West Coast District Health Board Te Poari Hauora a Rohe o Tai Poutini



Friday 26 June 2020

Friday 26 June 2020 at 10.00am

St John Water Walk Road Greymouth

ALL INFORMATION CONTAINED IN THESE MEETING
PAPERS IS SUBJECT TO CHANGE

AGENDA – PUBLIC



WEST COAST DISTRICT HEALTH BOARD MEETING to be held at St John, Water Walk Road, Greymouth on Friday 26 June 2020 commencing at 10.00am

KARAKIA 10.00am ADMINISTRATION

Apologies

- 1. Interest Register
- 2. Confirmation of the Minutes of the Previous Meetings
 - 8 May 2020
- 3. Carried Forward/Action List Items

REF	PORTS FOR DECISION		10.05am
4.	Maternity and Rural Early Years Strategies	Norma Campbell Director of Midwifery, Canterbury & West Coast	10.05am – 10.15am
5.	Annual Accounts Delegation	Justine White Executive Director, Finance & Corporate Services	10.15am – 10.25am
6.	Equity Support Drawdown	Justine White Executive Director, Finance & Corporate Services	10.25am – 10.35am
7.	Audit Arrangement	Justine White Executive Director, Finance & Corporate Services	10.35am – 10.45am
REF	PORTS FOR NOTING		10.45am
8.	Chair's Update – Verbal Update	Chair	10.50am – 11.00am
9.	Chief Executive's Update	David Meates Chief Executive	11.00am – 11.15am
10.	Finance Report	Justine White Executive Director, Finance & Corporate Services	11.15am – 11.25am
11.	Clinical Leader's Update – Verbal Update	Norma Campbell Director of Midwifery, Canterbury & West Coast	11.25am – 11.35am
12	Presentation:	Philip Wheble	11.35am – 11.45am
	Buller Health – Interior Concept	General Manager West Coast	
13.	Resolution to Exclude the Public	Board Secretary	11.45am

INFORMATION ITEMS

• 2020 Meeting Dates

ESTIMATED FINISH TIME 11.45am

NEXT MEETING: Friday 7 August 2020



WEST COAST DISTRICT HEALTH BOARD

BOARD MEMBERS

Rick Barker (Chair)
Tony Kokshoorn (Deputy Chair)
Chris Auchinvole
Susan Barnett
Sarah Birchfield
Helen Gillespie
Anita Halsall-Quinlan
Edie Moke
Peter Neame
Nigel Ogilvie

EXECUTIVE SUPPORT

François Tumahai

(Attendance dependent on Agenda items)

David Meates (Chief Executive)

Gary Coghlan (General Manager, Maori Health)

Mr Pradu Dayaram (Medical Director, Facilities Development)

Michael Frampton (Chief People Officer))

Carolyn Gullery (Executive Director, Planning, Funding & Decision Support)

Brittany Jenkins (Director of Nursing)

Jacqui Lunday-Johnstone (Executive Director, Allied Health)

Dr Graham Roper (Interim Medical Director, Workforce, Legislative and National Representation)

Karalyn van Deursen (Executive Director, Communications)

Stella Ward (Chief Digital Officer)

Philip Wheble (General Manager, West Coast)

Justine White (Executive Director, Finance & Corporate Services)

Bianca Kramer (Board Secretary)

KARAKIA

E Te Atua i runga rawa kia tau te rangimarie, te aroha, ki a matou i tenei wa Manaaki mai, awhina mai, ki te mahitahi matou, i roto, i te wairua o kotahitanga, mo nga tangata e noho ana, i roto i tenei rohe o Te Tai Poutini mai i Karamea tae noa atu ki Awarua.

That which is above all else let your peace and love descend on us at this time so that we may work together in the spirit of oneness on behalf of the people of the West Coast.

WEST COAST DISTRICT HEALTH BOARD MEMBERS INTERESTS REGISTER



Name	Interests	Pecuniary (Y/N)	Type of Conflict (Actual / Perceived / Potential)
Rick Barker	Deputy Chair - Hawke's Bay Regional Council	N	
Chair	Commissioner - Representation Commission	N	
	Director - Napier Port	N	
	Director - Hawke's Bay Regional Council Investment Company	N	
Tony Kokshoorn	• Dixon House, Greymouth - Trustee	N	
Deputy Chair	Greymouth Evening Star Newspaper Shareholder	Y	
	Hokitika Guardian Newspaper – Shareholder	Y	
	Greymouth Car Centre - Shareholder	N	
	Daughter a Doctor at Christchurch Hospital	N	
Chris Auchinvole	 Director Auchinvole & Associates Ltd Justice of the Peace 	N	
	Justices of the Peace carry out important functions in the administration of	N	
	documentation and justice in New Zealand • Daughter-in-law employed by Otago DHB	N	
C D	Employed by the West Coast DHB as a Public Health Nurse based in Reefton	Y	
Susan Barnett	(0.2FTE)	1	
	• I also undertake on-call work for multiple areas : Practice Nursing; District Nursing and as a Registered Nurse at the Reefton Health Centre.	Y	
Sarah Birchfield	Accessible West Coast Coalition Group - Member	N	
	• Canterbury/West Coast Disability Action Plan Committee – Member	N	
	Active West Coast Committee - Member	N	
Helen Gillespie	• Department of Conservation – Employee - Partnerships Manager. My current role with DOC is to lead Healthy Nature Healthy People – an initiative seeking to make a positive difference to the lives of all New Zealanders through nature.	Y	
	Husband works for New Zealand Police – Based in Hokitika and currently working in the Traffic Safety Team	N	

	 Accessible West Coast Coalition Group - Member - I represent the Department of Conservation in the Coalition Group. The Department, like many other agencies and organisations is seeking to create greater accessibility for people Kowhai Project Committee – Member - I am a member of this committee in a voluntary capacity and am able to share examples of nature in health settings to support patients, staff and visitors. 	N N	
Anita Halsall-Quinlan	Niece is a Student Doctor at Grey Hospital	N	
Edie Moke	Nga Taonga Sound & Vision - Board Member (elected); Chair: Assurance and Risk Committee; and Member: Property Committee Nga Taonga is the newly merged organisation that includes the following former	Y	Perceived
	organisations: The New Zealand Film Archive; Sounds Archives Nga Taonga Korero; Radio NZ Archive; The TVNZ Archive; Maori Television Service Archival footage; and Iwi Radio Sound Archives.	N	
Peter Neame	White Wreath Action Against Suicide – Board Member and Research Officer White Wreath is a non-denominational, non-political and anti-discriminatory body supporting people who have been directly affected by suicide and those who are	N	Perceived
	 affected by mental illness/disorders. Author and Publisher of "Suicide, Murder, Violence Assessment and Prevention" 2017 and four other books. 	N	
Nigel Ogilvie	Westland Medical Centre - Managing Director	Y	Actual
	Thornton Bruce Investments Ltd - Shareholder/Director	N	
	Hokitika Seaview Ltd - Shareholder	N	
	Tasman View Ltd - Shareholder,	N N	
	White Ribbon Ambassador for New Zealand	N	
	Sister is employed by Waikato DHB		D : 1
	West Coast PHO - Board Member	Y	Perceived
	Wife is a General Practitioner casually employed with West Coast DHB and full time	37	A 1
	General Practitioner and Clinical Director at Westland Medical Centre	Y Y	Actual Perceived
	Wife is Board Member West Coast PHO	1	1 CICCIVCU

Francois Tumahai	• Te Runanga o Ngati Waewae – Chair This is one of 18 Ngai Tahu regional Papatipu Rūnanga which exist to uphold the mana of their people over the land, the sea and the natural resources. Te Rūnanga o Ngāti Waewae is based at Arahura a short distance from Hokitika on the West Coast.	N	
	Poutini Environmental - Director Poutini Environmental is the authorised body for resource management, cultural impact assessment and resource consent certification.	N	
	Arahura Holdings Limited – Chief Executive	N	
	West Coast Regional Council Resource Management Committee – Member Provides a broad direction and framework for managing the West Coast's natural and physical resources under the Resource Management Act 1991.	N	
	Poutini Waiora Board - Chair Poutini Waiora is a Maori Health and Social Service provider that delivers holistic care to whanau across Te Tai O Poutini.	Y	Actual
	Development West Coast – Trustee Development West Coast (DWC) was set up as a Charitable Trust in 2001 to manage, invest and distribute income from a fund of \$92 million received from the Government. It is governed by a Deed of Trust which specifies DWC's Objects - to promote sustainable employment opportunities; and generate sustainable economic benefits for the West Coast, both now and into the future.	N	
	West Coast Development Holdings Limited – Director But 1 Was Coast Director	N	
	Putake West Coast – Director This is a joint venture between Development West Coast and Putake Honey to develop a West Coast wholesale honey business.	N	
	Ngai Tahu Pounamu – Director	N	
	Waewae Pounamu is the home of Ngāti Waewae Pounamu carving • Westland Wilderness Trust – Chair	N	
	West Coast Conservation Board – Board Member The West Coast Tai Poutini Conservation Board serves a conservation advisory role, along with offering community perspective on conservation management issues for the West Coast region.	N	
	New Zealand Institute for Minerals to Materials Research (NZIMMR) –	N	
	 Director Westland District Council – Councillor 	N	



MINUTES OF THE WEST COAST DISTRICT HEALTH BOARD MEETING held via zoom on Friday 8 May 2020 commencing at 10.15am

BOARD MEMBERS

Hon Rick Barker (Chair); Tony Kokshoorn (Deputy Chair); Chris Auchinvole; Sarah Birchfield; Susan Barnett; Anita Halsall-Quinlan; Helen Gillespie, Edie Moke; Peter Neame; Nigel Ogilvie; and Francois Tumahai

Susan Wallace attended as Chair of Tatau Pounamu

APOLOGIES

François Tumahai (for lateness)

EXECUTIVE SUPPORT

David Meates (Chief Executive); Philip Wheble (General Manager, West Coast); Gary Coghlan (General Manager Maori Health); Michael Frampton (Chief People Officer), Carolyn Gullery (Executive Director, Planning & Funding & Decision Support), Dr Jacqui Lunday-Johnston (Executive Director of Allied Health); Brittany Jenkins (Director of Nursing); Melissa Macfarlane (Team Leader, Planning & Performance); Terezka Trotter (Head of HR Business Partnering); Stella Ward (Chief Digital Officer); Justine White (Executive Director, Finance & Corporate Services)

APOLOGIES

Karalyn van Deursen (Executive Director, Communications)

On Gary Coghlan's request the guest speaker Susan Wallace said the Karakia

1. INTEREST REGISTER

Additions/Alterations to the Interest Register

Edie Moke advised that she has been appointed to the New Zealand Blood Service Board (NZBS)

Declarations of Interest for Items on Today's Agenda

There were no declarations of interest for items on today's agenda

Perceived Conflicts of Interest

There were no perceived conflicts of interest.

The Chair informed the Board that Kay Jenkins has suffered a health set-back, and on behalf of Board wished her a speedy recovery.

2. CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

Resolution (13/20)

"That the minutes of the Meeting of the West Coast District Health Board held via Zoom, on Friday 27 March 2020 be confirmed as a true and correct record".

(Moved: Tony Kokshoorn /seconded: Helen Gillespie – carried)

3. CARRIED FORWARD/ACTION LIST ITEMS

The carried forward items noted.

A discussion was held regarding the Suicide Prevention action point. It was noted that there will be a workshop rather than a paper presented to the Board. Once the framework of the workshop is established a list of attendees will be circulated to ensure all appropriate participants are included. Attendees to include Tatau Pounamu, Kaumatua input, Ministry of Education, MSD and Oranga Tamariki, Police representative and Victim Support. The outcome of the workshop would be based around what some of the drivers are that sit around suicide, where we are currently at and what are some of the strategies we continue to build on to create a better outcome with a collective community input.

4. CHAIR'S UPDATE

Hon Rick Barker, Chairman indicated he had two issues to bring to the Board today.

Te Nikau. Fletchers provide a weekly report updating on the progress of the completion of the outstanding issues. The last report indicated there were five outstanding issues, all materials for four of these remaining issues are on-site and work was underway. The fifth issue posed a problem but was not fundamental to the shift to the new facility so has been rescheduled for later in May.

The current position is that we are likely to have Te Nikau ready for the start of the transition on Monday 11 May. This will be an intensive period for management and staff managing both a transition to the new facility and the ramping up of services after COVID.

The canopies for the entrances is another outstanding item. The aim is to have the design finalised and under construction and the funding approved while the transition takes place. Some of the budget decisions made earlier to value out the canopies are now seen as an error.

Buller Health. A letter was received from the Ministry of Health asking for more information. Advice from the Ministry of Health indicates the request for funding is likely to be agreed to in the following week to 10 days. Once approval is received the removal of the asbestos can go ahead.

When going back to the Ministry of Health after they requested more information, it was made clear that this was an issue around trust in the relationship between the Board and the Buller community. For the relationship of the Board with its community it is an absolute must to keep on track and on time.

The Chair on behalf of the Board acknowledged the reports provided by Philip Wheble and his team relating to COVID-19 have been outstanding and thanked them for all their hard work

Resolution (14/20)

That the Board:-

i. notes the Chairs update.

5. CHIEF EXECUTIVE'S UPDATE

Buller is ready to go with the asbestos removal and demolition and as the Chair noted it is just needing the final element from the Ministry of Health around the additional funding for the asbestos removal. The contract has been awarded and this will be in a position to move forward within the next couple of weeks.

Te Nikau is on track for what will be a much lower key blessing of the facility on Monday 11 May due to the COVID-19 lockdown. It is important that we have a facility that has had the appropriate cultural and spiritual overlay in terms of setting the direction for what is going to be a major part of

the West Coast health system for many years to come. Once restrictions are lifted we can look at interested parties and the public having the opportunity to tour through the facility.

A lot of activity is happening around the site and 10 June is going to be a critical date. We will know by then if the final elements of commissioning and processes around the facility are on track.

Work is progressing in Haast for the completion of the new health facility, again this has been affected by the COVID-19 lock down across the country.

We are about four weeks away from having the final business case for the Mental Health facility back to the Board. As advised by the Chair, we wish to have the business case progress as quickly as possible so this remains a high priority. As the business case will be ready prior to the next Board meeting, it will be circulated and a special Board meeting via Zoom will be organised to sign off to avoid delays.

Mr Meates took the opportunity to thank Philip Wheble and his team for the work that has been done on over the last 8-10 weeks. The West Coast DHB response has been superb, the professional way the teams came together and dealt with the challenge of the first COVID-19 death in the country, something that is never easy for any centre to deal with. The situation reports have kept the Board informed throughout this time showing the extent of the actions and activities that have been occurring. We still need to look at processes for ramping up services and when that is completed it will form the basis of the public communication.

Mobile testing has occurred across the Coast. Our testing results will form part of the on-going sentinel testing which will ensure and provide the confidence for the Government to make a decision to move to Alert Level 2. As we continue to ramp services back up the on-going interactions with all of our partners including Police, Councils, TLA's, and others, are and will continue to be an important part of the overall integrated approach that the Coast has been attempting to do for a number of years with its focus on how do we help and support people to stay well and healthy in their own environment.

The Chair thanked the Chief Executive and acknowledged that it has been a challenging time for all health services. One positive out of this is the global appreciation of front line health workers, no matter what country, there has been a great admiration for the wonderful job they have done.

Resolution (15/20)

That the Board:

i notes the Chief Executive's update.

(Moved: Chris Auchinvole / seconded: François Tumahai – carried)

COVID-19 Response Activities – Transition Planning

Philip Wheble, General Manager presented the West Coast Health System Response to COVID. The report was taken as read.

The paper provides an overview of the work undertaken across the system which took place in the first two weeks. This was something that impacted from Karamea to Haast, where everyone was looking at changing the way they had been working and providing the best possible healthcare for the community and also communicating with the community about those changes. It needs to be acknowledged that it was not just the DHB, but the wider health system and also other agencies that supported this activity.

A query was raised in relation to the Clinical Advisory Group and if it would remain working together. Mr Wheble indicated that after discussion the Clinical Advisory Group would stay, it is about COVID-19 and we will still need that overview. The Group may possibly merge into the Clinical Board, where it is their function to work in that space particularly around the Quality aspect.

A query was made regarding the Rural Generalism Model and whether during the current COVID situation if there are any learnings that could bolster the model to be even more sustainable for our communities. Mr Wheble advised there is on-going work around the Rural Generalism model in medicine. Mr Wheble clarified that Rural Generalism is across all of our professions in different ways. It is how we work across the various services and managing the movement of staff around those services. For example if we have a rural generalist that is working in primary care, ED and obstetrics how do we practically do that and still provide them the necessary time to continue to develop their skills on an on-going basis. We also have our more traditional specialists and we need to work with them and look at how they interact with the generalist model for the best possible way going forward.

Resolution (16/20)

That the Board:

i notes the West Coast Health System Response to COVID update.

(Moved: Tony Kokshoorn/seconded: Susan Barnett – carried)

6. CLINICAL LEADER'S VERBAL UPDATE

Brittany Jenkins, Director of Nursing, provided update around the Clinical Advisory Group. The group is working with the Consumer Council to gain some perspectives on how to alleviate some of the anxieties in the community about accessing services amid COVID-19. We are looking at how we receive feedback across the community and look at different approaches that can be used to make people feel more comfortable to continue to access services as they need to. Also progressing are opportunities around what we do in the screening space, looking at how some of the ISG platforms that are currently in use to enhance care whether it is using triage tools in Primary Care, enhancing our use of shared electronic care plans, looking at some of the learnings that we have had in the last few weeks around video consults, tele consults both from the consumer end and also the staff end to enhance access.

Ms Jenkins thanked CDHB ECC for the 22 staff that have provided support.

