



NEW ZEALAND  
CHIROPRACTIC BOARD  
TE POARI KAIKOROHITI O AOTEAROA



New Zealand Chiropractic Board  
Annual Report **2012**



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# Chairperson's Report to the Minister of Health

Minister of Health  
Parliamentary Buildings  
Wellington

Dear Minister

In accordance with Section 134(1) of the *Health Practitioners Competence Assurance Act 2003* I am pleased to present the Annual Report and financial statements of the Chiropractic Board for the year ending 31 March 2012.

This is my first report to the Minister of Health following my election to the Chair's position in October 2011 after the previous Chair, Dr John Loveday, completed his tenure on the Board. Dr Loveday had served on the Board for nine years, the last four years as Chair, which included the first five months of this reporting period.

I would like to acknowledge the contributions that Dr Loveday made during that time, particularly with improving communications with the profession and enhancing the Board's relationship with our stakeholders, the NZ Chiropractor's Association and the New Zealand College of Chiropractic.

## Changes to Board Membership

During the year two Board members terms expired. The Minister chose only to replace one Board member resulting in the Board membership decreasing from eight to seven, which led to Dr Robin Taylor not being replaced as a practitioner on the Board. There are now five practitioners on the Board and two laypersons. Ms Tania Davis, a Wellington lawyer, replaced Mr Mark Saunders as one of the two lay members when his term expired. Dr Kristin Grace replaced Dr Loveday as a practitioner on the Board.

Dr Taylor and Mr Saunders made valuable contributions to the Board with their respective expertise in chiropractic and medico-legal matters.

## Stakeholder meetings and activity

- The Board continues to develop and maintain relationships with the New Zealand Chiropractor's Association (NZCA) and the New Zealand College of Chiropractic (NZCC) through regular meetings under an existing Memorandum of Understanding agreement. Both of these organisations have been involved in the working group for an online Continuing Professional Development programme being developed as a mandatory requirement for all registered chiropractors.
- The Board has had regular contact with, and representation on, the Council on Chiropractic Education Australasia (CCEA). This body has the responsibility for inspecting, accrediting and continually monitoring entry level chiropractic programmes in Australasia.
- Board representatives attended a meeting with Health Workforce New Zealand (HWNZ) to discuss the way forward with the proposal for a Shared Single Secretariat (SSS) for the sixteen Health Regulatory Authorities (HRAs).

- The Chair, along with the Chairs from the other HRAs attended a meeting with the Minister of Health, the Honourable Mr Tony Ryall and the Director-General of Health, Dr Kevin Woods, to discuss the same proposal.
- Regular meetings have been held through the year with the HRAs mainly under the umbrella organisation of Health Regulatory Authority New Zealand (HRANZ). The meetings have been predominantly to discuss the SSS issue.
- The NZ Chiropractic Board joined with the Chiropractic Board of Australia (CBA) in a combined meeting to discuss issues that affect both Boards under the Trans Tasman Mutual Recognition legislation. These issues were to do with registration, discipline, competency, accreditation of schools, as well as to learn of their experience under the Australian Health Practitioner Regulation Agency.
- Representatives from the Board attended two international meetings during the reporting year. New Zealand has for a number of years been at the forefront of chiropractic regulation and has continued to be involved on the international stage as chiropractic regulation and practice grows and develops at a rapid rate around the world.
- This international interaction has meant attendances by the Deputy Chair and the Registrar at the World Federation of Chiropractic (WFC) bi-annual conference, and the Chair and Registrar at the Federation of Chiropractic Licensing Boards (FCLB) conference.
- As Chair of the Administration committee, I have regularly attended Health Regulatory Authorities Secretariat (HRAS) meetings during the year. HRAS provides secretariat and financial services for the Chiropractic Board, the Dietitians Board, and the Optometrist and Dispensing Opticians Board.

