

# SOUTHERN DISTRICT HEALTH BOARD MEETING

Thursday, 7 August 2014, 9.00 am

Board Room, Level 2, West Wing, Main Block,  
Wakari Hospital Campus, 371 Taieri Road, Dunedin

## A G E N D A

### Item

1. Chair's Opening Comments
  2. Apologies
  3. [Deputation – Otago Therapeutic Pool Trust](#)
  4. [Interests Registers](#)
  5. [Minutes of Previous Meeting](#)
  6. Matters Arising
  7. [Review of Action Sheet](#)
  8. [CEO's Report](#)
  9. [Provider Arm Report](#)
  10. [Financial Report](#)
- Advisory Committee Reports:
11. Disability Support Advisory Committee and Community & Public Health Advisory Committee
    - a) [Minutes of 2 July 2014 meeting](#)
  12. Hospital Advisory Committee
    - a) [Minutes of 2 July 2014 meeting](#)
  13. [Audit and Risk Committee](#)
    - a) [Managing Gifts and Sponsorship Policy](#)
    - b) [Conflicts of Interest Policy](#)
    - c) [Private Practice, Secondary Employment and Other Business Activities Policy](#)
    - d) [Code of Conduct](#)
  14. [Southern PHO – Appointment of Trustee](#)
  15. [Contracts Register](#)
  16. [Resolution to Exclude the Public](#)

Public Excluded Session:

RESOLUTION:  
That the Board exclude the public for the agenda items listed below.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 32, Schedule 3 of the NZ Public Health and Disability Act 2000 for the passing of this resolution are as follows:

| General subject:                                     | Reasons for passing this resolution:  | Grounds for passing the resolution:  |
|--|---|--|
| Previous Public Excluded Board Minutes               | As per reasons set out in previous agenda   | S 32(a), Schedule 3, NZ Public Health and Disability Act 2000 – that the public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under sections 9(2)(a), 9(2)(f), 9(2)(i), 9(2)(j) of the Official Information Act 1982, that is withholding the information is necessary to: protect the privacy of natural persons; maintain the constitutional conventions which protect the confidentiality of advice tendered by Ministers of the Crown and officials; to enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, commercial activities and negotiations. |
| Review of Public Excluded Action Sheet               | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(i) and 9(2)(j).  |
| Southern Way Update                                  | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(i) and 9(2)(j).  |
| Southern DHB Annual Plan 2014/15                     | Annual Plans are subject to Ministerial approval  | As above, sections 9(2)(f)(iv)   |
| Health Quality & Safety Commission                   | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(j).  |
| HBL - National Infrastructure Platform Business Case | Commercial sensitivity and to allow activities to be carried on without prejudice or disadvantage | As above, sections 9(2)(i) and 9(2)(j).  |
| Facilities Management – Height Safety Audit          | Commercial sensitivity  | As above, section 9(2)(i).   |
| South Link Health – Retained Earnings                | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(i) and 9(2)(j).  |

**Southern DHB Board Meeting - Agenda**

| General subject:   | Reasons for passing this resolution:   | Grounds for passing the resolution:     |
|--|--|---|
| Public Excluded Advisory Committee Reports<br>a) Disability Support and Community & Public Health Advisory Committees <ul style="list-style-type: none"> <li>▪ 2 July 2014</li> </ul> b) Hospital Advisory Committee <ul style="list-style-type: none"> <li>▪ 2 July 2014</li> <li>▪ Committee Chair</li> </ul> c) Iwi Governance Committee <ul style="list-style-type: none"> <li>▪ 6 August 2014</li> </ul> d) Audit & Risk Committee <ul style="list-style-type: none"> <li>▪ 6 August 2014</li> <li>▪ CFIS Return</li> <li>▪ NGO/Audit Programme</li> <li>▪ Current Liability for Home &amp; Community Services</li> </ul> | Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage | As above, sections 9(2)(i) and 9(2)(j). |
| Contract & Lease Approvals <ul style="list-style-type: none"> <li>▪ Planning &amp; Funding</li> <li>▪ Provider Arm</li> </ul>  | Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage | As above, sections 9(2)(i) and 9(2)(j). |
| Risk Report  | To allow activities to be carried on without prejudice or disadvantage   | As above, sections 9(2)(i) and 9(2)(j). |
| Legal Issues   | To allow activities to be carried on without prejudice or disadvantage   | As above, section 9(2)(j).              |

Neville Martin, Secretary/Treasurer and Trustee of the Otago Therapeutic Pool Trust, will be presenting the attached submission.

Submissions to the SDHB Board Meeting on 7 August 2014

Submissions by the Otago Therapeutic Pool Trust

**Background**

1. The Otago Therapeutic Pool Trust was established in 1983 “to maintain the use of the pool for therapeutic purposes by patients from hospitals in Otago and by the general public and for this purpose to promote and manage the pool.” (extract from its trust deed). The Trust’s governing body is called the Board of Management which comprises organisations such as Arthritis NZ, Asthma Society of Otago Inc., CCS Disability Action, Dunedin South Lions Club, National Heart Foundation of NZ, Otago Multiple Sclerosis Society, Sport Otago (Ministry for Culture and Heritage), Surf Life Saving Otago, The Otago Phoenix Club and the SDHB.
2. The Trust operates the public sessions of the Physio Pool at Dunedin Hospital every day except public holidays for a total of 61.75 hours per week.
3. The SDHB utilizes the Physio Pool for its medical and ACC patients weekdays from 9 am to 11 am, a total of 10 hours per week. In addition, ISIS and Vera Heyward Clinic use the pool.
4. The public sessions of the Physio Pool cater principally for:
  - patients who have ended their allocation of hydrotherapy treatment in the Dunedin Hospital’s private sessions but continue rehabilitation,
  - people with chronic illnesses, disabilities and injuries from accident who are receiving short term or long term hydrotherapy treatment from health professionals and
  - people who for various reasons use the pool for exercise.

Many of these people are the sick, the disabled, the elderly and the vulnerable.

5. The approximate annual costs to operate the Physio Pool are as follows:

|   |              |
|---|--------------|
|   | \$           |
| Costs incurred by Trust to operate public sessions<br>(includes \$50K paid to SDHB) | <u>150K</u>  |
| Costs incurred by SDHB  | 150K         |
| less contribution paid by Trust   | <u>- 50K</u> |
| <u>Net costs paid by SDHB</u>   | <u>100K</u>  |

The major components of cost for the Trust are wages for its qualified lifeguards \$65K, cleaning \$20K and the contribution paid to the SDHB \$50K.

The major components of cost for the SDHB are for heating (electricity \$17K and steam \$86K).

### Submissions

1. The SDHB should not proceed with a decision to close the Physio Pool at the end of this year. Instead, it should agree to work with the Trust to establish a process whereby respective objectives can be met without closing the Physio Pool.  
This would involve both parties attempting to agree on cost sharing, tenure and responsibility for upgrading facilities. The Dunedin City Council may join as a party to this process as it is already liaising with the SDHB and the Trust, gathering information and generating its own feasibility study.  
The Trust seeks a commitment from the SDHB that it will not close the Physio Pool at the end of this year and, instead, engage in this process. This would allow the Trust sufficient comfort to reassure the public that the facility will continue to be available to them. It should also enable the above process to occur in an orderly manner.
2. The Trust understands that the decision by SDHB to close the Physio Pool is driven by a need to save annual operating costs of around \$100K and estimated capital expenditure for upgrading the pool of up to \$1M. The Trust believes that these costs should be considered separately in terms of reaching an outcome where the Physio Pool remains open. The following submissions treat the costs separately.
3. The Trust acknowledges that there is a requirement for capital expenditure at the Physio Pool, but not all at once and not immediately. Owing to the SDHB's funding constraints the Trust realizes that it will need to take the initiative now and seek funding for capital expenditure from other sources. It is confident that it can be successful if there is a commitment by the SDHB to enable the Physio Pool to remain open. More work needs to be carried out to determine what upgrades are required, when they are required, what capital expenditure is required and what savings in operating costs will occur.
4. If the SDHB intends to fulfil its statutory purposes it should continue to fund a contribution to operating costs.

5. If the SDHB intends to continue to use the Physio Pool to treat its patients it should continue to fund a contribution to operating costs.
6. If the SDHB has alternatives to the Physio Pool for the rehabilitation of its patients there will be a cost to provide them.
7. The Trust believes that there is no scope to reduce its costs. The Trust is willing to examine ways in which it could increase its revenue and its contribution. If an increase in revenue occurred it would most likely be gradual, be limited by the capacity of the pool to take more admissions and be unlikely to increase significantly the Trust's ability to contribute to overall costs.
8. The SDHB may be able to achieve savings in its costs.
9. The Trust understands that the current status of the Physio Pool does not require it to be emptied at the end of this year and that only minimal painting will be required.
10. There is no alternative therapeutic pool in Dunedin. Moana Pool caters for recreational and competitive aquatic use. Moana Pool does not have the space to develop a therapeutic pool. For people with disabilities Moana Pool has limitations as to parking, access into and within the building, changing room facilities and water temperature. Moana Pool does not have a hoist for lifting paraplegic and quadraplegic people in and out of a pool.

29 July 2014

Neville Martin  
Secretary-Treasurer  
Otago Therapeutic Pool Trust

## SOUTHERN DISTRICT HEALTH BOARD INTERESTS REGISTER

| Board Member                  | Date of Entry  | Interest Disclosed   | Nature of Potential Interest with Southern DHB  |
|-------------------------------|--|--|---|
| Joe BUTTERFIELD<br>(Chairman) | 21.11.2013<br><br><br><br><br><br><br><br><br><br>06.12.2010 | Membership/Directorship/Trusteeship:<br>1. Beverley Hill Investments Ltd<br>2. Footes Nominees Ltd<br>3. Footes Trustees Ltd<br>4. Ritchies Transport Holdings Ltd (alternate)<br>5. Ritchies Coachlines Ltd<br>6. Ritchies Intercity Ltd<br>7. Robert Butterfield Design Ltd<br>8. SMP Holdings Ltd<br>9. Burnett Valley Trust<br>10. Burnett Family Charitable Trusts<br>Son-in-law:<br>11. Partner, Polson Higgs, Chartered Accountants.<br>12. Trustee, Corstorphine Baptist Community Trust | 1. Nil<br>2. Nil<br>3. Nil<br>4. Nil<br>5. Nil<br>6. Nil<br>7. Nil<br>8. Nil<br>9. Nil<br>10. Nil<br>11. Does some accounting work for Southern PHO.<br>12. Has a mental health contract with Southern DHB.   |
| Tim WARD<br>(Deputy Chair)    | 14.09.2009<br><br>01.05.2010<br>01.05.2010                   | 1. Partner, BDO Invercargill, Chartered Accountants.<br>2. Trustee, Verdon College Board of Trustees.<br>3. Council Member, Southern Institute of Technology (SIT).  | 1. May have some Southern DHB patients and staff as clients.<br>2. Verdon is a participant in the employment incubator programme.<br>3. Supply of goods and services between Southern DHB and SIT.  |
| John CHAMBERS                 | 09.12.2013   | 1. Employee Southern DHB and Vice President of ASMS (Otago Branch)<br>2. Employed 0.05 FTE as an Honorary Lecturer of the Dunedin Medical School<br>3. Director of Chambers Consultancy Ltd<br>Wife:<br>4. Employed by the Southern DHB (NIR Co-ordinator)   | 1. Union (ASMS) role involves representing members (salaried senior doctors and dentists employed in the Otago region including by SDHB) on matters concerning their employment and, at a national level, contributing to strategies to assist the recruitment and retention of specialists in New Zealand public hospitals.<br>2. Possible conflicts between SDHB and University interests.<br>3. Consultancy includes performing expert reviews and reports regarding patient care at the request of other DHBs and the Office of the Health and Disability Commissioner. |
| Neville COOK                  | 04.03.2008<br>26.03.2008<br>11.02.2014                       | 1. Councillor, Environment Southland.<br>2. Trustee, Norman Jones Foundation.<br>3. Southern Health Welfare Trust (Trustee).   | 1. Nil.<br>2. Possible conflict with funding requests.<br>3. Southland Hospital Trust.  |



**Southern DHB Board Meeting - Interests Registers**

| Board Member        | Date of Entry  | Interest Disclosed  | Nature of Potential Interest with Southern DHB  |
|---------------------|--|---|---|
| Sandra COOK         | 01.09.2011   | 1. Te Runanga o Ngāi Tahu   | 1. Holds a "right of first refusal" over certain Crown properties. Also seen as a Treaty partner and affiliates may hold contracts from Southern DHB from time to time. Is also a founding member of the Whānau Ora commissioning agency, Te Putahitanga o Te Waipounamu, established March 2014. |
| Kaye CROWTHER       | 09.11.2007<br>14.08.2008<br>12.02.2009<br><br>05.09.2012<br><br>01.03.2012 | 1. Employee of Crowe Horwath NZ Ltd<br>2. Trustee of Wakatipu Plunket Charitable Trust.<br>3. Corresponding member for Health and Family Affairs, National Council of Women.<br>4. Trustee for No 10 Youth Health Centre, Invercargill.<br>5. DHB representative on the Gore Social Sector Trial Stakeholder Group. | 1. Possible conflict if DHB contracts HR services from JCL and Progressive Consulting, which are subsidiaries of Crowe Horwath NZ Ltd<br>2. Nil.<br>3. Nil.<br>4. Possible conflict with funding requests.<br>5. Nil.   |
| Mary GAMBLE         | 09.12.2013   | 1. Member, Rural Women New Zealand.   | 1. RWNZ is the owner of Access Home Health Ltd, which has a contract with the Southern DHB to deliver home care.  |
| Anthony (Tony) HILL | 09.12.2013   | 1. Chairman, Southern PHO Community Advisory Committee and ex officio Southern PHO Board.<br>2. Secretary/Manager, Lakes District Air Rescue Trust.   | 1. Possible conflict with PHO contract funding.<br>2. Possible conflict with contract funding.  |
| Tuari POTIKI        | 09.12.2013   | 1. University of Otago staff member.<br>2. Deputy Chair, Te Rūnaka o Ōtākou.<br>3. Chair, NZ Drug Foundation.   | 1. Possible Conflicts between Southern DHB and University interests.<br>2. Possible conflict with contract funding.<br>3. Nil.  |
| Branko SIJNJA       | 07.02.2008<br><br>04.02.2009<br><br>22.06.2010<br><br>08.05.2014           | 1. Director, Clutha Community Health Company Limited.<br>2. 0.8 FTE Director Rural Medical Immersion Programme, University of Otago School of Medicine.<br>3. 0.2 FTE Employee, Clutha Health First General Practice.<br>4. President, New Zealand Medical Association  | 1. Operates publicly funded secondary health services under contract to Southern DHB.<br>2. Possible conflicts between Southern DHB and University interests.<br>3. Employed as a part-time GP.   |
| Richard THOMSON     | 13.12.2001<br><br>23.09.2003<br>29.03.2010<br>06.04.2011                   | 1. Managing Director, Thomson & Cessford Ltd.<br>2. Chairperson and Trustee, Hawksbury Community Living Trust.<br>3. Trustee, HealthCare Otago Charitable Trust.<br>4. Chairman, Composite Retail Group.<br>5. Councillor, Dunedin City Council.  | 1. Thomson & Cessford Ltd is the company name for the Acquisitions Retail Chain. Southern DHB staff occasionally purchase goods for their departments from it.<br>2. Hawksbury Trust runs residential homes for intellectually disabled adults in Otago and Canterbury.                           |

Southern DHB Members' Interests Register  
As at June 30, 2014

Page 2

Southern DHB Board Meeting - Interests Registers

| Board Member                           | Date of Entry                 | Interest Disclosed   | Nature of Potential Interest with Southern DHB   |
|--|-------------------------------|--|--|
|  | 21.11.2013<br>&<br>03.04.2014 | 6. Three immediate family members are employees of Dunedin Hospital (Radiographer and Anaesthetic Technician). | It does not have contracts with Southern DHB.<br>3. Health Care Otago Charitable Trust regularly receives grant applications from staff and departments of Southern DHB, as well as other community organisations.<br>4. May have some stores that deal with Southern DHB. |
| Janis Mary<br>WHITE<br>(Crown Monitor) | 31.07.2013                    | 1. Member, Pharmac Board.<br>2. Chair, CTAS (Central Technical Advisory Service).                              |  |

SOUTHERN DISTRICT HEALTH BOARD  
INTERESTS REGISTER FOR THE EXECUTIVE MANAGEMENT TEAM

As at April 2014

| Employee Name    | Date of Entry                                  | Interest Disclosed   | Nature of Potential Interest with Southern District Health Board  |
|------------------|--|--|---|
| Peter Beirne     | 20.06.2013                                     | Nil  |   |
| Sandra Boardman  | 07.02.2014                                     | Nil  |   |
| Richard Bunton   | 17.03.2004<br><br>22.06.2012<br><br>29.04.2010 | 1. Managing Director of Rockburn Wines Ltd.<br>2. Director of Mainland Cardiothoracic Associates Ltd.<br>3. Director of the Southern Cardiothoracic Institute Ltd.<br>4. Director of Wholehearted Ltd.<br>5. Chairman, Board of Cardiothoracic Surgery, RACS.<br>6. Trustee, Dunedin Heart Unit Trust.<br>7. Chairman, Dunedin Basic Medical Sciences Trust. | 1. The only potential conflict would be if the Southern DHB decided to use this product for Southern DHB functions.<br>2. This company holds the Southern DHB contract for publicly funded Cardiac Surgery. Potential conflict exists in the renegotiation of this contract.<br>3. This company provides private cardiological services to Otago and Southland. A potential conflict would exist if the Southern DHB were to contract with this company.<br>4. This company is one used for personal trading and apart from issues raised in '2' no conflict exists.<br>5. No conflict.<br>6. No conflict.<br>7. No conflict. |
| Donovan Clarke   | 02.02.2011<br><br>26.08.2013                   | 1. Te Waipounamu Delegate, Te Piringa, National Māori Disability Advisory Group.<br>2. Chairman, Te Herenga Hauora (Regional Māori Health Managers' Forum).<br>3. Member, Southern Cancer Network Steering Group.<br>4. Board member, Te Rau Matatini.<br>5. Te Waipounamu Māori Cancer Leadership Group   | 1. Nil.<br>2. Nil.<br>3. Nil.<br>4. Nil.<br>5. Nil.   |
| Carole Heatly    | 11.02.2014                                     | 1. Southern Health Welfare Trust (Trustee).  | 1. Southland Hospital Trust.  |
| Lynda McCutcheon | 22.06.2012                                     | 1. Member of the University of Otago, School of Physiotherapy, Admissions Committee.   | 1. Lead contact for University of Otago undergraduate clinical placements (Allied Health, Scientific & Technical professions) in Southern DHB.  |

Southern DHB Board Meeting - Interests Registers

| Employee Name | Date of Entry                          | Interest Disclosed  | Nature of Potential Interest with Southern District Health Board   |
|---------------|--|---|--|
| Lexie O'Shea  | 01.07.2007                             | 1. Trustee, Gilmour Trust.  | 1. Southland Hospital Trust.   |
| John Pine     | 17.11.201                              | Nil.  |  |
| Dr Jim Reid   | 22.01.2014                             | 1. Director of both BPAC NZ and BPAC Inc<br>2. Director of the NZ Formulary<br>3. Trustee of the Waitaki District Health Trust<br>4. Employed 2/10 by the University of Otago and am now Deputy Dean of the Dunedin School of Medicine.<br>5. Partner at Caversham Medical Centre and a Director of RMC Medical Research Ltd. |  |
| Leanne Samuel | 01.07.2007<br>01.07.2007<br>16.04.2014 | 1. Southern Health Welfare Trust (Trustee).<br>2. Member of Community Trust of Southland Health Scholarships Panel.<br>3. Member National Lead Directors of Nursing and Nurse Executives of New Zealand.  | 1. Southland Hospital Trust.<br>2. Nil.<br>3. Nil.   |
| David Tulloch | 23.11.2010<br>02.06.2011<br>17.08.2012 | 1. Southland Urology (Director).<br>2. Southern Surgical Services (Director).<br>3. UA Central Otago Urology Services Limited (Director).<br>4. Trustee, Gilmour Trust.   | 1. Potential conflict if DHB purchases services.<br>2. Potential conflict if DHB purchases services.<br>3. Potential conflict if DHB purchases services.<br>4. Southland Hospital Trust. |

## Minutes of the Southern District Health Board Meeting

Wednesday, 3 July 2014, 9.00 am  
Board Room, Southland Hospital Campus, Invercargill

5

|                |  |  |
|----------------|--|--|
| Present:       | Mr Tim Ward<br>Dr John Chambers<br>Mr Neville Cook<br>Ms Sandra Cook<br>Mrs Kaye Crowther<br>Mrs Mary Gamble<br>Mr Tony Hill<br>Mr Tuari Potiki<br>Dr Branko Sijnja<br>Mr Richard Thomson          | Acting Chair   |
| In Attendance: | Dr Jan White<br>Ms Carole Heatly<br>Mrs Lexie O'Shea<br><br>Mr Steve Addison<br><br>Mr Peter Beirne<br>Mrs Sandra Boardman<br>Mr David Tulloch<br>Mrs Leanne Samuel<br><br>Ms Jeanette Kloosterman | Crown Monitor (until 12.15 pm)<br>Chief Executive Officer<br>Deputy Chief Executive Officer/Executive Director Patient Services<br>Executive Director Communications (by videoconference)<br>Executive Director Finance<br>Executive Director Planning & Funding<br>Chief Medical Officer (until 2.45 pm)<br>Executive Director Nursing & Midwifery (until 12.15 pm)<br>Board Secretary (by videoconference) |

## 1.0 CHAIR'S OPENING COMMENTS

The Acting Chair welcomed everyone to the meeting and complimented the organisation on the achievements it had made during the 2013/14 year. With the focus on "putting patients first", it had made significant improvements in a number of Health Targets. The Board recorded its congratulations to those who had played a role in this achievement.

Having said that, the Acting Chair commented that it was extremely disappointing the DHB had missed its financial targets again. He noted that the projections included in the Financial Report showed the year-end deficit would be in the high \$13 millions, against a budgeted deficit of \$9 million. One of the clear expectations of the community and government was that the DHB live within its means and this would be a continuing focus for the 2014/15 financial year.

## 2.0 APOLOGIES

An apology was received from Mr Joe Butterfield, Board Chair.

3.0 DEPUTATION – ALLERGY CARE AND ADRENALINE AUTO-INJECTORS

Mrs Erin Martin, Otago Regional Co-ordinator, and Mrs Wendy Jenkins, Southland Regional Co-ordinator, Allergy New Zealand, made representations to the Board on the clinical and pharmaceutical needs of allergy patients.

After summarising their submission (copy tabled) and outlining their experiences as mothers of children with ongoing risk of anaphylaxis, they requested that the Board consider:

- “1. Funding adrenaline auto-injectors for eligible patients;
2. At least one clinical immunology/allergy specialist clinic for adults be established in the South Island to which Southern DHB patients can be referred. In the interim develop a formal arrangement whereby such referrals are made to Allergy Specialists in relevant North Island DHBs;
3. Development of clinic resources within Paediatrics in Dunedin and Invercargill possibly to include nurse-led allergy and eczema clinics and dietitian support.”

4.0 DECLARATION OF INTERESTS

It was resolved:

“That the Interests Register be received.”

5.0 CONFIRMATION OF PREVIOUS MINUTES

It was resolved:

“That the minutes of the 5 June 2014 Board meeting be approved and adopted as a true and correct record.”

6.0 MATTERS ARISING FROM PREVIOUS MINUTES

There were no matters arising from the previous minutes that were not covered by the agenda.

7.0 ACTION SHEET

The Board reviewed the action sheet (tab 7).

Pharmaceuticals

The Chief Medical Officer reported that the clinical group had held its first meeting and had chosen high cost medicines to focus on first.

Workplace Health and Safety

It was noted that this issue was on the Audit & Risk Committee agenda and regular reports were submitted to the Hospital Advisory Committee.

It was resolved:

"That the action sheet be received."

#### 8.0 CHIEF EXECUTIVE OFFICER'S REPORT

The Chief Executive Officer's (CEO) monthly report (tab 8), was taken as read and the CEO took questions from members.

##### Financial Performance

The CEO reiterated the Acting Chair's sentiments that the DHB's financial performance was extremely disappointing and reassured the Board that the Executive and Senior Management Teams were taking a rigorous approach to ensuring the DHB did not end up in a similar position next year. She noted that the DHB needed to be in a strong financial position to be able to afford the capital required for its facilities.

It was resolved:

"That the Chief Executive Officer's report be received."

#### 9.0 FINANCIAL REPORT

The Executive Director Finance presented the Financial Report for the period ended 31 May 2014 (tab 9), then took questions from members on the financial statements.

##### Forecast

The Executive Director Finance reported that the expected year-end deficit was \$13.9 million. The main risks that could affect that result were: inter-district flows (IDFs), staff and activity costs, and year-end accounting adjustments.

It was resolved:

"That the Financial Report be received."

#### 10.0 ADVISORY COMMITTEE REPORTS

##### Disability Support Advisory Committee and Community & Public Health Advisory Committee

The Board received a verbal report from Ms Sandra Cook, Chair of the Disability Support Advisory Committee (DSAC) and Community & Public Health Advisory Committee (CPHAC), on the meeting of DSAC/CPHAC held on 2 July 2014. Recommendations from the Committees were tabled.

It was resolved:

"That the verbal report be received."

Strategic Health Services Plan

It was resolved:

"That the Board accept the timeline for the Strategic Health Services Plan."

Public Health Service Annual Plan 2014/15

It was resolved:

"That the Board approve the Southern DHB's Public Health Services Annual Plan for 2014/15."

Hospital Advisory Committee

The Board received a verbal report from Mr Tony Hill, Acting Chair of the Hospital Advisory Committee (HAC), on the HAC meeting held on 2 July 2014.

It was resolved:

"That the verbal report be received."

11.0 CONTRACTS REGISTER

The Funding contracts register (expenses) for June 2014 was circulated with the agenda (tab 12) for members' information.

It was resolved:

"That the contracts register be received."

PUBLIC EXCLUDED SESSION

At 9.45 am, it was resolved:

"That the public be excluded from the meeting for consideration of the following agenda items."

| General subject:                       | Reasons for passing this resolution:      | Grounds for passing the resolution:   |
|--|---|---|
| Previous Public Excluded Board Minutes | As per reasons set out in previous agenda | S 32(a), Schedule 3, NZ Public Health and Disability Act 2000 – that the public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under sections 9(2)(a), 9(2)(f), 9(2)(i), 9(2)(j) of the Official Information Act 1982, that is withholding the information is necessary to: protect the privacy of natural persons; maintain the |



| General subject:   | Reasons for passing this resolution:   | Grounds for passing the resolution:  |
|--|--|--|
|  |  | constitutional conventions which protect the confidentiality of advice tendered by Ministers of the Crown and officials; to enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, commercial activities and negotiations. |
| Review of Public Excluded Action Sheet   | To allow activities to be carried on without prejudice or disadvantage   | As above, sections 9(2)(i) and 9(2)(j).  |
| Pharmac Update   | To allow commercial activities to be carried on without prejudice or disadvantage                                  | As above, sections 9(2)(i).  |
| Annual Plan 2013/14 – Southern Way Update  | To allow activities to be carried on without prejudice or disadvantage   | As above, sections 9(2)(i) and 9(2)(j).  |
| Annual Plan 2014/15  | Plan is subject to Ministerial approval  | As above, section 9(2)(f)  |
| Master Site Plan Timelines   | To allow activities to be carried on without prejudice or disadvantage   | As above, sections 9(2)(i).  |
| HBL Update   | To allow activities to be carried on without prejudice or disadvantage   | As above, sections 9(2)(i) and 9(2)(j).  |
| South Link Health – Retained Earnings  | To allow activities to be carried on without prejudice or disadvantage   | As above, sections 9(2)(i) and 9(2)(j).  |
| Public Excluded Advisory Committee Reports<br>a) Disability Support and Community & Public Health Advisory Committees <ul style="list-style-type: none"> <li>▪ 2 July 2014</li> <li>▪ Hāpai te Tūmanako – Raise HOPE: Implementation Plan and District Network Proposal</li> <li>▪ Rural Hospital Trust Contracts</li> </ul> b) Hospital Advisory Committee <ul style="list-style-type: none"> <li>▪ 2 July 2014</li> <li>▪ Contract Approvals</li> <li>▪ Lease Renewals</li> <li>▪ CT Scanner Replacements</li> </ul> c) Iwi Governance Committee <ul style="list-style-type: none"> <li>▪ 4 June 2014</li> </ul> d) Audit & Risk Committee <ul style="list-style-type: none"> <li>▪ 5 June 2014</li> </ul> | Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage | As above, sections 9(2)(i) and 9(2)(j).  |

| General subject:  | Reasons for passing this resolution:   | Grounds for passing the resolution:     |
|---|--|---|
| Contract Approvals <ul style="list-style-type: none"> <li>▪ Planning &amp; Funding</li> </ul> | Commercial sensitivity and to allow activities and negotiations to be carried on without prejudice or disadvantage | As above, sections 9(2)(i) and 9(2)(j). |
| Risk Report   | To allow activities to be carried on without prejudice or disadvantage   | As above, sections 9(2)(i) and 9(2)(j). |
| Legal Issues  | To allow activities to be carried on without prejudice or disadvantage   | As above, section 9(2)(j).              |

The public session of the meeting then closed.

Confirmed as a true and correct record:

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_

## Southern District Health Board BOARD MEETING ACTION SHEET

As at 25 July 2014

| Action Point No.               | SUBJECT   | ACTION REQUIRED  | BY   | STATUS  | EXPECTED COMPLETION DATE |
|--------------------------------|---|--|------|---|--------------------------|
| 212-2013/05<br><br>226-2013/07 | Pharmaceuticals<br>(Minute item 8.0)                  | CMO to report back on the amount of medication prescribed and dispensed to patients at any one time and any related waste and safety issues.<br><br>The matter to be referred to the Southern Health Alliance Leadership Team to consider whether any savings can be achieved by primary care, hospital services and pharmacists working together to reduce waste. | CMO  | Work in progress – on SHALT agenda. The first step in this process is the demand side management of pharmaceutical expenditure project.<br><br>Clinical group formed and focusing on high cost medicines first. | Ongoing                  |
| 256-2013/12                    | Workplace Health and Safety<br>(Minute item 10.0)     | Broader report on workplace health and safety is required (ARC to consider future reporting requirements).   | EDHR | Awaiting regulations.   |                          |
| 295-2014/07                    | Deputation – Allergy New Zealand<br>(Minute item 3.0) | Response to be provided to requests made.  | CEO  | Completed.  | n/a                      |

SOUTHERN DISTRICT HEALTH BOARD

|   |   |                  |
|---|---|------------------|
| Title:  | CHIEF EXECUTIVE OFFICER'S REPORT                    |                  |
| Report to:  | Board   |                  |
| Date of Meeting:  | 7 August 2014                                       |                  |
| Summary:<br>The issues considered in this paper are:                          |   |                  |
| <ul style="list-style-type: none"> <li>▪ Monthly DHB activity.</li> </ul>     |   |                  |
| Specific implications for consideration (financial/workforce/risk/legal etc): |   |                  |
| Financial:  | No specific implications.                           |                  |
| Workforce:  | No specific implications.                           |                  |
| Other:  | No specific implications.                           |                  |
| Document previously submitted to:   | Not applicable, report submitted directly to Board. | Date: n/a        |
| Approved by Chief Executive Officer:  |   | Date: 29/07/2014 |
| Prepared by:  | Presented by:                                       |                  |
| Date: 25/07/2014  | Carole Heatly<br>Chief Executive Officer            |                  |
| RECOMMENDATION:   |   |                  |
| 1. That the Board receive the report.   |   |                  |

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CHIEF EXECUTIVE OFFICER'S REPORT

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1. DHB FINANCIAL PERFORMANCE

The provisional June result was \$2.5m unfavourable to budget, with a deficit of \$3.4m. The full year deficit is expected to be \$15.7m, which is an unfavourable variance of \$6.7m. Year-end adjustments for Inter District Flows (IDFs), stock, provisions and income in advance will continue to be finalised over the next month.

A detailed analysis of the financial situation is contained in the Financial Report (agenda item 10).

2. PROVIDER ARM

As there is no Hospital Advisory Committee meeting this month, a detailed report on Provider Arm activity is included as agenda item 9.

3. PLANNING AND FUNDING

Mental Health and Addictions

The Ministry of Health has recently allocated new one-off funding to Southern DHB specifically tagged to alcohol and drug services for both the Social Sector Trial (SST) locations (South Dunedin and Gore) and the youth one stop shop service located in Invercargill. The value of funding for each of the three service localities is \$63,000. Planning and Funding is now working with providers and SST trial leads to agree a plan for utilising the funding. The plan is required by the Ministry of Health for their approval by 20 September 2014.

Primary and Community

Pharmacy

(a) Pharmacy Project

The Pharmacy Project Group has now been appointed and has reviewed the first report from Bpac which has been contracted by Southern DHB to develop strategies to introduce best practice and reduce pharmaceutical costs. The report has identified areas which indicate Southern DHB variance (negatively in terms of additional costs) with other South Island DHBs, especially Canterbury DHB, and clinical members of the Project Group will work with Bpac to engage with both hospital and community prescribers to inform of prescribing variances and encourage best practice.

In addition the Group has been asked to develop a comprehensive plan to tackle prescribing costs in both hospital and the community from the perspective of waste. The aim is to identify the contribution different parties, including patients, prescribers, practice staff, pharmacists, DHB, PHO, etc, can make to reduce pharmaceutical waste; and then implement an action plan to support these contributions and monitor their impact on prescribing costs. An update will be provided to the next meeting of the Community and Public Health Advisory Committee.

(b) Community Pharmacy Service Agreement

The Stage 4 Roll-out of the Community Pharmacy Service Agreement (CPSA) has been approved by all DHBs for implementation 1 August 2014. This includes designated service changes and changes to the funding model. Financial analysis indicates that the increases in the core service fee should continue to be funded within the current pharmaceutical envelope.

Primary Care

(a) More Heart and Diabetes Checks

The Ministry of Health has withheld \$11,736 revenue from Southern DHB for "more heart and diabetes checks" due to the Southern PHO not achieving the required 90% Health Target at the end of June 2014. While the PHO has made significant progress, the past three months actual performance against the target was 80%. The financial impact will be passed on to the PHO.

(b) ED Attendances

The Southern PHO has introduced strategies, with Southern DHB support, to reduce attendances at ED by people who have conditions which can be treated in the primary care sector. This includes a voucher system for people who are not able to afford practice fees.

This initiative will be monitored to ensure the programme is effective.

Southern Health Alliance Leadership Team (SHALT)

The final meeting of the transitional SHALT took place on 22 July. Membership of SHALT has been revised following discussion between the DHB and Southern PHO; and final confirmation of membership is expected to be completed in time for the August meeting.

SHALT has agreed a draft work plan for 2014/15, which includes acute demand, minimum technology standards for providers, rural health, diagnostics, community and hospital prescribing, youth health and the Children's Actions Plan. The members have now been recruited to the Service Level Alliance for Rural Health with the first meeting planned for August. Other Service Level Alliances will be established for other parts of the work plan once terms of reference have been agreed by SHALT.

An update was provided to SHALT on the Rapid Response Referral Service which has now been extended beyond St John referrals to include some GP referrals. It is expected that roll-out to all GP practices will be achieved by the end of September.

Carole Heatly  
Chief Executive Officer

25 July 2014

SOUTHERN DISTRICT HEALTH BOARD

|   |   |           |
|---|---|-----------|
| Title:  | Executive Director of Patient Services                                  |           |
| Report to:  | Board   |           |
| Date of Meeting:  | 07 August 2014  |           |
| Summary:<br>Considered in these papers are: <ul style="list-style-type: none"> <li>▪ June 2014 DHB activity.</li> </ul> |   |           |
| Specific implications for consideration (financial/workforce/risk/legal etc):   |   |           |
| Financial:  | Yes   |           |
| Workforce:  | Yes   |           |
| Other:  | No  |           |
| Document previously submitted to:   | Not applicable, report only provided for the Board agenda.              | Date: N/A |
| Approved by:  | N/A   | Date: N/A |
| Prepared by:<br>Executive Director of Patient Services/Deputy CEO<br>Date: 25/07/2014                                   | Presented by:<br>Lexie O'Shea<br>Executive Director of Patient Services |           |
| RECOMMENDATION:   |   |           |
| 1. That Board receive the report.   |   |           |

Executive Director of Patient Services Report – June 2014

Recommendation

That the Board notes this report.

1. Contract Performance

- Total elective caseweights delivered (cwd) by Southern DHB Provider Arm were 105 over plan in June 2014 (9%). Year to date elective caseweights are 700 over plan (5%).
- Total acute caseweights delivered (cwd) by the Southern DHB Provider Arm were 106 under plan in June 2014 (4%). Year to date (ytd) acute caseweights are 3,085 over plan (10%).
- In comparison actual caseweights delivered last year, acute caseweights delivered dropped by 742 caseweights (2%) and elective caseweights increased by 516 (3%).

2. Health Targets

Shorter Stays in Emergency Department (ED)

- June showed an increase in the number of ED presentations – 6423 in 2014 and 6173 in 2013, a 4.05% increase.
- Performance against the '6 Hour Target' across the district was 91.4% in June.
  - Dunedin ED – 89.9% for June
    - Presentations for the month of June increased with 3356 in 2014, a 3.64% increase on the 3238 presentations in 2013.
    - Key initiatives undertaken in June include:
      - A 10 minute daily 'huddle' is now taking place at 8:40am Monday to Friday. This includes senior staff from across Dunedin Hospital and the focus is to review the previous day's performance and key hot spots for the next 24 hours.
      - The service is also focusing on student activity, weekends and use of the observation unit.
  - Southland ED – 93.0% for June
    - Presentations for the month of June increased with 3067 in 2014, a 4.49% increase on the 2935 presentations in 2013.

Immunisation

- In June 2014 Southern DHB achieved 93% against the 90% immunisation health target for coverage of children at 8 months of age and 95% against the 95% health target for coverage of children at 2 years of age. For Quarter 4 Southern DHB has again and consistently maintained 94% coverage for two year old children; against the target of 95%. It is pleasing to note that Maori, Pacific and Deprivation (NZdep) index 9 and 10 coverage remains consistent with or higher than the total population coverage, demonstrating a successful District commitment to reducing inequalities.



Better Help for Smokers to Quit

- Southern DHB has achieved target again for Quarter 4 with a 95.1% result. The DHB is working to reduce the post discharge follow up calls and fewer calls were made this quarter. A new system was introduced whereby patient notes of 'ABC missed' are sent directly to the Charge Nurse Manager on a weekly basis to review. This provides timely feedback to the wards and highlights any issues that can be readily addressed. The Emergency Department has introduced initiatives to increase the ABC (Ask, Brief Advice, Cessation Support) as part of the in-patient admission.

Shorter Cancer Wait Times

- We are continuing to achieve the MoH target of 100% of patients starting treatment within four weeks of their first specialist assessment 100% of the time. This was made more difficult this month because one of the linacs needed to be taken out of service for a week in order to have urgent upgrades carried out. The risk of breaching the MoH target was mitigated by the staff working shifts on the remaining linacs over this period in order to ensure all patients started their treatments in a timely manner.
- We are continuing to take certain cohorts of South Canterbury patients (based on diagnosis types and fractionation) under the MoH's Public capacity sharing protocol which promotes the sharing of public radiation oncology capacity between cancer centres. This has allowed us to facilitate a regional, collaborative approach to the delivery of cancer services across the South Island without impacting adversely on Southern's ability to deliver timely radiation therapy to its population or to meet the shorter waits for cancer treatment health target.

