



**Government
of South Australia**



Pharmacy Regulation Authority SA

2018-19 Annual Report

Pharmacy Regulation Authority SA
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To:

The Honourable Stephen Wade MLC

Minister for Health and Wellbeing

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Health Practitioner Regulation National Law (South Australia) Act 2010* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Pharmacy Regulation Authority SA by:

Peter John Halstead

General Manager

Date: 24/09/2019

Signature  _____

From the Chief Executive

The Pharmacy Regulation Authority SA (PRASA) is now in its ninth year of operation, administering the provisions applying to pharmacy premises of the *Health Practitioner Regulation National Law (South Australia) Act 2010*. PRASA continues to:

- act in the best interests of the South Australian community to ensure the delivery of pharmacy services of the highest standard and
- work to approve new pharmacy services providers and pharmacy premises and depots as well as the re-registration of existing pharmacy premises, pharmacy departments and pharmacy depots where appropriate.

As can be seen from the Financial Statements in this Annual Report, PRASA remains in a financially sound position with full compliance with all auditing requirements.

The year was a productive one for PRASA with significant time and resources directed towards developing and planning the implementation of heightened requirements for the purposes of initial registration. This has seen the need to develop revised documentation requirements as well as the associated assessment procedures. Work was completed on the development of guidance for applicants seeking approval for new pharmacy premises or new pharmacy services provider trusts or companies. This guidance, on publication, will assist those seeking approvals to best understand the processes for PRASA's assessment and approval.

PRASA continued its activities related to its inspection program for pharmacy premises with the focus for the third cycle of its program (pharmacy premises are visited randomly based on a 3-year cycle) being the five key areas of risk PRASA has previously established. PRASA considers the key areas of risk to be the:

- storage/handling/supply of Schedule 8 medicines
- packing and supply of dose administration aids
- scanning of medicines for supply
- immunisation services
- complex compounding of medicines

Due to the dynamic and quickly evolving field of complex compounding of medicines all pharmacy premises undertaking this activity were visited during this reporting period to ensure compliance with the PRASA standards and guidelines.

All visited pharmacy premises were compliant with the required standards and guidelines within the reporting period allowing PRASA to undertake re-registration of these pharmacy premises. Data from PRASA's inspection program shows that 63% of pharmacy premises were immediately compliant on inspection or reached compliance following minimal remedial action with no further action required by PRASA. The remaining pharmacy premises cooperated with PRASA in coming to understand the nature of the breaches in evidence during the initial inspection as well as undertaking the necessary remedial actions. Overall this resulted in no pharmacy premises being found to be unsuitable for re-registration.

Financial operations

The following matters are noted with respect to PRASA's financial operations:

- Registration fees were increased by approximately 2.5% from 1 October 2018 to cover increasing demands for ongoing review and oversight of the matters associated with pharmacy premises ownership and the related increased demands of staffing and legal costs.
- PRASA recorded a surplus of \$18,162 during the financial year resulting from an increase in total income of 9.5% offset by an increase in total expenditure of only 6.2%.
- The most significant variation from the previous reporting period occurred with regard to legal fees which increased significantly.
- No government funds have contributed to reserves.
- In terms of performance against budgetary objectives, the total revenue of \$529,175 was in line with the budget estimate for the reporting period.

Staffing

PRASA had a staff of six at 30 June 2018, with a Full Time Equivalent (FTE) of 3.1. The staff comprise the General Manager, three pharmacists whose responsibilities include assessing applications, managing the database and the conducting of and the following-up of the findings of the state-wide PRASA inspection program for pharmacy premises. PRASA has two administrative officers who undertake duties related to the approval of and re-registration of pharmacy premises and the associated pharmacy services providers as well as providing administrative support for the inspection program.



Peter Halstead

General Manager

Pharmacy Regulation Authority SA

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PRASA's strategic purpose

Establishment

PRASA was established pursuant to Part 4 Division 2 section 27 of the *Health Practitioner Regulation National Law (South Australia) Act 2010* with the Minister for Health as the responsible Minister.

