

## AUCKLAND DISTRICT HEALTH BOARD

Minutes of the meeting of the Board held on Thursday 5 June 2003  
in the Ernest and Marion Davis Library, Auckland City Hospital,  
commencing at 1:15pm.

### 1. ATTENDANCE AND APOLOGIES

#### Board Members

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

#### Management in Attendance

Graeme Edmond – Chief Executive  
Marek Stepniak – Chief Operating Officer  
Garry Smith – Chief Funding and Planning Officer  
Ian Ward - Chief Financial Officer/GM Shared Services  
Nigel Murray – GM Building Programme  
Brenda Saunders - GM Communications and Community Consultation  
Ian Bell - Board Administrator

#### Apologies

An apology had been received from Susan Devoy.

The Chairman declared the meeting open at 1:30pm.

### 2. CONFIRMATION OF MINUTES 8 MAY 2003

Moved Vicki Salmon, seconded Ian Scott

*That the minutes of the meeting of the Auckland District Health Board held on 8 May 2003 be confirmed as a true and correct record.*

Carried

### 3. ACTION POINTS 8 MAY 2003

The action points had been noted and addressed.

The MoH in Wellington had appointed a person to address IS security and privacy issues. The Audit Committee had considered a paper and had adopted the philosophy of open access but with rigid audit trails. This issue would remain on the Audit agenda.

#### **4. MINISTRY OF HEALTH – ELECTIVES**

Colin Feek, Deputy Director General and Andrew Holmes presented to the Board. Concentration was being made in three areas, PHOs, diabetes and electives. The presentation related to Electives and those that should be publicly funded. About 150,000 procedures both acute and elective surgery was undertaken each year with an increase in funding over time for elective surgery. The philosophy adopted for waiting lists was the principle that people in like circumstances are treated in like manner and they would know whether and when they will be treated.

It was noted that cardiac surgery does not prolong life but may improve the quality of life.

Ian Scott commented that this does not take away peoples' expectations and lack of understanding of regional differences between second and tertiary/quaternary structures. Acute admissions from inter-district flows were an issue for ADHB.

The booking system was a scoring tool and guidelines however clinicians made decisions as individual considerations. The waiting list position had become relatively stable and MoH were keeping the booking system going.

The Chair thanked them for their presentation.

#### **5. CHAIRMAN'S REPORT**

##### **5.1 Report**

The Chairman advised that the scope change for the Building Project had been approved with some conditions. Five general conditions could be complied with, however, officials had been asked to clarify two further points.

Approval had been given for the co-generation BOOT leases which had resulted in capital savings.

Funding for Chaplaincy Services would be referred to the Trust.

A letter had been received from the Minister of Health concerning discussions that had been held on 25 February 2003 between herself and the Chair. This letter had been received on 21 May 2003 and the Chair would be responding to the points raised, although most of them had been addressed over the three-month period.

The draft Aitken Report had been received and was being responded to by staff although recommendations had been incorporated into the DAP.

The Chair would be meeting with Ministers on the 17 June 2003 and would be supported by other Board members if necessary.

Other issues were discussed with some communications and values applicable to the organisation.

The Chair advised that he had had occasion to visit the Emergency Department in both Auckland and Copenhagen. While the efforts and systems were the same, in NZ, services was slower and it took much longer to see a senior clinician and here they were dealt with by Junior Doctors rather than senior nurses. He considered that the teaching aspects of the Hospital also were a cost to ADHB and patients with an undervaluing of senior nurses and an over employment of Junior Doctors.

Item 5.2 had been withdrawn.

### **5.3 ADHB Organisational Values**

John Woods tabled a report. The Board wished to have time to consider the report and deferred any conclusions. Comments were that it should be based on patient care rather than resource management and there should be only five or six values. John Woods advised that the process had been through the Executive Team and Clinical Leaders through a bottom-up process to get buy-in by the organisation and a shared understanding of words.