## Finances

The Board finances are fundamentally stable. The Board acknowledges that it has again operated at a deficit in this financial year, although it is half the deficit from the previous year. The deficit is as we expected and will bring us closer to our reserves policy established in August, 2010. That policy states that “the Board will maintain, as far as possible, a reserve balance of at least six months operating budget or \$200,000, whichever is the lesser. It will also ensure that the Board maintains a fund of at least \$30,000 on hand to cover any legislative related costs such as discipline while waiting for proceeds of a disciplinary levy on registrants.” This policy was established in response to comments in recent years from the auditors that stated the Board were holding excess funds in reserve.

The Board also acknowledges and has discussed the increase in recent years of the Board member’s fees, these are recorded as Authority Member fees and Committee fees in the annual accounts. The increase in activity being recorded in claims from Board members has been

addressed by introducing a monthly stipend for each Board member in an effort to better manage this cost area. Already this had the effect of decreasing this expenditure by some \$28,000, and this should impact further in the years ahead. This, however, has to be balanced by ensuring that Board members are able to give of their time to ensure that Board functions are properly fulfilled, and that Board members are not overly disadvantaged in providing their time and expertise for the protection of the public and the development of the profession in providing a health service to the public.

It should also be noted that Board related expenses have decreased by some \$42,000 from the previous year. These figures mainly relate to the various means of travel (airfares, taxis, car parking, motor vehicle allowance etc) and accommodation.

You will find the audited financial statements at the back of this report.

### Employment/Staffing Issue

The Board faced a challenge in the second half of the reporting period with an employment issue involving the Registrar at the time. Shortly after coming into the position of Chair in October 2011, an issue was brought to my attention by one of our stakeholders in Australia. This organisation, the Council on Chiropractic Education Australasia (CCEA) had been an immediate past employer of the Registrar involved. The matter involved accounting practices that affected the Australian organisation but did not directly affect the NZ Chiropractic Board finances.

After investigation into this matter the Board had concerns about an administrative matter. Following legal advice from an expert external employment lawyer, the Board commenced a disciplinary process, which culminated in the sudden resignation of the Registrar in April, 2012.

The Board has carried out an investigation to establish whether the Board had been affected financially, which identified no matters of concern.

We have reported this matter to the auditor in the annual audit for the Auditor-General and our accounts have been audited and approved.

### Single Shared Secretariat for the Health Regulatory Authorities

In response to the Minister of Health's directive to consolidate the sixteen Health Regulatory Authorities (HRAs) into a single shared secretariat, the Chiropractic Board attended meetings with the other HRAs Chairs and operational staff, Health Workforce NZ officials, and with the Minister of Health and the Director-General of Health. The most recent developments have seen the development of a steering committee to develop a Detailed Business Case (DBC) to assess how such a structure could be put in place to suit the needs of all the HRAs. As stated earlier our Board is already part of a small shared secretariat (HRAS) and our experience with the development of this secretariat has been invaluable as we assess the proposed governance structure and scope for a larger shared secretariat.

## Conclusion

In the next year, the Board has undertaken to review its existing internal policies and procedures, and collate this information into a working policy manual. This will assist Board members as it prepares to be an effective part of a larger single shared secretariat along with the other HRAs.

The Board has an ideal mix in its membership, consisting of chiropractors with both field and academic experience, and supported by two lay people with experience in administration and law. This provides an ideal balance between the delivery of chiropractic expertise and the inclusion of policies and procedures that are needed to ensure the Board is acting in the best interests of the New Zealand public.

I would like to take this opportunity to acknowledge the support that I have received from the deputy chair, Dr Sandy Bansal. Dr Bansal has now served for six years on the Board and has developed significant institutional knowledge that has been invaluable to the Board.

My sincere thanks to all Board members for their personal support and invaluable input during a particularly challenging year for the Board. Their deliberations are always aimed at being in the best interests of the health consumer, to ensure that the delivery of chiropractic in the healthcare system is of a high standard, so as to protect the health and safety of the public of New Zealand.

Dr Bruce Adam, Chiropractor  
**Chairperson**

## Membership of the Board

The Minister of Health is responsible for appointing members to the Board, after receiving advice from the Ministry of Health. Pursuant to section 120 of the *Health Practitioners Competence Assurance Act 2003* (the Act), membership of the Board during the reporting period to 31st March 2012 was reduced from six (6) practitioners and two (2) laypersons to five (5) practitioners and two (2) laypersons.