The second meeting of the Early Year Strategy Group was held to frame up the next steps that need to be taken. This is not just a DHB group but acknowledgement goes to all our community partners. The group is focused on Pa Harakeke model and this will be the framework to guide the work.

Ms Jenkins informed the board that Mental Health has had a lot of success around their connecting care to zero seclusion project and they are 55 days seclusion free.

It was acknowledged that maternity services continued, and midwives were provided with adequate PPE whether in the community or working in the hospital. International Midwives Day was celebrated on 5 May.

International Nurses Day is to be celebrated on 12 May and will include joining the global vigil which is to recognise and remember those healthcare workers who have lost their lives in the fight against COVID-19.

Resolution (17/20)

That the Board:

i. notes the Clinical Leader's update.

7. PEOPLE REPORT

Terezka Trotter, Head of HR Business Partnering, People & Capability, provided a verbal update. Ms Trotter advised that People & Capability have been preoccupied with the COVID-19 response and have primarily been supporting the ECC staff. Ms Trotter thanked Ms Jenkins for acknowledging the staff from Canterbury and they have done a lot of work with ECC to ensure there is a pipeline of staff to support where those people are needed.

The national occupational health assessment framework has been implemented with 129 West Coast DHB staff completing the assessment and as a result 56 staff have been redeployed to lower risk categories. That framework has been revised and the focus now is working with managers to bring people back to work at Level 2.

The Chair acknowledged there had been a lot of stress for people in coping with COVID-19 and queried how is this reflected in the workforce and how has it been managed. Ms Trotter advised that support has been provided both through the welfare stream and the Occupational Health team. Mr Meates added the extensive nature of the occupational health assessments that are being carried out across a wide range of staff and is an important part of being able to work closely with the individuals in terms of both underlying health needs and conditions but also the levels of anxiety. There is, and going to remain, a very heavy focus on the wellness of the staff but also the wellness of the community. As the economic impacts of the COVID-19 response continue to make an impact there are some significant groups of our community that are more at risk than others. An important part that the teams are now putting their attention to is what and how we are going to continue to better respond. The community workshop spoken about earlier is a really important part of a broader element in terms of what the real community needs are likely to be because this next 6-24 months are going to be a very different landscape.

It has been raised previously about public confidence in returning to DHB services and part of what Ms Trotter raised about staff stress and concerns about returning to work are inter-related. As noted earlier the importance of involving the Consumer Council to assist people feeling confident in accessing DHB services. If staff are confident in coming back to work it will open the door to people returning to our services, you cannot have one without the other.

There was a query in relation to how confident are the DHB that the discussion and the work that has been done will generate confidence in the community to return to accessing DHB services. Mr Meates commented that one of the experiences in Canterbury, post a range of disasters, is the worst possible thing is to force people and force messaging too quickly. What is important is continuing to support people to gain confidence. It is partly looking at consistency of messaging and continue to ramp up the communication and also the telling of peoples positive stories of their interaction with the health system. We need to pay attention to the elderly community as they remain vulnerable should there be any further cases of COVID-19. Making sense of what we mean by social distancing in both the work place and community and creating an environment where that is understood. It was noted that this is the work of the Clinical Advisory Group and Consumer Council to think about creative ways to get that information out. Ms Jenkins commented on the recent hui with Dr Alan Pithie, one of the infectious diseases consultants across CDHB/WCDHB and he was able to share with the leadership team the actual risks and probabilities of COVID-19 and gave assurances to the leadership team of things that can start to be de-escalated and that will start to trickle down to the clinical teams and everyday there will be changes in our approach that align with where we are at nationally.

Mr Meates suggested that it may be useful to have Dr Alan Pithie talk to the Board. Mr Barker agreed and that an invitation be extended for a future Board meeting.

Resolution (18/20)

That the Board:

i. notes the People Report

(Moved: Chris Auchinvole/seconded: Edie Moke – carried)

8. FINANCE REPORT

Justine White, Executive Director, Finance & Corporate Services, presented the finance report which showed that the consolidated West Coast District Health Board financial result for the month of March 2020 was a deficit of \$835K, which was \$91K unfavourable to annual plan. The year to date net deficit of \$5.527m, is \$697K unfavourable to annual plan.

Ms White advised in the month March there were just over \$100K of COVID-19 specific costs. These costs are being tracked and what it has shown in March is that 80% of these were staff related costs. A large portion is attributed to how we enabled our teams to work remotely, the infrastructure and changes required in terms of both IT and communications to enable them to work in a different way with the Level 4 lockdown. Excluding the COVID-19 related costs the pressures we have seen through the year still remain the same, pharmaceuticals, small numbers of high cost treatments, patient transfers both air and land transfers.

In terms of the outlook for the remainder of the year Ms White indicated we will continue to see COVID-19 costs coming through in April. To date the April month end is not finalised, but there have been significant staff, community based assessment centres, PPE and clinical supplies and again those infrastructure costs coming through. Ms White informed the Board that she would like to have some scenarios of what our financial year end will look like, with COVID-19 costs becoming a little more settled and will bring back to QFARC and the Board.

A query was made as to whether there has been any indication from the Ministry of Health that the COVID-19 costs will be picked up nationally. Ms White informed the Board that the costs are being supplied to the Ministry of Health but it is not clear whether there will be any funding. It is also unclear with the planned care, the elective targets and the ceasing of those and what impact that is going to have on revenue normally associated with those.

It was asked whether there will be advocacy potentially for increasing percentage settlements given the work that has gone on in the health sector. Ms White indicated that there have been some changes in the industrial landscape in the last 6-8 weeks. There has been some discussion with Unions to pause or provide a small settlement and then restarting those conversations at a later point as a way of not complicating a COVID-19 response with industrial negotiations.

Carolyn Gullery, Executive Director, Planning, Funding & Decision Support, added that there is a lot of pressure coming back through the external provider sector. General Practice and Pharmacy are both making strong bids through the Government for loss of income in the lockdown process. To help stabilise the NGO sector we have continued to pay whether they are doing the work or not, so they can continue to pay their staff. Negotiations for the new financial year will be starting and expecting requests for contributions to cost pressures so not sure how that is going to play out in the sector. Aged Residential Care is included in this and will also be bidding for extra costs due to the effects of COVID-19. There are a number of places where financial pressure will come to bear on the system.

There was discussion regarding deteriorating cash position and the pressure that delays with Te Nikau, and the Buller project have on the DHB and in relation to equity support applied for of \$11.5M with allocation of \$6.0M to maintain financial liquidity. Ms White responded confirming the liquidity position and also \$11.5M was requested which was the entire deficit from the last financial year but did include the Holidays Act provision and anticipation is that any Holidays Act remediation will be funded centrally. From a Buller perspective, the finances have been structured in such a way that can draw down equity as expending but the delays with Te Nikau are having an impact in terms of our liquidity and will continue to monitor over the next 18 months.

The Chair requested when we set the budget for the coming year we adhere to it and have processes in place that if there is going to be an overspend in excess of what is budgeted then that is a conscious decision that the Board is engaged with at the time.

Ms White commented that the annual deficit was reduced as requested in September 2019 so the budget is a reduced footprint deficit to that which was originally suggested, and that reduction was near to \$1.0M. We continue to manage and ensure are efficient as possible. Immediate issue is post COVID-19 and ways of working that we can embed where there are more cost efficient ways which are also better for the patient and the customer in general. These will progress quicker once we are in Te Nikau and those model changes and cost savings can be implemented.

Mr Meates reinforced that budgeting is taken seriously but there are a set of balancing acts. There is a level of demand driven expenditure that we continue to balance within the fiscal envelope every year. Effort is made to mitigate the Inter District Flows expenditure for the West Coast with a capped agreement with Canterbury. For example a cluster of three open heart surgeries on the West Coast would be crippling and would blow all the budgets within a month, so what we have looked to do is how to smooth those sort of impacts for the West Coast as you cannot plan for, you work on a range of forecasts based on historical trends but if you get a cluster of high end conditions they can create significant fiscal pressures for a Board the size of the West Coast.

Resolution (19/20)

That the Board:

i. notes the financial results for the period ended 31 March 2020

(Moved: Peter Neame /seconded Anita Halsall-Quinlan – carried)

9. TATAU POUNAMU ADVISORY GROUP UPDATE

Ms Wallace thanked the Board for allowing her to present the Tatau Pounamu's update and also for the members of Tatau Pounamu to join workshops where the interests are shared. The report was taken as read.

The Board's representative on Tatau Pounamu, Mr Chris Auchinvole, took the opportunity to inform the board that he has been part of Tatau Pounamu for 18 months, and thinks they are now reaching a point where concerns around Maori Health and the inequities that exist can be addressed through cooperation with other like-minded groups.

Attention was drawn to the five listed action and activity areas that Tatau Pounamu have prioritised, and if Tatau Pounamu feel they have sufficient voice to address those areas you want to prioritise for the Board. Ms Wallace indicated that they have met with Melissa Macfarlane, Team Leader, Planning & Performance and the Maori Health Team to discuss the equity measures that are expected through the Ministry of Health. Ms Wallace indicated that she feels confident in terms of the engagement from the Tatau Pounamu members and the engagement of the Board members and also in terms of input through different levels in the work streams.

A challenge was put to the Board and the management team that we are in unprecedented times and the Maori health status has been poor for a very long time. Ms Moke asked that this remain a high priority with the Board and not drop off in our response to COVID-19 and other pressures. The Chair agreed and added to the resolution.

As the only West Coast voice on the Transalpine Disability Action Plan Ms Birchfield asked if it is possible to have a voice on that committee from the West Coast with the Maori perspective? Jacqui Lunday-Johnston, Executive Director of Allied Health indicated that this is a conversation that she would like to have with Ms Birchfield to establish what might be done to strengthen our engagement on the Coast. The Chair requested that the outcome of the conversation is reported back to the Board.

Gary Coghlan, General Manager Maori Health asked that any names of people put forward to join group/committees to give a Maori perspective go through Tatau Pounamu. Mr Coghlan encouraged Board members to read the Waitangi Tribunal report Wai 2575 Health services and Outcomes Inquiry which gives insight into the history of health services in New Zealand.

Resolution (20/20)

That the Board:

- i accepts the report
- ii and note that the report seeks of the Board to increase Maori voice, to increase kaupapa Maori capacity, to improve Maori health outcomes, to improve cultural awareness and help develop a Maori health workforce.

(Moved: Rick Barker/seconded: Chris Auchinvole – carried)

10. RESOLUTION TO EXCLUDE THE PUBLIC

The Chair commented that there would be some issues that would need to be discussed in private but this should only be when absolutely necessary as he believes it is important for the Board to operate with openness and transparency.

Resolution (21/20)

That the Board:

- i resolve that the public be excluded from the following part of the proceedings of this meeting, namely items 1, 2, 3, 4, & 5 and the information items contained in the report.
- ii. notes that the general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter and the specific grounds under Schedule 3, Clause 32 of the New Zealand Public Health and Disability Act 2000 (the "Act) in respect to these items are as follows:
- iii. notes that this resolution is made in reliance on the New Zealand Public Health and Disability Act 2000 (the "Act"), Schedule 3, Clause 32 and that the public conduct of the whole or the relevant part of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under any of sections 6, 7, or 9 (except section 9(2)(g)(i)) of the Official Information Act 1982";

	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	GROUND(S) FOR THE PASSING OF THIS RESOLUTION	REFERENCE – OFFICIAL INFORMATION ACT 1982 (Section 9)
1.	Confirmation of minutes of the Public Excluded meeting of 27 March 2020	For the reasons set out in the previous Board agenda.	
2.	Draft Annual Plan Approvals 2020/21	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	9(2)(j)

3.	Emerging Issues - Verbal Update	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons.	9(2)(j) S9(2)(a)
4.	Clinical Leaders Emerging Issues – Verbal Update	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons.	9(2)(j) S9(2)(a)
5.	People & Capability Emerging Issues – Verbal Update	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons	9(2)(j) S9(2)(a)

(Moved Tony Kokshoorn/seconded Edie Moke – carried)

There being no further business the public open section of the meeting closed at 12.15pm. The Public Excluded section of the meeting commenced at 12.16pm and concluded at 1.12pm.

Hon Rick Barker, Chair	Ī	Date



WEST COAST DISTRICT BOARD – BOARD MEETING CARRIED FORWARD/ACTION ITEMS AS AT 26 June 2020

	DATE RAISED/ LAST UPDATED	ACTION	COMMENTARY	STATUS
1.	21 February 2020	Suicide Prevention	Update for Board	To be scheduled
2.	21 February 2020	Cultural Competency	Update for Board	To be scheduled
3.	21 February 2020	Progress around employment of more people with disabilities	Specific Commitment to be provided as part of report	June Meeting
4.	21 February 2020	MAX – People & Capability Service Portal	Presentation to future meeting	To be scheduled
5.	27 March 2020	Finance 101	Presentation	To be re-scheduled

WEST COAST MATERNITY & RURAL EARLY YEARS STRATEGIES



TO: Chair and Members

West Coast District Health Board

SOURCE: Director of Midwifery

DATE: 10 June 2020

Report Status – For:	Decision	Noting	Information	
report otatas Tor.	Decision =	11011115	111101111ution	

1. ORIGIN OF THE REPORT

In July 2019 the Board approved the first draft of the West Coast Maternity strategy to be shared widely with our community for consultation and adoption. This paper provides an update on progress towards a Maternity Strategy and provides advice regarding the development of a Rural Early Years Strategy to follow on where Maternity service provision ends.

2. **RECOMMENDATION**

That the Board:

- i. endorse the new Draft West Coast Maternity Strategy 2019-2024.
- ii. approve the next step to being wider consultation on this draft in order to further develop a final version.
- iii. approve the proposal to speak to our communities about a Rural Early Years Strategy

3. **SUMMARY**

Following the Board meeting in July 2019 feedback was received from our tangata whenua regarding the suitability of the strategy document and its format to the community it was written for. Taking this on board the format of the Strategy has been significantly redesigned to make this more accessible to our communities including our workforce and other providers.

It has become increasingly clear that a further strategy needs to be developed to address the life stage immediately following where Maternity Services hand care over to Child Health Services including (but not limited to) Well Child Tamariki Ora Services, Paediatrics, Child Development Service and Child & Adolescent Mental Health.

Learning from the experience of reworking the Maternity Strategy, a small working group has been established to help guide how the next part of the Strategy is developed. This group includes representation from DHB Maternity and Child Health services as well as Hauora Māori, the Consumer Council, Community & Public Health and Ministry of Education. The recommendation has been made that the DHB take a Community Development approach to this piece of work and co-design the strategy with the community. It is proposed that these conversations with our community will take place before any draft strategy is written and that a pragmatic approach would be to have these conversations at the same time as consulting on the

final draft of the Maternity Strategy since the groups and community members most likely to contribute ideas and feedback will be interested in both pieces of work.

Following approval from this Board to carry out this co-design it is proposed that there will be wide communication to the community and groups will be encouraged to invite representatives from the working group to attend existing community groups and meetings to discuss these strategies. While there will be a general purpose to design services that puts the child and whānau at the centre of delivery, the scope of conversations will be kept broad to ensure all feedback and concerns are heard and incorporated into the strategy.

4. APPENDICES

Appendix 1 West Coast Maternity Strategic Framework DRAFT

Appendix 2 Te Rito o te Harakeke

Prepared by: Jenni Stephenson, Programme Manager - West Coast Alliance

Approved for release by: Norma Campbell, Director of Midwifery, Canterbury & West Coast DHB



MATERNITY STRATEGIC FRAMEWORK

2019-2024



Terms Used in This Strategy

Pēpi

Baby

Wāhine

Women

Whānau

Family group, extended family, can be used to include friends who may not have any kinship ties to other members. In this strategy when we refer to whānau we are letting individuals decide themselves who forms their whānau for their maternity journey.

Нарū

Pregnant

Māmā

Mother, mum

Pāpā

Father, dad

Makau

Non-gendered reference to a partner (lover, spouse, husband, wife)

Mana

Prestige, authority, control, power, influence, status, spiritual power, charisma – mana is a supernatural force in a person, place or object.

The use of māmā/mother/wāhine/woman/women/her/she

We recognise that not all people who become pregnant identify with the female gender. However terms specific to female identity are often used in this document for ease of understanding by a wide audience, while acknowledging that this is cis and heteronormative. Where the words māmā/mother/wāhine/woman/women/ her/she are used, this is not intended to exclude people of diverse gender identity, gender expression, sex characteristics and/or sexual orientation who are going through their pregnancy journey, in particular trans men or non-binary people who have a uterus.

The use of the word culture

When we use the word culture we are referring to the customary beliefs and indigenous expression of diverse ethnicities and religions. We do not support the culture of gangs, criminal organisations, sexual grooming, violence, drugs and other ways of life that are considered to be negative or detrimental to the wellbeing of whānau.

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Foundation

E Pōua mā e Taua mā kua ngaro atu ki te tua o te ārai. Haere atu koutou ki Paerau. Ki te hunga i hinga mua i a koutou. Nā koutou te moemoeā, nā a koutou Tamariki, Mokopuna i whai kia puāwai. Nā reira haere koutou haere i roto i te rangimārie.

Te Tiriti o Waitangi. Ko ia tonu te tūmū here i ngā iwi katoa i pai ai te noho i Aotearoa. Kō te pokapū ia, arā, te atinga o ngā māhī oranga katoa.

The Treaty of Waitangi is the foundation that binds the peoples of New Zealand. It is at the centre and it is the starting point for all our work in health and wellbeing.

The Treaty provided a basis for all agencies to ensure Māori live long healthy lives; health, education, justice and social services all trace their legitimacy from Te Tiriti o Waitangi.

People from Britain arrived in Aotearoa to be met by iwi Māori who had been thriving for many centuries prior to their arrival. The Crown promised to recognise and protect tino rangatiratanga, Māori authority, over their own affairs; Māori promised to recognise the Crown's authority. The Crown also guaranteed equality for all Māori.