Improving Access to Elective Services

- Elective surgical discharges delivered to the Southern population were 50 over plan for the month (6%). Year to date discharges are 494 over plan (5%). Therefore we achieved the additional 170 discharges offered to Southern DHB for the last six months of the financial year.

| Elective Surgical Discharges June 2014                         |        |      |      |       |              |        |       |       |        |  |
|--|--------|------|------|-------|--------------|--------|-------|-------|--------|--|
| Elective Surgical Discharge Activity - Southern DHB population |        |      |      |       |              |        |       |       |        |  |
|  | Jun-14 |      |      |       | Year to Date |        |       |       | Annual |  |
|  | Actual | Plan | Var  | Var % | Actual       | Plan   | Var   | Var % | Plan   |  |
| SDHB population treated inhouse                                | 821    | 773  | 48   | 6%    | 10,274       | 9,736  | 538   | 6%    | 9,735  |  |
| SDHB population treated by other DHB                           | 34     | 50   | (16) | (32%) | 464          | 611    | (147) | (24%) | 611    |  |
| SDHB population outsourced                                     | 18     | -    | 18   | 0%    | 103          | -      | 103   | 0%    | -      |  |
|  | 873    | 823  | 50   | 6%    | 10,841       | 10,347 | 494   | 5%    | 10,346 |  |

| Elective Surgical Caseweights June 2014                         |        |       |      |       |              |        |      |       |        |  |
|---|--------|-------|------|-------|--------------|--------|------|-------|--------|--|
| Elective Surgical Caseweight Activity - Southern DHB population |        |       |      |       |              |        |      |       |        |  |
|   | Jun-14 |       |      |       | Year to Date |        |      |       | Annual |  |
|   | Actual | Plan  | Var  | Var % | Actual       | Plan   | Var  | Var % | Plan   |  |
| SDHB population treated inhouse                                 | 1,186  | 1,083 | 103  | 9%    | 14,152       | 13,630 | 522  | 4%    | 13,630 |  |
| SDHB population treated by other DHB                            | 59     | 92    | (33) | (36%) | 1,093        | 1,107  | (14) | (1%)  | 1,107  |  |
| SDHB population outsourced                                      | 32     | 8     | 24   | 290%  | 187          | 98     | 89   | 91%   | 98     |  |
|   | 1,276  | 1,183 | 93   | 8%    | 15,431       | 14,835 | 597  | 4%    | 14,835 |  |

3. Operational Performance

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- The final ESPI graphs for April and May 2014 shows Southern DHB with a red status for ESPI5. The actual numbers in ESPI5 for April and May 2014 is less than reported and this will be corrected to reflect a yellow result.
- Preliminary results for June 2014 have Southern DHB with yellow status for ESPI 5 and ESPI2.
- The Southern DHB Key Performance Indicator graphs are attached.

Lexie O'Shea, Executive Director of Patient Services

Leanne Samuel, Executive Director of Nursing and Midwifery

Mr Richard Bunton, Medical Director of Patient Services

Southern DHB  
Hospital Advisory Committee - KPIs  
June 2014 Data

| Patient Safety and Experience - Hospital Healthcheck                         |        |               |            |              |
|--|--------|---------------|------------|--------------|
| Monthly  | Actual | Plan / Target | Variance   | Trend/rating |
| 3 - Improved access to elective surgical services monthly (population based) | 873    | 823           | 50 (6.1%)  |              |
| 3a - Improved access to elective surgical services ytd (population based)    | 10,841 | 10,347        | 494 (4.8%) |              |

| Cost/Productivity - Hospital Healthcheck                                   |        |               |              |              |
|--|--------|---------------|--------------|--------------|
| Monthly  | Actual | Plan / Target | Variance     | Trend/rating |
| 1 - Waits >5 months for FSA  | 24     | 0             | -24          |              |
| 2 - Treatment >5 months from commitment to treat                           | 12     | 0             | -12          |              |
| 4a - Elective caseweights versus contract (monthly provider arm delivered) | 1,281  | 1,174         | 106 (9.1%)   |              |
| 4b - Elective caseweights versus contract (ytd provider arm delivered)     | 15,465 | 14,762        | 703 (4.8%)   |              |
| 7a - Acute caseweights versus contract (monthly provider arm delivered)    | 2,395  | 2,501         | -106 (-4.2%) |              |
| 7b - Acute caseweights versus contract (ytd provider arm delivered)        | 33,313 | 30,227        | 3086 (10.2%) |              |
| 10 - Voluntary staff turnover  | 0.4%   | 0.3%          | -0.2%        |              |
| 9 - Staff sick leave rates   | 3.9%   | 3.5%          | -0.4%        |              |

| Patient Safety and Experience - Performance Report |        |               |          |               |
|--|--------|---------------|----------|---------------|
| Monthly  | Actual | Plan / Target | Variance | Trend/ rating |
| Waits for Cancer Services                          | 100%   | 100%          | 0.0%     |               |
| 11 - Reduced in stay in ED                         | 91%    | 95%           | -3.6%    |               |
| 15 - Acute Readmission Rates                       | 10.5%  | 9.2%          | -1.3%    |               |

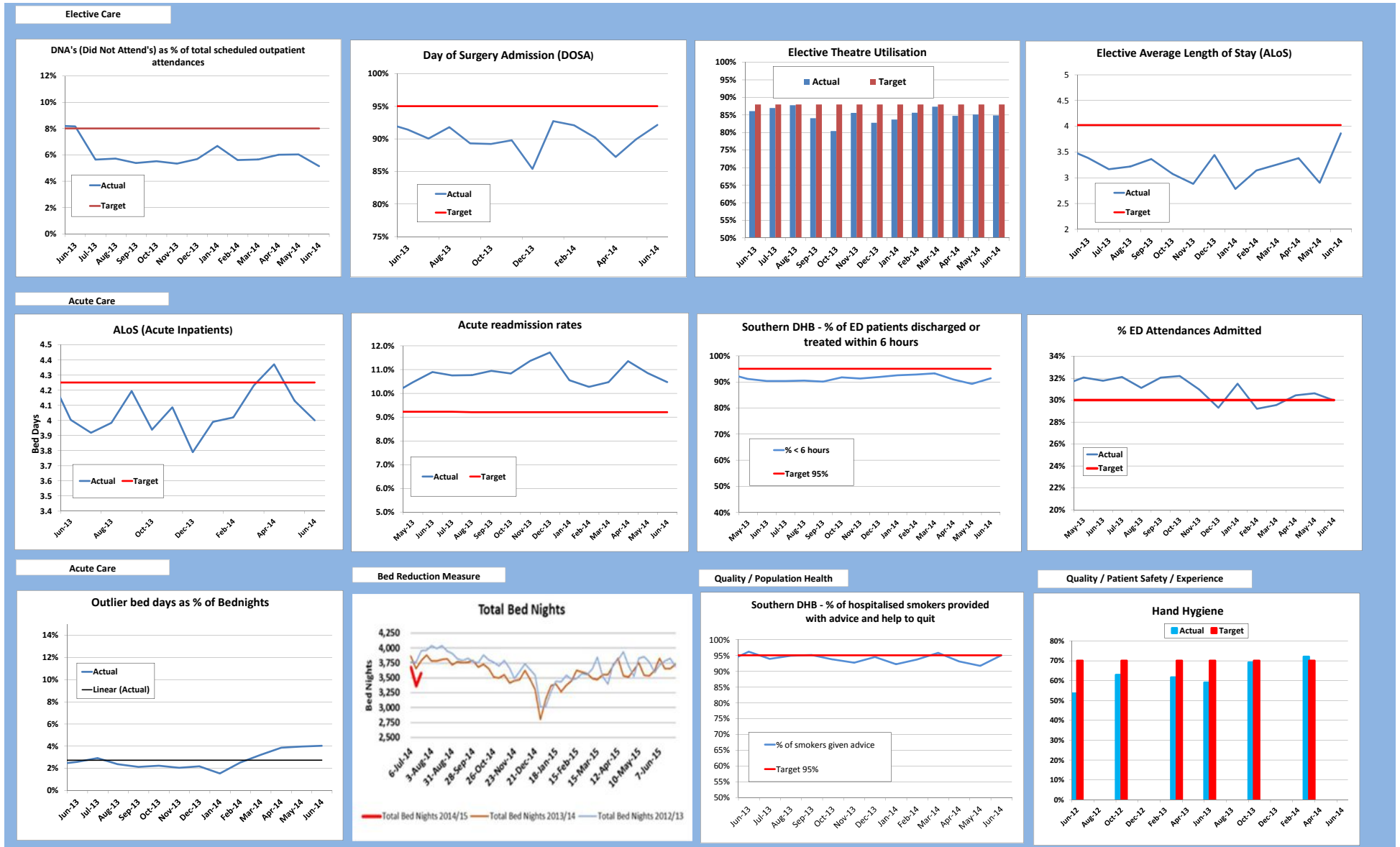
| Population Health   |     |     |      |  |
|---|-----|-----|------|--|
| 16 - Smoking cessation - hospitalised smokers provided with advice and help to quit | 95% | 95% | 0.0% |  |

| Cost/Productivity - Performance Report |        |               |             |               |
|--|--------|---------------|-------------|---------------|
| Monthly                                | Actual | Plan / Target | Variance    | Trend/ rating |
| 5 - Reduction in DNA rates             | 5.1%   | 8.0%          | -2.9%       |               |
| 7 - DOSA rates                         | 92%    | 95%           | -2.9%       |               |
| 9 - ALoS (elective)                    | 3.86   | 4.02          | 0.16 (4%)   |               |
| ALoS (Acute inpatient)                 | 4.00   | 4.25          | 0.25 (5.9%) |               |
| 14 - % ED attendances admitted         | 30%    | 30%           | 0.0%        |               |
| 13 - Outlier bed days                  | 4.0%   |               |             |               |
| <b>Quarterly</b>                       |        |               |             |               |
| 8 - Elective Theatre utilisation       | 85%    | 88%           | -3%         |               |

| Key - |   |
|-------|---|
|       | Meeting target or plan  |
|       | Underperforming against target or plan but within thresholds or underperforming but delivering against agreed recovery plan |
|       | Underperforming and exception report required with recovery plan  |

# Southern DHB Board Meeting - Provider Arm Report

## Southern DHB Hospital Advisory Committee - Performance Report June 2014 Data

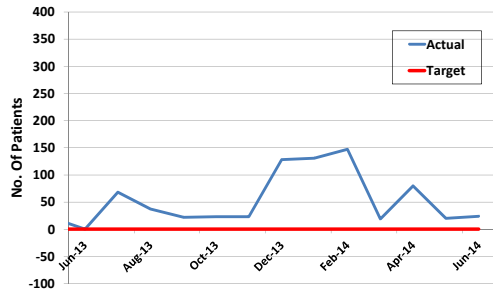


# Southern DHB Board Meeting - Provider Arm Report

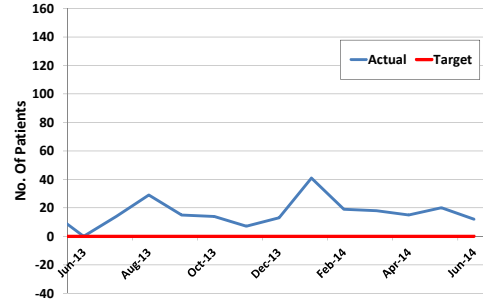
Southern DHB  
Hospital Advisory Committee - Hospital Healthcheck  
June 2014 Data

## Elective Care

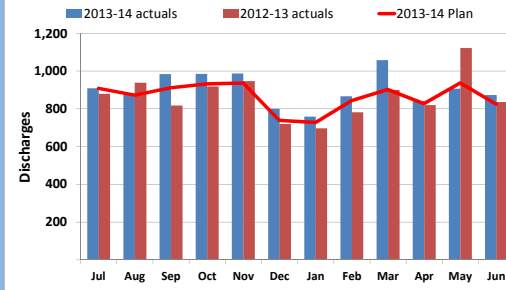
Patients waiting for FSA > target



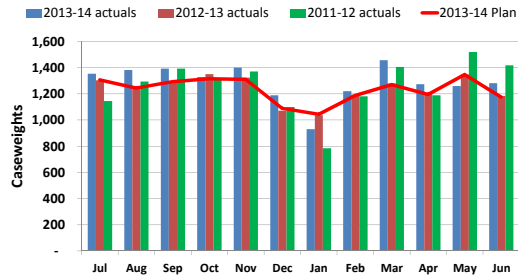
Patients waiting > target months from commitment to treat



Increased Access to Elective Surgery (Discharges - SDHB Population)

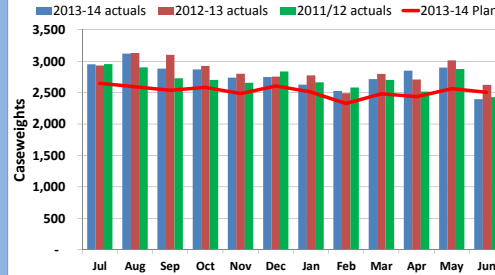


Medical / Surgical Elective Caseweights v Plan (Provider Arm Delivery)



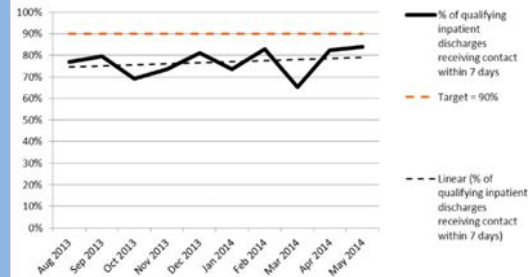
## Acute Care

Med / Surg Acute Caseweights v Funded (Provider Arm Delivery)



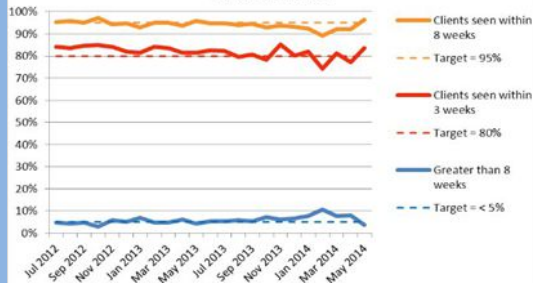
## Mental Health and Addictions

KPI19 - Improving post-discharge community care



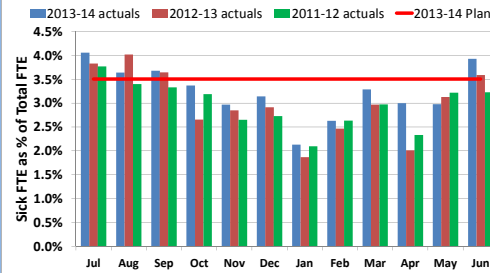
## Mental Health and Addictions

PP8 - Shorter wait times for non-urgent mental health and addictions services

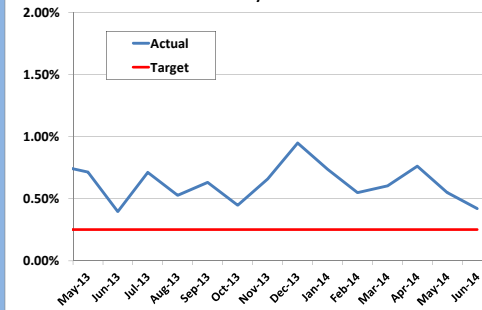


## Service and Organisation Quality

% Staff Sick Leave Rate



10 - Voluntary staff turnover



SOUTHERN DISTRICT HEALTH BOARD

|   |   |                  |
|---|---|------------------|
| Title:  | FINANCIAL REPORT  |                  |
| Report to:  | Board   |                  |
| Date of Meeting:  | 7 August 2014   |                  |
| Summary:<br>The issues considered in this paper are: <ul style="list-style-type: none"> <li>▪ June 2014 year to date financial position.</li> </ul> |   |                  |
| Specific implications for consideration (financial/workforce/risk/legal etc):   |   |                  |
| Financial:  | As set out in report.                                       |                  |
| Workforce:  | No specific implications                                    |                  |
| Other:  | n/a   |                  |
| Document previously submitted to:   | Not applicable, report submitted directly to Board.         | Date: n/a        |
| Approved by Chief Executive Officer:  |   | Date: 29/07/2014 |
| Prepared by:<br>David Dickson<br>Finance Manager<br>Date: 24/07/14  | Presented by:<br>Peter Beirne<br>Executive Director Finance |                  |
| RECOMMENDATION:   |   |                  |
| 1. That the report be received.   |   |                  |

# SOUTHERN DHB FINANCIAL REPORT

**Financial Report as at:** 30 June 2014  
**Report Prepared by:** David Dickson  
**Date:** 23 July 2014

## Recommendations:

- That the Board note the Financial Report

## Overview Section

### Results Summary

| Actual<br>\$' 000 | Month             |                     |                         | Year to Date      |                   |                     | Annual<br>Budget<br>\$' 000 |
|-------------------|-------------------|---------------------|-------------------------|-------------------|-------------------|---------------------|-----------------------------|
|                   | Budget<br>\$' 000 | Variance<br>\$' 000 |                         | Actual<br>\$' 000 | Budget<br>\$' 000 | Variance<br>\$' 000 |                             |
| 73,837            | 71,909            | 1,928               | Revenue                 | 872,021           | 862,131           | 9,890               | 862,131                     |
| (28,584)          | (27,459)          | (1,125)             | Less Personnel Costs    | (335,665)         | (329,292)         | (6,373)             | (329,292)                   |
| (48,605)          | (45,242)          | (3,363)             | Less Other Costs        | (552,080)         | (541,879)         | (10,201)            | (541,879)                   |
| (3,352)           | (792)             | (2,560)             | Net Surplus / (Deficit) | (15,724)          | (9,040)           | (6,684)             | (9,040)                     |

The June result was a deficit of \$3.4m, \$2.5m unfavourable to budget. The full year result deficit is \$15.7m and unfavourable to budget by \$6.7m.

There are a number of year end entries still outstanding, due to the values not being finalised at this time. These include Inter-district flows wash-up including community pharmaceuticals, stock, provisions including redundancies, income in advance, and the year end actuarial valuation of employee entitlements (retirement gratuities, long service leave), on call leave for some staff groups and CME leave valuation

### Operational Performance

| Actual<br>\$' 000 | Month             |                     |                         | Year to Date      |                   |                     | Annual<br>Budget<br>\$' 000 |
|-------------------|-------------------|---------------------|-------------------------|-------------------|-------------------|---------------------|-----------------------------|
|                   | Budget<br>\$' 000 | Variance<br>\$' 000 |                         | Actual<br>\$' 000 | Budget<br>\$' 000 | Variance<br>\$' 000 |                             |
| (127)             | 38                | (165)               | Governance              | (999)             | 0                 | (999)               | 0                           |
| (1,808)           | (171)             | (1,637)             | Funder                  | (1,939)           | (1,104)           | (835)               | (1,104)                     |
| (1,417)           | (659)             | (758)               | Provider                | (12,786)          | (7,936)           | (4,850)             | (7,936)                     |
| (3,352)           | (792)             | (2,560)             | Net Surplus / (Deficit) | (15,724)          | (9,040)           | (6,684)             | (9,040)                     |

- The Governance result continues to be unfavourable with the full year result a deficit of \$1.0m.
- The Funder result for the month is a deficit of \$1.8m, and unfavourable to budget by \$1.6 m. The full year result is a deficit of \$1.9m and unfavourable to budget by \$0.8m.
- The Provider result was unfavourable for the month, with the full year result a deficit of \$12.8m and unfavourable to budget by \$4.8m.

## Key YTD Variances

The following are the key year to date variances;

|                                  |          |
|----------------------------------|----------|
| MoH Funding Subcontracts         | \$5.9m   |
| Medical Personnel - Outsourced   | \$1.8m   |
| Allied Health Personnel          | \$1.3m   |
| Interest & Financing Charges     | \$1.0m   |
| Residential Care: Rest Homes     | \$1.4m   |
| Accident Insurance               | \$1.1m   |
| Medical Outpatients - Outsourced | \$1.4m   |
| Nursing Personnel                | \$0.7m   |
| General Medical Subsidy          | \$0.7m   |
| Other Government Revenue         | \$0.7m   |
| Outsourced Clinical Services     | (\$1.1m) |
| Implants & Prosthesis            | (\$1.3m) |
| Residential Care: Hospitals      | (\$1.3m) |
| Home Support                     | (\$2.1m) |
| Pharmaceuticals                  | (\$4.8m) |
| Medical Personnel                | (\$8.2m) |

## Balance Sheet and Cash flow

Cash is \$12.4m at the end of June and close to budgeted cash of \$12.3m. Capital expenditure remains favourable and is offset against capital charge (\$4.5m) and equity injections (\$5.7m). The final Master Site Planning equity funding was approved by the Board in April and has been requested but not received. The remaining deficit support was received in June 2014 of \$4.5m.

## Detail Section

This section is presented from an overall DHB result perspective.

### Revenue

Revenue for the year excluding IDF's is \$10.2m above budget, with most of this having a cost offset.

| Item   | \$'m       | Expense Line Offset (Y/N/Partial) |
|--|------------|-----------------------------------|
| MOH Revenue to reduce imaging wait times       | 0.3        | Y, Public Health                  |
| National screening programmes                  | 0.8        | Y, Public Health                  |
| CarePlus                                       | 0.4        | Y, Personal Health                |
| MOH Sleepover settlement                       | 0.5        | Y, Personal Health                |
| Electives and Ambulatory Funding               | 1.0        | P, Provider Arm                   |
| Aged care home support funding                 | 0.3        | Y, DSS                            |
| PHO Performance Management                     | 0.3        | Y, DSS                            |
| Enhanced Alcohol and Drug Services             | 0.6        | Y, Mental Health                  |
| Additional subcontract revenue                 | 1.1        | P, Funder Arm                     |
| CTA Revenue                                    | 0.5        | Y, Provider -arm                  |
| ACC Revenue                                    | 1.1        | P, Provider-arm                   |
| Other income, including Research and Donations | 0.8        | P, Provider-arm                   |
| Other Government funding                       | 0.7        | P, Provider-arm                   |
| National Patient Flow Year one                 | 0.1        | P, Provider-arm                   |
| Heart and Diabetes checks in Primary care      | 0.5        | Y, Personal Health                |
| All other revenue variances                    | <u>0.5</u> |                                   |
| Total Revenue Variation                        | 10.2       |                                   |



## **Personnel Expenses**

Personnel costs were \$1.1m unfavourable in June and are \$6.4m over budget for the year. FTE at the consolidated level are 3649 against a budget of 3651. As in previous months medical personnel costs are over budget with the full year variance at \$8.3m. For the month nursing and management admin costs were also over budget with management admin unfavourable for the full year by \$0.2m. Allied health staff costs and FTE remain favourable for June and for the year.

### **Medical**

An underspend in medical outsourcing for the year of \$1.8m has partly offset the medical personnel variance, including medical outsourcing medical personnel were \$6.4m unfavourable for the year. Higher allowance payments (\$1.9m), an adjustment for joint clinical retiring gratuities in June (\$0.1m), overtime (\$1.2m), higher FTE (\$1.0m), lower annual leave taken (\$1.1m) and leave valuation (\$1.1m) all contribute to the variance.

### ***Nursing Personnel***

Nursing FTE has decreased slightly from May numbers but was still higher than previous months at 1609. This resulted in nursing costs being slightly unfavourable for the month. Full year nursing personnel costs remain favourable to budget by \$0.7m.

### ***Allied Health Personnel***

Favourable FTE is again partly offset by overtime.

### ***Support Personnel***

Support staff costs are close to budget for the month and remain close to budget for the year.

### ***Management/Administration Personnel***

Management admin costs were \$0.2m unfavourable in June and for the full year, driven by the budgeted restructure which did not take place.

## **Outsourced Expenses**

Outsourced personnel costs are favourable for the month and for the year, and offset in personnel costs as noted above.

Outsourced services costs are over budget for the month and for the year \$2.0m. As reported previously, Radiology Services is \$0.8m over budget, with the budget set on the expectation that personnel would be in place reducing the need for this outsourcing.

## **Clinical Supplies Expenses**

Clinical supplies costs are favourable to budget for June and \$2.1m unfavourable for the year. Implants and Prosthesis costs are \$1.3m over budget. Instruments and equipment are also unfavourable for the year to date (\$0.5m) driven by disposable instruments and clinical equipment repairs and maintenance. Some of these costs have additional offsetting revenue.

## **Infrastructure & Non-Clinical Supplies Expenditure**

Infrastructure & Non-Clinical Supplies are unfavourable in June \$0.5m and \$0.8m favourable year to date. In June significant maintenance costs were incurred, which was a timing difference with the full year costs on budget. The favourable full year variance is due to capital charge and interest costs \$1.0m under budget partly offset by consultant costs over budget \$0.3m for the year.

**Funder Summary**

| Month           |          |          | Year to Date            |           |           | Annual  |           |
|-----------------|----------|----------|-------------------------|-----------|-----------|---------|-----------|
| Actual          | Budget   | Variance | Actual                  | Budget    | Variance  | Budget  |           |
| \$' 000         | \$' 000  | \$' 000  | \$' 000                 | \$' 000   | \$' 000   | \$' 000 |           |
| 69,125          | 68,107   | 1,018    | Revenue                 | 823,082   | 817,283   | 5,799   | 817,283   |
| (70,932)        | (68,279) | (2,653)  | Less Other Costs        | (825,020) | (818,387) | (6,633) | (818,387) |
| (1,807)         | (172)    | (1,635)  | Net Surplus / (Deficit) | (1,938)   | (1,104)   | (834)   | (1,104)   |
| <b>Expenses</b> |          |          |                         |           |           |         |           |
| (51,055)        | (48,529) | (2,526)  | Personal Health         | (585,355) | (580,072) | (5,283) | (580,071) |
| (7,339)         | (7,270)  | (69)     | Mental Health           | (85,726)  | (87,232)  | 1,506   | (87,232)  |
| (730)           | (864)    | 134      | Public Health           | (11,266)  | (10,363)  | (903)   | (10,363)  |
| (10,951)        | (10,764) | (187)    | Disability Support      | (132,428) | (130,502) | (1,926) | (130,502) |
| (159)           | (154)    | (5)      | Maori Health            | (1,866)   | (1,840)   | (26)    | (1,840)   |
| (698)           | (698)    | 0        | Other                   | (8,378)   | (8,378)   | 0       | (8,379)   |
| (70,932)        | (68,279) | (2,653)  | Expenses                | (825,019) | (818,387) | (6,632) | (818,387) |

**Personal Health Payments (Not including Provider-arm)**

Personal Health is unfavourable to budget for the month by \$2.5m. Impacting June was additional Pharmaceutical expense. Previously costs were accrued to align with the February Pharmac forecast, which included an estimate of the payment from the Discretionary Pharmaceutical Fund. This funds purpose is to bring the national pharmaceutical spend in line with the Pharmac budget. SDHBs share was \$0.8m. When June costs were reviewed, factoring in this payment, discounts and other adjustments the cash payments that we still expect to make related to 2013/14 drug costs led to the total costs being revised upwards with an additional \$0.7m of costs estimated for 2013/14. Other factors in June were an unfavourable IDF wash-up \$0.3m, Surgical inpatient costs, (with revenue offset) and Laboratory costs due to a change in practise which resulted in \$0.3m of additional cost.

The year to date is \$5.2m unfavourable and relates to;

- Laboratory costs (\$0.9m u), due to additional tests and agreed change,
- Pharmaceuticals (\$3.1m u) due to the impact of 2012/13 costs and the revised forecast for Pharmacy service fees as well as additional drug costs over the Pharmac forecast,
- Radiology (\$0.4m u) which has a revenue offset,
- Surgical inpatients (\$1.0m u) which has a revenue offset
- Price adjustors and premiums (\$0.4m u), again having revenue offset relating to the sleepover settlement funding received.
- IDF \$0.7m unfavourable,
- Partly offsetting these is Medical Outpatients (\$1.5m f) mostly relating to the Haemophilia funding change.

**Mental Health (Not including Provider-arm)**

Full year costs are favourable due to the wash-up with the provider arm of \$2.5m, partly offset with additional home based residential support, and child and youth health services.

**Disability Support (Not including Provider-arm)**

Disability support services costs are unfavourable in June with additional home support costs (\$0.5m) partly offset with rest home favourable variances. For the year DSS costs overall are also unfavourable (\$1.9m), due to home support costs (\$2.2m), and hospital residential care costs (\$1.3m) partly offset by favourable variances in rest homes (\$1.4m).

Additional revenue for price and volume increases (\$0.3m) partly offsets the unfavourable variance.

### **IDF Wash-up - Inflows**

The IDF inpatient wash-up for June, based on data to May follows with the year to date wash-up now unfavourable by \$0.5m, mostly relating to lower elective flows from Canterbury DHB.

A summary by DHB and type is shown in the following table.

| DHB Name           | Acute/arranged | Elective        | Grand Total     |
|--------------------|----------------|-----------------|-----------------|
| Auckland           | 18,839         | 8,042           | 26,881          |
| Bay of Plenty      | -12,815        |                 | -12,815         |
| Canterbury         | -229,478       | -484,079        | -713,557        |
| Capital and Coast  | -279           | 6,946           | 6,667           |
| Counties Manukau   | -119,198       | -5,042          | -124,240        |
| Hawkes Bay         | -16,941        |                 | -16,941         |
| Hutt Valley        | -25,503        | -1,451          | -26,954         |
| Lakes              | 130,444        | 28,342          | 158,786         |
| MidCentral         | 67,799         | -10,645         | 57,154          |
| Nelson Marlborough | 2,188          | -75,716         | -73,528         |
| Northland          | 7,090          | 7,299           | 14,389          |
| South Canterbury   | 137,573        | 20,240          | 157,814         |
| Tairāwhiti         | -14,845        |                 | -14,845         |
| Taranaki           | 27,183         | -16,774         | 10,410          |
| Waikato            | -72,226        | 5,860           | -66,367         |
| Wairarapa          | 11,244         |                 | 11,244          |
| Waitemata          | 108,165        | -5,200          | 102,964         |
| West Coast         | -8,300         | 68,196          | 59,896          |
| Whanganui          | 7,098          |                 | 7,098           |
| <b>Grand Total</b> | <b>18,039</b>  | <b>-453,984</b> | <b>-435,945</b> |

The Canterbury elective unfavourable wash-up of \$0.5m is mostly related to Orthopaedics (\$0.3m) and General Surgery (\$0.1m).

**IDF Wash-up - Outflows**

There was an unfavourable change in the IDF outflows wash-up in June of \$0.3m, with the year to date unfavourable wash-up now \$0.6m. This is mostly Auckland DHB Acute flows.

| Sum of Variance in Dollars | Admission_type  |                |                 |
|----------------------------|-----------------|----------------|-----------------|
| DHB Name                   | Acute/arranged  | Elective       | Grand Total     |
| Auckland                   | -581,259        | 214,957        | -366,302        |
| Bay of Plenty              | -16,089         | 7,401          | -8,688          |
| Canterbury                 | 25,566          | -183,054       | -157,487        |
| Capital and Coast          | -84,456         | -36,471        | -120,927        |
| Counties Manukau           | -165,879        | -9,445         | -175,324        |
| Hawkes Bay                 | 31,530          | 7,287          | 38,817          |
| Hutt Valley                | -16,026         | 58,536         | 42,510          |
| Lakes                      | -181,243        | -20,580        | -201,823        |
| MidCentral                 | 20,918          | 13,178         | 34,096          |
| Nelson Marlborough         | -41,149         | -210           | -41,358         |
| Northland                  | 12,661          |                | 12,661          |
| South Canterbury           | 38,322          | -53,205        | -14,883         |
| Tairāwhiti                 | 14,156          |                | 14,156          |
| Taranaki                   | 26,405          |                | 26,405          |
| Waikato                    | 137,473         | 156,290        | 293,764         |
| Wairarapa                  | -7,804          |                | -7,804          |
| Waitemata                  | -5,804          | 26,062         | 20,258          |
| West Coast                 | 2,079           |                | 2,079           |
| Whanganui                  | -2,684          | -4,846         | -7,530          |
| <b>Grand Total</b>         | <b>-793,283</b> | <b>175,901</b> | <b>-617,382</b> |

**Forecast Variance**

The forecast last month was for a full year deficit of \$13.9m. The result of \$15.7m varies from this by \$1.8m and relates mostly to three risks identified with the forecast last month.

**Risk:** There is no significant change in the IDF wash-up position from the April position.

*Result:* There was an unfavourable movement in June relating to inpatient outflows of \$0.3m

**Risk:** Employee entitlements valuation (Aon calculated) matches forecast, which has estimated a reduction in the value due to interest rate movement and staff profile.

*Result:* The draft Aon actuarial valuation shows an increase, whereas the forecast assumed a reduction of \$0.6m. No adjustment has been made based on this draft valuation.

**Risk:** Pharmaceutical costs remain in-line with the Pharmac Forecast.

*Result:* When pharmaceutical costs were analysed on a month of service vs month of payment basis, and taking account of the June DPF payment, the amount still expected to be paid relating to the 2013/14 financial year was higher than the Pharmac forecast indicated. The impact of this was \$0.7m.

## Financial Statements

The following financial statements are attached:

- Governance P&L
- Provider P&L
- Funder P&L
- DHB Consolidated Results P&L
- Balance Sheet
- Cashflow Statement

**Southern District Health Board**  
Jun-14

| <b>Part 1: DHB Governance and Funding Administration</b> | <b>Current Month</b> |                |                 |                 | <b>Year to Date</b> |                |                  |                 | <b>Annual Budget</b> |
|--|----------------------|----------------|-----------------|-----------------|---------------------|----------------|------------------|-----------------|----------------------|
|  | <b>Actual</b>        | <b>Budget</b>  | <b>Variance</b> | <b>Variance</b> | <b>Actual</b>       | <b>Budget</b>  | <b>Variance</b>  | <b>Variance</b> |                      |
|  | <b>\$(000)</b>       | <b>\$(000)</b> | <b>\$(000)</b>  | <b>%</b>        | <b>\$(000)</b>      | <b>\$(000)</b> | <b>\$(000)</b>   | <b>%</b>        | <b>\$(000)</b>       |
| <b>Part 1.1: Statement of Financial Performance</b>      |                      |                |                 |                 |                     |                |                  |                 |                      |
| <b>REVENUE</b>   |                      |                |                 |                 |                     |                |                  |                 |                      |
| <b>Government and Crown Agency sourced</b>               |                      |                |                 |                 |                     |                |                  |                 |                      |
| Internal - DHB Funder to DHB Provider                    | 698                  | 698            |                 |                 | 8,379               | 8,379          |                  |                 | 8,379                |
| Other DHB's  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Other Government   | 11                   | -              | 11 F            |                 | 95                  | -              | 95 F             |                 | -                    |
| <b>Government and Crown Agency Sourced Total</b>         | <b>709</b>           | <b>698</b>     | <b>11 F</b>     | <b>2%</b>       | <b>8,474</b>        | <b>8,379</b>   | <b>95 F</b>      | <b>1%</b>       | <b>8,379</b>         |
| Other Income   | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| <b>REVENUE TOTAL</b>                                     | <b>709</b>           | <b>698</b>     | <b>11 F</b>     | <b>2%</b>       | <b>8,474</b>        | <b>8,379</b>   | <b>95 F</b>      | <b>1%</b>       | <b>8,379</b>         |
| <b>EXPENSES</b>  |                      |                |                 |                 |                     |                |                  |                 |                      |
| <b>Personnel Expenses</b>                                |                      |                |                 |                 |                     |                |                  |                 |                      |
| Medical Personnel  | (3)                  | (19)           | 16 F            | 85%             | (30)                | (233)          | 203 F            | 87%             | (233)                |
| Nursing Personnel  | -                    | (1)            | 1 F             |                 | -                   | (9)            | 9 F              |                 | (9)                  |
| Allied Health Personnel                                  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Support Services Personnel                               | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Management / Admin Personnel                             | (302)                | (281)          | (21) U          | (7%)            | (3,641)             | (3,440)        | (200) U          | (6%)            | (3,440)              |
| <b>Personnel Costs Total</b>                             | <b>(305)</b>         | <b>(301)</b>   | <b>(4) U</b>    | <b>(1%)</b>     | <b>(3,671)</b>      | <b>(3,682)</b> | <b>11 F</b>      |                 | <b>(3,682)</b>       |
| <b>Outsourced Expenses</b>                               |                      |                |                 |                 |                     |                |                  |                 |                      |
| Medical Personnel  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Nursing Personnel  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Allied Health Personnel                                  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Support Personnel  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Management / Administration Personnel                    | -                    | -              |                 |                 | (82)                | -              | (82) U           |                 | -                    |
| Outsourced Clinical Services                             | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Outsourced Corporate / Governance Services               | (102)                | (79)           | (22) U          | (28%)           | (1,413)             | (953)          | (460) U          | (48%)           | (953)                |
| Outsourced Funder Services                               | (179)                | (120)          | (59) U          | (49%)           | (1,946)             | (1,486)        | (459) U          | (31%)           | (1,486)              |
| <b>Outsourced Services Total</b>                         | <b>(280)</b>         | <b>(199)</b>   | <b>(81) U</b>   | <b>(41%)</b>    | <b>(3,440)</b>      | <b>(2,439)</b> | <b>(1,001) U</b> | <b>(41%)</b>    | <b>(2,439)</b>       |
| <b>Clinical Supplies</b>                                 |                      |                |                 |                 |                     |                |                  |                 |                      |
| Treatment Disposables                                    | -                    | -              |                 |                 | (1)                 | -              | (1) U            | (626%)          | -                    |
| Diagnostic Supplies & Other Clinical Supplies            | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Instruments & Equipment                                  | -                    | -              |                 |                 | -                   | -              |                  | (147%)          | -                    |
| Patient Appliances                                       | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Implants & Prosthesis                                    | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Pharmaceuticals  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Other Clinical Supplies                                  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| <b>Clinical Supplies Total</b>                           | <b>-</b>             | <b>-</b>       | <b>-</b>        | <b>-</b>        | <b>(1)</b>          | <b>-</b>       | <b>(1) U</b>     | <b>(329%)</b>   | <b>-</b>             |
| <b>Infrastructure &amp; Non Clinical Expenses</b>        |                      |                |                 |                 |                     |                |                  |                 |                      |
| Hotel Services, Laundry & Cleaning Facilities            | (1)                  | (1)            |                 | 3%              | (21)                | (18)           | (4) U            | (21%)           | (18)                 |
| Transport  | (17)                 | (18)           | 1 F             | 7%              | (176)               | (212)          | 36 F             | 17%             | (212)                |
| IT Systems & Telecommunications                          | (10)                 | (9)            | (1) U           | (16%)           | (58)                | (108)          | 50 F             | 46%             | (108)                |
| Interest & Financing Charges                             | (30)                 | (22)           | (8) U           | (36%)           | (202)               | (264)          | 62 F             | 24%             | (264)                |
| Professional Fees & Expenses                             | (135)                | (43)           | (91) U          | (211%)          | (865)               | (521)          | (345) U          | (66%)           | (521)                |
| Other Operating Expenses                                 | (19)                 | (25)           | 5 F             | 22%             | (249)               | (298)          | 49 F             | 17%             | (298)                |
| Democracy  | (39)                 | (42)           | 3 F             | 8%              | (791)               | (837)          | 47 F             | 6%              | (837)                |
| Subsidiaries & Joint Ventures                            | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| <b>Infrastructure &amp; Non-Clinical Supplies Total</b>  | <b>(251)</b>         | <b>(161)</b>   | <b>(90) U</b>   | <b>(56%)</b>    | <b>(2,361)</b>      | <b>(2,257)</b> | <b>(104) U</b>   | <b>(5%)</b>     | <b>(2,257)</b>       |
| Internal Allocations                                     | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Other  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| <b>Total Expenses</b>                                    | <b>(836)</b>         | <b>(661)</b>   | <b>(175) U</b>  | <b>(27%)</b>    | <b>(9,473)</b>      | <b>(8,379)</b> | <b>(1,094) U</b> | <b>(13%)</b>    | <b>(8,379)</b>       |
| <b>Net Surplus/ (Deficit)</b>                            | <b>(127)</b>         | <b>38</b>      | <b>(165) U</b>  | <b>(439%)</b>   | <b>(999)</b>        | <b>-</b>       | <b>(999) U</b>   |                 | <b>-</b>             |
| Zero Check   | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Interest Costs from CHFA                                 | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Capital Charge   | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| <b>Part 1.2 : Full Time Equivalent Numbers</b>           |                      |                |                 |                 |                     |                |                  |                 |                      |
| Medical Personnel  | -                    | 1              |                 |                 | -                   | 1              |                  |                 | 1                    |
| Nursing Personnel  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Allied Health Personnel                                  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Support Personnel  | -                    | -              |                 |                 | -                   | -              |                  |                 | -                    |
| Management / Administration Personnel                    | 28                   | 28             |                 |                 | 28                  | 28             |                  |                 | 28                   |
| <b>Total Full Equivalents (FTE's)</b>                    | <b>28</b>            | <b>29</b>      | <b>(1) U</b>    | <b>(4%)</b>     | <b>28</b>           | <b>28</b>      | <b>-</b>         |                 | <b>28</b>            |

