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Preamble

The Audit Sub-Group was tasked by the Community Pharmacy Services Agreement (CPSA) to develop an enduring, long-term Audit Strategy.

Acknowledgements

The following have all made a valuable contribution to development of the Audit Strategy:

- The Audit Sub-Group, as listed below,
  - Andrew Lesperance, GM Strategy Planning & Alliance Support, Nelson Marlborough DHB (Chair)
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  - Michael Haynes, Team Leader, Medicines Control, Ministry of Health
  - Pam Duncan, Professional Standards Advisor, Pharmacy Council of NZ
  - Scott Pringle, Audit Team Leader, Audit and Compliance, Ministry of Health
  - Tim Slow, Portfolio Manager, Lakes DHB
  - Tracey Sullivan, Pharmacy Guild
- The Community Pharmacy Services Governance Group,
- David Tonks and James Rees-Thomas, Ministry of Health.
Strategic Vision

For Audit to be considered as a valued resource by all Stakeholders, providing a balance between quality improvement and core assurance and probity activities.

Introduction

This Strategy needs to be cognisant of the requirements and strategic direction of its key stakeholders:

- Community Pharmacy – the providers,
- The DHBs – the funders, and
- The Ministry of Health – the auditors.

Over time the focus of audit will change in acknowledgement of the direction of auditing across the health sector. It is intended that this Strategy will build on the auditing services already in place, be iterative, and will evolve alongside the delivery of services by Community Pharmacy. The following diagram shows the potential movement of auditing over time.

There may be a number of different ‘auditors’ involved in management of Community Pharmacy related matters. Currently these auditors include Audit & Compliance, Medicines Control and Central Regions Technical Advisory Services (TAS) - contracted auditors for LTC audits.
Where is Community Pharmacy heading?

For the Audit Strategy to be effective a clear understanding of the future direction of Community Pharmacy is needed. This will be informed by Ministry of Health publications; New Zealand Health Strategy, Implementing Medicines New Zealand 2015-2020 and pharmacy sector strategic vision publications from representative organisations. Community Pharmacy is the accessible Health Provider that provides medicine management expertise and other value added services as an integral part of the dispensing of medicines to service users within a sustainable business model.

District Health Boards (DHBs) also see Community Pharmacy as a key avenue to deliver patient-centred services which empower the patient and improve their level of care through an integrated service model.

Audit needs to have input into the development of any service specifications and the tools and techniques required to monitor the delivery of the services that will be offered by Community Pharmacy to ensure that there is adequate risk management, and reporting and service specifications built into the process.

Leading Practice and a Quality Framework should underpin the development of the next contract, with recognition of effort to practice in a way that delivers better patient outcomes. This will see a shift of Audit from measuring occurrence of services to the assessment of the quality of those services.

What does success look like?

Audit will be a tool to determine whether a Community Pharmacy is providing a high quality service aligned with the expectations of the funders. The CPSA will use clearly articulated measures for each service. These measures will be patient centred, quality focussed, targeted, and audit will operate on the basis of an integrated auditing programme which includes self-audit. Expected outcomes are that:

- Auditing drives changes in behaviour towards maximum efficiency and patient safety.
- Audit encourages pharmacies to maintain an effective and sustainable self-audit and quality improvement programme.
- Audit provides assurance that funded services are being delivered.

A successful auditing programme would be one where there is maximum management of risk for the funders, with minimum burden to the pharmacy service providers, or patients. The auditors are to aim for management of the widest range of risk from the resources available, while remaining agile in their response to new services offered or risks identified.

An efficient auditing programme would be one that includes real time auditing of service.

Legislation, Standards and contractual requirements would be reviewed regularly. Submissions on changes to legislation and standards will be made where appropriate. Contractual requirements will be updated, where appropriate, to reflect current Leading Practice. Clear planning documentation would be maintained to ensure that regular review of legislation, standards and contractual requirements can be undertaken and recommended actions pursued.
Service specifications within contracts would be clear and unambiguous, and reporting and monitoring provisions would be built into any future technological developments.

Audit has input into service development throughout the development process, to ensure that:

- The desired outcomes are clearly defined,
- The outcomes are measureable,
- The measures are auditable, and
- Audit measures will benefit the patient by encouraging the behaviours which provide the patient with services delivered to Leading Practice standards in a safe environment.

The auditing agencies would work in alignment to ensure that information is shared when appropriate and authorised.

The auditors will endeavour to balance the implications of audit on pharmacies and patients with the risk being audited.

Auditing will support the sector in ongoing professional development by identifying areas for improvement.

