

# Tasmanian Pharmacy Authority

Annual Report

For year ended 30 June 2018

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## **Establishment of the Authority**

The Tasmanian Pharmacy Authority is a body corporate, established under section 6(1) of the Pharmacy Control Act 2001 (the Act).

Historically, the former Pharmacy Board of Tasmania had functions including:

- registration of pharmacists; and
- registration of pharmacy premises (regulating the ownership and standards of pharmacy premises).

The first function (registration of pharmacists) is now undertaken by the Australian Health Practitioners Regulatory Authority (AHPRA).

The second function (registration of pharmacy premises), as in other States, is still regulated by a State body. In Tasmania, this is the Tasmanian Pharmacy Authority, which was established on 1<sup>st</sup> February 2011. This report covers the sixth full financial year of its operations.

## **Authority Roles and Functions**

### **Functions of the Authority**

Section 8 of the Act prescribes the following functions for the Authority:

- (a) to administer the scheme of registration of pharmacy business premises;
- (b) to approve the ownership of and interests in pharmacy businesses;
- (c) to ensure that the services that pharmacy businesses provide from pharmacy business premises to the public are of the highest possible standard;
- (d) to prosecute offences against this Act;
- (e) to advise the Minister on matters relating to the Act;
- (f) such other functions as are imposed on the Authority by this or any other Act or as may be prescribed.

### **Role of the Authority**

Section 9 of the Act empowers the Authority to do all things necessary or convenient to be done in connection with the performance of its functions.

## **Membership of the Authority**

The members of the Authority during the year ending 30 June 2018 were:

### **Chairman**

Mr Rhys Jones – B.Pharm

### **Members**

Mr Martin Neumeyer - B.Pharm (Resigned 10<sup>th</sup> April 2018, creating a vacancy which was unfilled at 30 June)

Ms Kym Child – Consumer Representative

## Meetings of the Authority

The Authority held monthly meetings during the reporting period. This year, additional meetings were held in July 2017 to progress the appointment of a new Registrar; and extra meetings were held in May and June 2018 due to the amount of business on the agenda.

Authority Members	Meetings held whilst an Authority Member	Meetings Attended
Mr R Jones	17	17
Mr M Neumeyer	13	13
Ms K Child	17	17

The vacancy created when Authority member, Mr Neumeyer resigned due to a change in his employment, was problematic. The Authority comprises only three members, two of whom are registered pharmacists. The operations of the Authority were affected by the reduced membership, especially as the input of qualified pharmacists is required for much of the business.

## Administration

Ms Margie Cole was the Authority's Registrar until 30 August 2017, when she retired. She was replaced by Ms Joni-Lee James until 20<sup>th</sup> June 2018. At that time, Ms Margie (Cole) Shuley was reappointed as the Authority Registrar as an interim arrangement while recruitment action occurs.

The postal address of the Authority was PO Box 1082, Sandy Bay, TAS 7006 and the mobile phone number was 0417 752 348. The Authority did not have a facsimile machine.

The Authority's ABN is 34 562 572 269.

## Sitting Fees of the Authority

Sitting Fees determined by the Minister for Health, since 1 December 2016, were:

Chair: \$448

Members: \$340

A small rise was approved from 1 December 2017, to:

Chair: \$457

Members: \$347

## **Representation on National Bodies**

During the year, the Pharmacy Premises Registering Authorities of Australia – PPRAA – met twice (November 2017 and May 2018). Both meetings were attended by the Authority Chair and the later meeting was also attended by the Registrar.

The PPRAA is a forum for State and Territory pharmacy premises registering bodies whose responsibility it is to protect the public in registering/approving pharmacy premises. PPRAA activities are intended to allow for the consideration and potential development of a nationally consistent framework by which pharmacists and pharmacy services providers may undertake the provision of pharmacy services within registered premises consistent with nominated scopes of practice. The present members of PPRAA are representatives of the premises registering bodies in Australian Capital Territory, New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia. Whilst there are differences in each jurisdiction's legislation, it is generally acknowledged that these bodies should be responsible for the standards within pharmacy premises. It is noted that the Pharmacy Board of Australia's powers are limited to the registration of pharmacists and dealing with notifications against pharmacists. It does not extend to the standards of practice within pharmacy premises or standards of the premises themselves.

## **Registration**

The number of pharmacy business premises registered with the Authority at 30 June 2018 was 158.