**Southern District Health Board**  
Jun-14

| Part 2: DHB provider                                    | Current Month   |                 |                  |               | Year to Date     |                  |                  |              | Annual           |
|---|-----------------|-----------------|------------------|---------------|------------------|------------------|------------------|--------------|------------------|
|   | Actual          | Budget          | Variance         | Variance      | Actual           | Budget           | Variance         | Variance     | Budget           |
|   | \$(000)         | \$(000)         | \$(000)          | %             | \$(000)          | \$(000)          | \$(000)          | %            | \$(000)          |
| <b>Part 2.1: Statement of Financial Performance</b>     |                 |                 |                  |               |                  |                  |                  |              |                  |
| <b>REVENUE</b>  |                 |                 |                  |               |                  |                  |                  |              |                  |
| <b>Ministry of Health</b>                               |                 |                 |                  |               |                  |                  |                  |              |                  |
| MoH - Vote Health Non Mental Health                     | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| MoH - Vote Health Mental Health                         | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| PBF Adjustments   | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| MoH Funding Subcontracts                                | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| MoH - Personal Health                                   | 242             | 28              | 214 F            | 755%          | 405              | 339              | 66 F             | 19%          | 339              |
| MoH - Mental Health                                     | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| MoH - Public Health                                     | 10              | 11              | -                | (1%)          | 126              | 127              | (1) U            | (1%)         | 127              |
| MoH - Disability Support Services                       | 860             | 739             | 121 F            | 16%           | 9,521            | 8,884            | 637 F            | 7%           | 8,884            |
| MoH - Maori Health                                      | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| Clinical Training Agency                                | 546             | 544             | 2 F              | -             | 7,058            | 6,531            | 527 F            | 8%           | 6,531            |
| Internal - DHB Funder to DHB Provider                   | 36,522          | 36,453          | 69 F             | -             | 436,039          | 437,441          | (1,401) U        | -            | 437,441          |
| <b>Ministry of Health Total</b>                         | <b>38,181</b>   | <b>37,775</b>   | <b>405 F</b>     | <b>1%</b>     | <b>453,149</b>   | <b>453,322</b>   | <b>(173) U</b>   |              | <b>453,322</b>   |
| <b>Other Government</b>                                 |                 |                 |                  |               |                  |                  |                  |              |                  |
| IDF's - Mental Health Services                          | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| IDF's - All others (non Mental health)                  | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| Other DHB's   | 124             | 25              | 99 F             | 393%          | 415              | 302              | 113 F            | 37%          | 302              |
| Training Fees and Subsidies                             | 44              | 17              | 27 F             | 158%          | 236              | 206              | 30 F             | 15%          | 206              |
| Accident Insurance                                      | 1,003           | 875             | 128 F            | 15%           | 10,364           | 9,250            | 1,114 F          | 12%          | 9,250            |
| Other Government  | 657             | 424             | 232 F            | 55%           | 5,797            | 5,135            | 663 F            | 13%          | 5,135            |
| <b>Other Government Total</b>                           | <b>1,828</b>    | <b>1,342</b>    | <b>486 F</b>     | <b>36%</b>    | <b>16,812</b>    | <b>14,893</b>    | <b>1,919 F</b>   | <b>13%</b>   | <b>14,893</b>    |
| <b>Government and Crown Agency Total</b>                | <b>40,009</b>   | <b>39,117</b>   | <b>892 F</b>     | <b>2%</b>     | <b>469,961</b>   | <b>468,215</b>   | <b>1,747 F</b>   |              | <b>468,215</b>   |
| <b>Other Revenue</b>                                    |                 |                 |                  |               |                  |                  |                  |              |                  |
| Patient / Consumer Sourced                              | 196             | 237             | (42) U           | (18%)         | 3,602            | 3,265            | 337 F            | 10%          | 3,265            |
| Other Income  | 1,019           | 901             | 118 F            | 13%           | 11,320           | 10,809           | 512 F            | 5%           | 10,809           |
| <b>Other Revenue Total</b>                              | <b>1,215</b>    | <b>1,138</b>    | <b>77 F</b>      | <b>7%</b>     | <b>14,923</b>    | <b>14,074</b>    | <b>849 F</b>     | <b>6%</b>    | <b>14,074</b>    |
| <b>REVENUE TOTAL</b>                                    | <b>41,223</b>   | <b>40,255</b>   | <b>968 F</b>     | <b>2%</b>     | <b>484,884</b>   | <b>482,289</b>   | <b>2,595 F</b>   | <b>1%</b>    | <b>482,289</b>   |
| <b>EXPENSES</b>   |                 |                 |                  |               |                  |                  |                  |              |                  |
| <b>Personnel Expenses</b>                               |                 |                 |                  |               |                  |                  |                  |              |                  |
| Medical Personnel                                       | (9,510)         | (8,356)         | (1,154) U        | (14%)         | (110,623)        | (102,133)        | (8,490) U        | (8%)         | (102,133)        |
| Nursing Personnel                                       | (10,680)        | (10,640)        | (40) U           | -             | (123,850)        | (124,583)        | 734 F            | 1%           | (124,583)        |
| Allied Health Personnel                                 | (4,005)         | (4,214)         | 210 F            | 5%            | (48,793)         | (50,086)         | 1,294 F          | 3%           | (50,086)         |
| Support Services Personnel                              | (800)           | (809)           | 9 F              | 1%            | (9,733)          | (9,767)          | 34 F             | -            | (9,767)          |
| Management / Admin Personnel                            | (3,285)         | (3,139)         | (146) U          | (5%)          | (38,995)         | (39,040)         | 45 F             | -            | (39,040)         |
| <b>Personnel Costs Total</b>                            | <b>(28,279)</b> | <b>(27,158)</b> | <b>(1,121) U</b> | <b>(4%)</b>   | <b>(331,994)</b> | <b>(325,610)</b> | <b>(6,384) U</b> | <b>(2%)</b>  | <b>(325,610)</b> |
| <b>Outsourced Expenses</b>                              |                 |                 |                  |               |                  |                  |                  |              |                  |
| Medical Personnel                                       | (505)           | (587)           | 82 F             | 14%           | (5,643)          | (7,474)          | 1,831 F          | 24%          | (7,474)          |
| Nursing Personnel                                       | (7)             | -               | (7) U            | -             | (44)             | -                | (44) U           | -            | -                |
| Allied Health Personnel                                 | (63)            | (31)            | (32) U           | (101%)        | (645)            | (375)            | (271) U          | (72%)        | (375)            |
| Support Personnel                                       | (41)            | (21)            | (19) U           | (91%)         | (414)            | (256)            | (158) U          | (62%)        | (256)            |
| Management / Administration Personnel                   | (2)             | (1)             | (1) U            | (76%)         | (109)            | (12)             | (97) U           | (796%)       | (12)             |
| Outsourced Clinical Services                            | (727)           | (557)           | (170) U          | (30%)         | (7,773)          | (6,633)          | (1,140) U        | (17%)        | (6,633)          |
| Outsourced Corporate / Governance Services              | (75)            | (78)            | 3 F              | 4%            | (952)            | (972)            | 19 F             | 2%           | (972)            |
| Outsourced Funder Services                              | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| <b>Outsourced Services Total</b>                        | <b>(1,419)</b>  | <b>(1,276)</b>  | <b>(144) U</b>   | <b>(11%)</b>  | <b>(15,581)</b>  | <b>(15,722)</b>  | <b>141 F</b>     | <b>1%</b>    | <b>(15,722)</b>  |
| <b>Clinical Supplies</b>                                |                 |                 |                  |               |                  |                  |                  |              |                  |
| Treatment Disposables                                   | (2,381)         | (2,463)         | 82 F             | 3%            | (29,468)         | (29,392)         | (77) U           | -            | (29,392)         |
| Diagnostic Supplies & Other Clinical Supplies           | (148)           | (157)           | 10 F             | 6%            | (1,844)          | (1,868)          | 23 F             | 1%           | (1,868)          |
| Instruments & Equipment                                 | (1,345)         | (1,290)         | (55) U           | (4%)          | (15,783)         | (15,260)         | (523) U          | (3%)         | (15,260)         |
| Patient Appliances                                      | (198)           | (157)           | (41) U           | (26%)         | (2,123)          | (2,081)          | (42) U           | (2%)         | (2,081)          |
| Implants & Prosthesis                                   | (947)           | (882)           | (66) U           | (7%)          | (11,222)         | (9,962)          | (1,260) U        | (13%)        | (9,962)          |
| Pharmaceuticals   | (1,452)         | (1,486)         | 34 F             | 2%            | (18,021)         | (18,027)         | 6 F              | -            | (18,027)         |
| Other Clinical Supplies                                 | (313)           | (260)           | (53) U           | (20%)         | (3,379)          | (3,086)          | (293) U          | (9%)         | (3,086)          |
| <b>Clinical Supplies Total</b>                          | <b>(6,784)</b>  | <b>(6,695)</b>  | <b>(90) U</b>    | <b>(1%)</b>   | <b>(81,841)</b>  | <b>(79,676)</b>  | <b>(2,165) U</b> | <b>(3%)</b>  | <b>(79,676)</b>  |
| <b>Infrastructure &amp; Non Clinical Expenses</b>       |                 |                 |                  |               |                  |                  |                  |              |                  |
| Hotel Services, Laundry & Cleaning                      | (1,094)         | (1,058)         | (35) U           | (3%)          | (12,982)         | (12,706)         | (276) U          | (2%)         | (12,706)         |
| Facilities  | (2,062)         | (1,734)         | (327) U          | (19%)         | (20,478)         | (20,500)         | 21 F             | -            | (20,500)         |
| Transport   | (357)           | (349)           | (9) U            | (2%)          | (4,079)          | (4,106)          | 28 F             | 1%           | (4,106)          |
| IT Systems & Telecommunications                         | (897)           | (887)           | (10) U           | (1%)          | (10,571)         | (10,622)         | 51 F             | -            | (10,622)         |
| Interest & Financing Charges                            | (1,204)         | (1,297)         | 93 F             | 7%            | (14,652)         | (15,662)         | 1,010 F          | 6%           | (15,662)         |
| Professional Fees & Expenses                            | (214)           | (109)           | (105) U          | (96%)         | (1,390)          | (1,311)          | (79) U           | (6%)         | (1,311)          |
| Other Operating Expenses                                | (330)           | (351)           | 21 F             | 6%            | (4,104)          | (4,310)          | 206 F            | 5%           | (4,310)          |
| Democracy   | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| Subsidiaries & Joint Ventures                           | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| <b>Infrastructure &amp; Non-Clinical Supplies Total</b> | <b>(6,158)</b>  | <b>(5,785)</b>  | <b>(373) U</b>   | <b>(6%)</b>   | <b>(68,255)</b>  | <b>(69,216)</b>  | <b>961 F</b>     | <b>1%</b>    | <b>(69,216)</b>  |
| Other Costs and Internal Allocations                    | -               | -               | -                | -             | -                | -                | -                | -            | -                |
| <b>Total Expenses</b>                                   | <b>(42,641)</b> | <b>(40,914)</b> | <b>(1,727) U</b> | <b>(4%)</b>   | <b>(497,671)</b> | <b>(490,224)</b> | <b>(7,447) U</b> | <b>(2%)</b>  | <b>(490,224)</b> |
| <b>Net Surplus/ (Deficit)</b>                           | <b>(1,417)</b>  | <b>(659)</b>    | <b>(759) U</b>   | <b>(115%)</b> | <b>(12,788)</b>  | <b>(7,936)</b>   | <b>(4,852) U</b> | <b>(61%)</b> | <b>(7,936)</b>   |
| Zero Check  | -               | -               | -                | -             | -                | -                | -                | -            | -                |

**Southern District Health Board**  
Jun-14

| <i>Part 2: DHB provider</i>  | Current Month |              |          |          | Year to Date |              |          |          | Annual       |
|--|---------------|--------------|----------|----------|--------------|--------------|----------|----------|--------------|
|  | Actual        | Budget       | Variance | Variance | Actual       | Budget       | Variance | Variance | Budget       |
|  | \$(000)       | \$(000)      | \$(000)  | %        | \$(000)      | \$(000)      | \$(000)  | %        | \$(000)      |
| <b>Part 2.1 A: Supplementary Information to Statement of Financial Performance</b> |               |              |          |          |              |              |          |          |              |
| Depreciation - Clinical Equipment  | (663)         | (645)        | (18) U   | (3%)     | (7,786)      | (7,655)      | (131) U  | (2%)     | (7,655)      |
| Depreciation - Non Res Buildings & Plant   | (655)         | (674)        | 18 F     | 3%       | (8,144)      | (8,100)      | (44) U   | (1%)     | (8,100)      |
| Depreciation - Motor Vehicles  | (23)          | (9)          | (14) U   | (156%)   | (221)        | (108)        | (113) U  | (104%)   | (108)        |
| Depreciation - Information Technology  | (260)         | (213)        | (47) U   | (22%)    | (2,989)      | (2,528)      | (461) U  | (18%)    | (2,528)      |
| Depreciation - Other Equipment   | (57)          | (39)         | (18) U   | (46%)    | (618)        | (468)        | (150) U  | (32%)    | (468)        |
| Total Depreciation   | (1,659)       | (1,580)      | (79) U   | (5%)     | (19,758)     | (18,860)     | (898) U  | (5%)     | (18,860)     |
| Interest Cost from Funder Loans  | -             | -            | -        | -        | -            | -            | -        | -        | -            |
| Interest Costs from CHFA   | (374)         | (401)        | 27 F     | 7%       | (4,514)      | (4,808)      | 294 F    | 6%       | (4,808)      |
| Financing Component of Operating Leases  | (29)          | (28)         | (1) U    | (4%)     | (281)        | (338)        | 57 F     | 17%      | (338)        |
| Capital Charge   | (795)         | (865)        | 70 F     | 8%       | (9,816)      | (10,476)     | 660 F    | 6%       | (10,476)     |
| <b>Part 1.2 : Full Time Equivalent Numbers</b>                                     |               |              |          |          |              |              |          |          |              |
| Medical Personnel  | 517           | 492          |          |          | 508          | 492          |          |          | 492          |
| Nursing Personnel  | 1,609         | 1,582        |          |          | 1,590        | 1,582        |          |          | 1,582        |
| Allied Health Personnel  | 670           | 701          |          |          | 675          | 701          |          |          | 701          |
| Support Personnel  | 193           | 196          |          |          | 193          | 196          |          |          | 196          |
| Management / Administration Personnel  | 654           | 638          |          |          | 655          | 652          |          |          | 652          |
| <b>Total Full Time Equivalents (FTE's)</b>   | <b>3,641</b>  | <b>3,608</b> |          |          | <b>3,621</b> | <b>3,622</b> |          |          | <b>3,622</b> |



Southern DHB Board Meeting - Financial Report

Southern District Health Board  
Jun-14

| Part 3: DHB Funds                                   | Current Month     |                   |                     |               | Year to Date      |                   |                     |               | Annual Budget<br>\$(000) |
|---|-------------------|-------------------|---------------------|---------------|-------------------|-------------------|---------------------|---------------|--------------------------|
|   | Actual<br>\$(000) | Budget<br>\$(000) | Variance<br>\$(000) | Variance<br>% | Actual<br>\$(000) | Budget<br>\$(000) | Variance<br>\$(000) | Variance<br>% |                          |
| <b>Part 3.1: Statement of Financial Performance</b> |                   |                   |                     |               |                   |                   |                     |               |                          |
| <b>REVENUE</b>                                      |                   |                   |                     |               |                   |                   |                     |               |                          |
| <b>Ministry of Health</b>                           |                   |                   |                     |               |                   |                   |                     |               |                          |
| MoH - Vote Health Non Mental Health                 | 56,407            | 56,335            | 73 F                |               | 676,656           | 676,014           | 642 F               |               | 676,014                  |
| MoH - Vote Health Mental Health                     | 7,057             | 7,062             | (5) U               |               | 84,683            | 84,744            | (60) U              |               | 84,744                   |
| PBF Adjustments                                     | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| MoH Funding Subcontracts                            | 4,028             | 3,124             | 904 F               | 29%           | 42,997            | 37,488            | 5,509 F             | 15%           | 37,488                   |
| MoH - Personal Health                               | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| MoH - Mental Health                                 | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| MoH - Public Health                                 | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| MoH - Disability Support Services                   | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| MoH - Maori Health                                  | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Clinical Training Agency                            | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Internal - DHB Funder to DHB Provider               | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| <b>Ministry of Health Total</b>                     | <b>67,492</b>     | <b>66,521</b>     | <b>972 F</b>        | <b>1%</b>     | <b>804,336</b>    | <b>798,246</b>    | <b>6,090 F</b>      | <b>1%</b>     | <b>798,246</b>           |
| <b>Other Government</b>                             |                   |                   |                     |               |                   |                   |                     |               |                          |
| IDF's - Mental Health Services                      | 144               | 144               | -                   |               | 1,723             | 1,723             | -                   |               | 1,723                    |
| IDF's - All others (non Mental health)              | 1,489             | 1,443             | 47 F                | 3%            | 17,022            | 17,314            | (292) U             | (2%)          | 17,314                   |
| Other DHB's   | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Training Fees and Subsidies                         | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Accident Insurance                                  | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Other Government                                    | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| <b>Other Government Total</b>                       | <b>1,633</b>      | <b>1,586</b>      | <b>47 F</b>         | <b>3%</b>     | <b>18,745</b>     | <b>19,037</b>     | <b>(292) U</b>      | <b>(2%)</b>   | <b>19,037</b>            |
| <b>Government and Crown Agency Sourced Total</b>    |                   |                   |                     |               |                   |                   |                     |               |                          |
| <b>Other Revenue</b>                                | <b>69,125</b>     | <b>68,107</b>     | <b>1,018 F</b>      | <b>1%</b>     | <b>823,082</b>    | <b>817,283</b>    | <b>5,798 F</b>      | <b>1%</b>     | <b>817,283</b>           |
| Patient / Consumer Sourced                          | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Other Income  | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| <b>Other Revenue Total</b>                          | <b>-</b>          | <b>-</b>          | <b>-</b>            | <b>-</b>      | <b>-</b>          | <b>-</b>          | <b>-</b>            | <b>-</b>      | <b>-</b>                 |
| <b>REVENUE TOTAL</b>                                | <b>69,125</b>     | <b>68,107</b>     | <b>1,018 F</b>      | <b>1%</b>     | <b>823,082</b>    | <b>817,283</b>    | <b>5,798 F</b>      | <b>1%</b>     | <b>817,283</b>           |
| <b>EXPENSES</b>                                     |                   |                   |                     |               |                   |                   |                     |               |                          |
| <b>Outsourced Expenses</b>                          |                   |                   |                     |               |                   |                   |                     |               |                          |
| Outsourced Funder Services                          | (698)             | (698)             | -                   |               | (8,379)           | (8,379)           | -                   |               | (8,379)                  |
| Other Outsourced Expenses                           | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Other Expenses                                      | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| <b>Payments to Providers</b>                        |                   |                   |                     |               |                   |                   |                     |               |                          |
| <b>Personal Health</b>                              |                   |                   |                     |               |                   |                   |                     |               |                          |
| Child and Youth                                     | (397)             | (375)             | (22) U              | (6%)          | (4,520)           | (4,504)           | (16) U              |               | (4,504)                  |
| Laboratory  | (2,975)           | (2,639)           | (336) U             | (13%)         | (32,588)          | (31,674)          | (914) U             | (3%)          | (31,674)                 |
| Infertility Treatment Services                      | (91)              | (100)             | 9 F                 | 9%            | (1,092)           | (1,200)           | 108 F               | 9%            | (1,200)                  |
| Maternity   | (262)             | (262)             | -                   |               | (3,139)           | (3,135)           | (3) U               |               | (3,135)                  |
| Maternity (Tertiary & Secondary)                    | (1,377)           | (1,385)           | 8 F                 | 1%            | (16,496)          | (16,622)          | 126 F               | 1%            | (16,622)                 |
| Pregnancy and Parenting Education                   | (11)              | (12)              | 2 F                 | 15%           | (129)             | (148)             | 19 F                | 13%           | (148)                    |
| Maternity Payment Schedule                          | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Neo Natal   | (656)             | (656)             | -                   |               | (7,875)           | (7,875)           | -                   |               | (7,875)                  |
| Sexual Health                                       | (88)              | (88)              | -                   |               | (1,055)           | (1,055)           | -                   |               | (1,055)                  |
| Adolescent Dental Benefit                           | (183)             | (237)             | 54 F                | 23%           | (2,148)           | (2,425)           | 277 F               | 11%           | (2,425)                  |
| Other Dental Services                               | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| Dental - Low Income Adult                           | (79)              | (91)              | 12 F                | 14%           | (901)             | (1,083)           | 181 F               | 17%           | (1,083)                  |
| Child (School) Dental Services                      | (622)             | (630)             | 8 F                 | 1%            | (7,411)           | (7,608)           | 196 F               | 3%            | (7,608)                  |
| Secondary / Tertiary Dental                         | (115)             | (248)             | 132 F               | 53%           | (2,771)           | (2,950)           | 178 F               | 6%            | (2,950)                  |
| Pharmaceuticals                                     | (7,937)           | (6,306)           | (1,632) U           | (26%)         | (78,486)          | (75,312)          | (3,174) U           | (4%)          | (75,312)                 |
| Pharmaceutical Cancer Treatment Drugs               | (422)             | (358)             | (64) U              | (18%)         | (4,675)           | (4,300)           | (375) U             | (9%)          | (4,300)                  |
| Pharmacy Services                                   | (28)              | (68)              | 40 F                | 59%           | (586)             | (821)             | 236 F               | 29%           | (821)                    |
| Management Referred Services                        | -                 | -                 | -                   |               | -                 | -                 | -                   |               | -                        |
| General Medical Subsidy                             | (76)              | (138)             | 62 F                | 45%           | (934)             | (1,650)           | 716 F               | 43%           | (1,650)                  |
| Primary Practice Services - Capitated               | (3,467)           | (3,431)           | (36) U              | (1%)          | (41,118)          | (41,172)          | 54 F                |               | (41,172)                 |
| Primary Health Care Strategy - Care                 | (302)             | (240)             | (62) U              | (26%)         | (3,386)           | (2,883)           | (503) U             | (17%)         | (2,883)                  |
| Primary Health Care Strategy - Health               | (592)             | (286)             | (306) U             | (107%)        | (4,452)           | (3,432)           | (1,021) U           | (30%)         | (3,432)                  |
| Primary Health Care Strategy - Other                | (339)             | (207)             | (132) U             | (64%)         | (3,067)           | (2,484)           | (583) U             | (23%)         | (2,484)                  |
| Practice Nurse Subsidy                              | (24)              | (17)              | (8) U               | (47%)         | (200)             | (198)             | (2) U               | (1%)          | (198)                    |
| Rural Support for Primary Health Pro                | (1,368)           | (1,371)           | 3 F                 |               | (16,466)          | (16,452)          | (14) U              |               | (16,452)                 |
| Immunisation  | (255)             | (286)             | 31 F                | 11%           | (2,832)           | (2,651)           | (181) U             | (7%)          | (2,651)                  |
| Radiology   | (481)             | (457)             | (24) U              | (5%)          | (5,854)           | (5,486)           | (369) U             | (7%)          | (5,486)                  |
| Palliative Care                                     | (528)             | (495)             | (33) U              | (7%)          | (5,934)           | (5,942)           | 8 F                 |               | (5,942)                  |
| Meals on Wheels                                     | (53)              | (53)              | (1) U               | (1%)          | (640)             | (632)             | (8) U               | (1%)          | (632)                    |
| Domiciliary & District Nursing                      | (1,857)           | (1,436)           | (421) U             | (29%)         | (17,343)          | (17,233)          | (110) U             | (1%)          | (17,233)                 |
| Community based Allied Health                       | (581)             | (581)             | -                   |               | (6,976)           | (6,972)           | (3) U               |               | (6,972)                  |
| Chronic Disease Management and Educa                | (268)             | (241)             | (27) U              | (11%)         | (3,090)           | (2,894)           | (196) U             | (7%)          | (2,894)                  |
| Medical Inpatients                                  | (5,619)           | (5,619)           | -                   |               | (67,425)          | (67,425)          | -                   |               | (67,425)                 |
| Medical Outpatients                                 | (3,007)           | (3,617)           | 610 F               | 17%           | (41,865)          | (43,405)          | 1,540 F             | 4%            | (43,405)                 |
| Surgical Inpatients                                 | (10,750)          | (10,426)          | (324) U             | (3%)          | (126,088)         | (125,110)         | (979) U             | (1%)          | (125,110)                |
| Surgical Outpatients                                | (1,711)           | (1,716)           | 6 F                 |               | (20,536)          | (20,592)          | 57 F                |               | (20,592)                 |
| Paediatric Inpatients                               | (641)             | (641)             | -                   |               | (7,686)           | (7,686)           | -                   |               | (7,686)                  |
| Paediatric Outpatients                              | (267)             | (267)             | -                   |               | (3,207)           | (3,207)           | -                   |               | (3,207)                  |
| Pacific Peoples' Health                             | 3                 | (22)              | 25 F                | 114%          | (191)             | (258)             | 67 F                | 26%           | (258)                    |
| Emergency Services                                  | (1,621)           | (1,630)           | 9 F                 | 1%            | (19,488)          | (19,557)          | 69 F                |               | (19,557)                 |
| Minor Personal Health Expenditure                   | (82)              | (89)              | 7 F                 | 8%            | (996)             | (1,062)           | 66 F                | 6%            | (1,062)                  |
| Price adjusters and Premium                         | 829               | 795               | 34 F                | 4%            | 9,145             | 9,543             | (398) U             | (4%)          | 9,543                    |
| Travel & Accommodation                              | (267)             | (455)             | 188 F               | 41%           | (4,403)           | (4,741)           | 337 F               | 7%            | (4,741)                  |
| Inter District Flow Personal Health                 | (2,489)           | (2,148)           | (341) U             | (16%)         | (26,450)          | (25,780)          | (671) U             | (3%)          | (25,780)                 |
| <b>Personal Health Total</b>                        | <b>(51,055)</b>   | <b>(48,529)</b>   | <b>(2,526) U</b>    | <b>(5%)</b>   | <b>(585,355)</b>  | <b>(580,072)</b>  | <b>(5,284) U</b>    | <b>(1%)</b>   | <b>(580,072)</b>         |

Southern District Health Board  
Jun-14

| Part 3: DHB Funds                              | Current Month   |                 |                  |               | Year to Date     |                  |                  |              | Annual Budget<br>\$(000) |
|--|-----------------|-----------------|------------------|---------------|------------------|------------------|------------------|--------------|--------------------------|
|  | Actual          | Budget          | Variance         | Variance      | Actual           | Budget           | Variance         | Variance     |                          |
|  | \$(000)         | \$(000)         | \$(000)          | %             | \$(000)          | \$(000)          | \$(000)          | %            |                          |
| <b>Mental Health</b>                           |                 |                 |                  |               |                  |                  |                  |              |                          |
| Mental Health to allocate                      | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Acute Mental Health Inpatients                 | (1,299)         | (1,299)         |                  |               | (15,583)         | (15,583)         |                  |              | (15,583)                 |
| Sub-Acute & Long Term Mental Health            | (362)           | (362)           |                  |               | (4,349)          | (4,349)          |                  |              | (4,349)                  |
| Crisis Respite                                 | (7)             | (7)             |                  |               | (81)             | (82)             | 1 F              | 1%           | (82)                     |
| Alcohol & Other Drugs - General                | (329)           | (330)           | 1 F              |               | (4,066)          | (3,955)          | (111) U          | (3%)         | (3,955)                  |
| Alcohol & Other Drugs - Child & Youth          | (24)            | (24)            |                  |               | (380)            | (286)            | (94) U           | (33%)        | (286)                    |
| Methadone                                      | (94)            | (94)            |                  |               | (1,125)          | (1,125)          |                  |              | (1,125)                  |
| Dual Diagnosis - Alcohol & Other Drugs         | (15)            | (45)            | 30 F             | 66%           | (155)            | (536)            | 381 F            | 71%          | (536)                    |
| Dual Diagnosis - MH/ID                         | (8)             | (5)             | (3) U            | (60%)         | (95)             | (59)             | (36) U           | (60%)        | (59)                     |
| Eating Disorder                                | (14)            | (14)            |                  |               | (167)            | (168)            | 1 F              |              | (168)                    |
| Maternal Mental Health                         | (4)             | (4)             |                  |               | (44)             | (44)             |                  |              | (44)                     |
| Child & Youth Mental Health Services           | (910)           | (856)           | (54) U           | (6%)          | (10,313)         | (10,272)         | (41) U           |              | (10,272)                 |
| Forensic Services                              | (506)           | (510)           | 4 F              | 1%            | (6,030)          | (6,117)          | 87 F             | 1%           | (6,117)                  |
| Kaupapa Maori Mental Health Services           | (98)            | (152)           | 54 F             | 36%           | (1,282)          | (1,818)          | 537 F            | 30%          | (1,818)                  |
| Kaupapa Maori Mental Health - Residential      | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Kaupapa Maori Mental Health - Inpati           | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Mental Health Community Services               | (1,807)         | (1,877)         | 70 F             | 4%            | (21,442)         | (22,522)         | 1,080 F          | 5%           | (22,522)                 |
| Prison/Court Liaison                           | (46)            | (44)            | (2) U            | (4%)          | (553)            | (531)            | (22) U           | (4%)         | (531)                    |
| Mental Health Workforce Development            | -               | -               |                  |               | (1)              | -                | (1) U            |              | -                        |
| Day Activity & Work Rehabilitation S           | (190)           | (198)           | 8 F              | 4%            | (2,320)          | (2,389)          | 49 F             | 2%           | (2,369)                  |
| Mental Health Funded Services for Older People | (35)            | (35)            |                  |               | (426)            | (426)            |                  |              | (426)                    |
| Advocacy / Peer Support - Consumer             | (53)            | (57)            | 4 F              | 7%            | (636)            | (684)            | 48 F             | 7%           | (684)                    |
| Other Home Based Residential Support           | (594)           | (374)           | (220) U          | (59%)         | (5,184)          | (4,492)          | (692) U          | (15%)        | (4,492)                  |
| Advocacy / Peer Support - Families             | (52)            | (60)            | 8 F              | 14%           | (625)            | (720)            | 95 F             | 13%          | (720)                    |
| Community Residential Beds & Service           | (425)           | (451)           | 26 F             | 6%            | (5,072)          | (5,411)          | 339 F            | 6%           | (5,411)                  |
| Minor Mental Health Expenditure                | (26)            | (32)            | 6 F              | 19%           | (501)            | (388)            | (113) U          | (29%)        | (388)                    |
| Inter District Flow Mental Health              | (441)           | (441)           |                  |               | (5,294)          | (5,294)          |                  |              | (5,294)                  |
| <b>Mental Health Total</b>                     | <b>(7,339)</b>  | <b>(7,270)</b>  | <b>(69) U</b>    | <b>(1%)</b>   | <b>(85,726)</b>  | <b>(87,232)</b>  | <b>1,506 F</b>   | <b>2%</b>    | <b>(87,232)</b>          |
| <b>Public Health</b>                           |                 |                 |                  |               |                  |                  |                  |              |                          |
| Alcohol & Drug                                 | (36)            | (26)            | (9) U            | (35%)         | (429)            | (317)            | (112) U          | (35%)        | (317)                    |
| Communicable Diseases                          | (96)            | (96)            |                  |               | (1,158)          | (1,158)          |                  |              | (1,158)                  |
| Injury Prevention                              | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Screening Programmes                           | (240)           | (368)           | 128 F            | 35%           | (5,156)          | (4,414)          | (742) U          | (17%)        | (4,414)                  |
| Mental Health                                  | (22)            | (22)            |                  |               | (265)            | (265)            |                  |              | (265)                    |
| Nutrition and Physical Activity                | (49)            | (45)            | (4) U            | (9%)          | (590)            | (542)            | (48) U           | (9%)         | (542)                    |
| Physical Environment                           | (36)            | (36)            |                  |               | (428)            | (428)            |                  |              | (428)                    |
| Public Health Infrastructure                   | (127)           | (127)           |                  |               | (1,523)          | (1,523)          |                  |              | (1,523)                  |
| Sexual Health                                  | (12)            | (12)            |                  |               | (143)            | (143)            |                  |              | (143)                    |
| Social Environments                            | (38)            | (38)            |                  |               | (452)            | (452)            |                  |              | (452)                    |
| Tobacco Control                                | (74)            | (93)            | 20 F             | 21%           | (1,121)          | (1,121)          |                  |              | (1,121)                  |
| Well Child Promotion                           | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Meningococcal                                  | -               | -               |                  |               | -                | -                |                  |              | -                        |
| <b>Public Health Total</b>                     | <b>(730)</b>    | <b>(864)</b>    | <b>134 F</b>     | <b>16%</b>    | <b>(11,266)</b>  | <b>(10,363)</b>  | <b>(903) U</b>   | <b>(9%)</b>  | <b>(10,363)</b>          |
| <b>Disability Support Services</b>             |                 |                 |                  |               |                  |                  |                  |              |                          |
| AT & R (Assessment, Treatment and Re           | (1,976)         | (1,976)         |                  |               | (23,707)         | (23,707)         |                  |              | (23,707)                 |
| Information and Advisory                       | (12)            | (13)            | 1 F              | 9%            | (120)            | (156)            | 36 F             | 23%          | (156)                    |
| Needs Assessment                               | (162)           | (163)           | 1 F              |               | (2,023)          | (1,956)          | (67) U           | (3%)         | (1,956)                  |
| Service Co-ordination                          | (20)            | (19)            | (1) U            | (5%)          | (249)            | (233)            | (17) U           | (7%)         | (233)                    |
| Home Support                                   | (1,745)         | (1,267)         | (478) U          | (38%)         | (17,682)         | (15,504)         | (2,178) U        | (14%)        | (15,504)                 |
| Carer Support                                  | (119)           | (156)           | 37 F             | 24%           | (1,567)          | (1,874)          | 307 F            | 16%          | (1,874)                  |
| Residential Care: Rest Homes                   | (2,495)         | (2,949)         | 454 F            | 15%           | (34,460)         | (35,880)         | 1,420 F          | 4%           | (35,880)                 |
| Residential Care: Loans Adjustment             | 16              | 22              | (7) U            | (30%)         | 170              | 266              | (97) U           | (36%)        | 266                      |
| Long Term Chronic Conditions                   | (363)           | (93)            | (270) U          | (292%)        | (1,789)          | (1,111)          | (678) U          | (61%)        | (1,111)                  |
| Residential Care: Hospitals                    | (3,463)         | (3,511)         | 48 F             | 1%            | (44,031)         | (42,714)         | (1,317) U        | (3%)         | (42,714)                 |
| Ageing in Place                                | (2)             | (2)             |                  |               | (30)             | (30)             |                  |              | (30)                     |
| Environmental Support Services                 | (89)            | (102)           | 13 F             | 13%           | (1,212)          | (1,218)          | 6 F              |              | (1,218)                  |
| Day Programmes                                 | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Expenditure to Attend Treatment ETAT           | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Minor Disability Support Expenditure           | (8)             | (26)            | 17 F             | 68%           | (106)            | (309)            | 203 F            | 66%          | (309)                    |
| Respite Care                                   | (175)           | (144)           | (31) U           | (22%)         | (1,758)          | (1,691)          | (67) U           | (4%)         | (1,691)                  |
| Community Health Services & Support            | (86)            | (105)           | 19 F             | 18%           | (746)            | (1,259)          | 512 F            | 41%          | (1,259)                  |
| Inter District Flow Disability Support         | (251)           | (261)           | 10 F             | 4%            | (3,118)          | (3,128)          | 10 F             |              | (3,128)                  |
| Disability Support Other                       | -               | -               |                  |               | -                | -                |                  |              | -                        |
| <b>Disability Support Services Total</b>       | <b>(10,951)</b> | <b>(10,764)</b> | <b>(187) U</b>   | <b>(2%)</b>   | <b>(132,428)</b> | <b>(130,502)</b> | <b>(1,927) U</b> | <b>(1%)</b>  | <b>(130,502)</b>         |
| <b>Maori Health</b>                            |                 |                 |                  |               |                  |                  |                  |              |                          |
| Maori Service Development                      | (38)            | (38)            |                  |               | (489)            | (454)            | (35) U           | (8%)         | (454)                    |
| Maori Provider Assistance Infrastruc           | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Maori Workforce Development                    | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Minor Maori Health Expenditure                 | -               | -               |                  |               | -                | -                |                  |              | -                        |
| Whanau Ora Services                            | (121)           | (116)           | (5) U            | (4%)          | (1,377)          | (1,386)          | 9 F              | 1%           | (1,386)                  |
| <b>Maori Health Total</b>                      | <b>(159)</b>    | <b>(154)</b>    | <b>(5) U</b>     | <b>(3%)</b>   | <b>(1,866)</b>   | <b>(1,840)</b>   | <b>(26) U</b>    | <b>(1%)</b>  | <b>(1,840)</b>           |
| Internal Allocations                           | -               | -               |                  |               | -                | -                |                  |              | -                        |
| <b>Total Expenses</b>                          | <b>(70,932)</b> | <b>(68,279)</b> | <b>(2,653) U</b> | <b>(4%)</b>   | <b>(825,020)</b> | <b>(818,387)</b> | <b>(6,633) U</b> | <b>(1%)</b>  | <b>(818,387)</b>         |
| <b>Summary of Results</b>                      |                 |                 |                  |               |                  |                  |                  |              |                          |
| Subtotal of IDF Revenue                        | 1,633           | 1,586           | 47 F             | 3%            | 18,745           | 19,037           | (292) U          | (2%)         | 19,037                   |
| Subtotal all other Revenue                     | 67,492          | 66,521          | 972 F            | 1%            | 804,336          | 798,246          | 6,090 F          | 1%           | 798,246                  |
| <b>Revenue Total</b>                           | <b>69,125</b>   | <b>68,107</b>   | <b>1,018 F</b>   | <b>1%</b>     | <b>823,082</b>   | <b>817,283</b>   | <b>5,798 F</b>   | <b>1%</b>    | <b>817,283</b>           |
| Subtotal of IDF Expenditure                    | (3,181)         | (2,850)         | (331) U          | (12%)         | (34,862)         | (34,202)         | (660) U          | (2%)         | (34,202)                 |
| Subtotal all other Expenditure                 | (67,751)        | (65,428)        | (2,322) U        | (4%)          | (790,158)        | (784,185)        | (5,973) U        | (1%)         | (784,185)                |
| <b>Expenses Total</b>                          | <b>(70,932)</b> | <b>(68,279)</b> | <b>(2,653) U</b> | <b>(4%)</b>   | <b>(825,020)</b> | <b>(818,387)</b> | <b>(6,633) U</b> | <b>(1%)</b>  | <b>(818,387)</b>         |
| <b>Net Surplus/ (Deficit)</b>                  | <b>(1,807)</b>  | <b>(172)</b>    | <b>(1,635) U</b> | <b>(953%)</b> | <b>(1,939)</b>   | <b>(1,104)</b>   | <b>(835) U</b>   | <b>(76%)</b> | <b>(1,104)</b>           |
| Zero Check                                     | -               | -               |                  |               | -                | -                |                  |              | -                        |