**Strategic Objectives**

To support the achievement of the “Vision” the following strategic categories have been established:

1. **FUNDING:** Ensuring Pharmacies are providing accurate information regarding remuneration of the services delivered to meet the requirements of the CPSA.
2. **SAFE PRACTICE:** Ensuring patients receive safe services from Pharmacy.
3. **QUALITY IMPROVEMENT:** Driving Leading Practice in delivering quality patient/pharmacist interaction and health outcomes.
4. **ENHANCE AUDITING EFFICIENCY AND EFFECTIVENESS:** Maximising value to stakeholders through audit while maintaining core probity.
5. **NATIONAL CONSISTENCY:** Ensuring that the audits are consistent across the country and there is equity of actions resulting from audit.
1. **FUNDING**

*Focus: Ensuring Pharmacies are providing accurate information regarding the services delivered to meet the requirements of the CPSA.*

*2015 Situation: Audit and Compliance undertake data analysis and service & funding audits and Medicines Control undertake Pharmacy Quality Audits.*

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<tr>
<th>Strategy</th>
<th>Desired Outcomes</th>
<th>Measures of Success</th>
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</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Ongoing development and enhancement of IT through the provision of regular feedback to the Auditors and Sector representatives, who will provide recommendations to the Funders on suggested improvements and requirements of IT.</td>
<td>1.1.1 Uptake of implemented recommendations, and subsequent continuous improvement in IT.</td>
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<tr>
<td></td>
<td>1.1a Ongoing development and enhancement of IT</td>
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<td>1.1b Increased uptake by Pharmacies of tools provided and enhanced utilisation of outputs from IT enhancement.</td>
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<td>1.2</td>
<td>Streamlined claiming to align with required outputs.</td>
<td>1.2.1 Automated systems for Pharmacies to receive payment once service requirements are fulfilled.</td>
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<td>1.2a Event based payment rather than claim based.</td>
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<td>1.2b Systems in place that allow pre-payment validation of automated payment, in conjunction with post payment auditing.</td>
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<td>1.3</td>
<td>Random and risk based audits used to verify that funding is applied to services as specified under the CPSA.</td>
<td>1.3.1 Improving compliance rates identified at audit</td>
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<td>1.3a Continuing assurance to funders that services purchased are delivered as required.</td>
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<tr>
<td></td>
<td>1.3b Identification by auditors of those matters that should be reported to the Funders as feedback and recommendations, on either IT requirements or other audit related matters</td>
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<td></td>
<td>1.3c While present the auditors will identify areas where the service may be enhanced and take the opportunity to deliver appropriate information to relevant pharmacies.</td>
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## 2. SAFE PRACTICE

**Focus:** Ensuring patients receive safe services from Pharmacy

**2015 Situation:** Medicines Control licencing and auditing activities

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<tr>
<td><strong>2.1 Work Collaboratively with Sector, Ministry of Health and DHBs to review:</strong></td>
<td>2.1a Review of regulatory requirements, including the NZS 8134.7:2010 Pharmacy Services Standard, and provide recommendations for update, reflecting current leading practice</td>
<td>2.1.1 Demonstrated collaborative working to ensure the results are current and functional for all parties.</td>
</tr>
<tr>
<td>a. requirements to establish a new pharmacy.</td>
<td>2.1b Incorporation of review into next iteration of CPSA.</td>
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<tr>
<td>b. regulatory requirements, including the NZS 8134.7:2010 Pharmacy Services Standards.</td>
<td>2.1c Updated Standard which reflects current Leading Practice.</td>
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<tr>
<td>c. contractual requirements.</td>
<td>2.1d Develop/update requirements to hold a new pharmacy contract.</td>
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<td><strong>2.2 Existing pharmacy licensing framework used to implement a self-assessment audit process.</strong></td>
<td>2.2a Regular self-assessment audits undertaken by Pharmacy.</td>
<td>2.2.1 Self-assessment audit framework maintained by Ministry of Health. Content developed by the Audit Sub-Group with content contributed to by relevant working groups and communicated to Pharmacy.</td>
</tr>
<tr>
<td>2.2b Electronic capture of relevant data to enhance the audit framework.</td>
<td>2.2.2 Data captured through self-assessment audit used to inform audit framework and future education.</td>
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<tr>
<td>2.2c A behavioural change towards regular self-assessment audits by Pharmacy to ensure actual practice is up to date with current Leading Practice</td>
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<td><strong>2.3 Random and risk based audits used to verify that standards are maintained.</strong></td>
<td>2.3a Random, risk based pharmacy quality audits conducted by Medicines Control to verify that standards of pharmacy practice are maintained.</td>
<td>2.3.1 Continually improving levels of compliance identified in audits.</td>
</tr>
<tr>
<td>2.3.2 Implementation of random, risk based pharmacy quality audits.</td>
<td>2.3.2. Implementation of random, risk based pharmacy quality audits.</td>
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</tr>
<tr>
<td><strong>2.4 Audit tools focused around patient safety.</strong></td>
<td>2.4a Audit Tools which aid in the identification of unsafe practice.</td>
<td>2.4.1 Regularly revised audit tools (content contributed to and reviewed by the Audit Sub-Group) which will focus behaviour towards the delivery services with patient safety as the key focus.</td>
</tr>
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3. QUALITY IMPROVEMENT