At 30 June 2018, 82 body corporates and 87 individuals held an Eligibility Certificate for their interests in a pharmacy business.

Many applications for the approval of new owners involved trust structures, with either an individual or body corporate as the trustee, rather than straightforward ownership by the pharmacist. This is an increasing trend, both in Tasmania and other jurisdictions.

The names of some pharmacy business premises changed during the year, many of these reflecting changes to and some mergers of large buying groups.

During the year, the Authority approved the following applications:

New or relocating pharmacies	8
Applications for a new Body Corporate owner	8
Applications for a new individual owner	1

Applications for alterations of Pharmacy Business Premises were also lodged. Three pharmacy business premises were affected by the May 2018 floods in the Hobart region, necessitating unexpected alterations and remedial work to be undertaken.

The Authority continued its approval of vaccination rooms/consultation areas, within pharmacy premises. As at 30 June 2018, 67 pharmacy premises had approved vaccination areas.

## **Registration Policy**

Pharmacy premises registrations and the issuing of Eligibility Certificates continued to be managed in accordance with the requirements of the Act. Pharmacists intending to buy or sell an existing pharmacy, change its ownership structure, or to move or re-name it, applied to the Authority for approval by

submitting the appropriate forms and paying the prescribed fees. As indicated above, the development of a vaccination area also follows an application and approval process.

## Fees

The prescribed fees were increased marginally in accordance with the increase in the value of a Fee Unit to \$1.55.

The fees for 2017-18 as defined by the regulations were:

Type of Fee	Section of Act	Fee Units	Fees 2017-18 @\$1.55 \$
<b>Eligibility Certificate - Initial Application</b>			
Each individual involving no Trust	61B	35	54.25
Each individual involving one Trust	61B	275	426.25
Each individual with more than one Trust	61B	550	852.50
Each body corporate with no Trust	61B	350	542.50
Each body corporate with one Trust	61B	620	961.00
Each body corporate with more than one Trust	61B	900	1395.00
<b>Annual Renewals</b>			
Individual eligibility certificate	61E	70	108.50
Body Corporate eligibility certificate	61E	140	217.00
Certificate of Premises Registration	71K	250	387.50
<b>Late Fees</b>			
Individual Eligibility Certificate	61E	15	23.25
Body Corporate Eligibility Certificate	61E	50	77.50
Premises Registration	71K	100	155.00
<b>Other Fees</b>			
Initial registration of pharmacy business premises	71D	310	480.50
Application to exempt premises from registration	71J	35	54.25
Fee for inspection of register	71M	15	23.25
Fee for a copy or extract from register - <i>per page</i>	71M	5	7.75
Fee for a copy of notice - <i>per page</i>	71M	5	7.75

The Authority notes that changes to the Act which came into effect on 1 January 2017 made provision for fees to be charged for applications for alterations to pharmacy business premises, but that the regulations have yet to be amended to effect this.

## **Review of Activities and Operations 2017-2018**

### **Achievements**

#### **The Pharmacy Control Act 2001**

The Tasmanian Pharmacy Authority was established under the Act which commenced on 1 February 2011. Amendments to the Act were proclaimed on 1 January 2017, which addressed many ambiguities and inconsistencies which had been identified.

It has been the role of the Authority to implement and administer this Act, which includes considering all applications for alterations, new or relocated premises, transfers of ownership and consideration of ownership eligibility.

The Authority administered the issuing of Eligibility Certificates in accordance with Part 5A of the Act. The complexities of pharmacy ownership when companies and trusts were involved make determining the interests of parties difficult, and the Authority routinely referred company and trust documents to Crown Law for advice.

As far as the Authority is aware, all ownership structures comply with the Act, and no individual has an interest in more than four pharmacy business premises in Tasmania.

#### **Pharmacy Guidelines**

The Authority adopted its inaugural Guidelines on 6 February 2013. These continue to be fine-tuned from time to time, and are available on the Authority's website.

#### **Authority Financial matters**

The Authority believes that identified risks have, in the main, been managed appropriately. However, the replacement of the Registrar late in the financial year raised issues for the Authority, with business continuity raising concerns.

The budget ensures that there is security and stability to the Authority's income to ensure it can operate effectively. In particular, the budget security has allowed the Authority to plan for cyclical inspections of all premises. There is also contingency provision for any potential legal costs which might be incurred in the event of a prosecution by the Authority under the Act. The Authority also is conscious of the need to consider, in time, the development of a new database to manage the complex ownership structures, so has funds notionally set aside for this activity.