Southern DHB Board Meeting - Financial Report

Southern District Health Board  
Jun-14

| Part 4: DHB Consolidated                                | Current Month   |                 |                  |              | Year to Date     |                  |                  |             | Annual Budget (\$000) |
|---|-----------------|-----------------|------------------|--------------|------------------|------------------|------------------|-------------|-----------------------|
|   | Actual (\$000)  | Budget (\$000)  | Variance (\$000) | Variance %   | Actual (\$000)   | Budget (\$000)   | Variance (\$000) | Variance %  |                       |
| <b>Part 4.1: Statement of Financial Performance</b>     |                 |                 |                  |              |                  |                  |                  |             |                       |
| <b>REVENUE</b>  |                 |                 |                  |              |                  |                  |                  |             |                       |
| <b>Ministry of Health</b>                               |                 |                 |                  |              |                  |                  |                  |             |                       |
| MoH - Vote Health Non Mental Health                     | 56,407          | 56,335          | 73 F             |              | 676,656          | 676,014          | 642 F            |             | 676,014               |
| MoH - Vote Health Mental Health                         | 7,057           | 7,062           | (5) U            |              | 84,683           | 84,744           | (60) U           |             | 84,744                |
| PBF Adjustments   | -               | -               | -                |              | -                | -                | -                |             | -                     |
| MoH Funding Subcontracts                                | 4,028           | 3,124           | 904 F            | 29%          | 42,997           | 37,488           | 5,509 F          | 15%         | 37,488                |
| MoH - Personal Health                                   | 242             | 28              | 214 F            | 755%         | 405              | 339              | 66 F             | 19%         | 339                   |
| MoH - Mental Health                                     | -               | -               | -                |              | -                | -                | -                |             | -                     |
| MoH - Public Health                                     | 10              | 11              | (1) U            | (1%)         | 126              | 127              | (1) U            | (1%)        | 127                   |
| MoH - Disability Support Services                       | 860             | 739             | 121 F            | 16%          | 9,521            | 8,884            | 637 F            | 7%          | 8,884                 |
| MoH - Maori Health                                      | -               | -               | -                |              | -                | -                | -                |             | -                     |
| Clinical Training Agency                                | 546             | 544             | 2 F              |              | 7,058            | 6,531            | 527 F            | 8%          | 6,531                 |
| Internal - DHB Funder to DHB Provider                   | -               | -               | -                |              | -                | -                | -                |             | -                     |
| <b>Ministry of Health Total</b>                         | <b>69,150</b>   | <b>67,842</b>   | <b>1,308 F</b>   | <b>2%</b>    | <b>821,446</b>   | <b>814,127</b>   | <b>7,319 F</b>   | <b>1%</b>   | <b>814,127</b>        |
| <b>Other Government</b>                                 |                 |                 |                  |              |                  |                  |                  |             |                       |
| IDF's - Mental Health Services                          | 144             | 144             | -                |              | 1,723            | 1,723            | -                |             | 1,723                 |
| IDF's - All others (non Mental health)                  | 1,489           | 1,443           | 47 F             | 3%           | 17,022           | 17,314           | (292) U          | (2%)        | 17,314                |
| Other DHB's   | 124             | 25              | 99 F             | 393%         | 415              | 302              | 113 F            | 37%         | 302                   |
| Training Fees and Subsidies                             | 44              | 17              | 27 F             | 158%         | 236              | 206              | 30 F             | 15%         | 206                   |
| Accident Insurance                                      | 1,003           | 875             | 128 F            | 15%          | 10,364           | 9,250            | 1,114 F          | 12%         | 9,250                 |
| Other Government  | 668             | 424             | 243 F            | 57%          | 5,893            | 5,135            | 758 F            | 15%         | 5,135                 |
| <b>Other Government Total</b>                           | <b>3,472</b>    | <b>2,928</b>    | <b>544 F</b>     | <b>19%</b>   | <b>35,653</b>    | <b>33,930</b>    | <b>1,723 F</b>   | <b>5%</b>   | <b>33,930</b>         |
| <b>Government and Crown Agency Total</b>                | <b>72,622</b>   | <b>70,771</b>   | <b>1,852 F</b>   | <b>3%</b>    | <b>857,099</b>   | <b>848,057</b>   | <b>9,041 F</b>   | <b>1%</b>   | <b>848,057</b>        |
| <b>Other Revenue</b>                                    |                 |                 |                  |              |                  |                  |                  |             |                       |
| Patient / Consumer Sourced                              | 196             | 237             | (42) U           | (18%)        | 3,602            | 3,265            | 337 F            | 10%         | 3,265                 |
| Other Income  | 1,019           | 901             | 118 F            | 13%          | 11,320           | 10,809           | 512 F            | 5%          | 10,809                |
| <b>Other Revenue Total</b>                              | <b>1,215</b>    | <b>1,138</b>    | <b>77 F</b>      | <b>7%</b>    | <b>14,923</b>    | <b>14,074</b>    | <b>849 F</b>     | <b>6%</b>   | <b>14,074</b>         |
| <b>REVENUE TOTAL</b>                                    | <b>73,837</b>   | <b>71,909</b>   | <b>1,928 F</b>   | <b>3%</b>    | <b>872,021</b>   | <b>862,131</b>   | <b>9,890 F</b>   | <b>1%</b>   | <b>862,131</b>        |
| <b>EXPENSES</b>   |                 |                 |                  |              |                  |                  |                  |             |                       |
| <b>Personnel Expenses</b>                               |                 |                 |                  |              |                  |                  |                  |             |                       |
| Medical Personnel                                       | (9,512)         | (8,375)         | (1,138) U        | (14%)        | (110,653)        | (102,366)        | (8,288) U        | (8%)        | (102,366)             |
| Nursing Personnel                                       | (10,680)        | (10,641)        | (39) U           |              | (123,850)        | (124,592)        | 743 F            | 1%          | (124,592)             |
| Allied Health Personnel                                 | (4,005)         | (4,214)         | 210 F            | 5%           | (48,793)         | (50,086)         | 1,294 F          | 3%          | (50,086)              |
| Support Services Personnel                              | (800)           | (809)           | 9 F              | 1%           | (9,733)          | (9,767)          | 34 F             |             | (9,767)               |
| Management / Admin Personnel                            | (3,587)         | (3,420)         | (167) U          | (5%)         | (42,636)         | (42,481)         | (155) U          |             | (42,481)              |
| <b>Personnel Costs Total</b>                            | <b>(28,584)</b> | <b>(27,459)</b> | <b>(1,125) U</b> | <b>(4%)</b>  | <b>(335,665)</b> | <b>(329,292)</b> | <b>(6,373) U</b> | <b>(2%)</b> | <b>(329,292)</b>      |
| <b>Outsourced Expenses</b>                              |                 |                 |                  |              |                  |                  |                  |             |                       |
| Medical Personnel                                       | (505)           | (587)           | 82 F             | 14%          | (5,643)          | (7,474)          | 1,831 F          | 24%         | (7,474)               |
| Nursing Personnel                                       | (7)             | -               | (7) U            |              | (44)             | -                | (44) U           |             | -                     |
| Allied Health Personnel                                 | (63)            | (31)            | (32) U           | (101%)       | (645)            | (375)            | (271) U          | (72%)       | (375)                 |
| Support Personnel                                       | (41)            | (21)            | (19) U           | (91%)        | (414)            | (256)            | (158) U          | (62%)       | (256)                 |
| Management / Administration Personnel                   | (2)             | (1)             | (1) U            | (76%)        | (190)            | (12)             | (178) U          |             | (12)                  |
| Outsourced Clinical Services                            | (727)           | (657)           | (170) U          | (30%)        | (7,779)          | (6,638)          | (1,140) U        | (17%)       | (6,638)               |
| Outsourced Corporate / Governance Services              | (177)           | (158)           | (19) U           | (12%)        | (2,365)          | (1,925)          | (440) U          | (23%)       | (1,925)               |
| Outsourced Funder Services                              | (179)           | (120)           | (59) U           | (49%)        | (1,946)          | (1,486)          | (459) U          | (31%)       | (1,486)               |
| <b>Outsourced Services Total</b>                        | <b>(1,700)</b>  | <b>(1,475)</b>  | <b>(225) U</b>   | <b>(15%)</b> | <b>(19,021)</b>  | <b>(18,161)</b>  | <b>(860) U</b>   | <b>(5%)</b> | <b>(18,161)</b>       |
| <b>Clinical Supplies</b>                                |                 |                 |                  |              |                  |                  |                  |             |                       |
| Treatment Disposables                                   | (2,381)         | (2,463)         | 82 F             | 3%           | (29,469)         | (29,392)         | (77) U           |             | (29,392)              |
| Diagnostic Supplies & Other Clinical Supplies           | (1,148)         | (1,157)         | 10 F             | 8%           | (1,944)          | (1,868)          | 76 F             | 1%          | (1,868)               |
| Instruments & Equipment                                 | (1,345)         | (1,290)         | (55) U           | (4%)         | (15,783)         | (15,261)         | (522) U          | (3%)        | (15,261)              |
| Patient Appliances                                      | (198)           | (157)           | (41) U           | (26%)        | (2,123)          | (2,081)          | (42) U           | (2%)        | (2,081)               |
| Implants & Prosthesis                                   | (947)           | (882)           | (66) U           | (7%)         | (11,222)         | (9,962)          | (1,260) U        | (13%)       | (9,962)               |
| Pharmaceuticals   | (1,452)         | (1,486)         | 34 F             | 2%           | (18,021)         | (18,027)         | 6 F              |             | (18,027)              |
| Other Clinical Supplies                                 | (313)           | (260)           | (53) U           | (20%)        | (3,379)          | (3,086)          | (293) U          | (9%)        | (3,086)               |
| <b>Clinical Supplies Total</b>                          | <b>(6,784)</b>  | <b>(6,695)</b>  | <b>(89) U</b>    | <b>(1%)</b>  | <b>(81,841)</b>  | <b>(79,676)</b>  | <b>(2,165) U</b> | <b>(3%)</b> | <b>(79,676)</b>       |
| <b>Infrastructure &amp; Non Clinical Expenses</b>       |                 |                 |                  |              |                  |                  |                  |             |                       |
| Hotel Services, Laundry & Cleaning                      | (1,095)         | (1,060)         | (35) U           | (3%)         | (13,003)         | (12,724)         | (280) U          | (2%)        | (12,724)              |
| Facilities  | (2,062)         | (1,734)         | (327) U          | (19%)        | (20,478)         | (20,500)         | 21 F             |             | (20,500)              |
| Transport   | (374)           | (367)           | (7) U            | (2%)         | (4,254)          | (4,318)          | 64 F             | 1%          | (4,318)               |
| IT Systems & Telecommunications                         | (907)           | (896)           | (12) U           | (1%)         | (10,629)         | (10,730)         | 101 F            | 1%          | (10,730)              |
| Interest & Financing Charges                            | (1,234)         | (1,319)         | 85 F             | 6%           | (14,854)         | (15,926)         | 1,072 F          | 7%          | (15,926)              |
| Professional Fees & Expenses                            | (348)           | (153)           | (196) U          | (128%)       | (2,255)          | (1,831)          | (424) U          | (23%)       | (1,831)               |
| Other Operating Expenses                                | (350)           | (376)           | 26 F             | 7%           | (4,353)          | (4,608)          | 255 F            | 6%          | (4,608)               |
| Democracy   | (39)            | (42)            | 3 F              | 8%           | (791)            | (837)            | 47 F             | 6%          | (837)                 |
| Subsidiaries & Joint Ventures                           | -               | -               | -                |              | -                | -                | -                |             | -                     |
| <b>Infrastructure &amp; Non-Clinical Supplies Total</b> | <b>(6,409)</b>  | <b>(5,946)</b>  | <b>(463) U</b>   | <b>(8%)</b>  | <b>(70,617)</b>  | <b>(71,474)</b>  | <b>857 F</b>     | <b>1%</b>   | <b>(71,474)</b>       |

Southern District Health Board  
Jun-14

| Part 4: DHB Consolidated                       | Current Month   |                 |                  |              | Year to Date     |                  |                  |             | Annual Budget (\$000) |
|--|-----------------|-----------------|------------------|--------------|------------------|------------------|------------------|-------------|-----------------------|
|  | Actual (\$000)  | Budget (\$000)  | Variance (\$000) | Variance %   | Actual (\$000)   | Budget (\$000)   | Variance (\$000) | Variance %  |                       |
| <b>Payments to Providers</b>                   |                 |                 |                  |              |                  |                  |                  |             |                       |
| <b>Personal Health</b>                         |                 |                 |                  |              |                  |                  |                  |             |                       |
| Child and Youth                                | (33)            | (35)            | 3 F              | 8%           | (373)            | (424)            | 51 F             | 12%         | (424)                 |
| Laboratory                                     | (2,975)         | (2,639)         | (336) U          | (13%)        | (32,583)         | (31,669)         | (914) U          | (3%)        | (31,669)              |
| Infertility Treatment Services                 | -               | (9)             | 9 F              | -            | -                | (108)            | 108 F            | -           | (108)                 |
| Maternity                                      | (220)           | (220)           | -                | -            | (2,643)          | (2,640)          | (3) U            | -           | (2,640)               |
| Maternity (Tertiary & Secondary)               | (5)             | (14)            | 8 F              | 62%          | (37)             | (163)            | 126 F            | 77%         | (163)                 |
| Pregnancy and Parenting Education              | (8)             | (10)            | 2 F              | 19%          | (98)             | (117)            | 19 F             | 16%         | (117)                 |
| Maternity Payment Schedule                     | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Neo Natal                                      | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Sexual Health                                  | (2)             | (2)             | -                | -            | (18)             | (18)             | -                | -           | (18)                  |
| Adolescent Dental Benefit                      | (178)           | (211)           | 32 F             | 15%          | (2,036)          | (2,110)          | 74 F             | 4%          | (2,110)               |
| Other Dental Services                          | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Dental - Low Income Adult                      | (57)            | (69)            | 12 F             | 18%          | (635)            | (817)            | 181 F            | 22%         | (817)                 |
| Child (School) Dental Services                 | (31)            | (39)            | 8 F              | 20%          | (316)            | (513)            | 196 F            | 38%         | (513)                 |
| Secondary / Tertiary Dental                    | -               | (141)           | 141 F            | -            | (1,386)          | (1,667)          | 281 F            | 17%         | (1,667)               |
| Pharmaceuticals                                | (7,657)         | (5,877)         | (1,780) U        | (30%)        | (75,020)         | (70,173)         | (4,847) U        | (7%)        | (70,173)              |
| Pharmaceutical Cancer Treatment Drugs          | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Pharmacy Services                              | (19)            | (60)            | 40 F             | 67%          | (482)            | (718)            | 236 F            | 33%         | (718)                 |
| Management Referred Services                   | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| General Medical Subsidy                        | (76)            | (138)           | 62 F             | 45%          | (934)            | (1,650)          | 716 F            | 43%         | (1,650)               |
| Primary Practice Services - Capitated          | (3,467)         | (3,431)         | (36) U           | (1%)         | (41,118)         | (41,172)         | 54 F             | -           | (41,172)              |
| Primary Health Care Strategy - Care            | (302)           | (240)           | (62) U           | (26%)        | (3,386)          | (2,883)          | (503) U          | (17%)       | (2,883)               |
| Primary Health Care Strategy - Health          | (479)           | (286)           | (193) U          | (68%)        | (4,147)          | (3,432)          | (716) U          | (21%)       | (3,432)               |
| Primary Health Care Strategy - Other           | (339)           | (207)           | (132) U          | (64%)        | (3,067)          | (2,484)          | (583) U          | (23%)       | (2,484)               |
| Practice Nurse Subsidy                         | (24)            | (17)            | (8) U            | (47%)        | (200)            | (198)            | (2) U            | (1%)        | (198)                 |
| Rural Support for Primary Health Pro           | (1,298)         | (1,301)         | 3 F              | -            | (15,623)         | (15,609)         | (14) U           | -           | (15,609)              |
| Immunisation                                   | (187)           | (218)           | 31 F             | 14%          | (2,020)          | (1,840)          | (181) U          | (10%)       | (1,840)               |
| Radiology                                      | (214)           | (190)           | (24) U           | (12%)        | (2,323)          | (2,283)          | (39) U           | (2%)        | (2,283)               |
| Palliative Care                                | (493)           | (492)           | (2) U            | -            | (5,862)          | (5,901)          | 39 F             | 1%          | (5,901)               |
| Meals on Wheels                                | (20)            | (19)            | (1) U            | (3%)         | (241)            | (233)            | (8) U            | (3%)        | (233)                 |
| Domiciliary & District Nursing                 | (869)           | (448)           | (421) U          | (94%)        | (5,484)          | (5,374)          | (110) U          | (2%)        | (5,374)               |
| Community based Allied Health                  | (168)           | (167)           | -                | -            | (2,013)          | (2,009)          | (3) U            | -           | (2,009)               |
| Chronic Disease Management and Educa           | (109)           | (82)            | (27) U           | (33%)        | (1,177)          | (982)            | (196) U          | (20%)       | (982)                 |
| Medical Inpatients                             | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Medical Outpatients                            | 216             | (396)           | 612 F            | 155%         | (3,315)          | (4,750)          | 1,436 F          | 30%         | (4,750)               |
| Surgical Inpatients                            | (8)             | (20)            | 12 F             | 59%          | (210)            | (239)            | 29 F             | 12%         | (239)                 |
| Surgical Outpatients                           | (139)           | (144)           | 6 F              | 4%           | (1,672)          | (1,729)          | 57 F             | 3%          | (1,729)               |
| Paediatric Inpatients                          | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Paediatric Outpatients                         | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Pacific Peoples' Health                        | 13              | (12)            | 25 F             | 208%         | (73)             | (140)            | 67 F             | 48%         | (140)                 |
| Emergency Services                             | (151)           | (160)           | 9 F              | 6%           | (1,857)          | (1,926)          | 69 F             | 4%          | (1,926)               |
| Minor Personal Health Expenditure              | (45)            | (52)            | 7 F              | 13%          | (553)            | (619)            | 66 F             | 11%         | (619)                 |
| Price adjusters and Premium                    | (74)            | (107)           | 34 F             | (31%)        | (1,883)          | (1,285)          | (398) U          | 31%         | (1,285)               |
| Travel & Accommodation                         | (263)           | (451)           | 188 F            | 42%          | (4,352)          | (4,690)          | 337 F            | 7%          | (4,690)               |
| Inter District Flow Personal Health            | (2,489)         | (2,148)         | (341) U          | (16%)        | (26,450)         | (25,780)         | (671) U          | (3%)        | (25,780)              |
| <b>Personal Health Total</b>                   | <b>(22,168)</b> | <b>(20,051)</b> | <b>(2,117) U</b> | <b>(11%)</b> | <b>(243,388)</b> | <b>(238,342)</b> | <b>(5,046) U</b> | <b>(2%)</b> | <b>(238,342)</b>      |
| <b>Mental Health</b>                           |                 |                 |                  |              |                  |                  |                  |             |                       |
| Mental Health to allocate                      | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Acute Mental Health Inpatients                 | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Sub-Acute & Long Term Mental Health            | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Crisis Respite                                 | (5)             | (5)             | -                | -            | (56)             | (57)             | 1 F              | 1%          | (57)                  |
| Alcohol & Other Drugs - General                | (84)            | (59)            | (25) U           | (42%)        | (1,016)          | (708)            | (308) U          | (43%)       | (708)                 |
| Alcohol & Other Drugs - Child & Youth          | (24)            | (24)            | -                | -            | (380)            | (286)            | (94) U           | (33%)       | (286)                 |
| Methodone                                      | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Dual Diagnosis - Alcohol & Other Drugs         | (7)             | (36)            | 30 F             | 81%          | (54)             | (436)            | 381 F            | 88%         | (436)                 |
| Dual Diagnosis - MH/ID                         | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Eating Disorder                                | (14)            | (14)            | -                | -            | (167)            | (168)            | 1 F              | -           | (168)                 |
| Maternal Mental Health                         | (4)             | (4)             | -                | -            | (44)             | (44)             | -                | -           | (44)                  |
| Child & Youth Mental Health Services           | (386)           | (281)           | (105) U          | (37%)        | (4,073)          | (3,371)          | (702) U          | (21%)       | (3,371)               |
| Forensic Services                              | -               | (4)             | 4 F              | -            | -                | (43)             | 43 F             | -           | (43)                  |
| Kaupapa Maori Mental Health Services           | (6)             | (6)             | -                | -            | (74)             | (76)             | 2 F              | 2%          | (76)                  |
| Kaupapa Maori Mental Health - Residential      | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Kaupapa Maori Mental Health - Inpati           | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Mental Health Community Services               | (144)           | (136)           | (8) U            | (6%)         | (1,478)          | (1,629)          | 151 F            | 9%          | (1,629)               |
| Prison/Court Liaison                           | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Mental Health Workforce Development            | -               | -               | -                | -            | (1)              | -                | (1) U            | -           | -                     |
| Day Activity & Work Rehabilitation S           | (136)           | (136)           | (2) U            | (1%)         | (1,636)          | (1,615)          | (21) U           | (1%)        | (1,615)               |
| Mental Health Funded Services for Older People | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Advocacy / Peer Support - Consumer             | (23)            | (22)            | (1) U            | (2%)         | (280)            | (270)            | (10) U           | (4%)        | (270)                 |
| Other Home Based Residential Support           | (537)           | (517)           | (20) U           | (69%)        | (4,518)          | (3,800)          | (718) U          | (19%)       | (3,800)               |
| Advocacy / Peer Support - Families             | (52)            | (60)            | 8 F              | 14%          | (625)            | (720)            | 95 F             | 13%         | (720)                 |
| Community Residential Beds & Service           | (425)           | (451)           | 26 F             | 6%           | (5,072)          | (5,411)          | 339 F            | 6%          | (5,411)               |
| Minor Mental Health Expenditure                | (26)            | (32)            | 6 F              | 19%          | (501)            | (388)            | (113) U          | (29%)       | (388)                 |
| Inter District Flow Mental Health              | (441)           | (441)           | -                | -            | (5,294)          | (5,294)          | -                | -           | (5,294)               |
| <b>Mental Health Total</b>                     | <b>(2,313)</b>  | <b>(2,027)</b>  | <b>(286) U</b>   | <b>(14%)</b> | <b>(25,269)</b>  | <b>(24,315)</b>  | <b>(954) U</b>   | <b>(4%)</b> | <b>(24,315)</b>       |
| <b>Public Health</b>                           |                 |                 |                  |              |                  |                  |                  |             |                       |
| Alcohol & Drug                                 | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Communicable Diseases                          | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Injury Prevention                              | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Mental Health                                  | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Screening Programmes                           | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Nutrition and Physical Activity                | (27)            | (23)            | (4) U            | (18%)        | (320)            | (272)            | (48) U           | (18%)       | (272)                 |
| Physical Environment                           | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Public Health Infrastructure                   | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Sexual Health                                  | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Social Environments                            | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Tobacco Control                                | 7               | (12)            | 20 F             | 158%         | (133)            | (150)            | 17 F             | 11%         | (150)                 |
| Well Child Promotion                           | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| Meningococcal                                  | -               | -               | -                | -            | -                | -                | -                | -           | -                     |
| <b>Public Health Total</b>                     | <b>(20)</b>     | <b>(35)</b>     | <b>16 F</b>      | <b>44%</b>   | <b>(453)</b>     | <b>(422)</b>     | <b>(31) U</b>    | <b>(7%)</b> | <b>(422)</b>          |

10

Southern DHB Board Meeting - Financial Report

Southern District Health Board  
Jun-14

| Part 4: DHB Consolidated   | Current Month   |                 |                   |               | Year to Date     |                  |                   |              | Annual Budget (\$'000) |
|--|-----------------|-----------------|-------------------|---------------|------------------|------------------|-------------------|--------------|------------------------|
|  | Actual (\$'000) | Budget (\$'000) | Variance (\$'000) | Variance %    | Actual (\$'000)  | Budget (\$'000)  | Variance (\$'000) | Variance %   |                        |
| <b>Disability Support Services</b>   |                 |                 |                   |               |                  |                  |                   |              |                        |
| AT & R (Assessment, Treatment and Re Information and Advisory Needs Assessment     | (297)           | (297)           |                   |               | (3,569)          | (3,569)          |                   |              | (3,569)                |
| Service Co-ordination  | (12)            | (13)            | 1 F               | 9%            | (120)            | (156)            | 36 F              | 23%          | (156)                  |
| Home Support   | (25)            | (22)            | (3) U             | (16%)         | (377)            | (260)            | (117) U           | (45%)        | (260)                  |
| Carer Support  | (1)             | -               | (1) U             |               | (17)             | -                | (17) U            |              | -                      |
| Residential Care: Rest Homes   | (1,745)         | (1,267)         | (478) U           | (38%)         | (17,682)         | (15,504)         | (2,178) U         | (14%)        | (15,504)               |
| Residential Care: Loans Adjustment   | (119)           | (156)           | 37 F              | 24%           | (1,567)          | (1,874)          | 307 F             | 16%          | (1,874)                |
| Long Term Chronic Conditions   | (2,495)         | (2,949)         | 454 F             | 15%           | (34,460)         | (35,880)         | 1,420 F           | 4%           | (35,880)               |
| Residential Care: Hospitals  | 15              | 22              | (7) U             | (30%)         | 170              | 266              | (97) U            | (36%)        | 266                    |
| Ageing in Place  | (355)           | (85)            | (270) U           | (319%)        | (1,693)          | (1,015)          | (678) U           | (67%)        | (1,015)                |
| Environmental Support Services   | (3,463)         | (3,511)         | 48 F              | 1%            | (44,031)         | (42,714)         | (1,317) U         | (3%)         | (42,714)               |
| Day Programmes   | -               | -               | -                 | -             | -                | -                | -                 | -            | -                      |
| Expenditure to Attend Treatment ETAT   | (87)            | (100)           | 13 F              | 13%           | (1,186)          | (1,191)          | 6 F               |              | (1,191)                |
| Minor Disability Support Expenditure   | -               | -               | -                 | -             | -                | -                | -                 | -            | -                      |
| Respite Care   | -               | (17)            | 17 F              |               | (6)              | (209)            | 203 F             | 97%          | (209)                  |
| Community Health Services & Support  | (175)           | (144)           | (31) U            | (22%)         | (1,758)          | (1,691)          | (67) U            | (4%)         | (1,691)                |
| Inter District Flow Disability Support   | (65)            | (84)            | 19 F              | 23%           | (496)            | (1,008)          | 512 F             | 51%          | (1,008)                |
| Disability Support Other   | (251)           | (261)           | 10 F              | 4%            | (3,118)          | (3,128)          | 10 F              |              | (3,128)                |
| <b>Disability Support Services Total</b>   | <b>(9,075)</b>  | <b>(8,883)</b>  | <b>(192) U</b>    | <b>(2%)</b>   | <b>(109,909)</b> | <b>(107,932)</b> | <b>(1,977) U</b>  | <b>(2%)</b>  | <b>(107,932)</b>       |
| <b>Maori Health</b>  |                 |                 |                   |               |                  |                  |                   |              |                        |
| Maori Service Development  | (22)            | (22)            |                   |               | (301)            | (267)            | (35) U            | (13%)        | (267)                  |
| Maori Provider Assistance Infrastruc   | -               | -               | -                 | -             | -                | -                | -                 | -            | -                      |
| Minor Maori Health Expenditure   | -               | -               | -                 | -             | -                | -                | -                 | -            | -                      |
| Whanau Ora Services  | (113)           | (108)           | (5) U             | (5%)          | (1,281)          | (1,290)          | 9 F               | 1%           | (1,290)                |
| <b>Maori Health Total</b>  | <b>(135)</b>    | <b>(130)</b>    | <b>(5) U</b>      | <b>(4%)</b>   | <b>(1,583)</b>   | <b>(1,557)</b>   | <b>(26) U</b>     | <b>(2%)</b>  | <b>(1,557)</b>         |
| Internal Allocations   | -               | -               | -                 | -             | -                | -                | -                 | -            | -                      |
| <b>Total Expenses</b>  | <b>(77,188)</b> | <b>(72,701)</b> | <b>(4,487) U</b>  | <b>(6%)</b>   | <b>(887,746)</b> | <b>(871,171)</b> | <b>(16,576) U</b> | <b>(2%)</b>  | <b>(871,171)</b>       |
| <b>Net Surplus/ (Deficit)</b>  | <b>(3,351)</b>  | <b>(793)</b>    | <b>(2,559) U</b>  | <b>(323%)</b> | <b>(15,725)</b>  | <b>(9,039)</b>   | <b>(6,686) U</b>  | <b>(74%)</b> | <b>(9,039)</b>         |
| Zero Check   | -               | -               | -                 | -             | -                | -                | -                 | -            | -                      |
| <b>Part 4.1 A: Supplementary Information to Statement of Financial Performance</b> |                 |                 |                   |               |                  |                  |                   |              |                        |
| Depreciation - Clinical Equipment  | (663)           | (645)           | (18) U            | (3%)          | (7,786)          | (7,655)          | (131) U           | (2%)         | (7,655)                |
| Depreciation - Non Residential Buildings & Plant                                   | (655)           | (674)           | 18 F              | 3%            | (8,144)          | (8,100)          | (44) U            | (1%)         | (8,100)                |
| Depreciation - Motor Vehicles  | (23)            | (9)             | (14) U            | (156%)        | (221)            | (108)            | (113) U           | (104%)       | (108)                  |
| Depreciation - Information Technology  | (260)           | (213)           | (47) U            | (22%)         | (2,989)          | (2,528)          | (461) U           | (18%)        | (2,528)                |
| Depreciation - Other Equipment   | (57)            | (39)            | (18) U            | (46%)         | (616)            | (468)            | (150) U           | (32%)        | (468)                  |
| <b>Total Depreciation</b>  | <b>(1,659)</b>  | <b>(1,580)</b>  | <b>(79) U</b>     | <b>(5%)</b>   | <b>(19,759)</b>  | <b>(18,860)</b>  | <b>(898) U</b>    | <b>(5%)</b>  | <b>(18,860)</b>        |
| Interest Cost from Funder Loans  | -               | -               | -                 | -             | -                | -                | -                 | -            | -                      |
| Interest Costs from CHFA   | (374)           | (401)           | 27 F              | 7%            | (4,514)          | (4,808)          | 294 F             | 6%           | (4,808)                |
| Financing Component of Operating Leases  | (29)            | (28)            | (1) U             | (4%)          | (281)            | (338)            | 57 F              | 17%          | (338)                  |
| <b>Capital Charge</b>  | <b>(795)</b>    | <b>(865)</b>    | <b>70 F</b>       | <b>8%</b>     | <b>(9,816)</b>   | <b>(10,476)</b>  | <b>660 F</b>      | <b>6%</b>    | <b>(10,476)</b>        |

**Southern District Health Board**  
**Jun-14**

| <b>Part 4: DHB Consolidated</b>                   | <b>Current Month Actual \$ (000)</b> | <b>Previous Month Actual \$ (000)</b> | <b>Movement \$ (000)</b> | <b>Current Budget \$ (000)</b> | <b>Current Year Opening Balance Sheet \$ (000)</b> | <b>Annual Budget \$ (000)</b> |
|---|--------------------------------------|---------------------------------------|--------------------------|--------------------------------|--|-------------------------------|
| <b>Part 4.2: Balance Sheet</b>                    |                                      |                                       |                          |                                |  |                               |
| <b>Current Assets</b>                             |                                      |                                       |                          |                                |  |                               |
| Petty Cash  | 16                                   | 16                                    | -                        | 15                             | 15   | 15                            |
| Bank  | (285)                                | (245)                                 | (39)                     | 12,242                         | (401)  | -                             |
| Short Term Investments - HBL                      | 12,711                               | 8,512                                 | 4,199                    | -                              | 27,629   | 12,242                        |
| Short Term Investments                            | -                                    | -                                     | -                        | -                              | -  | -                             |
| Prepayments                                       | 2,115                                | 2,358                                 | (243)                    | 2,530                          | 1,639  | 2,530                         |
| Accounts Receivable                               | 10,434                               | 8,401                                 | 2,032                    | 6,000                          | 7,519  | 6,000                         |
| Provision for Doubtful Debts                      | (1,974)                              | (1,969)                               | (6)                      | (1,695)                        | (1,839)  | (1,695)                       |
| Accrued Debtors                                   | 20,241                               | 23,582                                | (3,341)                  | 26,417                         | 15,707   | 26,417                        |
| Inventory / Stock                                 | 4,746                                | 4,809                                 | (63)                     | 4,422                          | 4,817  | 4,422                         |
| <b>Current Assets Total</b>                       | <b>48,004</b>                        | <b>45,464</b>                         | <b>2,539</b>             | <b>49,932</b>                  | <b>55,086</b>                                      | <b>49,932</b>                 |
| <b>Non Current Assets</b>                         |                                      |                                       |                          |                                |  |                               |
| Land, Buildings & Plant                           | 250,439                              | 268,774                               | (18,335)                 | 279,029                        | 259,028  | 279,029                       |
| Clinical Equipment (incl Finance Leases)          | 109,418                              | 108,783                               | 635                      | 126,395                        | 111,928  | 126,395                       |
| Other Equipment (incl Finance Leases)             | 15,190                               | 15,018                                | 171                      | 14,546                         | 15,515   | 14,546                        |
| Information Technology                            | 38,708                               | 38,600                                | 108                      | 45,125                         | 36,469   | 45,125                        |
| Motor Vehicles                                    | 2,343                                | 2,343                                 | -                        | 1,210                          | 1,484  | 1,210                         |
| Provision Depreciation - Buildings & Plant        | (2,354)                              | (31,985)                              | 29,631                   | (32,787)                       | (24,497)   | (32,787)                      |
| Provision Depreciation - Clinical Equipment       | (73,947)                             | (73,543)                              | (404)                    | (82,774)                       | (74,745)   | (82,774)                      |
| Provision Depreciation - Other Equipment          | (11,560)                             | (11,503)                              | (57)                     | (12,322)                       | (11,787)   | (12,322)                      |
| Provision Depreciation - Information Technology   | (28,263)                             | (28,074)                              | (189)                    | (28,540)                       | (25,814)   | (28,540)                      |
| Provision Depreciation - Motor Vehicles           | (902)                                | (880)                                 | (23)                     | (547)                          | (391)  | (547)                         |
| WIP   | 4,577                                | 4,718                                 | (141)                    | 0                              | 6,198  | -                             |
| Investment in Associates                          | -                                    | -                                     | -                        | 280                            | -  | 280                           |
| Long Term Investments                             | 3,586                                | 3,470                                 | 116                      | 3,584                          | 1,841  | 3,584                         |
| <b>Non Current Assets Total</b>                   | <b>307,235</b>                       | <b>295,721</b>                        | <b>11,512</b>            | <b>313,200</b>                 | <b>295,229</b>                                     | <b>313,201</b>                |
| <b>Current Liabilities</b>                        |                                      |                                       |                          |                                |  |                               |
| Accounts Payable Control                          | (7,132)                              | (3,900)                               | (3,232)                  | (4,900)                        | (3,872)  | (4,900)                       |
| Accrued Creditors                                 | (29,688)                             | (26,888)                              | (2,800)                  | (33,345)                       | (27,670)   | (33,345)                      |
| Income Received in Advance                        | (1,157)                              | (1,440)                               | 283                      | (1,743)                        | (892)  | (1,743)                       |
| Capital Charge Payable                            | -                                    | (3,974)                               | 3,974                    | -                              | (4,731)  | -                             |
| GST & Tax Provisions                              | (5,359)                              | (5,177)                               | (183)                    | (3,418)                        | (4,194)  | (3,418)                       |
| Term Loans - Finance Leases (current portion)     | (2,330)                              | (1,645)                               | (684)                    | (1,120)                        | (943)  | (1,120)                       |
| Term Loans - Crown (current portion)              | (12,976)                             | (12,976)                              | -                        | (17,363)                       | (10,806)   | (17,363)                      |
| Payroll Accrual & Clearing Accounts               | (14,093)                             | (12,747)                              | (1,346)                  | (13,331)                       | (12,494)   | (13,331)                      |
| Employee Entitlement Provisions                   | (47,325)                             | (46,191)                              | (1,134)                  | (43,985)                       | (46,597)   | (43,985)                      |
| <b>Current Liabilities Total</b>                  | <b>(120,060)</b>                     | <b>(114,938)</b>                      | <b>(5,122)</b>           | <b>(119,203)</b>               | <b>(112,199)</b>                                   | <b>(119,203)</b>              |
| <b>WORKING CAPITAL</b>                            | <b>(72,056)</b>                      | <b>(69,474)</b>                       | <b>(2,583)</b>           | <b>(69,271)</b>                | <b>(57,113)</b>                                    | <b>(69,271)</b>               |
| <b>NET FUNDS EMPLOYED</b>                         | <b>235,179</b>                       | <b>226,247</b>                        | <b>8,929</b>             | <b>243,929</b>                 | <b>238,116</b>                                     | <b>243,929</b>                |
| <b>Non Current Liabilities</b>                    |                                      |                                       |                          |                                |  |                               |
| Long Service Leave - Non Current Portion          | (2,994)                              | (2,994)                               | -                        | (3,376)                        | (3,085)  | (3,376)                       |
| Retirement Gratuities - Non Current Portion       | (10,887)                             | (10,761)                              | (126)                    | (12,688)                       | (11,147)   | (12,688)                      |
| Other Employee Entitlement Provisions             | (1,213)                              | (1,213)                               | -                        | -                              | (1,237)  | -                             |
| Term Loans - Finance Leases (non current portion) | (1,555)                              | (2,275)                               | 721                      | (4,477)                        | (2,945)  | (4,477)                       |
| Term Loans - Crown (non current portion)          | (88,250)                             | (88,221)                              | (30)                     | (84,092)                       | (91,014)   | (84,092)                      |
| Custodial Funds                                   | -                                    | -                                     | -                        | -                              | -  | -                             |
| <b>Non Current Liabilities Total</b>              | <b>(104,899)</b>                     | <b>(105,464)</b>                      | <b>565</b>               | <b>(104,633)</b>               | <b>(109,428)</b>                                   | <b>(104,633)</b>              |
| <b>Crown Equity</b>                               |                                      |                                       |                          |                                |  |                               |
| Crown Equity                                      | (171,495)                            | (171,495)                             | -                        | (175,371)                      | (171,495)  | (175,371)                     |
| Crown Equity Injection                            | (9,000)                              | (4,500)                               | (4,500)                  | (14,721)                       | -  | (14,721)                      |
| Crown Equity Repayments                           | 707                                  | -                                     | 707                      | 707                            | -  | 707                           |
| Trust and Special Funds (no restricted use)       | (4,947)                              | (4,970)                               | 23                       | -                              | (5,085)  | -                             |
| Revaluation Reserve                               | (93,570)                             | (84,515)                              | (9,056)                  | (85,362)                       | (84,515)   | (85,362)                      |
| Retained Earnings - DHB Governance & Funding      | 3,966                                | 3,839                                 | 127                      | 2,772                          | 2,967  | 2,772                         |
| Retained Earnings - DHB Provider                  | 105,937                              | 104,542                               | 1,394                    | 96,282                         | 93,256   | 96,282                        |
| Retained Earnings - Funds                         | 38,122                               | 36,316                                | 1,807                    | 36,397                         | 36,184   | 36,397                        |
| <b>Crown Equity Total</b>                         | <b>(130,280)</b>                     | <b>(120,783)</b>                      | <b>(9,497)</b>           | <b>(139,296)</b>               | <b>(128,688)</b>                                   | <b>(139,296)</b>              |
| <b>NET FUNDS EMPLOYED</b>                         | <b>(235,179)</b>                     | <b>(226,247)</b>                      | <b>(8,929)</b>           | <b>(243,929)</b>               | <b>(238,116)</b>                                   | <b>(243,929)</b>              |
| Zero Check  | -                                    | -                                     | -                        | 0                              | -  | 0                             |
| <b>Part 4.3: Statement of Movement in Equity</b>  |                                      |                                       |                          |                                |  |                               |
| Total equity at beginning of the period           | (120,783)                            | (125,877)                             | 5,094                    | (134,322)                      | (128,688)  | (134,322)                     |
| Net Results for Period                            | 3,351                                | 5,094                                 | (1,743)                  | 9,039                          | -  | 9,039                         |
| Revaluation of Fixed Assets                       | (9,056)                              | -                                     | (9,056)                  | -                              | -  | -                             |
| Equity Injections - Deficit Support               | (4,500)                              | -                                     | (4,500)                  | (9,000)                        | -  | (9,000)                       |
| Equity Injections - Capital Projects              | -                                    | -                                     | -                        | (5,720)                        | -  | (5,721)                       |
| Equity Repayments                                 | 707                                  | -                                     | 707                      | 707                            | -  | 707                           |
| Other   | -                                    | -                                     | -                        | -                              | -  | -                             |
| Movement in Trust and Special Funds               | -                                    | -                                     | -                        | -                              | -  | -                             |
| <b>Total Equity at end of the period</b>          | <b>(130,280)</b>                     | <b>(120,783)</b>                      | <b>(9,497)</b>           | <b>(139,296)</b>               | <b>(128,688)</b>                                   | <b>(139,296)</b>              |

