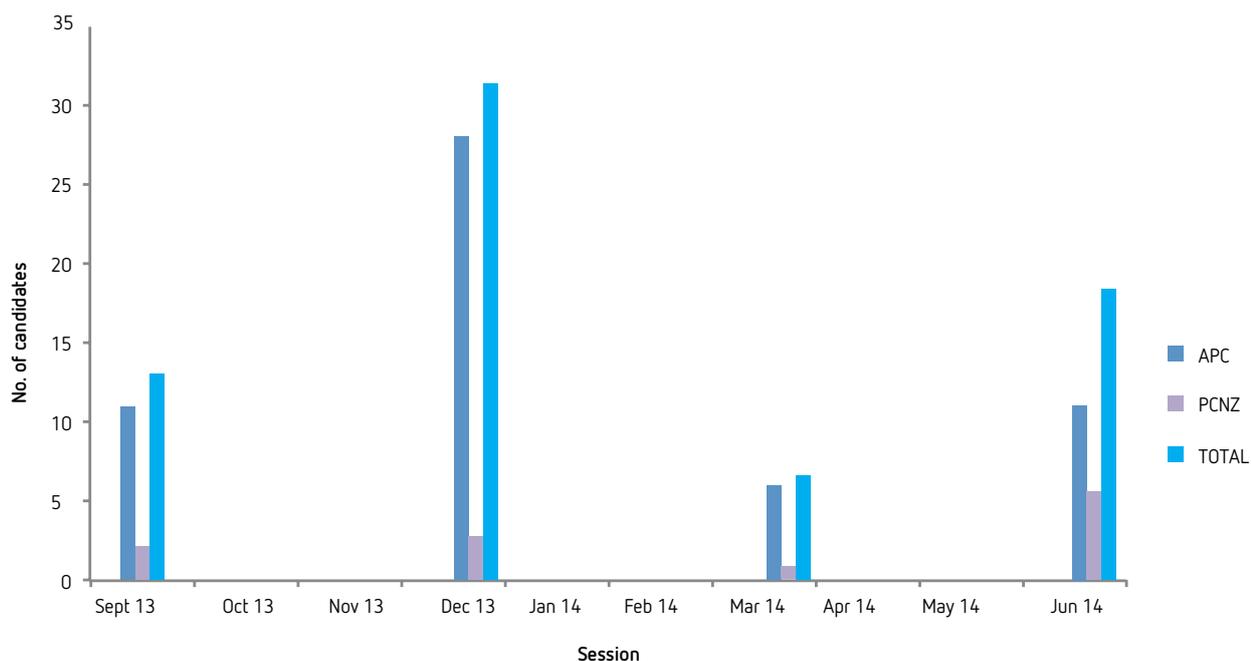
Stream B candidates must pass the Competency Assessment of Overseas Pharmacists (CAOP) examination. The CAOP examination is offered four times annually in London, Auckland and all Australian capitals.

Upon successful completion of these examinations, candidates are issued with a skills assessment letter for the purposes of commencing the registration process with AHPRA and/or visa/migration purposes.

## KAPS candidates by country 2013-14



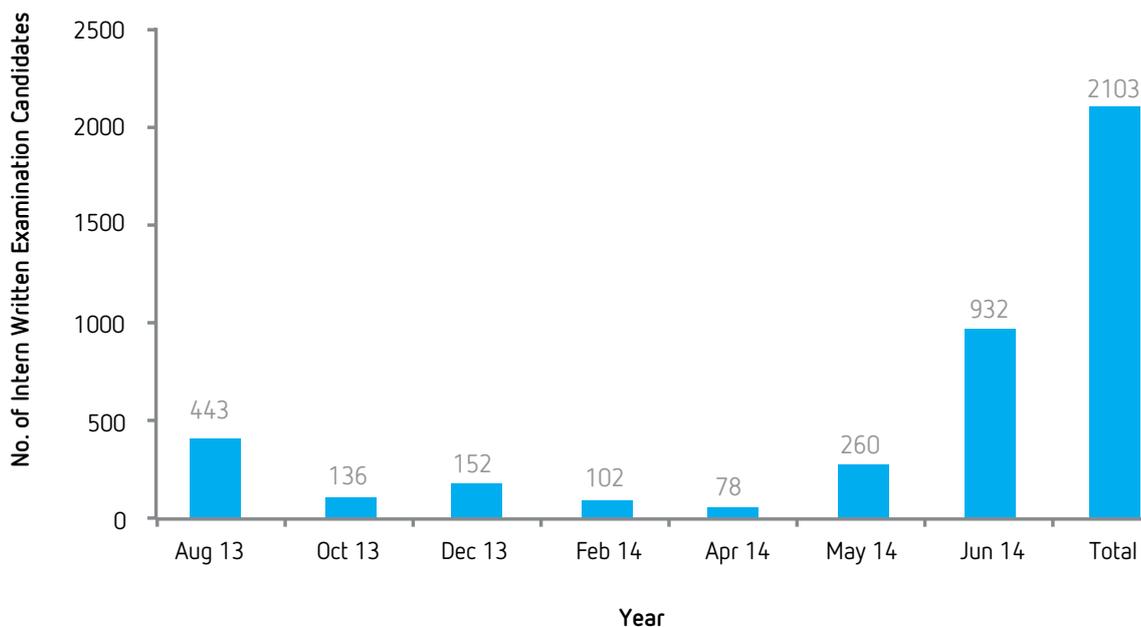
## CAOP candidates 2013-14



## Examination of Australian pharmacy interns

The Australian Pharmacy Council develops and delivers the Intern Written Examination on behalf of the Pharmacy Board of Australia (PBA) as part of the assessment of pharmacy graduates completing their internship year. The examination is based on the National Competency *Standards Framework for Pharmacists in Australia, 2010*.

In response to feedback from interns and in order to provide interns with greater flexibility to choose when they sit the examination, the APC increased the frequency of the Intern Written Examination from six to seven sessions per year. The examination is delivered in every capital city in Australia and Townsville.



## 2013 - 2014 special projects

The most significant project for the Examinations and Assessments unit in 2013 – 2014 was the commencement of the delivery of the New Zealand Intern Written Examination from March 2014, on behalf of the Pharmacy Council of New Zealand (PCNZ). The PCNZ had undertaken a significant public consultation regarding the assessment points within the New Zealand (NZ) intern year and in 2013 selected the APC as a provider of a written examination assessment tool. The APC leveraged its substantial itembanks and examination delivery partnerships to set up the examination in New Zealand. The first examination session was delivered to approximately 30 NZ interns in March 2014 in Auckland and Wellington. From July 2014, the examination will also be delivered in Christchurch.

In response to feedback from Australian interns, the APC developed four e-learning modules for candidates undertaking the Intern Written Examination. These modules, launched in February 2014, provide interns with a comprehensive overview of the Intern Written Examination as listed below:

- Module 1 – Insights for examination success
- Module 2 – Preparation and examination strategies
- Module 3 – On the day
- Module 4 – Unsuccessful? Tips for your next attempt

The e-learning modules can be viewed at: [www.pharmacycouncil.org.au/content/index.php?id=67](http://www.pharmacycouncil.org.au/content/index.php?id=67)



### Examining Committee

**Back Row L to R:** Ms Sue Scott, Professor Curtis Lee, Professor Emeritus Lloyd Sansom AO (Chair), Mr Nathan Ford (Director, Examinations and Assessments), Mrs Barbara Moore, Dr Mark Rowe, Ms Karen Kaye

**Front Row L to R:** Associate Professor Kay Stewart, Ms Dianne Wilkins, Dr Betty Chaar, Associate Professor Treasure McGuire, Ms Teresa Di Franco

**Absent:** Professor Jo-anne Brien, Mr Yelitte Ho

Following the success of the transfer of the CAOP examination from a paper-based format to computer-based testing, the APC has decided to move the KAPS examination to computer-based delivery as well. Initial logistical and scoping work on this project has commenced and is on target for the first examination session in March 2015.

As in years past, and in addition to the Clearing House activity (see page 28) the APC provided its CAOP examination to the Fiji Pharmacy and Poisons Board – delivered to Fijian intern pharmacists looking to gain general registration in Fiji.

The APC continued to enhance and improve its items, completing a comprehensive content and psychometrical review of its Intern Written Examination itembanks and integrating a new statistical reporting system. This work followed on from the significant item writing project in 2012-2013 and ensures that the APC's examinations continue to meet best-practice standards.

### **Nathan Ford**

*Director, Examinations and Assessments*

# Accreditation and Policy

The focus of the Accreditation and Policy section during the twelve months between 2013 and 2014 has been expanding communication, refining processes and furthering the understanding of quality assurance requirements for pharmacy education programs. The approval of the new *Accreditation Standards for Degree Programs in Australia and New Zealand* was followed by a phase of educational road shows intending to discuss the changing requirements under the new standards. The roadshows also provided a venue for members of the academic programs and the Accreditation and Policy team to discuss quality assurance and the role of the accreditation of programs. The Accreditation and Policy team held five road shows across Australia and New Zealand in the latter half of 2013 in Perth, Melbourne, Brisbane, Sydney and Auckland.