Vision

To ensure a safe and effective pharmacy system that is responsive to community needs and interests.

Values

The Authority's work is framed by the values of independence, high ethical standards, honesty and transparency. The resulting outcomes are benchmarked to ensure ongoing accountability, collaboration, continuous improvement and business processes that are responsive and of quality.

Objectives and functions

The primary role of PRASA is to administer the Act which provides for the regulation of pharmacy premises, pharmacy departments and pharmacy depots and their operation by pharmacy services providers.

Pursuant to the Act PRASA has the following functions:

- act in the best interests of the South Australian community to ensure pharmacy services providers deliver safe and effective pharmacy services of the highest standard from within pharmacy premises
- ensure that the handling of notifications/complaints received by PRASA regarding the delivery of pharmacy services from within pharmacy premises has been undertaken in a timely, caring and responsive fashion for the benefit of the South Australian community
- ensure public access to all the relevant information PRASA gathers under its powers is made available to the community in a suitable format
- prepare or endorse codes, standards or guidelines providing the necessary guidance and direction for pharmacy services providers to perform to professional and community expectations
- carry out its regulatory requirements in an efficient and cost-effective manner

PRASA has carried out its statutory obligations under the Act and the major activities are summarised in this report.

PRASA's organisational structure

Authority Membership

PRASA consists of 5 members appointed by the Governor on the nomination of the Minister. One person will be an officer of SA Health, one will be a nomination of each of the Pharmacy Guild of Australia (SA Branch), Pharmaceutical Society of Australia (SA Branch) the Australian Friendly Societies Pharmacies Association and a nomination by the Minister of a person who in their opinion will represent the interests of the public by reason of their expertise and experience.

Membership of PRASA to 30 June 2019 was as follows:

Presiding Member – Mr Grant Kardachi, nominee of the Pharmaceutical Society of Australia (SA Branch)

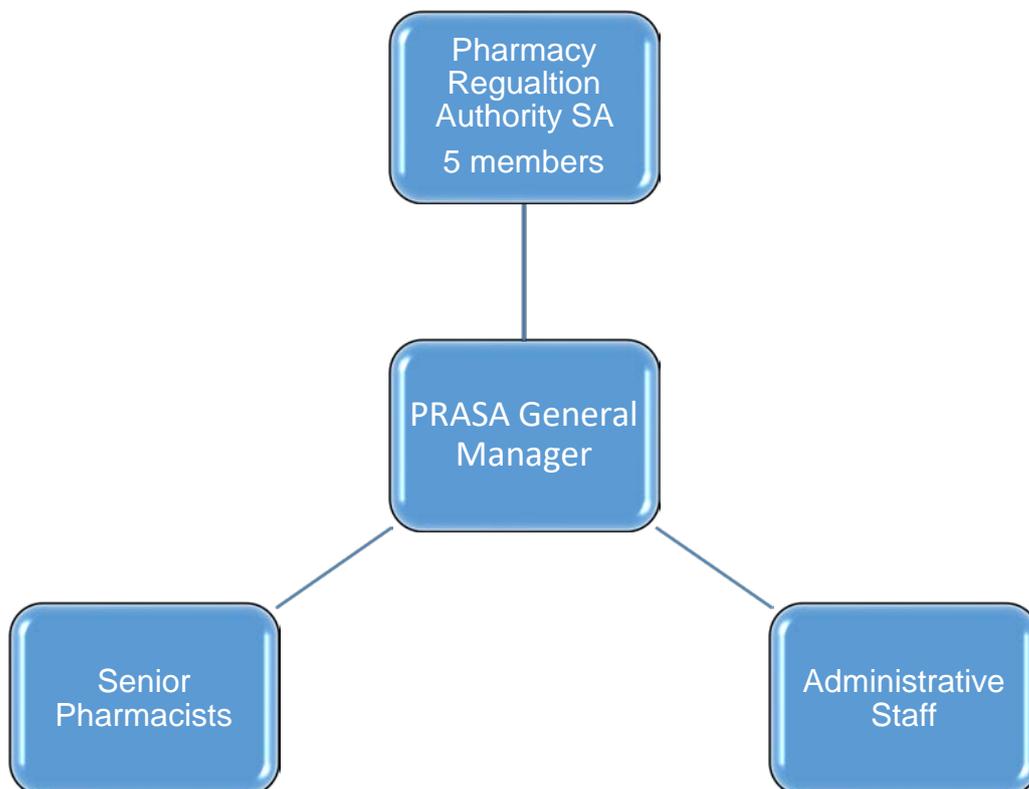
Deputy Presiding Member – Ms Robyn Johns, nominee of the Australian Friendly Societies Pharmacies Association

