

The Psychotherapists Board of Aotearoa New Zealand

Te Poari o nga Kaihaumanu Hinengaro o Aotearoa

Annual Report

Year Ending 30 September 2012

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1. Governance

The Psychotherapist Board of Aotearoa New Zealand (PBANZ)

The Board's role is to ensure the implementation of the Health Practitioners Competence Assurance Act 2003 (HPCAA) and fulfill the principle purpose as set out in section 3 and the functions as set out in section 118 of the HPCAA. The Board has made a commitment to ensure that issues of diversity and equality are valued, upheld and promoted, and underpin all aspects of the Boards work and therefore to being familiar with, and operating according to the:

- Principles of natural justice and administrative law
- Te Tiriti o Waitangi
- Health and Disability Commissioner Act 1994 - Code of Health and Disability Services Consumers' Rights
- Health and Disability Services Act 1993
- Privacy Act 1993 - Health Information Privacy Code 1994
- Human Rights Act 1993

Duties and Functions

The functions of each authority appointed in respect of a health profession are as follows:

- to prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, to accredit and monitor educational institutions and degrees, courses of studies, or programmes:
- to authorise the registration of health practitioners under this Act, and to maintain registers:
- to consider applications for annual practising certificates:
- to review and promote the competence of health practitioners:
- to recognise, accredit, and set programmes to ensure the on-going competence of health practitioners:
- to receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of health practitioners:
- to notify employers, the Accident Compensation Corporation, the Director-General of Health, and the Health and Disability Commissioner that the practice of a health practitioner may pose a risk of harm to the public:
- to consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession:
- to set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession:
- to liaise with other authorities appointed under this Act about matters of common interest:
- to promote education and training in the profession:
- to promote public awareness of the responsibilities of the authority:
- to exercise and perform any other functions, powers, and duties that are conferred or imposed on it by or under this Act or any other enactment.

Chair Report

This Annual Report highlights the activities of the Psychotherapists Board of Aotearoa New Zealand (the Board) for the period 1 October 2011 to 30 September 2012.

The 2011/2012 year has been another busy one for the Board. As directed by the Minister of Health and Health Workforce New Zealand (HWNZ) the Board has been actively working with the 15 other Health Responsible Authorities of New Zealand (HRANZ) to investigate possible ways of achieving a single shared secretariat.

This process has involved face to face meetings, electronic communication and teleconferences. The outcome of this process has been an agreement to undertake a Detailed Business Case (DBC) for moving to a single shared secretariat. This work is ongoing.

This year the Board was faced with the need to relocate its offices. The building it had shared with the Occupational Therapy Board of New Zealand (OTBNZ) since its inception was declared a severe earthquake risk. The Board has taken this opportunity to move to shared premises with the OTBNZ, Podiatrists Board, Osteopathic Council, Physiotherapists Board and the Dental Council. This move is in keeping with the Ministers directive. Benefits from the move include easier access to information sharing and potential savings through economies of scale. It is too early to evaluation these.

The Board has also had a busy year continuing work on its duties under section 118 of the HPCA Act. As the newest Board and a small one, the Board has had a major task in developing all the functions and policies it needs to regulate the psychotherapy profession under the HPCA Act. This task is now well advanced having completed and implemented crucial policy guidelines for most of its statutory tasks. The Board has continued with its policy of wide consultation and, where necessary, repeated consultation to ensure that the profession has a chance to provide input and feedback.

Major tasks yet to be completed are the accreditation of courses and the recertification of practitioners.

Accreditation is a complex task because of the nature of psychotherapy training. Research makes it clear that the most important ingredient in successful psychotherapy treatment is the relationship between the psychotherapist and the client. For that reason psychotherapy training is very holistic and usually carried out in small groups. As well as the psychotherapy training programs at the Auckland University of Technology there are several small psychotherapy training providers throughout New Zealand. The Board has begun consultation with all these providers to develop an accreditation process that will ensure their training program meets the Board's standards without adding too much to the costs of training.

The Board is also advancing consultation on recertification to ensure maintenance of clinical competence and appropriate professional development without compromising client confidentiality.

The Board has completed a review of the psychotherapist scopes of practice, following the realization that there was an unintended restriction in the original scopes. This process involved consultation with the profession and stakeholders. The amendments made following consultation have addressed these issues.