The roadshows were only one component of the communication tools used by the Accreditation and Policy section over the past twelve months. For the first time, the APC held a Colloquium in Melbourne in July 2013 to discuss *Accreditation: Drivers to Innovation and Change*. The APC invited guest speaker Professor David Wright, from the University of East Anglia, to speak on the experience of revising Accreditation Standards and outcomes-focused accreditation in the United Kingdom. The Colloquium highlighted a need for an open forum between education providers and the profession to discuss topics related to education and practice. The feedback was very positive and the Colloquium has now become a fixture in the annual APC calendar.



Rachel Adkins,  
Director, Accreditation and Policy

Following the development undertaken over the previous twelve months, the focus of the Accreditation and Policy section turned to refining new processes such as the provider risk profiles and Accreditation Outcome Notification reports.

With the increasing maturity of the accreditation system and work of the Accreditation Committee, there is a greater emphasis on the role of monitoring in the accreditation system. Under the National Registration and Accreditation Scheme (NRAS), the independent accreditation bodies are required to conduct ongoing monitoring of accredited programs. It is the goal of the APC to encourage a culture of quality improvement through a process of periodic evaluations of an ongoing quality system. In reflecting on that goal, the Accreditation Committee has been diligent in ensuring education providers meet the required standards prior to a condition on their accreditation status being imposed. This has meant that as accredited programs come up for consideration, fewer and fewer of these programs remain 'accredited with conditions'.

To support the work of the Accreditation Committee, the APC has brought in additional academic expertise to the committee and welcomes a number of new members. The guidance and direction provided by the Accreditation Committee is critical to the work of the Accreditation and Policy section, and I would like to thank them all for their time and dedication.

While accreditation can be a momentary glance of an education provider's compliance, the Accreditation and Policy section are continually looking ahead. The year ahead will be filled with a number of challenges, from changing government requirements for higher education quality assurance, changes in funding and implementation of the new Australian Qualifications Framework (AQF). Education policy and educational quality assurance contribute to an increasingly complex environment and the next twelve months appear to herald more of the same.

Added to the complexity of the accreditation environment, the APC has been granted the role of independent credentialing body for Advanced Practice Pharmacists in Australia. Working closely with the Advanced Practice Pharmacist Framework Steering Committee (APPFSC), the APC sought and was awarded the appointment by the professional bodies represented on the APPFSC.

The work of Advanced Practice credentialing has never before been undertaken in Australian pharmacy and the enthusiasm of the profession regarding the development of this new recognition pathway is tangible. To support this new process the APC has created a new Advanced Practice Credentialing Committee (APCC) which includes seven members from within pharmacy, both in Australia and internationally, a medical education member and a community member.

The APCC met for the first time in May 2014 and finalised the first round of consultation papers intended to engage the profession in a dialogue about the processes and standards against which applications for advanced practice status will be evaluated. The development of the advanced practice credentialing system will continue throughout the next twelve months and into 2015 as the system is built, evaluated and refined with the help of the professional bodies and a very enthusiastic new committee.

In all, 2013-2014 has been a year of 'doing what we do better' and tackling new challenges. New initiatives like the Colloquium have been a tremendous success and new processes like advanced practice credentialing are still in their infancy. Regardless, the focus of the Accreditation and Policy team remains the quality of pharmacy education and supporting pharmacists and those seeking to be pharmacists to access high quality education through best practice and highly transparent processes.

**Rachel Adkins**

*Director, Accreditation and Policy*



#### Accreditation Committee

**Back Row L to R:** Dr Erica Sainsbury, Mrs Barbara Moore, Mr Benjamin Marchant, Professor Peter Stewart, Dr Rohan Rasiah, Professor Iqbal Ramzan, Mr Andrew Matthews

**Front Row L to R:** Ms Judith Dikstein, Mrs Debra Rowett (Chair), Professor Beverley Glass

**Absent:** Ms Sue Kirsas, Ms Danni Miatke, Associate Professor Charles Mitchell, Professor Rhonda Clifford

**Retiring members:** Professor Gabrielle Cooper, Mr John Jackson, Professor Nick Shaw



**Advanced Practice Credentialing Committee**

**L to R:** Ms Helen Jay, Ms Kirstie Galbraith, Dr Shane Jackson, Dr Ian Coombes (Chair), Professor Lisa Nissen, Ms Debbie Rigby

**Absent:** Associate Professor Charles Mitchell, Dr Catherine Duggan

# OTHER AUSTRALIAN PHARMACY COUNCIL ACTIVITIES

## Clearing House

In addition to its responsibilities as the national assessing authority and accreditation body for pharmacy in Australia, the APC also works closely with other professions in the delivery of their high-stakes examinations to international candidates.

The 2013/2014 year has seen a slight decrease in the total number of examination papers administered by the Clearing House as the Australian Dental Council did not hold examinations in the September 2013 session.

The Clearing House administers examinations on behalf of the following ten professions both in Australia and overseas:

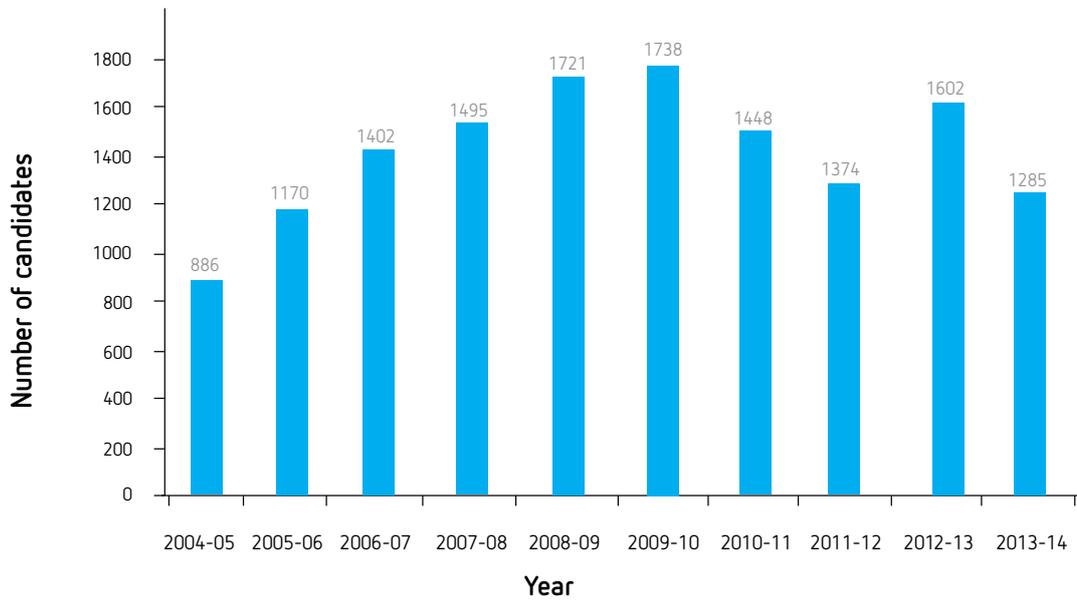
- Australian Dental Council
- Australian and New Zealand Society of Nuclear Medicine
- Australian and New Zealand Osteopathic Council
- Australian Physiotherapy Council
- Australian Institute of Medical Scientists
- Australasian Veterinary Boards Council Inc
- Dietitians Association of Australia

- Pharmacy Council of New Zealand
- National Accreditation Authority for Translators and Interpreters Ltd
- Australian Pharmacy Council Ltd

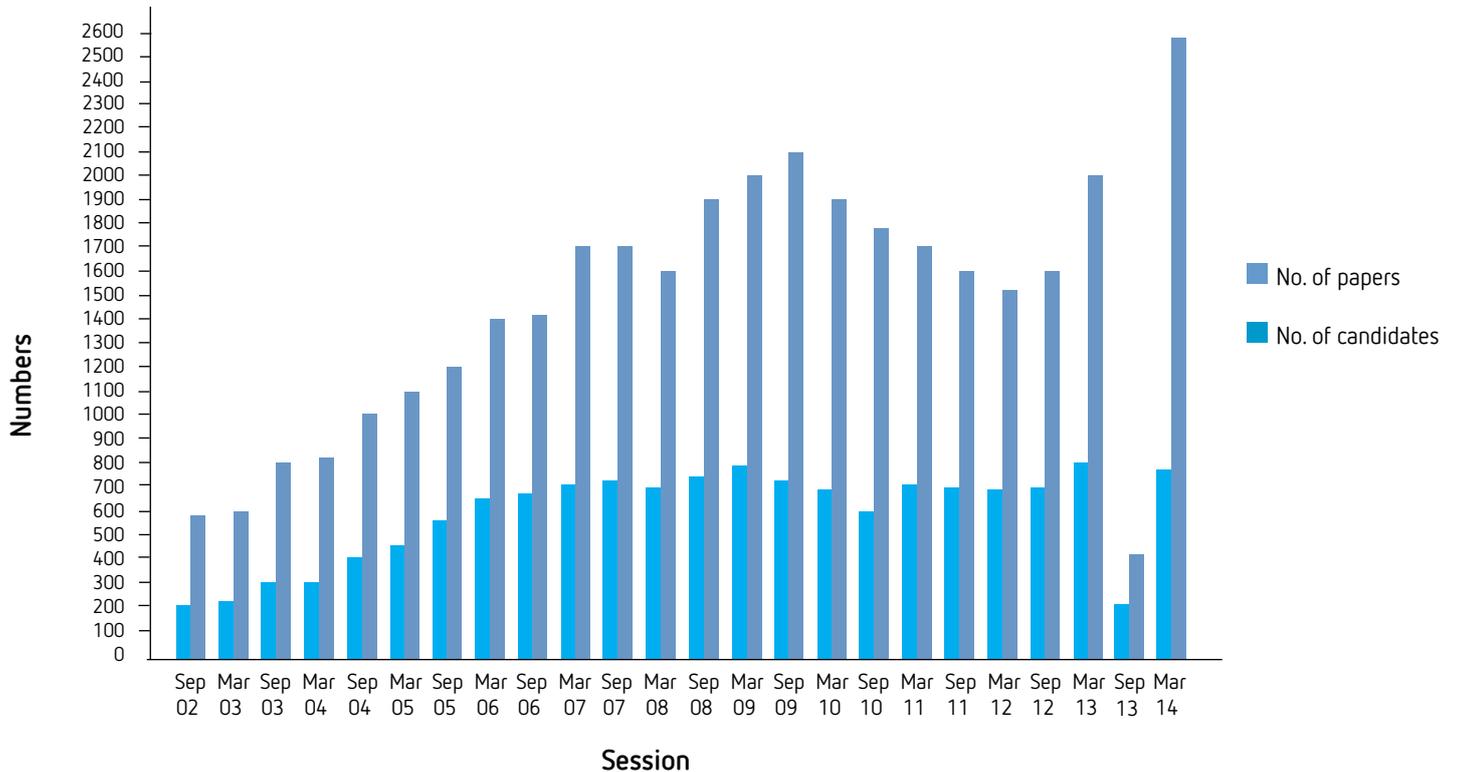
In 2013/2014, 3,435 examinations were administered by the Clearing House. The following charts show the number of candidates administered by the Clearing House and total number of papers managed.