*Focus: Driving leading practice in delivering quality patient/pharmacy interaction and health outcomes*

*2015 Situation: LTC audit programme based on review of documentation and development of CPAMS auditing.*

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| **3.1** Support the creation of a definition of Practice | **3.1a** Clear definitions of Leading Practice and the documentation that supports this.  
**3.1b** Increasing adoption of Leading Practice in Pharmacy. | **3.1.1** Shared understanding by Pharmacy Sector of the requirements of Leading Practice in the Quality Framework |
| **3.2** Support the implementation of a Quality Framework that incorporates the concept of Leading Practice. | **3.2a** The Quality Framework is incorporated into CPSA.  
**3.2b** Acknowledgement and recognition of those pharmacies demonstrating Leading Practice.  
**3.2c** Expansion of peer review processes of Pharmacists.  
**3.2d** Recognition of review of practice/incidents/lessons learned into ‘Enhance’ requirements for Annual Practicing Certification.  
**3.2e** The concepts of Leading Practice are woven into the accreditation process and subsequently this accreditation forms one aspect of the Quality Framework that is incorporated in the CPSA. | **3.2.1** Nationally consistent Leading Practice Quality Framework endorsed and agreed by all Stakeholders.  
**3.2.2** Guidance from Pharmacy Council and Pharmaceutical Society of NZ, on peer review and lessons learned from self-assessment audit. |
| **3.3** All patient-centred services are assessed on the quality of the service provided. | **3.3a** Audit to focus on assessing quality of intervention as well as evidence of it taking place. | **3.3.1** Agreed definitions of measures for services.  
**3.3.2** Evidence based measures used to assess quality of service. |
| **3.4** Establish feedback mechanism to the sector relating to audit findings, and feedback from Sector Agents to Audit group regarding their view of the Audits. | **3.4a** Pharmacy responding to feedback by changing processes as identified by the feedback. | **3.4.1** Regular feedback to Pharmacy on trends and findings from Audit (via the CPSA Programme team) with wording agreed by all the Audit Sub-Group to ensure effective messaging.  
**3.4.2** Regular feedback on the audit process from pharmacy to the auditors. |
4. **ENHANCE AUDITING EFFICIENCY AND EFFECTIVENESS**

*Focus: Maximising value to stakeholders through audit while maintaining core probity*

*2015 Situation: Auditing parties beginning to communicate on a regular basis.*

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<tr>
<td><strong>4.1 Improve alignment and co-ordination between auditing groups.</strong></td>
<td>4.1a Reduce unnecessary duplication of auditing services.</td>
<td>4.1.1 Reduction in duplication of auditing.</td>
</tr>
<tr>
<td><strong>4.2 Introduction of self-assessment, annually and prior to on-site audits.</strong></td>
<td>4.2a Behavioural changes due to self assessment 4.2b Routine self audit in all pharmacies 4.2c Robust self-assessment audit tools developed for services which include clear measures to assist Pharmacies to identify compliant areas and areas which require improvement.</td>
<td>4.2.1 Development of Self Assessment tools. 4.2.2 Consistent use of tools within Pharmacy settings</td>
</tr>
<tr>
<td><strong>4.3 Provide audit focussed input into development of service specifications to ensure measures and desired outcomes defined can be successfully audited</strong></td>
<td>4.3a Robust service specification provisions that ensure goals of core probity and Business Improvement outcomes will be met.</td>
<td>4.3.1 Clear and well understood future service specifications to reflect measurable Business Improvement outcomes and clear audit access</td>
</tr>
<tr>
<td><strong>4.4 Provide feedback to Funders from audit on current practice in terms of existing legislation, standards and protocols.</strong></td>
<td>4.4a The Safe Practice objective 2.1 is enhanced by the regular flow of information 4.4b The evolving expectations for Leading Practice are identified to enable stakeholders to advocate for any necessary change to legislation or standards</td>
<td>4.4.1 Current practice continues to reflect existing legislation, standards and protocols 4.4.2 Change to legislation or standards is sought when need identified</td>
</tr>
<tr>
<td><strong>4.5 Encourage timely responses on audit related issues from all parties affected by the audit.</strong></td>
<td>4.5a Positive relationships between the stakeholders with efficient exchanges of views and timely provision of information. 4.5b Audits and the reporting of findings are completed within agreed and acceptable timeframes.</td>
<td>4.5.1 Consistent responses by stakeholders within agreed timeframes.</td>
</tr>
<tr>
<td>Strategy</td>
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<tr>
<td>4.6</td>
<td>All stakeholders to champion the implementation of IT systems that capture evidence that a service has been provided to enable payment to be made on actual service and that the service has been provided in a manner that confers acceptability to Audit.</td>
<td>4.6.1 The DHBs, MOH and Pharmacy have invested in IT that incorporates “real time” audit.</td>
</tr>
<tr>
<td></td>
<td>4.6a Targeting post activity claiming for service provision with more streamlined risk analysis.</td>
<td>4.6.2 Independent certification of pharmacy practice management software as meeting requirements for integrity of claiming and contribution to real time audit.</td>
</tr>
<tr>
<td></td>
<td>4.6b Reduction in the use of post activity claiming for service and development of IT that enables audit validation at the time of service provision.</td>
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**5. NATIONAL CONSISTENCY:**

