

AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the Auckland District Health Board meeting
held on Thursday, 7 December 2006, in the Marion Davis Library,
Building 43, Auckland City Hospital, Grafton
commencing at 1:30 pm**

1. ATTENDANCE AND APOLOGIES

Board Members

Wayne Brown (Chair)
Chris Chambers
Ian Scott

Harry Burkhardt
Di Nash

Management in Attendance

Garry Smith – Chief Executive
Denis Jury – Chief Planning and Funding Officer
Roger Jarrold – Chief Financial Officer
David Sage – Chief Medical Officer
Taima Campbell – Executive Director Nursing
Janice Mueller – Director Allied Health
Ian Bell – Board Administrator

Apologies

The Chair declared the meeting open at 1:45 pm.

Apologies had been received from Ross Keenan, Barry de Geest, Virginia Hope and John Retimana.

2. CONFIRMATION OF MINUTES – 2 NOVEMBER 2006

Moved Harry Burkhardt, seconded Di Nash

That the minutes of the Auckland District Health Board meeting held on 2 November 2006 be confirmed as a true and correct record.

Carried

3. ACTION POINTS – 2 NOVEMBER 2006

Communications

Communications would be updated to the Board in conjunction with the methodology of developing of the next year's District Annual Plan.

Domain Carpark

The consultants had been replaced by Beca to get the application for resource consent before Council with a target date of 15 January 2007.

Non CPE Travel

The reporting mechanisms were being developed with enhanced reporting sought from the travel company. When doctors were attending to College business, which generally were based in Australia, time was taken as an allocation of CME although the College generally paid the airfares.

Sponsorship Policy

An article on the Sponsorship Policy would be in NOVA.

Accident Compensation Corporation

The Audit Committee had reviewed the medical misadventure claims lodged with ACC. ADHB had information on claims to ACC and requested further information on benchmarking and context and whether ADHB was left with the consequences of claims that had occurred in the private sector. The information provided was to be sent to the Chief Medical Officer.

4. CHAIRMAN

4.1 Report

Wayne Brown reported on his activities for the month:

- Celebration Week had been very successful
- He had attended the quarterly Clinical Directors meeting which had been positive and where the Surgical Improvement Project had been vigorously debated. The SMO's attitude to the strikes had been supportive of ADHB.
- Clinical Directors' presentations to each Hospital Advisory Committee meeting had been very informative.
- There had been a presentation to the Clinical Directors on software with open discussion on the Concerto upgrade going poorly. This had been addressed. Discussion included IT software as a service rather than being purchased.
- He had had discussions with DHBNZ Chair concerning structure and they had developed a slightly better voting system but it was based on PBF and needed to include IDFs. They had developed a Chairs Executive Board with proposed fees for those members.
- He thanked all for their support through the lab workers' strike.
- A letter had been sent to the Minister seeking withdrawal of the Letter of Comfort as it was not required.
- A letter concerning the Code of Good Faith had been drafted.
- Worked on DML court case evidence
- He had asked management to consider location of a gymnasium as part of the Level 5 review of retail space.
- Letters had gone to the Ministers of Foreign Affairs and Health concerning recovery of debts from ineligible patients from the foreign aid budget.
- The Board had had their closing function.

He thanked member and staff for the achievements and a great year.

4.2 Regional Report

The Board Administrator read notes from the Deputy Chair, Ross Keenan:

- The next regional meeting would be held on 14 December 2006.
- The new CEOs were now in place at Waitemata, Dave Davis and Counties Manukau, Grant Martin. They would progressively be given responsibilities for some of the CEO work streams to shift some of the work from Garry Smith.
- He had participated in the laboratory services new contract matters being in regular liaison with Labour MPs and ensuring opportunities for Board briefings to occur with presentations to Counties Manukau on 6 December 2006 and Waitemata on 18 December 2006. He was not directly involved in any of LabTest's planning or activity.

4.3 Appointment to Community Health Advisory Committee and Maori Health Advisory Committee

Moved Ian Scott, seconded Di Nash

That the Auckland District Health Board appoints Tereki Stewart as a Ngati Whatua member of the Maori Health Advisory Committee and representative on the Community and Public Health Advisory Committee and that Naida Glavish cease to be a member of the Maori Health Advisory Committee and Tracy Walters cease to be a member of the Community and Public Health Advisory Committee

Carried

5. DISABILITY SUPPORT ADVISORY COMMITTEE

The Chair was not in attendance to report on the Disability Support Advisory Committee activities.

6. MAORI HEALTH ADVISORY COMMITTEE

The Ministry of Health were seeking to change the legacy arrangements between the Ministry and Mapo.

7. QUALITY COMMITTEE

The Committee would be meeting on 21 December 2006. The Chair of the Committee had attended a presentation by David Sage to John Bullivant on the integrated governance model and she considered that ADHB were doing many of the things that were being applied in the National Health Service and scored well.