1. A graph showing numbers of candidates administered by the Clearing House from the FY 2004/05-2013/14.
2. A graph reflecting the number of candidates and the number of papers managed by the Clearing House across the previous 24 sessions.
3. A graph showing the top 9 venues used for Clearing House examinations in 2013 /2014.

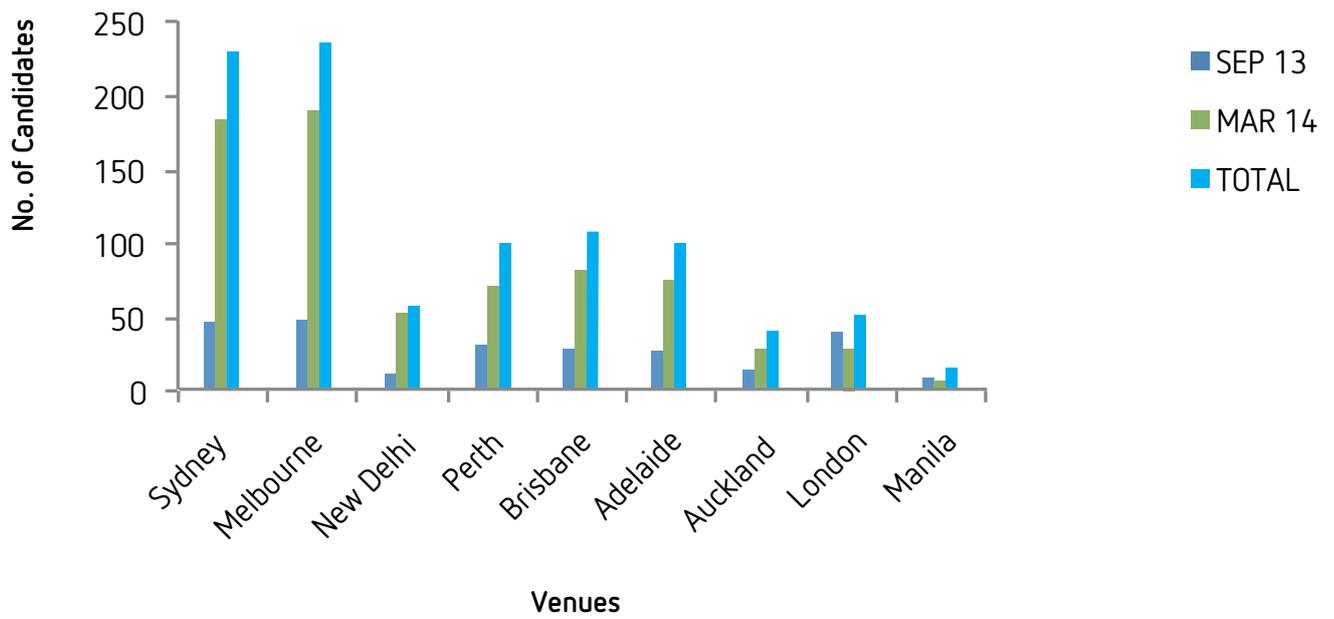
## Clearing House from FY 2004/05 - 2013/14



## Number of Candidates and Papers Managed



## Top Nine venues for the Clearing House Examinations



# Memberships and Representation

## Collaboration and Representation

The APC works collaboratively within the health and higher education sphere by memberships of and representation with the following groups and fora.

### Australian Pharmacy Liaison Forum

The Australian Pharmacy Liaison Forum (APLF) is an independent coalition of representatives from ten national pharmacy organisations which work together on issues of national importance to the pharmacy profession and the public. The APC provides secretariat services for the APLF and the President and CEO attend meetings.

### Pharmacy Practitioner Development Committee

In 2014 the pharmacy organisations involved in the Advanced Pharmacy Practice Framework Steering Committee (APPFSC) agreed to establish the Pharmacy Practitioner Development Committee (PPDC). Ten pharmacy organisations are members of the PPDC, and the committee operates under new terms of reference to achieve three priority areas: reviewing the National Competency Standards Framework for Pharmacists in Australia (2010), developing an agreed profession-wide position on pharmacist prescribing and assisting in the implementation of an advanced pharmacy practice recognition model. The APC is a member of the PPDC.

### Health Professions Accreditation Councils' Forum

The APC is member of this forum which comprises the eleven Australian Health Professions Councils appointed under the National Registration and Accreditation

Scheme (NRAS). The Forum members work together on issues of national and international importance to the regulated health professions, and meets regularly. The Forum also holds an annual Accreditation workshop, in which APC takes a leadership role.

### Professions Australia

The APC is an Associate Member of Professions Australia, a national organisation of professional associations. It advances and promotes professionalism for the benefit of the community. It does this by communicating the benefits of professionalism and ethical practices and providing government with reliable and objective advice on relevant issues.

### CPD Forum

The Australian Pharmacy Council runs the Continuing Professional Development Forum as a platform for CPD Providers to discuss issues of mutual interest, providing information on decisions and activities related to the accreditation of CPD activities and updates on requirements of the Pharmacy Board of Australia. The forum members seek feedback on issues and developments in CPD accreditation, and work together to explore issues regarding best practice.

### ITP Forum

The APC runs the Intern Training Programme provider Forum to allow discussion amongst the intern training providers and discusses issues of mutual concern. The group allows discussion on decisions and activities related to the accreditation of intern training programs, seeking feedback on issues and developments and collaborations in allowing the group to explore issues regarding intern training best practice.

## International Collaborations

The Australian Pharmacy Council is working more closely and developing collaborations with a number of international organisations; some relationships are around potential new services, and others are to foster sharing through Memoranda of Understanding.

## Organisations

### Pharmacy Council of New Zealand (PCNZ)

The APC has a special and close relationship with the Pharmacy Council of New Zealand, and provides both accreditation and examination services for the Council. PCNZ is a member of the APC and has a nominated director on the APC Council. A memorandum of understanding outlines the scope of accreditation and standards development, with an annual funding grant, and examinations are provided on a fee for service basis. This year APC began delivery of an Intern Written examination in three centres across New Zealand.

### General Pharmaceutical Council of Great Britain (GPhC)

A variety of meetings have been held with the General Pharmaceutical Council, which is the regulator for pharmacists and pharmacy in the United Kingdom. Discussions on pharmacist prescribing accreditation standards, accreditation standards for the degree programs and possible sharing of examination questions have commenced between the two organisations and a memorandum of understanding is under preparation.

### Royal Pharmaceutical Society of Great Britain (RPS)

Discussions between APC and the RPS have commenced around the potential sharing of the learnings of their new "Faculty" model for recognition of advanced practice. A memorandum of understanding has been in preparation between APC and RPS and will be signed later in 2014.

### Pharmacy Examining Board of Canada (PEBC)

The APC President and CEO met with Mr John Pugsley, Registrar of the Pharmacy Examining Board of Canada at the FIP conference in September 2014. PEBC undertakes the examinations for registration for the pharmacy regulators across Canada, and APC and PEBC have shared ideas on examination questions and delivery.

### Pharmaceutical Society of Ireland (PSI)

The APC met with the PSI during the FIP conference in September 2014 to discuss accreditation and examinations including sharing examination questions and accreditation processes.

### Accreditation Council for Pharmacy Education (ACPE) - United States

The APC has a MOU with the ACPE which encourages sharing of information and processes. At the FIP conference in September 2014 the APC and ACPE discussed matters of mutual interest. In early 2014 the ACPE appointed the APC CEO Bronwyn Clark to the ACPE International Services Program Advisory Group (ISPAG).