The spirit and intent of the treaty was magnanimous and enlightened. Our ongoing challenge is to enact the intent of the Treaty. In our maternity strategy, as with any strategy, we start with Te Tiriti:

- Our recognition of tino rangatiratanga the right of Māori to choose and lead what they want and how they want that delivered.
- Our guarantee to partner with Māori at every level of service.
- Our obligation to protect the wellbeing of Māori this protection must not be passive; we must act to ensure wellbeing is protected.
- Our duty to ensure equity to actively ensure that inequity is eliminated.
- Our commitment to full Māori participation in all aspects of service.

These obligations to Māori, fall upon the West Coast District Health Board as agents of the Crown. The process of colonisation has failed Māori while providing advantage and privilege for the colonisers. This must be acknowledged if we are to authentically implement our Te Tiriti obligations in any meaningful way. This must permeate and underpin our entire strategy.

We will ensure Māori aspirations for a healthy life, realising their full potential are enabled in the way services support Māori as tangata whenua.

Hē manako te kōura i kore ai. Heoi, whakamanawanui tonu.

Gary Coghlan General Manager Māori Health West Coast District Health Board

Background

A diverse population

The West Coast is a diverse society with a large and growing indigenous Māori population. There are a range of other cultures, including Asian and Filipino populations. The proportion of New Zealand European/Pākehā living on the Coast is reducing.

Our community is changing

Our population is becoming more diverse. By 2025, 13.4% of our population will be Māori.







are Māori

are Pasifika

3.6 % are Asian

New Zealand officially recognises three languages (English, te reo Māori and New Zealand Sign Language). Almost one-fifth of the population is multilingual (with one in five multilingual speakers having te reo as one of their languages). On the West Coast English is spoken by 92% of people with te reo the next most common language at 1.8%. New Zealand Sign Language is used by less than one percent of people.

The indigenous iwi on the West Coast is Poutini Ngai Tahu with two main rūnanga; Te Rūnanga o Ngāti Waewae based in the northern part of the West Coast and Te Rūnanga o Makaawhio in the southern part . Māori are highly connected through whakapapa and the wellbeing of individuals is strongly associated with the wellbeing of the whānau whānui (wider family).

On the West Coast there are also a large number of Māori who whakapapa (ancestry) to iwi in other parts of Aotearoa. Irrespective of where they reside, many Māori hold strong connections and sense of belonging to their tūrangawaewae (ancestral lands) and marae, and their ability to access and participate in Te Ao Māori (Māori world view). These familial and cultural connections provide a strong and enduring sense of identity and are prerequisites to good health. There is a need to support some Māori to learn their whakapapa and develop these connections.

The Asian population is very broad, comprising ethnic groups from Afghanistan to Japan. On the West Coast 3.6% of our population identify as Asian. The largest groups are Indian, Chinese and the grouping of South East Asian.

Pacific peoples on the West Coast are diverse; there are over 16 distinct Pacific ethnic groups with different languages and culture in New Zealand. The main groups of Pacific peoples in our region are Samoan, Tongan, Cook Island Māori, and Fijian.

There is a small but growing Middle Eastern, Latin American, and African (MELAA) population of nearly 0.5% within the West Coast's population.

European New Zealanders are people of European descent, including British and Irish, and people indirectly of European descent, including North Americans, South Africans, and Australians. In the 2013 census, at least 74% of the New Zealand population identified with one or more European ethnicity.

Our Maternity Strategy endeavours to resonate with all people in our community, but specifically recognise our bicultural relationship with Māori as Tangata Whenua. The use of two of our official languages is also deliberate, as we endeavour to address equity issues across our community.

Our Vision

West Coast maternity services provide for the maternity needs of all māmā and whānau as and when needed during their maternity journey in order to enable the best start to life for all pēpi and the ongoing wellbeing of mothers.

Our Values

Mana Taurite

Equity

Every person has the opportunity to access culturally appropriate services. Those who work across the maternity system reflect the community in which we live, and understand, value and support cultural practices that may be different to their own.

Whanaungatanga

Everyone belongs

The whole whānau is included and important, with each person feeling comfortable and as though they belong. Interaction with the maternity system is a mana enhancing experience.

Manaakitanga

Respect for all

The maternity system is hospitable through being welcoming, and respectful. We provide the utmost care for each other.

Tino rangatiratanga

Empowering whānau

Whānau are empowered and supported to make their own informed decisions.

Oranga tonutanga

Health and wellbeing

Whānau have optimal physical, mental, dental and sexual health before, during and after the birth of pēpi. People have the opportunity to enjoy clean smoke free air and clean water wherever they live, work and play (wai ora).

Aroha

Love and empathy

Without bias every person¹ is treated with love, compassion and empathy.

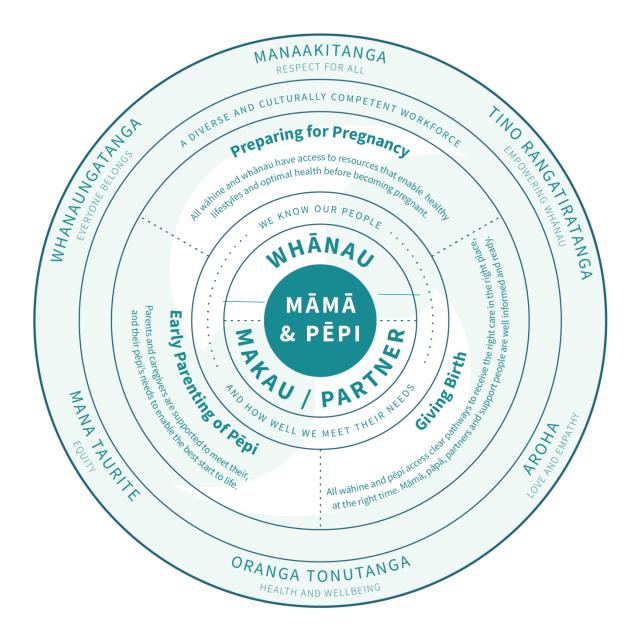
Our Partnerships

Our strategy is ambitious, as it needs to be, to make the changes desired within the Maternity System. For many of the improvements we will build upon existing, and create new partnerships with stakeholders from both within and outside of health. These partnerships will include² the organisations listed in Appendix 1.

¹ When we say 'every person' this is inclusive regardless of sexual orientation, gender identity/expression, sex characteristics, ethnicity, age, religion, culture.

² If you or an organisation you know isn't named but can add value, please contact us to let us know so that we can work together.

The Framework



The Maternity Strategy puts māmā and pēpi at the centre of what we do and what we want to achieve. Māmā and pēpi are supported by whānau, who are the people the māmā identifies as her support network.

We know our people and how well we meet their needs will be achieved through accurate data collection, storage and analysis. This will enable us to:

- Understand if all whānau are accessing the healthcare they need (Mana Taurite / equity)
- Plan well to meet the needs of our changing population
- Allocate resources appropriately
- Maximise populations based funding opportunities

The Framework has three pillars to align work planning with, these are:

- Preparing for Pregnancy.
- Giving Birth.
- Early Parenting of Pēpi.

Preparing for Pregnancy starts before most will even be thinking about pregnancy. Our system aims to enable all people to make informed choices about becoming parents through access to education, improved health literacy, and culturally appropriate resources.

The West Coast Maternity Strategy recognises and supports the broader determinants of whānau wellbeing, whānau will thrive when they have access to:

- Healthy kai, healthy housing and necessary resources.
- Healthy relationships and strong community connections.

Giving Birth focusses on the time from when a māmā becomes pregnant, up to and including the birth. The West Coast Maternity Strategy commits to supporting māmā and their whānau to create an environment that will enable their pēpi to have the best start to life by:

- Providing adequate guidance to enable māmā, pāpā/partner and support people to feel confident in making informed decisions.
- Enabling māmā to confidently access the right care, in the right place and at the right time, for themselves and their unborn pēpi.
- Support the use of rongoā and other traditional practices within whānau as part of acknowledging the cultural diversity within our community.
- Providing community pregnancy support and birthing options that meet the needs of māmā and pēpi
 to receive care in the right place and at the right time.
- Further develop and improve a transalpine service for women who require tertiary level services from Canterbury DHB to improve accessibility across the West Coast and enable timely access when this is needed, locally supported by our secondary service.

Early Parenting of Pēpi continues with the foundations set in Preparing for Pregnancy and Giving Birth. Whether new parents or having had a pēpi before, whānau are supported to meet their and their pēpi's needs to enable the best start to life within our community.

The Maternity Workforce

The West Coast Maternity Strategy is supported by a workforce that supports whānau through their maternity journey. We will develop a workforce that is diverse and culturally competent to reflect the culturally diverse community in which we live. Building upon existing relationships and developing new ones with stakeholders that can influence improvement for whānau through the different phases of the maternity journey will enable us to achieve a system that is appropriate for all. Through doing this we can better understand, value and support whānau through this important time in their lives.

Appendix 1

Our Partnerships

[To be completed following community engagement]

Te Rito o te Harakeke

Hutia te rito o te harakeke,

Kei whea te korimako e kō?

Ka rere ki uta, ka rere ki tai.

Kī mai koe ki au,

he aha te mea nui i te ao?

Māku e kī atu,

He tangata, he tangata, he tangata!

If you pluck out the centre shoot of the flax,

Where will the bellbird sing?

It will fly inland, it will fly seawards.

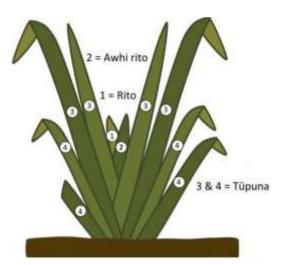
If you ask me,

What is the most important thing in the world?

I will reply,

People, people, people!

Te rito o te harakeke refers to the central shoot of a flax bush. This visual model is commonly used to represent the concept of Māori whānau.



1 = Rito/baby

2 = Awhi rito/parents

3 = Tūpuna/grandparents

When we go to talk with our communities about developing a strategy for delivery health services for early childhood in the rural context, it is the intention to use this model to demonstrate our commitment to wrapping our services around the child and their family unit, whatever that means to that child. The model will allow the conversations to be broad enough to consider the points of priority to each group while maintaining the focus on the children that the strategy is for.

ANNUAL ACCOUNTS DELEGATIONS



TO: Chair and Members

West Coast District Health Board

SOURCE: Finance

DATE: 26 June 2020

Report Status – For: Decision ✓ Noting □ Information □

1. ORIGIN OF THE REPORT

The purpose of this report is to endorse a recommendation from the Quality, Finance, Audit and Risk Committee in respect to a delegation to approve the final audited accounts for the 2019/20 financial year on the Board's behalf if required, if the timing of these does not fit with Board or Committee meetings.

2. RECOMMENDATION

That the Board, as recommended by the Quality, Finance, Audit and Risk Committee:

- i. authorises either the Quality, Finance, Audit and Risk Committee Chair and the Board Chair or, if one of these should not be available, one of these two and a Board member to approve the final audited accounts for 2019/20 on the Board's behalf if required, should the timetable not fit with a Board or Committee meeting; and
- ii. notes that if this delegated authority is exercised the final accounts will be circulated to Committee and Board members; and
- iii. notes that the West Coast DHB Chair, Chief Executive and Executive Director Finance and Corporate Services will sign the letter of representation required in respect to the 2019/20 Crown Financial Information System accounts which are required at the Ministry of Health in early August.

3. SUMMARY

The audited Crown Financial Information System (CFIS) accounts for the 2019/20 financial year are due with the Ministry of Health in early August to meet the Crown's financial reporting timetable. It should be noted that the West Coast DHB Board's August meeting is on 7 August 2020.

The CFIS accounts for the 2019/20 financial year will be signed on behalf of the Board by the West Coast DHB Chair, Chief Executive and Executive Director Finance and Corporate Services and their letter of representation will accompany the accounts. Any change to the bottom line' result as reported to this Committee will be discussed with the Chair of the Quality, Finance, Audit and Risk Committee and/or the West Coast DHB Chair; with Committee members to be updated via email of any change.

The audit process is expected to be finished by mid October 2020 with the final full audited accounts expected to be completed by the end of October 2020. In the event that the timing of the completion of these does not fit Board meetings it is recommended the Board be asked to delegate approval of the final 2019/20 audited accounts as per the recommendations contained in this report.

Report approved for release by: Justine White, Executive Director, Finance & Corporate Services.

EQUITY SUPPORT DRAWDOWN



TO: Chair and Members

West Coast District Health Board

SOURCE: Finance

DATE: 26 June 2020

Report Status – For: Decision ✓ Noting □ Information □

1. ORIGIN OF THE REPORT

West Coast DHB is forecasting a deficit for the year ending 30 June 2020. This report requests approval from the Board to approve a drawdown of equity support from the Ministry of Health (MoH) up to the amount of the 2020 deficit.

2. **RECOMMENDATION**

That the Board, as recommended by the Quality, Finance, Audit and Risk Committee:

i. approve a drawdown of equity support up to the value of the West Coast DHB deficit at year end for 2020.

3. <u>DISCUSSION</u>

The 2019/20 Annual Plan approved by the West Coast District Health Board and the Ministry of Health is for a \$6.613m deficit, largely related to Aged Residential Care, anticipated MECA settlements, and high treatment related costs. At this stage we are forecasting a year end result of \$7.752m, which is a deterioration on budget. A Board resolution is required to support an application to receive equity funding.

Under the OPF, DHBs need to apply for equity support for funding deficits (refer to Appendix 1 for an applicable extract from the OPF).

This report recommends that West Coast DHB applies to the Ministry of Health for the maximum equity support funding available.

4. APPENDICES

Appendix 1 Operational Policy Framework – Section 12.15 Equity support for funding deficits

Approved for release by: Justine White, Executive Director, Finance and Corporate Services

APPENDIX 1: OPERATIONAL POLICY FRAMEWORK – SECTION 12.15 EQUITY SUPPORT FOR FUNDING DEFICITS

12.15 Equity support for funding deficits

- 12.15.1 There is a DHB deficit support appropriation that requires the joint approval of the Ministers of Health and Finance.
- 12.15.2 The deficit support appropriation has limited funding. Ministers of Health and Finance agreed in 2015 that deficit support should be by way of equity injections, and should be limited to DHBs which are not able to fund their deficits from within their own balance sheets and would otherwise exhaust their cash resources.
- 12.15.3 The need and amount of equity should be signalled in a DHB's Annual Plan. The Annual Plan should detail separately equity planned for cash flow support (cash shortfalls on operations), capital spending up to the value of depreciation detailed in the Annual Plan and any capital spending that is greater than the value of depreciation. The combination of proper planning and good financial management should mean that requests for equity or debt not signalled in plans will be rare.
- 12.15.4 DHBs are requested to provide early advice of any changes in the deficit support requirements signalled in their Annual Plans so that the likely requests on the limited funding are known in advance.
- 12.15.5 Signalling the need for equity in the Annual Plan does not imply that an equity request will be approved. Applications for deficit support will be subject to a rigorous approval process.
- 12.15.6 DHBs should not expect approval of equity if any capital charge payments are overdue.
- 12.15.7 When requesting deficit support, DHBs must provide the Ministry with sufficient information to enable a clear identification of:
 - a. the DHB's projected financial position and cash flow showing when the DHB will exhaust its available cash resources. It must also clarify the extent to which it will utilise the available collective overdraft facility
 - b. whether there are alternatives to the provision of an equity injection.
- 12.15.8 The formal request for equity support should take the form of a letter from the DHB Chair that is:
 - a. addressed to the Ministry of Health (Attn: Director, DHB Performance)
 - b. supported by a Board resolution.
 - Requests should be provided to the NHB in electronic format, and hard copies provided of the letter from the Chair and the Board resolution.
- 12.15.9 The approval process can take up to two months from the time a formal request is received, as a DHB's cash position must be assessed to ensure it meets the tight criteria for an equity injection. It may take longer if additional information is required, inadequate information is provided or it is a complex request.
- 12.15.10 Once approval is given, distribution of the funds will be arranged between the NHB, the Ministry and the DHB. In general it takes 10 working days for deficit support to become available for distribution.

- 12.15.11 Where deficit support is released in instalments, DHBs must for each instalment provide a request that is supported by details of cash flows, both actual and forecast. Actual data should be provided for the 12 weeks prior to the date of deficit support request and weekly cash flow forecasts are required for either the period covered by the request or six months, whichever is longer.
- 12.15.12 This appropriation must only be used to fund cash requirements caused by operating deficits; capital expenditure must be limited to the level of depreciation planned in the most recently agreed Annual Plan. Long-term debt may not be used to fund either of these cash requirements, even if debt facilities are available. The 'DHB deficit support' appropriation must not be used to fund capital projects.

AUDIT ARRANGEMENTS YEAR ENDED 30 JUNE 2020 & 2021



TO: Chair and Members

West Coast District Health Board

SOURCE: Finance

DATE: 26 June 2020

Report Status – For: Decision ✓ Noting □ Information □

1. ORIGIN OF THE REPORT

Correspondence has been received from Audit NZ in respect to:

- the Audit Engagement Letter for the financial years ended 30 June 2020 and 2021,
- the draft Audit Proposal Letter 2020 and 2021, and
- the draft Audit Plan 2020.

The purpose of this report is a recommendation from the Quality, Finance, Audit and Risk Committee that the West Coast DHB authorise the Board Chair to sign the relevant audit documents on behalf of WCDHB.

2. **RECOMMENDATION**

That the Board, as recommended by the Quality, Finance, Audit and Risk Committee:

- i. authorises the West Coast DHB Board Chair to sign the Audit Engagement Letter dated 30 April 2020 on behalf of the West Coast DHB, to acknowledge receipt of the Audit Engagement Letter and the terms of the audit engagement; and
- ii. notes that Audit NZ has also provided a draft Audit Proposal Letter to conduct the audit of the West Coast DHB for the 2020 and 2021 financial years, which details the audit arrangements and the proposed scale of fees, as well as a draft Audit Plan for the 2020 financial year; and
- iii. approves the issue of the draft Audit Proposal Letter as final; and
- iv. approves the West Coast DHB Board Chair to sign the Audit Proposal Letter on behalf of the West Coast DHB.