Ms Judy Smith – nominee of the Minister

Mr Steve Morris – officer of SA Health (resigned October 2018)

Ms Helen Flannery – nominee of the Pharmacy Guild of Australia (SA Branch) (resigned August 2018).

PRASA's organisational chart



Staff of PRASA at 30 June 2019 was as follows:

General Manager:	Mr Peter Halstead
Senior Pharmacists:	Mr Michael Broadbent
	Mr Marcus Edwards
	Ms Kate Spencer
Administration Officer;	Mr Brian Halstead
	Temporary staff

Changes to the Authority

During 2018-19 there were no changes to the Authority's structure and objectives as a result of internal reviews or the machinery of government changes.

Our Minister



The Hon Stephen Wade MP, Minister for Health and Wellbeing.

PRASA'S Executive team

Peter Halstead is the General Manager of PRASA and is appointed by the members of PRASA. The General Manager has responsibility for:

- the day-to-day operation of PRASA
- delegated authorities in relation to new pharmacy premises and pharmacy services providers and the processes and activities related to the re-registration of pharmacy premises and pharmacy services providers
- the handling of notifications made to PRASA in respect to the delivery of pharmacy services
- the operation of the PRASA inspection program

Legislation administered by the Authority

Health Practitioner Regulation National Law (South Australia) Act 2010

The Authority's performance

Performance at a glance

Agency objectives	Indicators	Performance
Applications for initial approval and registration completed within nominated time frame	Applications for approval and initial registration completed within 5 working days of receiving the application	84% of applications were completed in the nominated time frame with the most common reason for non-compliance being the need for further information from the applicant.
Re-registration of all entities requiring registration to have occurred by the legislated due date	Re-registrations completed by 1 October 2018	97% complete as of 1 October 2018 with the remaining 3% complete within 10 working days of 1 October and within the allowed for grace period.
Continuing quality improvement of pharmacy practices within pharmacy premises as evaluated by the pharmacy premises inspection program	<p>Each calendar year PRASA aims to inspect one third of pharmacy premises in the state. In 2018 PRASA completed inspections of 116 pharmacy premises.</p> <p>Pharmacy premises totally compliant at initial inspection: 73</p> <p>Pharmacy premises totally compliant at final inspection: 116</p>	The efforts of PRASA and the cooperation of those pharmacy services providers at the various pharmacy premises concerned to reach compliance provides a level of confidence as to the maintenance of appropriate professional standards for the provision of pharmacy services from within pharmacy premises.

The Authority's contribution to whole of Government objectives

Key objective	Agency's contribution
<p>Raising of the quality of health service provision</p>	<p>Contribution</p> <p>Contribute to an overall raising of the quality of health service provision such that there is an increased healthy life expectancy of South Australians.</p> <p>Key strategy</p> <p>Profession wide engagement detailing how the community benefits from the provision of pharmacy services of the highest quality and standard as delivered from within pharmacy premises.</p> <p>Initiatives</p> <p>PRASA has initiated an inspection program for pharmacy services delivered within pharmacy premises. A summary of the details of the program are provided below and further information can be found on the PRASA website.</p> <p>Complaints with regard to pharmacy service</p> <p>PRASA has received complaints regarding the delivery of pharmacy services from within pharmacy premises. Where these complaints involved concerns as to an organisational wide rather than individual practitioner issue PRASA investigated. Six such matters were reported across the year. Table 2 contains details of the complaints. Two further matters were referred directly to the Australian Health Practitioner Regulation Agency (AHPRA).</p>
<p>Investment in critical areas of infrastructure</p>	<p>Contribution</p> <p>Investment in critical areas of infrastructure with attention paid to the upskilling and training of staff.</p> <p>Key strategy</p> <p>Ensuring the delivery of new and emerging pharmacy services from within pharmacy premises in a manner that pays appropriate attention to the relevant professional and practice standards. Examples of such emerging pharmacy services are the complex compounding of medicines and immunisation services.</p>