## Fiji Pharmacy and Poisons Board

As part of its collegial support to Pacific neighbours, the APC continues to provide the Fiji Pharmacy and Poisons Board with a written exam (CAOP) for use for their new registrants.

## Conference presentations and attendances

### International Pharmacists Federation (FIP), Dublin, Ireland September 2013

The APC is an observer member of the International Pharmacists Federation (FIP), which is the global federation for pharmacists and pharmaceutical scientists. The FIP hold an annual congress that the APC President and CEO attend to meet with international colleagues. The Congress was held in Dublin in August/September 2013.

### Monash Pharmacy Education Symposium, Prato, Italy July 2013

Ms Adkins, Director Accreditation and Policy, attended and presented at the Monash Pharmacy Education Symposium in Prato, Italy. The theme was "Teaching for Learning". Ms Adkins gave a poster presentation regarding the recent clinical placement benchmarking undertaken by the APC Clinical Placements Working Party.

### Council on Licensure, Enforcement and Regulation (CLEAR),

APC is a member of CLEAR. Mr Ford, Director of Examinations and Assessments, attended the CLEAR conference in October 2013 in Missouri, USA, where he made contact with a variety of people from organisations with whom we are continuing to collaborate.

### Life Long Learning in Pharmacy (LLLP) Conference, Florida June 2014

Ms Clark, CEO, is a member of the International committee on Life Long Learning in Pharmacy (LLLP) and both she and Ms Adkins attended this conference in 2014. Ms Adkins presented a workshop and a poster on CPD accreditation, and Ms Clark was a member of an international panel on CPD.

### Inaugural convention of the Indian Association of Colleges of Pharmacy, Bangalore February 2014

Ms Debra Rowett, APC Accreditation Chair and Vice President, was invited to speak at the Inaugural convention of the Indian Association of Colleges of Pharmacy and presented on behalf of the Australian Pharmacy Council. Ms Rowett's presentation was entitled "Australian Pharmacy Council Accreditation and International Pharmacy Programs".

### International Accreditation

The APC has commenced providing accreditation services for overseas pharmacy programs against the Accreditation Standards for Pharmacy Programs in Australia and New Zealand 2013. Because the Accreditation Standards contain specific standards to the Australian and New Zealand practice and education regulatory environment, international programs are only eligible for "Accreditation with Conditions", and are not able to be recognised as registrable qualifications by the Pharmacy Board of Australia or the Pharmacy Council of New Zealand.



Bronwyn Clark, CEO Australian Pharmacy Council; John Low, President Australian Pharmacy Council; Robert S Beardsley, President, US Accreditation Council for Pharmacy Education (ACPE); Peter H Vlasses, CEO US Accreditation Council for Pharmacy Education (ACPE).



John Low, President Australian Pharmacy Council; Bronwyn Clark, CEO Australian Pharmacy Council; Mike Rouse, Assistant Executive Director, Professional Affairs and Director, International Services, US Accreditation Council for Pharmacy Education (ACPE).



Rachel Adkins, Director Accreditation and Policy presented her poster regarding the recent clinical placement bench marking at the Monash Pharmacy Education Symposium.



# Developing Accreditation Standards for Continuing Professional Development

Author/s: Adkins R, Chapman C, Clark B, Le Blanc L

## INTRODUCTION / BACKGROUND

### 1. CPD System in Australia

- The *Health Practitioner Regulation National Act 2009* (the Act) governs the operations of the Australian Health Practitioner Regulation Agency (AHPRA) and the National Boards (i.e. the Pharmacy Board of Australia (PBA)).
- Under the Act, all registered practising health practitioners MUST undertake CPD.
- The PBA's CPD Registration Standard stipulates that a registered pharmacist in Australia must undertake CPD.
- The PBA advises that pharmacists self-assess their individual needs with reference to the *National Competency Standards Framework for Pharmacists in Australia 2010* (the Competency Standards).
- Each year the PBA specifies a minimum number of annual CPD credits that need to be met by registered pharmacists at the time of renewal of their registration.
- The PBA uses the following classification for CPD activities and allocated CPD credit levels (Figure 1). No more than 50% of the annual CPD credits required can come from Group 1 activities.

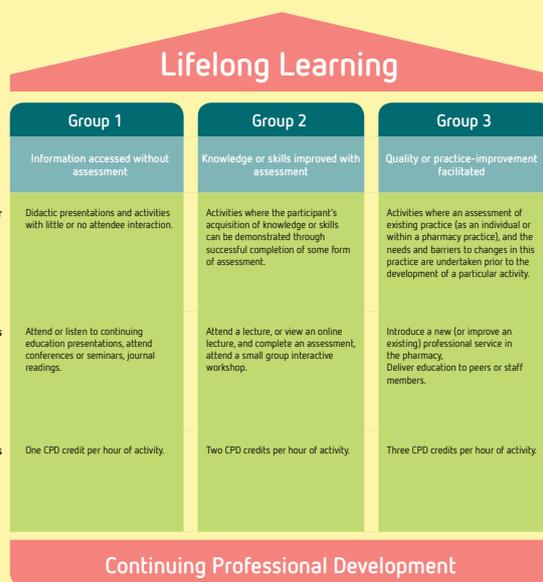


Figure 1: Classification of CPD Activities and Credit Levels

### 2. Background of the CPD System

- CPD can be either a requirement or a stipulated what providers can be accredited.
- The definitions of CPD vary between accredited bodies.
- The Australian Pharmacy Accreditation Committee (APAC) process of recognition.
- The APC began accreditation in 2003.
- Following the accreditation process, CPD authorisation was granted.
- The Working party of the APC (to improve consistency of 'Accreditation Standards') were drafted.

### Objectives

- To develop a set of accreditation standards for assessing the validity of CPD activities.

## Method

- The need for the development of an accreditation process for CPD was identified in 2003 and a committee was established to undertake this work.
- The committee was established as a committee of the Council of Pharmacy Registering Authorities (COPRA) and was called the Pharmacy Education Accreditation Committee (PEAC).
- In 2007, PEAC was disbanded and a working party, known as the Australian Pharmacy Accreditation Committee (APAC) was established to develop a process by which the APC would authorise to accredit providers of CPD on behalf of the APC.
- In 2008, the Council of the APC reiterated the need to review the process by which organisations were to accredit providers to ensure a nationally consistent approach for CPD accreditation.
- A CPD Review Working Party (the Working Party) was established to develop a standard tool (i.e. the Standards).

- The Working Party consisted:
  - Australian and New Zealand representatives
  - Representative of each CPD accrediting body in Australia, The Australian College of Pharmacy
- The Working Party acknowledged the preliminary work of the PEAC included the "Professional Education in pharmacy including Compliant Activities".
- Members of the Working Party recognised the changes that have happened in the CPD space.
- A full set of draft standards were developed and consulted for comments.

## Results

- A suite of Accreditation Standards (Figure 2) was drafted and circulated for comment in 2012 and finalised for implementation in 2013.
- The final Accreditation Standards comprised of **SIX** standards (Figure 3).
- Each of the Standards comprises of three components (Figure 4):
  - Element/s** - The major components of each standard that are described in great detail by the performance criteria/s and evidence example/s.
  - Performance Criteria/s** - are evaluative statements, which specify what is to be assessed and the required level of performance; and
  - Evidence Example/s** - sample material that can be assessed by CPD accrediting organisations to determine if the CPD providers meet the relevant standard.



Figure 2: Cover Page of the Accreditation Standards



Figure 3: The Six Accreditation Standards for Continuing Professional Development Activities

# Accreditation Standards for Continuing Professional Development (CPD) Activities

, Rowett D, Shirtcliffe A.

## Background to the Development of the Standards

accredited or non-accredited and at this time the PBA has not reported the proportion of activities undertaken by pharmacists that must be

the three different CPD activity groups (Figure 1) – do not distinguish between accredited and non-accredited activities.

Pharmacy Council (APC) was authorised from the PBA to establish the process of CPD accrediting organisations.

accrediting CPD accrediting organisations in 2009.

in the accreditation of two CPD accrediting organisations, the APC reviewed the process convening a CPD Review Working Party in early 2011.

To determine that a set of Accreditation Standards were required to support the process of accreditation assessment across the scheme, as a result a set of Accreditation Standards for Continuing Professional Development Activities' (the Standards) were developed in 2012.