There were substantial increases in expenditure in two categories in the 2017-18 financial year – Registrar Fees (an increase of 80 percent over the previous year) and Inspection Expenses (an increase of 118 percent).

The changes to the Registrar during the year increased costs.

Inspection activities increased markedly during the year. The appointment of new inspectors allowed the Authority to properly instigate its rolling three year inspection cycle, and the costs reflect this welcome improvement in operations.

#### **Authority Website, Database and records**

The Authority made further improvements to its website (hosted on a tas.gov.au domain) during the year, and continually updated, added to and refined the information provided on the website to make it clearer, more useful and more user-friendly.

## **Authority inspections**

A number of Authority Inspectors (who are independent contractors) were trained during the year and were signed off to undertake inspections independently. At 30<sup>th</sup> June 2018, six inspectors were contracted with the Authority.

The Authority continued its inspection and premises registration processes which require owners to make formal declarations about the completion of premises works and the suitability of the premises to operate as a pharmacy business. Following advice of the completion of works (be it for new or altered premises), the Authority then inspected the pharmacy premises to ensure their compliance with the Act.

In addition, the Authority inspected pharmacy business premises 1-2 months after sale on those occasions where there was a total change of ownership.

The Authority also continued its plan to have a rolling three year cycle of inspecting all pharmacy business premises.

The Authority continued to work closely with the Pharmaceutical Services Branch (PSB) of DHHS, with PSB receiving copies of each Inspection Report. In addition, the Authority alerted the Australian Health Practitioners Regulatory Authority to potential issues which fell under its jurisdiction.

The Inspection Report Form was further improved to ensure a more consistent and comprehensive approach to inspections, and to reflect the need to check on the suitability of vaccination areas.

## **Pharmacists administering vaccines**

The Authority continued to liaise with DHHS staff responsible for administering the program of Approved Pharmacist Immunisers under *Regulation 64 of the Poisons Regulations 2008*, which was amended in January 2016 to allow adequately trained pharmacists to independently administer vaccinations in Tasmania.

## **Conflict of Interest**

The Authority continued its practice of requiring an annual update by all employees and independent contractors of its TPA Disclosure of Interest and Confidential Information Form to ensure actual or potential conflicts of interest were declared by employees and independent contractors and that risks were properly identified, assessed and managed. In addition, each Authority meeting includes Declaration of Interest as a Standing Item.

## **Legislation**

### ***Pharmacy Control Act 2001***

The Pharmacy Control Act was proclaimed on 1 February 2011.

Following some years of consultation with DHHS and Crown Law to progress amendments to the Act, the Pharmacy Control Amendment Bill 2016 was passed on 22 June 2016 and proclaimed on 1 January 2017. Amendment to the Regulations to make provision for a new fee for applications for alterations to pharmacy premises was not completed by 30 June 2018.

### ***Personal Information Protection Act 2004***

The Authority approved its Personal Information Protection Statement on 3 October 2012. There were no matters raised under the Personal Information Protection Act during the twelve months ended 30 June 2018.

### ***Public Interest Disclosure Act 2002***

The Authority approved an Application for Assessed Disclosure Form on 3 October 2012. There were no matters raised under the Public Interest Disclosures Act 2002 during the twelve months ended 30 June 2018.

### ***Right to Information Act 2009***

The Authority approved a Right to Information Statement on 3 October 2012. There were no requests for information under the Right to Information Act 2009 in the twelve months ended 30 June 2018.

## **Complaints and Disciplinary Issues**

The administration of complaints and disciplinary issues for pharmacists was transferred to the National Registration and Accreditation Scheme prior to the commencement of the Tasmanian Pharmacy Authority in 2011. All matters became the responsibility of the Australian Health Practitioners Regulatory Authority (AHPRA). As a result of this, the Authority has no role in such issues, and referred any complaints received during the year to AHPRA.

The Authority itself received no complaints about its operations and had no disciplinary issues during the year.

## **Financial Statements**

The Authority re-appointed Crowe Horwath during the year, as its Auditors; and obtained the permission of the Auditor-General to dispense with the audits by the Tasmanian Audit Office.

Attached are the Audited Financial Statements.