10

**Board Cash Flow - Southern  
Jun-14**

| <b>Part 4: DHB Consolidated</b>                             | <b>Current Month</b> |                 |                  | <b>Year to Date</b> |                  |                   | <b>Annual</b>    |
|---|----------------------|-----------------|------------------|---------------------|------------------|-------------------|------------------|
|   | <b>Actual</b>        | <b>Budget</b>   | <b>Variance</b>  | <b>Actual</b>       | <b>Budget</b>    | <b>Variance</b>   | <b>Budget</b>    |
|   | <b>\$(000)</b>       | <b>\$(000)</b>  | <b>\$(000)</b>   | <b>\$(000)</b>      | <b>\$(000)</b>   | <b>\$(000)</b>    | <b>\$(000)</b>   |
| <b>Part 4.4 Statement of Cashflows</b>                      |                      |                 |                  |                     |                  |                   |                  |
| <b>Operating Revenue</b>                                    |                      |                 |                  |                     |                  |                   |                  |
| Government and Crown Agency Revenue                         | 73,653               | 70,475          | 3,178 F          | 850,049             | 846,500          | 3,549 F           | 846,500          |
| Other Revenue Received                                      | 1,022                | 962             | 60 F             | 13,038              | 11,851           | 1,187 F           | 11,851           |
| <b>Total Receipts</b>                                       | <b>74,675</b>        | <b>71,437</b>   | <b>3,238 F</b>   | <b>863,087</b>      | <b>858,351</b>   | <b>4,736 F</b>    | <b>858,351</b>   |
| Payments for Personnel                                      | (25,977)             | (25,769)        | (208) U          | (333,712)           | (328,220)        | (5,492) U         | (328,220)        |
| Payments for Supplies                                       | (8,541)              | (11,917)        | 3,376 F          | (133,486)           | (133,169)        | (317) U           | (133,169)        |
| Interest Paid   | (875)                | (780)           | (95) U           | (4,514)             | (5,107)          | 593 F             | (5,107)          |
| Capital Charge Paid   | (4,769)              | (5,224)         | 455 F            | (14,547)            | (10,499)         | (4,048) U         | (10,499)         |
| GST (Net) & Tax   | 183                  | (754)           | 937 F            | 1,166               | (69)             | 1,235 F           | (69)             |
| Payment to own DHB Provider (Eliminated)                    | -                    | -               | -                | -                   | -                | -                 | -                |
| Payment to own DHB Governance & Funding Admin               | -                    | -               | -                | -                   | -                | -                 | -                |
| Payments to other DHBs                                      | (3,181)              | (2,850)         | (331) U          | (33,546)            | (34,202)         | 656 F             | (34,202)         |
| Payments to Providers                                       | (27,149)             | (29,088)        | 1,939 F          | (345,740)           | (337,910)        | (7,830) U         | (337,910)        |
| <b>Total Payments</b>                                       | <b>(70,309)</b>      | <b>(76,382)</b> | <b>6,073 F</b>   | <b>(864,379)</b>    | <b>(849,176)</b> | <b>(15,203) U</b> | <b>(849,176)</b> |
| <b>Net Cashflow from Operating</b>                          | <b>4,366</b>         | <b>(4,945)</b>  | <b>9,311 F</b>   | <b>(1,292)</b>      | <b>9,175</b>     | <b>(10,467) U</b> | <b>9,175</b>     |
| <b>Investing Activities</b>                                 |                      |                 |                  |                     |                  |                   |                  |
| Interest Receipts 3rd Party                                 | 157                  | 185             | (28) U           | 1,818               | 2,220            | (402) U           | 2,220            |
| Sale of Fixed Assets  | 35                   | -               | -                | 67                  | -                | 67 F              | -                |
| <b>Capital Expenditure</b>                                  |                      |                 |                  |                     |                  |                   |                  |
| Land, Buildings & Plant                                     | (747)                | (364)           | (382) U          | (7,604)             | (10,276)         | 2,672 F           | (10,276)         |
| Clinical Equipment  | (784)                | (500)           | (284) U          | (6,909)             | (11,465)         | 4,556 F           | (11,465)         |
| Other Equipment   | (171)                | -               | (171) U          | (641)               | (400)            | (241) U           | (400)            |
| Information Technology                                      | (2,336)              | (502)           | (1,834) U        | (4,800)             | (6,583)          | 1,783 F           | (6,583)          |
| Motor Vehicles  | -                    | -               | -                | (20)                | -                | (20) U            | -                |
| Work in Progress (Check)                                    | -                    | -               | -                | -                   | -                | -                 | -                |
| <b>Total Capital Expenditure</b>                            | <b>(4,037)</b>       | <b>(1,366)</b>  | <b>(2,671) U</b> | <b>(19,974)</b>     | <b>(28,724)</b>  | <b>8,750 F</b>    | <b>(28,724)</b>  |
| Increase in Investments and Restricted & Trust Funds Assets | (116)                | (116)           | -                | (1,746)             | (1,746)          | -                 | (1,746)          |
| <b>Net Cashflow from Investing</b>                          | <b>(3,961)</b>       | <b>(1,297)</b>  | <b>(2,699) U</b> | <b>(19,835)</b>     | <b>(28,250)</b>  | <b>8,415 F</b>    | <b>(28,250)</b>  |
| <b>Financing Activities</b>                                 |                      |                 |                  |                     |                  |                   |                  |
| Equity Injections   | 4,500                | 4,500           | -                | 8,293               | 14,014           | (5,722) U         | 14,014           |
| <b>New Debt</b>   |                      |                 |                  |                     |                  |                   |                  |
| Private Sector  | -                    | -               | -                | -                   | -                | -                 | -                |
| CHFA  | -                    | -               | -                | -                   | -                | -                 | -                |
| <b>Repaid Debt</b>  |                      |                 |                  |                     |                  |                   |                  |
| Private Sector  | (38)                 | (96)            | 58 F             | (1,129)             | (1,233)          | 104 F             | (1,233)          |
| CHFA  | -                    | (150)           | 150 F            | (806)               | (600)            | (206) U           | (600)            |
| <b>Other Non-Current Liability Movement</b>                 |                      |                 |                  |                     |                  |                   |                  |
| Other Equity Movement                                       | (707)                | (709)           | 2 F              | (31)                | -                | (31) U            | -                |
| <b>Net Cashflow from Financing</b>                          | <b>3,756</b>         | <b>3,545</b>    | <b>210 F</b>     | <b>6,327</b>        | <b>12,181</b>    | <b>(5,855) U</b>  | <b>12,181</b>    |
| <b>Net Cashflow</b>   | <b>4,160</b>         | <b>(2,697)</b>  | <b>6,857 F</b>   | <b>(14,800)</b>     | <b>(6,894)</b>   | <b>(7,906) U</b>  | <b>(6,894)</b>   |
| Plus Cash (Opening)   | 8,282                | 14,954          | (6,672) U        | 27,243              | 19,151           | 8,092 F           | 19,151           |
| Cash (Closing)  | <b>12,442</b>        | <b>12,257</b>   | <b>186 F</b>     | <b>12,442</b>       | <b>12,257</b>    | <b>186 F</b>      | <b>12,257</b>    |
| Carry Forward Check   |                      |                 |                  |                     |                  |                   |                  |
| <b>Closing Cash made up of:</b>                             |                      |                 |                  |                     |                  |                   |                  |
| Petty Cash  | 16                   | 15              | (1) U            | 16                  | 15               | 1 F               | 15               |
| Bank (Overdraft)  | (285)                | 12,242          | 12,527 F         | (285)               | -                | (285) U           | -                |
| Short Term Investments                                      | 12,711               | -               | (12,711) U       | 12,711              | 12,242           | 469 F             | 12,242           |
| <b>Total Cashflow Cash (Closing)</b>                        | <b>12,442</b>        | <b>12,257</b>   | <b>186 F</b>     | <b>12,442</b>       | <b>12,257</b>    | <b>186 F</b>      | <b>12,257</b>    |

## FUNDER FINANCIAL REPORT

Financial Report as at: **30 June 2014**  
 Report Prepared by: **David Dickson**  
 Date: **25 July 2014**

### Recommendations:

- That the Board note the Financial Report

*(Note: as there is no DSAC/CPHAC meeting this month, this report is being submitted directly to Board.)*

### 1. DHB Funds Result

The overall funder result follows;

| Actual<br>\$' 000 | Month             |                     |                         | Year to Date      |                   |                     | Annual<br>Budget<br>\$' 000 |
|-------------------|-------------------|---------------------|-------------------------|-------------------|-------------------|---------------------|-----------------------------|
|                   | Budget<br>\$' 000 | Variance<br>\$' 000 |                         | Actual<br>\$' 000 | Budget<br>\$' 000 | Variance<br>\$' 000 |                             |
| 69,125            | 68,107            | 1,018               | Revenue                 | 823,082           | 817,283           | 5,799               | 817,283                     |
| (70,932)          | (68,279)          | (2,653)             | Less Other Costs        | (825,020)         | (818,387)         | (6,633)             | (818,387)                   |
| (1,807)           | (172)             | (1,635)             | Net Surplus / (Deficit) | (1,938)           | (1,104)           | (834)               | (1,104)                     |
|                   |                   |                     | <b>Expenses</b>         |                   |                   |                     |                             |
| (51,055)          | (48,529)          | (2,526)             | Personal Health         | (585,355)         | (580,072)         | (5,283)             | (580,071)                   |
| (7,339)           | (7,270)           | (69)                | Mental Health           | (85,726)          | (87,232)          | 1,506               | (87,232)                    |
| (730)             | (864)             | 134                 | Public Health           | (11,266)          | (10,363)          | (903)               | (10,363)                    |
| (10,951)          | (10,764)          | (187)               | Disability Support      | (132,428)         | (130,502)         | (1,926)             | (130,502)                   |
| (159)             | (154)             | (5)                 | Maori Health            | (1,866)           | (1,840)           | (26)                | (1,840)                     |
| (698)             | (698)             | 0                   | Other                   | (8,378)           | (8,378)           | 0                   | (8,379)                     |
| (70,932)          | (68,279)          | (2,653)             | Expenses                | (825,019)         | (818,387)         | (6,632)             | (818,387)                   |

#### Summary Comment:

The June result was a deficit of \$1.8m against a budget of \$0.2m. The full year result is a deficit of \$1.9m which is \$0.8m unfavourable to budget.



## 2. Results by Grouping

The following table shows revenue and expenditure by Personal Health, Mental Health, Public Health, Disability Support, Maori Health, and Funding and Governance.

|          | Month    |         |                          |                | Year to Date |         |           | Annual Budget |
|----------|----------|---------|--------------------------|----------------|--------------|---------|-----------|---------------|
|          | Actual   | Budget  | Variance                 |                | Actual       | Budget  | Variance  |               |
|          | \$ '000  | \$ '000 | \$ '000                  |                | \$ '000      | \$ '000 | \$ '000   | \$ '000       |
|          |          |         |                          | <b>Revenue</b> |              |         |           |               |
| 59,061   | 59,024   | 37      | Personal Health          | 711,228        | 708,284      | 2,944   | 708,284   |               |
| 7,332    | 7,220    | 111     | Mental Health            | 87,309         | 86,645       | 664     | 86,645    |               |
| 1,644    | 955      | 689     | Public Health            | 12,472         | 11,456       | 1,017   | 11,456    |               |
| 345      | 210      | 135     | Disability Support       | 3,648          | 2,520        | 1,128   | 2,520     |               |
| 46       | 0        | 46      | Maori Health             | 46             | 0            | 46      |           |               |
| 698      | 698      | 0       | Funding and Governance   | 8,379          | 8,379        | 0       | 8,379     |               |
| 69,125   | 68,107   | 1,018   | Revenue total            | 823,082        | 817,283      | 5,798   | 817,283   |               |
|          |          |         | <b>Expenses</b>          |                |              |         |           |               |
| (51,055) | (48,529) | (2,526) | Personal Health          | (585,355)      | (580,071)    | (5,284) | (580,071) |               |
| (7,339)  | (7,270)  | (69)    | Mental Health            | (85,726)       | (87,232)     | 1,506   | (87,232)  |               |
| (730)    | (864)    | 134     | Public Health            | (11,266)       | (10,363)     | (903)   | (10,363)  |               |
| (10,951) | (10,764) | (187)   | Disability Support       | (132,428)      | (130,502)    | (1,926) | (130,502) |               |
| (159)    | (154)    | (5)     | Maori Health             | (1,866)        | (1,840)      | (26)    | (1,840)   |               |
| (698)    | (698)    | 0       | Funding and Governance   | (8,379)        | (8,379)      | 0       | (8,379)   |               |
| (70,932) | (68,279) | (2,653) | Expenses total           | (825,020)      | (818,387)    | (6,633) | (818,387) |               |
|          |          |         | <b>Surplus (Deficit)</b> |                |              |         |           |               |
| 8,006    | 10,495   | (2,489) | Personal Health          | 125,873        | 128,213      | (2,340) | 128,213   |               |
| (7)      | (50)     | 42      | Mental Health            | 1,583          | (587)        | 2,170   | (587)     |               |
| 914      | 91       | 823     | Public Health            | 1,206          | 1,093        | 114     | 1,093     |               |
| (10,606) | (10,554) | (52)    | Disability Support       | (128,780)      | (127,982)    | (798)   | (127,982) |               |
| (113)    | (154)    | 41      | Maori Health             | (1,820)        | (1,840)      | 20      | (1,840)   |               |
| 0        | 0        | 0       | Funding and Governance   | 0              | 0            | 0       | 0         |               |
| (1,807)  | (172)    | (1,635) |                          | (1,938)        | (1,104)      | (835)   | (1,104)   |               |

For the year to date Personal Health has an unfavourable variance of \$2.3m. Some of the additional costs have revenue offset, with additional pharmaceutical, IDF washup and Laboratory costs all impacting in June. Mental Health is favourable due to the wash-up back to the provider arm. Public Health is unfavourable, due to Screening Programmes with expenses higher than budget, although offset with revenue. Disability Support is unfavourable \$0.8m with Home Support and Residential Care both higher than budget, and again having some revenue offset.

**3. DHB Funds Result split by NGO and Provider**

Southern DHB Board Meeting - Financial Report

| Part 3: DHB Funds                     | Current Month   |                 |                  |             | Year to Date     |                  |                  |             | Annual           |
|---------------------------------------|-----------------|-----------------|------------------|-------------|------------------|------------------|------------------|-------------|------------------|
|                                       | Actual          | Budget          | Variance         | Variance    | Actual           | Budget           | Variance         | Variance    | Budget           |
|                                       | \$(000)         | \$(000)         | \$(000)          | %           | \$(000)          | \$(000)          | \$(000)          | %           | \$(000)          |
| <b>Personal Health - Provider</b>     |                 |                 |                  |             |                  |                  |                  |             |                  |
| Child and Youth                       | (364)           | (340)           | (24) U           | (7%)        | (4,147)          | (4,080)          | (67) U           | (2%)        | (4,080)          |
| Laboratory                            | -               | -               |                  |             | (5)              | (5)              |                  |             | (5)              |
| Infertility Treatment Services        | (91)            | (91)            |                  |             | (1,092)          | (1,092)          |                  |             | (1,092)          |
| Maternity                             | (42)            | (42)            |                  |             | (496)            | (495)            | (1) U            | (0%)        | (495)            |
| Maternity (Tertiary & Secondary)      | (1,372)         | (1,371)         | (1) U            | (0%)        | (16,459)         | (16,459)         |                  |             | (16,459)         |
| Pregnancy and Parenting Education     | (3)             | (2)             | (1) U            | (50%)       | (31)             | (31)             |                  |             | (31)             |
| Neo Natal                             | (656)           | (656)           |                  |             | (7,875)          | (7,875)          |                  |             | (7,875)          |
| Sexual Health                         | (86)            | (86)            |                  |             | (1,037)          | (1,037)          |                  |             | (1,037)          |
| Adolescent Dental Benefit             | (5)             | (26)            | 21 F             | 81%         | (112)            | (315)            | 203 F            | 64%         | (315)            |
| Dental - Low Income Adult             | (22)            | (22)            |                  |             | (266)            | (266)            |                  |             | (266)            |
| Child (School) Dental Services        | (591)           | (591)           |                  |             | (7,095)          | (7,095)          |                  |             | (7,095)          |
| Secondary / Tertiary Dental           | (115)           | (107)           | (8) U            | (7%)        | (1,385)          | (1,283)          | (102) U          | (8%)        | (1,283)          |
| Pharmaceuticals                       | (280)           | (429)           | 149 F            | 35%         | (3,466)          | (5,139)          | 1,673 F          | 33%         | (5,139)          |
| Pharmaceutical Cancer Treatment Drug  | (422)           | (358)           | (64) U           | (18%)       | (4,675)          | (4,300)          | (375) U          | (9%)        | (4,300)          |
| Pharmacy Services                     | (9)             | (8)             | (1) U            | (13%)       | (104)            | (103)            | (1) U            | (1%)        | (103)            |
| Primary Health Care Strategy - Health | (113)           | -               | (113) U          |             | (305)            | -                | (305) U          |             | -                |
| Rural Support for Primary Health Pro  | (70)            | (70)            |                  |             | (843)            | (843)            |                  |             | (843)            |
| Immunisation                          | (68)            | (68)            |                  |             | (812)            | (811)            | (1) U            | (0%)        | (811)            |
| Radiology                             | (267)           | (267)           |                  |             | (3,531)          | (3,203)          | (328) U          | (10%)       | (3,203)          |
| Palliative Care                       | (35)            | (3)             | (32) U           |             | (72)             | (41)             | (31) U           | (76%)       | (41)             |
| Meals on Wheels                       | (33)            | (34)            | 1 F              | 3%          | (399)            | (399)            |                  |             | (399)            |
| Domiciliary & District Nursing        | (988)           | (988)           |                  |             | (11,859)         | (11,859)         |                  |             | (11,859)         |
| Community based Allied Health         | (413)           | (414)           | 1 F              | 0%          | (4,963)          | (4,963)          |                  |             | (4,963)          |
| Chronic Disease Management and Edu    | (159)           | (159)           |                  |             | (1,913)          | (1,912)          | (1) U            | (0%)        | (1,912)          |
| Medical Inpatients                    | (5,619)         | (5,619)         |                  |             | (67,425)         | (67,425)         |                  |             | (67,425)         |
| Medical Outpatients                   | (3,223)         | (3,221)         | (2) U            | (0%)        | (38,550)         | (38,655)         | 105 F            | 0%          | (38,655)         |
| Surgical Inpatients                   | (10,742)        | (10,406)        | (336) U          | (3%)        | (125,878)        | (124,871)        | (1,007) U        | (1%)        | (124,871)        |
| Surgical Outpatients                  | (1,572)         | (1,572)         |                  |             | (18,864)         | (18,863)         | (1) U            | (0%)        | (18,863)         |
| Paediatric Inpatients                 | (641)           | (641)           |                  |             | (7,686)          | (7,686)          |                  |             | (7,686)          |
| Paediatric Outpatients                | (267)           | (267)           |                  |             | (3,207)          | (3,207)          |                  |             | (3,207)          |
| Pacific Peoples' Health               | (10)            | (10)            |                  |             | (118)            | (118)            |                  |             | (118)            |
| Emergency Services                    | (1,470)         | (1,470)         |                  |             | (17,631)         | (17,631)         |                  |             | (17,631)         |
| Minor Personal Health Expenditure     | (37)            | (37)            |                  |             | (443)            | (443)            |                  |             | (443)            |
| Price adjusters and Premium           | 903             | 902             | 1 F              | (0%)        | 10,828           | 10,828           |                  |             | 10,828           |
| Travel & Accomodation                 | (4)             | (4)             |                  |             | (51)             | (51)             |                  |             | (51)             |
| Inter District Flow Personal Health   | -               | -               |                  |             | -                | -                |                  |             | -                |
|                                       | <b>(28,886)</b> | <b>(28,477)</b> | <b>(409) U</b>   | <b>(1%)</b> | <b>(341,967)</b> | <b>(341,728)</b> | <b>(239) U</b>   | <b>(0%)</b> | <b>(341,728)</b> |
| <b>Personal Health - NGO</b>          |                 |                 |                  |             |                  |                  |                  |             |                  |
| Child and Youth                       | (33)            | (35)            | 3 F              | 8%          | (373)            | (424)            | 51 F             | 12%         | (424)            |
| Laboratory                            | (2,975)         | (2,639)         | (336) U          | (13%)       | (32,583)         | (31,669)         | (914) U          | (3%)        | (31,669)         |
| Infertility Treatment Services        | -               | (9)             | 9 F              |             | -                | (108)            | 108 F            |             | (108)            |
| Maternity                             | (220)           | (220)           |                  |             | (2,643)          | (2,640)          | (3) U            |             | (2,640)          |
| Maternity (Tertiary & Secondary)      | (5)             | (14)            | 8 F              | 62%         | (37)             | (163)            | 126 F            | 77%         | (163)            |
| Pregnancy and Parenting Education     | (8)             | (10)            | 2 F              | 19%         | (98)             | (117)            | 19 F             | 16%         | (117)            |
| Sexual Health                         | (2)             | (2)             |                  |             | (18)             | (18)             |                  |             | (18)             |
| Adolescent Dental Benefit             | (178)           | (211)           | 32 F             | 15%         | (2,036)          | (2,110)          | 74 F             | 4%          | (2,110)          |
| Other Dental Services                 | -               | -               |                  |             | -                | -                |                  |             | -                |
| Dental - Low Income Adult             | (57)            | (69)            | 12 F             | 18%         | (635)            | (817)            | 181 F            | 22%         | (817)            |
| Child (School) Dental Services        | (31)            | (39)            | 8 F              | 20%         | (316)            | (513)            | 196 F            | 38%         | (513)            |
| Secondary / Tertiary Dental           | -               | (141)           | 141 F            |             | (1,386)          | (1,667)          | 281 F            | 17%         | (1,667)          |
| Pharmaceuticals                       | (7,657)         | (5,877)         | (1,780) U        | (30%)       | (75,020)         | (70,173)         | (4,847) U        | (7%)        | (70,173)         |
| Pharmacy Services                     | (19)            | (60)            | 40 F             | 67%         | (482)            | (718)            | 236 F            | 33%         | (718)            |
| General Medical Subsidy               | (76)            | (138)           | 62 F             | 45%         | (934)            | (1,650)          | 716 F            | 43%         | (1,650)          |
| Primary Practice Services - Capitated | (3,467)         | (3,431)         | (36) U           | (1%)        | (41,118)         | (41,172)         | 54 F             |             | (41,172)         |
| Primary Health Care Strategy - Care   | (302)           | (240)           | (62) U           | (26%)       | (3,386)          | (2,883)          | (503) U          | (17%)       | (2,883)          |
| Primary Health Care Strategy - Health | (479)           | (286)           | (193) U          | (68%)       | (4,147)          | (3,432)          | (716) U          | (21%)       | (3,432)          |
| Primary Health Care Strategy - Other  | (339)           | (207)           | (132) U          | (64%)       | (3,067)          | (2,484)          | (583) U          | (23%)       | (2,484)          |
| Practice Nurse Subsidy                | (24)            | (17)            | (8) U            | (47%)       | (200)            | (198)            | (2) U            | (1%)        | (198)            |
| Rural Support for Primary Health Pro  | (1,298)         | (1,301)         | 3 F              |             | (15,623)         | (15,609)         | (14) U           |             | (15,609)         |
| Immunisation                          | (187)           | (218)           | 31 F             | 14%         | (2,020)          | (1,840)          | (181) U          | (10%)       | (1,840)          |
| Radiology                             | (214)           | (190)           | (24) U           | (12%)       | (2,323)          | (2,283)          | (39) U           | (2%)        | (2,283)          |
| Palliative Care                       | (493)           | (492)           | (2) U            |             | (5,862)          | (5,901)          | 39 F             | 1%          | (5,901)          |
| Meals on Wheels                       | (20)            | (19)            | (1) U            | (3%)        | (241)            | (233)            | (8) U            | (3%)        | (233)            |
| Domiciliary & District Nursing        | (869)           | (448)           | (421) U          | (94%)       | (5,484)          | (5,374)          | (110) U          | (2%)        | (5,374)          |
| Community based Allied Health         | (168)           | (167)           |                  |             | (2,013)          | (2,009)          | (3) U            |             | (2,009)          |
| Chronic Disease Management and Edu    | (109)           | (82)            | (27) U           | (33%)       | (1,177)          | (982)            | (196) U          | (20%)       | (982)            |
| Medical Outpatients                   | 216             | (396)           | 612 F            | 155%        | (3,315)          | (4,750)          | 1,436 F          | 30%         | (4,750)          |
| Surgical Inpatients                   | (8)             | (20)            | 12 F             | 59%         | (210)            | (239)            | 29 F             | 12%         | (239)            |
| Surgical Outpatients                  | (139)           | (144)           | 6 F              | 4%          | (1,672)          | (1,729)          | 57 F             | 3%          | (1,729)          |
| Pacific Peoples' Health               | 13              | (12)            | 25 F             | 208%        | (73)             | (140)            | 67 F             | 48%         | (140)            |
| Emergency Services                    | (151)           | (160)           | 9 F              | 6%          | (1,857)          | (1,926)          | 69 F             | 4%          | (1,926)          |
| Minor Personal Health Expenditure     | (45)            | (52)            | 7 F              | 13%         | (553)            | (619)            | 66 F             | 11%         | (619)            |
| Price adjusters and Premium           | (74)            | (107)           | 34 F             | (31%)       | (1,683)          | (1,285)          | (398) U          | 31%         | (1,285)          |
| Travel & Accomodation                 | (263)           | (451)           | 188 F            | 42%         | (4,352)          | (4,690)          | 337 F            | 7%          | (4,690)          |
| Inter District Flow Personal Health   | (2,489)         | (2,148)         | (341) U          | (16%)       | (26,450)         | (25,780)         | (671) U          | (3%)        | (25,780)         |
|                                       | <b>(22,170)</b> | <b>(20,052)</b> | <b>(2,118) U</b> | <b>(5%)</b> | <b>(243,387)</b> | <b>(238,345)</b> | <b>(5,042) U</b> | <b>(1%)</b> | <b>(238,345)</b> |

The table above splits funder expenditure For Personal Health into NGO and Provider arm. The provider variance is due to favourable community pharmaceuticals, partly offset by additional transfers for contracts with additional funding within the surgical inpatient line relating to additional electives volumes.

NGO variances YTD are \$5.0 with pharmaceuticals higher than budget, with \$1.0m of costs from 2012/13 impacting this financial year, budgeted savings targets not being achieved and actual costs higher than the latest pharmacy forecast for community pharms and PCT costs. Laboratory, and Primary healthcare costs are also ahead of budget with some revenue offset.

**Mental Health**

| Part 3: DHB Funds                          | Current Month  |                |                |              | Year to Date    |                 |                |             | Annual          |
|--|----------------|----------------|----------------|--------------|-----------------|-----------------|----------------|-------------|-----------------|
|  | Actual         | Budget         | Variance       | Variance     | Actual          | Budget          | Variance       | Variance    | Budget          |
|  | \$(000)        | \$(000)        | \$(000)        | %            | \$(000)         | \$(000)         | \$(000)        | %           | \$(000)         |
| <b>Mental Health - Provider</b>            |                |                |                |              |                 |                 |                |             |                 |
| Acute Mental Health Inpatients             | (1,299)        | (1,299)        |                |              | (15,583)        | (15,583)        |                |             | (15,583)        |
| Sub-Acute & Long Term Mental Health        | (362)          | (362)          |                |              | (4,349)         | (4,349)         |                |             | (4,349)         |
| Crisis Respite                             | (2)            | (2)            |                |              | (25)            | (25)            |                |             | (25)            |
| Alcohol & Other Drugs - General            | (245)          | (271)          | 26 F           | 10%          | (3,050)         | (3,247)         | 197 F          | 6%          | (3,247)         |
| Methadone                                  | (94)           | (94)           |                |              | (1,125)         | (1,125)         |                |             | (1,125)         |
| Dual Diagnosis - Alcohol & Other Drugs     | (8)            | (9)            | 1 F            | 11%          | (101)           | (100)           | (1) U          | (1%)        | (100)           |
| Dual Diagnosis - MH/ID                     | (8)            | (5)            | (3) U          | (60%)        | (95)            | (59)            | (36) U         | (61%)       | (59)            |
| Child & Youth Mental Health Services       | (524)          | (575)          | 51 F           | 9%           | (6,240)         | (6,901)         | 661 F          | 10%         | (6,901)         |
| Forensic Services                          | (506)          | (506)          |                |              | (6,030)         | (6,074)         | 44 F           | 1%          | (6,074)         |
| Kaupapa Maori Mental Health Services       | (92)           | (146)          | 54 F           | 37%          | (1,208)         | (1,742)         | 534 F          | 31%         | (1,742)         |
| Mental Health Community Services           | (1,663)        | (1,741)        | 78 F           | 4%           | (19,964)        | (20,893)        | 929 F          | 4%          | (20,893)        |
| Prison/Court Liaison                       | (46)           | (44)           | (2) U          | (5%)         | (553)           | (531)           | (22) U         | (4%)        | (531)           |
| Day Activity & Work Rehabilitation S       | (54)           | (63)           | 9 F            | 14%          | (684)           | (754)           | 70 F           | 9%          | (754)           |
| Mental Health Funded Services for Older Pe | (35)           | (35)           |                |              | (426)           | (426)           |                |             | (426)           |
| Advocacy / Peer Support - Consumer         | (30)           | (35)           | 5 F            | 14%          | (356)           | (414)           | 58 F           | 14%         | (414)           |
| Other Home Based Residential Support       | (57)           | (57)           |                |              | (666)           | (692)           | 26 F           | 4%          | (692)           |
|  | <b>(5,025)</b> | <b>(5,244)</b> | <b>219 F</b>   | <b>4%</b>    | <b>(60,455)</b> | <b>(62,915)</b> | <b>2,460 F</b> | <b>4%</b>   | <b>(62,915)</b> |
| <b>Mental Health - NGO</b>                 |                |                |                |              |                 |                 |                |             |                 |
| Crisis Respite                             | (5)            | (5)            |                |              | (56)            | (57)            | 1 F            | 1%          | (57)            |
| Alcohol & Other Drugs - General            | (84)           | (59)           | (25) U         | (42%)        | (1,016)         | (708)           | (308) U        | (43%)       | (708)           |
| Alcohol & Other Drugs - Child & Youth      | (24)           | (24)           |                |              | (380)           | (286)           | (94) U         | (33%)       | (286)           |
| Dual Diagnosis - Alcohol & Other Drugs     | (7)            | (36)           | 30 F           | 81%          | (54)            | (436)           | 381 F          | 88%         | (436)           |
| Eating Disorder                            | (14)           | (14)           |                |              | (167)           | (168)           | 1 F            |             | (168)           |
| Maternal Mental Health                     | (4)            | (4)            |                |              | (44)            | (44)            |                |             | (44)            |
| Child & Youth Mental Health Services       | (386)          | (281)          | (105) U        | (37%)        | (4,073)         | (3,371)         | (702) U        | (21%)       | (3,371)         |
| Forensic Services                          | -              | (4)            | 4 F            |              | -               | (43)            | 43 F           |             | (43)            |
| Kaupapa Maori Mental Health Services       | (6)            | (6)            |                |              | (74)            | (76)            | 2 F            | 2%          | (76)            |
| Mental Health Community Services           | (144)          | (136)          | (8) U          | (6%)         | (1,478)         | (1,629)         | 151 F          | 9%          | (1,629)         |
| Day Activity & Work Rehabilitation S       | (136)          | (135)          | (2) U          | (1%)         | (1,636)         | (1,615)         | (21) U         | (1%)        | (1,615)         |
| Advocacy / Peer Support - Consumer         | (23)           | (22)           | (1) U          | (2%)         | (280)           | (270)           | (10) U         | (4%)        | (270)           |
| Other Home Based Residential Support       | (537)          | (317)          | (220) U        | (69%)        | (4,518)         | (3,800)         | (718) U        | (19%)       | (3,800)         |
| Advocacy / Peer Support - Families         | (52)           | (60)           | 8 F            | 14%          | (625)           | (720)           | 95 F           | 13%         | (720)           |
| Community Residential Beds & Service       | (425)          | (451)          | 26 F           | 6%           | (5,072)         | (5,411)         | 339 F          | 6%          | (5,411)         |
| Minor Mental Health Expenditure            | (26)           | (32)           | 6 F            | 19%          | (501)           | (388)           | (113) U        | (29%)       | (388)           |
| Inter District Flow Mental Health          | (441)          | (441)          |                |              | (5,294)         | (5,294)         |                |             | (5,294)         |
| <b>Mental Health Total</b>                 | <b>(2,313)</b> | <b>(2,027)</b> | <b>(286) U</b> | <b>(14%)</b> | <b>(25,269)</b> | <b>(24,315)</b> | <b>(954) U</b> | <b>(4%)</b> | <b>(24,315)</b> |

Mental health provider, the wash-up between the funder and provider results in the favourable variance of \$2.4m YTD.

Mental health NGO providers are \$0.9m unfavourable with both Child and youth services and residential support both ahead of budget.

**Public Health**

| <b>Part 3: DHB Funds</b>        | <b>Current Month</b> |                |                 |                 | <b>Year to Date</b> |                |                 |                 | <b>Annual</b>  |
|---------------------------------|----------------------|----------------|-----------------|-----------------|---------------------|----------------|-----------------|-----------------|----------------|
|                                 | <b>Actual</b>        | <b>Budget</b>  | <b>Variance</b> | <b>Variance</b> | <b>Actual</b>       | <b>Budget</b>  | <b>Variance</b> | <b>Variance</b> | <b>Budget</b>  |
|                                 | <b>\$(000)</b>       | <b>\$(000)</b> | <b>\$(000)</b>  | <b>%</b>        | <b>\$(000)</b>      | <b>\$(000)</b> | <b>\$(000)</b>  | <b>%</b>        | <b>\$(000)</b> |
| <b>Public Health - Provider</b> |                      |                |                 |                 |                     |                |                 |                 |                |
| Alcohol & Drug                  | (36)                 | (26)           | (10) U          | (38%)           | (429)               | (317)          | (112) U         | (35%)           | (317)          |
| Communicable Diseases           | (96)                 | (96)           |                 |                 | (1,158)             | (1,158)        |                 |                 | (1,158)        |
| Screening Programmes            | (240)                | (368)          | 128 F           | 35%             | (5,156)             | (4,414)        | (742) U         | (17%)           | (4,414)        |
| Mental Health                   | (22)                 | (22)           |                 |                 | (265)               | (265)          |                 |                 | (265)          |
| Nutrition and Physical Activity | (22)                 | (22)           |                 |                 | (270)               | (270)          |                 |                 | (270)          |
| Physical Environment            | (36)                 | (36)           |                 |                 | (428)               | (428)          |                 |                 | (428)          |
| Public Health Infrastructure    | (127)                | (127)          |                 |                 | (1,523)             | (1,523)        |                 |                 | (1,523)        |
| Sexual Health                   | (12)                 | (12)           |                 |                 | (143)               | (143)          |                 |                 | (143)          |
| Social Environments             | (38)                 | (38)           |                 |                 | (452)               | (452)          |                 |                 | (452)          |
| Tobacco Control                 | (81)                 | (81)           |                 |                 | (988)               | (971)          | (17) U          | (2%)            | (971)          |
|                                 | <b>(710)</b>         | <b>(828)</b>   | <b>118 F</b>    | <b>14%</b>      | <b>(10,812)</b>     | <b>(9,941)</b> | <b>(871) U</b>  | <b>(9%)</b>     | <b>(9,941)</b> |
| <b>Public Health - NGO</b>      |                      |                |                 |                 |                     |                |                 |                 |                |
| Nutrition and Physical Activity | (27)                 | (23)           | (4) U           | (18%)           | (320)               | (272)          | (48) U          | (18%)           | (272)          |
| Tobacco Control                 | 7                    | (12)           | 20 F            | 158%            | (133)               | (150)          | 17 F            | 11%             | (150)          |
|                                 | <b>(20)</b>          | <b>(35)</b>    | <b>16 F</b>     | <b>(19%)</b>    | <b>(453)</b>        | <b>(422)</b>   | <b>(31) U</b>   | <b>(7%)</b>     | <b>(422)</b>   |

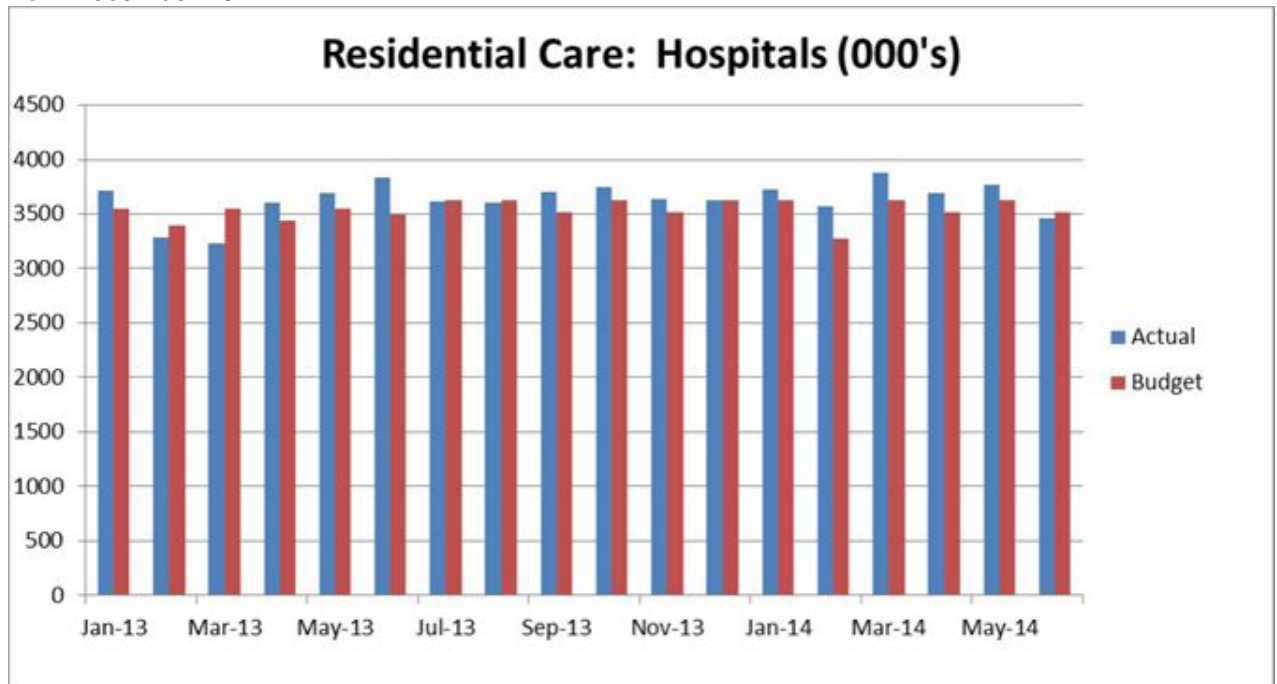
The public health provider variance is offset with revenue, with additional revenue received for cervical and breast screening programmes.

**Disability Support Services**

| <b>Part 3: DHB Funds</b>                      | <b>Current Month</b> |                |                 |                 | <b>Year to Date</b> |                  |                  |                 | <b>Annual</b>    |
|---|----------------------|----------------|-----------------|-----------------|---------------------|------------------|------------------|-----------------|------------------|
|   | <b>Actual</b>        | <b>Budget</b>  | <b>Variance</b> | <b>Variance</b> | <b>Actual</b>       | <b>Budget</b>    | <b>Variance</b>  | <b>Variance</b> | <b>Budget</b>    |
|   | <b>\$(000)</b>       | <b>\$(000)</b> | <b>\$(000)</b>  | <b>%</b>        | <b>\$(000)</b>      | <b>\$(000)</b>   | <b>\$(000)</b>   | <b>%</b>        | <b>\$(000)</b>   |
| <b>Disability Support Services - Provider</b> |                      |                |                 |                 |                     |                  |                  |                 |                  |
| AT & R (Assessment, Treatment and Re          | (1,679)              | (1,679)        |                 |                 | (20,138)            | (20,138)         |                  |                 | (20,138)         |
| Needs Assessment                              | (137)                | (141)          | 4 F             | 3%              | (1,646)             | (1,696)          | 50 F             | 3%              | (1,696)          |
| Service Co-ordination                         | (19)                 | (19)           |                 |                 | (232)               | (233)            | 1 F              | 0%              | (233)            |
| Long Term Chronic Conditions                  | (8)                  | (8)            |                 |                 | (96)                | (96)             |                  |                 | (96)             |
| Ageing in Place                               | (2)                  | (2)            |                 |                 | (30)                | (30)             |                  |                 | (30)             |
| Environmental Support Services                | (2)                  | (2)            |                 |                 | (26)                | (27)             | 1 F              | 4%              | (27)             |
| Minor Disability Support Expenditure          | (8)                  | (9)            | 1 F             | 11%             | (100)               | (100)            |                  |                 | (100)            |
| Community Health Services & Support           | (21)                 | (21)           |                 |                 | (250)               | (251)            | 1 F              | 0%              | (251)            |
|   | <b>(1,876)</b>       | <b>(1,881)</b> | <b>5 F</b>      | <b>0%</b>       | <b>(22,518)</b>     | <b>(22,571)</b>  | <b>53 F</b>      | <b>0%</b>       | <b>(22,571)</b>  |
| <b>Disability Support Services - NGO</b>      |                      |                |                 |                 |                     |                  |                  |                 |                  |
| AT & R (Assessment, Treatment and Re          | (297)                | (297)          |                 |                 | (3,569)             | (3,569)          |                  |                 | (3,569)          |
| Information and Advisory                      | (12)                 | (13)           | 1 F             | 9%              | (120)               | (156)            | 36 F             | 23%             | (156)            |
| Needs Assessment                              | (25)                 | (22)           | (3) U           | (16%)           | (377)               | (260)            | (117) U          | (45%)           | (260)            |
| Service Co-ordination                         | (1)                  | -              | (1) U           |                 | (17)                | -                | (17) U           |                 | -                |
| Home Support                                  | (1,745)              | (1,267)        | (478) U         | (38%)           | (17,682)            | (15,504)         | (2,178) U        | (14%)           | (15,504)         |
| Carer Support                                 | (119)                | (156)          | 37 F            | 24%             | (1,567)             | (1,874)          | 307 F            | 16%             | (1,874)          |
| Residential Care: Rest Homes                  | (2,495)              | (2,949)        | 454 F           | 15%             | (34,460)            | (35,880)         | 1,420 F          | 4%              | (35,880)         |
| Residential Care: Loans Adjustment            | 16                   | 22             | (7) U           | (30%)           | 170                 | 266              | (97) U           | (36%)           | 266              |
| Long Term Chronic Conditions                  | (355)                | (85)           | (270) U         | (319%)          | (1,693)             | (1,015)          | (678) U          | (67%)           | (1,015)          |
| Residential Care: Hospitals                   | (3,463)              | (3,511)        | 48 F            | 1%              | (44,031)            | (42,714)         | (1,317) U        | (3%)            | (42,714)         |
| Environmental Support Services                | (87)                 | (100)          | 13 F            | 13%             | (1,186)             | (1,191)          | 6 F              |                 | (1,191)          |
| Minor Disability Support Expenditure          | -                    | (17)           | 17 F            |                 | (6)                 | (209)            | 203 F            | 97%             | (209)            |
| Respite Care                                  | (175)                | (144)          | (31) U          | (22%)           | (1,758)             | (1,691)          | (67) U           | (4%)            | (1,691)          |
| Community Health Services & Support           | (65)                 | (84)           | 19 F            | 23%             | (496)               | (1,008)          | 512 F            | 51%             | (1,008)          |
| Inter District Flow Disability Support        | (251)                | (261)          | 10 F            | 4%              | (3,118)             | (3,128)          | 10 F             |                 | (3,128)          |
|   | <b>(9,075)</b>       | <b>(8,883)</b> | <b>(192) U</b>  | <b>(2%)</b>     | <b>(109,909)</b>    | <b>(107,932)</b> | <b>(1,977) U</b> | <b>(2%)</b>     | <b>(107,932)</b> |

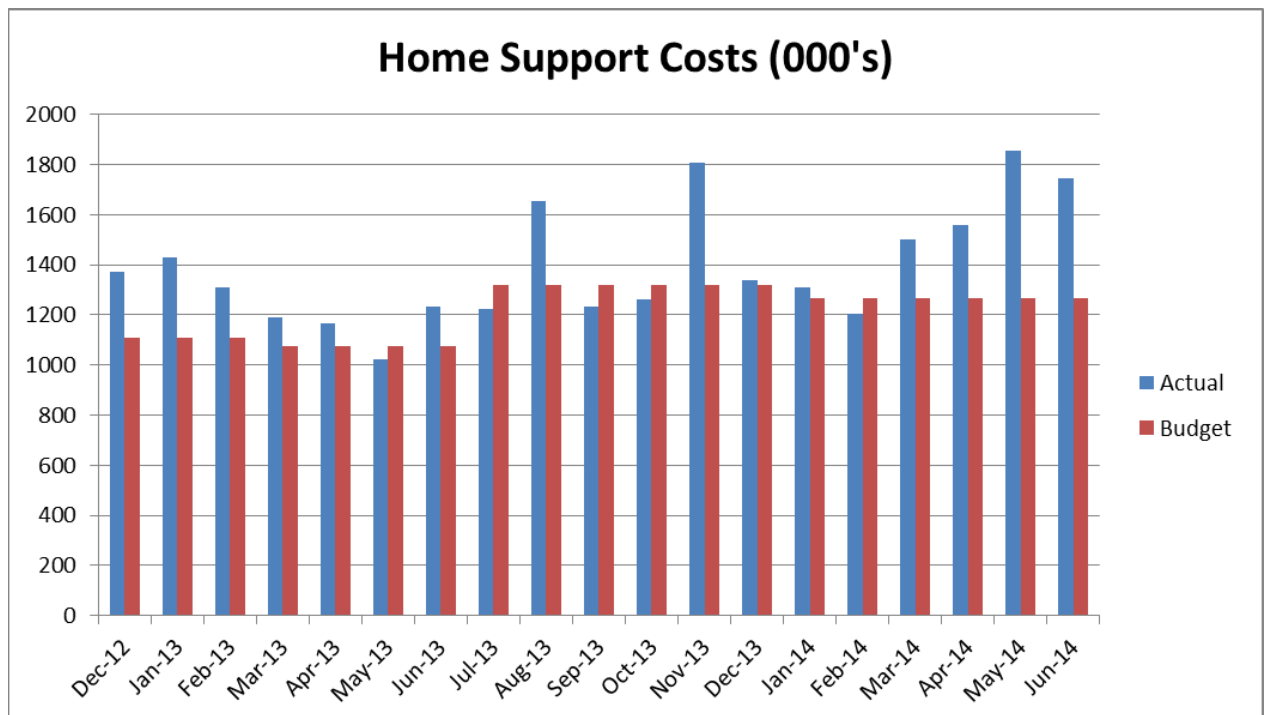
DSS costs for NGO providers are unfavourable by \$1.9m for the year with home support and residential care costs ahead of budget.