3. **DISCUSSION**

The Office of the Auditor General appointed Audit NZ to undertake the annual audit of WCDHB for the three years ended 30 June 2019, 2020, and 2021; this letter was presented to the QFARC Committee at its 2 May 2019 meeting. The Audit Engagement Letter was agreed by QFARC and the Board at the 18 and 28 June 2019 meetings. A new letter for the 2020 and 2021 years is required to be signed by the new Chair.

The draft Audit Plan provides detail for the 2019/20 audit.

4. <u>APPENDICES</u>

Appendix 1: Audit Engagement Letter dated 30 April 2020 Appendix 2: Draft Audit Proposal Letter dated 1 May 2020

Appendix 3: Draft Audit Plan 2020

Report approved for release by Justine White, Executive Director, Finance & Corporate Services



30 April 2020

Level 3, 335 Lincoln Road Addington PO Box 2, Christchurch 8140

Hon Rick Barker Chair West Coast District Health Board PO Box 387 Greymouth 7840

Dear Rick

Audit engagement letter

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including West Coast District Health Board (the District Health Board), under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Act, to carry out the annual audits of the District Health Board's financial statements and performance information. We will be carrying out these annual audits on the Auditor-General's behalf, for the two financial years ending 30 June 2020 and 2021.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Board and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the District Health Board's financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit (typically those matters will relate to issues of financial management and accountability).

We will carry out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether the District Health Board's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

Your responsibilities

Our audit will be carried out on the basis that the Board acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
 - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
 - all other information, in addition to the financial statements and performance information, to be included in the annual report;
 - o additional information that we may request from the District Health Board for the purpose of the audit;
 - unrestricted access to Board members and employees that we consider necessary; and
 - written confirmation concerning representations made to us in connection with the audit.

The Board's responsibilities extend to all resources, activities, and entities under its control. We expect that the Board will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Board and/or the individuals within the District Health Board with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that

suspected fraud has occurred – regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Board has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. Appendix 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Board to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Board should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of the District Health Board:

- present fairly, in all material respects:
 - o its financial position; and
 - o its financial performance and cash flows for the financial year;
- comply with generally accepted accounting practice in New Zealand in accordance with International Public Sector Accounting Standards.

We are also responsible for forming an independent opinion on whether the performance information of the District Health Board:

- presents fairly, in all material respects, the performance for the financial year, including:
 - o for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with the forecasts included in the statement of performance expectations for the financial year;
 - its actual revenue and output expenses as compared with the forecasts included in the statements of performance expectations for the financial year; and
 - o what has been achieved with the appropriations;
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Health Board's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency in particular, how the Board and the District Health Board have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste in particular, whether the Board obtained and applied the
 resources of the District Health Board in an economical manner, and whether any resources
 are being wasted;
- be alert for issues of a lack of probity in particular, whether the Board and the District Health Board have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of the District Health Board; including being independent of management personnel and members of the Board). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Audit New Zealand.

To protect our independence, specific limitations are placed on us in accepting engagements with the Board other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Board and me or Audit New Zealand.

Reporting

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

We will also issue a report to the Board. This report communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Board. Typically those matters will relate to issues of financial management and accountability. We may also provide other reports to the District Health Board from time to time. We will inform the Board of any other reports we have issued.

The report to the Board is the basis of a letter sent to the Minister and a briefing report sent to the select committee about the results of our audit.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the letter in the space provided and returning a copy to me. The terms will remain effective until a new audit engagement letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please contact me.

Yours sincerely

Julian Tan

Appointed Auditor

Lian Tan

On behalf of the Auditor-General

I acknowle Board.	edge the terms of this engagement and that I have the re	equired authority on behalf of the
Signed		Date
	Hon Rick Barker	
	Chair	
	West Coast District Health Board	

Appendix 1: Respective specific responsibilities of the Board and the Appointed Auditor

Responsibilities of the Board

Responsibility of the Appointed Auditor

Responsibilities for the financial statements and performance information

You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.

You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.

You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.

We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:

- present fairly, in all material respects:
 - o the financial position; and
 - the financial performance and cash flows for the financial year;
- comply with generally accepted accounting practice in New Zealand in accordance with International Public Sector Accounting Standards.

We are also responsible for forming an independent opinion on whether the performance information:

- presents fairly, in all material respects, the performance for the financial year, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with the forecasts included in the statement of performance expectations for the financial year;
 - its actual revenue and output expenses as compared with the forecasts included in the statements of performance expectations for the financial year; and
 - what has been achieved with the appropriations;
 - the actual expenses or capital expenditure incurred compared with

Responsibilities of the Board	Responsibility of the Appointed Auditor
	the appropriated or forecast expenses or capital expenditure; and
	 complies with generally accepted accounting practice in New Zealand.
	We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.
	Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.
	If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.
	An audit also involves evaluating:
	 the appropriateness of accounting policies used and whether they have been consistently applied;
	 the reasonableness of the significant accounting estimates and judgements made by those charged with governance;
	the appropriateness of the content and measures in any performance information;
	the adequacy of the disclosures in the financial statements and performance information; and
	the overall presentation of the financial statements and performance information.

Responsibilities of the Board **Responsibility of the Appointed Auditor** We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that: the adoption of the going concern basis of accounting is appropriate; all material transactions have been recorded and are reflected in the financial statements and performance information; all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries. We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that. The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.

Responsibilities for the accounting records

You are responsible for maintaining accounting and other records that:

- correctly record and explain the transactions of the District Health Board;
- enable you to monitor the resources, activities, and entities under your control;
- enable the District Health Board's financial position to be determined with reasonable accuracy at any time;
- enable you to prepare financial statements and performance information that comply

We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.

If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.

Responsibilities of the Board	Responsibility of the Appointed Auditor
 with legislation (and that allow the financial statements and performance information to be readily and properly audited); and are in keeping with the requirements of the Commissioner of Inland Revenue. 	

Responsibilities for accounting and internal control systems

You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the District Health Board), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and performance information reporting.

The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.

We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.

Responsibilities for preventing and detecting fraud and error

The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the District Health Board) supported by written policies and procedures.

We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.

We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within the District Health Board with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.

We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:

- obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and
- report to you any significant weaknesses in internal control that come to our notice.

We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.

As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.

If we become aware of the possible existence of fraud, whether through applying audit

Responsibilities of the Board Responsibility of the Appointed Auditor procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the

Responsibilities for compliance with laws and regulations

You are responsible for ensuring that the District Health Board has systems, policies, and procedures (appropriate to the size of the District Health Board) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the District Health Board are complied with. Such systems, policies, and procedures should be documented.

We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:

- the relevance of the law or regulation to the audit;
- our assessment of the risk of non-compliance; and

interests of the public.

 the impact of non-compliance for the addressee of the audit report.

The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.

We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.

Responsibilities to establish and maintain appropriate standards of conduct and personal integrity

You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures.

We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the District Health Board may not have acted in accordance with the

Responsibilities of the Board

The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.

Responsibility of the Appointed Auditor

standards of conduct and personal integrity expected of them.

The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.

The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.

Responsibilities for conflicts of interest and related parties

You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.

You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.

To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions.

Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.

Responsibilities for publishing the audited financial statements on a website

You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.

If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.

Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.

Appendix 2: Health and safety of audit staff

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

APPENDIX 2



Level 3, 335 Lincoln Road Addington PO Box 2, Christchurch 8140

1 May 2020

Ref: EN/DHB-0022

Hon Rick Barker

Chair

West Coast District Health Board

PO Box 387 Greymouth 7840 Copy: Murray Powell

Director Auditor Appointments
Office of the Auditor–General

PO Box 3928

Wellington 6140

Dear Rick

Proposal to conduct the audit of West Coast District Health Board on behalf of the Auditor-General for the 2020 and 2021 financial years

1 Introduction

The Auditor-General has requested me to present you with a proposal to carry out the audit of West Coast District Health Board (West Coast DHB) for the 2020 and 2021 financial years. I have set out the reasons for this in section 5 of this proposal. As required by the Office of the Auditor-General (OAG), I set out below the information relating to this audit, including the fee.

The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set. The outcome of our fee negotiations will be taken into account as the Auditor-General considers the fee movements that might be required across the sector in the longer term and how that might be achieved;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial years ending, 30 June 2020 and 2021 and reasons for any change;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG overhead charge provides;

- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

2 Statutory basis for the audit and how audit fees are set

The audit of your organisation is carried out under Section 15 of the Public Audit Act 2001, which states that "the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited".

Fees for audits of public entities are set by the Auditor-General under section 42 of the Public Audit Act 2001. However, your Board and I have the opportunity to reach agreement first and recommend those fees for approval. The Auditor-General, with assistance from the OAG, will set audit fees directly only if we fail to reach agreement.

Our proposed audit fees for the years ending 30 June 2020 and 2021 are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

3 Entities covered by this proposal

This proposal covers the audit of West Coast DHB.

4 Key members of the audit team

Appointed Auditor Julian Tan

Audit Manager Anna Jones

5 Audit fee and hours for 2020 and 2021.

Last year, the Auditor-General directed that I only agree an audit fee with your Board for the 2019 financial year. This was to allow the OAG sufficient time to properly consider what audit fee increases might be required across the sector beyond 2019, and how that might be achieved.

The Auditor-General set a limit on DHB sector audit fee increases for 2019. This equated to an audit fee increase for West Coast DHB of only \$10,266 for that year.

The Auditor-General wrote to you in October 2019 and advised of his progress in the review of DHB sector audit fees. In the letter, he referred to the independent efficiency and effectiveness review of Audit New Zealand. This review is an important tool to help assure him that Audit New Zealand is cost effective relative to other audit service providers. Because Audit New Zealand's costs do not include a profit element, it forms an important

benchmark for that comparison. The review concluded that Audit New Zealand is an efficient audit service provider.

The reasons why audit fees for DHBs have not kept pace with the real costs of the audit over the past few years include issues of financial sustainability, assurance over contracts with NGOs, performance reporting in respect of PHOs, the effect of new accounting standards, National and Regional initiatives, asset management and other matters including generally rising DHB expenditure and activity. Some of the reasons affect all DHBs, and others affect only some DHBs.

At the same time, the OAG has been deliberately constraining audit fee increases for most public sector audits, against a backdrop of rising expectations on auditors. That is potentially creating a very real risk to maintaining consistent audit quality over time. The general issue of fees reaching a sufficiently low level to compromise audit quality has also been raised by regulatory bodies here and overseas.

The Public Audit Act 2001 requires the Auditor-General to make sure that audit fees are "reasonable", and that means for both the auditors who complete the auditors for the Auditor-General, and for each of the entities audited. It is clear from analysis that while audit fees for some DHB audits are reasonable, others are not. We remain very cognisant of the real financial pressures that DHBs are under. The Auditor-General has spent some time considering how to best achieve reasonable audit fees across the sector, while also ensuring that the financial pressure on DHBs is taken into account to the extent that he can do that without compromising audit quality.

The Auditor-General has now advised me that I am to negotiate audit fees for the next two financial years, 2019/20 and 2020/21, and for any required fee increases to be phased in over that two year period as necessary. The Auditor-General has continued to constrain the audit fee increases for 2020 and 2021 to below the estimated costs of the audit for some entities, while also recognising that audit fees need to move to a more sustainable level that is reflective of the nature and extent of the audit requirements.

The Office of the Auditor-General will be monitoring the outcome of the negotiations to ensure that they reflect his expectations for each individual DHB, and will continue to review DHB audit fees in future years to ensure they are reasonable for both auditors and DHBs, and reflective of the requirements of the audit.

Through detailed analysis and review of the nature and extent of the audit requirements to complete the audit of the West Coast DHB, we have concluded that the estimated costs of an efficient audit on a full recovery basis would be \$125,275 for 2020 and \$128,594 for 2021. However, due to the ongoing financial constraints on DHB sector entities, potential significant changes to the sector, the quantum of the difference between estimated costs and previous audit fees, we are proposing a total audit fee (excluding disbursements) of \$121,269 for 2020 and \$123,469 for 2021. This means that we have constrained our proposed increase to \$2,893 (2.4%) for 2020, and \$2,200 (1.8%) for 2021.

The proposed audit fee is based on what we know currently. Some matters such as the Holidays Pay Act 2003 compliance issue are not yet fully resolved and further work needs to be done to understand them. The recent health sector review might also lead to changes in the sector. Also the recognition of the new Greymouth Hospital (Te Nikau, Grey Hospital & Health Centre) has not been scoped in the current audit fee and we will track our costs and discuss recovery of those costs towards the completion of the audit.

There is much that an organisation can itself do to ensure the efficiency and effectiveness of the audit. This includes being well prepared for audit, having tidy systems and controls, and ensuring staff are available to assist the auditors as they carry out their audit work. I would welcome further discussion with you on where opportunities for reducing the time and costs of your audit can be identified.

5.1 Estimated audit hours

We estimate that the following hours will be required to carry out the audits (compared to budgeted and actual data from the previous financial year):

Audit team member	2019 budget	2019 actual *	2020	2021
Appointed Auditor	44	59	44	44
EQCR Director	0	0	0	0
Audit Manager	61	81	61	61
Other CA qualified staff	220	280	220	220
Non CA qualified staff	369	360	369	369
Information systems specialist	22	24	22	22
Tax Specialist	1	1	1	1
Sector Specialist	8	8	8	8
Total audit hours	725	813	725	725

^{*}Note – actual hours have been adjusted to eliminate any hours that were due to auditor inefficiencies. The actual hours that remain are the reasonable hours that were attributable to the audit in that year.

The 2019 actual audit hours were over budget due to the following reasons:

- 1 Review of the capitalisation and the incorporation of the new Grey Base Hospital in the financial records of West Cost DHB.
- 2 Review of the asset management planning processes and development for the Buller Integrated Family Health Centre for the financial years 2020 and 2021.

- Review of the update to the requirements of the going concern assessment, given the financial situation and conditions prevalent in the sector and those specific to West Coast DHB. This will include the review of management's assessment and calculation, its impact on the disclosures of the financial statements and on the audit opinion.
- 4 Review of the update to the requirements regarding the calculation of the employee entitlement liabilities from the application of the Holidays Act 2003.

We expect these matters to continue for the 2020 and 2021 audits, therefore we have kept the hours the same as before. The hours in the table above do not reflect any substantial additional work required to resolve the holiday pay compliance sector matter and the recognition of Te Nikau, Grey Hospital & Health Centre. We will track our costs and discuss recovery of those costs towards the completion of the audit.

6 Proposed audit fees

Our proposed fees for the years ending 30 June 2020 and 2021 (compared to budgeted and actual data from the previous financial year) are:

Structure of audit fees	2019 budget fees	2019 actual fees charged (*)	2020	2021
	\$	\$	\$	\$
Net audit fee (excluding OAG overhead and disbursements)	107,342	107,342	110,494	112,564
OAG overhead charge	11,034	11,034	10,775	10,905
Total audit fee (excluding disbursements)	118,376	118,376	121,269	123,469
Estimated disbursements**	4,500	5,078	5,000	5,000
Total billable audit fees and charges	122,876	123,454	126,269	128,469
GST	18,431	18,518	18,940	19,270
Total (including GST)	141,307	141,972	145,209	147,739

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG overhead charge. We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

- * Note 2019 actual audit fees charged were \$ 118,376, compared to our 2019 audit costs (after elimination of auditor inefficiencies) of \$131,966., representing non-recovery of our cost amounting to \$13,590. We have shown in section 5.1 where the additional audit effort was required, and any expected effect on the audit hours required in future years.
- ** The estimated disbursements are based on 75% of the audit being carried out from our office in Christchurch. In previous audits the audit team went on site for the interim work and also spent a week at the final audit to test the non-financial measures supporting data such as patient files. The remainder of the audit was completed from Christchurch. This worked well because the Finance Manager came to Christchurch for the first week of the audit, they were prepared for the audit and their supporting file was very good. When the Finance Manager returned to Greymouth, they dedicated set times in the day where the audit team could contact them and get the requested information to complete our audit tests.

The audit fee is based on the current travel strategy. If this arrangement changes, the amount of disbursements incurred will increase.

6.1 Reasons for changes in audit fees

In table 5.1.1 we showed the factors that have resulted in a change of audit hours. The cost impacts of those changes are shown in the table below. Refer to table 5.1.1 for further details on the factors that have resulted in a change in audit hours.

Reasons for increased or decreased audit fees compared to previous period <i>budgeted</i> fees.	2020	2021
Changes in predicted staff salaries due to market movements	\$2,893	\$2,200
Total increase (decrease) in audit fees	\$2,893	\$2,200

7 Assumptions relating to our audit fee

You are responsible for the production of your financial statements and performance information and anything else that must be audited. Our proposed audit fees are based on the assumption that:

- you will provide to us, in accordance with the agreed timetable, the complete information required by us to conduct the audit;
- your staff will provide us with an appropriate level of assistance;
- your organisation's annual report and financial statements and performance information will be subject to appropriate levels of quality review by you before being submitted to us for audit;

- your organisation's financial statements and performance information will include all relevant disclosures;
- we will review up to two sets of draft annual reports, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website);
- there are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us);
- there are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work (other than as specified in tables 5.1 and 6.1);
- there are no significant changes to mandatory auditing standards that require additional work other than items specifically identified in the tables above; and
- there are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, timing of, or disbursements related to, this audit.

The work we complete on our audit of Canterbury DHB's 'subsidies' the West Coast DHB audit in the following areas:

- information system testing;
- performance information reporting;
- and broader audit risk assessments on areas such as procurement, asset management, contract management processes.

