

AUCKLAND DISTRICT HEALTH BOARD

**Minutes of the meeting of the Board held on Thursday 7 November 2002
in the Marie Hosking Room, Level 7, Building 14, Greenlane Clinical Centre, Auckland
commencing at 1:15pm.**

The Chair declared the meeting open at 1:15pm.

1. ATTENDANCE AND APOLOGIES

Board Members

Wayne Brown (Chair)
Margaret Horsburgh (Deputy Chair)
Crystal Beavis
Susan Devoy
Di Nash
John Retimana
Vicki Salmon
Ian Scott
Pat Snedden

Management in Attendance

Graeme Edmond – Chief Executive
Ian Ward - Chief Financial Officer/GM Shared Services
Marek Stepniak – Chief Operating Officer
Nigel Murray – GM HSDP
Brenda Saunders - GM Communications
Ian Bell - Board Administrator

Charles Lowndes resignation from the Board dated 4 November 2002 was noted.

2. CONFIRMATION OF MINUTES

2.1 26 September 2002

Moved Margaret Horsburgh, seconded Susan Devoy.

That the minutes of the meeting of the Auckland District Health Board held on 26 September 2002 be confirmed as a true and correct record noting that the seconder of the motion to confirm the minutes if 29 August 2002 was Vicki Salmon.

Carried

2.2 Amendment to minutes 28 August 2002

Moved Margaret Horsburgh, seconded Susan Devoy

That the ADHB confirms the amendment to the minutes of 29 August 2002 to record the appointment of Vicki Salmon as a trustee to the Auckland District Health Board Charitable Trust.

Carried

3. ACTION TABLE 26 SEPTEMBER 2002

The Board reviewed the matters arising from the previous meeting.

Wellington had been informed of the HSDP Scope changes and these would be brought to the Building and Change Committee for approval.

Wayne Brown advised that he was pursuing sign off of the District Annual Plan, which took into account the Crown's previous commitments and consequences in the three-year forecast. This was preferable to receiving a Letter of Comfort.

There was a need to work with the MoH on further capital requests with a clear list of what was coming so that commitments were well understood. A meeting would be held with officials on Wednesday 13 November 2002. Now that the organisation was a non-profit entity the interest covenants appeared to be inappropriate. Emphasis should also be made that the organisation was being managed under budget.

Marek Stepniak advised that Mental Health vacancies at the end of October totalled 47.1 FTE of which 16.5 related to blue print money positions and 30.6 were regional positions. The blue print funding has just been received.

4. CHAIRMAN'S REPORT

The Chairman reported that he had attended a number of meetings with clinicians.

The Financial reports based on earned revenue had been reviewed and there were opportunities for improved financial performance.

He had met with the Ministers of Health and Finance and attended the Auckland Mayoral Forum.

5. CHIEF EXECUTIVE

5.1 Report

Graeme Edmond advised that financial results of the Provider Arm were to budget if ADHB were funded for the nurses' settlement as agreed. The Funder Arm end of year forecast position was not complete however a lower deficit than \$6.9m was expected. The three Auckland CEO's were working on how to scope integration of the three DHB's Funder Arms. There were different levels of enthusiasm for this proposal with ADHB strongly supporting it.

Points noted in the Chief Executive's monthly report were:

- the IS review of latent work demand so that limited IS resources can be directed to support and deliver on key strategic projects. The major organisation focus was endorsed. A summary of latent demand IS work to be provided to the Audit Committee
- progress was expected on the SMO two year agreement. Over a three year period all the CME entitlement was used. The Board asked whether costs were rising or usage to meet the cost of CME.
- the equity claim for HSDP of \$13.6 had been received
- the three Auckland CEOs had written to the MoH on the pricing issue associated with Population Based Funding
- open plan offices were still an issue with SMOs
- McDonalds had some rights under their agreement in determining what other food concessions could operate on the Grafton site. The question of locating GPs around A & E was raised
- PACs /CReAME positive outcomes
- a paper was being prepared on formalising the relationship with Ngati Whatua from governance through to operational decision making
- a meeting with officials would be held on Wednesday 13 November 2002 including Keith Walton, Treasury and Devon Diggle and Simon Harding from the MoH. The three year forecast in the DAP showed movement to financial viability. Ian Ward advised that the banks had been advised that the Annual Accounts had not been signed so could not be distributed to them within the 120 days of the end of the Financial Year as required by the banking covenants

- the move to use of the national standard chart of accounts was not a high priority and the Board agreed that this not happen this year.
- the four organisation goal champions were Marek Stepniak, Ian Ward, Garry Smith and Nigel Murray. The workshop on 18 – 19 November 2002 would focus on what we do to address issues. A review of the workshop would be reported to the Board.