Residential care hospitals is \$1.3m higher than budget, with the following graph showing the trend from December 2012.



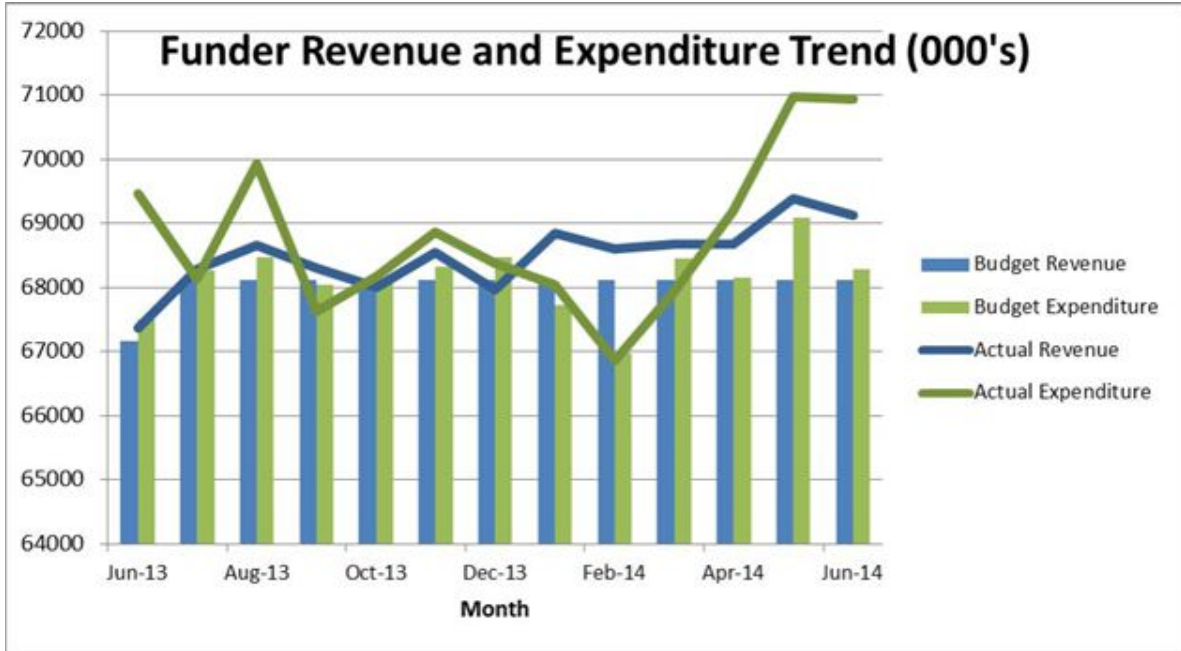
10

Home support costs continue over budget in June, with this partly related to additional contract costs, claims relating to prior periods which had previously been rejected requiring to be paid and costs offset by additional revenue related to the sleepover settlement. The following graph shows the trend from December 2012.



**4. Revenue and Expenditure Trend**

The following table shows actual and budget for revenue and expenditure for the 13 months to June 2014. For the period September 2013 until March 2014 expenditure had been tracking close to budget. For April, May and June the increase from prior months is partly due to Pharmaceuticals and Home support costs greater than budget. Revenue is \$1.0m over budget for June, and \$5.8m for the full year.



## Southern District Health Board

Minutes of the Joint Meeting of the Disability Support Advisory Committee and Community & Public Health Advisory Committee held on Wednesday, 2 July 2014, commencing at 10.00 am, in the Board Room, Southland Hospital Campus, Invercargill

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|                |  |   |
|----------------|--|---|
| Present:       | Ms Sandra Cook<br>Mr Neville Cook<br>Mrs Kaye Crowther<br>Dr Branko Sijnja<br>Mr Tim Ward  | Chair<br><br>(until 11.57 am)   |
| In Attendance: | Dr John Chambers<br>Mrs Mary Gamble<br>Mr Tony Hill<br>Mr Tuari Potiki<br>Mr Richard Thomson<br>Dr Jan White<br>Mrs Sandra Boardman<br>Mr Peter Beirne<br>Ms Carole Heatly<br>Mrs Lexie O'Shea<br><br>Mr David Tulloch<br>Mr Ian Macara<br><br>Dr Keith Reid<br><br>Ms Lynette Finnie<br><br>Ms Jeanette Kloosterman | Board Member<br>Board Member (from 11.55 am)<br>Board Member (from 10.55 am)<br>Board Member<br>Board Member (from 11.40 am)<br>Crown Monitor<br>Executive Director, Planning & Funding<br>Executive Director Finance<br>Chief Executive Officer<br>Deputy CEO/Executive Director Patient Services (from 11.30 am)<br>Chief Medical Officer<br>Chief Executive, Southern PHO (by videoconference until 11.25 am)<br>Medical Officer of Health, Public Health South (by videoconference until 11.25 am)<br>Acting Service Manager, Public Health (by videoconference until 11.25 am)<br>Board Secretary (by videoconference) |

11

### 1.0 WELCOME

The Chairperson welcomed everyone to the meeting.

### 2.0 APOLOGIES

An apology was received from Mr Stuart Heal.

### 3.0 MEMBERS' DECLARATION OF INTEREST

It was noted that Dr Branko Sijnja had an interest in the rural hospital contract item in the closed session.

It was resolved:

"That the Interests Register be noted."



#### 4.0 PREVIOUS MINUTES

It was resolved:

“That the minutes of the joint meeting of the Disability Support Advisory Committee and Community & Public Health Advisory Committee held on 7 May 2014 be approved and adopted as a true and correct record.”

#### 5.0 MATTERS ARISING

There were no items arising from the previous minutes that were not covered by the agenda.

#### 6.0 ACTION SHEET

The Committees reviewed the action sheet (tab 6).

Pharmaceutical Expenditure

The Chief Medical Officer reported that the clinical group had held its first meeting.

#### 7.0 PLANNING & FUNDING REPORT

The Planning and Funding report (tab 6) was taken as read and the Executive Director Planning & Funding took questions from members.

The Committees:

- Congratulated staff on the Before Schools Check (B4SC) coverage;
- Queried whether there were any Pacific community link positions within the DHB;
- Noted that the Iwi Governance Committee was being consulted about Māori representation on the Southern Health Alliance;
- Noted that community pharmacy representation was being appointed to the Community and Hospital Pharmaceutical Service Level Alliance;
- Requested an update on the SHALT work plan and timelines.

#### 8.0 STRATEGIC HEALTH SERVICES PLAN TIMELINE

An updated timeline for the Strategic Health Services Plan was circulated with the agenda (tab 8).

It was resolved:

“That the Committees recommend Board accept the timeline for the Strategic Health Services Plan.”

#### 9.0 HEALTH OF OLDER PEOPLE

The Committees considered an update on Aged Residential Care (ARC) and Home and Community Support Services (HCSS) (tab 9).

#### 10.0 PUBLIC HEALTH

In presenting the report on Public Health South activity (tab 10), Dr Keith Reid, Medical Officer of Health, highlighted the section on gastroenteris outbreaks and the suggestion that a surveillance system be developed for all healthcare acquired infections within the district.

#### 11.0 PUBLIC HEALTH SERVICES ANNUAL PLAN 2014/15

Ms Lynette Finnie, Acting Service Manager, Public Health, presented the draft Public Health Services Annual Plan 2014/15 (tab 11), then took questions from members.

The Executive Director Planning & Funding informed the Committees that the financials had not been included in the plan, as they related to services contracted by the Ministry of Health and, as such, it was possible to identify staff salaries from them.

The Committees suggested:

- That the section on fluoridation on page 21 of the plan be reworded to clarify the meaning of "where it is a cost-effective option";
- That Number 10 be added to the key stakeholders listed on page 63.

It was resolved:

"That the Committees recommend the Board approve the Southern DHB's Public Health Services Annual Plan for 2014/15."

#### 12.0 SOUTHERN PRIMARY HEALTH ORGANISATION (PHO)

Mr Ian Macara, Chief Executive, Southern PHO, presented a report on Southern PHO strategic and governance matters, an update on programmes and operational activity, and the PHO's financial position (tab 12), then took questions from members.

Mr Tony Hill joined the meeting at 10.55 am.

Mr Macara informed the Committees that the target of 90% for more heart and diabetes checks would not be achieved by the end of the financial year. 80% needed to be achieved to capture funding.

#### 13.0 PHO HEALTH TARGET PERFORMANCE – QUARTERLY REPORT

The Committees reviewed the Quarter 3 results for the Primary Care Health Targets (tab 13).

## 14.0 DHB PERFORMANCE – QUARTERLY REPORT

The Quarter 3 results for DHB performance against non-financial indicators (tab 14) were taken as read.

## 15.0 FINANCIAL REPORT

The Executive Director Planning & Funding presented the Funder Financial Report for the period ended 31 May 2014 (tab 15), then took questions from members.

It was noted that revenue would be matched to expenditure lines for the new financial year.

## 16.0 WORK PLAN

The Committees reviewed the DSAC/CPHAC work plan for 2014 (tab 16).

## CONFIDENTIAL SESSION

At 11.15 am it was resolved that the public be excluded for the following agenda items.

| General subject:   | Reason for passing this resolution:   | Grounds for passing the resolution:  |
|--|---|--|
| 1. Previous Minutes  | As per reasons set out in previous agenda   | S 34(a), Schedule 4, NZ Public Health and Disability Act 2000 – that the public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under sections 9(2)(i), 9(2)(j) and 9(2)(f)(iv) of the Official Information Act 1982, that is, the withholding of the information is necessary to enable a Minister of the Crown or any Department or organisation holding the information to carry out, without prejudice or disadvantage, commercial activities and negotiations, and to maintain the constitutional convention protecting the confidentiality of advice tendered by Ministers of the Crown and officials. |
| 2. Hāpai te Tūmanako – Raise HOPE: Bimonthly update  | To allow activities to be carried on without prejudice or disadvantage.                             | As above, section 9(2)(j).   |
| 3. Planning and Funding Report <ul style="list-style-type: none"> <li>▪ Laboratory Contract</li> <li>▪ Rural Hospital Contracts</li> </ul> | To allow commercial activities and negotiations to be carried on without prejudice or disadvantage. | As above, sections 9(2)(i) and 9(2)(j).  |

The meeting closed at 12.05 pm

Confirmed as a correct record:

Chairperson .....

Date .....

Unconfirmed

Southern District Health Board

Minutes of the Hospital Advisory Committee Meeting held on Wednesday, 2 July 2014, commencing at 3.00pm in the Board Room, Community Services Building, Southland Hospital Campus

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|                |  |  |
|----------------|--|--|
| Present:       | Mr Tony Hill<br>Dr John Chambers<br>Mrs Mary Gamble<br>Mr Tuari Potiki<br>Mr Richard Thomson   | Acting Chairman  |
| In Attendance: | Dr Jan White<br>Mrs Kaye Crowther<br>Mr Tim Ward<br>Ms Carole Heatly<br>Mrs Lexie O'Shea<br><br>Mr Peter Beirne<br>Ms Sandra Boardman<br>Mr Richard Bunton<br>Mrs Leanne Samuel<br>Mr David Tulloch<br>Mr Grant Paris<br>Mrs Joanne Fannin | Crown Monitor<br>Board member<br>Board member<br>Chief Executive Officer<br>Executive Director of Patient Services/Deputy CEO<br>Executive Director Finance<br>Executive Director Planning & Funding<br>Medical Director of Patient Services<br>Executive Director Nursing and Midwifery<br>Senior Medical Officer<br>Senior Business Analyst (via videolink)<br>Board Secretary Southland |

12

1.0 WELCOME AND APOLOGIES

The Acting Chairman welcomed everyone to the meeting. An apology was noted from the Board and Hospital Advisory Committee (HAC) Chairman, Mr Joe Butterfield.

2.0 MEMBERS' DECLARATION OF INTEREST

The Acting Chairman called for any adjustments or amendments to the Interests Register and advised that his daughter no longer worked as a Registrar for Southern DHB and he asked for that interest to be removed.

3.0 CONFIRMATION OF PREVIOUS MINUTES

It was resolved:

"That the minutes of the 7 May 2014 Hospital Advisory Committee meeting be approved and adopted as a true and correct record."

4.0 MATTERS ARISING

There were no matters arising from the previous minutes that were not covered by the agenda.

5.0 ACTION SHEET

The Committee reviewed the action sheet and noted that:

- Action point 145 – discussion on the HAC Terms of Reference (ToR) is to be held over until the September 2014 meeting.
- Action point 149 – the new reporting system replacing the nursing efficiency graphs will commence with reporting for the month of July 2014.

It was resolved:

"That the action sheet be received."

#### 6.0 EXECUTIVE DIRECTOR OF PATIENT SERVICES (EDPS) REPORT

The Committee received and considered the report from the EDPS.

The Committee:

- Received advice on the improvement in colonoscopy wait times and progress made within the past year, with all but one national target being achieved. The improvement in the area of quality was acknowledged.
- Noted advice in relation to the Urology Department and the ultimate goal to achieve a district wide service.
- Noted that the Southern PHO target for 'Better help for smokers to quit' was discussed at the Community and Public Health Advisory Committee/Disability Support Advisory Committee (CPHAC/DSAC) and that progress continues with this target.
- Health Quality and safety evaluation – patient experience – an update was provided on the new system, with the first report for the quarter due in October 2014.
- Average Length of Stay (ALOS) and readmission rates – advice was received that bed closures have not impacted ALOS or readmission rates.
- Diagnostic Report update – members received the report and a verbal update regarding Ultrasound and Medical Imaging wait times and noted the proposed current and future actions.

#### 7.0 KEY PERFORMANCE INDICATORS (KPIs)

The Committee received and considered the KPI reports and the Committee:

- Noted the CEO congratulations to staff on the positive KPI results.
- Discussed the high acute readmission rates for the period and noted that the inflated outlier bed days as a percentage of bed nights were impacted recently due to a high degree of vomiting and diarrhoea within the community and hospital.
- Noted the progress on the active review graph and in relation to the certainty and wait time for treatment. Members noted a vote of thanks to staff on the pleasing results achieved.
- The Acting Chairman noted the additional pressures in May 2014 and acknowledged provider arm staff for achieving the health targets despite the challenges.

#### 8.0 FINANCIAL REPORT

The Committee received and considered the Financial Report. The unfavourable result for nursing personnel due to increased sick leave due to the winter months was highlighted. An increase in clinical supplies to case weights was noted and it is hoped this will correct itself for the next reporting round. The EDNM noted that the nursing personnel budget was impacted by increased Intensive Care Unit (ICU) presentations for the month and the need for increased ventilator days. A member highlighted that the net impact from the research account and donations received is \$800K and noted that these donations are tagged for a specific purpose.

#### 9.0 HUMAN RESOURCES DASHBOARD

The Committee received and considered the Human Resources Dashboard. It was noted that the HR Report is not required for future agendas.

#### 10.0 INFORMATION SERVICES DASHBOARD

The Committee received and considered the Information Services Dashboard and noted the report is South Island wide and provided quarterly. A request was made that the acronyms list included on the dashboard be added to the organisation acronyms list.

11.0 CONFIDENTIAL SESSION

At 3.35pm, it was resolved:

“That the public be excluded from the meeting for consideration of the following agenda items:

| General subject:   | Reasons for passing this resolution:  | Grounds for passing the resolution:  |
|--|---|--|
| Previous Public Excluded Hospital Advisory Committee Minutes | As per reasons set out in previous agenda   | S 32(a), Schedule 3, NZ Public Health and Disability Act 2000 – that the public conduct of this part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under sections 9(2)(a), 9(2)(f), 9(2)(i), 9(2)(j) of the Official Information Act 1982, that is withholding the information is necessary to: protect the privacy of natural persons; maintain the constitutional conventions which protect the confidentiality of advice tendered by Ministers of the Crown and officials; to enable a Minister of the Crown or any Department or organisation holding the information to carry on, without prejudice or disadvantage, commercial activities and negotiations. |
| Review of Public Excluded Action Sheet                       | Personal privacy and to allow activities to be carried on without prejudice or disadvantage       | As above, sections 9(2)(i), 9(2)(j) and 9(2)(a).   |
| Risk   | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(i) and 9(2)(j).  |
| Serious Adverse Events                                       | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(i) and 9(2)(j).  |
| Hospital Services update                                     | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(i) and 9(2)(j).  |
| Human Resources update                                       | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(i) and 9(2)(j).  |
| Dunedin Facilities update                                    | To allow activities to be carried on without prejudice or disadvantage                            | As above, sections 9(2)(i) and 9(2)(j).  |
| Contracts - McCrae Property Limited Contracts                | Commercial sensitivity and to allow activities to be carried on without prejudice or disadvantage | As above, sections 9(2)(i) and 9(2)(j).  |

The Committee resumed in public session at 4.20pm.

The meeting closed at 4.20pm.

Confirmed as a true and correct record:

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_

The Audit and Risk Committee will be considering the following draft policies and procedures at its meeting on 6 August 2014 and will make a recommendation to Board.

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Managing Gifts and Sponsorship Policy and Procedure  
Private Practice & Secondary Employment Policy and Procedure  
Conflict of Interest Policy and Procedure

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#### 1.0 Background

A framework for managing actual and perceived risk to the Southern DHB is provided in four policies. The three policies outlined below have been reviewed together as a group and provide guidance on managing risk for the organisation in a number of linked key areas including:

- Conflict of Interest Policy and Procedure – (27894)
- Private Practice, Secondary Employment and Business Activities Policy and Procedure -(19707)
- Managing Gift & Sponsorship Policy and Procedure - (new)

Please note the fourth policy currently under review is Sensitive Expenditure.

#### 2.0 Managing Gifts and Sponsorship Policy and Procedure (new)

This is newly developed policy, procedure and application form for managing the acceptance of all gifts within the Southern DHB. The policy provides clear principles for this, including linkage to the 'Southern Way'.

This procedure provides a series of steps for assessing and managing the risk associated with acceptance of gifts and a process for anyone wishing to accept a gift or sponsorship to follow in applying for approval to accept this offer.

This procedure also provides clear steps for managing the situation where a Senior Doctor (for example) may be offered the gift of a fully funded conference by a drug company.

This policy has been approved by the Executive Management Team (EMT).

#### 3.0 Conflict of Interest Policy and Procedure – (27894)

This is an existing policy, procedure that has undergone significant review. This has included a legal review of the document, which led to greater level of definition and description of Conflict of Interest. This policy has also been given a clear link to the principles of the 'Southern Way'.

This policy provides an overarching framework for managing actual and perceived conflicts of interest. Conflicts of interest arising out of either acceptance of gifts or private practice and secondary employment are dealt with under those specific policies. The procedure provides clear steps for assessing and managing the risk associated with a conflict of interest. The procedure also provides a form for an individual to use to notify their manager of a perceived or actual conflict of interest.

This policy has been approved by EMT.



4.0 Private Practice, Secondary Employment and Business Activities Policy and Procedure - (19707)

This is an existing policy, procedure that has also undergone significant review. This has included a legal review of the document, which led to greater level of definition and descriptions and linkage to the Conflict of Interest Policy. This policy has also been given a clear link to the principles of the 'Southern Way'.

This procedure provides clear steps for assessing and managing the risk associated with giving approval to undertake additional activities. The procedure also provides a form for an individual to apply to their Manager to undertake either private practice, secondary employment or an unrelated business activity.

This policy has been approved by EMT.

SOUTHERN DISTRICT HEALTH BOARD

|  |   |                |
|--|---|----------------|
| Title:   | Managing Gifts and Sponsorship Policy<br>Managing Gifts and Sponsorship Procedure   |                |
| Report to:   | Risk and Audit Committee  |                |
| Date of Meeting:   | 06 August 2014  |                |
| Summary:   | <p>The issues considered in this paper are:</p> <ul style="list-style-type: none"> <li>▪ How the actual and perceived risk of gifts, donations and sponsorship is managed within Southern DHB through the proposed new Managing Gifts and Sponsorship Policy, Managing Gifts and Sponsorship Procedure, related policies and professional guidelines</li> </ul> |                |
| Specific implications for consideration (financial/workforce/risk/legal etc):  |   |                |
| Financial:   | How gifts, donations and sponsorship are managed  |                |
| Workforce:   | How all staff, contractors, Board members work within the Policy and Procedures   |                |
| Other:   | How Southern DHB manages real and perceived risk associated through a policy and procedure framework  |                |
| Document previously submitted to:  | EMT   | Date: 10/04/14 |
| Approved by Chief Executive Officer:   |   | Date: 29/07/14 |
| Prepared by:<br>John Pine<br>Executive Director of Human Resources<br><br>Date: 24/07/14   | Presented by:<br>Leanne Samuel<br>Acting Exec Director Support Services   |                |
| RECOMMENDATION:  |   |                |
| 1. That the Audit and Risk Committee recommend Board approve the attached policy and procedure for managing gifts and sponsorship. |   |                |

13.2

## Managing Gifts and Sponsorship Policy

This policy defines the boundaries and principles under which Southern District Health Board (Southern DHB) will accept or make gifts, donations, and sponsorships without unnecessarily hindering or restricting any source of such funding.

### Policy Purpose

This policy is to ensure that as an organisation we meet the principles of the “Southern Way”, particularly:

- *We are a single unified DHB which values and supports its staff.*

To provide clear guidance on what the Southern DHB constitutes as a gift, donation or sponsorship and the expectation of Southern DHB employees or those involved in the operation of the DHB when accepting or declining such gifts, or sponsorship.

Assist in appropriate decision making that is underlined by the principles of the Southern District Health Board’s vision and mission statement, to work in partnership with the Otago and Southland communities to achieve better health, better lives, whanau ora.

To ensure that any offer made by another party to supply goods, services or materials at no financial cost to Southern District Health Board, with expectations that they will gain public exposure as a result of the donation/sponsorship, is carefully reviewed and that risks to Southern District Health Board in accepting the donation are minimised.

### Policy Applies To

All Board members and employees, both within the Provider Arm and Planning & Funding Arm of Southern DHB, including temporary and casual employees and contractors, must comply with this Policy.

It also applies to any person who is involved in the operation of the Southern DHB, including joint appointments, volunteers, those people with honorary / unpaid staff status and prospective employees applying for employment.

[MIDAS Number]

## Policy Background

Gifts, donations and sponsorships are offered to individuals, groups of individuals, departments and Southern DHB from time to time by various sources, including supplier companies, professional bodies or associations, service clubs, trusts, patients and estates.

Southern DHB may at times need to source donations and sponsorship for the purposes of supporting service needs beyond those funded by normal income and contracts.

In exceptional circumstances, the Southern DHB may choose to make donations or provide sponsorships.

Clear guidelines are required to describe the circumstances under which gifts, donations and sponsorships are accepted, sourced or made, refer to Managing Gifts and Sponsorship Procedure (*New*).

The Southern DHB must avoid any conflict, issues, risk or perception of interest, whether perceived or actual, and any circumstances that would give rise to public concern over the acceptance or sourcing of gifts, donations and sponsorship, refer to Conflict of Interest Policy (Midas 27894).

Any acceptance or sourcing of gifts, donations and sponsorship by the Southern DHB must be done following a process that is transparent and conducted in a manner that will meet the expectations of the stakeholders.

A particular area of risk and conflict that can arise include an acceptance of a gift in relation to a Southern DHB employee's official role. This may place the employee or the Southern DHB under a perceived or real obligation or influence.

## Definitions

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### Gifts

Gifts may take many forms such as money, products or services and is not limited to the following: presents, travel, tickets to events, meals, funding to attend conferences or meetings, hospitality at sports events or other entertainment.

Gifts maybe offered to, or received by the

2

13.2

[MIDAS Number]

Southern DHB, departments, groups of staff or individual staff members, for any reason while employed by the DHB.

A gift is whereby no payment of money or service is required or provided to the person making the gift.

Gifts may also be in the form of a Southern DHB staff member paying another Southern DHB staff member. This may take the form of a monetary payment or gifting of leave entitlements.

### **Donations**

Donations may take the form of money, product or service provided to Southern DHB whereby the donor has an expectation that such donations are put directly to enhancing the provision of the DHB's services without any expectations in terms of Southern DHB's services or personnel to the donor.

### **Sponsorship**

A gift of money, products or services to assist or support the provision of services or any other DHB activity where the sponsor has an expectation of public acknowledgment or endorsement by Southern DHB for their products or services or where Southern DHB expects public acknowledgement or endorsement of sponsorship provided by Southern DHB.

### **Conflict of Interest or Risk Relating to Gifts**

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The acceptance of a gift can create a perceived or actual conflict of interest or risk for the Southern DHB by placing them in the position of a perceived or actual obligation/influence by the provider of the gift.

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### **Associated Documents**

- Managing Gifts and Sponsorship Procedure (New)
- Gifts and Sponsorship Form (New)
- Conflict of Interest Policy (27894)
- Code of Conduct & Integrity Policy (18679)
- Disciplinary Policy (Regional) (55569)
- Fraud Policy (25546)
- Protected Disclosures / Whistle Blowing Policy (19708)

[MIDAS Number]

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- Code of Ethics Policy (21192)
  - Delegation of Authority Policy (Regional) (21584)
  - Koha Policy (Otago) (24622)
  - Sensitive Expenditure Policy (48567)

13.2

## Managing Gifts and Sponsorship Procedure

This procedure document is to be followed when Southern District Health Board (Southern DHB) employees accept or make gifts, donations, and sponsorships.

### Procedure Purpose

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Employees of Southern DHB must not source or accept gifts, rewards or benefits which might; or be seen as an actual or perceived be a conflict of interest, to compromise their integrity or the integrity of the Southern DHB.

### Considerations

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#### Considerations Prior to Accepting a Gift, Donation or Sponsorship

- Are there any actual or potential risks to the Southern District Health Board?
- Is there any actual or potential conflict of interest?
- Could any acceptance give rise to public concern?
- Is there a benefit for the people in our Community?
- If you are a (Medical professional) Clinician and belong to a professional body, do you have any guidelines around the acceptance of gifts, donations or sponsorship?

If the answer to any of these questions is yes, then it is recommended that the gift, donation or sponsorship not be accepted and the offer politely declined.

To be able to answer the questions outlined above refer to the Managing Gifts and Sponsorship Policy.

### General Procedures

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#### Acceptances

Of any gift, donation, or sponsorship may be verbal but as a general rule all should be confirmed in writing detailing the terms of acceptance to ensure no subsequent misunderstandings between the donor and Southern DHB. All gifts, donations or sponsorship valued over \$50 must be

[MIDAS Number]

confirmed in writing as above and entered into the electronic Gift, Donation & Sponsorship Register.

Reporting - Acceptances of all donations, gifts or sponsorships shall be reported

- In monthly management reports. Staff and managers have responsibility to ensure their supervisors are informed.
- To finance department who have a responsibility to capitalise donations, gifts and sponsorships where appropriate; to keep donated funds and to keep account of monies products or services

**Gift, Donation & Sponsorship Register**

On some occasions the Southern DHB may receive gifted items from patients, families, estates or another party. Eg. paintings, furniture, electrical appliances, toys, books. All gifted items over the value of \$50 need to be recorded in the Gift, Donation & Sponsorship Register on PULSE.

- Gifts, Donations & Sponsorship should be entered into the Gift, Donation & Sponsorship Register and approved prior to being accepted
  - If by the nature of the gift, donation or sponsorship staff are not able to seek approval prior to receiving then approval must be sought in retrospect (eg, at a meeting/conference, an offer for payment of dinner, gift/prize receive at a course)
- a. If the gift, donation or sponsorship is under \$50
    - The donation does not need to be entered into the Gift, Donation and Sponsorship Register
    - The gift, donation or sponsorship is to be approved by line manager / notify the line manager of the gift, donation or sponsorship
  - b. If the gift, donation or sponsorship is over \$50
    - The gift, donation or sponsorship must be entered into the Gift,

13.2



[MIDAS Number]

Donation and Sponsorship Register prior to accepting it, for approval or decline by the appropriate manager as per the delegation of authority outlined in this document.

- If prior approval is unable to be sought, approval must be sought in retrospect.

**Expenditure**

Of any sort from accounts holding donated or gifted money shall be approved by the Chief Executive or delegated authority.

**Donations**

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**Held Donations**

Subject to the requirements of this policy, donated or gifted monies should be managed by the Finance Department. Finance shall ensure that the donation or gift held is not used for any other purpose or department than intended by the donor, without the specific approval of the Executive Director of Patient Services.

**Sourcing of Donations**

In the odd instance when Southern DHB perceives a need to source donations, it will only be for the purposes of enhancing patient comfort or for the improvement of healthcare services.

No staff member may source donations without the approval obtained from the relevant General Manager (Level 3) and Executive Director of Patient Services (Level 2).

The General Manager and Executive Director of Patient Services must approve in writing any approach to a prospective donor any reason related to a donation. Such requests should detail the intended purpose of soliciting funds and the benefits for the Southern DHB.

**Acceptance of Donations**

The Southern DHB will only accept donations from groups or persons for the purchase of equipment or the provision of services when they are the sole arbiter in the decision making.

No individual staff member may accept donations without prior written approval by the manager as per delegation of authority outlined

[MIDAS Number]

below.

Donations received shall not distract staff energies or divert Southern DHB operating funds from planned objectives and contractual responsibilities.

No donor (or any individual employed by or associated with a donor or sponsor) shall benefit directly, or gain advantage over others, in respect of services provided by Southern DHB.

Donations over the value of \$50 must be entered onto the Gift, Donation and Sponsorship Register. The following delegation of authority will apply when a donation is offered to the Southern DHB:

- Less than \$50 requires approval / decline by Level 5 (Line Manager).
- Less than \$200 requires approval / decline by Level 4 (Service Manager).
- Less than \$500 requires approval / decline by Level 3 (General Manager).
- Less than \$1,000 requires approval / decline by Level 2 (Executive Director of Patient Services).
- Over \$1,000 requires approval /decline by Level 1 (Chief Executive Officer)

**Special Wishes of Donors**

Shall be accommodated where practical and reasonable. Specific wishes of donors must not compromise operations or budgeted operating costs and should be in general alignment with the Southern DHB's vision and values and business and strategic plans

**Southern DHB giving donations**

Southern DHB does not make donations unless in exceptional circumstances approved by the Chief Executive, or delegated authority, where such donations will be consistent with Southern DHB's vision and mission.

**Sponsorship**

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**Negotiation with Sponsors**

Negotiations with prospective donors or sponsors must be authorised by the relevant Service Manager (Level 4), General Manager (Level 3) or Executive Director of Patient Services (Level 2).

**Sourcing Sponsorship**

In the odd instance when Southern DHB perceives a need to source sponsorship, it will

13.2

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|  | <p>only be for the purposes of enhancing patient comfort or for the improvement of healthcare services.</p> <p>No staff member may source sponsorship without the approval of the relevant General Manager, or delegated authority.</p> <p>The General Manager (Level 3) and Executive Director of Patient Services must approve in writing any approach to a prospective sponsor for any reason related to sponsorship. Such requests should detail the intended purpose of soliciting funds and the benefits for the Southern DHB.</p>   |
| <p><b>Receiving of Sponsorship</b></p>           | <p>No individual staff member may accept sponsorship without prior written approval by the manager as per delegation of authority outlined below.</p> <p>Sponsorship received shall not distract staff energies or divert Southern DHB operating funds from planned objectives and contractual responsibilities.</p> <p>No sponsor (or any individual employed by or associated a sponsor) shall benefit directly, or gain advantage over others, in respect of services provided by Southern DHB.</p> <p>Sponsorship over the value of \$50 must be entered onto the Gift, Donation and Sponsorship Register. The following delegation of authority will apply when sponsorship is offered to the Southern DHB:</p> <ul style="list-style-type: none"> <li>▪ Less than \$50 requires approval / decline by Level 5 (Line Manager).</li> <li>▪ Less than \$200 requires approval / decline by Level 4 (Service Manager).</li> <li>▪ Less than \$500 requires approval / decline by Level 3 (General Manager).</li> <li>▪ Less than \$1,000 requires approval / decline by Level 2 (Executive Director of Patient Services).</li> <li>▪ Over \$1,000 requires approval /decline by Level 1 (Chief Executive Officer)</li> </ul> |
| <p><b>Southern DHB Providing Sponsorship</b></p> | <p>Southern DHB does not generally act as a financial sponsor by providing money or services. However, in some circumstances Southern DHB may provide sponsorship:</p> <ul style="list-style-type: none"> <li>• For staff taking part in an activity that is</li> </ul>  |

[MIDAS Number]

not part of their work duties but consistent with the Southern DHB's vision and mission eg. Sporting event, may be sponsored through the provision of, or payment for, goods and services (eg. a T-shirt or entry fee).

- Within revenue contracts or revenue earning service requirements previously agreed with the Chief Executive or delegated authority
- Justified by a satisfactory business case demonstrating the benefits to Southern DHB.

## Gifts

### Acceptance of Gifts

Individual staff, groups of staff, departments and Southern DHB are discouraged from accepting gifts in the first instance.

Gifts of money are not to be accepted under any circumstances.

Gifts over the value of \$50 must be entered onto the Gift, Donation and Sponsorship Register. The following delegation of authority will apply when a gift is offered to the Southern DHB:

- Less than \$50 requires approval / decline by Level 5 (Line Manager).
- Less than \$200 requires approval / decline by Level 4 (Service Manager).
- Less than \$500 requires approval / decline by Level 3 (General Manager).
- Less than \$1,000 requires approval / decline by Level 2 (Executive Director of Patient Services).
- Over \$1,000 requires approval / decline by Level 1 (Chief Executive Officer)

### Offer by a 3<sup>rd</sup> party of funding to attend conference, training or promotional event

There may be circumstances when Southern DHB staff are offered funding from an external Company to attend (but not exclusive to) an event, training, or a conference.

This may also include accommodation/meals and travel to the event, training or conference.

13.2

[MIDAS Number]

In some instances this funding may come from, but is not exclusive to Pharmaceutical companies or Medical equipment companies.

Due to the sensitivity and potential or actual conflict of interest in accepting such funding, prior to acceptance, approval must be obtained in writing. You are required to complete the Gift, Donation and Sponsorship Register to gain permission as per the following delegation of authority:

- Less than \$50 requires approval / decline by Level 5 (Line Manager).
- Less than \$200 requires approval / decline by Level 4 (Service Manager).
- Less than \$500 requires approval / decline by Level 3 (General Manager).
- Less than \$1,000 requires approval / decline by Level 2 (Executive Director of Patient Services).
- Over \$1,000 requires approval /decline by Level 1 (Chief Executive Officer)

You are required to include the following information when you complete the request in the Gift, Donation and Sponsorship Register:

- Details of the training, conference or event.
- The benefits to the Southern DHB for you to attend.
- Any potential or actual conflict of interest, benefit for the Southern DHB.
- Full details of costs involved.
- Attach the relevant professional body standards and guidelines around the acceptance of such a gift with the written application.

It should be noted that this requirement is not to hinder an employee from going to a Conference funded by an external third party, but to protect the integrity of both the employee and the Southern District Health Board and protect patient welfare.

If the gift is the provision of lunch by a vendor for one or more Southern DHB staff member and the total cost is expected to be under the value of \$50:

- Pre-approval/decline by direct line manager is required.
- The gift does not need to be

**Provision of lunch by a vendor**

[MIDAS Number]

- entered into the Gift & Donation Register.
- If in doubt enter the gift into the Gift & Donation Register

**Southern DHB  
staff member  
gifting to another  
Southern DHB  
staff member**

Under no circumstances may a Southern DHB staff member offer another Southern DHB staff member any form of payment, for example a monetary payment, donation of time or a gifting of a leave entitlement, for work undertaken as part of their employment agreement with the Southern DHB.

**Managing the  
Issues or Conflict  
Arising from the  
Offer and  
Acceptance of  
gifts**

No Southern DHB staff member is permitted to gift their leave entitlements to another Southern DHB staff member.

In order to manage the risks, conflict and issues associated with the offer/acceptance of a gift. There are a range of options for a manager to follow:

- Not granting approval to accept the gift.
- Requiring the employee to return the gift, should it already have been accepted without approval.
- If the offer of a gift is from a supplier the gift can only be accepted after approval by a manager in situations where there is no (by either individual or organisations) actual perceived obligation/influence created i.e. acceptance of conference from drug companies.