Communication

Communication has been a priority for the Board and extensive use has been made of electronic communication, including the use of emails and the Board's website to make as much information as possible available to the profession. The Board holds its meetings throughout New Zealand and invites members of the profession to face to face meetings on a regular basis.

There have been useful meetings between the Chair of the Board and the President of NZAP (to which about 60% of New Zealand psychotherapists belong) as well as other contact with professional associations.

The Board has also been represented at meetings of HRANZ, Accident Compensation Corporation (ACC), Health Workforce New Zealand (HWNZ), Health and Disability Commissioner (HDC) and others.

Complaints and notifications

The Board's first complaint arrived this year and the number of notifications increased. The Board had been alerted by other Boards and Councils to the probability that the numbers of notifications and complaints would increase as the public and profession became increasingly aware of the Board's existence, and this seems to be the case. The lack of complaints and notifications in the early days of the Board's existence was fortunate as it allowed the Board to put in place the policies and processes it has needed to respond to them.

There were three notifications concerning health and fitness to practice during the year, two of these related to the same practitioner.

Financial Viability

The Board is currently in a sound financial position. We have been able to reduce the cost of APCs to practitioners and believe we have adequate reserves. Reserves have been set aside for system upgrades including (Database and IT Systems). Prior to investigating and investing in new systems the Board is waiting to see the outcome of the DBC.

Chair

In July our chair, Mihiteria King, stepped down from the Board for personal reasons. Dr Gordon Hewitt, formally Deputy Chair, was elected chair and Carol Shinkfield was elected deputy chair. Ms King rejoined the Board in October.

Staffing

This year the Board appointed a Registration Officer, taking our staff to 1.6 full time equivalent staff and allowing further development of an appropriate governance/management separation.

This process will develop further as the Board completes the key tasks outlined above.

Gordon Hewitt

A handwritten signature in black ink, appearing to read 'Gordon Hewitt', with a stylized flourish at the end.

Chair
Psychotherapists Board of Aotearoa New Zealand



Board Member Details

The Minister of Health appoints Board Members as individuals rather than as representatives of organisations, for a term of up to three years in accordance with section 120-122 of the HPCA Act. The Chairperson and Deputy Chairperson are appointed by the Board at its first meeting of each year

Board Member Fees

Fees are paid to members for all 'pre-approved' work undertaken on behalf of the Board.

Board Chairperson \$90.00 per hour

Board members \$80.00 per hour

Gordon Hewitt (Chair)

Gordon has been a Board member since the Board's inception in 2007, and is a Psychotherapist and trainer of Transactional Analysis Psychotherapists in Wellington. In his original career, he has lectured in genetics and evolutionary biology. He was Head of Health Sciences at the Central Institute of Technology setting up counseling and Psychotherapy courses, and is a Past President of the International Transactional Analysis Association. Gordon is married with two grown up children.



Carol Shinkfield (Deputy Chair)

Carol has been a Board member since the Board's inception in 2007. She is a Child & Adolescent Psychotherapist with over 20 years' experience working therapeutically with children, adolescents and their families. She has been the programme leader for the Graduate Diploma in Child Mental Health and the Master of Health Science specializing in Child Psychotherapy at AUT and has taught on both Programmes for 14 years.



Mihiteria King

Mihiteria has been a board member since its appointment in October 2007. She has provided services to various organisations over the years including a practitioner in private practice, Maori Mental Health Services, Maori Social Services, Liaison Psychiatry, Adult Community Mental Health Services, Auckland University of Technology (School of Psychotherapy), Auckland PHO's and research clinician for University of Auckland.



Sue Brown

Sue was appointed as a lay member of the Board in 2011. Sue is a Chartered Accountant with a background, at senior management level, in several different industries. Currently working in the Aged Care industry, she owns and operates a 200 acre deer farm in the Bay of Islands with her husband, and serves on several boards and committees.



Paraire Huata

Paraire was appointed as a lay member of the Board in 2011. He is of Ngati Kahungunu descent and has a background in Social Services and Family Therapy. For the past 20 years he has focused on providing training, mentoring and coaching to Maori in Maori Mental Health Social Services and particularly Alcohol and Drug Services. Paraire is affiliated to the New Zealand Association of Training and Development (NZATD), and at present, is delivering training for Moana House Training Institute.