The following were the Board members as at 31st March, 2012:

- Dr Bruce Adam (Chairman, Auckland);
- Dr Sandeep Bansal (Deputy Chairman, Auckland);
- Ms Tania Davis (Wellington) layperson;
- Dr Kristin Grace (Gisborne);
- Ms Cathrine Holland (Hamilton) layperson;
- Dr John O'Malley (Canterbury);
- Professor Stefan Pallister (Carterton);

Retiring Board members in August, 2011 were Dr John Loveday (Nelson), Mr Mark Saunders (Auckland), Dr Robin Taylor (Auckland).

### Dr Bruce Adam

Dr Adam graduated from Palmer College in the USA in 1975. He has been in private practice in Auckland since 1975, currently practising at the Milford Chiropractic Clinic with 3 other chiropractors, a massage therapist and an acupuncturist. In the 1980s he served on the NZ Chiropractor's Association Council for 6 years, reaching the position of Vice President. He then served for 6 years on the Chiropractic Board into the 1990s, the last 2 years as Chairman. He was again appointed to the Chiropractic Board in 2008, and is currently the Board Chair. He is also a director with the Health Regulatory Authorities Secretariat, the body that provides administrative support to the Board.

### Dr Sandeep Bansal

Dr Bansal is a registered chiropractor practising in South Auckland. Dr Bansal was the first graduate of the New Zealand College of Chiropractic and has previously been a lecturer and clinical tutor at the College. His business has, since its inception, won five (5) business excellence awards in a range of categories and he currently represents New Zealand on the Council on Chiropractic Education Australasia. Dr Bansal is currently Deputy Chair and has served the Board for 6 years.

### **Ms Tania Davis**

Ms Davis currently operates her own legal practice in Porirua. Ms Davis was the first full time Director of Proceedings for the Health and Disability Commission and brings to the Board an extensive knowledge of complaint handling, processes and procedures.

### **Dr Kristin Grace**

Dr Grace is a registered chiropractor and Diplomat to the American Chiropractic Board of Radiology (DACBR) who currently practises with her husband John in Gisborne. She also has a private Chiropractic Diagnostic Imaging consultation service working with chiropractors and health care professionals around the world. She has held academic positions as Department Chair or Head of Diagnostic Imaging with Parker College of Chiropractic, New Zealand College of Chiropractic and the Welsh College of Chiropractic and has been involved at various levels with Chiropractic Examining Boards in the United States, New Zealand and the United Kingdom.

### **Ms Cathrine Holland**

Cathrine Holland is currently Chief Executive of Parentline, an NGO based in Hamilton that works with children who have been traumatised by abuse and domestic violence. Prior to this appointment Cathy worked for fifteen years as a Business Consultant primarily in the health, social and education sectors and Maori development. Formally a Board member of the NZ Physiotherapy Board for nine years, Cathy is currently a Board member of the Richmond NZ Trust and is also a member of a number of Maori and family Trusts. She is of Waikato Maniapoto, Ngati Toa and Ngai Tahu descent.

### **Dr John O'Malley**

Dr O'Malley is a registered chiropractor who practises in Christchurch and holds a PhD. Dr O'Malley is a guest lecturer at the New Zealand College of Chiropractic and the University of Canterbury.

### **Emeritus Professor Stefan Pallister**

Professor Pallister is a registered chiropractor who is currently in practice in Carterton. In 2002 he was appointed Foundation Professor and Head of School at Murdoch University in Perth on the establishment of the chiropractic programme at that institution. He is a member of the Council on Chiropractic Education Australasia and brings specialist understanding of chiropractic education to the Board.

## **Meetings of the Board**

During the reporting period the Board members attended four (4) face to face ordinary meetings, as well as a combined meeting with the Chiropractic Board of Australia. Board members also participated in several teleconferences during the year.

## Board Committees

During the reporting period the Board reviewed and modified its committees and working parties, including membership and terms of reference.

Committees are:

- Administration Committee;
- Complaints and Competence Committee;
- Registration and Examination Committee;
- Continuing Professional Development Committee; and
- Policy and Guidelines Committee.