**Associated Documents**

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- Managing Gifts and Sponsorship Policy (New)
- Gifts and Sponsorship Form (New)
- Conflict of Interest Policy (27894)
- Code of Conduct & Integrity Policy (18679)
- Disciplinary Policy (Regional) (55569)
- Fraud Policy (25546)
- Protected Disclosures / Whistle Blowing Policy (19708)
- Delegation of Authority Policy (Regional) (21584)
- Koha Policy (Otago) (24622)
- Sensitive Expenditure Policy (48567)

13.2

## SOUTHERN DISTRICT HEALTH BOARD

|   |   |                |
|---|---|----------------|
| Title:  | Conflict of Interest Policy<br>Conflict of Interest Procedure   |                |
| Report to:  | Risk and Audit Committee  |                |
| Date of Meeting:  | 06 August 2014  |                |
| Summary:<br>The issues considered in this paper are:  |   |                |
| <ul style="list-style-type: none"> <li>▪ How actual and perceived conflict of interest is managed effectively through the revised Conflict of Interest Policy, Conflict of Interest Procedure, and related policies to ensure Southern DHB's interests are protected, including the public perception that decisions are made objectively for sound reasons.</li> </ul> |   |                |
| Specific implications for consideration (financial/workforce/risk/legal etc):   |   |                |
| Financial:  |   |                |
| Workforce:  | How all staff, contractors, Board members work within the Policy and Procedures                           |                |
| Other:  | How Southern DHB manages real and perceived conflict of interest through a policy and procedure framework |                |
| Document previously submitted to:   | EMT   | Date: 10/04/14 |
| Approved by Chief Executive Officer:  |   | Date: 29/07/14 |
| Prepared by:<br>John Pine<br>Executive Director Human Resources<br>Date: 24/07/14   | Presented by:<br>Peter Beirne<br>Executive Director Finance   |                |
| RECOMMENDATION:   |   |                |
| 1. That the Audit and Risk Committee recommend Board approve the attached policy and procedure for managing conflicts of interest.  |   |                |

## Conflict of Interest Policy

This policy outlines the Southern District Health Board (Southern DHB) approach to a Conflict of Interest.

### Policy Applies to

All employees of Southern District Health Board (Southern DHB), including temporary employees and contractors to the Southern DHB, must comply with this policy.

It also applies to any person who is involved in the operation of Southern DHB, including joint appointments, volunteers and those people with honorary or unpaid staff status.

### Policy Purpose

This policy is to ensure that as an organisation we meet the principles of the “Southern Way”, particularly:

- *“We are a single unified DHB which values and supports its staff”.*

The purpose of this policy is to ensure that employees are clear about:

- What constitutes a conflict of interest;
- The Southern DHB’s policy and approach to perceived and real conflicts of interest;
- That Southern DHB is able to manage risk associated with conflict of interest appropriately;
- The process for notification and resolution of conflicts of interest.

**Note:** This is a general broad policy and where there is more a specific policy covering those areas then the specific policy will take precedence such as Private Practice or Secondary Employment (19707).

## General Expectations

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Employees of the Southern DHB are expected to conduct themselves with personal integrity, ethics, honesty and diligence in performing their duties for the organisation. Employees are required to support and advance the interests of the organisation and avoid any potential conflict between their personal interests and the interests of the Southern DHB. It is also expected that employee’s will identify and declare any conflicts of interest and be cooperative in identifying ways in which to manage those conflicts.

As a public sector organisation any possible damaging to public perception of conflict of interest must be taken very



seriously and either avoided or managed effectively to maintain confidence in Southern DHB decision-making and the use of public resources. It is expected that Managers will be advised and involved in putting measures in place to manage conflicts of interest.

Any employee who chooses not to follow this policy is breaching the Code of Conduct and Integrity (Midas 18679).

## What is a Conflict of Interest?

### Definition

A conflict of interest refers to a situation in which private interests or personal considerations may affect or may be perceived as affecting an employee's judgement in acting in the best interests of the Southern DHB.

A conflict of interest exists even where the employee has not acted contrary to the Southern DHB's interests, and has no intention of so acting. A conflict of interest may also exist even where there is no possibility of personal gain for the employee or where there is no harm to the Southern DHB.

### Identification whether a Conflict of Interest exists

It is an employee's responsibility to both identify and declare to their manager a potential or actual conflict of interest.

The examples that follow do not exhaust the possibilities for conflict of interest, but they identify obvious situations covered by the policy.

- a. The employee has an interest (e.g. as owner, director or employee) in any business or organisation which offers or supplies goods or services to the Southern DHB. See also the Procurement and Purchasing Policy (11400).
- b. A family member, friend, colleague or business associate of the employee has an interest in any business or organisation offering or supplying goods or services to the Southern DHB. See also the Procurement and Purchasing Policy (11400).
- c. The employee owns a rental property which is rented or available to rent to the Southern DHB or to any Southern DHB employee.
- d. The employee has a personal relationship with another employee who reports to the first employee directly or indirectly.

- e. The employee is involved in activities outside the Southern DHB (including but not limited to any business or professional activities) which:
  - i. are similar to any services provided by the Southern DHB;
  - ii. involve a consumer group of the Southern DHB;
  - iii. may negatively affect the employee in carrying out their duties for the Southern DHB; or
  - iv. may use the employee's knowledge of Southern DHB confidential information.

This should be managed in accordance with the **Private Practice and Secondary Employment Policy** (Midas 19707).

- f. The employee is offered a gift by a consumer or supplier or any other person with whom the employee has a connection through the employee's work for the Southern DHB. In this case it should be managed in accordance with the Managing Gifts and Sponsorship Policy (Midas new) and Managing Gifts and Sponsorship Procedure (Midas new).
- g. The employee wishes to use and was to personally benefit from Southern DHB resources, such as employee time, premises, equipment, facilities (including software, internet access, printing and copying), or supplies other than for work purposes. See also the Fraud Policy (Midas 25546).
- h. The employee wishes to disclose Southern DHB confidential information other than for work purposes. See also the Privacy Policy (Midas 54609).
- i. The employee or any family member, friend, colleague or business associate has an interest in purchasing any surplus land or goods from the Southern DHB.
- j. The employee has influence over a decision whether or not to hire or otherwise benefit a family member, friend, colleague or business associate.
- k. The employee wishes to accept an opportunity to

provide a private service for a fee e.g. speaking at a conference or giving expert evidence. See also the Koha Policy (24622).

- i. The employee does not maintain political neutrality at all times in the performance of their role.

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**Associated Documents:**

- Conflict of Interest Procedure (new)
- Conflict of Interest Form (on Pulse)
- Code of Conduct and Integrity (18679)
- Gifts Policy and Guidelines (new)
- Procurement and Purchasing Policy (11400)
- Privacy Policy (54609)
- Koha Policy (24622)
- Fraud Policy (25546)
- Private Practice and Secondary Employment (19707)
- Sensitive Expenditure Policy 48567

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**References:**

- *((Documents should follow recommended best practice based on published evidence. List references on which the document draws. If they are already listed in a governing policy etc., refer to that: "See Abc (12345)". If none are used, state "None."))*

## Conflict of Interest Procedure

Follow this procedure for managing a Conflict of Interest.

|   |   |
|---|---|
| <b>Associated Policy:</b>                     | Conflict of Interest Policy (Midas 27891)   |
| <b>Responsibility:</b>                        | <p>All employees of the Southern District Health Board (the DHB), including temporary employees and contractors.</p> <p>Any person who is involved in the operation of the Southern DHB, including joint appointments with third parties, volunteers and those people with honorary or unpaid staff status.</p>   |
| <b>Southern Way Principle:</b>                | <i>We are a single unified DHB which values and supports its staff.</i>   |
| <b>Disclosure of all Conflict of Interest</b> | <p>All conflicts of interest must be disclosed by the employee promptly in writing to their immediate line manager. This can be done by completing the <b>Declaration of Conflict of Interest Form</b> on Pulse.</p> <p><b>Note:</b> A conflict of interest exists whether or not the employee concerned perceives or believes that to be the case. This is because the employee concerned is not able to make an objective judgement about whether the conflict of interest should be disclosed or how it should be managed.</p> <p>Disclosure of a conflict of interest must include complete disclosure of all relevant information so that an informed decision can be made about managing the situation.</p>   |
| <b>Management of Conflicts of Interest</b>    | <p>Where a conflict of interest disclosure has been made, the risk will be assessed by the employee's Manager and a decision made as to the appropriate action to be taken. The conflict of interest must be avoided wherever practicable or otherwise managed effectively to ensure that the Southern DHB's interests are protected including the public perception that decisions are made objectively for sound reasons.</p> <p>Examples of actions that may be taken by Managers to manage conflicts of interest include:</p> <ul style="list-style-type: none"> <li>• Change of staff reporting line;</li> <li>• Removing the employee concerned from any position of influence relative to a particular decision or type of decisions;</li> <li>• Putting in place arrangements for independent review of any particular decision or type of decisions;</li> <li>• Removing decision-making from the employee;</li> </ul> |

- Setting the fee to be paid for a service to be carried out by the employee and requiring all or part of the fee to be paid to the Southern DHB;
- Consenting to an outside activity for a fixed term and on certain conditions. Refer to the Private Practice and Secondary Employment Policy (Midas 19707):
- Requiring the employee to divest themselves of the outside interest within a specified period of not less than three months;
- Requiring the employee to return any gift, refer to the Gift Policy (Midas new).

**Important note:** Where a Southern DHB employee has a financial interest in a non-government provider to the Southern DHB (present or future) and has influence that cannot practicably be avoided over a decision to enter into a service agreement with that provider. It is essential that the Manager of the Service must ensure that the Southern DHB Board must be advised of the conflict of interest and the Board must explicitly **approve or decline** the arrangement, including any measures that may be required to manage any on-going conflict of interest relating to performance and management of the service agreement.

Any actions taken will be consistent with this policy, other relevant policies and any relevant Code of Ethics.

The Southern DHB encourages the personal development of our staff through outside interests, and there is no objection to staff having financial or other participation in organisations outside the Southern DHB provided no conflict of interest arises, or with the DHB's express prior approval in writing. It is for the Southern DHB to assess whether any conflict of interest arises.

Acknowledgement and Record Keeping

Following an employee making a declaration of a conflict of interest using the appropriate form. The Manager must acknowledge this declaration and identify the appropriate way to manage the conflict in writing (see a letter template attached). Once the all notifications of conflict and any resulting decisions will be clearly documented, with copies of the form and letter retained on the employee's personal file.

Consequences of Failure to Comply

Please note that employees who fail to comply with this policy by not identifying and declaring a conflict of interest are likely to be subject to disciplinary action up to and including dismissal.

Examples:

[MIDAS Number]

- Failing to disclose a conflict of interest;
- Acting against the interests of the Southern DHB;
- Using Southern DHB resources other than for work purposes;
- Giving special treatment to any family member, friend, colleague or business associate;
- Failing to comply with any directions or conditions for management of a conflict of interest.

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**Associated Documents:**

- Conflict of Interest Form (on Pulse)
- Code of Conduct and Integrity (18679)
- Gifts Policy and guidelines (new)
- Delegation of Authority Policy (21584)
- Procurement and Purchasing Policy (11400)
- Koha Policy (24622)
- Fraud Policy (25546)
- Private Practice and Secondary Employment (19707)

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**References:**

- *((Documents should follow recommended best practice based on published evidence. List references on which the document draws. If they are already listed in a governing policy etc., refer to that: "See Abc (12345)". If none are used, state "None."))*

SOUTHERN DISTRICT HEALTH BOARD

|  |   |                |
|--|---|----------------|
| Title:   | Private Practice and Secondary Employment Policy<br>Private Practice and Secondary Employment Procedure   |                |
| Report to:   | Risk and Audit Committee  |                |
| Date of Meeting:   | 06 August 2014  |                |
| Summary:   | <p>The issues considered in this paper are:</p> <ul style="list-style-type: none"> <li>▪ How the actual and perceived risk of employees undertaking private practice or secondary employment is managed within Southern DHB through the revised Private Practice and Secondary Employment Policy, Private Practice and Secondary Employment Procedure, and related policies.</li> </ul> |                |
| Specific implications for consideration (financial/workforce/risk/legal etc):  |   |                |
| Financial:   |   |                |
| Workforce:   | How all staff, contractors, Board members work within the Policy and Procedures   |                |
| Other:   | How Southern DHB manages real and perceived risk associated through a policy and procedure framework  |                |
| Document previously submitted to:  | EMT   | Date: 10/04/14 |
| Approved by Chief Executive Officer:   |   | Date: 29/07/14 |
| Prepared by:<br>John Pine<br>Executive Director of Human Resources<br>Date: 24/07/14   | Presented by:<br>Leanne Samuel<br>Acting Exec Director Support Services   |                |
| RECOMMENDATION:  |   |                |
| <p>1. That the Audit and Risk Committee recommend Board approve the attached policy and procedure for employees undertaking private practice and secondary employment.</p> |   |                |

13.4

## Private Practice, Secondary Employment and other Business Activities Policy

This policy defines the boundaries for managing Private Practice, Secondary Employment situations and other Business Activities for employees of Southern District Health Board.

**Policy Applies to** All employees of the Southern District Health Board (the Southern DHB).

**Policy Summary** This policy is to ensure that as an organisation we meet the principles of the "Southern Way", particularly:

- *We provide clinically and financially sustainable services to the community we serve.*

This policy also ensures that employees are clear about:

- The conditions and limitations for staff who wish to undertake private practice or secondary employment while being employed by Southern DHB.
- The Southern DHB's policy and approach to manage any perceived and real conflicts of interest and risk arising from private practice or secondary employment as per the Conflict of Interest Policy (Midas 27894).
- The procedure for notification and approval process for private practice and secondary employment.

### Policy

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#### Definitions

**Business Activities** means involvement in a business, for example by work or investment, and includes Private Practice, Secondary Employment, Self-Employment and Business Interest.

**Business Interest** means a financial investment in a business, for example by way of loan or part ownership, which includes investment by a person or entity related to the employee (e.g. spouse or family trust) but excludes owning less than 5% of the shareholding of a publicly listed company.

**Private Practice** typically refers to self-employment in a professional practice on their own or with other professionals (e.g. part time surgeon, midwife, and physiotherapist).

**Secondary employment** typically refers to paid or unpaid (voluntary) work for another employer or in a second job (e.g. part time nursing in a private rest home, assistance in a family business).

**Self-employment** includes working for a company in which the employee has a Business Interest.

**Conflict of interest** has the meaning given to it by the Conflict of Interest policy (Midas 27894) which is currently "a situation in which private interests or personal considerations may affect or may be perceived as affecting an employee's judgement in acting in the best interests of the Southern DHB".



**Expectations**

- Employees of the Southern DHB are expected to conduct themselves with personal integrity, ethics, honesty and diligence in performing their duties for the organisation as per the Code of Conduct and Integrity (Midas 18679).
- Employees are expected to support and advance the interests of the Southern DHB. Therefore when considering undertaking either private practice or secondary employment this policy and procedure will be followed in seeking approval for this activity using the procedure outlined below.
- It is also expected that Managers will ensure they work through applications and make decision on the approval for private practice and secondary employment in an effective way and refer to their Manager where appropriate also refer to Delegation of Authority Policy (Midas 21584).
- Consent to continue involvement in other business interests will not be unreasonably withheld.

**Associated Documents:**

Private Practice & Secondary Employment Procedure (New)

Private Practice & Secondary Employment Form (on Pulse)

Conflict of Interest Policy (27894)

Code of Conduct and Integrity (18679)

Delegation of Authority Policy (21584)

**References:**

- *Previous Draft of the Private Practice and Secondary Employment Policy, the Revised Conflict of Interest Policy.*

**General Notes**

Scope of Practice: Ensure you are fully qualified to perform the role specified in any document.

Deviations: If you need to deviate from any procedure, policy, or guideline, make notes and follow up.

Caution - Printed Copies: Printed copies of this document cannot be relied on after the date at the bottom of the page. Check issue date and version number against the electronic version on MIDAS to ensure that they are current.

Disclaimer: This document meets the Southern District Health Board's specific requirements. The Southern DHB makes no representations as to its suitability for use by others, and accepts no responsibility for the consequences of such use.

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## Private Practice, Secondary Employment and other Business Activities Procedure

This procedures document is to be followed when engaging in Private Practice, Secondary Employment situations and other Business Activities for employees of Southern District Health Board which is link to the Private Practice, Secondary Employment Policy and other Business Activities Policy.

### Applications for private practice, secondary employment and other business activities

Private Practice and Secondary Employment Form (on Pulse) stating the nature of the business activity and other relevant information, including the hours of work or time commitment if applicable, to enable the DHB to make an informed assessment.

The application form will be directed first to the individual's manager for comment and recommendation, and then to the relevant next-level Manager, refer to Delegation of Authority Policy (Midas 21584). This approval **should** be sought prior to agreeing to or starting and other work or activity.

If a conflict of interest exists and the DHB does not approve the business activity, this should be considered in light of the Conflict of Interest Policy (Midas 27984). The DHB may require the employee to cease the business activity. The application for approval should therefore be made before the employee starts the business activity, however applications to continue business activities commenced without approval will be considered also refer to the Code of Conduct and Integrity (Midas18679).

Consent to continue involvement in other business interests will not be unreasonably withheld.

Where consent to start or continue with a business activity is refused, and the employee continues with such activity, or this policy is not complied with in terms of not seeking approval, then the disciplinary procedure is likely to be invoked.

### Criteria for Granting Approval

When the Manager is considering an application to approve private practice or secondary employment. The Manager needs to consider the following factors in approving requests and ensure these risks are managed and made clear to the employee:

- Consent to carry out an outside activity can be granted on a fixed term basis (with a renewal date) including some of the conditions outlined below.
- Activities may not be carried out using Southern DHB property or during any time paid for by Southern DHB, including allowances.
- When private practice is undertaken using

[MIDAS Number]

Southern DHB facilities, then a separate agreement for use of facilities will apply.

- Secondary employment **should not** be with Southern DHB except in cases where the approval of both relevant Managers are.
- The Southern DHB always has first call on an employee's services. The requirement for employees to undertake call work, overtime and work public holidays should be taken into consideration before approval is given. The alternative activities should not interfere with the proper performance of Southern DHB duties.
- It must be shown that there will be no conflict of interest arising from the business activity, or that the conflict of interest can be successfully managed as per the Conflict of Interest policy (Midas 27894).
- The activities should not be of a nature or size that is incompatible with maintaining good relationships with Southern DHB staff and any members of the public with any members of the public the employee may deal with.
- **Important note:** Where a Southern DHB employee has a financial interest/secondary employment in a position of influence, in a non-government provider to the Southern DHB (present or future) that cannot practicably be avoided. It is essential that the Manager of the Service must ensure that in some cases the Southern DHB Board must be advised of this potential conflict of interest and the Board must explicitly **approve or decline** the arrangement, including any measures that may be required to manage any on-going conflict of interest relating to performance and management of the service agreement.
- Private and public patients should be kept separately with the Specialist being seen to be transparent in referring public clients to private practice with clear rationale around the referral.
- The Southern DHB's name should not be referred to in any documentation relating to Private Practice, Secondary Employment or other Business Activity.

### Approval Process and Record Keeping

The Manager in considering whether the application for Private Practice, Secondary Employment or other Business Activity. The Manager needs to:

1. Consider whether most the criteria above is met and if not can the areas of risk or

[MIDAS Number]

conflict of interest be managed easily.

2. In response to the application form the Manager must make the approval in writing that should be copied to the employee's personal file and should make it clear that:
  - The Southern DHB can revoke approval at any time (in consultation with the employee).
  - Where payment is received for secondary employment it is important that this is **not** received in any way through Southern DHB.
  - That Leave without pay is used for times of absence due to secondary employment or private practice.
  - The employee must disclose any change in circumstances.
  - Approval will be reviewed if there is any change in circumstances.

If the application relates to a Resident Medical Officers and Senior Medical Officers Managers should also refer to definitions and requirements extracted from their relevant employment agreements.

Attached to this procedure is a template letter of approval to be used when approving Private Practice, Secondary Employment and other Business Activities

**Associated Documents:**

- Private Practice & Secondary Employment Policy (19707)
- Private Practice & Secondary Employment Form (on Pulse)
- Conflict of Interest Policy (27894)
- Code of Conduct and Integrity (18679)
- Delegation of Authority Policy (21584)

13.4

## SOUTHERN DISTRICT HEALTH BOARD

The Audit and Risk Committee will be reviewing the Code of Conduct at its meeting on 6 August 2014 and will make a recommendation to Board.

|  |  |                  |
|--|--|------------------|
| Title:   | REVIEW OF CODE OF CONDUCT  |                  |
| Report to:   | Audit & Risk Committee   |                  |
| Date of Meeting:   | 6 August 2014 (held over from June 2014 meeting)                         |                  |
| Background:  |  |                  |
| <ul style="list-style-type: none"> <li>▪ The Crown Entities Act 2004 and New Zealand Public Health and Disability Act 2000 (NZPHDA) set out the duties and accountabilities of Boards and individual members. Section 30, Schedule 3, of the NZPHDA allows the Board to "regulate its procedure, at its meetings and otherwise, in any manner not inconsistent with this Act it thinks fit".</li> <li>▪ The attached Code of Conduct sets out the key principles that govern the conduct of Board members and was last reviewed by the Board in June 2010. Recommended changes are tracked.</li> </ul> |  |                  |
| Specific implications for consideration (financial/workforce/risk/legal etc):  |  |                  |
| Financial:   | n/a  |                  |
| Workforce:   | n/a  |                  |
| Legal:   | Collective responsibility for managing conflicts of interest (see over). |                  |
| Document previously submitted to:  | Corporate Solicitor  | Date: 05/12/2013 |
| Approved by Chief Executive Officer:   |  | Date:            |
| Prepared by:<br>Jeanette Kloosterman<br>Board Secretary<br><br>Date: 19/05/2014  | Presented by:<br>Peter Beirne<br>Executive Director Finance              |                  |
| RECOMMENDATION:  |  |                  |
| 1. That the Audit and Risk Committee recommend Board approve and adopt the revised Southern DHB Code of Conduct.   |  |                  |



CODE OF CONDUCT  
for  
BOARD & COMMITTEE  
MEMBERS

Preface

These guidelines and protocols were adopted by Board on  
~~3 June 2010~~ August 2014

Acknowledgement:

Material developed by other DHBs has assisted in preparing these guidelines. Special thanks to Capital & Coast, Waitemata, and Waikato DHBs for sharing their work.

13.5



## SOUTHERN DHB GUIDELINES AND PROTOCOLS FOR BOARD AND COMMITTEE MEMBERS

- 1 CODE OF CONDUCT: This Code of Conduct has been agreed to by all Board members of the Southern DHB Board. The Code sets out key principles that govern the conduct of Board members, both individually and collectively.

It should be noted that the DHB has a separate Code of Conduct policy for staff.

In developing the Code, Board members recognise the unique nature of the District Health Board, which embraces the disciplines and accountabilities expected of a corporate "board of directors", and the wider mandate of publicly elected board members. The principles in the Code endeavour to address potential differences in attitudes and behaviours of Board members. The Board is ultimately accountable for the successful performance of the DHB, and the actions of members, both public and private, should support the decisions and activities of the organisation.

Some sections of the Code are and may be further supported in time by organisation policies (e.g. Communications and Consultation Policies).

Board members should also be guided by the expectations outlined in their letter of appointment from the Minister of Health.

- 
- a) Fiduciary Responsibility Each Board member has the duty to ensure that the District Health Board is properly governed. To meet this obligation, members ~~must be expected to:~~
- Comply with the NZ Public Health and Disability Act 2000 (NZPH&DA) and the Crown Entities Act 2004 (CE Act);
  - Act with honesty and integrity;
  - Act in good faith and lay aside all private and personal interests in their collective decision-making;
  - Exercise reasonable care, diligence and skill at all times in carrying out their duties.

(Refer Crown Entities Act 2004, s 53-56)

- 
- b) Accountability Members are accountable to the Minister of Health (through the Board Chair) for the performance of the DHB. The Minister, in turn, holds DHB Boards to account for engaging with their local communities.

- 
- c) Commitment In accepting their positions, Board members have made a commitment to undertake the work of the Board, and to commit the time required to carry out these responsibilities. Members are expected to make every effort to attend scheduled meetings, but

recognise that there will be occasional conflicts that require the courtesy of notice of absence.

Members undertake to be diligent in preparing for and attending Board meetings. They will endeavour to be as informed and as knowledgeable as possible about the responsibilities of the District Health Board and the issues they are confronted with in order to arrive at the best decisions possible.

d) Training

Members are required to be familiar with: the obligations and duties of a member of a Board, Māori health issues, Treaty of Waitangi issues and Māori groups or organisations in the Otago and Southland districts, and are expected to avail themselves of opportunities for training in these areas. Training must be approved by the Minister of Health (NZPH&DA Schedule 3, Section 5(1)).

Training needs will be identified through Board evaluation processes and all training expenditure approved by the Board Chair and Chair of the Audit, Finance & Risk Management Committee.

Members have an obligation to assist the Board Secretary to maintain an up-to-date record of their training (Note: The NZPH&DA requires DHBs to maintain a training register for all members [Schedule 3, Section 5(2)])

e) Collective Responsibility

The collective duties of the Board are set out in sections 49-51 and 58 of the Crown Entities Act 2004 and sections 26 and 27 of the NZ Public Health and Disability Act 2000.

Members recognise that there may at times be tension between the concepts of collective accountability of a Board of Directors and the expectations the public may have of individual members, especially when they are elected. Members agree to support and abide by the following principles:

- Members may clearly express their individual views at Board meetings, and endeavour to achieve a particular decision and course of action. However, members accept that once the Board has formally reached a decision, this decision becomes the policy of the Board.
- It is inappropriate for a member to undermine a decision of the Board once made or to engage in any action or public debate that might frustrate its implementation.
- Individual members will not attempt to re-litigate previous decisions at subsequent meetings of the Board, unless the majority of members agree to re-open the debate.
- An individual member's personal actions should not bring the Board into disrepute or cause a loss of confidence in the activities and decisions of the Board.

f) Public Statements

Southern DHB has adopted a policy that no member of the Board or committee, or officer of the Board, will make any comment on an agenda item until after the Board or committee meeting is held.

All statements on behalf of the Board and/or relating to Board or

Government policy are to be made by the Chair. Either the Board Chair or the Chief Executive (or other senior staff under his or her delegation) will speak on operational matters. On occasions members may be asked their opinions and when talking to the media members should:

- Make clear the capacity in which they are speaking;
- Make it clear that they are expressing their own personal views and not speaking for the Board;
- Remember that they are representing the Government and Minister;
- Not make any promises in relation to funding or service provision;
- Not criticise any service provided by the DHB until such time as it has been formally raised with the Board;
- Be aware of the governance role, and that management is responsible for policy implementation and operational issues;
- Let the Board Chair know, in advance whenever possible, if they are contacted by or intend to speak to the media.

g) Clarity about Roles

Under section 26(3) of the NZPH&D Act, the Board must delegate to the Chief Executive the power to make decisions on management matters relating to the DHB on whatever terms and conditions it sees fit. To this end, the Board approve a Delegation of Authority Policy that is reviewed on an annual basis.

The Board is responsible for the governance of the DHB, and delegates to the Chief Executive responsibility for implementing the decisions of the Board, and the day to day management of the organisation. The Chief Executive is expected to provide the Board with relevant and appropriate information and with free and frank advice to assist it in reaching high quality decisions on strategy, policy and other governance matters.

Members recognise that, for the purposes of accountability, clarity between the roles of governance and management is essential. Members must take care to avoid becoming involved in management's activities and are prohibited from interference in matters involving individual staff members other than the Chief Executive (refer clause 44 of Schedule 3 of the NZPH&D Act).

Members will not make commitments for work or expenditure by the DHB that have not been previously approved by the DHB, nor create any obligation or liability for the DHB beyond authorised delegations.

h) Employment Relationship

The Board employs the Chief Executive who is responsible for the employment and management of all other staff in the organisation. Board members will:

- Be supportive of employees of the District Health Board, and will not criticise employees in public. Any concerns relating to staff will be raised with the Board Chair and/or Chief Executive, as appropriate;
- Exercise judgement and courtesy in respecting the protocol of communicating through the Chair and/or Chief Executive, (as appropriate), in raising matters with the Chief Executive and/or

senior staff;

- Not attempt to unduly influence any employee of the District Health Board to present material in a particular way that might affect the outcome of a decision to be made by the Board;
- Exercise care in communicating privately with employees of the District Health Board, and refer any staff with complaints or concerns back to the Chief Executive.

i) Contact with Individual Staff Members

In some circumstances it will be quite appropriate for members to communicate directly with individual staff to further their knowledge/ understanding of organisational issues relevant to their governance role. Such communication needs to be carried out in an open and considerate manner. As a general rule, requests to individual staff should be governed by the following protocols:

- In the first instance, such approaches should be made “through the management line”, either via or with the knowledge of the Chief Executive (and Chair) and subsequently through the appropriate management levels (ie top down);
- E-mails (or other written requests) and subsequent communication should be copied to the Chief Executive and Chair;
- Consideration should be given to staff pressures and workloads and requests should not impose unreasonable burdens on staff;
- Any concerns about responsiveness to Board member requests should be taken up directly with the Chair/Chief Executive.

j) Procurement (Contact with Potential Service Providers and Staff Members)

As a public entity, the Board is required to be ethical and act with integrity when procuring goods or services. Informal communication with potential suppliers could prejudice the integrity of the procurement evaluation process (Controller and Auditor General ~~1(2008)~~, Procurement guidance for public entities: Good practice guide). Board members will:

- Act, and be seen to be acting in a fair, open and unbiased manner;
- Observe ethical standards, principles, and behaviour throughout the procurement process;
- Not communicate informally with potential suppliers during a procurement process. If approached or lobbied, Board members will refer potential suppliers to the Chief Executive or the senior staff member under his or her delegation designated as the point of contact for a procurement process;
- Not attempt to influence staff during a procurement process. This includes attempting to influence staff to use their delegated authority to purchase goods or services from a particular supplier.

k) Complaints Procedures and Representations

Board members have an important role in providing a community voice to the activities of the DHB. However, members recognise that the organisation, through the mandate of the Board, has processes in place to seek public consultation, prioritise resources, establish waiting lists and times, and respond to consumer complaints etc.

13.5

- Members will advise residents/health consumers who desire personal matters to be brought to the attention of the DHB to follow the proper procedures for raising issues and registering complaints.
- Members will not advocate on behalf of an individual beyond advising them of the complaints procedures and checking that the matter has been addressed satisfactorily by the organisation. (Note: 'satisfactorily' refers to the procedures followed by the organisation in addressing the matter, not necessarily whether the outcome is as the individual would wish.)
- Note: the foregoing provisions do not preclude members pursuing in a general way issues relating to policy or systemic failure that may have been indicated by or arise from an individual case/complaint.

l) Confidentiality  
(Duty not to disclose information)

Members receive information that is both public and private and must recognise that the release of information, and access to and handling of personal information about any individual, is governed by the Official Information Act 1982 ~~and~~ the Privacy Act 1993 and the Health Information Privacy Code 1994. In order to protect the organisation from inappropriate use and disclosure of information:

- Members are expected to be familiar with this legislation, and refer any requests for 'Official Information' or information about individuals to the Chief Executive;
- Members will not disclose publicly any business discussed while the public is excluded from a meeting, and/or information for which good reason exists (under the terms of the Official Information Act) for it to be withheld from the public, unless the Board decides by resolution to make such information public;
- Members accept that they may acquire information of a confidential nature (for example about health and disability providers and/or other local and national organisations) and agree not to use any such information for personal advantage, nor to disclose it to any other person unless first authorised by the Board (refer s 57 Crown Entities Act 2004).

m) Conflict of Interest

Refer NZPH&D Act 2000: Section 6, Section 29(6), Schedule 2 Clause 6, Schedule 3 Clause 36, Schedule 4 Clause 38 and Section 31(1)(c) of the CE Act 2004.

The NZ Public Health and Disability Act and the CE Act provide the statutory framework for dealing with conflicts of ~~interest and interest~~ and Board members duties generally, sets out the definition and procedure for disclosure of members' interests. The NZPHD Act states that:

1. A Board member who is 'interested in a transaction' of the District Health Board must, as soon as practicable, disclose the nature of the interest to the Board. This duty of disclosure is on-going and is additional to any disclosures made at the time of election/appointment of the Board member. Some interests may only become apparent over time or as certain transactions arise, so members should supplement their standing disclosures with further disclosures as and when such interests become apparent.

In addition, the 'nature' of the interest should be considered on a case by case basis with regard to the matters before the Board.;

~~1.2.~~ The disclosure must be recorded in the minutes and entered in a separate interests register;

~~2.3.~~ The Board member interested in a transaction must not take part in any deliberation or decision of the Board relating to the transaction. The Board may, by majority, permit an interested member to take part in a deliberation (but not decision) of the Board.

~~The disclosure must be recorded in the minutes and entered in a separate interests register.~~

#### Definitions (NZPH&D Act Section 6)

A "transaction" in relation to a DHB, means:

- (a) the exercise or performance of a function, duty or power of the DHB; or
- (b) an arrangement, agreement, or contract to which the DHB is a party; or
- (c) a proposal that the DHB enter into an arrangement, agreement, or contract.

"Interest in a transaction" is defined as arising:

"if the Board member:

- (a) is a party to, or will derive a financial benefit from, the transaction;
- (b) has a financial interest in another party to the transaction; or
- (c) is a director, member, official, partner, or trustee of another party to, or person who will or may derive a financial benefit from, the transaction ....; or
- (d) is the parent, child, or spouse or partner of another party to, or person who will or may derive a financial benefit from the transaction; or
- (e) is otherwise directly or indirectly interested in the transaction."

Paragraph (e) should be interpreted broadly. The Ministry of Health Conflict of Interest Guidelines for DHBs states that "non-financial interests (and financial interests not caught by (a) to (d)) are included in (e), which should be interpreted broadly".

~~Unless "his or her interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence him or her in carrying out his or her responsibilities~~

If a Board member's interest can reasonably be regarded as likely to influence him or her in carrying out his or her responsibilities, then that member will be interested in that transaction.s..."

Note:

A "perception" that a member is interested will not meet this test. However, a perception of a conflict of interest is still an important consideration for the DHB and needs to be managed by the Board. The best course, when there is any doubt, is to raise such matters of interest in the first instance with the Chair who will determine an appropriate course of action.

~~The key test to keep in mind is that in the public sector a conflict of~~

interest exists where:

- ~~"A member's or official's duties or responsibilities to a public entity could be affected by some other interest or duty that the member or official may have" (Controller and Auditor General, 2007, p13)~~

- ~~"Disclosing the nature of a conflict involves more than simply providing the name of a company in which the DHB member has an interest" (Diagnostic MedLab Ltd v Auckland District Health Board, Waitemata District Health Board, Counties Manukau District Health Board and Ors (DML): Justice Asher at paragraph 146).~~

~~"Properly disclosing the nature of an interest could include outlining the length and degree of involvement with an entity, the level of financial interest (eg number of shares held, the value of these shares, etc) and the member's intention towards the particular interest in the future" (Ministry of Health, 2007).~~

- Intentionally failing to disclose an interest would be a breach of that Board member's duties under the Crown Entities Act. Failure to declare an interest can undermine the validity of Board decisions and this can raise the risk that a decision may be challenged by way of judicial review. Ultimately, mMembers who fail to declare an interest can be removed from office by the Minister of Health (s 9, sch 3 NZPH&DA & s 37 CEA).

Register of Interests:

A Register of Interests for all Board members is maintained by the Board Secretary and is published as part of the agenda for each Board meeting. This lists all the 'interests' of each member that might possibly give rise to a conflict situation during the course of members' duties.

Board members:

- Note that one of the most important things when dealing with interests and conflicts is openness and transparency;
- ~~Recognise that at times a "perception of interest" may arise, which is a wider interpretation than that defined in the legislation. A "perception of interest" is where any member is "perceived to have an interest greater than the general public". The best course, when there is any doubt, is to raise such matters of interest in the first instance with the Chair who will determine an appropriate course of action;~~
- ~~Recognise that where a conflict of interest is declared (or where it is considered that there is a clear "perception of interest") the normal practice is for the member concerned to withdraw. A majority of other members of the Board may, however, resolve to allow the member to remain and take part in its deliberations, but not the decision, as long as the following are recorded in the minutes:~~
- ~~the resolution~~
- ~~the reason for passing the resolution (ie the Board's reason for granting the member permission to participate in its deliberations~~

~~when they have a conflict or potential conflict of interest)~~

- ~~anything said by the member concerned.~~
- ~~(NZPH&D Act Schedule 3, clause 36(4) and (5).~~
- Will not use their official positions for personal gain, or solicit or accept gifts, rewards or benefits which might be perceived as inducements and which could compromise the Board's integrity;
- Will exercise care and judgement in accepting any gifts, and advise the Chair and/or Board of any ~~offer~~ received.

Under section 135 of the CE Act Board members ~~and staff~~ are "officials" for the purposes of sections 105 and 105A of the Crimes Act 1961 relating to bribery and corruption:

"105(1) Every official is liable to imprisonment for a term not exceeding seven years who, whether within New Zealand or elsewhere, corruptly accepts or obtains, or agrees or offers to accept or attempts to obtain, any bribe for himself or any other person in respect of any act done or omitted, or to be done or omitted, by him in his official capacity. (2) Every one is liable to imprisonment for a term not exceeding seven years who corruptly gives or offers or agrees to give any bribe to any person with intent to influence any official in respect of any act or omission by him in his official capacity.

105A Every official is liable to imprisonment for a term not exceeding seven years who, whether within New Zealand or elsewhere, corruptly uses or discloses any information, acquired by him in his official capacity, to obtain, directly or indirectly, an advantage or a pecuniary gain for himself or any other person."

Collective Responsibility for Managing Conflicts of Interest:

The Board is responsible for ensuring that any conflicts which arise are managed appropriately to adequately avoid or mitigate the effects of the conflict of interest.

- "The successful management of conflicts requires active management. There needs to be a genuine consideration of the conflict and its impact so that appropriate action can be taken." (Ministry of Health, 2007).
- Members should not hesitate to question in detail other members about their conflicts of interest. Members should raise the issue of conflicts during meetings where they feel another member's proper participation could be compromised by their conflicts- (Ministry of Health, 2007).
- "A conflict of interest remains a conflict of interest even if disclosed, or approved, pursuant to cl 36. In other words, even if a conflict of interest has been dealt with in terms of cl 36 it can still, for administrative law purposes, be impermissible if it amounts to procedural unfairness or impropriety" (DML: Justice Asher at paragraph 134).
- The Board must be prepared, where appropriate, to exclude Board Members from involvement with a transaction, or to cancel a procurement or other process, where that is necessary to



ensure a fair and proper process (Ministry of Health, 2007).

References:

- Controller and Auditor General (2007), Managing conflicts of interest: Guidance for public entities: Good practice guide.
- Letter to Board Members from Deputy Director-General, DHB Funding & Performance, Ministry of Health (1 June 2007) re Conflicts of Interest and the duty not to disclose information.
- Ministry of Health (2010), Conflict of Interest Guidelines for District Health Boards.

n) Members undertaking work for the DHB

Clause 7 of Schedule 2 of the NZPH&D Act provides that employees of the DHB may also be elected members. Employment relationships will be declared as a conflict of interest (see section 6 NZPH&D Act).

For consultancy work, paragraph ~~118-113~~ of the Fees Framework [CO(~~1209~~)065] applies:

“The practice of members or other appointees receiving payments as consultants from bodies to which they are appointed must not take place. If, however, the responsible Minister agrees that there are overriding reasons for members and other appointees to carry out consulting assignments, any proposal to do so should be submitted to APH (Appointments and Honours Committee) and Cabinet for consideration. Where the arrangement results in the risk of a conflict of interest, the Minister should identify the conflict in the submission to the APH, and propose a suitable regime for managing the conflict.”

In the event of any such approval, the Minister will specify any conditions or expectations that will apply to the consultancy relationship.

o) Consultation and Participation

The Board has legislative obligations to ~~consult with the public in developing its District Strategic Plan (note, ‘consultation’ is a term with specific meaning that has been derived from case law – all DHBs are required to consult to the standard defined in the Local Government Act 2002).~~ Further, the Board is required/committed to engage with the community to foster community participation in health improvement, and in planning for the provision of services and for significant changes to the provision of services. It has a special responsibility to establish and maintain processes to enable Māori to participate in, and contribute to, strategies for Māori health improvement.

When it is required, all of a DHB’s service change proposals must adhere to the Planning Regulations. Where the Minister directs DHBs to make significant changes, the Minister may also require DHBs to consult on how those changes should be made. (Note, ‘consultation’ is a term with specific meaning that has been derived from case law. All DHBs are required to consult to the standard defined in the Local Government Act 2002.)

The Board and individual members:

- Will endeavour to keep an open mind during formal consultation with the public and be prepared to listen, to develop their

individual and collective understanding, and if appropriate to change their views;

- Will ensure that the consultation process provides the public with an effective opportunity to give their views;
- Will be respectful and attentive to members of the public;
- Note the Court of Appeal’s view of consultation as outlined in its decision in Wellington International Airport v Air New Zealand Limited:

“Consultation does not mean negotiation or agreement. It means setting out a proposal not finally decided upon, adequately informing a party of relevant information upon which the proposal is based, listening to what others have to say with an open mind (in that there is room to be persuaded against the proposal), undertaking that task in a genuine and not cosmetic manner, reaching a decision that may or may not alter the original proposal.”

p) Requests for Items to be Placed on Board or Committee Agendas

Members may seek the inclusion of items on Board or committee agendas through the following mechanisms:

1. Requesting a matter to be discussed through the Chair.
2. Through a Notice of Motion:

Notices of motion shall be in writing signed by the mover, stating the meeting at which it is proposed that the notice of motion be considered, and shall be delivered to the Chief Executive Officer at least 5 clear days before such meeting.