Bill Grant

Bill has been a psychotherapist practitioner Board member for the past two years. He has clinical experience in mental health services, schools, a university clinic, community health clinics, and in private practice, as well as teaching experience in various training programmes and consultation experience in agencies employing psychotherapists. He has an interest in ethics and is currently a lay member of a NZ Law Society Standards Committee. Bill is married to his wife and has grown-up children.



Judy Smyth

Judy was appointed to the Board in 2011. Judy is a registered psychotherapist in private practice in Mt Eden, Auckland. Since graduating from AIT Auckland in 1994 Judy has maintained a full time psychotherapy and counselling practise. Judy is a full member of the New Zealand Association of Psychotherapists (Advanced Clinical Practice), the International Association for Relational Psychoanalytic Psychotherapy, and a founding member of the Auckland Chapter. Her scope of practice is with adults and she also works extensively with couples. Judy's work has also included refugees entering New Zealand, ACC sensitive claims, and EAP corporate business and critical incidents. On-going studies have included Post Graduate Certificates in Psychoanalytic Psychotherapy and Jungian and Transpersonal Psychology from AUT and Advanced Supervision Training from the University of Auckland. Judy has also studied metaphysics, in which she gained a Doctorate in Metaphysical Counselling Mc.D (2009).



2. Secretariat

Board Meetings

Agendas and supporting papers are prepared for each Board meeting. Minutes record the proceedings of each meeting. A quorum of four Board members, including at least one member who is a layperson, is required for the Board to transact business. All members are required during meetings to declare any conflicts of interest with agenda items.

Board Meeting Dates

There were five meetings held between 1 October 2010 and 30 September 2011.

- 2 & 3 December 2011
- 12 & 13 February 2012
- 13 & 14 April 2012
- 17 & 18 June 2012
- 14 & 15 September 2012

Board Committees

The Board has established the following Board Advisory Committees to assist it in carrying out its statutory functions:

- The Qualifications Committee
- Te Tiriti o Waitangi Committee
- The Notifications and Complaints Committee
- The Finance Committee
- The Personnel Committee
- The Fitness to Practice Committee
- The Recertification Committee
- The Accreditation Committee

These Board Advisory Committees undertake various functions in line with issues that fall within their respective portfolios. Each committee conducts itself according to what the work dictates. They undertake their business through various means such as email, teleconference, face-to-face meetings, often using a combination of communication methods. Some committees have delegated decision-making powers, but all committees ultimately report to the Board and provide regular updates on the progress they have made.

3. Registration of, and practicing certificates for, health practitioners

Scopes of Practice

Under Section 11 of the HPCA Act, the Board has authorised three Psychotherapist Scopes of Practice. These were published in the New Zealand Gazette on the 4th September 2008 as follows:

1. Psychotherapist Scope of Practice
2. Psychotherapist Scope of Practice with Child and Adolescent Psychotherapist Specialism
3. Interim Psychotherapist Scope of Practice.

The Board has developed two pathways to registration; the Tertiary Pathway and the Professional Development Pathway. Some acceptable qualifications (on the Tertiary Pathway) have been grandparented until the Accreditation of Psychotherapy Training can be completed.

Persons seeking registration under the Tertiary Pathway must hold a Masters-level qualification in psychotherapy or a comparable qualification. The Board has a 'Policy on Comparable Qualifications'.

Persons seeking registration under the Professional Development Pathway must have completed an 'initial' and 'final' assessment through a Board approved organisation. Organisations whose process are currently approved to conduct these assessments during grandparenting are the Australian and New Zealand Society of Jungian Analysts (ANZSJA), The New Zealand Association of Psychotherapists (NZAP) and the The New Zealand Association of Child and Adolescent Psychotherapists (NZACAP).

During the year the Board identified a restriction created by the wording in the psychotherapist scopes of practice. This restriction related to the frequency of psychotherapy clinical supervision and could prevent a practitioner registered in the Interim Psychotherapist scope of Practice from moving to the Psychotherapists Scope of Practice or the Psychotherapists Scope of Practice with Child and Adolescent Specialism. Following consultation and agreement from the profession the Board has agreed to delete the inclusion of the frequency of psychotherapy clinical supervision from the gazetted scopes of practice. Details relating to frequency of practice can be found in the Board's Clinical Supervision Policy.