The control environment is similar between the two DHBs and in some cases the same people are performing the same functions for both DHBs. This is consistent with the two DHBs' trans-alpine agreement under which Canterbury DHB helps out West Coast DHB. And importantly, because we complete the audit first for Canterbury DHB, sector matters such as pay equity, Holidays Act 2003, etc. that we concluded on are replicated to the West Coast DHB audit file saving us time and effort. This is possible because the management making those assessments perform the same functions for both DHBs and they hold the same views adjusted for the relative size of the DHBs.

If the scope and/or amount of work change significantly, we will discuss these with you and the OAG the implications for our audit costs and your audit fees.

8 What the OAG overhead charge provides

Parliament expects the full costs of annual audits under the Public Audit Act (including an OAG overhead charge) to be funded by public entities. The OAG overhead charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG overhead charge portion of the audit fee, to the OAG.

9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please contact me.

11 Next step

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with

Yours since	erely				
Julian Tan Appointed Audit New					
I accept the	e audit fees for	the audit for	the years ending 30) June 2020 ar	nd 2021 as stated above.
Full name:		Hon Rick Bar	rker	Position:	Chair
Authorised	signature:			Date:	
Entity name	e:	West Coast I	District Health Boar	d	
Actions to	take when a	greement ha	as been reached:		
1 N	lake a copy of t	this signed pr	oposal and keep it f	or your file.	
2 Se	end the origina	I to:	Julian Tan PO Box 2		

Christchurch 8140

the Auditor-General to carry out the audit of your organisation as the agent of the

Auditor-General.

Mana Arotake Aotearoa

Audit plan

West Coast District Health Board

For the year ending 30 June 2020

Audit plan

I am pleased to present to the Board our audit plan for the audit of West Coast District Health Board (West Coast DHB) for the year ending 30 June 2020. The purpose of this audit plan is to discuss:

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The contents of this audit plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this audit plan.

Our work improves the performance of, and the public's trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Yours sincerely

Julian Tan Appointed Auditor 27 May 2020

Risks and issues

Focus areas



We set out in the table below the main risks and issues based on the planning work and discussions that we have completed to date. These will be the main focus areas during the audit.

Risk/issue

Our audit response

Financial constraints leading to going concern issue

In the 2018/19 financial year, West Coast DHB reported a deficit of \$11.56 million, compared to a budgeted deficit of \$6.09 million.

West Coast DHB's Annual Plan forecasts that the deficit will continue to grow in the 2020 financial year, and onwards, when the Grey Base Hospital is transferred to West Coast DHB on completion. The main reasons given are the increased depreciation charge arising from the new hospital. This year's forecasts will also be affected the unbudgeted costs dealing with the effects of the COIVD-19 pandemic.

The Board is required to formally assess the going concern status of West Coast DHB when it prepares the financial statements for the year.

West Coast DHB may need to obtain a letter of comfort in the current and future financial years to prepare its annual financial statements using the going concern basis of accounting.

We will review the Board's assessment of West Coast DHB's ability to continue as a going concern when preparing the 2019/20 financial statements.

We will also review West Coast DHB's financial results for the year, the budgets for the next financial year (including cashflow forecasts 12 months from opinion date), and if necessary any letter of financial support from the Ministers.

If a letter of financial support is obtained, we will need to consider whether additional disclosure is required in the audit opinion.

Holidays Act 2003 compliance

In 2018/19, all DHBs worked collectively to reach an agreement with unions on an approach to dealing with potential underpayments arising from non-compliance with the Holidays Act 2003. The agreed approach for resolving underpayments has a potential 18-month run time. This matter may result in significant liabilities for some DHBs.

West Coast DHB estimated a provision of \$5.2 million for this liability in the financial year ended 30 June 2019. However, as there was further work required and significant uncertainties remained over the amount of the liability, we issued a

We will follow up on West Coast DHB's progress made in resolving the matters raised as part of the 2018/19 audit.

We will assess any payments or changes to the provision made to determine whether they are supportable and materially correct.

Risk/issue	Our audit response
qualified audit opinion on the financial statements for the year ended June 2019.	

Fair value assessment of land and buildings

West Coast DHB periodically revalues its land and building assets. The last revaluation was undertaken as at 30 June 2018.

PBE IPSAS 17, Property, Plant and Equipment requires that valuations are carried out with sufficient regularity to ensure that the carrying amount of an asset class does not differ materially from fair value.

We understand that West Coast DHB will prepare a fair value and an impairment assessment for the current financial year. This is likely to involve management judgements and estimates.

There is a risk that the carrying value is materially different from fair value requiring land and buildings to be revalued outside of its revaluation cycle.

We will review West Coast DHB's fair value assessment of its land and building assets, including whether there are any indicators of impairment, to confirm that asset carrying values are not materially different to the fair values.

If a revaluation is required, we will review West Coast DHB's land and buildings valuation and confirm that they have been prepared in accordance with PBE IPSAS 17 and the valuation standards, and confirm they are appropriately accounted for and disclosed in the financial statements.

Facilities development – Te Nikau, Grey Base Hospital and Health Centre

Construction is close to completion for the Te Nikau, Grey Base Hospital and Health Centre. The project had an initial completion date of mid-2018, however there have been significant delays in the construction of the hospital. The facility is now expected to open in August 2020 and the asset transfer will be reflected in the 2020/21 financial year. However, this could be delayed due to the Covid-19 pandemic and the ongoing response required.

This project is being managed by the Ministry of Health (the Ministry), with oversight from a governance perspective by the Government appointed Hospital Redevelopment Partnership Group (HRPG).

The Board of West Coast DHB needs to ensure that information on the progress of this project is obtained timely through its representatives on the HRPG. This information needs to be monitored regularly for any potential downstream impacts arising from cost overruns, for example, on increased depreciation when the completed

We plan to discuss the following matters with management and the Board:

- Status of negotiations of the transfer agreement between West Coast DHB and the Ministry.
- At our final audit visit, we will review the costs incurred (if any) and contributions made for the project and confirm that these are appropriately accounted for in the financial statements.
- We will also review West Coast DHB's
 assessment of the appropriateness of asset
 lives for any assets that will be demolished
 or decommissioned in the near future.

Risk/issue	Our audit response
projects are transferred from the Ministry to West Coast DHB.	
Additionally, West Coast DHB and the Ministry will need to agree on the terms of the transfer agreement well in advance of the anticipated transfer date.	

Facilities development - Buller Integrated Family Health Centre-(BIFHC)

The Buller Integrated Family Health Centre (BIFHC) is being built as part of the wider facilities redevelopment as mentioned above.

Planning for the project is well underway and a budget of approximately \$20 million by the government has been approved. We understand that management of this project has been shifted from the Ministry to West Coast DHB.

We plan to discuss with management and the Board regarding the progress of this development in the same manner as outlined above for the Grey Base Hospital, and will continue to look at the progress of this project during our audit.

We also plan to engage our specialist assurance team to review West Coast DHB's capital planning processes and reporting against good practice.

We will report any observations in our reporting to the Board.

Procurement and contract management

There are two aspects of procurement and contract management within West Coast DHB.

Goods and services that West Coast DHB uses itself are generally managed through a supply chain contract to ensure that the services required are delivered, as and when required, and to the stipulated quality.

West Coast DHB also purchases services from other organisations (third parties that are not public entities) to deliver health services. This carries with it risks that third parties may not deliver the services the DHB pays for. Increasingly, many of these risks are related to external, nongovernment organisation (NGO) providers.

West Coast DHB will need to consider if any of the new agreements are agency arrangements and ensure the correct accounting treatment is applied.

We will:

- test a sample of non-government organisation (NGO) contracts to gain assurance that the contracts are approved within delegation limits and payments made under the NGO contracts are appropriately approved.
- test a sample of non-government organisation (NGO) contracts to gain assurance that the contracts are being managed in line with West Coast DHB's policy requirements.
- test any significant procurement or tendering processes to gain assurance that West Coast DHB's policies and procedures are being applied in practice.
- maintain an overview of developments generally in procurement across West Coast DHB; and
- enquire about and remain alert for only potential agency arrangements/contracts and determine if they have been appropriately accounted for.

Revenue recognition (exchange and non-exchange transactions)

Exchange revenue transactions such as Inter District Flows and ACC revenue are accounted for using PBE IPSAS 9 Revenue from Exchange Transactions. Non-exchange revenue transactions such as some Ministry other contracts (non-devolved funds) are accounted for using PBE IPSAS 23 Revenue from Non- Exchange Transactions.

PBE IPSAS 9 defines exchange and non-exchange transactions as follows:

- Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.
- Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Significant judgment is required in classifying revenue as exchange or non-exchange and in determining the timing of revenue recognition within those standards. The importance of the distinction between exchange and non-exchange revenue matters more where the revenue recognition would be different between the exchange and non-exchange accounting standards.

We will review the classification of revenue and whether the accounting treatments are in line with PBE IPSAS 9 Revenue from Exchange Transactions and PBE IPSAS 23 Revenue from Non-Exchange Transactions.

COVID-19 pandemic

On March 11, 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. As a result, economic uncertainties have arisen which are likely to negatively affect most organisations' operations and their ability to deliver services.

We will obtain an understanding of what changes are happening as a result of the pandemic across West Coast DHB, and then understand if any of these changes result in new risks or changes to the level of risk we had previously identified.

The most effective way to understand the impact of the pandemic will be to engage with you at the right time to understand what has, and could,

Risk/issue

The pandemic is impacting the majority of organisations and people globally in a significant way.

Based on our discussions with the finance team, we understand that the pandemic is having an adverse impact on West Coast DHB's daily operations. Because of this impact, there is a risk of internal control slippage affecting the capture and reporting of financial and performance information during this period.

Our office has published guidance for financial statement preparers on the impact of Covid-19 on public sector reporting entities, including the revaluation of property, plant and equipment and investment property that you may find useful. Refer to: https://auditnz.parliament.nz/good-practice/public-sector-reporting/bulletin-one

We are currently developing guidance for public entities to deal with performance reporting matters. We intend to inform you when this guidance becomes available.

Our audit response

change West Coast DHB's operations and service delivery.

The assessment of the risks of material misstatement at the financial statement and performance information reporting level is also affected by our understanding of the control environment. In particular we would want to know the following:

- How is the Board participating in key decisions as a result of the pandemic?
- Are there major changes in the operating characteristics of West Coast DHB?
- How management and the Board are including the pandemic related issues in the risk management processes?
- Is management identifying and recording any additional pandemic related costs that West Coast DHB could seek to recover from the Crown?

Once this discussion is completed we will consider and discuss with you any specific risks we need to respond to, and how we will complete the audit as efficiently as possible.

Given the significance of the pandemic's impact and the current difficulty of quantifying this impact, it may be necessary for us to consider with management any additional disclosure in the financial statements or performance information.

The risk of management override of internal controls

There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.

In response to this inherent risk, we will:

- test the appropriateness of selected journal entries;
- review accounting estimates for indications of bias; and
- evaluate any unusual or one-off transactions, including those with related parties.

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant – misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Board, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does Board play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Board satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Board and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to the Board? Has appropriate action been taken on any lessons learned?

Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at oag.parliament.nz/reports/fraud-reports.

Our audit process

Initial planning

Initial planning activities include verifying compliance with independence requirements and building the audit team.

Understand your business and environment

We use our extensive sector and business knowledge to make sure we have a broad and deep understanding of West Coast DHB, your business, and the environment you operate in.

Assess audit risk

We use our knowledge of the business, the sector and the environment to identify and assess the risks that could lead to a material misstatement in the financial statements and performance information.

Evaluate internal controls

We update our understanding of internal controls relevant to the audit. This includes reviewing the control environment, risk assessment process, and relevant aspects of information systems controls. Most of this work is done during the initial audit visits. We evaluate internal controls relevant to the audit for the whole financial year, so we consider internal controls relevant to the audit at all visits.

Finalise the audit approach

We use the results of the internal control evaluation to determine how much we can rely on the information produced from your systems during our final audit.

Gather audit evidence

During the final audit we audit the balances, disclosures, and other information included in West Coast DHB's financial statements and performance information.

Conclude and report

We will issue our audit report on the financial statements and performance information. We will also report to the Board covering any relevant matters that come to our attention.

Materiality

In performing our audit, we apply the concept of materiality. In the public sector, materiality refers to something that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers' overall understanding of the financial statements and performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

Accounting standards also require the Board and management to consider materiality in preparing the financial statements. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer's perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities.

Whether information is material is a matter of judgement. We consider the nature and size of each item judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor. Materiality will be lower for some items due to their sensitivity.

Misstatements

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader's overall understanding of your financial statements and performance information. During the audit, we will provide details of any such misstatements we identify to an appropriate level of management.

We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement we will seek written representations from representatives of the Board that specify the reasons why the corrections will not be made.

We will include corrected and uncorrected misstatements in our report to the Board.

Professional judgement and professional scepticism

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term "opinion" reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.

Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

How we consider compliance with laws and regulations

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

Wider public sector considerations

A public sector audit also examines whether:

- West Coast DHB carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by West Coast DHB;
- there is any sign or appearance of a lack of probity as a result of any act or omission by
 West Coast DHB or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by West Coast DHB or by one or more of its members, office holders, or employees.

Reporting protocols

Communication with management and the



We will meet with management and the Board throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are "no surprises".

Reports to Board and the Ministerial Letter



We will provide a draft of all reports to Board and management for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to Board.

We will also follow up on your progress in responding to our previous recommendations.

The report to the Board will form the basis of a letter to the Minister, which will be cleared with Board by the OAG Sector Manager, Greg Goulding.

Audit logistics

Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Julian Tan Appointed Auditor

Anna Jones Audit Manager

Timetable



Our proposed timetable is:

Interim audit begins 8 June 2020

Draft financial statements available for audit (including notes to the 21 September 2020

financial statements) with actual year-end figures

Final audit begins 21 September 2020

Statement of performance available for audit 21 September 2020

Annual report available, including any Chair and Chief Executive's 5 October 2020

overview or reports

Verbal audit clearance given 23 October 2020

Audit opinion issued 30 October 2020

Draft report to Board issued 16 November 2020

Our proposed timetable is subject to change due to the potential impact arising from the Covid-19 pandemic on audit staff access to West Coast DHB and its people as well as the consequential impact on changes to our staff availability over the course of the audit. We intend to discuss with management if our proposed timetable is significantly affected by this pandemic.

Expectations



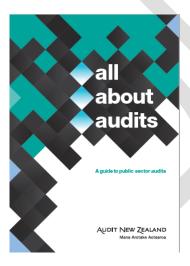
For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

To help you prepare for the audit, we will liaise with management and provide them with a detailed list of the information we will need for the audit. We have also published information to help explain the audit process:



Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required.

We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.





CHIEF EXECUTIVE'S UPDATE



TO: Chair and Members

West Coast District Health Board

SOURCE: Chief Executive

DATE: 26 June 2020

Report Status – For:	Decision	Noting	Information
Report Status - For.	Decision 🗖	roung 🛂	IIIIOIIIIauoii 🗀

1. ORIGIN OF THE REPORT

This report is a regular report and standing agenda item, providing the latest update and overview of key organisational activities and progress from the Chief Executive to the Board of the West Coast DHB.

Its format has been reorganised around the key organisational priorities that drive the Board and Executive Management Team's work programmes. Its content has been refocused on reporting recent performance, together with current and upcoming activity.

2. RECOMMENDATION

That the Board:

i. notes the Chief Executive's update.





DELIVERING COMPREHENSIVE STABLE AND SAFE SERVICES IN THE COMMUNITY

A: Reinvigorate the West Coast Health Alliance

These key messages include examples of the Alliance leveraging our integration with Canterbury and the rest of the South Island to progress local development in areas of need. At their last meeting in December the Alliance Leadership Team (ALT):

- Made some recommendations for changes to the workstreams so that they reflect a locality approach (Northern, Central, Southern) and include actions that are aligned to the System Level Measures Improvement Plan.
- ALT's priority is on ensuring that the workstreams have sufficient support and resources
 to complete their priorities. A meeting will be hosted with workstream leadership to
 discuss challenges and expectations.
- ALT notes Carl Hutchby and Cameron Lacey are no longer members, and thanks them both for their valuable input. Māori Health and Mental Health representation will now be sought.
- The ALT cancelled their meeting in March and a short meeting was held by videoconference during Alert Level 4 to ensure progress continued towards the

development of the West Coast System Level Measures Improvement Plan, one of the companion documents to the DHB Annual Plan.

B: Build Primary and Community Capacity and Capability

Integrated Locality Services

Integrated Health Services - Northern

- o Following COVID-19 management, the planning and implementation of integrated services are being progressed and quality projects set up to support the teams towards integration.
- O Community Mental Health conversations have recommenced with a primary focus towards an integrated Long Term Conditions (LTC) team approach. Crisis management conversations will be ongoing subject to recruitment to support this service.
- o At COVID Level 1, inter-agency and consumer engagement will recommence.
- The introduction of the Leadership Essentials programme is a significant boost towards our team understanding the purpose and direction of the WCDHB and the role of Rural Generalism within our communities.

Integrated Health Services – Central

- O The Operations Manager is focusing on Te Nikau migration and functionality. Particular attention is being paid to the new integrated administration services working in Te Nikau, which will be a combination of currently separate teams.
- O Grey Medical continues to trial new ways of working, including telephone and video consultations, and are also preparing for relocation to the IFHC.
- O Clinical Nurse Managers have been working collaboratively to ensure a smooth transition to Te Nikau and cohesive service delivery.
- o Mental Health and Allied Health, Scientific and Technical (AHST) continue to embed their new structures and are working collaboratively across the WCDHB localities.
- o AHST are also preparing for migration to Te Nikau and Cowper hub.