The Authority's specific objectives and performance

PRASA's inspection program 2018 – consolidated details

PRASA's purpose in conducting an inspection program is to assist in driving ongoing quality improvement within pharmacy premises while assuring the community the pharmacy services are being delivered to the highest standard thereby offering protection to the community of South Australia.

Table 1 provides details of the overall performance across 116 pharmacy premises inspected in 2018. Pharmacy premises are randomly inspected once every 3 years (there are approximately 490 registered pharmacy premises in South Australia).

Table 1: Overall pharmacy premises performance

Pharmacy premises evaluated by number of PRASA visits required to ensure compliance. All pharmacy premises were deemed compliant at the end of the review period	Percentage (%) of pharmacy premises
Pharmacy premises at which there is: <ul style="list-style-type: none"> no evidence of any breaches of PRASA requirements and guidelines or evidence of breaches of the PRASA requirements and guidelines where remedial actions to rectify the breaches are completed without PRASA having to undertake a further inspection 	63
Pharmacy premises at which there is: <ul style="list-style-type: none"> evidence of breaches of the PRASA requirements and guidelines that are of such nature and number that ongoing PRASA engagement through a further inspection is required 	37

PRASA has been able to identify five key areas of pharmacy services that represent the highest level of risk to the community's health outcomes. In 2018 the 116 pharmacy premises inspected by PRASA were evaluated for safety and quality purposes focussing on these five key risk areas.

Public Complaints relating to Pharmacy Services

PRASA received a number of complaints (6 in total) related to the provision of pharmacy services from within pharmacy premises as detailed in Table 2. PRASA worked with complainants, the Australian Health Practitioner Regulation Agency (AHPRA) where necessary and those against whom complaints were made to achieve a satisfactory understanding and outcome for all the complaints in a timely and efficient manner. The details of the complaints received by PRASA regarding professional service provision within pharmacy premises are listed below.

PRASA is working with AHPRA wherever possible to reduce the time taken to resolve the issues related to the raising of complaints.

Table 2: Complaints investigated by PRASA

Complaint Category	Sub- category	Example	Number of complaints 2018-2019
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, cultural competency	1
Professional behaviour	Staff complacency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	2
Communication	Communication quality	Inadequate, delayed or absent communication with customer	1
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	1

Service delivery	Access to services	Service difficult to find; location poor; facilities/environment poor standard; not accessible to customers with disabilities	1
		Total	6

Employment opportunity programs

Program name	Performance
Medical terminology	Enhanced ability of administration support staff to engage with community members concerning matters of medicines and health
Requirements for initial registration of pharmacy premises and pharmacy services providers	Heightened level of understanding of the requirements regarding governance for those wishing to register a new pharmacy premises or pharmacy services provider
Review of complex compounding – PCCA	Providing support for staff involved in professional activities of inspection and investigation to maintain clinical expertise in order to best understand potential notifications/complaints

Agency performance management and development systems

Performance management and development system	Performance
Regular performance development reviews of all staff	Identification of gaps within the skill set of employees has occurred primarily as a result of the changing nature and complexity of PRASA's operations. Additional resources and expertise have been engaged to develop and implement the systems necessary to support the existing staff. The training and upskilling of staff in these changing systems is ongoing.