Accreditation

Under section 118 (a) of the HPCAA the Board is required to prescribe the qualifications required for scopes of practice within the profession, and, for that purpose, to accredit and monitor educational institutions and degrees, course of studies, or programmes.

As the first step in this process the Board held an initial accreditation meeting on Saturday 31st March 2012. Eight different providers were represented along with representatives from interest groups and associations. All in attendance agreed that a primary goal is for the accreditation process to be affordable and that different modalities and training structures are valued and respected.

This process will continue with an Accreditation Committee and involve consultation with the profession and stakeholders.

Registration

The Board's website hosts a Public Register which includes names, qualifications, and the registration dates of all psychotherapists.

Applications for Registration with the reported year

| HPCAA section | Scope | Number | Registered | Registered with conditions | Not Registered |
|---------------|-----------------------------------|--------|------------|----------------------------|----------------|
| 15 | Interim | 16 | 16 | - | - |
| 15 | Psychotherapist Scope of Practice | 7 | 7 | - | - |

Annual Practising Certificates

The Board is pleased to report that it reduced the Annual Practising Certificate fee for the second time. The 2011/2012 reduction was small but a step in the right direction.

Applications for Annual Practising Certificates

| Total Applications | APC's with conditions | No APCs |
|--------------------|-----------------------|---------|
| 538 | - | - |

54 psychotherapists held a non-practicing status.

4. Competence, fitness to practice, and quality assurance

Performance

The Board has yet to undertake a competence review.

Recertification, continuing competence

The Board has yet to implement a recertification program for psychotherapists. The Board will be consulting on this process during 2013.

Health/Fitness to Practice

The Board received two referrals under section 45 of the HPCAA for the period 1st October 2011 to 30 September 2012.

Source and number of notifications of inability to perform required functions due to mental or physical condition

| Source | HPCAA Section | Existing | New | Closed | Still Active |
|--------------------------------|---------------|----------|-----|--------|--------------|
| Health Service | 45(1) a | | | | |
| Health Practitioner | 45(1) b | | 3* | 1 | 1 |
| Employer | 45(1) c | | | | |
| Medical officer of health | 45(1) d | | | | |
| Any person | 45(3) | | | | |
| Person involved with education | 45(5) | | | | |

* Two referrals related to the same practitioner.

5. Complaints and Discipline

Complaints from various sources and outcomes

| Source | Number | Outcome | | |
|------------------------------------|--------|--------------------------|---|---|
| | | No further action | Referred to Professional Conduct Committee | Referred to Health and Disability Commissioner |
| Consumers | | | | |
| Health and Disability Commissioner | 1 | | 1 | |
| Health Practitioner (under RA) | | | | |
| Other Health Practitioners | | | | |
| Courts notice of conviction | | | | |
| Employer | | | | |
| Other | | | | |

Professional Conduct Committee (PCC)

The Board received one complaint from the Health and Disability Commissioner. This complaint lead to a Professional Conduct Committee being appointed to investigate. This case was still open at 30th September 2012.

| Nature of Issue | Source | Number | Outcome |
|---|--------|--------|-----------------|
| Fraudulent claiming | | | |
| Concerns about standards practice | | | |
| Notification of conviction | | | |
| Theft | | | |
| Conduct | HDC | 1 | Outcome pending |
| Practising outside scope | | | |
| Practising with annual practising certificate | | | |
| Other | | | |

Health Practitioners Disciplinary Tribunal (HPDT)

The Board had no cases before the Tribunal during the reporting period.

6. Appeals and judicial reviews

One appeal was lodged of a Board Committee decision during the year; the appeal was subsequently withdrawn and an independent committee set up to reassess the application.

7. Linking with stakeholders

The Board has a responsibility to:

- Communicate with the psychotherapists;
- Liaise with health regulatory authorities and other stakeholders over matters of mutual interest;
- Promote public awareness of the Board's role.

The Board regularly communicates with the public, stakeholders and with psychotherapists via the Board's website, newsletters, consultation documents, face to face meetings, Annual Reports and attendance at association conferences.

The Board meets with representatives of the Ministry of Health and attends Ministry consultation meetings where appropriate.

8. Health Regulatory Authorities New Zealand Collaborations

Health Regulatory Authorities New Zealand (HRANZ) provides a forum for all the health regulatory authorities to meet and discuss matters of common interest, both at an operational and strategic level. The Board considers HRANZ an important vehicle for improving best practice across the health professions. Key projects through the year included:

- Developing an intranet so that the regulatory authorities can share policies, general legal advice and communicate in helpful forums;
- Agreement on an approach and development of an annual report template.