Integrated Health Services – Southern

- O The Southern team has maintained services throughout the period impacted by COVID-19 and has adapted to utilising non in person technology where possible, changes that will be maintained where clinically appropriate and where this suits individual patients.
- O The team which established and operated the Hokitika COVID-19 Community Based Assessment Centre (CBAC) also undertook the West Coast pilot of sentinel COVID testing in Haast and Bruce Bay during Alert Level 4 of the lockdown and then led the successful roll-out of this process across other locations (Reefton and Springs Junction, Arahura Marae, Buller Hospital). As well as achieving its core purpose, this activity has led to enhanced relationships with our local communities, fellow providers particularly Poutini Waiora, and other community groups (e.g. Civil Defence Emergency Management groups).
- O The District Nursing (DN) team based in Hokitika has now piloted the provision of support to the South Westland Area Practice RNS team and this proved to be highly successful not only in improving the integration of care provided but also facilitating shared learning across the team. Further collaboration is planned. The Hokitika DN team has also led a quality improvement initiative to enhance patient-centered,

C: Hauora Maori Update

- Complex Clinical Care Network (CCCN): The role of Maori Health Clinical Needs Assessor that sits within the Complex Clinical Care Network at the WCDHB has, over the past years, had its challenges in meeting the kaupapa of the position. The Hauora Maori team have been working with the CCCN team to investigate opportunities to better embed this role into the Maori community and support the work of the network.
- Options for collaboration and partnership have been agreed between Poutini Waiora and CCCN that will better promote the position within the Maori community and enable her to work in a more interdisciplinary way with the team of Poutini Waiora.
- Improving DNA (Did not attend) rates for vulnerable populations: Maori outpatient nonattendance (DNA) at all DHB clinics in New Zealand are typically twice that of non-Maori and there has been a plethora of research into why this occurs and what strategies can be implemented to reduce this number.

		iviaori / ne	on Maori DNA	rates		
	201	8	201	.9	202	0
January	12.69%	5.45%	17.31%	7.14%	14.47%	6.92%
February	11.90%	5.95%	12.05%	5.30%	10.75%	4.65%
March	16.67%	7.04%	11.39%	5.78%	6.30%	5.95%
April	12.80%	5.22%	11.43%	7.52%	4.44%	2.33%
May	19.85%	5.63%	11.49%	6.69%	34.88%	3.83%
June	12.82%	5.73%	8.45%	6.53%		
July	13.91%	6.58%	10.38%	7.32%		
August	11.59%	5.92%	18.27%	6.70%		
September	12.61%	6.70%	18.75%	6.00%		

Maori / non Maori DNA rates

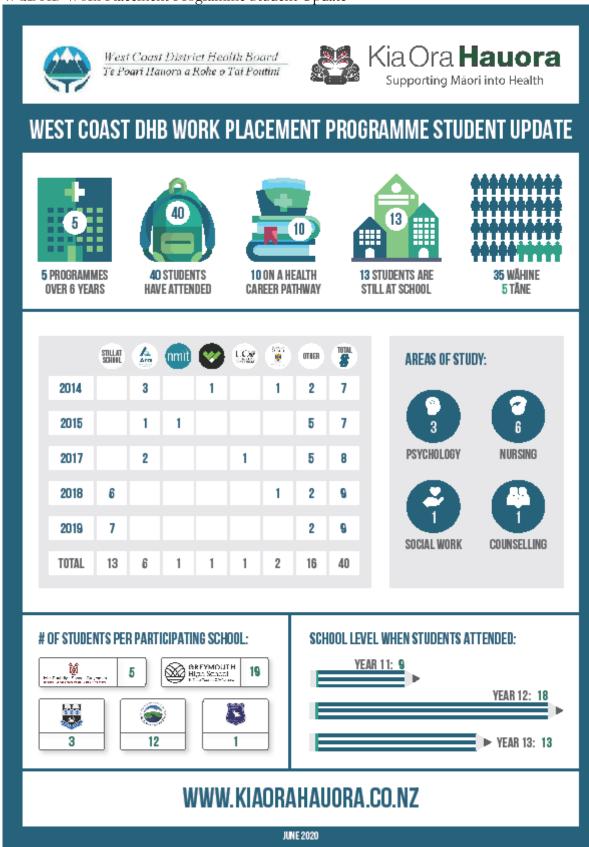
- The impact on Maori not attending scheduled Outpatient Clinics means a delay to treatment that combined with existing factors for Maori such as delay in accessing primary care and pre-existing conditions could mean a poorer health outcome. The consequence for the DHB's is that scarce resources, such as specialist and nursing time are wasted and the financial cost is significant.
- We are aware that people miss health appointments for a wide range of reasons and need to understand these in order to implement processes and systems to improve attendance, our strategy to address this will therefore need to be multi-faceted and a planning process led by Hauora Maori and the Rural Inpatients Operations Manager is underway. A session was held with the CBU team to increase their knowledge of inequity for Maori and how to use the Health Equity Assessment Tool to implement change so that the system may work better for Maori. The team were great to work with and we will continue to build on the initial work undertaken until we have an agreed and collective approach for improving DNA rates for Maori.
- Workforce: Hauora Maori Portfolio Manager Workforce and Special Projects started with the DHB in March just prior to lockdown. A large focus for her will be to establish an organisation wide plan for building cultural competency within the DHB workforce, developing service specific responses to equity education and cultural safety, supporting retention and development of existing Maori workforce and strategic input and oversight of

- local, regional and national Maori workforce initiatives.
- Use of Equity Assessment tools to inform planning across the DHB is a core component of the role and a paper is currently being developed for management on how we facilitate HEAT tool training as an active participation process and ensure useful service based planning as a core outcome of the session.

Kia ora Hauora 2020

- Grey Hospital Work Placement and Junior Exposure Programme 2020: Planning is underway for a busy 2020 working in partnership with the team at Mokowhiti to deliver the Annual Kia ora Hauora Rangatahi programme and the Junior Hospital Exposure day. Additionally, we will investigate the viability of piloting an eight-week Shadow Programme where Year 12 and 13 Maori students spend 1 day a week with a specific service i.e. Allied Health/Physio supported by Kia ora Hauora and the DHB to continue further exploration if they find that this is a potential career option.
- Relationships are being built with local High Schools not only to support the Kia ora component of our workforce pipeline but also to identify other opportunities for the DHB and Secondary Schools in building career opportunities for Maori students.
- We are currently canvassing interest from Buller, Grey, Westland, JPII, Reefton Area School and South Westland for both programmes and expect a positive response. This year will be particularly exciting for the students as they will be the first to experience Te Nikau.

WCDHB Work Placement Programme Student Update



The attached shows how the engagement in this programme can positively affect West

Coast Rangatahi.

- Maori Immunisation Programme: A proposal has been approved by the Ministry of Health as part of the COVID-19 response work to build on the success to date of increasing flu vaccinations for Maori. The funding will primarily enable Maori Health Providers to provide targeted outreach clinics within Maori community settings and rurally isolated areas. There is also provision to build the capacity of the Maori Health Provider to better resource them with any additional equipment and education required to support an outreach approach. Another key part to this funding will be to ensure that the connections and pathways through to primary care is improved.
- Te Nikau: The DHB clinical and leadership teams are undertaking planning and organising for the transition to Te Nikau which will occur in eight weeks. Hauora Maori has been invited to work across service areas to ensure equity is strongly factored in to this work. The use of the HEAT tool is one way that we are doing this. Focus areas are:
 - o Triage process for new facility (IFHC)
 - Visitor policy for Inpatient Wards
 - o CBU Booking process
 - o Covid-19 Recovery work
 - o Elective surgery
 - o Outpatient and Infusions
 - o Primary care interface with ED
- This work while currently supporting and informing the transition to Te Nikau is intended to have a life past the migration process. There is a strong commitment to ensuring equity is strongly embedded in the model of care.
- Dame Naida Glavish Staff Hui March 2020: Dame Naida Glavish visited the West Coast DHB on 13 March 2020. Naida ran two separate hui, one with DHB Maori staff in the morning and an afternoon session with the wider DHB workforce, both were well attended. Naida is a tohunga in Tikanga Maori and shared her story and experiences from working in the sector for over 30 years. Her session included viewing the system through a Te Ao Maori lens and working within a holistic framework. We are very fortunate to have a relationship with Dame Naida and will continue to benefit from her immense wisdom.



DELIVERING MODERN FIT FOR PURPOSE FACILITIES

A: Facilities Maintenance Report

- The Facilities Admin officer has retired after 22 years' service and her replacement has started work.
- Repairs to blown hot water pipe to Corporate Building completed.
- WCDHB property at 3 Nancarrow Street is currently being painted allowing it to return to Company Housing service.
- WCDHB Staff are about to finish painting of new Haast Clinic.
- WCDHB staff installed doors into new walls for Isolation Areas as part of COVID-19 preparedness.
- Changing the hot water supply to Mental Health and Dementia building from old boiler house to new Energy Centre is progressing.
- Training of Staff at Te Nikau is ongoing.

B: New Facilities Redevelopment Update



Grey

- 10-week operational readiness activity commenced 11 May when the DHB gained access to the new facility.
- This period was marked by a blessing by local iwi and religious representatives. Due to the Alert Level 3 restrictions at the time this was unable to have wider attendance. However, a short video was recorded at the time and can be viewed on the West Coast DHB website.
- The operational readiness period includes activities such as cleaning, stocking, installing equipment, commissioning and witnessing plant and equipment.
- Formal orientation and training for staff is set to commence week of 22 June.
- A certification visit will be conducted by Ministry of Health auditors between 22 and 25 June. This will focus on both the readiness of the facility to safely deliver patient care and also the policies and procedures that support that delivery.
- A decision was made on 10 June to formally proceed to migration. Practical completion of Te Nikau is 20 July, with migration of services commencing 23 July, and concluding 1 August.
- This 10-day migration will see services transitioned to Te Nikau in a sequential way designed to ensure redundancy and service continuity. The first patients will access Te Nikau on 29 July.
- A formal opening of the new facility is expected, but yet to be confirmed for late July.

Buller



 Discussion between the Ministry of Health and the West Coast DHB continues with reference to asbestos removal methodology and costs.



RECONFIGURING SECONDARY AND TRANSALPINE SERVICES

A: Rural Inpatient & Transalpine Services and Secondary Mental Health Services

Rural Inpatient & Transalpine Services

Nursing

With COVID-19 now settling, nursing are looking at new ways of developing processes to improve patient care within the integrated ward, an example of this is how we manage MDT patients and cohorting them together to ensure they get the extensive allied health support needed for safe discharge. Rostering staff ensuring the patients' needs are met is seeing modification within templates in the Trendcare system. Support and training is being implemented by the Trendcare Coordinator to ensure correct levels of staff within the ward.

- Staff at Grey Base are now starting orientation to the new facility. When developing new policies and procedures thought is going into how we might utilise them for other areas such as Buller and Reefton not just concentrating on Grey. All areas of the system are being thought through which is pleasing to see,
- The uniform policy for nursing and midwifery has been updated and staff will continue to change prior to leaving work. This was a positive coming out of the COVID-19 work that we feel should continue as it better meets the infection control standards.
- CCDM has continued throughout the pandemic and we are still on target to roll out FTE calculations for the inpatient mental health team.

Rural Inpatients and Transalpine Service

- All inpatient and transalpine services have been reinstated after the disruption caused by COVID-19. Many patients are having consultations via telehealth and both consultants and the patients are reporting this is a positive experience. Services are in the midst of preparing to migrate into Te Nikau and the excitement in the teams is encouraging.
- Medical recruitment has had a successful few months with applications from General Surgeons and Anaesthetists. The Anaesthetists have been interviewed and upon appointment will mean the department is fully staffed. The surgeons are being interviewed later this month.
- With COVID-19 we needed to rapidly adjust our inpatient model to establish an isolation ward. To support this, we brought forward the plan for Rural Generalist doctors managing the inpatient wards. This change has proven that the Rural Generalist team can manage the ward well and has assisted the flow of acutely admitted patients by using a team approach.
- The two Rural Generalists working in obstetrics have now been fully credentialed to work independently in on-call for unplanned births that require hospital level input. These credentialed Senior Medical Officers join our incumbent Obstetrician Gynaecologist in providing this on-call service. We are in negotiation with CDHB for further O&G support to build this service.

Maternity

- Maternity's staffing has improved since last update and we feel we are well staffed going into the new hospital, although there are some potential retirements coming up so will continue recruiting.
- Birthing numbers have been steady, with a busy April and May and an increase in bookings
 for June. Birthing continued during the lockdown as well as transfers, with the unit very
 busy at times adding pressure in regard to screening and PPE considerations. We worked
 with CDHB for transalpine guidance for maternity, especially the use of theatre for
 caesarean sections.
- Our homebirth numbers during this time didn't increase as first thought, although some women were early discharging, more so to be at home during lockdown.
- Staff supported each other during this time, as they normally do in any challenging situation. The staff here on maternity are a great team.
- Most of our staff including the LMCs, have had a chance to look through the new facility and are very excited for the move. We have started to dump the junk in preparation.
- We are slowly returning to normal and look forward to the next few months of another challenge, albeit being a positive one.

Allied Health

- Having recruited to the new leadership roles for Allied Health, Scientific and Technical, to support our workforce reorganise into their locality based interprofessional teams, we are continuing the transalpine conversations to support those parts of the workforce we have been unable to recruit leadership or management to, and strengthen each profession's connections across practice settings.
- The COVID-19 response created an opportunity to test our interprofessional team reconfiguration ahead of the move into Te Nikau, which has been largely successful.

Setting the Strategic Direction

- Work continues on developing a strategy framework for our Allied Health, Scientific and Technical professions in partnership with the CDHB Directors of Allied Health.
- The Transalpine DAHs are also working on a leadership development strategy which will
 work in partnership with the leadership programme developed by our People and Capability
 colleagues, focusing on the ways that we can liberate the specific talents of AHST in
 leadership roles.

Workforce

- Vacancies for experienced therapists have been easier to fill as a result of kiwis returning home due to the pandemic, however we continue to have a high level of vacancies for Occupational Therapists.
- Work continues on the South Island Career Framework, an action from the last MECA.
 This framework aims to align the roles, role titles and remuneration bands across the region and is informed by the work being done in the lower North Island.

Digital Health

- Allied Health therapies are partnering with ISG to replace paper referrals (faxes included)
 with an electronic referral process. This programme will on-board all referral processes over
 time, starting with referrals from outside the DHB such as from GPs and other community
 based providers.
- Workflows are currently being designed to standardise the ways that commonly used letters, contemporaneous notes and assessment documents are embedded into the eHR (Health Connect South). This is being designed to be used by all professions and services via a regional consultation process, and has been identified as a requirement for Allied Health ahead of our move to the new facilities which will not have capacity for paper files.
- With the suite of shared care record tools now available on the regional eHR (Health Connect South) available for health clinicians and kaiawhina in all settings, work is underway to support Allied Health staff to adopt their use. These tools will enable us to build on the remote and digital ways of working that were adopted during the pandemic response.

Rural Early Years Strategy

• The interagency working group has held the initial meetings, in preparation for the paper that is being presented to you today. The group believe that a community development approach will best achieve our goal to ensure people from all parts of our community are supported to tell us what health services would look like for Coast kids, as part of our nationwide goal for Aotearoa New Zealand to be the best place in the world to grow up.

Research

 The Health Research Council has identified the West Coast as potential recipients of their new DHB focused Career Development Awards, some of which we hope will support our Rural Early Years Strategy. Funding applications will be submitted on 22 June for these awards.

Mental Health

- Ongoing work in Manaakitanga working towards zero inclusion. We are working on team reviews of seclusion events, to learn from each experience. Currently we are 92 days' seclusion free, as of 10 June.
- The AOD service is now coordinating the well-established interagency triage meeting with NGOs every Friday. This meeting brings together all the relevant addiction service providers on the West Coast to ensure that the right person is referred to the right service. The service is also liaising with other entities, such as the Police and Corrections, to ensure that appropriate referrals with the right information are going to the right source.
- The AOD management are working towards recruiting permanently into the Co-Existing Problem (CEP) practitioner roles, to be based in Northern and Southern, as well as the opioid substitution coordinator.
- The Mental Health Leadership Group (MHLG) is working towards establishing the Mental Health Clinical Nurse Specialist (CNS) role in primary care. In the early stages, this involves developing the pathways for unplanned presentations of psychological and emotional distress, into the IFHC. The plan is to create a link between unplanned care, primary care (including the PHO BIC service), specialist mental health and the mental health nurse practitioner. This will be further developed into a youth specific pathway.
- Recruitment has begun to fill the permanent manager roles for our Central Community Mental Health team and our AOD team. The roles are currently being filled by staff under a fixed-term contract.
- The CAMHS team have a new Clinical Nurse Manager, under a 12-month fixed term contract, while we progress the Rural Early Years strategy.
- We have appointed to the position of Kaiarahi, Clinical Manager Maori Mental Health Service, for 12-month fixed term. The mental health service will continue to work with Maori Health to progress the Maori Mental Health and Wellbeing review, which will inform the future direction of the Maori Mental Health Service.
- All of our teams are working with the potential for utilising technology to facilitate mental health care to our community. We have taken a lot of our experiences during the COVID lockdown, and looked at what can be applied to our service functionality going forward. We are exploring the potential for virtual group therapies, for anxiety management and distress tolerance.