Board Standing Committees undertake various functions, including advising the Board on issues that fall within their respective portfolio. Board Committees generally undertake their business via teleconference or other electronic means.

Working Parties are also in place for the Continuing Professional Development and Policy and Guidelines Committees. These include members from the profession's stakeholders and have face to face meetings as required.

## Functions of the Board

The Board is a legal entity constituted under the provisions of the *Health Practitioners Competence Assurance Act 2003* (the Act). The functions of the Board, as set out within the Act, are:

- (a) 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;*
- (b) to authorise the registration of health practitioners under this Act, and to maintain registers;*
- (c) to consider applications for annual practising certificates;*
- (d) to review and promote the competence of health practitioners;*
- (e) to recognise, accredit, and set programmes to ensure the ongoing competence of health practitioners;*
- (f) to receive and act on information from health practitioners, employers, and the Health and Disability Commissioner about the competence of health practitioners;*
- (g) 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;*

- (h) to consider the cases of health practitioners who may be unable to perform the functions required for the practice of the profession;*
- (i) to set standards of clinical competence, cultural competence, and ethical conduct to be observed by health practitioners of the profession;*
- (j) to liaise with other authorities appointed under this Act about matters of common interest;*
- (k) to promote education and training in the profession;*
- (l) to promote public awareness of the responsibilities of the authority;*
- (m) 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.*

## Administration

### Administrative Structure

The Board employs one (1) dedicated staff member, the Registrar. The Registrar also carries the title of manager and is responsible for all day to day activities of the Board. The Board however is serviced by the Health Regulatory Authorities Secretariat (HRAS) which provides financial, information technology and other generic office management support for three (3) Health Regulatory Authorities. The other HRAs are the Optometrist and Dispensing Opticians Board, and the Dietitians Board. Each of the HRAs have a representative serving on the HRAS Board as a director and they attend HRAS organisational meetings quarterly.

The Board would like to acknowledge the excellent working relationship that exists within the HRAS organisation, an organisation that has improved markedly in the past year under the HRAS Shared Services Manager, Ms Jo Grimstone and the HRAS Shared Services Administrator, Ms Angela Sinclair.

## Registration and Annual Practising Certificates

### Registration Examinations

Registration Examinations are held by the Board twice a year, during this reporting year the exams were held in August 2011 and February 2012. Eight candidates sat the examination. The examination allows chiropractors trained overseas at a CCEA accredited school to gain eligibility to register and practise chiropractic in New Zealand.

### Scope of Practice for chiropractors

Section 11(1) of the *Health Practitioners Competence Assurance Act 2003* requires the Board to describe the profession of chiropractic in one or more Scopes of Practice.

The Board has gazetted one (1) Scope of Practice which is “chiropractor”. A copy of this Scope of Practice can be found on the Board’s website: [www.chiropracticboard.org.nz](http://www.chiropracticboard.org.nz).

No amendments have been made to this Scope of Practice during the reporting period.

### Prescribed Qualifications

One of the Board’s main functions is the prescription of 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. The Board has delegated the accreditation function to the Council on Chiropractic Education Australasia (CCEA), of which it is a member, however the Board retains the right to either accept or reject its recommendations.

Pursuant to Section 12 of the *Health Practitioners Competence Assurance Act 2003*, the following qualifications are prescribed for registration as a Chiropractor:

1. Bachelor of Chiropractic from the New Zealand College of Chiropractic, Auckland; or
2. A pass in an examination set by the Chiropractic Board for chiropractors trained overseas in a chiropractic programme that has accreditation status as recognized by the Council on Chiropractic Education Australasia; or
3. Registration within Australia, which performs the function of registering Chiropractors under the provisions of the *Trans-Tasman Mutual Recognition Act 1997*.

During the reporting period, the Board received re-accreditation advice in relation to Macquarie University, the Royal Melbourne Institute of Technology University and Hanseo University.

### The Register

The Board maintains a Public Register of Chiropractors, pursuant to s136 of the Act. As at 31 March 2012 the Register contained 725 names of which 460 held current Annual Practising Certificates.

