

## MIDCENTRAL DISTRICT HEALTH BOARD

Minutes of the MidCentral District Health Board meeting held on 20 September 2011 at 10.00 am at MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street, Palmerston North

### PRESENT

Phil Sunderland (Chair)  
Diane Anderson  
Lindsay Burnell  
Ann Chapman  
Kate Joblin

Pat Kelly  
Karen Naylor  
Richard Orzecki  
Barbara Robson

*Unconfirmed Minutes*

### IN ATTENDANCE

Murray Georgel, Chief Executive Officer  
Mike Grant, General Manager, Planning & Support  
Jill Matthews, Principal Administration Officer  
Dennis Geddis, Communications Officer  
Lyn Horgan, Operations Director, Hospital Services  
Craig Johnston, Senior Portfolio Manager, Primary Care  
Jeff Small, Group Manager, Commercial Support Services  
Bob Brown, Financial Services Manager  
Muriel Hanratty, Director, Patient Safety & Clinical Effectiveness

Public (1)  
Media (1)

#### 1. APOLOGIES

An apology was received from Jack Drummond, Board Member.

#### 2. LATE ITEMS

There were no late items.

#### 3. CONFLICT AND/OR REGISTER OF INTERESTS UPDATE

##### 3.1 Amendments to the Register of Interests

There were no amendments to the Register of Interests.

##### 3.2 Declaration of Conflicts in Relation to Today's Business

No conflicts were identified.

#### **4. MINUTES OF PREVIOUS MEETING**

##### **4.1 Minutes**

It was resolved:

*that the minutes of the previous meeting held on 16 August 2011 be confirmed as a true and correct record.*

##### **4.2 Matters Arising from the Minutes**

There were no matters arising from the minutes.

#### **5. BOARD COMMITTEES**

##### **5.1 Funding Audit Sub-Committee**

It was resolved:

*that the unconfirmed minutes of the meeting of the Funding Audit Sub-Committee held on 16 August 2011 be received and the recommendations contained therein approved.*

##### **5.2 Matters Arising**

There were no matters arising from the minutes.

##### **5.3 Community & Public Health Advisory Committee**

The Committee Chair advised that the minutes were incomplete. A member of the public, John Bent, had addressed the committee meeting regarding the following two agenda items:

- Non-Financial Monitoring Framework and Performance Measures
- Begging in the Central Business District

He had raised issues around mental health in respect of these. The minutes would be corrected prior to submission to the Committee for approval. The omission did not impact the recommendations contained in the minutes.

A typographical error in the minutes was noted: item 5.4 should refer to the "implementation" of the Regional Services Plan.

It was resolved:

*that the unconfirmed minutes of the meeting of the Community & Public Health Advisory Committee held on 6 September 2011 be received and the recommendations contained therein approved.*

##### **5.4 Matters Arising**

There were no matters arising from the minutes.

##### **5.5 Hospital Advisory Committee**

It was resolved:

*that the unconfirmed minutes of the meeting of the Hospital Advisory Committee held on 6 September 2011 be received and the recommendations contained therein approved.*

## 5.6 Matters Arising

There were no matters arising from the minutes.

## 6. STRATEGIC MATTERS

### 6.1 centralAlliance: Update against Corporate/Governance Work Streams

The impact of central agencies, such as Health Benefits Limited (HBL) and others, on the central region's information systems plan was raised. Management advised that final "regional" agreement on CRISP was awaited, ie the support of all DHBs involved rather than outside agencies. HBL had stated its intentions not to get involved in clinical information systems.

It was resolved:

*that the report be received.*

## 7. OPERATIONAL REPORTS

### 7.1 CEO's Report

#### 7.1.1 Infrastructure Costs

The impact of Enable New Zealand on MidCentral DHB's infrastructure costs was raised. The CEO advised that ACC revenue received by Enable New Zealand was treated as revenue. The cost associated with this, being "cost of sales", was treated as an expense. This was an anomaly, and when included MDHB's infrastructure costs rose above the sector average to around 21.6%.

#### 7.1.2 Director of Mental Health, Ministry of Health

Management advised the new appointee would replace Dr David Chaplow who was currently serving in this role.