Work health, safety and return to work programs

Program name	Performance
Nil to report	

Workplace injury claims	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

**number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)*

Work health and safety regulations	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/b2ebd53f-a9b1-4257-a16b-751e254375a5/resource/be383d79-dc44-4bd6-8e45-d30daafc8d7/download/work-health-and-safety-and-return-to-work-performance-v3-prasa-2012-2019.csv>

Executive employment in the Authority

Executive classification	Number of executives
General Manager – EXA	1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/b2ebd53f-a9b1-4257-a16b-751e254375a5/resource/40ac5857-66b4-4c24-85cf-701ecd56811b/download/executive-employment-in-the-agency-prasa-2012-2019.csv>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the Authority. The information is unaudited. Full audited financial statements for 2018-19 are attached to this report.

PRASA derived its income from the payment of registration fees, required notifications of changes to the registers and sundry revenue.

PRASA's income for the 2018-19 financial year was \$529,175.74 and expenses for the same period were \$511,013.97. For the twelve-month period PRASA had a surplus of \$18,161.77.

Statement of Financial Position	2018-19 Actual	2017-18 Actual
Current assets	\$567,000	\$490,000
Non-current assets	\$30,000	\$40,000
Total assets	\$597,000	\$530,000
Current liabilities	\$57,000	\$65,000
Non-current liabilities	\$145,000	\$89,000
Total liabilities	\$202,000	\$154,000
Net assets	\$395,000	\$376,000

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Review of processes associated with initial registration	2727

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Nil to report		

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/b2ebd53f-a9b1-4257-a16b-751e254375a5/resource/654d6398-6794-4756-af20-9e731326fc51/download/consultants-prasa-2012-2019.csv>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
Nil to report		

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Nil to report		

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/b2ebd53f-a9b1-4257-a16b-751e254375a5/resource/686ed72b-234c-42d6-8ebd-0d86b1e922cc/download/contractors-prasa-2017-2019.csv>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Other information

Nil to report

Risk management

Risk and audit at a glance

Nil to report

Fraud detected in the agency

Category/nature of fraud	Number of instances
No cases of fraud detected	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

Regular monthly member review and supervisory oversight from the auditor

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/b2ebd53f-a9b1-4257-a16b-751e254375a5/resource/2dfccbba-d4a3-442c-9afb-199d97f5c649/download/fraud-detected-in-the-agency-prasa-2012-2019.csv>

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*:

Nil to report

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/b2ebd53f-a9b1-4257-a16b-751e254375a5/resource/b5ad344b-01da-4104-bb28-822b371f267e/download/whistle-blowers-disclosure-prasa-2012-2019.csv>

Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil to report	

Reporting required under the *Carers' Recognition Act 2005*

Nil to report

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
Nil to report			

Additional Metrics	Total
Number of positive feedback comments	1
Number of negative feedback comments	0
Total number of feedback comments	1
% complaints resolved within policy timeframes	100

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/b2ebd53f-a9b1-4257-a16b-751e254375a5/resource/f85b8c41-be12-4241-8876-fd2c2a6185bd/download/complaints-prasa-2012-2019.csv>

Service improvements for period

Service improvements that responded to customer complaints or feedback

PRASA received no complaints with regard to the provision of its services across the reporting period.

Appendix: Audited financial statements 2018-19

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
PHARMACY REGULATION AUTHORITY SA**

I have audited the accompanying financial report of **PHARMACY REGULATION AUTHORITY SA**, which comprises the Statement of Financial Position as at 30 June 2019, and the Statement of Financial Performance for the year then ended, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Board of Management (the Members) for the Financial Report

The Board of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

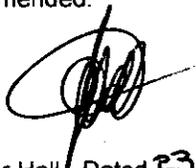
My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to 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 of 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 Board of Management, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of **PHARMACY REGULATION AUTHORITY SA** as of 30 June 2019, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act 1985 as amended.



Peter Hall / Dated 23 / 8 / 2019

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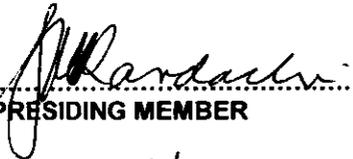
PHARMACY REGULATION AUTHORITY SA

STATEMENT BY OFFICERS OF THE ORGANISATION

As detailed in Note 1 to the Accounts, the Organisation is not a reporting entity because in the Officers' opinion, there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These Accounts are therefore "Special Purpose Financial Reports" that have been prepared to meet the requirements of the Board of Management (the Members) and Government and other Funding Agencies.