Accreditation Standards for use by the accrediting organisations when assessing the quality of activities for pharmacists' continuing professional development.

with expertise in CPD delivery and policy development; and

(i.e. The Society of Hospital Pharmacists Australia, The Pharmacy Guild of Australia, The Pharmaceutical Society of Australia).

primary work conducted by PEAC since 2004 when developing the Standards.

the development of a framework for the accreditation of Continuing Professional Development standards. At the time these standards were referred to as "Criteria for

the need for considerable amount of modification needed due to the changes in Australia since the work of the PEAC in 2004.

and the members of the pharmacy profession and the general public were

## Discussion

- The accreditation of CPD activities provides an assurance to pharmacists that an activity has been reviewed for its educational quality and for its relevance to a pharmacist's practice.
- CPD accrediting organisations which are accredited by the APC are required to assess CPD activities against the Standards. To be accredited, a CPD activity must demonstrate that it satisfies all the standards. The application and supporting evidence must also demonstrate how the activity meets each of the standards.
- The relationship between the APC, CPD accrediting organisations and CPD providers is shown in Figure 5. This relationship also demonstrates the current quality assurance framework which the CPD accreditation is built upon.
- All four of the CPD accrediting organisations accredited by the APC were audited in the last 12 months. It was noted that all organisations have revised their processes to align with the Standards and have been educating and supporting CPD providers to ensure a smooth transition.
- However, there have been common issues that all CPD accrediting organisations have experienced during the implementation process. These are:
  - In Australia, CPD providers of pharmacy education are quite diverse. Some providers are not from the pharmacy profession. The Standards require the activity objectives to be linked to the pharmacist's Competency Standards. Many CPD accrediting organisations have had to guide their providers thoroughly due to the significant difficulty experienced by providers regarding mapping to the Competency Standards.
  - Difficulties experienced with accrediting conference presentations. The accrediting organisations find it difficult to get presentation content far enough in advance to assess the material thoroughly. There are also occasions where speakers have not been effective communicators or have changed the presentation content of the accredited programs at the time of delivery.
  - Commercial bias, conflicts of interest and sponsorship of accredited programs.
- The APC is working closely with the accrediting organisations to resolve these issues and a workshop is to be conducted in the near future to develop a set of guidelines to assist with the interpretation of the Standards.

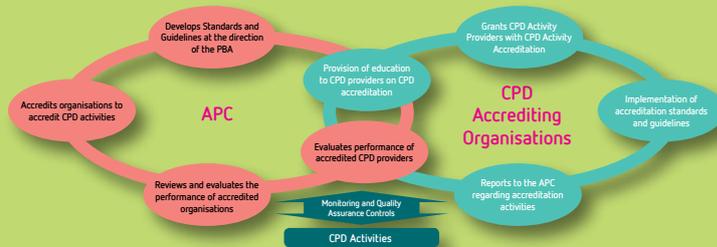


Figure 5: The Relationship between the APC and Accrediting Organisations

## Standard 1: Learning Objectives

This Standard ensures that information provided to pharmacists about the activity includes the intended outcome objectives presented in such a way as to support pharmacists to choose suitable activities in accordance with their scope of practice and learning plans/needs.

Element	Performance Criteria	Evidence examples
1.1 The activity must have a statement of specific learning objectives	<ul style="list-style-type: none"> <li>Objectives must be linked to the Competency Standards</li> <li>Objectives must be actionable statements</li> <li>Objectives must be specific and measurable whenever possible</li> <li>A statement connecting the learning objectives must be accessible to pharmacists to allow them to choose appropriate activities</li> </ul>	<ul style="list-style-type: none"> <li>promotional materials</li> <li>presentation materials</li> <li>content of online and journal based activities</li> <li>mapping of the objectives to the Competency Standards</li> </ul>

Actionable statements are statements that define what a pharmacist should know or be able to do, at the completion of the activity.

Selected examples of how learning outcome objectives should be expressed so that they are specific, measurable and achievable.

On completion of this activity you will be able to:

- Describe the three main causes of UTIs
- Explain the treatment options available
- Discuss the efficacy of antibiotic remedies with patients
- Discuss preventative measures with patients
- Demonstrate ability to take an accurate medication history in a patient with a UTI

## Conclusion

CPD has become part of professional life for many health professionals including pharmacists. CPD is one of the defining principles that underpins the concept of lifelong learning. The current system of mandatory CPD credit accrual focuses on quantity, not quality and risks being a simple tick-box exercise with no demonstrable benefit for the pharmacists engaging with it. Pharmacists may undertake CPD not relevant to their scope of practice simply to achieve their annual CPD requirement. With a change in approach in the areas of the CPD accreditation field combined with leadership from the profession, CPD can become a positive experience for pharmacists' lifelong learning. The value of underpinning CPD activities with accreditation standards provides assurance to pharmacists that the activities have been evaluated for quality and relevance to identifiable areas of pharmacy practice.

## References

Health Practitioner Regulation National Law Act 2009  
<http://www.ahpra.gov.au/Legislation-and-Publications/Legislation.aspx>

National Competency Standards for Pharmacists in Australia 2010  
<http://www.psa.org.au/supporting-practice/national-competency-standards>

Pharmacy Board of Australia Guidelines on Continuing Professional Development  
<http://www.pharmacyboard.gov.au/Codes-Guidelines.aspx>

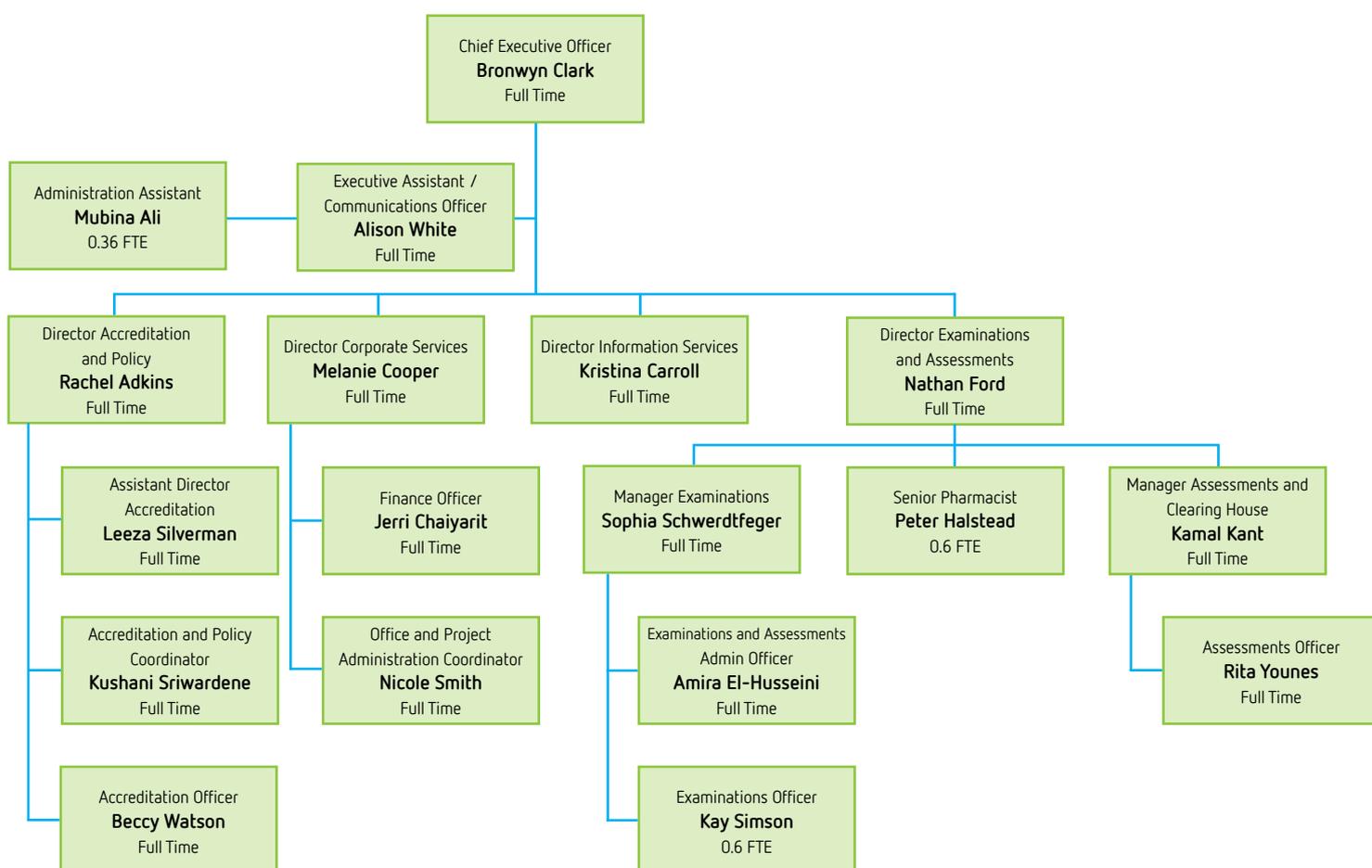
Pharmacy Board of Australia Registration Standards  
<http://www.pharmacyboard.gov.au/Registration-Standards.aspx>

## Acknowledgements

The APC wishes to greatly acknowledge the Pharmaceutical Society of Australia, the Pharmacy Guild of Australia, the Society of Hospital Pharmacists of Australia and the Australian College of Pharmacy for their input with the development of the Standards.

# Australian Pharmacy Council

## Organisational Chart





APC Staff May 2014

**Back row L to R:** Alison White, Rachel Adkins, Bronwyn Clark, Melanie Cooper, Nathan Ford, Peter Halstead, Rita Younes, Sophia Schwerdtfeger

**Front row L to R:** Jerri Chaiyarit, Kay Simson, Kushani Sriwardene, Amira El-Husseini, Kamal Kant, Mubina Ali (to May 2014), Leeza Silverman

**Absent:** Nicole Smith (from June 2014), Beccy Watson, Kristina Carroll (from November 2013)





Australian Pharmacy Council Ltd

# FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2014

ABN 45 568 153 354

The financial statements for 2013 – 14 were prepared according to the Australian Accounting Standards and the Corporations Act 2001, and were audited by PricewaterhouseCoopers. The auditors issued an unmodified audit report after doing a comprehensive check of bank accounts, income and expenditure, fixed assets, and journals for irregularities, fraud and any items that could lead to fraud.