HRANZ meetings occur regularly throughout the year. The proposed consolidation of the secretariats has dominated the groups work. Regular updates have been provided in the Board newsletters.

9. Contact details

All correspondence should be address to:

The Registrar
The Psychotherapists Board of Aotearoa New Zealand
PO Box 10-787
Wellington 6011

Secretariat Staff:
Jacquelyn Manley (Registrar)
Jennifer Rutherford (Registration Officer)

The Board's physical address is:
Level 10, ASB House
101 The Terrace
Wellington 6011

Telephone: (64) (04) 9184727
Fax: (64) (04) 9184746
Email: registrar@pbanz.org.nz
Website: www.pbanz.org.nz

10. Financial Statements

Audited Accounts



Accountants &
Business Advisers

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of the Psychotherapist Board of Aotearoa New Zealand (the Board) for the year ended 30 September 2012 included on the Board's website. The Board is responsible for the maintenance and integrity of the Board's website. We have not been engaged to report on the integrity of the Board's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements as well as the related audit report dated 8 February 2013 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



Accountants &
Business Advisers

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's financial position and financial performance.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the Health Practitioners Competence Assurance Act 2003.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements set out in Professional and Ethical Standard 2, issued by the External Reporting Board.

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

Robert Elms
PKF Martin Jarvie
On behalf of the Auditor-General
Wellington, New Zealand

PSYCHOTHERAPISTS BOARD OF AOTEAROA NEW ZEALAND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

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A handwritten signature in black ink, appearing to be 'JPM' or similar, located in the bottom right corner of the page.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

| | NOTE | 2012 \$ | 2011 \$ |
|-----------------------------------|------|----------------|----------------|
| Revenue | | | |
| Annual Practice Certificates Fees | | 356,311 | 367,022 |
| Discipline Levy | | 0 | 59,709 |
| Non Practicing fee | | 2,650 | 2,523 |
| Registration Fees | | 8,950 | 8,087 |
| Other Revenue | | 1,694 | 100 |
| Interest | | 20,054 | 22,666 |
| Total Revenue | | 389,659 | 460,107 |
| Expenditure | | | |
| Board & Committees | 1 | 161,950 | 190,232 |
| Secretariat | 2 | 180,190 | 174,160 |
| Total Expenditure | | 342,140 | 364,392 |
| Net Surplus/(Deficit) | | 47,519 | 95,715 |

**STATEMENT OF MOVEMENT IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

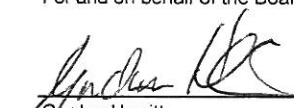
| | 2012 \$ | 2011 \$ |
|---|----------------|----------------|
| Equity at beginning of period | 319,012 | 223,297 |
| Net surplus/(deficit) for the period | 47,519 | 95,715 |
| Total recognised Revenues and Expenses for the period | 47,519 | 95,715 |
| Equity at End of period | 366,531 | 319,012 |

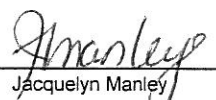
The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

| | NOTE | 2012 \$ | 2011 \$ |
|-------------------------------------|------|------------|------------|
| Equity | 3 | 366,531 | 319,012 |
| Current Assets | | | |
| Cash, Bank & Bank deposits | | 434,189 | 349,033 |
| Investments | | 324,130 | 365,921 |
| Accounts Receivable and prepayments | | 6,539 | 5,747 |
| Total Current Assets | | 764,859 | 720,701 |
| Non-Current Assets | | | |
| Property, plant equipment | 4 | 1,620 | 1,202 |
| Intangible assets | 5 | 1,320 | 2,480 |
| Total Assets | | 767,799 | 724,383 |
| Current Liabilities | | | |
| Goods and Services Tax | | 40,596 | 41,588 |
| Accounts payable and provisions | 6 | 56,859 | 43,448 |
| Income in Advance | 8 | 303,813 | 320,335 |
| Total Current Liabilities | | 401,268 | 405,371 |
| Total Liabilities | | 401,268 | 405,371 |
| Net Assets | | 366,531 | 319,012 |

For and on behalf of the Board.