# Tasmanian Pharmacy Authority Financial Statements

For year ended 30 June 2018

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# Tasmanian Pharmacy Authority

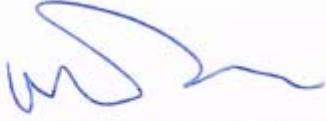
## Statement by the Registrar

The Registrar has determined that the Authority is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Registrar:

1. The financial statements and notes, as set out on pages 2 to 9, present fairly the Authority's financial position as at 30 June 2018 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. At the date of the statement, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Authority, and is signed for and on behalf of the Authority by:

  
Registrar .....  
Margie Shuley

Dated this ..... 1 ..... day of ..... August ..... 2018.

# Tasmanian Pharmacy Authority

## Statement of Comprehensive Income

For the Year Ended 30 June 2018

	2018	2017
	\$	\$
<b>Income</b>		
Annual renewal - body corp eligibility certificate	16,493	15,324
Annual renewal - premises eligibility certificate	59,670	57,758
Annual renewal - individual eligibility certificate	9,211	10,991
Application fee for individual eligibility certificate	426	2,004
Application fee for new body eligibility certificate	6,867	9,195
Application fee for new premises	3,844	2,846
Exempt Premises applications	54	107
Interest	774	436
Miscellaneous fees	1,087	38
<b>Total Income</b>	<b>98,426</b>	<b>98,699</b>
<b>Expenditure</b>		
Accounting fees	1,580	1,525
Administration expenses	3,393	4,347
Depreciation and amortisation expense	1,031	607
Equipment maintenance	413	2,046
Inspection expenses	19,461	8,919
Legal fees	6,219	4,991
Staff amenities	2,375	622
Registrar fees	66,615	36,942
Sitting Fees	18,650	13,240
Superannuation	1,296	298
Telephone and fax	881	1,012
Travel	1,600	1,530
<b>Total Expenses</b>	<b>123,514</b>	<b>76,079</b>
<b>Net surplus/(deficit) for the year</b>	<b>(25,088)</b>	<b>22,620</b>
<b>Other comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(25,088)</b>	<b>22,620</b>

# Tasmanian Pharmacy Authority

## Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	188,005	212,452
Trade and other receivables	4	1,801	2,071
<b>TOTAL CURRENT ASSETS</b>		<u>189,806</u>	<u>214,523</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	5	5,345	4,301
<b>TOTAL NON-CURRENT ASSETS</b>		<u>5,345</u>	<u>4,301</u>
<b>TOTAL ASSETS</b>		<u>195,151</u>	<u>218,824</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	1,296	1,512
Deferred income	7	87,005	85,374
<b>TOTAL LIABILITIES</b>		<u>88,301</u>	<u>86,886</u>
<b>NET ASSETS</b>		<u>106,850</u>	<u>131,938</u>
<b>EQUITY</b>			
Accumulated surpluses		<u>106,850</u>	<u>131,938</u>
<b>TOTAL EQUITY</b>		<u>106,850</u>	<u>131,938</u>

# Tasmanian Pharmacy Authority

## Statement of Changes in Equity

For the year ended 30 June 2018

2018

	<b>Accumulated Surpluses</b>	<b>Total</b>
	\$	\$
<b>Balance at 1 July 2017</b>	131,938	131,938
Net surplus/(deficit) for the year	(25,088)	(25,088)
<b>Balance at 30 June 2018</b>	<u>106,850</u>	<u>106,850</u>

2017

	<b>Accumulated Surpluses</b>	<b>Total</b>
	\$	\$
<b>Balance at 1 July 2016</b>	109,318	109,318
Net surplus/(deficit) for the year	22,620	22,620
<b>Balance at 30 June 2017</b>	<u>131,938</u>	<u>131,938</u>

# Tasmanian Pharmacy Authority

## Statement of Cash Flows

For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	101,369	100,913
Interest received	773	436
Payments to suppliers and employees	(124,514)	(81,327)
Net cash provided by (used in) operating activities	8 (22,372)	20,022
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of plant and equipment	(2,075)	(4,791)
Net cash used in investing activities	(2,075)	(4,791)
Net increase (decrease) in cash and cash equivalents held	(24,447)	15,231
Cash and cash equivalents at beginning of year	212,452	197,221
Cash and cash equivalents at end of financial year	3 188,005	212,452

## Notes to the Financial Statements

For the year ended 30 June 2018

### I Summary of Significant Accounting Policies

This financial report covers Tasmanian Pharmacy Authority as an individual entity. Tasmanian Pharmacy Authority is incorporated in Tasmania under the *Pharmacy Control Act 2001*.