The audited financial statements for 2013-14 follow this summary.

The financial statements were also analysed and reviewed by the Finance, Audit and Risk Monitoring Committee, a subcommittee of the directors. That Committee reviewed the audit scope prior to the audit and met with the auditor following the audit to ask questions.

In 2013 – 14, total revenue was \$3,461,157 and total expenditure was \$3,457,101.

## Directors' report

Your directors present their report on the Australian Pharmacy Council Limited (APC) for the year ended 30 June 2014.

### Directors

The following persons were directors of Australian Pharmacy Council Limited during the whole of the financial year and up to the date of this report:

Mr John Low  
Mr John Jackson  
Mrs Debra Rowett  
Mr Mark Bedford  
Dr Ian Coombes  
Ms Gayle Ginnane  
Ms Tricia Greenway  
Ms Lenette Mullen  
Professor Emeritus Lloyd Sansom, AO  
Professor Nick Shaw

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Principal activities

During the year the principal continuing activities of APC consisted of:

- (a) the application of assessment procedures within the Commonwealth of Australia and overseas, which may be used to determine professional competence;
- (b) the accreditation of pharmacy education providers and/or courses which may be relied upon for the registration of pharmacists;
- (c) the accreditation of continuing pharmacy education or professional development providers and/or activities that may be offered to registered pharmacists, which may be relied upon for the re-registration of pharmacists;
- (d) co-operating with state, national and international associations, authorities and organisations in a manner consistent with the attainment of these purposes.

APC is an independent body engaged, in the public interest, in the development and assurance of education, training and assessment standards.

APC values, independence and high ethical standards, honesty and transparency, accountability to clients and stakeholders, evidence-based decision making and benchmarking, high quality business processes and outcomes, continuous improvement, collaborative models of leadership

APC is guided by a strategic plan which include five key goals, these are as follows:

- (a) Best practice accreditation, assessment and examination services;
- (b) Capable and reliable systems and processes;
- (c) Sustainable growth;
- (d) Enhanced communication and reputation; and
- (e) Appropriate resources in people and finances.

### Dividends

No dividends are allowed under the *Corporations Act 2001* and therefore none were paid.

### Operating results

The surplus of the entity amounted to \$4,056 (2013: surplus of \$349,426).

### Review of operations

The year has been one of consolidation and growth of operations for the APC. Contributing to the stability and growth of the APC are the following:

- The Pharmacy Board of Australia continues to provide an annual grant for accreditation services.
- The Pharmacy Council of New Zealand continues to provide an annual grant for accreditation services.
- In March 2014 APC commenced the regular delivery of an Intern written examination for the Pharmacy Council of New Zealand delivered in New Zealand.
- Despite the removal of "pharmacist" from the Skilled Occupations List from 1 July 2013 onwards there was no substantive reduction of the fee-for-service activities undertaken by the entity this year.
- The APC has commenced a project to implement a credentialing system for advanced pharmacy practitioners within Australia.

### Significant changes in the state of affairs

There have been no significant changes in the state of affairs of APC during the year.

### Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

- (a) the APC's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the APC's state of affairs in future financial years.

### Likely developments and expected results of operations

The APC expects a moderate increase in operations as a result of developments which will fall within the scope of the *Health Practitioner Regulation National Law Act 2009* and the provision of additional services to the Pharmacy Council of New Zealand which will further expand the accreditation and examination functions of the organisation.

In January 2014, APC was endorsed as the independent body to undertake the final credential assessment for pharmacists seeking recognition as advanced pharmacists. APC will be investing in processes and ICT infrastructure to implement this credentialing system in 2015.

### Environmental regulation

The APC's operations are regulated by the *Health Practitioner Regulation National Law Act 2009* as the assigned accreditation body for pharmacy.

**Information on directors**

**Mr John Low, *President.***

**Qualifications**

PhC, MSHP.

**Mr John Jackson, *Vice-President (until 20 May 2014).***

**Qualifications**

B Pharm, Grad Dip Hos Pharm, MPH, FSHP, MPS, MAICD.

**Mrs Debra Rowett, *Vice President (from 20 May 2014)***

**Qualifications**

B Pharm, CGP.

**Mr Mark Bedford, *Director.***

**Qualifications**

DipPharm, RegPharmNZ, AFNZIM.

**Dr Ian Coombes, *Director.***

**Qualifications**

BPharm(Hons), MSc, PhD.

**Ms Gayle Ginnane, *Director.***

**Qualifications**

BA, BEcon, MDefStudies, GDSS, FAICD, MAIM, MIPAA.

**Ms Tricia Greenway, *Director.***

**Qualifications**

BA, TPTC.

**Ms Lenette Mullen, *Director.***

**Qualifications**

FPS, GAICD.

**Professor Emeritus Lloyd Sansom, AO, *Director.***

**Qualifications**

PhC, BSc.PhD(Adel), FPS, Hon.DHlth(N'cle), Hon DSc(Qld), DUniv(Griff), DSc(Syd).

**Professor Nick Shaw, *Director.***

**Qualifications**

BSc(Hons), PhD, MPS, CSci, CChem, FRSC, FRPharms.

**Company secretary**

Bronwyn Clark was appointed a Company Secretary on 20 November 2012 and continues at the date of this report. Rachel Adkins resigned as Company Secretary on 19 March 2014.

**Meetings of directors**

The numbers of meetings of the APC's board of directors and of each board committee held during the year ended 30 June 2014, and the numbers of meetings attended by each director were:

	Director's meetings		Finance committee	
	A	B	A	B
Mr John Low	4	4	-	-
Mr John Jackson	4	4	4	4
Mrs Debra Rowett	4	4	-	-
Mr Mark Bedford	4	4	-	-
Dr Ian Coombes	4	4	-	-
Ms Tricia Greenway	4	4	-	-
Ms Gayle Ginnane	4	4	4	4
Ms Lenette Mullen	4	4	-	-
Professor Emeritus Lloyd Sansom, AO	4	4	-	-
Professor Nick Shaw	4	4	-	-

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the committee during the year

**Insurance of officers**

During the financial year, APC paid a premium of \$nil (2013: \$nil) to insure the directors and secretaries of the entity.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

**Indemnity of officers and auditors**

No indemnities have been given during or since the end of the financial year, for any person who is or has been an officer or auditor of APC.

**Proceedings on behalf of the company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the APC, or to intervene in any proceedings to which the APC is a party, for the purpose of taking responsibility on behalf of the APC for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the APC with leave of the Court under section 237 of the *Corporations Act 2001*.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

**Auditor**

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.

Mr John Low  
Director

 4/9/2014

Ms Gayle Ginnane  
Director

Canberra  4/9/2014



## Auditor's Independence Declaration

As lead auditor for the audit of Australian Pharmacy Council Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Pharmacy Council Limited during the period.

A handwritten signature in black ink, appearing to read 'David Murphy', written over a light blue horizontal line.

David Murphy  
Partner  
PricewaterhouseCoopers

4 September 2014

**Australian Pharmacy Council Limited** ABN 45 568 153 354  
**Annual report - 30 June 2014**

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These financial statements are the financial statements of Australian Pharmacy Council Limited as an individual entity. The financial statements are presented in the Australian currency.

Australian Pharmacy Council Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Australian Pharmacy Council Limited  
Level 2 Ethos House  
28-36 Ainslie Place  
Canberra ACT 2601

The financial statements were authorised for issue by the directors on 4/9/2014. The directors have the power to amend and reissue the financial statements.

**Australian Pharmacy Council Limited**  
**Statement of comprehensive income**  
**For the year ended 30 June 2014**

	Notes	2014 \$	2013 \$
<b>Revenue from continuing operations</b>			
Revenue from ordinary activities		3,313,814	3,188,511
Other revenue		147,343	173,219
	4	<u>3,461,157</u>	<u>3,361,730</u>
Employee benefits expense		(1,680,937)	(1,338,464)
Depreciation and amortisation expense	5	(73,120)	(39,139)
Consultants expense		(33,704)	(209,357)
Examinations expense		(768,289)	(642,001)
Board/Committee members expense		(353,529)	(376,208)
Occupancy expenses		(144,143)	(131,696)
Other expenses		(403,379)	(275,439)
<b>Surplus before income tax</b>		<u>4,056</u>	<u>349,426</u>
Income tax expense		-	-
<b>Surplus for the year</b>		<u>4,056</u>	<u>349,426</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u>4,056</u>	<u>349,426</u>
Total comprehensive income for the year is attributable to:			
Members of Australian Pharmacy Council		<u>4,056</u>	<u>349,426</u>
		<u>4,056</u>	<u>349,426</u>