DEVELOPING TRANSPORT AND TELEMEDICINE SERVICES

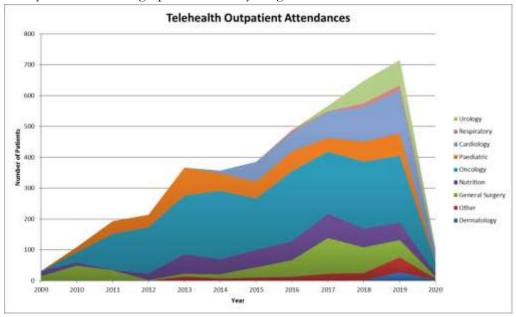
A: Improve Transport Options for Patient Transfers

The following transport initiatives are in place to support the safe transfer of patients:

- St John community health shuttle to assist people who are struggling to get to health appointments in Greymouth.
- Non-acute patient transport to Christchurch through ambulance transfer.
- Buller Red Cross contract, to provide a subsidised community health shuttle transport service between Westport and Grey Base Hospital, through to August 2020.
- National Travel Assistance payments made to assist eligible Specialist-referred patients with travel and accommodation costs incurred in accessing ongoing public specialist services.

B: Champion the Expanded use of Telemedicine Technology

 West Coast DHB has expanded its video conferencing capacity considerably within the last several years; see below graph for monthly usage details.





INTEGRATING THE WEST COAST HEALTH SYSTEM

A: Older Persons Health Services

The six West Coast Aged Residential Care facilities (ARC), the Complex Clinical Care Network (CCCN) and Home and Community Support Services (HCSS) have been actively supported throughout the COVID-19 pandemic by close contact with the West Coast DHB Emergency Operations Centre. All facility and service managers were contacted multiple times a week during lockdown and provided with relevant local and Ministry of Health guidance as the situation emerged. Personal Protective Equipment (PPE) was provided by the DHB alongside Infection Control and Prevention advice and training. Planning and Funding has received spontaneous positive feedback from at least two ARC facilities about the collegial manner in which the support was provided.

- Aged Residential Care: As nationally directed by the Director-General of Health, COVID-19 Preparedness Assessments took place at the six West Coast Aged Residential Care facilities in mid-April. These assessments were conducted by a local team comprised of the West Coast Emergency Planner, Infection Prevention and Control, Quality Manager, and Planning and Funding Health of Older Persons Portfolio Manager and included a review of their pandemic planning, staff contingency planning, infection prevention and control, PPE stocktakes and training etc. Support and additional information was provided alongside the reviews.
- The West Coast ARCs have been vigilant in ensuring that their residents and staff have been kept safe and well during the COVID-19 pandemic response, and processes continue to be supported by the West Coast DHB as the country moves down alert levels.
- Complex Clinical Care Network (CCCN) Prior to the lockdown, the CCCN formulated a vulnerable persons list and these people were contacted from a pastoral and

- information exchange process. This provided significant and consistent continuity of care for both those being supported and their carers.
- Home and Community Support Services (HCSS): During lockdown HCSS were innovative in arranging identifying vests and car signage for West Coast support workers to identify and support workers as they circulated within the community tending to clients. The HCSS Manager also encouraged DHB support workers to use their DHB mobile phones to access information, ask questions and seek peer support when required. This has proven to be a very valuable and efficient communication method in a fast-changing environment.
- The CCCN and HCSS managers continue to work very closely and effectively together in listening and responding to the needs of our community and older persons in a challenging environment.
- Community Strength and Balance Classes: Due to Community Strength and Balance classes being closed in lockdown, a new Accident Compensation Corporation programme, Healthy for Life, screened at 9am on TVNZ 1 from Saturday May 2 and is also available TVNZ On Demand. The programme is designed to help older people work on their strength and balance through the Super7 exercise programme and provides tips on staying safe in the home, nutrition and mental wellbeing.
- Kaumātua engagement: A meeting has been held to discuss Kaumātua engagement with West Coast health services. Attendees were representatives from Poutini Waiora, Tatau Pounamu, Primary Health Organisation and the District Health Board (Maori Health, CCCN, CCCN Maori Health Clinical Assessor and Planning and Funding). Work continues in this area towards future service planning and decision-making; in particular concerning barriers to Kaumātua engagement with health services.



BUILDING CAPACITY TO TRANSFORM THE SYSTEM

A: Live Within our Financial Means

The consolidated West Coast District Health Board financial result for the month of May 2020 was a deficit of \$751k, which was \$13k favourable to annual plan. The year to date net deficit of \$6.912, is \$848k unfavourable to annual plan.

	Мо	nthly Repor	ting	Year to Date				
	Actual \$'000	Budget \$'000	Variance \$'000	Actual \$'000	Budget \$'000	Variance \$'000		
Governance Arm	(147)	(141)	(6)	(1,683)	(1,526)	(157)		
Funder Arm	310	159	151	3,871	2,315	1,556		
Provider Arm	(914)	(782)	(132)	(9,099)	(6,853)	(2,246)		
Consolidated Result	(751)	(764)	13	(6,912)	(6,064)	(848)		

B: Effective Clinical Information Systems

- New Facility Work: Te Nikau activity is rapidly progressing and support from the wider transalpine team is helping the Coast team focus on the migration. Within the last month:
 - o Network switches have been fully deployed, with over 500 patches made in preparation for moving devices across.

- O Security systems are operational with swipe card access, and photo ID creation is well advanced
- o The UPS strategy has been finalised with most of the equipment onsite and preparations are underway for the install.
- Audio Visual install for meeting rooms is currently in progress and patient TVs have been procured, installed and configured to show Freeview.
- The CCTV system is operational and planning is underway for the Telephony install, with suppliers due onsite in two weeks.
- **Computer Desktop**: The new XenApp/Citrix environment has been deployed with approximately one third of the workforce moved across so far.
- Windows 10: Deployment has recommenced after a delay from COVID and so far 60 devices have been upgraded. Transalpine resources have been onsite for the last three weeks helping with deployment and troubleshooting. As part of the Windows 10 deployment, meeting room video conferencing systems will be equipped with Microsoft Teams, Vidyo and Zoom.
- Microsoft Teams: As part of both the new Xenapp and Windows 10 desktop environment we are deploying the Microsoft Teams platform. This is being increasingly used in expanding pockets for video/chat and collaboration.
- Community system: The Request for Proposal for a replacement to the Medtech32 system used by General Practices on the West Coast has been completed with the evaluation panel recommending a provider. Business case development is underway.
- Regional ePharmacy solution: Implementation was delayed due to COVID but is now on track for the end of June.
- **Exchange:** Exchange is now synchronised between both Canterbury and West Coast DHBs, so there is a common global address list and calendar availability can be viewed. A Capital request has been approved and a transalpine project is underway to move to Exchange Online in conjunction with Canterbury DHB.

C: Effective two-way Communication and Stakeholder Engagement Activity Supporting Health System Transformation

Communications and Engagement

- Facilities communication: Te Nikau Hospital and Health Centre communications (operational readiness and migration).
- COVID-19 (novel coronavirus) communications to staff and other stakeholders as part of the DHB's COVID-19 Emergency Operations Centre/Incident Management Team.

Media

• During May/June 2020, the majority of media enquiries were about COVID-19 with questions ranging from the number of DHB staff tested for COVID-19 to visitor hours, contact tracing, mobile COVID-19 testing stations and elective surgeries. There were also enquiries about Te Nikau Hospital and Health Centre.

Media releases:

- Updated visitor guidance under COVID-19 Alert Level 3 for West Coast DHB facilities (30/04/2020)
- Restrictions remain in place during Alert Level 3 to protect the West Coast community (30/04/2020)
- West Coast DHB announces high level Te Nikau, Grey Hospital and Health Centre

- timeframes (01/05/2020)
- West Coast DHB to start further mobile COVID-19 sentinel testing on the Coast (01/05/2020)
- Blessing marks an important milestone for Te Nikau, Grey Hospital and Health Centre (12/05/2020)
- West Coast DHB to continue mobile COVID-19 sentinel testing across the Coast (12/05/2020)
- Updated visitor guidance under COVID-19 Alert Level 2 for West Coast DHB facilities (15/05/2020)
- West Coast DHB's COVID-19 community-based assessment centres reduce hours of operation (22/05/2020)
- Buller residents can continue to access their health care teams during COVID-19 alert level two (22/05/2020)
- Further changes made to West Coast CBACs (02/06/2020)
- Westport and Greymouth CBACs to close next week (05/06/2020)
- If you have the NZ COVID-19 Tracer App, you can now scan as you enter West Coast DHB facilities (05/06/2020).

Social media posts:

- ACC New Zealand 'Healthy For Life' (28/04/2020)
- World Health Organization (WHO) Hand Hygiene Day promotion (01/05/2020)
- Buller Health flu vaccination clinic (02/05/2020)
- Various West Coast DHB careers posts (May 2020)
- Happy International Day of the Midwife (05/05/2020)
- World Hand Hygiene Day (05/05/2020)
- International Nurses Day (12/05/2020)
- Buller Health flu vaccination clinic (17/05/2020)
- World Family Doctor Day (19/05/2020)
- Grey Base Hospital Phlebotomy (blood tests) services hours (29/05/2020)
- Are you needing to access Buller Health (30/05/2020)
- World Smokefree Day (31/05/2020)



PROMOTING HEALTHY ENVIRONMENTS AND LIFESTYLES

Key Achievements/Issues of Note

focused on the response - Since our last report to the Board, CPH has been almost solely focused on the response to COVID-19. This has included staff from across the West Coast team supporting the local public health response including case investigation and contact management of local cases as well as supporting the wider Canterbury/West Coast response. We also had support from Canterbury as a Christchurch-based HPO was able to assist and support West Coast work remotely. On the West Coast there were four confirmed COVID-19 cases, including one person who died, and one probable case. CPH managed these cases and their close contacts, calling them all daily until they were released from self-isolation.

As we pull this report together things are not back to the usual way of working within CPH as most staff still need to work most of their time from home and we don't yet have the

same freedoms to meet with our partner agencies as we'd usually do. We need to prepare for any resurgence in COVID-19 cases and to know our workforce will be ready and well enough to respond if necessary. CPH is still holding daily meetings of its Incident Management Team and our West Coast health protection staff participate by teleconference to keep updated on the current situation.

During the response, our West Coast Manager and Team Leader linked in to West Coast DHB EOC meetings on an almost daily basis. This allowed us to provide timely information where required and to stay well informed about what was a very impressive response by the West Coast DHB. They also linked in directly with the overarching welfare and wider psychosocial group to ensure we could co-ordinate our responses. Our Medical Officer of Health provided technical guidance to the West Coast DHB EOC as needed, including advice on targeted sentinel testing, and support with managing media queries.

- Māori health promotion During levels 3 and 4 the two local rūnanga closed both marae. The rūnanga worked together with the West Coast DHB and Poutini Waiora on their COVID-19 response efforts which included well-being checks and hygiene care packages for local Māori whānau. This was a very positive step in Māori community relationships.
- Drinking water CPH is pleased to note that Buller District Council has approved funding for major improvements to Reefton's water supply, including a substantial amount in this year's annual plan. Council is making good progress towards ensuring Reefton has a safe water supply but even with the funding approved, this will take time and a precautionary boil water notice will be in place until the upgrade works are completed. Our drinking water staff have been aware of some issues this year at the Fox Glacier water supply leading to a temporary boil water notice. The Fox Glacier and Arahura water supplies are the last two Westland District Council supplies to receive water treatment upgrades. It is pleasing to have received a recent update from the Council's water management team that both upgrade projects have been progressing well and Council is currently working through the tender proposals received for both supplies.
- Nutrition and food security The West Coast Food Security Network met via Zoom during lockdown. Members discussed current food security issues and opportunities that could present as we move out of lockdown. People's interest in gardening and growing food seems to have increased, with almost all vegetable plants sold out from Mitre 10 and The Warehouse in the days leading up to lockdown. Many people have also taken the opportunity to do home baking and cooking. Members also agreed that there were great collaborative efforts being put in to support whānau and communities at this time. Lessons and projects were shared by individuals in the network, including information about Māori food security initiatives from the recent Toi Tangata hui in Napier, and how Westport runs its Maara Kai. Over the lockdown period one West Coast Early Childhood Centre gained their Pa-Harakeke/Gold Healthy Heart Award. This centre had support from CPH and the Heart Foundation over the past couple of years to improve their food menu so that it is nutritious and tasty for the children. Five other Early Childhood Centres also asked for resource support during lockdown.

Report prepared by: Philip Wheble, General Manager West Coast DHB

Approved for release by: David Meates, Chief Executive

FINANCE REPORT



TO: Chair and Members

West Coast District Health Board

SOURCE: Executive Director, Finance & Corporate Services

DATE: 26 June 2020

Report Status – For: Decision □ Noting ☑ Information □

1. ORIGIN OF THE REPORT

The purpose of this paper is to provide a regular monthly report of the financial results of the West Coast District Health Board and other financial related matters.

2. RECOMMENDATION

That the Committee:

i. notes the financial result and related matters for the period ended 31 May 2020.

3. DISCUSSION

Overview of May 2020 Financial Result

The consolidated West Coast District Health Board financial result for the month of May 2020 was a deficit of \$751K, which was \$13K favourable to annual plan. The year to date net deficit of \$6.912m, is \$848K unfavourable to annual plan. The Covid-19 related net costs included in these results is \$448K, leaving an unfavourable variance to budget excluding Covid-19 costs of \$400K.

		Monthly Rep	orting			Year to D	ate		Full Year 19/20
	Actual	Budget	Variance	%Var	Actual	Budget	Variance	%Var	Budget
Operating Revenue									
Crown and Government sourced	12,688	12,425	263	2.1%	138,420	136,645	1,775	1.3%	149,065
Inter DHB Revenue	0	0	0	0.0%	0	0	0	0.0%	0
Inter District Flows Revenue	166	169	(3)	(1.8%)	1,885	1,861	24	1.3%	2,029
Patient Related Revenue	635	658	(23)	(3.5%)	7,364	7,109	255	3.6%	7,746
Other Revenue	38	67	(29)	(43.3%)	676	747	(71)	(9.5%)	814
Total Operating Revenue	13,527	13,319	208	1.6%	148,345	146,362	1,983	1.4%	159,654
Operating Expenditure									
Personnel costs	6,778	6,325	(453)	(7.2%)	70,439	68,171	(2,268)	(3.3%)	74,340
Outsourced Services	(1)	0	ìí	0.0%	20	0	(20)	0.0%	0
Treatment Related Costs	597	701	104	14.8%	8,254	7,586	(668)	(8.8%)	8,265
External Providers	3,793	3,684	(109)	(3.0%)	40,245	39,944	(301)	(0.8%)	43,561
Inter District Flows Expense	1,902	1,900	(2)	(0.1%)	21,051	20,923	(128)	(0.6%)	22,827
Outsourced Services - non clinical	139	119	(20)	(16.8%)	1,311	1,304	(7)	(0.5%)	1,422
Infrastructure and Non treatment related costs	828	958	130	13.6%	10,758	10,691	(67)	(0.6%)	11,648
Total Operating Expenditure	14,036	13,687	(349)	(2.5%)	152,078	148,619	(3,459)	(2.3%)	162,063
Result before Interest, Depn & Cap Charge	(509)	(368)	(141)	38.3%	(3,734)	(2,257)	1,477	(65.4%)	(2,409)
Interest, Depreciation & Capital Charge									
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	0
Depreciation	194	290	96	33.1%	2,536	2,936	400	13.6%	3,226
Capital Charge Expenditure	48	106	58	54.7%	642	872	230	26.4%	978
Total Interest, Depreciation & Capital Charge	242	396	154	38.9%	3,178	3,808	630	16.5%	4,204
Net Surplus/(deficit)	(751)	(764)	13	1.7%	(6,912)	(6,064)	(848)	(14.0%)	(6,613)
Other comprehensive income									
Gain/(losses) on revaluation of property									
Total comprehensive income	(751)	(764)	13	1.7%	(6,912)	(6,064)	(848)	(14.0%)	(6,613)

4. APPENDICES

Appendix 1 Financial Result Report

Appendix 2 Statement of Comprehensive Revenue & Expense

Appendix 3 Statement of Financial Position

Appendix 4 Statement of Cashflow

Report prepared by: Alexis Bainbridge, Assistant Accountant

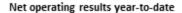
Report approved by: Justine White, Executive Director, Finance & Corporate Services

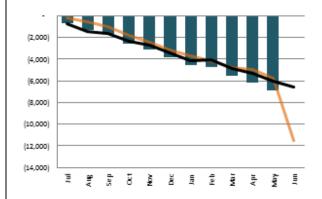
APPENDIX 1: FINANCIAL RESULT

FINANCIAL PERFORMANCE OVERVIEW – May 2020

Net operating results

	Month Actual	Month Budget	Month	Varianc	e	YTD Actual	YTD Budget	YTD V	ariance	
	\$'000	\$'000	\$'000			\$'000	\$'000	\$'000		
Surplus/(Deficit)	(751)	(764)	13	-2%	~	(6,912)	(6,064)	(848)	14%	×





West Coast DHB has reported a deficit of \$751K for the month of May 2020, this is a favourable variance to the annual plan for the month of \$13K (YTD: UF \$848K). Year to date the main drivers to this unfavourable result are:

- \$873K Covid-19 costs, offset by revenue of \$425K;
- \$120K of MECA and SECA settlements and accruals more than what was provided for in prior year, this mainly relates to E tū and Apex SECAs/MECAs;
- \$40K of repairs to a steriliser for theatre instruments in Grey-base hospital. Asset is end of life; new equipment has been purchased for new facility and this expenditure is a result of the delay in the project;
- Over \$450K in Pharmaceuticals (hospital & community) largely driven by PCT and Higher Cost Medicines in excess of anticipated;
- \$290K in Intragam costs in treatment disposables we have a couple of patients driving this variance of \$30K per month now likely to continue into the following financial year;
- Over \$500K unfavourable between patient transfers and the National Travel Assistance program which are volume driven;
- \$1.16m net over-run in cost of using locums to cover vacancies in medical personnel.
- Over \$400K favourable results in ARC, bed days are currently trending below budget but with corresponding increased demand for home support services.