We, Grant Kardachi (Presiding Member) and Robyn Johns (Deputy Presiding Member) hereby state that to the best of our knowledge and belief:

- (a) the accompanying Statement of Financial Position, Statement of Financial Performance and the Notes thereto dated 30th June 2019 comprising the "Special Purpose Financial Reports" present fairly the state of affairs as at that date, and the results of operations for the year then ended;
- (b) there is no body corporate that is a subsidiary of the Organisation within the meaning of Section 46 of the Corporations Law; and
- (c) the Organisation does not act as trustee of any trust.


.....
PRESIDING MEMBER


.....
DEPUTY PRESIDING MEMBER

DATE: 23.1.2019

PHARMACY REGULATION AUTHORITY SA

REPORT OF THE BOARD OF MANAGEMENT (The Members)

In accordance with Section 35 (5) of the Associations Incorporation Act 1985, the Board of Management hereby states that to the best of our knowledge and belief:

- (a) During the financial year ended 30th June 2019, no officer of the Organisation, firm of which the officer is a member, or body corporate in which the officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the organisation; and
- (b) During the year ended 30th June 2019 no officer of the Organisation has received directly or indirectly from the Organisation any payment or other benefit of a pecuniary value (excluding the emoluments as disclosed in the Operating Accounts, or the fixed salary as a full time employee of the Organisation).


.....
PRESIDING MEMBER
Name: Grant Kardachi


.....
DEPUTY PRESIDING MEMBER
Name: Robyn Johns

DATE: 23.1.8. /2019

**PHARMACY REGULATION AUTHORITY SA
YEAR ENDED 30 JUNE 2019
STATEMENT OF FINANCIAL PERFORMANCE**

	Notes	2019 \$	2018 \$
INCOME			
Fee Income		525,270.00	476,350.00
Interest Received		3,268.08	2,784.06
Employee Contributions		-	4,117.31
Sundry Income		637.66	-
TOTAL INCOME		<u>\$ 529,175.74</u>	<u>\$ 483,251.37</u>
EXPENSES			
Audit Fees		4,680.00	5,760.00
Bank Charges		6,049.55	5,702.89
Borrowing Expenses		447.59	447.59
Cleaning		2,956.36	2,724.00
Computer Expenses		22,297.13	35,284.33
Consulting Fees		2,727.27	-
Depreciation		9,835.00	13,132.00
Digitalisation		-	22,166.38
Electricity		3,448.72	3,518.12
Fringe Benefits Tax		7,717.75	9,182.49
Insurance		4,532.05	4,712.51
Interest Paid		2,946.82	3,592.05
Internet & Website Maintenance		2,636.92	1,942.43
Lease of Plant & Equipment		3,358.46	1,151.88
Legal Fees		14,665.64	9,250.00
Licences, Registrations & Subscriptions		4,613.44	5,249.58
Motor Vehicle Expenses		4,495.15	4,175.66
Postage, Printing & Stationery		2,686.58	3,750.88
PRASA Projects		4,000.00	-
Rent & Outgoings		35,389.58	32,101.86
Repairs & Maintenance		2,092.60	339.81
Staff Amenities		2,522.29	2,350.03
Staff Entitlements - Provision for Annual Leave		9,440.00	10,215.00
Staff Entitlements - Provision for Long Service Leave		45,398.00	-
Staff Entitlements - Provision for Redundancies	11	2,168.00	-
Staff Training		3,695.69	862.73
Superannuation		32,327.57	31,502.88
Sundry Expenses		339.44	1,043.59
Telephone		3,531.73	3,491.02
Travel & Accommodation		10,413.69	7,609.41
Wages & Board Members' Fees		259,600.95	260,140.60
TOTAL EXPENSES		<u>511,013.97</u>	<u>481,399.72</u>
NET SURPLUS FOR THE YEAR		<u>\$ 18,161.77</u>	<u>\$ 1,851.65</u>