**Australian Pharmacy Council Limited**  
**Statement of financial position**  
**As at 30 June 2014**

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	3,970,992	3,980,033
Trade and other receivables	7	90,331	96,484
Other assets	8	34,423	101,080
<b>Total current assets</b>		<u>4,095,746</u>	<u>4,177,597</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	160,347	53,724
Intangible assets	10	118,165	113,438
<b>Total non-current assets</b>		<u>278,512</u>	<u>167,162</u>
<b>Total assets</b>		<u>4,374,258</u>	<u>4,344,759</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	181,034	218,257
Other current liabilities	12	360,547	301,850
<b>Total current liabilities</b>		<u>541,581</u>	<u>520,107</u>
<b>Non-current liabilities</b>			
Provisions	13	6,018	2,049
<b>Total non-current liabilities</b>		<u>6,018</u>	<u>2,049</u>
<b>Total liabilities</b>		<u>547,599</u>	<u>522,156</u>
<b>Net assets</b>		<u>3,826,659</u>	<u>3,822,603</u>
<b>EQUITY</b>			
Retained earnings	14(a)	3,826,659	3,822,603
<b>Total equity</b>		<u>3,826,659</u>	<u>3,822,603</u>

**Australian Pharmacy Council Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2014**

	Retained earnings \$	Total equity \$
Balance at 1 July 2012	<u>3,473,177</u>	<u>3,473,177</u>
Surplus for the year	349,426	349,426
Total comprehensive income for the year	<u>349,426</u>	<u>349,426</u>
Balance at 30 June 2013	<u>3,822,603</u>	<u>3,822,603</u>
Balance at 1 July 2013	<u>3,822,603</u>	<u>3,822,603</u>
Surplus for the year	4,056	4,056
Total comprehensive income for the year	<u>4,056</u>	<u>4,056</u>
Balance at 30 June 2014	<u>3,826,659</u>	<u>3,826,659</u>

**Australian Pharmacy Council Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2014**

	Notes	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and members (inclusive of goods and services tax)		3,516,198	3,346,929
Payments to suppliers and employees (inclusive of goods and services tax)		(3,484,101)	(3,199,528)
Interest received		147,343	184,787
<b>Net cash inflow from operating activities</b>	19	<b>179,440</b>	<b>332,188</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment	9	(159,231)	(15,755)
Payments for software	10	(29,250)	(113,438)
<b>Net cash (outflow) from investing activities</b>		<b>(188,481)</b>	<b>(129,193)</b>
<b>Cash flows from financing activities</b>			
<b>Net cash inflow from financing activities</b>		-	-
<b>Net (decrease) increase in cash and cash equivalents</b>		(9,041)	202,995
Cash and cash equivalents at the beginning of the financial year		3,980,033	3,777,038
<b>Cash and cash equivalents at end of year</b>	6	<b>3,970,992</b>	<b>3,980,033</b>

## 1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Australian Pharmacy Council Limited Limited (APC) as an individual entity, incorporated and domiciled in Australia. APC is a company limited by guarantee.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Australian Pharmacy Council Limited is a not-for-profit entity for the purpose of preparing the financial statements.

#### (i) *New and amended standards adopted by the entity*

The group has applied the following standards and amendments for first time in their annual reporting period commencing 1 July 2013:

- AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
- AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Separate Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle and
- AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The adoption of these standards do not have a significant impact on the financial statements and only affect the disclosures in the notes the financial statements.

#### (ii) *New and amended standards not yet adopted by the entity*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted by APC. APC's assessment of the impact of these new standards and interpretations is set out below:

## 1 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### (ii) *New and amended standards not yet adopted by the entity (continued)*

- AASB 9 Financial Instruments and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9.

When adopted, the standard will affect the company's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments will therefore have to be recognised directly in profit or loss.

The company is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 30 June 2017. Although the directors anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact in the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

#### (iii) *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified, where applicable, by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, assets held for sale, certain classes of property, plant and equipment and retirement benefit obligations.

#### (iv) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the APC's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### (b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

APC recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of APC's activities as described below.

Revenue is recognised for the major business activities as follows:

#### (i) *Provision of services*

Revenue from provision of services is recognised upon delivery of services to customers.

#### (ii) *Grant revenue*

Grant revenue is recognised in the statement of comprehensive income when APC obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to APC and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby APC incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

## 1 Summary of significant accounting policies (continued)

### (b) Revenue recognition (continued)

#### (iii) Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

#### (iv) Dividend revenue

Dividend revenue is recognised as revenue when the right to receive payment is established.

### (c) Income tax

No provision for income tax has been raised as APC is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

### (d) Leases

Leases of property, plant and equipment where the APC, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the APC will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the APC as lessee are classified as operating leases (note 16). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the APC is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

### (e) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## 1 Summary of significant accounting policies (continued)

### (g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that APC will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

### (h) Investments and other financial assets

#### **Classification**

APC classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

#### *(i) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

#### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 7) and receivables in the balance sheet.

#### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that APC's management has the positive intention and ability to hold to maturity. If APC were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

## 1 Summary of significant accounting policies (continued)

### (h) Investments and other financial assets (continued)

#### *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which APC commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and APC has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

#### *Measurement*

At initial recognition, APC measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when APC's right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

#### *Impairment*

APC assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

#### *(i) Assets carried at amortised cost*

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, APC may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

## 1 Summary of significant accounting policies (continued)

### (h) Investments and other financial assets (continued)

#### (ii) Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

#### (i) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by APC to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the APC and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

The depreciable amount of all fixed assets are depreciated on a straight line basis over the asset's useful life to APC commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Computer equipment	33%
Office equipment	20 - 33%
Office furniture and fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(e)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is APC policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

## 1 Summary of significant accounting policies (continued)

### (j) Intangible assets

#### (i) IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where APC has an intention and ability to use the asset.

### (k) Trade and other payables

These amounts represent liabilities for goods and services provided to APC prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (l) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when APC has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (m) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

## 1 Summary of significant accounting policies (continued)

### (m) Employee benefits (continued)

#### *(ii) Other long-term employee benefit obligations*

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

### (n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

## 2 Financial risk management

This note explains APC's exposure to financial risks and how these risks could affect APC's future financial performance. Current year profit and loss information has been included where relevant to add further context.

APC's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

APC's Finance, Audit and Risk Monitoring (FARM) Committee is responsible for, among other issues, monitoring that financial risk exposures of APC are managed. The FARM Committee monitors APC's transactions and reviews the effectiveness of controls relating to credit risk, financial risk, and interest rate risk. Discussions on monitoring and managing financial risk exposures are held, reported to, and approved by the Council.

The FARM Committee's overall risk management strategy seeks to ensure that APC meets its financial targets, whilst minimising potential adverse effects of cash flow shortfalls.

APC holds the following financial instruments:

	2014 \$	2013 \$
<b>Financial assets</b>		
Cash and cash equivalents	3,970,992	3,980,033
Trade and other receivables	90,331	96,484
Total financial assets	4,061,323	4,076,517
<b>Financial liabilities</b>		
Trade and other payables	181,034	218,257
Total financial liabilities	181,034	218,257

### (a) Market risk

#### (i) Foreign currency risk

The APC has limited exposure to foreign currency fluctuations. The provider of computer delivery examinations invoices APC in USD. The foreign currency risk in the books of APC is considered immaterial and is therefore monitored but not hedged.

#### (ii) Cash flow and fair value interest rate risk

APC is not exposed to any significant interest rate risk since cash balances are maintained at fixed and variable rates and there are no borrowings.

#### Sensitivity analysis

The following table illustrates sensitivities to APC's exposures to changes in interest rates and equity prices. The table indicates the impact on how income and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Impact on post tax profit 2014	Impact on post tax profit 2013	Impact on other components of equity 2014	Impact on other components of equity 2013
+/-1% in interest rates	31,439	30,277	31,439	30,277
+/-10% in US/AUD exchange rate	28,295	28,439	28,295	28,439

## 2 Financial risk management (continued)

### (b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for APC. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

#### (i) Risk management

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

#### Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by APC securing trade and other receivables. APC has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed below.

	2014	2013
	\$	\$
<b>Cash at bank and short-term deposits</b>		
AA	3,185,357	3,248,886
A	766,654	735,817
Rating not available	18,982	(4,670)
	<b>3,970,993</b>	<b>3,980,033</b>
 <b>Within initial trade terms</b>		
Trade debtors	25,432	24,498
Accrued interest	64,899	71,986
	<b>90,331</b>	<b>96,484</b>

APC does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

## 2 Financial risk management (continued)

### (c) Liquidity risk

Liquidity risk arises from the possibility that APC might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. APC manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid trade and other receivables.

#### (i) *Maturities of financial liabilities and financial assets*

APC's financial liabilities and assets are due to mature in less than 12 months.

## 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### (a) Critical accounting estimates and assumptions

#### (i) *Estimated impairment*

APC assesses impairment at each reporting date by evaluation of conditions and events specific to APC that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

### (b) Critical judgements in applying the entity's accounting policies

#### (i) *Provision for impairment of receivables*

APC believes that the full amount of all debt is recoverable, and no provision for impairment of receivables has been made at 30 June 2014.