5.2 Appointment of Members of DSAC

Moved Di Nash, seconded Crystal Beavis

That the ADHB appoints Ava Tafili representing PIASS, Debbie Mudgway representing the Ripple Trust, Christine Harmsworth representing Parent and Family Resource Centre and Rodney Bell representing Te Roopu Waiora to the Disability Support Advisory Committee effective from 1 October 2002.

Carried

5.3 Appointment of Trustees to A+ Charitable Trust

Moved Ian Scott, seconded Vicki Salmon

That the ADHB confirms the appointment of Dame Susan Devoy and Dr John Henley as Trustees of the Auckland District Health Board Charitable Trust.

Carried

5.4 Meeting Plan 2003 - Revised

Moved Susan Devoy, seconded John Retimana

That the ADHB approves in principle the revised meeting plan for the calendar 2003 year.

Carried

Margaret Horsburgh has asked that the DSAC meetings be held on the first Tuesday of the month prior to the Audit Committee meetings.

5.5 Annual Insurance Renewal

Moved Pat Snedden, seconded John Retimana

That the ADHB notes that the annual insurance renewal is due on the 30 November 2002 and authorises the Chair and the Chair of the Audit Committee (alternative Pat Snedden) to approve the renewals for 2002 - 2003.

Carried

6. FINANCIAL REPORT – September Report

Michael Boersen advised that revenue was being reported on actual volumes delivered. Wayne Brown advised that if results were maintained at the same level as the first quarter for the rest of the year the \$10m savings should be realised. The Board thanked staff for the efforts in meeting budget and volumes and were please with the progress made.

7. BUILDING AND CHANGE COMMITTEE

Nigel Murray reported that there would be a focus on the Change Programme, open plan offices continued to be an issue, he was preparing a report on flexibility between two brands of monitors

and he would be reporting to the Building and Change Committee on the current over price refurbishment of Children's Health. Work has been done on a Letter of Assurance template.

Graeme Edmond advised operating theatre and anaesthetic management centralisation was still challenging and deliverables were being clarified with variable acceptance. A regional review of capacity was being undertaken to ensure that the number of theatres at each site was appropriate with cover to be provided on a regional basis. With the reduction of four theatres there was still a 30% increase in capacity above present. Internal processes also needed to change to meet day stay objectives.

8. QUALITY COMMITTEE

Margaret Horsburgh advised that the Quality Committee had reviewed the risk schedule, the Clinical Board had not yet assumed a monitoring role and Colin McArthur had presented to the Committee on Clinical Indicators. The Committee considered that proceeding with accreditation was appropriate and they were confident it could be managed. While the Committee was scheduled to meet monthly in 2003 it was expected to only meet bi-monthly.

9. AUDIT COMMITTEE

Vicki Salmon reported that the Audit Committee had received a presentation on a new Clinical Costing System and this would come back to the Committee with a limited business case to try and speed up the process. Estimated cost was \$1m. Other items discussed by the Audit Committee were the Letter of comfort, approval of the External Auditor for the next two years and financial reports. The Committee had also rejected two capexes, a PABX for \$1m, where more information was sought and a Clinical monitoring system requested for \$1m to overcome a switch problem where it was considered there may be other ways to manage the issue and alternative approaches needed to be considered.

10. GENERAL BUSINESS

Mental Health

Marek Stepniak reported on the Mental Health vacancies (reported under Item 3). Graeme Edmond advised that Mental Health was under funded with the rest of the country achieving 80% of the benchmark of 3% of the population and the Auckland region only funded to achieve 60% of the benchmark.

There were no other items of general business.

11. NEXT MEETING

The next scheduled ordinary meeting is now on Thursday 5 December 2002.

The meeting closed at 3.05pm

CONFIRMED

CHAIR

DATE