The accompanying notes form part of these financial statements
This report is to be read in conjunction with the attached audit report

**PHARMACY REGULATION AUTHORITY SA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash & Cash Equivalents	2	561,651.21	484,612.69
Trade & Other Receivables	3	<u>5,207.70</u>	<u>5,834.66</u>
TOTAL CURRENT ASSETS		<u>566,858.91</u>	<u>490,447.35</u>
NON CURRENT ASSETS			
Plant & Equipment	4	<u>29,911.45</u>	<u>39,746.45</u>
TOTAL NON CURRENT ASSETS		<u>29,911.45</u>	<u>39,746.45</u>
TOTAL ASSETS		<u>\$ 596,770.36</u>	<u>\$ 530,193.80</u>
CURRENT LIABILITIES			
Trade & Other Payables	5	56,617.01	65,208.22
Provisions	6	<u>145,683.00</u>	<u>88,677.00</u>
TOTAL CURRENT LIABILITIES		<u>202,300.01</u>	<u>153,885.22</u>
TOTAL LIABILITIES		<u>\$ 202,300.01</u>	<u>\$ 153,885.22</u>
NET ASSETS		<u>\$ 394,470.35</u>	<u>\$ 376,308.58</u>
CAPITAL			
Capital	10	83,955.00	83,955.00
Accumulated Surplus		<u>310,515.35</u>	<u>292,353.58</u>
TOTAL CAPITAL		<u>\$ 394,470.35</u>	<u>\$ 376,308.58</u>

The accompanying notes form part of these financial statements
This report is to be read in conjunction with the attached audit report

**PHARMACY REGULATION AUTHORITY SA
YEAR ENDED 30 JUNE 2019
STATEMENT OF CASH FLOWS**

	Notes	2019 \$	2018 \$
Cash Flows from Operating Activities			
Cash Receipts from Customers		525,907.66	480,467.31
Cash Paid to Suppliers & Employees		<u>440,444.64</u>	<u>452,744.65</u>
Net Cash used in Operating Activities	7	<u>\$ 85,463.02</u>	<u>\$ 27,722.66</u>
Cash Flows from Investing Activities			
Interest Received		<u>3,268.08</u>	<u>2,784.06</u>
Net Cash used in Investing Activities		<u>\$3,268.08</u>	<u>\$2,784.06</u>
Cash Flows from Financing Activities			
Proceeds from borrowings		-	-
Costs of Borrowing		-	0.00
Repayment of borrowings		<u>(11,692.58)</u>	<u>(11,047.35)</u>
Net Cash used in Investing Activities		<u>\$(11,692.58)</u>	<u>\$(11,047.35)</u>
Net Increase in Cash and Cash Equivalents		77,038.52	19,459.37
Cash and Cash Equivalents at the beginning of the period		<u>484,612.69</u>	<u>465,153.32</u>
Cash and Cash Equivalents at the end of the period		<u>\$ 561,651.21</u>	<u>\$ 484,612.69</u>

The accompanying notes form part of these financial statements
This report is to be read in conjunction with the attached audit report

PHARMACY REGULATION AUTHORITY SA

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the opinion of the Officers, the Organisation is a Non-reporting entity, because there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, the Accounts are "Special Purpose Financial Reports" that have been prepared solely to meet the requirements of the Board of Management, the Members and Government and other Funding Agencies.

Such Statements of Accounting Concepts and Accounting Standards that apply, have been adopted consistently with previous practice.

The Accounts have been prepared on an accruals basis in accordance with the historical cost convention whereby all Assets have been recorded at the lower of their cost or estimated net realisable value. No adjustments have been made to take into account changing money values or current valuations of Non-Current Assets, or their impact on operating results.

The Organisation is not subject to Income Tax. The Organisation is liable for fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Balance Sheet.