#### 4 Revenue

	2014	2013
	\$	\$
<b>From continuing operations</b>		
<i>Revenue from ordinary activities</i>		
Accreditation fees	511,053	402,500
Assessment fees	210,358	311,160
Examination fees	1,660,233	1,357,712
Clearing house	596,500	611,577
Pharmacy Board of Australia	300,000	382,254
Pharmacy Council of New Zealand	30,000	-
Other income from ordinary activities	5,670	123,308
	<b>3,313,814</b>	<b>3,188,511</b>
<i>Other revenue</i>		
Interest received	147,343	173,219
	<b>147,343</b>	<b>173,219</b>
<b>Total revenue</b>	<b>3,461,157</b>	<b>3,361,730</b>

#### 5 Expenses

	2014	2013
	\$	\$
<b>Surplus before income tax includes the following specific expenses:</b>		
Depreciation	48,597	39,139
Amortisation	24,523	-
Total depreciation and amortisation	<b>73,120</b>	<b>39,139</b>
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	95,896	92,208
Total rental expense	<b>95,896</b>	<b>92,208</b>
<i>Auditor remuneration</i>		
Audit services	10,816	10,400
Total auditor remuneration	<b>10,816</b>	<b>10,400</b>

## 6 Current assets - Cash and cash equivalents

	2014 \$	2013 \$
Cash at bank	781,498	881,525
Short-term deposits	3,189,313	3,098,495
Cash on hand	181	13
	<u>3,970,992</u>	<u>3,980,033</u>

### (a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2014 \$	2013 \$
Balances as above	<u>3,970,992</u>	<u>3,980,033</u>

## 7 Current assets - Trade and other receivables

	2014 \$	2013 \$
Trade receivables	14,200	18,062
GST receivable	11,232	6,436
Accrued interest	64,899	71,986
	<u>90,331</u>	<u>96,484</u>

### (a) Impaired trade receivables

Current trade receivables are non-interest bearing loans and generally are receivable within 30 days. A provision for impairment is recognised against trade receivables where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2014 (2013: Nil).

### (b) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. APC's impairment and other accounting policies for trade and other receivables are outlined in note 7(a).

## 8 Current assets - Other assets

	2014 \$	2013 \$
Prepayments	34,423	101,080
	34,423	101,080

## 9 Non-current assets - Property, plant and equipment

	Computer equipment \$	Office equipment \$	Office furniture and fittings \$	Total \$
<b>Year ended 30 June 2013</b>				
Opening net book amount	39,242	25,034	12,833	77,109
Additions	5,641	5,293	4,820	15,754
Depreciation charge	(22,480)	(7,086)	(9,573)	(39,139)
Closing net book amount	22,403	23,241	8,080	53,724
<b>At 30 June 2013</b>				
Cost or fair value	86,246	41,850	58,099	186,195
Accumulated depreciation	(63,843)	(18,609)	(50,019)	(132,471)
Net book amount	22,403	23,241	8,080	53,724
<b>Year ended 30 June 2014</b>				
Opening net book amount	22,403	23,241	8,080	53,724
Additions	63,887	4,681	90,663	159,231
Other adjustments	23,624	(18,141)	(9,494)	(4,011)
Depreciation charge	(27,916)	(5,249)	(15,432)	(48,597)
Closing net book amount	81,998	4,532	73,817	160,347
<b>At 30 June 2014</b>				
Cost	148,428	18,881	95,079	262,388
Accumulated depreciation	(66,430)	(14,349)	(21,262)	(102,041)
Net book amount	81,998	4,532	73,817	160,347

## 10 Non-current assets - Intangible assets

	Software \$	Total \$
<b>Year ended 30 June 2013</b>		
Opening net book amount	-	-
Additions - acquisition	113,438	113,438
Amortisation charge	-	-
Closing net book amount	<u>113,438</u>	<u>113,438</u>
<b>At 30 June 2013</b>		
Cost	113,438	113,438
Accumulation amortisation	-	-
Net book amount	<u>113,438</u>	<u>113,438</u>
<b>Year ended 30 June 2014</b>		
Opening net book amount	113,438	113,438
Additions - acquisition	29,250	29,250
Amortisation charge	(24,523)	(24,523)
Closing net book amount	<u>118,165</u>	<u>118,165</u>
<b>At 30 June 2014</b>		
Cost	142,688	142,688
Accumulated amortisation	(24,523)	(24,523)
Net book amount	<u>118,165</u>	<u>118,165</u>

## 11 Current liabilities - Trade and other payables

	2014 \$	2013 \$
Trade payables	74,665	103,842
Accrued expenses	15,610	18,911
Accrued payroll	15,860	17,988
PAYG payable	31,739	22,772
Employee leave entitlements	43,160	54,744
	<u>181,034</u>	<u>218,257</u>

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

## 11 Current liabilities - Trade and other payables (continued)

### (a) Financial liabilities at amortised cost classified as trade and other payables

	2014 \$	2013 \$
Trade and other payables	181,034	218,257
Less PAYG payable	(31,739)	(22,772)
Less employee leave entitlements	(43,160)	(54,744)
Less employee superannuation entitlements	(15,860)	(9,916)
Financial Liabilities as trade payables	<u>90,275</u>	<u>130,825</u>

## 12 Current liabilities - Other current liabilities

	2014 \$	2013 \$
Exam fees in advance	146,300	121,850
Accreditation fees in advance	214,247	180,000
	<u>360,547</u>	<u>301,850</u>

## 13 Non-current liabilities - Provisions

	2014 \$	2013 \$
Employee benefits - long service leave	6,018	2,049
	<u>6,018</u>	<u>2,049</u>

## 14 Other reserves and retained earnings

### (a) Retained earnings

Movements in retained earnings were as follows:

	2014 \$	2013 \$
Balance 1 July	3,822,603	3,473,177
Net profit for the year	4,056	349,426
Balance 30 June	<u>3,826,659</u>	<u>3,822,603</u>

## 15 Remuneration of auditors

### (a) PricewaterhouseCoopers

	2014 \$	2013 \$
Audit and review of financial statements	10,816	10,400
Other PwC services	4,700	-
Total remuneration for audit and other PwC services	<u>15,516</u>	<u>10,400</u>

## 16 Commitments

### (a) Capital commitments

Significant capital expenditure budgeted for at the end of the reporting period but not recognised as liabilities is as follows:

	2014 \$	2013 \$
IT infrastructure upgrade (within one year)	349,500	-
IT infrastructure upgrade (later than one year but not later than five years)	-	242,000
Website re-development	-	77,000
	<u>349,500</u>	<u>319,000</u>

### (b) Lease commitments

#### (i) Non-cancellable operating leases

	2014 \$	2013 \$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	99,732	95,896
Later than one year but not later than five years	323,777	99,732
	<u>423,509</u>	<u>195,628</u>

## 17 Related party transactions

### (a) Key management personnel compensation

	2014 \$	2013 \$
Short-term employee benefits	511,683	440,952
Post-employment benefits	47,050	37,713
	<u>558,733</u>	<u>478,665</u>

## 17 Related party transactions (continued)

### (b) Transactions with other related parties

During the year ended 30 June 2014, the Directors were paid a sitting fee and travel expenses in relation to their attendance at meetings, conferences, participation in site audits and item writing.

	30 June 2014 \$	30 June 2013 \$
<i>Related party payments to individuals</i>		
Ian Coombes	2,300	3,037
Mark Bedford	7,254	7,723
Lloyd Sansom AO	5,420	15,870
Nick Shaw	6,296	14,458
John Low	32,788	34,427
John Jackson	6,648	11,104
Lenette Mullen	5,330	4,940
Debra Rowett	14,073	17,230
Patricia Greenway	4,990	3,721
Gayle Ginnane	6,140	6,310
Total payments to individuals	<u>91,239</u>	<u>118,820</u>
Total related party transactions paid	<u>91,239</u>	<u>118,820</u>

There are 10 councillors at any one time on the APC Council (Board).

## 18 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of APC, the results of those operations or the state of affairs of APC or economic entity in subsequent financial years.

## 19 Reconciliation of profit after income tax to net cash inflow from operating activities

	2014 \$	2013 \$
Surplus after income tax	4,056	349,426
Depreciation and amortisation	73,120	39,139
Write off of assets	4,011	-
Change in operating assets and liabilities:		
Decrease/(increase) in other assets	66,657	(76,473)
(Decrease)/increase in trade and other payables	(37,223)	(18,427)
Increase/(decrease) in other current liabilities	58,697	15,650
Increase/(decrease) in provisions	3,969	2,049
Decrease/(increase) in trade and other receivables	6,153	20,824
Net cash inflow (outflow) from operating activities	<u>179,440</u>	<u>332,188</u>

## 20 Members' guarantee

APC is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If APC is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of APC. At 30 June 2014 the number of members was 32 (2013: 28).

Australian Pharmacy Council Limited  
Directors' declaration  
30 June 2014

In the directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 30 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the APC will be able to pay its debts as and when they become due and payable, and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of directors.



Mr John Low  
Director

4/9/2014



Ms Gayle Ginnane  
Director

4/9/2014

Canberra



## **Independent auditor's report to the members of Australian Pharmacy Council**

### ***Report on the financial report***

We have audited the accompanying Statement of Financial Position of Australian Pharmacy Council Limited (the company), which comprises the balance sheet as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### ***Directors' responsibility for the financial report***

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report 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 made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Liability limited by a scheme approved under Professional Standards Legislation.



*Auditor's opinion*

In our opinion:

- (a) the financial report of Australian Pharmacy Council Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

PricewaterhouseCoopers

David Murphy  
Partner

Canberra  
4 September 2014

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## Enquiries

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