Gordon Hewitt
Board Chair
Dated: 8/2/13


Jacquelyn Manley
Registrar
Dated: 8.2.13

The accompanying notes form part of these financial statements

**STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

BASIS OF PREPARATION

The Psychotherapists Board is a body corporate established by the Health Practitioners Competence Assurance Act 2003 and is a Responsible Authority under that Act.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and have been prepared on the basis of historical cost.

The Board is an entity qualifying for differential reporting exemptions as it has no public accountability and is not large as defined by the Framework for Differential Reporting. The Board has taken advantage of all differential reporting exemptions.

SPECIFIC ACCOUNTING POLICIES

Receivables

Receivables are stated at estimated realisable values.

Property, plant & equipment

Initially stated at cost and depreciated as outlined below. Initial cost includes the purchase consideration plus any costs directly attributable to bringing the asset to the location and condition required for its intended use.

Assets are written down immediately if any impairment in the value of the asset causes its recoverable amount to fall below its carrying value.

Intangible Assets

Intangible Assets comprise non-physical assets which have a benefit to the Board for periods extending beyond the year the costs are incurred.

Amortisation

Intangible assets are amortised over the period of benefit to the Board at the following rate:
Website/Database 5 years straight line.

Depreciation

Depreciation of property, plant & equipment is charged at the same rates as the Income Tax Act 1994. The following rates have been used:
Computer equipment 50% - 60% diminishing value

Leases

Payments made under operating leases are recognised in the statement of financial performance on a basis representative of the pattern of benefits expected to be derived from the leased asset.

Employee entitlements

Provision is made in respect of the Board's liability for annual leave at balance date. Annual leave has been calculated on an actual entitlement basis at current rates of pay. No provision is made for sick leave entitlement as this does not accumulate.

Taxation

The Board is exempt from Income Tax.
The Board is registered as a charitable entity under the Charities Act 2005.

Income recognition

Fees received for the issue of annual practicing certificates and register maintenance are recognised in the year to which the fees relate. All other fees are recognised on receipt.

Goods & Services Tax

All amounts are stated exclusive of Goods & Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

Changes in accounting policies

There have been no changes in accounting policies. All policies have been applied on a consistent basis with those of the previous period.

Uncertainty about the delivery of office functions in future

In February 2011, Health Workforce New Zealand, on behalf of the Minister of Health (the Minister), issued a consultation document proposing a single shared secretariat and office function for all 16 health-related regulatory authorities. Following consultation, the 16 health-related regulatory authorities were given the opportunity to submit proposals for a single shared administrative secretariat. The Psychotherapists Board of Aotearoa New Zealand is one of two collaborative groups working on the development of business cases to progress towards shared administrative secretariat functions. The proposals, if they proceeded, would likely have a significant effect on the Psychotherapists Board of Aotearoa New Zealand. We have not quantified the possible effect.
Until a decision is made, there is uncertainty about the form in which our office functions will be delivered in future.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

| | NOTE | 2012 \$ | 2011 \$ |
|---|------|------------|------------|
| 1. BOARD & COMMITTEES | | | |
| Fees | | 119,430 | 134,245 |
| Meeting expenses, training ,travel & others | | 42,520 | 55,987 |
| | | <hr/> | <hr/> |
| | | 161,950 | 190,232 |
| 2. SECRETARIAT | | | |
| Audit fees | | 4,790 | 4,650 |
| Depreciation & amortisation | | 2,261 | 2,963 |
| Interest | | 75 | - |
| Occupancy | | 20,743 | 20,575 |
| Other costs | | 27,538 | 17,685 |
| Personnel & Professional fees | | 123,478 | 127,552 |
| Printing and Stationery | | 1,305 | 735 |
| | | <hr/> | <hr/> |
| | | 180,190 | 174,160 |
| 3. EQUITY | | | |
| General purpose | | 243,856 | 192,095 |
| Discipline reserve | | 122,675 | 126,917 |
| | | <hr/> | <hr/> |
| | | 366,531 | 319,012 |
| | | <hr/> | <hr/> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

4.PROPERTY, PLANT & EQUIPMENT

| | COST | ACCUMULATED DEPRECIATION | BOOK VALUE |
|----------------------|-------------|-------------------------------------|-----------------------|
| At 30 September 2011 | | | |
| Computer Equipment | 4,252 | 3,050 | 1,202 |
| | 4,252 | 3,050 | 1,202 |
| At 30 September 2012 | | | |
| Computer Equipment | 5,771 | 4,150 | 1,620 |
| | 5,771 | 4,150 | 1,620 |