The Public Register is available for viewing on the Board’s website: [www.chiropracticboard.org.nz](http://www.chiropracticboard.org.nz).

## Applications for registration

During the reporting period the Board received a total of 45 new applications for registration.

**Table 1: Applications for Registration**

HPCAA Section	Number of Applications	Outcomes		
		Registered	Registered with conditions	Not registered
15	45	45	–	–

## Annual Practising Certificates

The Board is pleased to report that it again decided not to raise the cost of Annual Practising Certificates for the 2011/2012 registration year.

The Board continues to monitor its level of income and ensures to the best of its ability, that it operates within budgetary constraints. As a consequence, the Board anticipates that the cost of the Annual Practising Certificate will continue at its current level for at least the next financial year.

**Table 2: Applications for an annual practising certificate**

	HPCAA Section	Number	Outcomes			
			APC	APC with conditions	Interim	No APC
<b>Total applications</b>	<b>26</b>	<b>460</b>	<b>460</b>	–	–	–
<b>Reasons for non-issue</b>						
Competence	27 (1) a	–	–	–	–	–
Failed to comply with a condition	27 (1) b	–	–	–	–	–
Not completed required competence programme satisfactorily	27 (1) c	–	–	–	–	–
Recency of practice	27 (1) d	–	–	–	–	–
Mental or physical condition	27 (1) e	–	–	–	–	–
Not lawfully practising within 3 years	27 (1) f	–	–	–	–	–
False or misleading application	27 (3)	–	–	–	–	–

## Competence, Fitness to Practise and Quality Assurance

### Competence referrals

The Board, during the reporting period, received no competence notifications. However, the Board did initiate two (2) competence reviews. At the end of the reporting period the Board had two (2) competence reviews pending.

**Table 3: Competence referrals**

Source	HPCAA Section	Number
Health Practitioner (Under RA)	34 (1)	0
Health and Disability Commissioner	34 (2)	0
Employer	34 (3)	0
Other	36 (4)	2
<b>Total</b>		<b>2</b>

**Table 4: Outcomes of competence referrals**

Outcomes	HPCAA Section	Number			
		Existing	New	Closed	Still Active
No further action		Not applicable	Not applicable	Not applicable	Not applicable
(Total number) Initial inquiries	36	–	–	–	2
Notification of risk of harm to public	35	–	–	–	–
Orders concerning competence	38	–	–	–	–
Interim suspension/ conditions	39	–	–	–	–
Competence programme	40	–	–	–	–
Recertification programme	41	–	–	–	–
Unsatisfactory results of competence or recertification programme	43	–	–	–	–

## Recertification and Continuing Competence

The Board, during the reporting period, established a dedicated committee to work with the professions stakeholders, the NZ Chiropractors' Association and the NZ College of Chiropractic to develop an online Continuing Professional Development recording programme, which will be a mandatory requirement for all registered chiropractors going forward into 2013.

## Health/Fitness to Practise

There have been no referrals to the Board under section 45 of the Act this year. The Board however, has begun considering the implementation of a policy on Fitness to Practise which will outline how it deals with concerns that a practitioner's health may be affecting their ability to practise.

## Complaints and Discipline

### Complaints

During the reporting period the Board received a total of 3 new complaints. The natures of these complaints are as follows:

- one (1) relating to employment issues;
- two (2) relating to a consumer complaint.

**Table 7: Complaints from various sources and outcomes**

Source	Number	Outcome		
		No further action	Referred to Professional Conduct Committee	Referred to the Health and Disability Commissioner
Consumers	2	–	–	2
Health and Disability Commissioner	–	–	–	–
Health Practitioner (Under RA)	–	–	–	–
Other Health Practitioner	–	–	–	–
Courts notice of conviction	–	–	–	–
Employer	1	–	–	1
Other	–	–	–	–

## Professional Conduct Committees (PCCs)

During the reporting year the Board had two (2) matters before PCCs. The natures of these complaints are as follows:

- two (2) relating to Notices of Conviction.