It was noted that most organisations set values at Board level, however, there was support for discussion within the organisation. The Chair considered that patients needed to be at the centre and values to include flexibility for new ways of thinking and doing things.

### **5.4 Maori Health Advisory Committee**

Moved John Retimana, seconded Pat Snedden

*That the ADHB establish a Maori Health Advisory Committee under clause 38 of schedule 3 of the New Zealand Public Health and Disability Act 2000 and adopts the Terms of Reference for that Committee.*

Carried

## **6. CHIEF EXECUTIVE**

### **6.1 Report**

Graeme Edmond spoke to his report. The Statement of Intent for 2002/2003 had been finalised with officials to be forwarded to the Minister.

Moved Wayne Brown, seconded Pat Snedden

*That the ADHB adopts the Statement of Intent for the 2002/2003 year as made available to Board members subject to the Minister of Health's Approval.*

Carried

The April financial result had been disappointing, but the forecasts were in line for the last two months. An analysis of over and unders of volumes in Services was being undertaken as from the 1 July 2003 other DHBs will be monitoring what the ADHB delivered to their contracts.

The commissioning of the Child Emergency Department (CED), had gone extremely well and lessons had been learnt. The Board requested that openings coming up be noted in the CE's report and that twenty minutes each Board meeting be put aside to visit parts of the new Building for the rest of the year.

Consultation on names had not been finalised and would be forwarded to the Board members in a few days. Wayne Brown sought a meeting with the Starship Foundation, to address such questions as the beneficiaries and legal rights to use names. There also appeared to be discrepancies in what is stated as having been given to ADHB and the audited accounts. The Chair also raised the question of any legal ramifications in the use

of word 'national'. The names Auckland City Hospital and Greenlane Clinical Centre had gone through a process and the final names discussion would be on a way finding and services within departments.

Time was the great pressure on the Change Programme moving pilots out into the organisation. The question of processes where restriction in employment practices impacts the work of other staff needed to be considered. This included considering doing things in different and innovative ways. Marek Stepniak advised that this process would be continuing over the next eighteen months and the Board would be informed as it is progressed.

It was targeted to complete the DAP by the end of June. The group considering pricing was expected to report in October. Garry Smith advised that he was on the National Steering Group, representing the Northern Region with ten people assigned to the project.

The group was considering refreshing prices annually, rather than every five years. The work was placing extra strain on the organisation with feeding into local and regional submissions. There was a problem of averaging prices, particularly relating to quaternary complexities. Inpatient systems were provided information to help address best was to address tertiary and quaternary pricing signals.

The meeting broke for afternoon tea at 3.40pm and resumed at 4.00pm.

## **6.2 Insurance Renewal**

### Moved Ian Scott, seconded Crystal Beavis

*That the ADHB notes that the annual insurance renewal is due on the 1 July 2003 and authorises the Chair and the Chair of the Audit Committee to approve the renewals for 2003 - 2004.*

Carried

## **7. FINANCIAL REPORTS – APRIL 2003**

### **7.1 Financial Report**

Vicki Salmon advised that the Audit Committee had discussed the CReAME Project and that savings not being realised now had been forecast into next year and included in the DAP. Also depreciation rates stated in business cases would be maintained.

The Board asked for how power savings under the lines agreement were being made. It was noted that some of the savings in the \$10m were from sales that could not be replicated. The Audit Committee had asked what items were ongoing and been put into the DAP. It was noted also that the Committee was disturbed at how often pay errors cropped up which is not just the system but also processes which had resulted in a need to claim money back.

The Board complimented Management on the forecast for reduced deficit.

### **7.2 Treasury Report**

The receipt of equity had been noted as well as the improvement in the Balance Sheet ratio expected at the end of June.