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

These notes are to be read in conjunction with the attached audit report

PHARMACY REGULATION AUTHORITY SA
YEAR ENDED 30 JUNE 2019
NOTES TO THE ACCOUNTS

	Notes	2019 \$	2018 \$
2 CASH & CASH EQUIVALENTS			
Cash at Bank - Trading Account		10,693.87	4,355.70
Cash at Bank - Savings Account		<u>550,957.34</u>	<u>480,256.99</u>
		<u>\$ 561,651.21</u>	<u>\$ 484,612.69</u>
3 TRADE & OTHER RECEIVABLES			
GST Debtor		4,312.52	4,491.89
Unexpired Borrowing Expenses		<u>895.18</u>	<u>1,342.77</u>
		<u>\$ 5,207.70</u>	<u>\$ 5,834.66</u>
4 PLANT & EQUIPMENT			
Plant, Equipment & Motor Vehicle		93,755.45	93,755.45
less: Accumulated Depreciation		<u>63,844.00</u>	<u>54,009.00</u>
		<u>\$ 29,911.45</u>	<u>\$ 39,746.45</u>
5 TRADE & OTHER PAYABLES			
Trade Creditors		12,436.04	9,334.67
Loan - Volkswagen Financial Services Australia		<u>44,180.97</u>	<u>55,873.55</u>
		<u>\$ 56,617.01</u>	<u>\$ 65,208.22</u>
6 PROVISIONS			
Provision for Annual Leave		43,430.00	33,990.00
Provision for Long Service Leave		45,398.00	-
Provision for Redundancies	11	<u>56,855.00</u>	<u>54,687.00</u>
		<u>145,683.00</u>	<u>88,677.00</u>
7 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES			
Net Surplus		18,161.77	1,851.65
Less: Net Surplus from Investing Activities		<u>3,268.08</u>	<u>2,784.06</u>
Net Surplus from Operating Activities		14,893.69	(932.41)
Depreciation		9,835.00	13,132.00
Provision for Staff Entitlements		57,006.00	10,215.00
Borrowing Expenses		447.59	447.59
Changes in assets and liabilities			
Decrease in GST Debtor		179.37	(1,063.25)
Decrease in Prepayments		-	1,320.00
Decrease/(Increase) in Sundry Debtors		-	2,608.84
Increase/(Decrease) in Trade Creditors		<u>3,101.37</u>	<u>1,994.89</u>
Net Cash provided by Operating Activities		<u>\$ 85,463.02</u>	<u>\$ 27,722.66</u>

These notes are to be read in conjunction with the attached audit report

**PHARMACY REGULATION AUTHORITY SA
YEAR ENDED 30 JUNE 2019
NOTES TO THE ACCOUNTS**

Notes	2019 \$	2018 \$
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8 AUDITOR'S REMUNERATION

The Auditor receives no other remuneration

9 EMOLUMENTS TO OFFICERS

No amounts, other than fees for attending meetings, were paid to any Board Members

10 CAPITAL

As a result of legislation being passed, The Pharmacy Board of South Australia ceased operations on 30 June 2010. A portion of its assets were transferred to The Pharmacy Regulation Authority SA as initial capital required to assist in its establishment which occurred as a result of the Health Practitioner Regulation National Law (South Australia) Act 2010, Part 4, Division 2, Subdivision 1

\$ 83,955.00

\$ 83,955.00

11 POSSIBLE ABOLITION OF THE ORGANISATION

On 8th July 2014 the Premier of South Australia, Mr Jay Weatherill, advised the Organisation that it was the intention of the Government to abolish every government board and committee, including all statutory boards unless an exemption from abolition is granted.

As a result of this advice, it was uncertain whether the Organisation would continue its operations into the future.

It was therefore considered prudent that a Provision for Redundancies for staff of the Organisation be established in the event that the Organisation is abolished.

The Provision was established and recognised in the Financial Statements of the Organisation for the Year Ended 30th June 2014.

Since then, the Organisation has been granted exemption from abolition. However, as the exemption is not permanent and can be reviewed in the future, it is considered prudent to maintain the Provision.