**Table 8: Professional Conduct Committee cases**

Nature of issue	Source	Number	Outcome
Fraudulent claiming	–	–	–
Concerns about standards of practice	–	–	–
Notification of conviction	Courts	2	1 Still active, 1 resulted in competence review
Theft	–	–	–
Conduct	–	–	–
Practising outside scope	–	–	–
Practising without annual practising certificate	–	–	–
Other	–	–	–

## Health Practitioners Disciplinary Tribunal

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

## Appeals and Judicial Reviews

There have been no appeals or judicial reviews against decisions made by the Board during this reporting period.

## Fee Structure

The fees currently set by the Board are as follows:

<b>Fees Payable</b>	<b>\$ (GST inclusive)</b>
<b>Registration</b>	
Application for registration	153.00
Application for an initial Annual Practising Certificate between 1 April and 30 November	1,124.00
Application for an initial Annual Practising Certificate between 1 December and 31 March	408.00
Application for renewal of an Annual Practising Certificate between 1 February and 31 March	1,124.00
<b>Restoration</b>	
Application for renewal of an expired Annual Practising Certificate within 3 years of expiry	1,226.00
Application for renewal of an expired Annual Practising Certificate 3 or more years after expiry	1,277.00
<b>Examination</b>	
Application to sit the Board's Competence Examination	3,066.00
Application for administrative reconsidering of results	408.00
Application to discuss results/further examination with examiner	306.00
Application for administrative remarking of examination	408.00
Application for appeal of examination result	408.00
Application for and renewal of maintenance of registration for non-practising practitioners	150.00
<b>Other</b>	
Certificate of Registration	30.00
Certificate of Good Standing	50.00
Copy of Register	50.00

## Board Office

The Board's office is located on Level 3, Freemason House, 195 - 201 Willis Street, Wellington. The office is open between 9.00am and 4.00pm Monday to Friday, except Public Holidays. It is advisable to make an appointment if you want to visit the office to ensure that the Registrar is available to see you. Telephone contact hours are between 8.30am and 4.00pm Monday to Friday, except Public Holidays.

Board contact details are:

### Mailing address

PO Box 10-140  
The Terrace  
Wellington 6143

### Phone

Within New Zealand: (04) 474 0703  
International: +64 4 474 0703

### Fax

Within New Zealand: (04) 474 0709  
International: +64 4 474 0709

### Email

registrar@chiropracticboard.org.nz  
*or* Angela.sinclair@chiropracticboard.org.nz

### Website

[www.chiropracticboard.org.nz](http://www.chiropracticboard.org.nz)

## **INDEPENDENT AUDITOR'S REPORT TO THE READERS OF NEW ZEALAND CHIROPRACTIC BOARD'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012**

The Auditor-General is the auditor of the New Zealand Chiropractic Board (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 19 to 24, that comprise the statement of financial position as at 31 March 2012, the statement of financial performance, and statement of movements 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 19 to 24:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Board's:
  - financial position as at 31 March 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 note 10 on page 24 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 24 August 2012. 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.



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 of the New Zealand Institute of Chartered Accountants.

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

#### **Matters relating to the electronic presentation of the audited financial statements**

This audit report relates to the financial statements of the New Zealand Chiropractic Board (the Board) for the year ended 31 March 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 24 August 2012 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.