## **9. QUALITY COMMITTEE**

The Chair of the Quality Committee requested that the minutes of the Disability Support Advisory Committee be included in Board papers. The Quality Committee had asked Mental Health to clarify the question of responsibilities and accountabilities between the MoH and ADHB given an event arising as a result of insufficient provision of services. The Body Parts Implementation Plan was a standing item on the agenda with some ongoing issues.

## **10. AUDIT COMMITTEE**

### **10.1 Report**

Vicki Salmon reported that the Auditors, Ernst & Young, had attended the meeting advising on the concentration of the end of year audit and issues including property revaluation requirements to value land and buildings. The Committee had also received a presentation from the valuer, Evan Gamby.

Moved Vicki Salmon, seconded Wayne Brown

*That the ADHB seek an external legal opinion in conjunction with the valuer on attributing a nil value for land subject to restrictions that prevent its sale.*

Carried

Moved Ian Scott, seconded John Retimana

*That the ADHB delegates to a sub-committee of the Chairman, Deputy Chair and Chair of the Audit Committee the power to approve the revaluation of land and buildings, subject to a supporting legal opinion, to be brought to account in the ADHB accounts as at 30 June 2003.*

Carried

Capitalisation of interest had been discussed as a requirement of Treasury and FRS3 to expense interest rather than capitalise. Application had been made for an exemption for existing projects. There was concern that adhoc Cabinet decisions had a negative impact on governance and results and that projects had been set up under a certain set of rules that should not be changed.

Moved Vicki Salmon, seconded Wayne Brown

*That the ADHB authorised the Chairman to write to the Ministers of Health and Finance advising that the ADHB Audit Committee had discussed the issues of Treasury, requiring a change in policy to expense interest that had been formally capitalised on existing projects and drawing their attention to the Committees concerns and alarm as to the effect this will have on the ADHB accounts and Board responsibilities.*

Carried

## **10.2 Lease 126 Kyber Pass Road**

The Audit Committee had asked that the term and dollars involved be included in resolutions and they were concerned at the short time given to the Board to consider the matter. They also asked for a list of commitments.

Moved Vicki Salmon, Seconded Ian Scott

*That the ADHB approves the execution of a deed of lease of premises at 126 Kyber Pass Road, and delegated authority to sign the lease to the Chief Executive and either the Chief Operating Officer or the Chief Financial Officer.*

Carried

## **10.3 High end Vital Signs Monitoring Equipment**

It was noted that this was part of the original Business Case.

Moved Vicki Salmon, seconded Ian Scott

*That the ADHB Board gives approval;*

- 1. to proceed with the second phase of the 'High End Vital Signs Monitoring Equipment' Project and purchase monitoring equipment to the value of \$2,129,700 (included in the previous approved High End Vital Monitoring Equipment Business Case of \$7,332,604);*
- 2. to purchase monitoring equipment from Phase 3 of the 'High End Vital Signs Monitoring Equipment' Project for the Adults Emergency Department (AED) and the Coronary Care Unit (CCU) to the value of \$429,465 (included in the previous approved 'High End Vital Signs Monitoring Equipment' business case of \$7,332,604 for years 2004/2005)*

Carried

Internal Audit had reported on the theatre system project, approval of business cases capexs and sign-offs and completeness of leave forms.

## **11. GENERAL BUSINESS**

NDSA regional services issues would be discussed at the meeting planned for 23 July 2003.

It was suggested that the attendees to the first Maori Health Advisory Committee be John Retimana, Aroha Hudson and Johnathon Koea.

Pat Snedden would Chair the forthcoming Building and Change Committee.

The Board had considered the appointment of a representative of the Pacific Island communities in Auckland to the Community and Public Health Advisory Committee.

Moved Pat Snedden, seconded Ian Scott

*That the ADHB appoints Esther Cowley as a member of the Community and Public Health Advisory Committee.*

Carried

**12. NEXT MEETING**

The next meeting will be held on Thursday 3 July 2003.

The meeting closed at 4.30pm.

**CONFIRMED**

**CHAIR**

**DATE**