Richard Orzecki entered the meeting.

#### 7.1.3 Regional Services Plan

The transport and accommodation work stream was discussed. It was noted that this was a stocktake of the current situation within the central region. Members expressed concern that national policy and processes were outside the scope of the project. It was agreed this matter should be raised at the forthcoming regional DHB board members' forum, with a view to the region advocating that the Ministry of Health review national travel and accommodation policies.

#### 7.1.4 Monitoring Status

MidCentral DHB's return to "standard monitoring" on the Ministry of Health's monitoring and intervention framework was acknowledged by the Board. Members formally recorded their appreciation to management on this result.

The importance of ensuring MidCentral DHB's positive operating position was maintained was emphasised by members.

Craig Johnston entered the meeting.

#### 7.1.4 Insurance

The CEO confirmed that insurance cover was in place. Premiums had generally remained consistent with previous years, with the exception of “material damage”. This has risen significantly. The contract had been negotiated nationally, and MidCentral DHB would not have been able to have done better.

#### 7.1.5 Financial Position

The CEO advised that the preliminary results for August were positive to budget. The DHB continued to have a strong financial position which covered capital expenditure requirements and commitments. Banking covenants were also being met.

#### 7.1.6 Debt and Investment

The Chair advised the Group Audit Committee had received an independent assessment of MidCentral DHB’s treasury function. The report was very positive, both in terms of MDHB’s debt and investment management.

It was resolved:

*that the report be received; and,*

*that management be congratulated on its hard work which has resulted in the DHB’s monitoring status being returned to “standard monitoring”.*

## 7.2 2010/11 Annual Accounts

The Group Audit Committee Chair advised the annual accounts and report had been considered by the committee, and discussed with the DHB’s external auditors. Key points raised were:

- The external audit process had gone very well.
- MDHB would receive an unqualified audit opinion in the near future.
- There was one matter still to be finalised, being the extent of the disclosure made regarding the valuation of land. This would not change the auditor’s opinion.
- The auditor’s key areas of focus had been discussed. Segregation of duties had been a recommendation last year and this had been resolved. Procurement would continue to be an area of focus.

The Statement of Service Performance had been an issue in previous years as it had for most DHBs. MDHB had made improvements but there was still some ground to be made and this should be considered as work in progress. Deloitte had offered to provide feedback and assistance with the SSP prior to MDHB developing its 2012/13 Annual Plan.

- Materials aspects of the audit were reported, including assessment of internal controls and key areas of focus. There were no matters of significance to report.
- The auditor’s had confirmed their independence.
- MidCentral DHB had breached legislation by not reviewing the District Strategic Plan during the year. As from 1 July 2011 this was no longer a requirement. This was considered a technical breach.
- One small error required correction in the Governance Statement.

The Board congratulated all involved in the development of the report. It was considered user-friendly and very readable. The Board Chair advised the auditors were complimentary about the report.

An amendment to the report was requested, being the feature around “every day in MidCentral”. The reference to the number of women receiving a breast screen examination to be amended to a “screening mammogram”.

Attention was drawn to the letter of representation, as contained in the Group Audit Committee’s agenda.

It was resolved:

*that the 2010/11 annual report, including the accounting policies, be approved, subject to any feedback from the Board and Group Audit Committee being incorporated, and final audit approval;*

*that the Chair and Deputy Chair be given delegated authority to approve any changes that are required to be made to the annual report;*

*that the Chair and Deputy Chair be authorised to sign the 2010/11 annual report on behalf of the Board;*

*that the Chair and Deputy Chair be authorised to sign the letter of representation in respect of the 2010/11 external audit on behalf of the Board;*

*that the Chair and Deputy Chair be authorised to sign the annual report and letter of representation in respect of Enable New Zealand Limited.*

## **8. GOVERNANCE ISSUES**

### **8.1 Associated Organisations**

#### *8.1.1 Technical Advisory Service: Annual Update*

Members requested more strategic and frequent reporting in respect of the Technical Advisory Service (TAS) in recognition of the role this entity would play in assisting MidCentral DHB achieve regional goals and responsibilities.