NEW ZEALAND  
CHIROPRACTIC BOARD

**Statement  
of Financial  
Performance**  
*for the Year Ended  
31 March 2012*

	2012 \$	2011 \$
<b>REVENUE</b>		
Practising Certificates	433,957	410,468
Registration	7,089	6,207
Examination Fees	21,328	25,451
Interest Income	16,728	24,444
Recoveries	0	93
Other Income	1,627	2,119
<b>Total Income</b>	<b>480,729</b>	<b>468,782</b>
<b>Less Expenses</b>		
Accident Compensation Levy	486	831
Audit Fees	4,224	4,000
Authority Member Fees	122,018	107,180
Bank Charges	6,536	7,581
Board Related Expenses	116,306	158,256
Catering	12,007	5,004
Committee Fees	12,565	50,613
Computer Software & Support	6,424	4,712
Conferences & Seminars	5,077	7,463
Disciplinary Matters	0	27,294
Education Fund Grants	8,479	15,648
Employment Related Costs	85,788	78,805
Examination Costs	17,882	11,106
Hire of Plant & Equipment	3,897	2,580
Insurance	514	293
Legal Expenses	10,064	4,864
Office Equipment Expensed	860	6,634
Operating overheads	7,326	4,505
Postage	2,653	2,997
Printing & Stationery	6,223	9,564
Rent	13,967	15,286
Secretariat Operating Costs	56,487	43,404
Special Projects	3,400	815
Subscriptions	14,911	18,449
Telephone & Teleconferencing	10,097	9,242
Training	979	7,668
Venue Hire	4,416	4,161
Website Expenses	960	954
<b>Total Expenses</b>	<b>534,546</b>	<b>609,912</b>
<b>Net Deficit Before Depreciation &amp; Amortisation</b>	<b>(53,817)</b>	<b>(141,130)</b>
Depreciation	5,985	3,095
Amortisation	13,000	04
<b>NET DEFICIT</b>	<b>(\$72,802)</b>	<b>(\$144,225)</b>

*To be read in conjunction  
with the notes to the  
Financial Statements.*

NEW ZEALAND  
CHIROPRACTIC BOARD

## Statement of Movements in Equity

*for the Year Ended  
31 March 2012*

	2012 \$	2011 \$
<b>EQUITY AT START OF PERIOD</b>	335,197	479,422
Net Surplus/(Deficit) for the year	(72,802)	(144,225)
<b>EQUITY AT END OF PERIOD</b>	<b>\$262,395</b>	<b>\$335,197</b>

*To be read in conjunction  
with the notes to the  
Financial Statements.*

NEW ZEALAND  
CHIROPRACTIC BOARD

## Statement of Financial Position

As at 31 March 2012

	Note	2012 \$	2011 \$
<b>CURRENT ASSETS</b>			
Westpac Cheque Account		24,106	410,931
Westpac Online Saver		481,107	0
Westpac Term Deposits		258,440	322,673
Accounts Receivable		0	37,407
Accrued Income		2,677	0
<b>Total Current Assets</b>		<b>766,330</b>	<b>771,011</b>
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	5	6,990	5,318
Intangible Asset – Website	6	26,000	39,000
Loan to Health Regulatory Authorities Secretariat Ltd	4	6,528	5,000
<b>Investments</b>			
Investment in Health Regulatory Authorities Secretariat Ltd	3	20	20
<b>Total Non-Current Assets</b>		<b>39,538</b>	<b>49,338</b>
<b>TOTAL ASSETS</b>		<b>805,868</b>	<b>820,349</b>
<b>CURRENT LIABILITIES</b>			
GST due for payment	1(e)	58,285	47,373
Accounts Payable		39,417	35,286
Credit Cards		2,466	19,350
Income in Advance		433,507	372,838
KiwiSaver Deductions Payable		384	554
PAYE Payable		1,544	2,257
WHT Payable		7,870	7,494
<b>TOTAL LIABILITIES</b>		<b>543,473</b>	<b>485,152</b>
<b>NET ASSETS</b>		<b>262,395</b>	<b>335,197</b>
<b>EQUITY</b>			
Retained Earnings		262,395	335,197
<b>TOTAL EQUITY</b>		<b>\$262,395</b>	<b>\$335,197</b>

Acting Chairperson:



Date: 24/08/2012

Registrar:



Date: 24/08/2012

To be read in conjunction  
with the notes to the  
Financial Statements.

## Notes to the Financial Statements

for the Year Ended  
31 March 2012

### 1. STATEMENT OF ACCOUNTING POLICIES

#### Reporting Entity

The New Zealand Chiropractic Board is constituted under the Health Practitioners Competence Assurance Act 2003. These financial statements have been prepared in accordance with the Financial Reporting Act 1993.

The Board qualifies for differential reporting as it is not publicly accountable and is not large. The Board has taken advantage of all differential reporting exemptions.

#### General Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand on the basis of historical cost. Reliance is placed on the fact that the entity is a going concern.