5. INTANGIBLE ASSETS

| | COST | ACCUMULATED AMORTISATION | BOOK VALUE |
|----------------------|-------------|-------------------------------------|-----------------------|
| At 30 September 2011 | | | |
| Website/Database | 5,800 | 3,320 | 2,480 |
| | 5,800 | 3,320 | 2,480 |
| At 30 September 2012 | | | |
| Website/Database | 5,800 | 4,480 | 1,320 |
| | 5,800 | 4,480 | 1,320 |

6.ACCOUNTS PAYABLE & PROVISIONS

| | 2012 \$ | 2011 \$ |
|-----------------------|--------------------|--------------------|
| Accounts payable | 34,121 | 23,559 |
| Accruals & provisions | 13,392 | 14,466 |
| Employee benefits | 9,346 | 5,423 |
| | 56,859 | 43,448 |

7.DEPRECIATION & AMORTISATION

Depreciation has been charged against:

| | 2012 \$ | 2011 \$ |
|---|--------------------|--------------------|
| Depreciation of Property, Plant and Equipment | 1,101 | 1,803 |
| | 1,101 | 1,803 |

Amortisation of intangible assets

| | 2012 \$ | 2011 \$ |
|---------|--------------------|--------------------|
| Website | 1,160 | 1,160 |
| | 1,160 | 1,160 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

| | 2012 \$ | 2011 \$ |
|--|----------------|----------------|
| 8. INCOME IN ADVANCE | | |
| Fees received relating to 2012/2013 year | | |
| Annual practicing certificate fees and Non-practising fees | 303,813 | 320,335 |
| | <u>303,813</u> | <u>320,335</u> |

9. CREDIT CARD FACILITY

There are 2 visa credit cards with a limit of \$2,000 each held with Westpac.

10. Commitments

Shared office space and facilities under Memorandum of Understanding with the Occupational Therapy Board.

| | 2012 \$ | 2011 \$ |
|-------------------------|--------------|---------------|
| Not Later than one year | 3,451 | 14,382 |
| Later than one year | - | - |
| | <u>3,451</u> | <u>14,382</u> |

Rental commitment for lease of premises

| | 2012 \$ | 2011 \$ |
|-------------------------|---------------|------------|
| Not Later than one year | 11,487 | - |
| Later than one year | 20,102 | - |
| | <u>31,589</u> | <u>-</u> |

11. Capital Commitments

There are no capital commitments at balance date. (2011: \$Nil)

12. CONTINGENT LIABILITIES

There are no contingent liabilities at balance date. (2011: \$Nil)

13. Related Party Transactions

There were no related party transactions involving related parties during the year other than those disclosed in the financial statements.

14. EVENTS AFTER BALANCE DATE

There were no events that have occurred after balance date that would have a material impact on these financial statements.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
THE PSYCHOTHERAPISTS BOARD OF AOTEAROA NEW ZEALAND'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

The Auditor-General is the auditor of the Psychotherapist Board of Aotearoa New Zealand (the Board). The Auditor-General has appointed me, Robert Elms, using the staff and resources of PKF Martin Jarvie, to carry out the audit of the financial statements of the Board on her behalf.

We have audited the financial statements of the Board on pages 2 to 7, that comprise the statement of financial position as at 30 September 2012, the statement of financial performance and statement of movement in equity for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the Board on pages 2 to 7:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's:
 - financial position as at 30 September 2012; and
 - financial performance for the year ended on that date.

Uncertainty about the delivery of office functions in future

Without modifying our opinion, we draw your attention to the disclosure in the statement of accounting policies on page 4 regarding a proposal for combining the secretariat and office functions of the Board with other health-related regulatory authorities. We considered the disclosure to be adequate.

Our audit was completed on 8 February 2013. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Board's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

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Accountants &
Business Advisers

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's financial position and financial performance.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the Health Practitioners Competence Assurance Act 2003.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and section 134(1) of the Health Practitioners Competence Assurance Act 2003.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements set out in Professional and Ethical Standard 2, issued by the External Reporting Board.

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

Robert Elms
PKF Martin Jarvie
On behalf of the Auditor-General
Wellington, New Zealand