The Chair may direct the Chief Executive Officer to refuse to accept any notice of motion which is:

- (a) Disrespectful or which contains offensive language or statements made with malice; or
- (b) Not within the scope of the role or functions of the board; or
- (c) Contains an ambiguity or a statement of fact or opinion which cannot properly form part of an effective resolution, and where the mover has declined to comply with such requirements as the Chief Executive Officer may make.

No notice of motion shall proceed in the absence of the mover, unless moved by another member authorised in writing by the mover to do so.

Any notice of motion referring to any matter ordinarily dealt with by a committee of the Board may be referred by the Chief Executive Officer to that committee.

3. For urgent matters, through the provision for discussion of extraordinary business at ordinary meetings, as follows:

Where an item is not on the agenda for a meeting, that item may be dealt with if -

- (a) The board or committee by resolution so decides; and
- (b) The Chairperson explains at the meeting at a time when it is open to the public -
  - (i) The reason why the item is not on the agenda; and
  - (ii) The reason why the discussion of the item cannot be

13.5

delayed until a subsequent meeting.

(s 28, Schedule 3 and s 30, Schedule 4, of the NZPH&DA apply.)

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q) Behaviour at Board and Committee Meetings

Southern DHB also has Standing Orders.

As a general practice members have agreed that meetings of the Board and committees should be conducted in as informal manner as possible. In order to achieve this and to make meetings as productive and efficient as possible, members undertake to observe the following protocols (in addition to Standing Orders):

- Members will behave in a polite and respectful manner with colleagues and the executive.
- Issues will be raised in an objective manner – no personal reference or innuendo will be made to any persons associated with the matter being raised.
- Members will not interrupt each other or talk while another member is speaking (ie no side discussions will be held).
- Members will only make a point if it has not already been raised and is relevant to the topic.
- Members will endeavour to achieve closure on one point before another point is raised.
- Members, the Chair and the ~~CEO~~ Chief Executive will endeavour to clarify questions, issues, requests, before taking actions or responding.
- When there are concerns about matters that may be based on rumour or that are controversial, sensitive or political in nature, members will check with the Board Chair or Chief Executive for understanding and clarification.
- The Chair will terminate discussions if information is not available to pursue the discussion.
- Except for emergencies, or with the Chair's permission, no cell-phones ~~or laptops~~ will be turned on during Board meetings.
- Members will act consistently with what is agreed, demonstrating collective responsibility.
- Members and management participating in meetings will signal their intention to leave the meeting and such departures will only be made with good reason.
- All members will assist the Chair to uphold the behaviour protocols agreed to by the Board and to challenge departures from agreed values and standards.

r) Election Period Behaviour

Board members will abide by State Services Commission and Ministry of Health guidelines on conduct during election periods.

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## SOUTHERN DISTRICT HEALTH BOARD

|  |  |  |
|--|--|--|
| Title:   | SOUTHERN PHO – APPOINTMENT OF TRUSTEE              |  |
| Report to:   | Board  |  |
| Date of Meeting:   | 7 August 2014                                      |  |
| Summary:   |  |  |
| <ul style="list-style-type: none"> <li>▪ Mr Paul Menzies is the Southern DHB’s nominated trustee on the Southern Primary Health Organisation (PHO). His term is due to expire on 30 September 2014 but he is eligible for reappointment.</li> <li>▪ The relevant section of Southern PHO’s Constitution (Schedule 2) is appended. A full copy of the PHO constitution (48 pages) is available from the Board Secretary.</li> <li>▪ I have spoken with Paul and he is prepared to accept reappointment. I recommend accordingly.</li> </ul> |  |  |
| Specific implications for consideration (financial/workforce/risk/legal etc):  |  |  |
| Financial:   | n/a  |  |
| Workforce:   | n/a  |  |
| Other:   |  |  |
| Document previously submitted to:  | n/a  |  |
| Approved by Chief Executive Officer:   |  |  |
| Prepared by:<br>Board Secretary<br><br>Date: 24/07/14  | Presented by:<br>Joe Butterfield<br>Board Chairman |  |
| RECOMMENDATION:  |  |  |
| That the Board resolve to nominate Mr Paul Menzies as trustee of the Southern PHO to represent the Southern DHB for a further term from October 2014.  |  |  |

## SCHEDULE 2: RULES GOVERNING THE CONSTITUTION, APPOINTMENT, ROTATION, RETIREMENT, REMOVAL AND PROCEEDINGS OF THE TRUSTEES

### PART I — CONSTITUTION OF THE BOARD OF TRUSTEES

#### 1. *Composition of the Board*

##### *Number of Trustees*

- 1.1 There shall be a minimum of ten and a maximum of twelve Trustees, of whom:
- a. two shall be nominated by an Electoral Body following an electoral process involving General Medical Practitioners that complies with clause 2 of this schedule; and
  - b. two shall be nominated collectively by the Papatipu Runanga acting as an Appointing Body;
  - c. one shall be a nominated by an Electoral Body following an electoral process involving Nurses that complies with clause 2 of this schedule;
  - d. one shall be nominated by an Electoral Body following an electoral process involving Pharmacists that complies with clause 2 of this schedule;
  - e. three shall be Community representatives nominated by the Advisory Group acting as an Appointing Body, following Consultation with:
    - i. all territorial local authorities within Otago and Southland excluding regional councils but including unitary authorities (where applicable);
    - ii. Iwi;
    - iii. such community health trusts and other non-governmental organisations as the Advisory Group determines are involved in primary health care in Otago and Southland; and
    - iv. any other persons the Appointing Body thinks fit with a view to nominating Members representing a cross-section of the Community of Otago and Southland<sup>9</sup>;
  - f. one shall be nominated by the Chair for the time being of Southern District Health Board acting as an Appointing Body,

provided that only one Trustee may contemporaneously be a Member of any Committee (being the Member, if any, appointed by the Board under clause 13A.5 of this deed), other than a Committee of the Board.

- 1.2 The Board shall review the provisions of clause 1.1 before the third annual meeting of the Trust and shall complete such review a sufficient period before that annual meeting for any alterations to this provision approved under clause 15 of this deed to take effect for the purposes of the nomination of any Trustee to take office at that meeting.

##### *Qualifications of Trustees*

<sup>9</sup> Clause 1.1.e was amended in September 2013 to remove a requirement to Consult regional councils and to amend wording following establishment of the Advisory Group under clause 13A of the Constitution.

- 1.3 There shall be no residential, geographical, territorial, occupational or professional qualification for any Member. For avoiding doubt, a Member nominated by an Electoral Body need not be a Member of that Electoral Body or of any other Electoral Body or of any organisation generally representative of a category of Primary Health Care Practitioner.

*Competencies expected of Trustees*

- 1.4 It is acknowledged that, in order to further the Purposes of Trust, the Board should comprise Trustees collectively possessing appropriate personal competencies, which include the following:
- a. Appropriate knowledge and experience in governance roles;
  - b. Business acumen, with experience in leadership;
  - c. Knowledge and experience in the provision of primary health care services;
  - d. The ability to be forward thinking, alert and responsive to the need for change;
  - e. An understanding of the legal, regulatory, fiduciary and ethical obligations of trustees;
  - f. An understanding of financial statements, generally accepted accounting practice and the public health sector funding regime;
  - g. An understanding of any applicable Policy Documents;
  - h. The ability to make sensible, astute decisions and recommendations on complicated matters with a perspective of future opportunities and risks;
  - i. High ethical standards and integrity in all personal and business dealings;
  - j. The objectivity and conviction to exercise independent judgment;
  - k. Personal skills and traits that contribute to a culture of capability, candour, trust and professionalism.

Prior to each occasion on which a process for the nomination of a Trustee or Trustees is to commence, the Board shall communicate with the relevant Appointing Body or Electoral Body drawing its attention to this requirement.

*Initial Trustees*

- 1.5 The Initial Trustees shall be the Trustees until they retire by rotation, resign or are removed from office in accordance with this schedule. The Initial Trustees shall be deemed to have been nominated as follows:
- a. Dr Douglas James Hill and Professor Murray William Tilyard pursuant to clause 1.1a;
  - b. Donna Matahaere-Atariki, and any second Trustee nominated collectively by the Papatipu Runanga after the date of this deed, pursuant to clause 1.1b;
  - c. Kirsty Alsoon Murrell-McMillan pursuant to clause 1.1c;
  - d. Bernard Joseph McKone pursuant to clause 1.1d;
  - e. Mark Lindsay Crawford, Norman James Elder and Stuart Barry Heal pursuant to clause 1.1e;

f. Conway Llewelyn Powell pursuant to clause 1.1f.

*Replacement*

- 1.6 When the term of appointment of a Trustee expires, or a Trustee dies, resigns, or is removed from office, the vacancy so created shall be filled by a person nominated by the same Appointing Body or Electoral Body whose nominee is being replaced (or, if the Board has appointed a new Electoral Body to undertake an electoral process involving a category of Primary Health Care Practitioner or community of interest, by that Electoral Body).
- 1.7 A Trustee whose term has expired shall continue in office until the Trustee's successor comes into office notwithstanding the expiry of the original term of appointment.

*Interim Appointments*

- 1.8 In the case of a Trustee who dies, resigns or is removed from office, the Board may appoint an interim replacement Member, who shall hold office until the Appointing Body or Electoral Body nominates a replacement Member following completion of such electoral process as may be required. Nothing in this clause shall preclude an Electoral Body from nominating a reserve Member to be available to take office in the event of the death, resignation or removal from office of a Trustee nominated by that Electoral Body (in which case that reserve Member nominee shall be the interim replacement Member).

*Vacancies*

- 1.9 The powers of the Trustees shall not be affected by any vacancy in their number as long as a quorum of Trustees is present at a meeting.

*Proxies*

- 1.10 Any Trustee may, with the approval of the Chair, nominate a proxy to attend Board meetings in that Trustee's place if he or she is unable to attend. A proxy nominated with the approval of the Chair shall have the same voting and other rights, and be subject to the same responsibilities and restrictions, as the Trustee for whom he or she is proxy.

*Additional Members*

- 1.11 The Board may from time to time appoint up to two additional Members having the attributes set out in clause 1.4 of this Schedule, for such period and on such terms as the Board may determine. The Board shall specify in writing the duration and terms of the appointment.

*Co-opted Experts*

- 1.12 The Board may from time to time co-opt up to three experts to the Board for the purpose of providing such specialist expertise and/or Advice as the Board may require, for such period and on such terms as the Board may determine. A Co-opted Expert shall not have any voting rights.
- 1.13 In appointing a Co-opted Expert, the Board shall specify in writing the purpose for which the appointment is made and the terms and duration of the appointment, which shall not exceed 12 months.

*Appointment of officers and others*

- 1.14 The Trustees may appoint any other officers or employees that the affairs of the Trust may require on such terms and conditions as they think fit. The Trustees may also remove and replace any persons so appointed.

2. **Appointment Process**

*Validity*

- 2.1 A Trustee shall be validly appointed when the procedure outlined in this Schedule 2 has been followed.

*Appointment of Electoral Bodies*

- 2.2 The Board shall appoint the Electoral Bodies and notify each Electoral Body of a reasonable period (being not less than two months) within which an electoral process needs to be completed.

*Requirements for Electoral Process*

- 2.3 Each Electoral Body shall determine its own process for nomination of a Member provided that:
- a. the process is fair and transparent;
  - b. the process includes an electoral process in which all persons registered by the relevant Registration Authority and practising or ordinarily resident in Otago and Southland are entitled to participate;
  - c. the Electoral Body distributes to each person entitled to participate in the process for nomination of a Member a statement provided by the Board of the vision and Purposes of the Trust (as prescribed in this Deed) and of the personal competencies expected of an effective Trustee as set out in clause 1.4 of this Schedule (as may be amended from time to time) and such other information as the Board may determine from time to time..

*Other Aspects*

- 2.4 Provided that the requirements in clause 2.3 are satisfied and the electoral process is completed within the reasonable timeframe determined by the Board, all other aspects of the nomination and electoral process are for the Electoral Body to determine.

*Certificate from Electoral Body*

- 2.5 Provided the Board receives, with the Member's nomination, a certificate signed by an authorised officer or authorised officers of the relevant Electoral Body that the Member has been nominated pursuant to an electoral process that complies with clauses 2.3 and 2.4, the Board shall have no obligation to make any enquiry regarding that electoral process.
- 2.6 A letter from the authorised officer of an Appointing Body or Electoral Body delivered to the Trust two weeks prior to the Trust's Annual General Meeting providing the details of the nominee, and accompanied in the case of an Electoral Body by the certificate required under clause 2.5, shall be sufficient evidence of the appointment of the particular Member. The list of all appointed Trustees will be noted at the Trust's Annual General Meeting.



- 2.7 If an Appointing Body or Electoral Body fails to nominate a Member by the date of the Trust's Annual General Meeting, the Board may appoint a person to hold the office of that Member and the person so appointed shall hold office until the relevant Appointing Body or Electoral Body nominates a Member.

### 3. **Term of Office**

#### *Term*

- 3.1 The Initial Trustees shall hold office for a term expiring no later than 5 months after the end of the Trust's first income year or such earlier date as the Trust holds its 2011 Annual General Meeting. Initial Trustees may be reappointed.
- 3.2 Subject to clause 3.1, a Trustee shall hold office for a term of no more than four years from the date of appointment. A Trustee may be reappointed for a maximum of a further one term in accordance with the Rules.<sup>10</sup>

#### *Rotation*

- 3.3 a. At the 2013 Annual General Meeting, three Trustees shall retire. At the 2014 Annual General Meeting, two Trustees shall retire. This pattern of three and two Trustees retiring each successive year shall continue annually thereafter.<sup>11</sup>
- b. For the purposes of this clause 3.3, the Trustees to retire shall be those who have been the longest in office since their last appointment or re-appointment. If two of more of those Trustees were last appointed on the same day, the Trustees to retire (unless they otherwise agree) shall be determined by lot. For avoiding doubt, a retiring Trustee is eligible for re-appointment, and shall act as a Trustee throughout the meeting at which that Trustee retires.
- 3.4 For the purposes of clause 3.3, the Initial Trustees (who, for the purposes of this clause, shall include any second Trustee appointed after the date of this deed under clause 1.1 b of this Schedule) shall be deemed to have been appointed on the same day, and Trustees nominated by an Appointing Body or Electoral Body:
- a. prior to an Annual General Meeting of the Trust; or
- b. within 3 months after an Annual General Meeting to replace a Member continuing in office under clause 1.6; or
- c. within 3 months after an Annual General Meeting to replace an interim Member appointed under clause 2.7,

shall be deemed to have been appointed on the day of the Annual General Meeting.

#### *Termination of office*

- 3.5 A Trustee shall cease to hold office if he or she:
- a. retires from office by giving written notice to the Chair;
- b. completes his or her term of office (subject to clause 1.7);

<sup>10</sup> The maximum Term was changed from three years to four years, with provision for one further term rather than two further terms, in 2013 in conjunction with amendment of the rotation provision in clause 3.3 of this Schedule.

<sup>11</sup> Clause 3.3 was amended in 2013 to correct a drafting error and enable annual rotation of Trustees.

- c. becomes bankrupt or makes any composition or arrangement with his or her creditors;
- d. is convicted of an offence punishable by imprisonment;
- e. dies.

*Removal from office*

- 3.6 A Trustee may be removed from office by resolution of the other Trustees if the Trustee:
- a. refuses to act;
  - b. is absent without leave from 3 consecutive notified meetings of the Board;
  - c. becomes physically or mentally incapacitated to the extent that, in the opinion of all the other Trustees, he or she is unable to perform the duties of a Trustee properly;
  - d. has acted (or failed to act) in such a way as to demonstrate that the Trustee does not possess sufficient appropriate personal competencies;
  - e. is for any other reason unfit to carry out the duties of a Trustee,
- provided that:
- i. before a Member is removed from office under this clause, the relevant Appointing Body or Electoral Body has been advised of the proposed removal; and
  - ii. the grounds for removal shall be specified in the resolution.

*Record of changes of Trustees*

- 3.7 Upon every appointment, retirement, re-appointment or termination of office of any Trustee, the Trustees shall ensure that an entry is made in the minute book of the Trust to that effect and that any statutory requirements as to the vesting of the Trust Assets in the Trustees are satisfied.

*Validity of proceedings*

- 3.8 Where, for any reason, a Trustee is not properly appointed or is disqualified from holding office, anything done by that Trustee (or by a meeting at which he was present as a Trustee or Committee Member) before discovery of the irregularity, shall be as valid as if that Trustee had been duly appointed or had not been disqualified (as the case may be).

## **PART 2 — PROCEEDINGS**

### **4. *Election of Chairperson***

- 4.1 At their first meeting after the Annual General Meeting of the Trust in each year, the Trustees shall elect the Chair, who shall hold office until the election of the Chair the following year. The Chair shall be eligible for re-election.

### **5. *Ordinary meetings***

The Trustees shall meet as often as they consider desirable for the efficient and proper conduct of the affairs of the Trust, but in any event at least six times in each income year.

6. ***Special meetings***

A special meeting may be called at any time by the Chair or by 3 or more Trustees.

7. ***Electronic addresses***

7.1 Every Member shall provide an email address, facsimile number or other electronic address for the receipt of notices regarding Board meetings, unless the Chair agrees otherwise. A notice or other communication shall be deemed to have been delivered if it is sent to the email address, facsimile number or other electronic address designated by a Member for that purpose.

8. ***Notice of meetings***

8.1 Written notice of every ordinary or special meeting shall be sent by email or facsimile (or, with the approval of the Chair, posted) to each Trustee at least 7 days before the date of the meeting.

8.2 Written notice of each such meeting shall also be given to the Chair of the Advisory Group<sup>12</sup>.

8.3 The notice of a special meeting shall also state the subject matter of the meeting.

8.4 The requirement for notice of a meeting may be waived if all of those Trustees who are for the time being in New Zealand give their written consent to such a waiver.

9. ***Chairperson***

The Chair shall take the chair at all the meetings of the Board. If the Chair cannot be present, or is not present within fifteen minutes of the time appointed for any meeting, the Trustees present shall elect one of their number to be Chair of the meeting or until the Chair arrives.

10. ***Quorum***

10.1 A majority of currently appointed Trustees shall constitute a quorum at a meeting of the Board.

10.2 Any Trustee may appoint an alternate to attend a meeting in that Trustee's place, by giving written notice of that appointment to the Chair before the commencement of the meeting. In giving such notice, the Trustee may specify how the alternate is to vote on any resolution notice of which has been given. Except as so specified, the alternate may participate in all proceedings of the Board and shall have the same voting and other rights, and be subject to the same responsibilities and restrictions, as the Trustee for whom he or she is the alternate.

***Committee Chairs' right of attendance***

10.3 The Chair of the Advisory Group, if not already a Member of the Board, is entitled (but not obliged) to attend every meeting of the Board ex officio and shall not be counted for the purposes of establishing a quorum<sup>13</sup>.

<sup>12</sup> Amended September 2013 following establishment of Advisory Group.

<sup>13</sup> Amended September 2013 following establishment of Advisory Group.

**11. Adjournment**

If a quorum is not present within 30 minutes after the time appointed for any meeting, the Trustees present may adjourn the meeting. The Chair may adjourn any meeting on the adoption of a resolution for its adjournment. No new notice shall be required for adjourned meetings except to those Trustees who were not present when the meeting was adjourned.

**12. Committees**

12.1 The Board shall procure the establishment of an Advisory Group (however named) and procure the appointment of their Members<sup>14</sup>.

12.2 The Board may appoint sub-committees, ad hoc committees or reference groups for carrying out the Purposes of the Trust. Any such Committee may co-opt any other person, whether a Trustee or not, to be a Member of that Committee. Subject to these Rules and to any directions that the Board might give, each Committee may regulate its own procedure.

12.3 The Board may delegate decision-making for certain tasks but shall not delegate its accountability, or its governance responsibilities, to any other party.

**13. Resolutions**

13.1 Each Trustee shall have one vote at a duly convened meeting of the Trustees.

13.2 The Chair of the Advisory Group, if attending, shall be entitled to participate in discussion, and shall be subject to the same responsibilities and restrictions, as any Member of the Board but shall not be entitled to vote<sup>15</sup>.

13.3 Subject to clause 16.3 and except where these Rules or the deed provide otherwise, a resolution is validly made when it is passed by a simple majority of Members present and voting at a duly convened and conducted meeting of the Trustees or of a Committee (as the case may be).

13.4 A written resolution signed by all the Trustees or by all the Members of a Committee shall be as effective for all purposes as a resolution passed at a properly convened and conducted meeting of the Trustees or of that Committee, as the case may be. Such a resolution may comprise several duplicated documents, each signed by one or more of the Trustees or Members of the Committee, as the case may be.

**14. Minutes**

14.1 The Board shall keep a proper record in a minute book of all decisions taken and business transacted at every meeting of the Board. The minutes shall include a record of any Advice sought and received by the Board from any Committee regarding the business transacted at the meeting.

14.2 Any minute of the proceedings at a meeting which is purported to be signed by the Chair of that meeting or by the Chair of the next succeeding meeting shall be evidence of those proceedings.

<sup>14</sup> Amended September 2013 following establishment of Advisory Group.

<sup>15</sup> Amended September 2013 following establishment of Advisory Group.

- 14.3 Where minutes of the proceedings at a meeting of the Board have been made in accordance with the provisions of this clause then, until the contrary is proved, the meeting shall be deemed to have been properly convened and its proceedings to have been properly conducted.
15. ***Teleconference meetings***
- 15.1 For the purposes of these Rules, a teleconference meeting between Trustees or Committee Members who constitute a quorum shall be deemed to constitute a meeting of the Trustees or the Committee Members, as the case may be. All the provisions in these rules relating to meetings shall apply to teleconference meetings so long as the following conditions are met:
- a. all of the Trustees or Committee Members, as the case may be, for the time being entitled to receive notice of a meeting shall be entitled to notice of a teleconference meeting and to be linked for the purposes of such a meeting. Notice of a teleconference meeting may be given on the telephone;
  - b. throughout the teleconference meeting each participant must be able to hear each of the other participants;
  - c. at the beginning of the teleconference meeting, each participant must acknowledge his or her presence for the purpose of that meeting to the others;
  - d. a participant may not voluntarily leave the teleconference meeting by disconnecting his or her telephone or other means of communication without first obtaining the Chair's express consent. Accordingly, a participant shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the teleconference meeting unless he or she leaves the meeting with the Chair's express consent;
  - e. a minute of the proceedings at the teleconference meeting shall be sufficient evidence of those proceedings, and of the observance of all necessary formalities, if certified as a correct minute by the chairperson of that meeting.
16. ***Trustee declaration of interest***
- 16.1 A Trustee who is in any way directly or indirectly interested in any contract or arrangement or proposed contract or arrangement with the Trust or in respect of which the Trustees propose to exercise any of their powers shall declare the nature of his or her interest at a meeting of Trustees, but failure to do so shall not disqualify the Trustee or invalidate the contract or proposed contract. A declaration of interest by a Trustee at a meeting of the Trustees at which some or all of the Trustees present are also interested shall be a sufficient declaration for the purposes of these Rules.
- 16.2 A general notice by a Trustee that he or she is a member and/or an officer of a specified body and is to be regarded as interested in all transactions with or affecting that body shall be sufficient disclosure under these Rules regarding such Trustee and such transaction and after such general notice it shall not be necessary for such Trustee to give a special notice relating to any particular transaction with or concerning that body.
- 16.3 All declarations and notices given by Trustees pursuant to this Rule shall be recorded in the minutes.

**17. Disabilities of interested Trustees**

- 17.1 A Trustee shall not participate in the discussion nor vote in respect of any contract or arrangement in which he or she is interested, and if he or she does so his or her vote shall not be counted, nor shall he or she be counted in the quorum present at the meeting.
- 17.2 Where proposals are under consideration affecting the interests of two or more Trustees, such proposals may be divided and considered in relation to each Trustee separately and in such cases each of the Trustees concerned shall be entitled to vote in respect of each resolution except that concerning his or her own interests.
- 17.3 If any question shall arise at any meeting as to the materiality of a Trustee's interest or as to the entitlement of any Trustee to vote and such question is not resolved by the Trustee voluntarily agreeing to abstain from voting, such question shall be referred to the Chair (unless the Chair is the interested party, in which case another Trustee shall be appointed by the Trustees as Chair for the purposes of this clause) of the meeting and his or her ruling in relation to any such Trustee shall be final and conclusive.
- 17.4 A Trustee shall be deemed to have a personal interest in any matter in which he or she would reasonably be regarded as likely to be influenced materially to prefer interests other than those of the Trust, for reasons of personal advantage or the advantage of professional, business or family associates or for any other reason.

**18. Reimbursement and remuneration**

- 18.1 Each Trustee shall be entitled out of the Trust Assets:
- a. to be reimbursed for all reasonable expenses which he or she properly incurs in administering the Trust;
  - b. personally or to or for the benefit of his or her employer, to be remunerated or reimbursed, as the case may be, by way of fees, salary, or allowances at such reasonable rate or rates as the Trustees determine from time to time, after taking expert external advice

**19. Annual report and financial statements**

- 19.1 The Chair shall ensure that within four months of the commencement of each income year (other than the first income year) the Board shall resolve upon:
- a. a business plan outlining proposed activities and priorities for activities, and the outcomes expected for the forthcoming year;
  - b. a report dealing with the affairs of the Trust for the past year, supported by:
    - i. a statement of the Trust's income and expenditure during the previous income year and
    - ii. a statement of its assets and liabilities at the end of that income year;
    - iii. a comparison of the achievements for the year in question with the business plan objectives and anticipated outcomes for that year.

20. ***Annual General Meeting***

- 20.1 The Trustees shall hold an annual general meeting within five (5) months of the end of the previous income year. The annual general meeting shall be open to whoever wishes to attend.
- 20.2 The business of the annual general meeting shall include the presentation of the audited accounts for the preceding financial year, including a statement of the assets and liabilities of the Trust and the presentation of the annual report, detailing the performance of the Trust against the business plan objectives and the expected outcomes for that year.
- 20.3 The Trustees, the Trust's contracted providers, the Members of the Committees, the Appointing Bodies and the Electoral Bodies shall be notified of the annual general meeting, by mail or by electronic means, no less than 21 days<sup>16</sup> prior to the meeting date. Such notice of the annual general meeting shall also be published in the main regional daily newspapers not less than 10 days prior to the meeting date.

21. ***Audit***

- 21.1 The Trustees shall ensure that the financial statements of the Trust for each income year are audited by a chartered accountant in public practice within four months after the end of that income year. The person appointed as auditor must not be a Trustee.

22. ***Full and proper financial and business records***

- 22.1 The Trustees shall ensure the maintenance of full and proper financial and business records in accordance with generally accepted accounting principles, procedures and practices and best business practice generally and any legal obligations applicable to the Trust.

23. ***Control of funds***

- 23.1 All money received by or on behalf of the Trust shall be paid immediately to the credit of the Trust in an account or accounts with a Bank or Banks selected from time to time by the Trustees. All cheques and other negotiable instruments, withdrawal slips, receipts for money and electronic bank transfers shall be signed, drawn, accepted, endorsed or otherwise executed or effected (as the case may be) on behalf of the Trust in such manner as the Trustees decide from time to time.

24. ***Execution of documents***

- 24.1 The Trustees may by deed appoint an attorney or attorneys or by resolution authorise officers, agents, employees, or other representatives to execute documents for the Trust. A copy of a resolution for such authorisation signed by the Chair and another Trustee, or by any three Trustees, may be relied on as evidence of such authorisation by any person without good reason to doubt the validity of any purported authority.
- 24.2 If the Trustees become incorporated as a board under the Charitable Trusts Act 1957 they shall have custody of the common seal and from time to time by resolution they may adopt any seal they think fit. The common seal shall not be affixed to any document unless the Trustees have already authorised its use on that document. When a document is to be

<sup>16</sup> The notice period was increased from 10 days to 21 days in September 2013.

sealed on the prior authority of the Trustees, the sealed document must be countersigned by two Trustees.



SOUTHERN DISTRICT HEALTH BOARD

|  |   |                |
|--|---|----------------|
| Title:   | CONTRACTS REGISTER  |                |
| Report to:   | Southern District Health Board  |                |
| Date of Meeting:   | 7 August 2014   |                |
| Summary:<br>Funding contracts signed under delegation by Executive Director Planning & Funding and Chief Executive Officer and contracts approved by Board executed since last report. |   |                |
| Specific implications for consideration (financial/workforce/risk/legal etc):  |   |                |
| Financial:   | Nil   |                |
| Workforce:   | Nil   |                |
| Other:   | Nil   |                |
| Document previously submitted to:  |   | Date:          |
| Approved by Chief Executive Officer:   |   | Date: 29/07/14 |
| Prepared by:<br>Sandra Boardman<br>Executive Director Planning and Funding<br>Date: 25/07/14   | Presented by:<br>Sandra Boardman<br>Executive Director Planning and Funding |                |
| RECOMMENDATION:<br>1. That the Board note the attached Contracts Register.   |   |                |

Southern DHB Board Meeting - Contracts Register

FUNDING ADMINISTRATION  
CONTRACTS REGISTER (EXPENSES) - JUNE 2014

| PROVIDER NAME   | DESCRIPTION OF SERVICES  | ANNUAL AMOUNT              | CONTRACT/VARIATION END DATE | APPROVED BY  |
|---|--|----------------------------|-----------------------------|--|
| <b>Contract Value of - \$0 - \$100,000 (Level 3)</b>                            |  |                            |                             |  |
| Chateau Village JM-DT McMillan Trust<br>Variation to Agreement                  | Long Term Support - Chronic Health Conditions - Residential      |                            | 30.06.15                    | Executive Director<br>Planning & Funding<br>30.05.14 |
| Glenbrae Rest Home Ltd<br>Variation to Agreement                                | Long Term Support - Chronic Health Conditions - Residential      | \$ 37,704.50<br>(Estimate) | 30.06.15                    | Executive Director<br>Planning & Funding<br>30.05.14 |
| BUPA Care Services NZ Ltd t.a Lake Wakatipu Home & Hospital<br>Service Schedule | Exceptional Circumstances palliative care for a named individual | \$16,999.76                | 22.08.14                    | Executive Director<br>Planning & Funding<br>03.06.14 |
| BUPA Care Services NZ Ltd t.a Ascot Care Home<br>Service Schedule               | Exceptional Circumstances palliative care for a named individual | \$15,234.55                | 14.08.14                    | Executive Director<br>Planning & Funding<br>03.06.14 |
| Ripponburn Holdings Ltd t.a Ripponburn Home & Hospital<br>Service Schedule      | Exceptional Circumstances palliative care for a named individual | \$16,489.16                | 21.08.14                    | Executive Director<br>Planning & Funding<br>29.05.14 |
| Ripponburn Holdings Ltd t.a Ripponburn Home & Hospital<br>Service Schedule      | Exceptional Circumstances palliative care for a named individual | \$14,696.86                | 16.08.14                    | Executive Director<br>Planning & Funding<br>05.06.14 |
| Presbyterian Support Southland t.a Peacehaven<br>Service Schedule               | Exceptional Circumstances palliative care for a named individual | \$537.69                   | 23.05.14                    | Executive Director<br>Planning & Funding<br>30.05.14 |
| Summerset Care Ltd t.a Summerset at Bishopcourt<br>Service Schedule             | Exceptional Circumstances palliative care for a named individual | \$16,694.32                | 29.08.14                    | Executive Director<br>Planning & Funding<br>05.06.14 |
| Dunedin Community Care Trust<br>Variation to Agreement                          | Community Residential Care for a Named Individual                | \$34,291.84                | 31.07.14                    | Executive Director<br>Planning & Funding<br>05.06.14 |
| North and South No 1 Ltd t.a Northanjer Rest Home<br>Variation to Agreement     | Long Term Support - Chronic Health Residential - Northanjer      | \$29,415.10                | 30.06.15                    | Executive Director<br>Planning & Funding<br>05.06.14 |
| Rendell on Reed Lifecare Limited t.a Rendell on Reed<br>Agreement               | Exceptional Circumstances palliative care for a named individual | \$16,439.48                | 02.09.14                    | Executive Director<br>Planning & Funding<br>09.06.14 |

Southern DHB Board Meeting - Contracts Register

FUNDING ADMINISTRATION  
CONTRACTS REGISTER (EXPENSES) - JUNE 2014

|   |  |             |          |  |
|---|--|-------------|----------|--|
| Presbyterian Support Otago Inc t.a Ranui Home & Hospital Service Schedule         | Exceptional Circumstances palliative care for a named individual | \$10,395.34 | 17.07.14 | Executive Director Planning & Funding 30.05.14 |
| Presbyterian Support Otago Inc t.a Iona Hospital Service Schedule                 | Exceptional Circumstances palliative care for a named individual | \$2,680.35  | 30.03.14 | Executive Director Planning & Funding 05.06.14 |
| Elsdon Enterprises Ltd t.a Bradford Manor Variation to Agreement                  | Long Term Support Chronic Health Conditions                      |             | 30.06.15 | Executive Director Planning & Funding 24.06.14 |
| Harbour View Rest Home 2005 Ltd t.a Harbour View Rest Home Variation to Agreement | Long Term Support - Chronic Health Conditions                    |             | 30.06.15 | Executive Director Planning & Funding 24.06.14 |
| Mossbrae Healthcare Ltd t.a Mossbrae Home & Hospital Service Schedule             | Exceptional Circumstances palliative care for a named individual | \$8,710.08  | 17.06.14 | Executive Director Planning & Funding 13.06.14 |
| Marne Street Hospital Ltd Service Schedule  | Exceptional Circumstances palliative care for a named individual | \$16,512.86 | 08.09.14 | Executive Director Planning & Funding 11.06.14 |
| Presbyterian Support Otago Inc t.a Ross Hospital Service Schedule                 | Exceptional Circumstances palliative care for a named individual | \$16,694.32 | 11.09.14 | Executive Director Planning & Funding 18.06.14 |
| Presbyterian Support Otago Inc t.a Iona Hospital Service Schedule                 | Exceptional Circumstances palliative care for a named individual | \$16,439.48 | 15.09.14 | Executive Director Planning & Funding 19.06.14 |
| BUPA Care Services NZ Ltd t.a Ascot Care Home Service Schedule                    | Exceptional Circumstances palliative care for a named individual | \$16,489.16 | 10.09.14 | Executive Director Planning & Funding 18.06.14 |
| Presbyterian Support Otago Inc t.a Holmdene Hospital Service Schedule             | Exceptional Circumstances palliative care for a named individual | \$16,439.48 | 16.09.14 | Executive Director Planning & Funding 19.06.14 |
| Corstorphine Baptist Community Trust Variation to Agreement                       | Additional Support for a Named Individual                        | \$22,482.53 | 30.04.15 | Executive Director Planning & Funding 16.06.14 |
| Summerset Care Ltd t.a Summerset at Bishopscourt Agreement                        | Exceptional Circumstances palliative care for a named individual | \$16,694.32 | 03.09.14 | Executive Director Planning & Funding 09.06.14 |

**Southern DHB Board Meeting - Contracts Register**

**FUNDING ADMINISTRATION  
CONTRACTS REGISTER (EXPENSES) - JUNE 2014**

|  |  |                             |          |   |
|--|--|-----------------------------|----------|---|
| Summerset Care Ltd t.a Summerset at Bishopscourt Agreement   | Exceptional Circumstances palliative care for a named individual           | \$1,270.22                  | 17.06.14 | Executive Director Planning & Funding<br>18.06.14 |
| Presbyterian Support Otago Inc t.a Ross Hospital Service Schedule  | Exceptional Circumstances palliative care for a named individual           | \$16,694.32                 | 24.09.14 | Executive Director Planning & Funding<br>30.06.14 |
| Presbyterian Support Otago Inc t.a St Andrews Service Schedule   | Exceptional Circumstances palliative care for a named individual           | \$1,451.68                  | 06.06.14 | Executive Director Planning & Funding<br>27.06.14 |
| Pacific Island Advisory & Cultural Trust Incorporated Variation to Agreement                             | Pacific People Community Linkage Worker                                    | \$31,451.61                 | 31.01.15 | Executive Director Planning & Funding<br>18.06.14 |
| Ryman Healthcare Limited t.a Rowena Jackson Variation to Agreement                                       | Long Term Support - Chronic Health Conditions - Respite Care - Residential |                             | 30.06.15 | Executive Director Planning & Funding<br>30.06.14 |
| Downie Stewart Foundation t.a Moana House Variation to Agreement   | Sleepover Settlement   | \$67,741.00                 | 30.06.15 | Executive Director Planning & Funding<br>30.06.14 |
| <b>Total for Level 3</b>   |  | <b>\$ 460,650.01</b>        |          |   |
| <b>Contract Value of - \$100,000 - \$500,000 (Level 2)</b>   |  |                             |          |   |
| St John's Parish - Roslyn - Friends of the Aged & Needy Society t.a Leslie Groves Variation to Agreement | Long Term Support - Chronic Health Conditions - Residential                | \$ 139,006.60<br>(Estimate) | 30.06.15 | Executive Director Planning & Funding<br>30.05.14 |
| Corpac Trust Variation to Agreement  | Budget Advisory Service for People Living with Mental Illness              | \$228,064.41                | 30.06.17 | Executive Director Planning & Funding<br>07.07.14 |
| Pacific Island Advisory & Cultural Trust Incorporated Variation to Agreement                             | Pacific Cultural Navigator Service   | \$124,332.00                | 30.06.17 | Executive Director Planning & Funding<br>17.06.14 |
| <b>Total for Level 2</b>   |  | <b>\$ 491,403.01</b>        |          |   |
| <b>Contract Value of - \$500,000 - 1 Million (Level 1)</b>   |  |                             |          |   |
| Ashburn Hall Charitable Trust Variation to Agreement   | Alcohol & Drug Managed Withdrawal Community Service                        | \$ 665,049.36               | 30.06.17 | Carole Heatly<br>CEO Southern DHB<br>30.06.14     |
| Otago Mental Health Support Trust Variation to Agreement   | Consumer Advocacy & Peer Support & Development Network                     | \$ 785,085.35               | 30.06.17 | Carole Heatly<br>CEO Southern DHB<br>20.05.14     |

Southern DHB Board Meeting - Contracts Register

FUNDING ADMINISTRATION  
CONTRACTS REGISTER (EXPENSES) - JUNE 2014

|   |  |                        |          |   |
|---|--|------------------------|----------|---|
| Presbyterian Support Otago Incorporated<br>Variation to Agreement | Health of Older People - Individualised Funding Agency | \$ 705,600.00          | 30.06.15 | Carole Heatly<br>CEO Southern DHB<br>03.06.14 |
| Gore Health Limited t.a Gore Hospital<br>Variation to Agreement   | Health of Older People                                 | \$ 664,505.00          | 30.06.15 | Southern DHB Board<br>05.06.14                |
| Gore Health Limited t.a Gore Hospital<br>Variation to Agreement   | Primary Maternity Facility Services                    | \$ 527,257.03          | 30.06.15 | Southern DHB Board<br>05.06.14                |
| <b>Total for Level 1</b>  |  | <b>\$ 3,347,496.74</b> |          |   |
| <b>Contract Value of - \$1 Million and Over (Board)</b>           |  |                        |          |   |
| Creative Arts Trust<br>Variation to Agreement                     | Arts Based Day Activities                              | \$ 1,071,511.20        | 31.05.17 | Southern DHB Board<br>05.06.14                |
| Orthotics Centre (NZ) Limited<br>Variation to Agreement           | Orthotics Services                                     | \$ 3,383,318.88        | 30.06.17 | Southern DHB Board<br>08.05.14                |
| Gore Health Limited t.a Gore Hospital<br>Variation to Agreement   | Domicillary Services                                   | \$ 1,325,867.20        | 30.06.15 | Southern DHB Board<br>05.06.14                |
| Gore Health Limited t.a Gore Hospital<br>Variation to Agreement   | Community Health Services Head Agreement               | \$ 1,325,867.20        | 30.06.15 | Southern DHB Board<br>05.06.14                |
| University of Otago - School of Dentistry<br>Service Schedule     | Inpatient & Outpatient Treatment Service Schedule      | \$1,662,820.00         | 30.04.15 | Southern DHB Board<br>05.06.14                |
| University of Otago - School of Dentistry<br>Agreement            | Oral Health Services Head Agreement                    |                        | 30.04.15 | Southern DHB Board<br>05.06.14                |
| University of Otago - School of Dentistry<br>Service Schedule     | Emergency Dental Treatments Service Schedule           | \$678,950.00           | 30.04.15 | Southern DHB Board<br>05.06.14                |
| University of Otago - School of Dentistry<br>Service Schedule     | Sleep Apnoea Service Schedule                          | \$29,556.00            | 30.04.15 | Southern DHB Board<br>05.06.14                |
| <b>Total for Board Level</b>                                      |  | <b>\$ 9,477,890.48</b> |          |   |

**Grand Total \$ 13,777,440.24**