#### Specific Accounting Policies

(a) *Annual Practising Certificate Income*

Annual Practising Certificate Income is recorded only upon receipt. No Accounts Receivable are recognised and receipts for Annual Practising Certificates issued for future years are shown as Income Received in Advance.

(b) *Changes in Accounting Policies*

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

(c) *Fixed Assets & Depreciation*

Fixed Assets are shown at original cost less accumulated depreciation. Depreciation has been calculated over the expected useful life of the assets at the following rates:

Office Equipment      20% – 48% Straight Line

(d) *Intangible Assets & Amortisation*

Websites have a finite useful life. Websites are capitalised and amortised over their currently estimated useful life of 3 years on a straight line basis.

Costs associated with maintaining websites are recognised as expenses when incurred.

(e) *Goods & Services Tax*

The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of accounts receivable and payables.

(f) *Income Tax*

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

(g) *Investments*

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

**Notes to the  
Financial  
Statements**  
*for the Year Ended  
31 March 2012*

**2. CONTINGENT LIABILITIES AND COMMITMENTS**

At balance date there are no known contingent liabilities.

There are no capital or other commitments at balance date (2011 \$0).

**3. INVESTMENT**

The Board has an undivided 1/5th share in the issued share capital of Health Regulatory Authorities Secretariat Limited (HRAS). The consideration of \$20 is not yet paid.

**4. RELATED PARTIES**

HRAS provides administrative services to the Board on a non-profit cost recovery basis. The cost of those services for the year was \$56,487 (2011 – \$43,404)

The five shareholding Boards in HRAS have each advanced \$6,528 to that company to provide it with working capital.

	2012 \$	2011 \$
<b>5. FIXED ASSETS</b>		
<b>Office Equipment</b>		
At cost	32,595	24,938
Less Accumulated Depreciation	25,605	19,620
<b>Total</b>	<b>6,990</b>	<b>5,318</b>

**6. INTANGIBLE ASSETS**

**Website**

At cost	39,000	39,000
Less Accumulated Amortisation	13,000	0
<b>Total</b>	<b>26,000</b>	<b>39,000</b>

**7. CREDIT FACILITY**

The Board has a Business Mastercard facility of \$30,000.

**8. FINANCIAL MANAGEMENT AGREEMENT**

Health Regulatory Authorities Secretariat Limited (HRAS) was established to provide business management support to the New Zealand Chiropractic Board, the Dietitians Board, the Podiatrists Board of New Zealand, the Optometrists and Dispensing Opticians Board and the Osteopathic Council of New Zealand (collectively 'the entities'). HRAS provides financial management support to the entities according to a number of

## Notes to the Financial Statements

*for the Year Ended  
31 March 2012*

conditions:

1. Each of the entities holds an undivided share in HRAS; that company was formed to provide management support to those entities.
2. Each of the entities contributed an equal sum to the working capital of HRAS. This amount was set initially at \$5,000 each.
3. HRAS is not to make a profit from its business partnership with the entities.
4. Each Board will be invoiced monthly for an equal amount equivalent to the expenses incurred by HRAS in managing its own business.
5. Each Board will be invoiced monthly for those direct costs and expenses that HRAS has incurred on its behalf.
6. At the end of each month and financial year HRAS will show a nil financial balance on all its operations.

At 31st March 2012 the HRAS Statement of Financial Position showed net assets of \$100.

### **9. CHANGE IN RELATIONSHIP WITH HRAS**

The entities agreed that with effect from 1st April 2011, the Podiatrists Board and the Osteopathic Council would withdraw from the arrangement, although certain limited services were provided by HRAS until mid July 2011. The shareholding held by the two withdrawing entities is to be transferred in equal proportions to the remaining entities.

### **10. 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 secretariat. The Chiropractic Board, along with the other 15 health-related regulatory authorities, is working on the development of a business case and implementation plan for progressing to a single shared secretariat.

Such an undertaking is likely to have a significant effect on the Board, but we have not yet quantified the possible effect. Until a final decision is made about what the single shared secretariat will look like and how it will function, there is uncertainty about the form in which our office functions will be delivered in future.