Focus: Ensuring equity of actions resulting from audit.

2015 Situation: Nationally agreed Tolerances for Recovery agreed, some DHBs have taken differing approaches to implementing.

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<tbody>
<tr>
<td><strong>5.1</strong> Consistent rules for recommended recovery or actions are agreed nationally.</td>
<td><strong>5.1a</strong> Clear understanding by all parties of recovery/future action expectations.</td>
<td><strong>5.1.1</strong> Development of National Recovery Policy Documents to cover all auditable issues that involve recovery or other consequential action following a breach of the CPSA. <strong>5.1.2</strong> Consistent recommendations for recovery by Auditors whether for recovery or consequential action, particularly for those areas where no National Recovery Policy Document has yet been developed. <strong>5.1.3</strong> No evidence of inconsistent approaches to recovery around the country.</td>
</tr>
<tr>
<td><strong>5.2</strong> Consistent application of rules for recovery nationally.</td>
<td><strong>5.2a</strong> Consistent implementation of recovery rules across all DHBs.</td>
<td><strong>5.2.1</strong> Agreement by all DHBs that they will comply with National Recovery Policy documents developed by the Community Pharmacy Services Governance Group (for example, the Minimum Levels of Recovery following Pharmacy Service Audit). <strong>5.2.2</strong> Consistent implementation of the National Recovery Policy documents by all DHBs.</td>
</tr>
<tr>
<td><strong>5.3</strong> Consistent application of audit requirements nationally to identify pharmacies not meeting service requirements.</td>
<td><strong>5.3a</strong> Where service requirements are not met, appropriate regulatory and/or contractual actions taken.</td>
<td><strong>5.3.1</strong> Consistent DHB action nationally following identified pharmacy non-compliance.</td>
</tr>
<tr>
<td><strong>5.4</strong> Audit selection processes (random and selected) will be consistent nationally.</td>
<td><strong>5.4a</strong> Adequate coverage for audit purposes is achieved within existing resources.</td>
<td><strong>5.4.1</strong> Equitable opportunities exist for all Pharmacies to be selected for audit.</td>
</tr>
</tbody>
</table>
What do we have to do to be successful?

Advocate for changes to legislation, standards and service specifications, when appropriate, to ensure they are aligned with the future strategic direction of Community Pharmacy.

Ensure there is agreement with pharmacy, recorded in the CPSA, on the level of collaboration between audit agencies to ensure intelligence sharing with the aims of:

- minimising the burden of audit on pharmacy by limiting multiple agency engagement over time, and
- Increasing audit knowledge of practices.

Ensure that there is appropriate engagement with and input from the Sector to audit agencies to assist the agencies in identifying areas of risk.

Determine the balance between more traditional types of auditing of claiming and checks against legislation with a more holistic range of auditing that may include areas such as IT security, or a more patient based review of service provision.

Incorporate into the auditing system:

- self-assessment and spot checks,
- peer-review,
- accreditation against a Quality Framework,
- reporting of adverse events to ensure that lessons learned from events are shared and practice changed,
- regular consideration of the balance between the implications of audit on pharmacies and patients with the risk(s) being audited, and
- a focus on IT development to facilitate efficiency and effectiveness.