Management advised that the role of TAS was likely to be significantly different, but at this point in time these discussions had only just commenced and no determinations had been made. The future landscape would be driven by different central agencies. The example of regional training hubs was cited. Health Workforce New Zealand required regional training hubs to be established, and the central region was currently considering whether TAS would be the best vehicle to deliver this.

The issue of funding new requirements, such as regional training hubs, was raised. It was noted that it was unclear whether these would be funded centrally or locally. In respect of the latter, this could be through additional funding from DHBs or re-prioritisation of TAS’ work programme, or a mix of both.

It was agreed that management would report back to the Board regarding future reporting in respect of TAS.

It was resolved:

*that the report be received.*

### 8.1.2 Allied Laundry Services Limited: Annual Update

The Board noted that Allied Laundry Services Limited was an excellent example of a successful, collaborative venture.

It was resolved:

*that the report be received; and*

*further that approval be given to Allied Laundry Services Limited retaining \$154,000 profit from the 2010/11 financial year.*

### 8.1.3 DHBNZ: Wind-up, Transition and Annual Update

It was noted that DHBNZ had been subject to the Official Information Act. TAS' position in this respect was questioned. The CEO understood it was also covered by the Act and undertook to confirm this at the next meeting.

Management advised that four signatories to the master agreement were still required. However, this was just a matter of logistics. It was noted that the agreement reflected the move from a constitutional to a contractual relationship between DHBs in respect of the collaborative DHB function.

It was resolved:

*that the report be received.*

## 8.2 Election Policy

It was resolved:

*that the amended MDHB's Election Protocols for MidCentral District Health Board Staff and Members, as contained in the agenda, be approved effective immediately, and that it be reviewed in 36 months.*

## 8.3 Board Membership

It was resolved:

*that the report be received.*

## 8.4 2011/12 Work Programme

The Board requested that the staff climate survey be undertaken in the 2011/12 financial year and that management report back on how this could be achieved, taking into account other surveys which were to be undertaken. A member sought confirmation that this survey would encapsulate patient safety and how staff relationships might impact on that. In this respect, the Whanganui DHB's experience was cited and management confirmed it obtained information on that survey.

Another member sought an assurance that the survey would encapsulate staff morale particularly in light of the significant financial change programme recently undertaken.

It was resolved:

*that the updated work programme for 2011/12 be noted.*

## 9. LATE ITEMS

There were no late items.

## 10. DATE OF NEXT MEETING

Tuesday, 18 October 2011, MidCentral District Health Board Offices, Board Room, Gate 2, Heretaunga Street, Palmerston North. The meeting will include a "public forum".

## 11. EXCLUSION OF PUBLIC

It was resolved:

*that the public be excluded from this meeting in accordance with the Official Information Act 1992, section 9 for the following items for the reasons stated:*

<i>Item</i>	<i>Reason</i>	<i>Ref</i>
<i>"In Committee" Minutes of the Previous Meeting</i>	<i>For reasons stated in the previous agenda</i>	
<i>"In Committee" Minutes of Committee Meetings:</i> <ul style="list-style-type: none"> <li>• <i>Community &amp; Public Health Advisory Committee, 6 September 2011</i></li> <li>• <i>Hospital Advisory Committee, 6 September 2011</i></li> </ul>	<i>For the reasons set out in the Committee's order paper of 6.9.2011 meeting held with the public present</i>  <i>For the reasons set out in the Committee's order paper of 6.9.2011 meeting held with the public present</i>	
<i>Strategic Issues</i> <ul style="list-style-type: none"> <li>• <i>Central Region's Information Systems Plan</i></li> <li>• <i>Feilding Integrated Family Health Centre</i></li> </ul>	<i>Under negotiation</i>  <i>Under negotiation</i>	<i>9(2)(j)</i>  <i>9(2)(j)</i>
<i>Governance Issues</i> <ul style="list-style-type: none"> <li>• <i>Internal Audit Service – Appointment of Auditors</i></li> </ul>	<i>Subject of negotiation</i>	<i>9(2)(j)</i>

Confirmed this 18<sup>th</sup> day of October 2011.

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Chairman