#### (a) Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Pharmacy Control Act 2001*. The Registrar has determined that the not-for-profit Authority is not a reporting entity. The Authority is a not-for-profit entity for financial reporting purposes.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Financial information, where presented, has been rounded to the nearest dollar.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

#### (b) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

#### (d) Trade and other receivables

The Authority considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required

#### (e) Plant and equipment

Plant and equipment are carried at cost. All assets are depreciated over their useful lives to the Authority.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Computer equipment	20%

#### (f) Trade and other payables

Trade and other payables represent the liability at the end of the reporting period for goods and services received by the Authority during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(g) Income tax**

The Authority is self assessed as being exempt from income tax under Division 50 of the Income Tax Assessment Act 1997, being an exempt entity - a public authority constituted under Australian law.

**(h) Revenue and other income**

Registration and application fee income is recognised in the period to which it relates.

The Authority is required under the *Pharmacy Control Act 2001* to issue renewal invoices before year end, and as such the aforementioned invoices are recognised as deferred income.

Interest revenue is recognised in the period to which it relates.

All revenue is stated net of the amount of goods and services tax (GST).

**(i) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**2 Critical Accounting Estimates and Judgments**

The Registrar and the Authority make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

**3 Cash and Cash Equivalents**

	<b>2018</b>	<b>2017</b>
	\$	\$
Cash at bank	188,005	212,452
	<u>188,005</u>	<u>212,452</u>

**4 Trade and Other Receivables**

	<b>2018</b>	<b>2017</b>
	\$	\$
Trade receivables	1,301	1,369
GST receivable	500	702
	<u>1,801</u>	<u>2,071</u>

## 5 Property, Plant and Equipment

	2018	2017
	\$	\$
Computer equipment - at cost	7,863	5,788
Accumulated depreciation	(2,518)	(1,487)
	<u>5,345</u>	<u>4,301</u>

## 6 Trade and Other Payables

	2018	2017
	\$	\$
Employee benefits	-	176
Trade payables	-	473
PAYG withholding	1,296	863
	<u>1,296</u>	<u>1,512</u>

## 7 Deferred Income

	2018	2017
	\$	\$
Deferred Income		
- Premises Renewal in advance	60,440	59,670
- Application fee for new body eligibility certificate	9,212	9,211
- Annual renewal - body corp eligibility certificate	17,353	16,493
	<u>87,005</u>	<u>85,374</u>

## 8 Cash Flow Information

### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Net surplus/(deficit) for the year	(25,088)	22,620
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	1,031	607
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	270	(398)
- increase/(decrease) in trade and other payables	(216)	(5,478)
- increase/(decrease) in deferred income	1,631	2,671
Cashflow from operations	<u>(22,372)</u>	<u>20,022</u>

## 9 Contingent Liabilities and Contingent Assets

In the opinion of the Authority there were not any contingent assets or contingent liabilities as at the reporting date to be disclosed. (2017: Nil).

## 10 Events after the end of the Reporting Period

There are no events after the statement of financial position date affecting these financial statements to be disclosed.

## 11 Authority Details

The postal address of the Authority is:

Tasmanian Pharmacy Authority

PO Box 1082

SANDY BAY TAS 7005

## Tasmanian Pharmacy Authority

### Auditors' Independence Declaration To the Registrar of Tasmanian Pharmacy Authority

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Accounting Professional Ethical Pronouncements* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

  
Crowe Horwath Tasmania

  
Alison Flakemore  
Senior Partner

Dated this ..... 23<sup>rd</sup> ..... day of ..... July ..... 2018.

Hobart, Tasmania.

## Tasmanian Pharmacy Authority

### Independent Audit Report to the Tasmanian Pharmacy Authority

#### Opinion

We have audited the financial report of Tasmanian Pharmacy Authority (the Authority), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the Authority.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2018, and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the *Pharmacy Control Act 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial report has been prepared to assist the Authority to meet the requirements of the *Pharmacy Control Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

## **Responsibilities of the Authority for the Financial Report**

The Authority is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the needs of the members in accordance with the financial reporting requirements of the applicable legislation and for such internal control as the Authority determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Authority either intends to liquidate or cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

## Tasmanian Pharmacy Authority

### Independent Audit Report to the Tasmanian Pharmacy Authority

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Authority.
- Conclude on the appropriateness of the Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

  
Crowe Horwath Tasmania

Alison Flakemore  
Senior Partner

Dated this 15<sup>th</sup> day of August 2018.

Hobart, Tasmania.