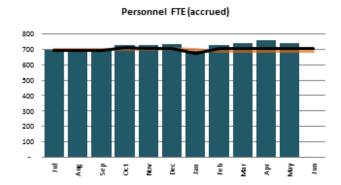
Revenue is offsetting a large portion of the unfavourable expenditure listed above and is reporting a YTD \$1.78m favourable result to budget, this is largely driven from HWNZ revenue \$150K, MOH sub contracts of \$1.4K and other patient revenues of \$278K, although this has recently been impacted by the Covid-19 pandemic.

Commentary is provided on variance to the approved Annual Plan that was submitted in September 2019, with the annual deficit of \$6.613m.

Personnel costs & FTE

	Month Actual	Month Budget \$'000	Month \$'000	Varianc	e	YTD Actual	YTD Budget	YTD V	ariance	
Medical	1,786	1,560	(226)	-14%	X	18,293	16,868	(1,425)	-8%	×
Nursing	3,193	2,775	(418)	-15%	X	30,886	30,061	(825)	-3%	×
Allied Health	1,006	1,068	62	6%	~	11,496	11,543	47	0%	~
Support	216	201	(15)	-7%	×	2,129	1,867	(262)	-14%	×
Management & Admin	577	721	144	20%	~	7,633	7,831	198	3%	~
Total	6,778	6,325	(453)	-7%	×	70,437	68,170	(2,267)	-3%	×

7,000 5,000 4,000 2,000 1,000 1,000



KEY RISKS AND ISSUES:

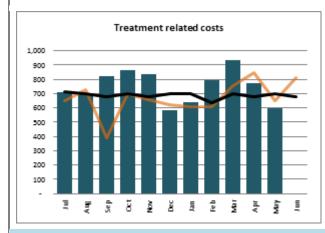
Better stabilised rosters and leave planning has been embedded within the business, there remains reliance on short term placements, which are more expensive than permanent staff. The Ministry of Health has a keen focus on ensuring DHBs do not exceed their management and administration staff FTE numbers. There are many ways FTE can be calculated, depending on the purpose. Using Ministry of Health calculations we remain under our overall management and administration staff cap.

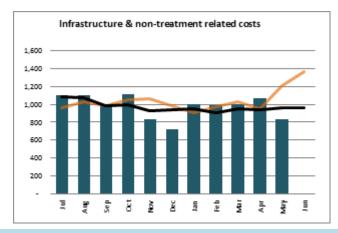
WCDHB is reporting an unfavourable variance of 27 FTE to the Annual Plan – this is largely driven from the leave liability brought over from bringing food services in-house from a previously outsourced service to reduce operational costs and the additional Covid-19 FTE impacts in May, including the necessary backfill of staff stood down during the Pandemic.

We continue to have vacant positions in Medical Personnel, which is forcing a reliance on locum cover, this overspend is offset by favourable results to budget Management/Admin and Allied Health – largely due to vacant positions.

Treatment and non-treatment related costs

	Month Actual	Month Budget	Month \$'000	Variano	e	YTD Actual	YTD Budget	YTD V	ariance	
Treatment related costs	597	701	104	15%	V	8,254	7,586	(668)	-9%	×
Non Treatment related costs	1,011	970	(40)	-4%	X	10,709	10,388	(322)	-3%	×





KEY RISKS AND ISSUES:

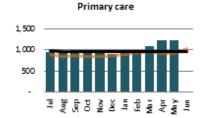
Treatment related costs – Blood consumable intragam (replacement of antibodies) is our main issue in **Treatment related costs.** We currently have a small volume of patients receiving this product, which is driving an overspend on bloods of \$30K per month – this is likely to continue into the outyears.

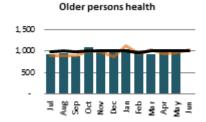
Overall we are continuing to monitor to ensure overspend in **non-treatment related costs** is limited where possible. We continue to see increased facility costs due to the delay in the Grey rebuild.

External provider & inter district flows costs

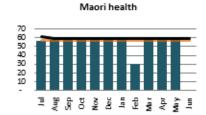
	Month Actual	Month Budget \$'000	Month	Varianc	e	YTD Actual	YTD Budget	YTD V \$'000	ariance	
Secondary Care	1,193	1,347	154	11%	~	14,477	14,389	(88)	-1%	×
Primary Care	1,234	972	(262)	-27%	×	11,186	10,703	(483)	-5%	X
Older Person's Health	1,022	1,022	-	0%	V	10,867	11,073	206	2%	~
Mental Health	285	284	(1)	0%	X	3,097	3,128	31	1%	~
Maori Health	59	59	-	0%	V	617	651	34	5%	×
IDF	1,902	1,900	(2)	0%	X	21,051	20,923	(128)	-1%	×
Outsourced Clinical	138	119	(19)	-16%	X	1,330	1,304	(26)	-2%	×
Total	5,833	5,703	(130)	-2%	X	62,625	62,171	(454)	-1%	×

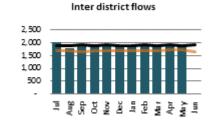












KEY RISKS AND ISSUES:

Demand in our Age-related care beds is under forecast year to date. Patient transport (NTA) and community pharmaceuticals are driving the unfavourable variance in Secondary care.

Financial position

	YTD	YTD	YTD V	YTD Variance		Annual
	Actual	Budget			Budget	
	\$'000	\$'000	\$'000			\$'000
Equity	15,027	111,299	(96,272)	-86%	×	113,482
Cash	4,428	5,470	(1,042)	-19%	×	4,459
Capex	6,577	10,106	3,529	35%	~	13,064

KEY RISKS AND ISSUES:

WCDHB cash position continues to deteriorate- this is due to committed expenditure on the Grey Facility FFE now starting to come through. Historically we have flagged with the Board and MOH, that our cash position has been over inflated due to the delay in the rebuild. We have also funded to date the Buller Project spend from our own cash reserves and applied for a \$2m drawdown of project spends in September 2019. MOH confirmed the \$2m to WCDHB in December 2019, this payment was received in late February 2020.

There is an unfavourable variance in equity, due to annual plan adding Te Nikau as an equity injection of \$93.6m in March. The remainder variance is due to the \$3.6m drawdown of funding for the Westport IFHC, and our YTD unfavourable net result of \$848K. WCDHB received a \$6m equity injection in April.

APPENDIX 2: WEST COAST DHB STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

Statement of comprehensive revenue and expense

For period ending 31 May 2020

in thousands of New Zealand dollars

		Monthly Rep	orting			Year to D	ate		Full Year 19/20
	Actual	Budget	Variance	%Var	Actual	Budget	Variance	%Var	Budget
Operating Revenue									
Crown and Government sourced	12,688	12,425	263	2.1%	138,420	136,645	1,775		149,065
Inter DHB Revenue	0	0	0	0.0%	0	0	0		0
Inter District Flows Revenue	166	169	(3)	(1.8%)	1,885	1,861	24	1.3%	2,029
Patient Related Revenue	635	658	(23)	(3.5%)		7,109	255		7,746
Other Revenue	38	67	(29)	(43.3%)	676	747	(71)	· · ·	814
Total Operating Revenue	13,527	13,319	208	1.6%	148,345	146,362	1,983	1.4%	159,654
Operating Expenditure									
Personnel costs	6,778	6,325	(453)	(7.2%)	70,439	68,171	(2,268)	(3.3%)	74,340
Outsourced Services	(1)	0	1	0.0%	20	0	(20)	0.0%	
Treatment Related Costs	597	701	104	14.8%	8,254	7,586	(668)	(8.8%)	8,265
External Providers	3,793	3,684	(109)	(3.0%)	40,245	39,944	(301)	(0.8%)	43,561
Inter District Flows Expense	1,902	1,900	(2)	(0.1%)	21,051	20,923	(128)	(0.6%)	22,827
Outsourced Services - non clinical	139	119	(20)	(16.8%)	1,311	1,304	(7)	(0.5%)	1,422
Infrastructure and Non treatment related costs	828	958	130	13.6%	10,758	10,691	(67)	(0.6%)	11,648
Total Operating Expenditure	14,036	13,687	(349)	(2.5%)	152,078	148,619	(3,459)	(2.3%)	162,063
Result before Interest, Depn & Cap Charge	(509)	(368)	(141)	38.3%	(3,734)	(2,257)	1,477	(65.4%)	(2,409)
Interest, Depreciation & Capital Charge									
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	l ol
Depreciation	194	290	96	33.1%	2,536	2,936	400	I I	3,226
Capital Charge Expenditure	48	106	58	54.7%	642	872	230	26.4%	978
Total Interest, Depreciation & Capital Charge	242	396	154	38.9%	3,178	3,808	630	16.5%	4,204
Net Surplus/(deficit)	(751)	(764)	13	1.7%	(6,912)	(6,064)	(848)	(14.0%)	(6,613)
Other comprehensive income									
Gain/(losses) on revaluation of property									
Total comprehensive income	(751)	(764)	13	1.7%	(6,912)	(6,064)	(848)	(14.0%)	(6,613)

APPENDIX 3: WEST COAST DHB STATEMENT OF FINANCIAL POSITION

As at 31 May 2020

in thousands of New Zealand dollars

	Actual	Budget	Variance	%Var	Prior Year
Assets					
Non-current assets					
Property, plant and equipment	20,788	126,756	(105,968)	(83.6%)	22,699
Intangible assets	517	489	28	5.7%	376
Work in Progress	14,176	2,364	11,812	499.7%	8,364
Other investments	320	320	0	0.0%	320
Total non-current assets	35,801	129,929	(94,128)	(72.4%)	31,759
S					
Current assets	4 420	F 470	(4.042)	(40.00()	6 262
Cash and cash equivalents	4,428	5,470	(1,042)	(19.0%)	6,362
Patient and restricted funds	47	56	(9)	(16.1%)	56
Inventories	1,170	1,098	72	6.6%	1,077
Debtors and other receivables	5,083	4,428	655	14.8%	3,931
Assets classified as held for sale	0	0	0	0.0%	0
Total current assets	10,728	11,052	(324)	(2.9%)	11,426
Total assets	46,529	140,981	(94,452)	(67.0%)	43,185
Liabilities					
Non-current liabilities					
Interest-bearing loans and borrowings	0	0	0	0.0%	0
Employee entitlements and benefits	2,657	2,423	(234)	(9.7%)	2,399
Other	63	62	(1)	(1.6%)	62
Total non-current liabilities	2,720	2,485	(235)	(9.5%)	2,461
Current liabilities					
Interest-bearing loans and borrowings	0	0	0	0.0%	0
Creditors and other payables	10,324	10,136	(188)	(1.9%)	9,327
Employee entitlements and benefits	18,308	17,061	(1,247)	(7.3%)	17,307
Total current liabilities	28,632	27,197	(1,435)	(5.3%)	26,634
Total liabilities	31,352	29,682	(1,670)	(5.6%)	29,095
Equity					
Crown equity	93,926	189,200	95,274	50.4%	85,926
Other reserves	25,100	25,098	(2)	(0.0%)	25,098
Retained earnings/(losses)	(103,849)	(102,999)	850	0.8%	(96,935)
Trust funds	0	(=3 =)333)	0	0.0%	(= 0,333)
Total equity	15,177	111,299	96,122	86.4%	14,090
Total equity and liabilities	46,529	140,981	(94,452)	(67.0%)	43,185

APPENDIX 4: WEST COAST DHB STATEMENT OF CASHFLOW

For period ending 31 May 2020

in thousands of New Zealand dollars

		Monthly Rep	oorting			Year to D	ate	
	Actual	Budget	Variance	%Var	Actual	Budget	Variance	%Var
Cash flows from operating activities								
Cash receipts from Ministry of Health, patients and								
other revenue	14,181	13,302	879	6.6%	147,542	145,618	1,924	1.3%
Cash paid to employees	(5,926)	(6,306)	380	6.0%	(69,182)	(68,416)	(766)	(1.1%)
Cash paid to suppliers	(2,040)	(1,773)	(267)	(15.1%)	(20,092)	(19,240)	(852)	(4.4%)
Cash paid to external providers	(3,815)	(3,460)	(355)	(10.3%)	(41,200)	(37,476)	(3,724)	(9.9%)
Cash paid to other District Health Boards	(1,880)	(2,124)	244	11.5%	(20,096)	(23,391)	3,295	14.1%
Cash generated from operations	520	(361)	881	(244.0%)	(3,029)	(2,905)	(124)	4.3%
Interest paid	0	0	0	0.0%	0	0	0	0.0%
Capital charge paid	0	0	0	0.0%	(402)	(342)	(60)	(17.5%)
Net cash flows from operating activities	520	(361)	881	(244.0%)	(3,431)	(3,247)	(184)	5.7%
Cash flows from investing activities								
Interest received	2	17	(15)	(88.2%)	75	187	(112)	(59.9%)
(Increase) / Decrease in investments	0	0	0	0.0%	0	0	0	0.0%
Acquisition of property, plant and equipment	(356)	(158)	(198)	(125.3%)	(6,205)	(9,809)	3,604	(36.7%)
Acquisition of intangible assets	0	0	0	0.0%	(372)	(297)	(75)	
Net cash flows from investing activities	(354)	(141)	(213)	151.1%	(6,502)	(9,919)	3,417	34.4%
Cash flows from financing activities								
Proceeds from equity injections	0	0	0	0.0%	0	12,274	(12,274)	100.0%
Repayment of equity	0	0	0	0.0%	2,000	0	2,000	0.0%
Cash generated from equity transactions	0	0	0	0.0%	2,000	12,274	(10,274)	83.7%
Borrowings raised								
Repayment of borrowings	0	0	0	0.0%	0	0	0	0.0%
Payment of finance lease liabilities	0	0	0	0.0%	0	0	0	0.0%
Net cash flows from financing activities	0	0	0	0.0%	2,000	0	2,000	0.0%
Net increase in cash and cash equivalents	166	(502)	668	(133.1%)	(7,933)	(892)	(7,041)	789.5%
Cash and cash equivalents at beginning of period	4,262	5,972	(1,710)	(28.6%)	6,360	6,362	(2)	(0.0%)
Cash and cash equivalents at end of period	4,428	5,470	(1,042)	(19.0%)		5,470	(7,043)	(128.7%)

RESOLUTION TO EXCLUDE THE PUBLIC



TO: Chair and Members

West Coast District Health Board

SOURCE: Board Secretary

DATE: 26 June 2020

Report Status – For:	Decision 🔽	Noting [Information	П	
report otatus 1 or.	Decision	1 10 ting =	IIIIOIIIIatioii		

1. ORIGIN OF THE REPORT

The following agenda items for the meeting are to be held with the public excluded. This section contains items for discussion that require the public to be excluded for the reasons set out below. The New Zealand Public Health and Disability Act 2000 (the "Act"), Schedule 3, Clause 32 and 33, and the West Coast DHB Standing Orders (which replicate the Act) set out the requirements for excluding the public.

2. RECOMMENDATION

That the Board:

- i resolve that the public be excluded from the following part of the proceedings of this meeting, namely items 1, 2, 3, 4, 5, 6, 7 & 8 and the information items contained in the report.
- ii. notes that the general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter and the specific grounds under Schedule 3, Clause 32 of the New Zealand Public Health and Disability Act 2000 (the "Act) in respect to these items are as follows:

	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	GROUND(S) FOR THE PASSING OF THIS RESOLUTION	REFERENCE – OFFICIAL INFORMATION ACT 1982 (Section 9)
1.	Confirmation of minutes of the Public Excluded meeting of 8 May 2020	For the reasons set out in the previous Board agenda.	
2.	Mental Health Business Case	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	9(2)(j)
3.	Annual Planning Update	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	9(2)(j)
4.	Te Nikau Hospital and Health Centre – Handover Agreement	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	9(2)(j)
5.	Delegations Update	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons.	9(2)(j) S9(2)(a)
6.	Emerging Issues - Verbal Update	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons.	9(2)(j) S9(2)(a)

	Chair and Chief Executive – Emerging Issues	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons.	9(2)(j) S9(2)(a)
7.	Clinical Leaders Emerging Issues – Verbal Update	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons.	9(2)(j) S9(2)(a)
8.	People & Capability Emerging Issues	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons	9(2)(j) S9(2)(a)
9.	Risk Management Report	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	9(2)(j)
10.	Report from QFARC Committee	To carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Protect the privacy of natural persons	9(2)(j) S9(2)(a)

iii notes that this resolution is made in reliance on the New Zealand Public Health and Disability Act 2000 (the "Act"), Schedule 3, Clause 32 and that the public conduct of the whole or the relevant part of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under any of sections 6, 7, or 9 (except section 9(2)(g)(i)) of the Official Information Act 1982";

3. SUMMARY

The New Zealand Public Health and Disability Act 2000 (the "Act"), Schedule 3, Clause 32 provides:

- "A Board may by resolution exclude the public from the whole or any part of any meeting of the Board on the grounds that:
- (a) the public conduct of the whole or the relevant part of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under any of sections 6,7, or 9 (except section 9(2)(g)(i) of the Official Information Act 1982".

In addition Clauses (b) (c) (d) (e) of Clause 32 provide further grounds on which a Board may exclude members of the public from a meeting, which are not considered relevant in this instance.

Clause 33 of the Act also further provides:

- "(1) Every resolution to exclude the public from any meeting of a Board must state:
 - (a) the general subject of each matter to be considered while the public is excluded; and
 - (b) the reason for the passing of that resolution in relation to that matter, including, where that resolution is passed in reliance on Clause 32(a) the particular interest or interests protected by section 6 or 7 or section 9 of the Official Information Act 1982 which would be prejudiced by the holding of the whole or the relevant part of the meeting in public; and
 - (c) the grounds on which that resolution is based(being one or more of the grounds stated in Clause 32)
- (2) Every resolution to exclude the public must be put at a time when the meeting is open to the public, and the text of that resolution must be available to any member of the public who is present and from part of the minutes of the Board".

Report Prepared by: Board Secretary