8. CHIEF EXECUTIVE OFFICER

8.1. Report

Garry Smith acknowledged the work of Gill Naden for leadership of the Celebration Week and Jess Malcolm in coordinating the Greet and Treat. The week had been a great success with very good attendances including GPs on the Monday, NGOs and PHOs and members attending the long service appreciation. The consideration for the future was a named international speaker talking on health in the wider context and occasions to include new staff and suppliers. The quiz night has been very successful with 23 teams, including the Board team, with anaesthesia teams coming first and second. The art tours had been interesting and a doctor is proposing to donate a further work to ADHB. The week also saw the launch of the alumni event. The Board was shown a slide show covering the events of the week.

Garry Smith presented to the Committee on the 2006 calendar year with significant progress on ESPI compliance following the Board's request not to send patients back for ADHB's population. The Ministry's assessment for the fourth quarter 2005 - 2006 had shown achievement of 17 out of 22 objectives. The MoH were reviewing how reporting was conducted in the sector. Financial performance had exceeded budget and the District Annual Plan for 2006 - 2007 had been able to be revised to a proposed deficit of \$20m and break even in the 2007 - 2008 and outer years.

Staff turnover rate for the June quarter was the lowest it had been for 3 years with a focus on values and evidenced based medicine with the whole organisation working well utilising the new facilities. There was good management and an esprit de corps.

The strikes had been difficult and unfortunately it was the patients that missed out. ADHB was ACC accredited and productivity gains were over 10%. IS was moving to an information management approach and research in the organisation was being better identified and managed. It was proposed to establish a contestable research fund. The Board requested the CMO present to the Board on research.

The new quality framework was being developed and a number of health improvement plans being adopted and being implemented. He thanked the Board and Chairman for their support and challenges and thanked the management team and staff.

The Chairman noted that ADHB was finishing a good year and had moved from a hospital orientated organisation to adopt a wider DHB approach to population health quickly.

8.2 Final Revision to the District Annual Plan and Statement of Intent for 2006 - 2007

Moved Wayne Brown, seconded Harry Burkhardt

That the Auckland District Health Board approves the 2006-2007 District Annual Plan and the Statement of Intent with an amendment to the integrated management chart for submission as final copies to the Ministry of Health.

Carried

9. FINANCIAL REPORT – OCTOBER 2006

9.1 Report

The financial report had been discussed fully at the Audit meeting. CTs had been issued for the Greenlane property and the proposed sale could be executed. ADHB had informed suppliers of the amended procurement policy including the move to include a charge for recalls in contracts. One supplier, Boston Scientific, had written direct to the Minister concerning this proposal rather than discussing the matter with ADHB and the Board supported reducing the activity with that supplier as they had not appreciated the importance ADHB placed on relationships.

The CFO had attended a Tier 2 pricing meeting which had become a natural outlet for other DHBs expressing their view on Auckland however the MoH had shown commitment to the process. It was disappointing that the sector did not acknowledge what ADHB clinicians were providing to their populations.

The monthly results may not be entirely accurate due to delays in coding but the year to date results were a fair reflection of the financial position. Productivity had flattened out in the first four months, some related to coding, but areas such as Ambulatory were performing well. Adults and Children's were areas of concern and it is important to establish Tier 2 status in Children's and Women's where volumes were an issue.

Utilisation of theatres was still of concern and there may be a number of capex coming through. Monthly reports from some suppliers were being received in an effort to contain

inventories. The challenge would be to move from the deficit of \$20m for 2006 - 2007 to break even in the following year however the CFO considered this was achievable.

9.2 Preliminary Opening IFRS Balance Sheet

The Auditors had accepted that ADHB would not completely adopt IFRS but the issues were below the levels of materiality.

Moved Ian Scott seconded Harry Burkhardt

That the Auckland District Health Board approves the preliminary opening NZ International Financial Reporting Standards (IFRS) Balance Sheet as at 1 July 2006 and authorises the Chair and Chair of the Audit Committee to sign it on their behalf.

Carried

The purpose of the balance sheet at 1 July 2006 was to provide comparisons for the next year's accounts commencing 1 July 2007. The level of materiality of variations were not great.

10. AUDIT COMMITTEE

The key items discussed by the Audit Committee were Internal Audit's effort to get a standard external auditor for the three Auckland Boards and headway with a supplier on back payments. Concerning the recovery of payments there was a right to audit in the contract but not right to recover costs and the Board suggests that the contracts be amended to provide for recovery of costs where the supplier was shown to be in breach of the contract. The Audit Committee had also approved the arrangement concerning the Fixed Wing Air Ambulance service. The Facilities Maintenance contract would be unbundled to allow ADHB advantages going forward and the proposal to fund ADHB vehicles out of existing resources had been accepted.

12. NEXT MEETING

The meeting closed at 3:05 pm.
The next meeting will be held at
1:30pm, Thursday 1 February 2007
Marion Davis Library
Building 43
Auckland City Hospital
Grafton

CONFIRMED

CHAIR:

DATE: