



Central Region's Technical
Advisory Services Limited
Annual Report 2013/2014

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Chair's Report



I am pleased to present the annual report for the 2013/2014 financial year for the Central Region's Technical Advisory Services (TAS).

2013/2014 has been a watershed year in the organisation's development, with the appointment of its first independent Board of Directors. For the Board of Directors it has been a busy year with members getting to understand the business, expectations of its shareholders, critical issues and possible future developments. The appointment of a new Chief Executive and the gradual integration of national and regional programmes into one cohesive, professional services organisation have been key achievements.

The Board devoted considerable time and thought to developing its long-term strategy for the organisation and now there is a clear

blueprint for moving forward over the next few years. This will be challenging and will be very dependent on strengthening our relationships with stakeholders, both regionally and nationally, if we are to succeed. A co-ordinated partnership approach will be absolutely essential.

The new Board members have brought significant experience and a range of skills to the table. It has been a period of constant change and challenge for all and the Board wishes to express its gratitude to all employees for how professionally they have operated during this period. The forthcoming year will be exciting and I know the Board is very much looking forward to further refinement of TAS into a highly professional and respected services organisation.

A handwritten signature in purple ink, appearing to read 'Jan White'.

Jan White, Chair

Chief Executive's Report



I was excited to join TAS in January 2014 as the new Chief Executive and to continue the good work of past management in building a high performing organisation. The

organisation is in good heart and performing well in supporting our customers' mission to improve the health and wellbeing of all New Zealanders. We have a talented team that impress me everyday. Their dedication to meeting the shared management services needs of our health sectors clients is inspiring.

The 2013/2014 year has been highlighted by the continued integration of the regional operation (Central Region's Technical Advisory Services - CTAS) with the national arm (District Health Board Shared Services - DHBSS), supported by common leadership and corporate service functions. The goal has been to create benefits of scale and synergies from combined resources while establishing more independent accountability and focus on improving our performance.

An important step in further developing the organisation been engaging with our employees, customers and stakeholders to assist the Board in refreshing our vision and future direction. This process was successfully accomplished and the strategic plan for taking the business forward approved by shareholders in August 2014. To deliver on

the future vision, a new organisational structure has been developed - with implementation due to be completed during 2014/15 - as well as a range of enhancements to our corporate infrastructure and shared capability.

Our priority has remained focused on ensuring that we do what we currently do well. We are managing a broad range of on-going substantial programmes of work for DHBs. Our customers have told us that they value the independence we bring and our ability to broker strategic conversations and collaborations across the health sector organisations and stakeholders.

In the period ahead, our plan is to further build on our capability and reputation as a professional management services provider, and ultimately to deliver new value for our customers.

I would like to thank the people of TAS for their commitment, particularly during this period of change, and for the continued support of the DHBs, the Ministry of Health and our other health sector customers as we continue to develop our services into the future.

A handwritten signature in dark ink, appearing to read 'G Smith'.

Graham Smith, Chief Executive

Key Highlights

TAS, as a sector partner providing a range of services to DHBs, has made significant progress towards the integration of regional and national programmes into one cohesive professional services organisation.

TAS is committed to providing its customers with the best possible support, advice and services. It has maintained a team of planning and delivery experts who are highly regarded specialists in their fields, such as employment relations, audit and assurance, programme

and project management, planning and collaboration, and health informatics.

TAS has drawn on the expertise, advice and leadership of health sector networks, actively seeking input and direction from a wide range of informed sources including clinicians, professional groups and health managers. DHB representatives are involved in governance and decision-making, ensuring TAS products and services continuously meet DHBs' business requirements.

Key highlights for 2013/2014 include:

- All national and regional bargaining conducted within Employment Relations settings, within affordability parameters, government expectations and without industrial action
 - Successful implementation of the Community Pharmacy Agreement Phase 4 changes (which went live on 1 August 2014)
 - On time delivery of inter-Residential Assessment Instrument (interRAI) training to registered nurses operating in long term care facilities
 - Progressing the implementation of the Central Region's Information Services Plan (CRISP)
 - The final updates in the deployment of the Picture Archive and Communications Archive solution (PACS) were completed, having been initially deployed in 2013
 - The broader requirements of the regional ICT program have been identified and expanded to include Services Management, Infrastructure, Networking, Data and Applications management
 - The establishment of a clinically-led (primary care and specialist) team to support the required outcome achievement from the Elective Services
- Productivity and Workforce Programme. The team has engaged with DHBs and Primary Health Organisations (PHOs) to promote a regional approach to orthopaedic pathway development
- Agreement of a regional pathway for adult residential addiction services. A funding model is being aligned to the agreed pathway. The recommendations report to the Mental Health Addiction Network (MHAN) was completed
 - The accreditation of TAS by the Ministry of Health in December 2013. TAS is now providing Certification Audits
 - A Service Agreement signed with the Central Region for TAS to provide DHB Internal Audit services
 - Principles, related to additional charging in aged care, agreed by DHBs and the sector. Rules were established and implemented through contract
 - Progress has been made to resolve the negotiations to reimburse workers providing home and community support services for the travel time in between clients
 - The timely completion of the Aged Residential Care Contracts (ARCC) annual review, with agreement reached on key issues.

About TAS

Central Region's Technical Advisory Services Limited (TAS) was established in June 2001 as a limited liability company – a Shared Services agency owned by the six Central Region DHBs: Capital & Coast, Hawke's Bay, Hutt Valley, MidCentral, Wairarapa and Whanganui. DHB Shared Services (DHBSS) integrated with TAS in 2011 creating a combined national and regional service offering.

Our Role

The role of TAS is to support the DHBs in the Central Region, and nationally, to provide ideas, expertise and programme management in achieving their health care targets, and improve the services they provide. TAS does

this by operating dedicated programmes with specialist resources that can achieve better value for money than DHBs and customers would be able to within their own individual organisations.

TAS provides specialised wide-ranging and high quality resources for all DHBs, including business intelligence, gathering, analytics, and contract, programme and project management, employment relations, audit and secretariat advice, support and services. TAS works with all key stakeholders, including the Ministry of Health and its supporting agencies, to identify areas of common interest and make collaboration easier.

Mission Statement

To successfully partner the health system through providing expert resources and knowledge in a highly connected and collaborative way to facilitate better health and wellbeing outcomes for all New Zealanders.

Our purpose

We do this by:

- Bringing information and insight to the health sector, and helping develop national and regional strategies and thinking that will address future opportunities and challenges, and then:
- Turning this thinking into agreed actionable pieces of work that will deliver real change and improved health system outcomes.

Our Vision

Our vision is to be an organisation that operates in a business-like fashion, to provide specialised professional services that enable

our customers to achieve better health outcomes and value for their money.

A respected professional services organisation delivering high quality management services to New Zealand DHBs and other health sector organisations.

This is an updated vision and signifies the move from two distinct business arms – regional (Central Region's TAS) and national services (DHBSS) – into an integrated single business unit. We aim to be a professional services organisation, specialising in

supporting the health sector with planning, programme management, technical services and advice. Ultimately we want to be acknowledged as a trusted and respected strategic partner.

Core Operating Values

The following values influence the culture and public image of TAS as a professional and effective shared services organisation serving New Zealand's public health sector:

- **Integrity** – We will behave with honesty, reliability, transparency and consistency
- **Professionalism** – We work together, and with others, with commitment and

professionalism to deliver a common goal

- **Aspiration** – We are passionate about achieving the continuous improvements that will deliver better health outcomes for New Zealanders
- **Courage** – We work with others openly and tenaciously to do the right thing.

Core Operating Principles

In addition to the above our interactions with DHBs are guided by the following principles:

- **Good communication** – TAS will listen to, talk with and engage openly and promptly with DHBs, including through clear and timely written communication
- **Information** – TAS will share information in order to fulfil the needs of the DHBs
- **Enablement** – TAS will seek to enable DHBs to meet their objectives and commitments to achieve positive outcomes
- **Cooperation** – TAS will work in a cooperative and constructive manner,

recognising DHBs' viewpoints and respecting differences

- **Accountability** – TAS will recognise the accountabilities that DHBs have to their clients, stakeholders and shareholders
- **Respect** – TAS will recognise and value skills and expertise
- **Innovation** – TAS will encourage new approaches and creative solutions to positive outcomes
- **Quality improvement** – TAS will work cooperatively to continuously improve the quality of services it provides to DHBs.

Our Commitment

TAS is committed to providing services and support to DHBs in:

- A prompt, efficient, professional and ethical manner

- Accordance with all relevant legislation
- Accordance with DHBs' objectives and expectations
- Providing value for money.

Organisational Governance

Our Board of Directors

In 2012/2013 the shareholding Central Region DHBs agreed to a revised governance structure. A Regional Governance Group (RGG) was established, comprising representatives of the shareholding DHBs (predominantly the DHB chairs), with an independent Chair. The RGG appointed a new

Board on 30 July 2013 comprising an independent chair, two independent directors and two DHB representative directors; one from the Central Region and one from outside of the region.

The Board members are listed below.



Dr Jan White - Chair

A medical doctor by training, Jan has worked in medical and general management for over 20 years in both Australia and New Zealand. She has held a number of key health sector posts including six years as Chief Executive of the Waikato District Health Board and seven years as Chief Executive of the Accident Compensation Corporation (ACC). She is also on the Board of PHARMAC.



Murray Bain

Murray has held Chief Executive roles in the Foundation for Research Science and Technology and the Ministry of Science and Innovation and prior to that roles as Assistant Governor in the Reserve Bank, Chief Operating Officer in ACC and senior management positions in Trust Bank NZ. His current governance roles include Chair - Open Polytechnic, Deputy Chair and Chair - Audit and Risk - TSB Bank, and Director and Chair Audit and Risk - Powerco New Zealand.



Elaine McCaw

Elaine has held senior management roles in HR in the motor and infrastructure industries and was a founding principal of an executive search consultancy. Current governance roles include: Director – Cawthron Institute, Advisory Board Member – Ocean Design, Chair – Victoria University Foundation, Chair – Hobson Leavy, and Board Member – Hockey New Zealand.



Murray Georgel - from January 2014

Murray has been MidCentral DHB's Chief Executive since 1999. He has gained considerable management and leadership experience across a wide range of industries in both the public and private sectors, including primary production, tourism, pharmaceuticals and social services. Murray has had, and maintains, governance roles in health-related organisations as well as community and privately owned entities.

**Deryck Shaw**

Deryck is Chair of Lakes District Health Board and Deputy Chair of New Zealand Māori Arts and Crafts Institute. He is a former member of the Waikato District Health Board, Chair of Waiariki Institute of Technology and Board Member of Institutes of Technology Polytechnics New Zealand. He is a Chartered Director and has a 30-year career as the Director of Strategic Planning consultancy firm APR Consultants Ltd.

**Mary Bonner – to December 2013**

Mary was Chief Executive of Capital & Coast DHB (CCDHB) (until September 2013), having come from the Townsville Health District in Queensland where she was Chief Executive for two and a half years. She has a strong reputation for service development. Mary is a New Zealander by birth and has worked in a number of DHBs, most recently as General Manager Health Services Waikato DHB. In 2006 she was appointed General Manager of the Northern Sydney Central Coast Health Service in New South Wales. Mary has a background as a health professional, having initially trained and worked as a dietitian.

Previous Board

During the year in review, until 30 July 2013, when the new Board was appointed, TAS was governed by:

- Murray Georgel – Chief Executive of MidCentral DHB (Chairman)
- Kevin Snee – Chief Executive of Hawke's Bay DHB
- Mary Bonner – Chief Executive of Capital & Coast DHB
- Graham Dyer – Chief Executive of Hutt Valley DHB
- Julie Patterson – Chief Executive of Whanganui DHB

Directors' Interests

The Directors have declared their interests as follows:

Dr Jan White (Chair)

- Member of PHARMAC Board
- Crown Monitor to the Southern DHB

Deryck Shaw

- Member of the DHB Shared Services (DHBSS) Executive
- Chair of Lakes District Health Board
- Deputy Chair of NZ Māori Arts and Crafts Institute
- Owner and Director of APR Consultants Ltd
- Majority owner and Director of Principal Holdings Ltd
- Co-owner and Director of APR Group
- Partner, Shaw Property Partnership
- Board member of Waikato Bay of Plenty Football
- Committee member Bay of Plenty Branch NZ Institute of Directors
- Chair of NZ Walking Association Inc
- Trustee of Rotorua Bike Festival Trust

Murray Bain	<ul style="list-style-type: none"> • Director of Powerco NZ • Director of TSB Bank • Chair of Open Polytechnic NZ • Advisory Board Member of Statistics NZ • Shareholder and Director of Oryx Technologies Ltd • Shareholder and Director of M I Bain & Associates Ltd
Elaine McCaw	<ul style="list-style-type: none"> • Director of Cawthron Institute • Advisory Board Member of Ocean Design • Chair of Victoria University Foundation • Chair of Hobson Leavy • Board Member of Samuel Marsden Collegiate School • Nominating Committee for the Guardians of New Zealand Superannuation • Director of Cormilligan Group Ltd • Board Member of Hockey New Zealand • Independent Chair, REM Committee for Ngāi Tahu
Murray Georgel	<ul style="list-style-type: none"> • Chief Executive of MidCentral District Health Board • MidCentral DHB (and CCDHB) involved in CRISP • DHB observer to PHARMAC Board • Health Benefits Limited (HBL), Director
Mary Bonner	<ul style="list-style-type: none"> • Chief Executive of Capital & Coast District Health Board

Directors' Remuneration

During the year, \$78,000 was paid to the Directors of TAS.

Remuneration of Employees

The Chief Executive's annual remuneration package was in the bracket of \$240,000-\$260,000 as at 30 June 2014 (paid pro rata). Thirty-three other employees received remuneration of \$100,000 or more.

Good Employer

TAS takes its role as a good employer seriously. TAS continues to invest in those key elements that make up a good employer. See Table 1 for detail.

Table 1: TAS as a good employer

Element	TAS Response
Leadership, accountability and culture	<ul style="list-style-type: none"> • Commitment to equal employment opportunities • Chief Executive employee briefings • Regular progress and performance reporting to TAS Board
Recruitment, selection and induction	<ul style="list-style-type: none"> • Transparent recruitment process • Internal recruitment opportunities • Induction process for all employees
Employee development, promotion and exit	<ul style="list-style-type: none"> • Performance management process • Employee feedback opportunities
Flexibility and work design	<ul style="list-style-type: none"> • Flexible work arrangements including remote access

Harassment and bullying prevention	<ul style="list-style-type: none"> • Zero tolerance of all forms of harassment and bullying • Active Employee Assistance Programme (EAP) for employees available
Safe and healthy environment	<p>Healthy employees programme, including:</p> <ul style="list-style-type: none"> • free 'flu immunisation • employees' walking programme • wellness approach to employee sickness • workplace assessment for all employees • health and safety committee • health and safety training • significant events debriefing

Statement of Responsibility

For the year ended 30 June 2014

The Board is responsible for the preparation of the Central Region's Technical Advisory Services Limited (TAS) financial statements and statement of service performance, and the judgments used in them.

The Board of TAS has responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of TAS for the year ended 30 June 2014.

Signed on behalf of the Board of Directors



Dr Jan White

Chair

31 October 2014



Murray Bain

Director

31 October 2014

Auditor

The Auditor-General is appointed under section 41 of the Public Finance Act 1989. Audit New Zealand has been contracted to provide these services.

The Year in Review

1. Regional Services

TAS as a sector partner provided the six Central Region DHBs with a framework, through the Regional Services Plan (RSP), for continuing to plan and work cooperatively in the delivery of sustainable, quality and accessible clinical services in the Central Region.

The RSP provided a roadmap for a “regionally integrated system of health service planning and delivery, leading to on-going improvements in the sustainability, quality and accessibility of health services”.

The RSP outlines the vision for the future of health services in the Central Region and provides a framework for the six Central Region DHBs. This includes:

- Establishing and maintaining network and services groups
- Co-ordinating and strengthening education, training and best use of resources
- Analytical support to regional programmes and networks
- Reporting against RSP deliverables.

Key achievements:

- Advance Care Planning (ACP) has progressed. There is a growing understanding of ACP within primary and secondary care providers, and collaboration between DHBs and primary care is seen as a critical success factor. An ACP Framework for the Central Region has been developed that aligns with the Ministry of Health (MoH) ACP national direction and provides a regional response for its population
- Planning started for a regional review of Cardiac Network services with project management through TAS. A regional workshop was held, with good clinical

representation, that identified clear priorities and a way forward for the sector to implement over the next one to five years

- Development of the Community Referred Radiology Access Criteria guidelines for primary care was completed
- Regional stocktake completed of radiology vacancies, results elevated to the Training Hub, and a new Workforce Group will continue to focus on recruitment and training for sonographers within the overall scope of their work
- A clinically-led (primary care and specialist) team has been established to support the outcome achievement from the Elective Services Productivity and Workforce Programme. The team has engaged with DHBs and (PHOs) to promote a regional approach to orthopaedic pathway development. Outcomes from the Capital & Coast DHB orthopaedic service improvements being used as a baseline. Workshops held in all Central Region DHBs. This phase culminated in a regional forum that endorsed the establishment of a Central Region Orthopaedic Network to progress the development and implementation of a regional orthopaedic pathway
- A regional pathway for adult residential addiction services has been agreed. A funding model is being aligned to the agreed pathway. The recommendations report to the Mental Health Addiction Network (MHAN) was completed
- Agreed regional centralisation of post-graduate education and training data, enabling workforce development analysis in line with Health Workforce New Zealand (HWNZ) Intelligence and Planning projections

- Appointment of a Regional Director of Workforce Development (RDoWD) in January 2014
- Development of Regional Psychology Internship Process
- Development of Regional Clinical Physiology Trainee Funding Process
- Establishment of a Learning and Development Network with established communication channels
- Development and publishing of Central Region Training Hub monthly newsletter.

2. Central Region's Information Systems Plan (CRISP)

TAS has been tasked with leading, in collaboration with our DHB partners, the design, development and implementation of a shared services model for core business solutions.

This fits with the direction of the whole of Government ICT Strategy (published June 2013). The key drivers for change recognise that:

- Running stand-alone ICT assets does not deliver the same benefits as a scaled network, encouraging duplicated effort and expense
- Systems process and information interoperability is low which constrains decision-making and effective service delivery
- Not enough re-use of existing systems and a culture of creating 'bespoke' solutions that leads to waste and fragmentation
- Programs are often too big, take too long and procurement timescales squeeze out all but the largest suppliers.

The investment logic for ICT in health is centred on the "Triple Aim Objective" as outlined in the 2013/2014 National Health IT Plan. Specifically ICT investment needs to demonstrate it delivers:

1. Improved quality, safety and experience of care
2. Improved health and equity for all populations
3. Best value for public health systems' resources.

Delivering on these objectives requires creating an intelligent and connected data network that puts the right information into the right hands of the right people, to inform better decision-making. This has been described under the emerging discipline of Health Informatics (HI) and is a key driver of the Central Region's ICT priorities for 2014/2015 and beyond.

In 2013 the first step in implementing the region's HI strategy was the phase one development of the Central Region's Information Systems Plan (CRISP). The foundations were put in place during 2013/2014 and it is planning progressive deployment of Clinical Portal (CP) and Radiology Information System (RIS) in 2014/15 to the region's DHBs.

The CRISP objective is to enhance clinical practice, drive administrative efficiencies and reduce current operational risks by developing New Zealand's first fully integrated and scalable regional solution.

This incorporates the following capabilities:

- A CP accessible by DHB users
- A RIS for all DHBs
- A patient administration system (PAS) for 3 of the region's DHBs.

Comprehensive technical development work for the RIS and CP systems has continued, and the CRISP project teams are working closely with clinical and patient administration systems experts in the DHBs' joint working groups on the regional PAS functionality requirements.

Key achievements:

- The final updates to the deployment of the Picture Archive and Communications Archive Solution (PACS) were completed, having been initially deployed in 2013

- A model office was established providing a prototype for the regional RIS solution
- A “hands on” experience, accessible to all DHBs, was enabled for the future state enhanced CP solution
- Regional opportunities are being generated that include the ability for smaller DHBs to select functions used by the larger DHBs, so enabling greater efficiencies at a lower cost of adoption.

The PAS solution commitment to secure CSC’s (vendor) “WebPAS”, was rescheduled following an in-depth assessment of the viability of the region using the Hawke’s Bay DHB solution. An alternative regional WebPAS solution from CSC, with a common database was selected as the preferred option by the DHBs.

The broader requirements of the regional program have now been identified and expanded to include Services Management, following industry best practices to incorporate Infrastructure, Networking, Data and Applications management.

The program design process of connecting all of the above is a deliberate change in scope to ensure that the region has a clear focus on what needs to be delivered, matched to a business benefit pathway, informing a smooth transition plan from local to regional solutions. This has necessarily generated a revised timeline for implementation agreed with DHBs.

3. Audit and Assurance Programme

The TAS team delivered a range of audits during the year. DHBs utilise a risk-based process for selecting providers for a routine programme for audit. The routine audit programme includes an annual reassessment using agreed tools developed by TAS. Routine audits and service reviews were completed during the year based on internationally recognised auditing standards. The “special”, or focused, audits completed during the year covered a range of reviews including financial

and clinical reviews. The audit team has completed the annual routine and follow-up audit programme comprising an equivalent of 65 audits for the Central Region and an additional 27 audits for South Island.

The objectives of the routine audit reports are to:

- Provide the relevant DHBs and provider organisation with findings on how the provider is complying with the DHB contract(s) and other relevant criteria
- Ensure that audit findings accurately reflect the provider’s current practices
- Advise the relevant DHB of any requirement for “Special” audits or follow-up audits for the provider
- Ensure that the audit occurs within set timeframes and budgets, as specified by the Project Sponsor and Programme Manager
- Ensure that robust audit process was followed.

At a programme level the team offered:

- Advice on good practice in contract management
- Identification of trends in planning and funding, provider and sector performance
- Identification of specific issues or risks to DHBs
- To add value to the audited provider
- To support the provider by evaluating their processes to fulfil DHB contractual requirements, KPIs and goals, so that they can provide an effective and efficient service within their community.

The audit team completed nine additional provider audits, six of which were issue-based special audits, and three additional routine audits. Six internal audits were performed within DHBs. Two Certification audits were undertaken, one under the supervision of the Joint Accreditation System of Australia and New Zealand (JAS-ANZ). One consulting job was delivered outside of the region, and the Audit and Assurance team engaged with

KPMG to develop audit tools and support them during provider audits on behalf of the MoH.

The team undertook seven internal TAS audits, including two for the Community Pharmacy Programme. The team also provided quality assurance to CRISP.

Key achievements:

- TAS was accredited by the Ministry of Health in December 2013 and is now providing Certification Audits
- Service Agreement signed with the Northern Sub-Region for TAS to provide a DHB Internal Audit Programme, and received agreement in principle with three further DHBs to provide audit services
- Service Agreement signed with Southern DHB to provide an additional Routine Audit Programme
- Information Security and Privacy Capability Audit capacities were established and offered to all DHBs and the MoH, nationwide.

4. National Services

TAS provided the 20 DHBs with a common platform and system-wide focus, across the service continuum, to support their continued performance improvement activity. The core services provided were:

Health of Older People

- The annual review of the Aged Residential Care Contracts (ARCC) was completed on time, and agreement reached on key issues
- An A23¹ claim that was received relating to an increase to minimum wage, which

¹ An A23 Claim seeks a variation to the Aged Residential Care Agreement when a party to that agreement considers that an event or change will have an impact on the provision of services by the sector of 1.5% or more of funding. At the time of publication for this to be triggered, an event or

could have a significant impact on the sector, is under on-going management

- Principles, related to additional charging in aged care, were agreed by DHBs and the sector. Rules were established and implemented through contract
- New reporting framework for aged care was developed and implemented sector-wide
- In April 2014, DHBs became a party to a negotiation to recognise that in between travel by workers providing home and community support services was 'work' and as such should be reimbursed. As at 30 June, the parties were well on the path to a Settlement Agreement, working through the costing details associated with different scenarios
- Costing framework for Home Based Support Services (HBSS) signed off and released for DHB and HBSS provider use with the objective of reducing price variation over time
- Complaints process for home care sector developed and piloted
- Nationally consistent assessment timeframes for ARC residents introduced across all DHBs and Needs Assessment Service Co-ordination (NASC) agreements
- On-going support for, and facilitation of, national sector forums was maintained, including secretariat services for DHB Health of Older People Steering Group, the Joint Aged Residential Care Steering Group, the Joint A21 Issues Review Group, and Home & Community Support Services national forums.

PHARMAC

TAS's strategic and operational relationship with PHARMAC continued to be consolidated through collaboration on pharmacy issues and

claim would need to have an assessed impact >\$25M at a national level.

liaison with DHB planning and funding General Managers in their funding roles.

Primary Health Organisation Services Agreement Amendment Protocol (PSAAP)

TAS provided a secretariat function for the PSAAP. Version 2 of the PHO Services Agreement was successfully negotiated. There is intent to establish Alliance Agreements in the PHO Agreement.

Primary Health Organisation Performance Programme (PPP)

TAS has managed operational delivery of the PHO Performance Programme. The PPP ceased on 30 June 2014 and has been replaced with an interim arrangement based on five indicators previously used by PPP. Consequently both the PPP Governance and Advisory groups ended on 30 June 2013.

Key achievements:

- PHO Performance data collection, correlation and integration
- PHO performance calculation and reporting to PHOs, DHBs, the Ministry of Health and the public
- PHO incentive payment calculation implementation of PPP Governance Group policy for PPP
- Secretariat for PPP Governance and Advisory Groups.

Dental Agreement

The fees schedules for the Community Dental Agreement were increased by 0.83% for 2013/2014. In agreement with DHBs and community dentists, the capitated fee was also reduced from 5 to 3.

Laboratory Schedule Review Project

New Laboratory Schedule and Guidelines were released in October 2013. Reviews of the schedule with expert clinical groups continue to be managed through TAS to ensure it remains current.

GM Planning & Funding Network

TAS co-ordinated the work of the 20 DHBs' General Managers of Planning and Funding at a national level and acted as a conduit for information. Regular meetings were maintained on matters of common interest and DHBs enabled to take actions thereby consistent with the sector's collective interests; building sector capacity and capability.

Hospital Quality and Productivity Programme

Data for quarterly reports for DHBs was collected and analysed.

Performance reports were produced and provided to DHBs for quality and productivity reviews and on-going decision support.

interRAI Long Term Care Facility

The implementation phase of the interRAI Long term Care Facility Project continued throughout 2013/2014. Recruitment of trainers required to meet the demands of the project was successful and the project brought back on target by the end of 2013.

Key achievements:

- All aged care providers engaged in the project ahead of schedule
- 2013/2014 targets achieved for trained and competent Registered Nurses (RNs)
- Project continues to be managed within budget
- \$1.5M compensation pool for facilities backfilling RNs attending training being managed successfully through TAS
- In-house training programmes developed and implemented across a number of large provider organisations
- Senior analyst from the Canadian Institute of Health Information was secured for a nine month secondment in New Zealand to assist with the development of a national reporting framework and guidelines.

5. Strategic Employment Relations

The Strategic Employment Relations (SER) Team is responsible for the development and regular review of the 20-DHB Employment Relations Strategy and ensuring the delivery of the employment relations programmes through this annual plan. The Employment Relations Strategy Group (ERSG) provides governance oversight to SER strategy development and the ER work programme.

There is a strong emphasis on strategy development as a core function of the team. The strategy covers all aspects of employment relations from DHB workforce strategy, to organisation design, performance, human resources and industrial relations. The strategy is underpinned by accurate workforce information and analysis and supported by operational projects as required.

The workforce represents the DHBs' single largest investment and represents 60% to 70% of provider-arm expenditure. Effective national employment relations activity supports DHBs to engage with their workforces and foster improvements in service delivery, quality and responsiveness.

ER strategy development and maintenance requires strong and functional internal relationships with DHBs including second tier management and clinical leader groups.

DHBs have committed to a number of national and local relationship forums with key unions representing employees. These forums are important vehicles for ensuring the success of DHBs' employment relations strategies.

Negotiation strategies are based on DHB service and operational/business requirements with advice on strategic workforce direction. Strategies are developed within the framework of changing legislation and Government expectations for pay and employment in the state sector.

Maintaining the confidence of the Minister, MoH, and other agencies is also critical to the maintenance of the strategy and programme

delivery, as is a strong relationship with Health Workforce New Zealand (HWNZ).

Key achievements:

- Employment Relations Strategy moved into a three-year planning cycle
- All national and regional bargaining conducted within ER settings, within affordability parameters and government expectations and without industrial action
- All operational projects delivered on time and within budget
- Expansion of *KiwiHealthJobs* recruitment website into the wider health sector
- 100% of data cleansed across the entire Health Workforce Information Programme (HWIP) starting 2007, including coding of all historical employee entries with valid ANZSCO codes.

6. Collaboration Services

The objective of the Collaboration Services programme is to facilitate and support the 20 DHBs' collective effort and delivery of TAS's agreed work programme. The priorities for 2013/2014 were:

- Support the National DHBs CEs and Chairs meetings
- Maintenance of the governance function and CTAS agreement
- Provision of national secretariat services for the 20 DHB collaboration groups
- Provision of national office co-ordination of OIA and communication service to all DHBs
- National information systems development support
- Development of the SharePoint collaboration platform (Connex).

As part of this work the Collaboration Services programme continues to work with and support the activities of the MoH and many other organisations in their interactions with DHBs both regionally and nationally. These

include Health Benefits Limited, Health Workforce New Zealand, Health Quality & Safety Commission, Accident Compensation Corporation, National Health Board, the Health Sector Forum, PHOs and the Aged Care Association. It's future focus is to better support the strategic thinking and analysis, priority setting and national alignment of collaboration group work plans.

Key achievements:

- No Office of the Ombudsman complaints received where TAS advice and collaboration was provided
- Secretariat support provided, and planning support for annual work plans where requested.

Financial Statements

Statement of comprehensive income for the year ended 30 June 2014

	Notes	Actual 2014 \$000	Budget 2014 \$000	Actual 2013 \$000
Income				
DHB Income		22,095	23,618	18,058
Interest Income		233	105	1
Other income		1,934	1,007	1,568
Total income	2	24,262	24,730	19,733
Expenditure				
Personnel Costs	3	12,282	10,811	9,813
Depreciation and amortisation expense	8, 9	543	229	309
Other expenses	4	11,134	13,690	9,636
Total expenditure		23,959	24,730	19,758
Net surplus/(deficit)		303	-	15
Other comprehensive income		-	-	-
Total comprehensive income		303	-	15

Explanations of major variances against budget are provided in note 23. The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2014

	Notes	Actual 2014 \$000	Budget 2014 \$000	Actual 2013 \$000
Current assets				
Cash and cash equivalents	5	6,663	218	10,057
Debtors and other receivables	6	13,912	1,499	4,426
Investments	7	150	145	144
Prepayments		798	-	-
GST Receivable		-	-	29
Total current assets		21,523	1,862	14,656
Non-current assets				
Property, plant & equipment	8	521	372	632
Intangible assets	9	3,174	6	3,459
Work in progress		7,925	23,231	625
Total non-current assets		11,620	23,609	4,716
Total assets		33,143	25,471	19,372
Current liabilities				
Creditors and other payables	10	5,752	942	4,933
Funds received in advance	20	6,691	23,351	2,572
GST Payable		421	190	-
Employee entitlements	11	607	553	696
Total current liabilities		13,471	25,036	8,261
Total liabilities		13,471	25,036	8,261
Net assets		19,672	435	11,111
Equity				
Share capital		18,313	1	10,055
General funds		1,359	434	1,056
Total equity		19,672	435	11,111

The balance sheet budget was compiled as part of the 2013-2016 SOI process. Since its compilation decisions regarding the treatment of the CRISP asset and CRISP Work in Progress were made impacting on the value of Intangible assets, Work in Progress and Funds received in advance.

Explanations of major variances against budget are provided in note 23. The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2014

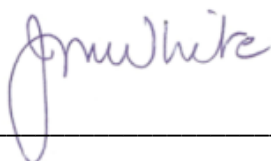
	Notes	Actual 2014 \$000	Budget 2014 \$000	Actual 2013 \$000
Operating activities				
Receipts from customers		25,812	34,925	15,216
Interest received		233	105	147
Payments to employees		(12,550)	(13,308)	(9,610)
Payments to suppliers		(10,944)	(27,043)	(8,678)
Goods and services tax (net)		450	(845)	1
Net cash flow from operating activities	12	2,951	(6,166)	(2,924)
Investing activities				
Purchase of property, plant, equipment and work in progress		(7,447)	(65)	(3,294)
Net cash from investing activities		(7,447)	(65)	(3,294)
Financing activities				
Share capital		1,108	-	10,055
Net cash from financing activities		1,108	-	10,055
Net cash flow		(3,388)	(6,231)	3,837
Opening cash balance		10,201	6,594	6,364
Closing cash balance		6,813	363	10,201
Represented by:				
Cash and cash equivalents		6,663	218	10,057
Short-term deposits		150	145	144
Cash and cash equivalents		6,813	363	10,201

Explanations of major variances against budget are provided in note 23. The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2014

	Actual 2014 \$000	Budget 2014 \$000	Actual 2013 \$000
Balance at 1 July	11,111	435	1,042
Surplus/(deficit)	303	-	15
Capital contribution	8,258	-	10,054
Total capital contribution	8,561	-	10,069
Balance at 30 June	19,672	435	11,111

For and on behalf of the Board:



Dr Jan White
Chair
31 October 2014



Murray Bain
Director
31 October 2014

Notes to the Financial Statements

1. Statement of accounting policies

REPORTING ENTITY

TAS is a joint venture company owned by DHBs as Crown entities in terms of the Public Finance Act 1989 and the New Zealand Public Health and Disability Act 2000. TAS's primary objective is to provide technical services to its six shareholder DHBs as well as the wider DHB community on a not-for-profit basis. Accordingly, TAS has designated itself as a public benefit entity for the purpose of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements for TAS are for the year ended 30 June 2014 and were approved by the Board on 28 October 2014.

BASIS OF PREPARATION

Statement of Compliance

The financial statements of TAS have been prepared in accordance with the requirements of the Crown Entities Act 2004 which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

Measurement base

The financial statements are prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000). The functional currency of TAS is New Zealand dollars.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Changes in accounting policies

There have been no changes in the accounting policies during the financial year.

There have been no revisions to accounting standards during the financial year that have had an effect on TAS's financial statements.

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to TAS, are:

- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability

requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework the DHB is classified as a Tier 1 reporting entity and it will be required to apply full public sector Public Benefit Entity Accounting Standards. These standards are being developed by the XRB and are mainly based on current International Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the DHB expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the Public Benefit Entity Accounting Standards are still under development, the DHB is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standards Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

SIGNIFICANT ACCOUNTING POLICIES

The following particular accounting policies, which materially affect the measurement of results and financial position, are applied.

Revenue

DHB funding

The majority of revenue is provided by the DHBs. Revenue is measured at the fair value of consideration received or receivable.

Other revenue

Other revenue from services is recognised, to the proportion that a transaction is complete, when it is probable that the payment associated with the transaction will flow to TAS and that payment can be measured or estimated reliably, and to the extent that any obligations and all conditions have been satisfied by TAS.

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents includes cash on-hand and deposits with original maturities less than three months held with banks.

Debtors and other receivables

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that TAS will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Investments

Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method, less any provision for impairment.

For bank deposits, impairment is established when there is objective evidence that TAS will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into receivership or liquidation, and default in payments are considered indicators that the deposit is impaired.

Financial instruments

TAS is risk averse and seeks to minimise exposure arising from its treasury activity.

Financial instruments reflected in the statement of financial position include cash and bank balances, investments, receivables and trade creditors. These instruments are, generally, carried at their estimated fair value. For example, receivables are carried net of the estimated doubtful receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, information technology and office equipment. Property, plant and equipment is measured at cost, less accumulated depreciation. Property, plant and equipment are recorded at their cost of acquisition including applicable installation costs such as materials, labour, direct overheads and transport costs.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to TAS and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the statement of comprehensive income.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to TAS and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as they are incurred.

Depreciation

Depreciation is provided on a straight line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual value over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Information technology	17.5% - 40%	2.5 – 5.7 years
Office equipment	6.5% - 30%	3.3 – 15.4 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The useful life and associated amortisation rate of major classes of intangible assets have been estimated as follows:

Acquired computer software	10% - 40%	2.5 – 10 years
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Impairment of property, plant, and equipment and intangible assets

Property, plant, and equipment and intangible assets that have a finite useful life are reviewed for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where TAS would, if deprived of the asset, replace its remaining service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. The impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured on accrued entitlements at current rates of pay. These include salaries and wages up to balance date and annual leave earned but not yet taken at balance date. TAS recognises a liability and expense for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation. There are no employee entitlements that are payable beyond the next 12 months.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver, the Government Superannuation Fund, are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit as incurred.

Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- General funds; and
- Share capital.

Goods and services tax

All items in the financial statements are exclusive of goods and services tax (GST) except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD, including GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

TAS is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Budgets

The budget figures are derived from the statement of intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those that were adopted by the Board in preparing these financial statements.

Cost allocation

TAS has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information.

Critical accounting estimates and assumptions

In preparing these financial statements, TAS has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Estimating useful lives and residual values of property, plant and equipment

At each balance date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by TAS, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. TAS has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Leases classification

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risk and rewards of ownership to TAS.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

TAS has exercised its judgement on the appropriate classification of equipment leases, and has determined a number of lease arrangements are operating leases.

2. Income

	Actual 2014 \$000	Actual 2013 \$000
Interest income	233	147
DHB – Regional activity	9,178	6,609
DHB – National activity	12,917	11,449
MoH Revenue	1,507	1,254
Rental income	26	28
Other income	401	286
Total revenue	24,262	19,733

3. Personnel costs

	Actual 2014 \$000	Actual 2013 \$000
Salaries and wages	12,004	9,470
Defined contribution plan employer contributions	163	142
Increase/(decrease) in employee entitlements	115	201
Total personnel costs	12,282	9,813

Employer contributions to defined contribution plans include contributions to KiwiSaver.

4. Other expenses

	Actual 2014 \$000	Actual 2013 \$000
Audit fees	59	42
Office lease	347	396
Travel and transport	944	793
Consultancy	1,748	2,670
Information technology	5,925	3,910
Legal fees	347	351
Facility reimbursements	502	-
Other	1,262	1,825
Total expenses	11,134	9,636

5. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months.

	Actual 2014 \$000	Actual 2013 \$000
Cash at bank and on hand	3,663	7,057
Term deposits with maturities less than 3 months	3,000	3,000
Total cash and cash equivalents	6,663	10,057

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair values.

6. Debtors and other receivables

The carrying value of receivables approximates their fair value.

	Actual 2014 \$000	Actual 2013 \$000
Debtors and other receivables	13,891	4,023
Accrued debtors	21	403
Less provision for impairment	-	-
Total debtors and other receivables	13,912	4,426

The ageing profile of receivables at year end is detailed below:

	Actual 2014 \$000	Actual 2013 \$000
Less than 30 days	10,848	983
Past due 31 – 60 days	33	557
Past due over 60 days	3,031	2,886
Total	13,912	4,426

All receivables greater than 30 days in age are considered to be past due. The impairment assessment is generally performed on a collection basis, based on an analysis of past collection history and write-offs.

7. Investments

There are no impairment provisions for investments.

Investments in bank deposits are initially measured at fair value plus transaction costs. The carrying value of short-term deposits with maturity dates of 12 months or less approximates their fair value. The weighted average effective interest rate for term deposits is 3.87% (2013: 3.85%). The investment is used as security by Westpac Bank to cover payroll processing.

8. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

	Leasehold improvements	Office equipment	Information technology	Total
	\$000	\$000	\$000	\$000
Cost				
Balance at 1 July 2012	238	112	315	665
Additions	197	58	391	646
Disposals	(186)	(15)	(207)	(408)
Balance 30 June 2013	249	155	500	904
Balance at 1 July 2013	249	155	500	904
Additions	44	23	55	122
Disposals	-	-	-	-
Balance 30 June 2014	293	178	555	1,026
Accumulated depreciation and impairment losses				
Balance at 1 July 2012	192	68	266	526
Depreciation expense	59	12	75	146
Elimination on disposal	(186)	(10)	(204)	(400)
Balance 30 June 2013	65	70	137	272
Balance at 1 July 2013	65	70	137	272
Depreciation expense	81	15	137	233
Elimination on disposal	-	-	-	-
Balance 30 June 2014	146	85	274	505
Carrying amounts				
At 1 July 2012	46	44	49	139
At 30 June and 1 July 2013	184	85	363	632
At 30 June 2014	147	93	281	521

The total amount of property, plant and equipment in the course of construction is \$7,931,396 (2013: \$624,508).

9. Intangible Assets

Movements for each class of intangible asset are as follows:

	Acquired software \$000	Internally developed software \$000	Total intangible assets \$000
Cost			
Balance at 1 July 2012	30	112	142
Additions	-	3,619	3,619
Disposals	-	(112)	(112)
Balance 30 June 2013	30	3,619	3,650
Balance at 1 July 2013	30	3,619	3,650
Additions	25	-	25
Disposals	-	-	-
Balance 30 June 2014	55	3,619	3,674
Accumulated depreciation and impairment losses			
Balance at 1 July 2012	29	109	138
Depreciation expense	1	163	164
Elimination on disposal	-	(111)	(111)
Balance 30 June 2013	30	161	191
Balance at 1 July 2013	30	161	191
Depreciation expense	1	308	309
Elimination on disposal	-	-	-
Balance 30 June 2014	31	469	500
Carrying amounts			
At 1 July 2012	-	4	4
At 30 June and 1 July 2013	-	3,459	3,459
At 30 June 2014	24	3,150	3,174

There are no restrictions over the title of the TAS intangible assets, nor are any of the intangible assets pledged as security for liabilities.

10. Creditors, provisions and other payables

	Actual 2014 \$000	Actual 2013 \$000
Creditors	5,209	4,951
Accrued expenses	543	42
Total creditors and other payables	5,752	4,993

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair value. TAS holds funds on behalf of an associated organisation as an agency arrangement. These funds were previously classified as Income in Advance and have since been reclassified as Creditors. This has meant an increase in the Creditors comparative of \$2.22M.

	Actual 2014 \$000	Actual 2013 \$000
Current portion		
Restructuring	116	-
Total Provisions	116	-

The TAS board approved a detailed and formal restructuring plan, which was announced in May 2014. The restructuring commenced in June of that year. The restructuring plan and associated payments are expected to be completed by December 2014. The provision represents the estimated cost of redundancy payments arising from the restructure.

11. Employee entitlements

	Actual 2014 \$000	Actual 2013 \$000
Accrued salaries	37	306
Annual leave	471	380
Bonus accrual	99	10
Total employment entitlements	607	696

All entitlements are expected to be settled, or used, within twelve months.

12. Reconciliation of net surplus/deficit with net cash flow from operating activities

	Actual 2014 \$000	Actual 2013 \$000
Net surplus/(deficit)	303	15
Add back non-cash items		
Depreciation	543	309
Total non-cash items	543	309
Add/(less) movements in statement of financial position items		
(Increase)/decrease in debtors and other receivables	(2,336)	(3,913)
(Increase)/decrease in prepayments	(798)	18
(Increase)/decrease in creditors and other payables	1,209	940
(Decrease)/increase in employee entitlements	(89)	201
Increase/(decrease) in funds received in advance	4,119	(494)
Net movements in working capital items	2,105	(3,248)
Net cash flow from operating activities	2,951	(2,924)

13. Capital commitments and operating leases

The future aggregated minimum lease payments to be paid under non-cancellable operating leases are as follows:

Capital commitments

	Actual 2014 \$000	Actual 2013 \$000
Intangible assets	4,950	5,989
Total capital commitments	4,950	5,989

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Operating Leases as Lessee

	Actual 2014 \$000	Actual 2013 \$000
Not later than one year	355	368
Later than one year and not later than five years	295	650
Later than five years	-	-
Total non-cancellable operating leases	650	1,018

The operating lease commitment relates to the lease of office space at levels 2&3, 186 Willis Street, Wellington. In May 2013 TAS entered into a new three year lease for levels 2&3, 186 Willis Street. TAS does not have the option to purchase the asset at the end of the lease term. There are no restrictions placed on TAS by the lease arrangement.

14. Contingencies

There are no contingent liabilities or assets at balance date (2013: Nil).

15. Related party transactions

Collectively, but not individually, significant transactions with government-related entities.

In conducting its activities, TAS is required to pay various taxes and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. TAS is exempt from paying income tax.

TAS also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from government-related entities for the year ended 30 June 2014 totalled \$527,729 (2013: \$590,305). These purchases included the purchase of electricity from Genesis, air travel from Air New Zealand and postal services from New Zealand Post. In addition to these purchases TAS may purchase services from DHBs, including shareholding DHBs and non-shareholding DHBs.

	Revenue		Accounts receivable		Expenses		Accounts payable	
	Year to June 2014	Year to June 2013	Year to June 2014	Year to June 2013	Year to June 2014	Year to June 2013	Year to June 2014	Year to June 2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Bay of Plenty DHB	960	864	2	50	10	-	-	-
Canterbury DHB	1,945	-	149	-	148	-	29	-
Capital & Coast DHB	7,071	2,184	4,998	157	381	44	6	2
Counties Manukau DHB*	16	14	-	14	1	1	-	-
Hawkes Bay DHB	2,564	2,247	452	6	139	159	8	30
Hutt Valley DHB	4,353	1,416	3,175	5	-	2	-	-
Lakes DHB	436	391	67	67	-	-	-	-
MidCentral DHB	5,270	1,870	2,168	562	3	1	-	-
Nelson Marlborough DHB	629	554	12	6	-	-	-	-
Tairāwhiti DHB	222	-	-	-	-	-	-	-
Taranaki DHB	476	-	-	-	102	-	29	-
South Canterbury DHB	273	249	-	2	-	-	-	-
Southern DHB	1,252	-	44	-	-	-	-	-
Waikato DHB	1,516	1,352	233	820	-	92	-	-
Wairarapa DHB	777	1,158	230	2	1	-	-	-
West Coast DHB	159	-	-	-	-	-	-	-
Whanganui DHB	2,457	875	1,119	336	-	-	-	-

* Income is billed to Northern Regional Alliance on behalf of Counties Manukau and Northern DHBs. Total billing to Northern Regional Alliance is \$6,200,060 (2013: \$5,539,000).

Key management personnel compensation

	Actual 2014 \$000	Actual 2013 \$000
Salaries and other short-term employee benefits	1,541	873
Post-employment benefits	37	22
Other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	1,578	895

Key management personnel includes the Chief Executive and the remaining nine members of the TAS Senior Leadership Team.

16. Board member remuneration

The total value of remuneration paid or payable to each Board member during the year was:

	Actual 2014 \$000	Actual 2013 \$000
Dr Jan White (Chairperson)	31	3
Murray Bain	14	-
Elaine McCaw	14	-
Deryck Shaw	14	-
Mary Bonner	5	-
Murray Georgel	-	-
Total Board member remuneration	78	3

TAS has effected Directors' and Officers' Liability and Company Reimbursement and Professional Indemnity insurance cover for the financial year in respect of the liability or costs of Board members and employees.

No Board members received compensation or other benefits in relation to cessation (2013: Nil).

17. Employee remuneration

	Actual 2014 \$000	Actual 2013 \$000
Total remuneration paid or payable:		
100,000 – 119,999	12	14
120,000 – 139,999	13	2
140,000 – 159,999	3	1
160,000 – 179,999	3	2
180,000 – 199,999	-	-
200,000 – 219,000	2	2
220,000 – 239,000	1	-
240,000 – 259,000	-	-
260,000 – 279,000	-	-
280,000 – 299,999	-	1
Total employees	34	22

During the year ended 30 June 2014 three employees (2013: nil) received compensation and other benefits in relation to cessation totalling \$210,330 (2013: nil)

18. Events after balance sheet date

Post balance date the six Central Region DHBs are considering an agreement to take ownership of the intangible asset known as CRISP on completion. This differs from the existing arrangement where TAS would retain ownership and the DHBs would hold shares in TAS related to the value of the asset. The transfer of ownership and accompanying adjustments will be made in the year in which the asset is brought into use.

19. Financial instruments

TAS is risk averse and seeks to minimise exposure arising from its treasury activity. TAS does not enter into any transaction that is speculative in nature.

TAS has a series of policies providing risk management for interest and currency rates and the concentration of credit.

Interest rate risk

Interest risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

There are no interest rate options or swap agreements in place as at 30 June 2014 (2013: Nil).

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. TAS has no exposure to currency risk.

Liquidity risk

Liquidity risk is the risk that TAS will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions. TAS aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, TAS maintains a target level of investments that must mature within specified timeframes.

Credit risk

Credit risk is the risk that a third party will default on its obligation to TAS thereby causing it to incur a loss.

Financial instruments, which potentially expose TAS to concentrations of risk, consist principally of cash, investments and trade receivables.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance of TAS's revenue from the DHBs. DHBs are a high quality financial institution, being the Government purchaser of health services.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practical to estimate that value:

Receivables, payables, investments and cash - the carrying amount of these items is equivalent to their fair value.

20. Funds received in advance

Funds received in advance represents income charged to DHBs and other contract for services clients that have not been provided or fully achieved during the financial year.

21. Equity

Included in equity is share capital of \$18.3 million (2013 \$10.0M) received from DHBs and for which Class B Redeemable Shares were to be issued by TAS (one share will be issued for each dollar received).

22. Capital management

The TAS capital is its equity, which comprises accumulated funds and revaluation reserves. Equity is represented by net assets.

TAS is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

TAS manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure TAS effectively achieves its objectives and purpose, whilst remaining a going concern.

23. Explanation of major variations against budget

Explanations for major variations from TAS's budgeted figures in the statement of intent are as follows:

DHB revenue – the budget included \$0.4M for Safe Staffing Healthy Workplaces and \$1.0M for interRAI deferred for future use. Deferral is based on the readiness of DHBs to use the tools being developed by TAS.

Interest revenue - \$0.13M higher than budget due to higher cash balances being held through the year than originally budgeted.

Other revenue - \$0.9M of unbudgeted revenue due to additional project funding being received including Hospital Quality and Productivity (\$0.22M), interRAI (\$0.5M) and RSP electives programme (\$0.16M)

Personnel costs – over budget by \$1.6M largely due to CRISP employment costs being expensed but originally budgeted as capital expenditure (\$1.2M) and additional project expenditure to match funding for national programmes (\$0.22M).

Other expenses – under budget by \$2.5M largely due to national programmes (\$1.7M) reallocation of costs into employment costs in the pharmacy project (\$0.35M), and savings in collaboration costs as the function is under development (\$0.42M) and delays in projects in Employment Relations (\$0.25M) and Safe Staffing Health Workplaces (\$0.33M)

Cash and cash equivalents - \$6.5M over-budget due spending less on the CRISP project than budgeted and as reflected in the work in progress variance to budget.

Debtors and other receivables - \$12.4M under budget and includes current usual billing for DHB revenue in accordance with the schedule indicating the budget for debtors was underestimated. DHBs having been slow to clear debt. \$6.7M of the \$13.8M outstanding at year end was paid by the end of August 2014.

Intangible assets and work in progress - \$12.1M under budget. Part of the CRISP project was capitalised (\$3.4M) and this was unbudgeted in intangible assets; the remainder reflects a delay in the progress of the CRISP project as well as a change in the accounting treatment of the project capital expenditure to date.

Funds received in advance - \$15.0M under-budget. The budget anticipated the CRISP project would be further along hence the alignment with the work in progress under-budget. This is also reflected in the variance to share capital (\$18M) as this is part of the agreed change in treatment for the purchase of the CRISP asset.

Statement of Service Performance

TAS does not directly provide health services but rather supports New Zealand's DHBs to enable them to focus on service delivery. As a consequence, the activities undertaken by TAS will not readily map to the output classes used for DHBs' Statement of Intent reporting. The following output classes reports on the delivery of core activities produced by TAS during the 2013/2014 financial year.

Output Class 1 - Regional Services

This output class relates to the agreed work programme and shared services approach undertaken by TAS to support the six Central Region DHBs.

1.1 Regional Services Programme

Scope statement			
This output covers a regionally co-ordinated system of health service planning and delivery that will lead to on-going improvements in the sustainability, quality and accessibility of clinical services in the Central Region.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of work programmes planned.	11	11	Achieved
Number of work programmes to be completed.	11	11	Achieved

1.2 Cardiac Network Programme

Scope Statement			
This output covers the enhanced collaboration and integration of cardiac services throughout the Central Region by improving equity of access for services, supporting improvements for patients through clinical standards and reducing variations in clinical practices.			
Performance Measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of District Health Boards adopting Acute Coronary Syndromes management dataset. ²	4	6	All DHBs are applying the national standards for Non ST – Elevation Acute Coronary Syndromes (NSTEMI/ACS)

² TAS develops ACS baseline indicators using ANSAC QL dataset and implement regionally agreed protocols, processes and systems.

Number of cardiac training events – regional conference and atrial fibrillation training with primary care and management of chest pain. ³	2	2	Achieved
Quality			
District Health Boards in the region have adopted national standards for managing Non-ST Elevation Acute Coronary Syndromes (NSTEMI).	6	6	Achieved

1.3 Regional Rehabilitation Project

Scope statement			
This output covers the implementation of a new regional rehabilitation model of care and pathways. This includes: local District Health Boards improving their capacity and capability; reducing the average length of stay in hospital rehabilitation; reducing the number of DHB contracted rehabilitation beds and improving discharge planning.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quality			
Percentage reduction in average length of stay in hospital for rehabilitation of service users.	10-12%	Not available	This data was not collected and is unavailable
Percentage of service users who have their District Health Boards actively involved in rehabilitation discharge and planning reviews. <i>Re-worded for clarity:</i> Percentage of service users who have their District Health Boards of domicile actively involved in rehabilitation discharge and planning reviews.	80%	78%	Target not met because service users were choosing to use specialty services not in their DHB of domicile
Percentage of service users receiving comprehensive rehabilitation assessments and meeting pathway review stages. <i>Re-worded for clarity:</i> Percentage of service users receiving comprehensive rehabilitation assessments.	90%	84%	Target not met due to care teams updating the documents used in assessments
Timeliness			
Number of beds expected to be further reduced (2012/2013 baseline is 56 beds) by June 2014.	4	4	Funded beds have now been reduced to 48

³ TAS develops integrated guidelines for atrial fibrillation to ensure proper skills are developed in the diagnosis and management of atrial fibrillation in primary care.

1.4 Youth addiction services local gaps and regional solutions

Scope statement			
This output covers each District Health Board identifying the services required to provide a continuum of youth addiction services locally and regionally. This will be based on local DHBs carrying out a stock take of their local youth addiction services. Gaps in services or services that cannot be sustainably provided locally will be provided regionally.			
Performance measure	Estimate 2013/2014	Actual 2013/2014	Comments
Quality			
Percentage increase in numbers of youth addictions accessing regional or local services.	10%	1.3%	Data at time of reporting only available to end May 2014. Data to end May 2014: individual DHBs range from -2.86% to +5.25%. Data not collected by TAS. Delivery outside of TAS control.

Output Class 2 – CRISP

2.1 Programme of Work for 2013/16

Scope statement			
This output covers the implementation of Phase One of the Central Region's Information Systems Plan (CRISP) with the following capabilities:			
<ul style="list-style-type: none"> A clinical portal (CP) accessible by appropriate District Health Board users A radiology information system (RIS) accessible by appropriate District Health Board users A patient administration system (PAS). 			
Performance measures	Completion Dates		
Quantity	Estimate 2013/2014	Revised	Comments
Enabling common regional clinical information through the delivery of a single regional clinical portal:			Progress is now being made with the broader
<ul style="list-style-type: none"> MidCentral and Hawke's Bay District Health Boards 	Mar 2014	June 2015	
<ul style="list-style-type: none"> Remaining District Health Boards 	Dec 2014	Dec 2015	

Replacement of legacy patient administration systems:			regional programme following integration and data migration challenges being addressed
<ul style="list-style-type: none"> Whanganui, MidCentral and Wairarapa District Health Boards 	July 2014	Mar 2016	
<ul style="list-style-type: none"> Hawke's Bay, Hutt Valley and Capital Coast District Health Boards 	Dec 2015	July 2017	
Implementation of a regional radiology information system.	July 2014	June 2015	

2.2 Regional Clinical Portal

Scope statement			
This output enables a regional view of common clinical information through the implementation of a clinical portal (CP) and a clinical data repository (CDR) using the Orion Concerto suite of products integrated to national, regional and local systems.			
Performance measure	Estimate 2013/2014	Revised	Comments
Quantity			
Number of District Health Boards using the Regional Clinical Portal version 1.	6	June 2015 2	See above, output 2.1

2.3 Regional Radiology Information System

Scope statement			
This output enables regional radiology services using a single radiology information system (RIS) supplied by Carestream.			
Performance measure	Estimate 2013/2014	Revised	Comments
Quantity			
Number of District Health Boards using the Regional Radiology Information System.	6	June 2015	See above, output 2.1

2.4 Regional Patient Administration System

Scope statement			
This output enables standard regional business processes through a single Regional Patient Administration System for District Health Boards with legacy PASs and develops the system for all 6 District Health Boards to migrate to.			
Performance measure	Estimate 2013/2014	Revised	Comments
Quantity			
Number of DHBs using the Regional Patient Administration System version 1.	3	Mar 2016 1	See above, output 2.1

Output Class 3 – Audit and Assurance

The Audit and Assurance Service undertake the region's routine audit programme and a range of ad hoc special audits, service and organisational reviews.

3.1 Routine audits

Scope statement			
<p>The output covers all providers documented on the agreed provider list which was approved by General Managers Planning and Funding. Routine audits have a holistic review which includes, but is not limited to:</p> <ul style="list-style-type: none"> • Governance • Business Management • Finance • HR • IT Security • Service Delivery (all services requested by DHBs) • Overall Quality • Culture and Consumer aspects. 			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of scheduled District Health Boards routine audits prioritised.	40	50	Estimate was provided before the SLA was signed with SIAPO
Number of scheduled District Health Boards routine audits to be completed.	40	58	Additional audits were requested by South Island DHBs and Central Region DHBs
Quality			
Percentage of routine audits completed in compliance with leading practice, contractual, legal and standard obligations.			
– 80% - 100%	90%	90.9%	Variations are based on provider's performance
– 60% - 80%	5%	9.1%	
– < 60%	5%	0%	
Percentage follow-up with provider survey.	85%	89%	

Timeliness			
Percentage completed within agreed timelines.	95%	84%	<p>15 additional audits were requested by the DHBs that were provided in addition to the agreed work programme; 13 of them within the second half of the financial year.</p> <p>Changes to timeframes were agreed with DHBs and providers. 100% completed within new timeframes.</p>

3.2 Internal audits TAS

Scope statement			
All audits outlined in the three years audit plan which was approved by the board.			
Performance Measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of internal audits planned.	6	5	Change was agreed during the year.
Number of internal audits completed.	6	5	Change was agreed during the year.
Timeliness			
Percentage completed within agreed timelines.	95%	100%	Achieved

Output Class 4 – National Services – Strategy, Contracting and Performance Improvement

The focus of National Services is:

- Development, management and monitoring of national services strategies and contracts where DHBs have agreed to develop and purchase services nationally
- Successful performance improvement jointly with the Ministry of Health, and through performance reporting and development of national service and provider relationships.

4.1 Pharmacy services

Scope statement			
This output covers the delivery of the Pharmacy services changes with value for District Health Boards and the wider sector.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of contracted pharmacy providers signed new Community Pharmacy Services Agreement Variations.	900	963	Variances occur throughout the year as new pharmacies open and others close
Timeliness			
Implementation of variation and price increase to the Pharmacy Services Agreement by:	1 July 2014	1 Aug 2014	One month delay in implementation of stage 4, which was consistent with one month delay for Stage 3 (1 Aug 13)

4.2 Clinical review of laboratory tests

Scope statement			
This output covers the facilitation of a clinical review of publicly-funded laboratory tests.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of bi-monthly reports produced for updating 20 District Health Boards GMs Planning & Funding and laboratory portfolio managers.	6	3	Plus: <ul style="list-style-type: none"> • 1 briefing to CEOs • 1 briefing to DHB Clinical Laboratory Advisory Groups (via the GMs P&F)
Quality			
Laboratory sub-groups are supported to review the schedule and develop new referral criteria for tests by end of the year.	4	5	Support was provided through meetings with sub-groups. Additional support was provided by email and telephone

4.3 Health of Older People and Aged Residential Care

Scope statement			
This output covers the delivery of agreed strategies in Health of Older People and Aged Residential Care.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of contracted aged residential care providers who signed the variations to Aged Residential Care agreements.	675	670	Five providers late executing their agreements
Quality			
Supporting the development of an integrated audit framework for home based support.	On-going	On-going	Achieved

Timeliness			
Implementation of the variations and price increase to Aged Residential Care Agreements by:	30 June 2014	30 June 2014	Variations came into effect at midnight on 30 June

4.4 Integrated health sector performance framework

Scope statement			
This output covers the development of an integrated health sector performance framework.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of bi-monthly meetings of programme Lead GMs supported to review collective activity and network management.	6	6	Achieved
Quality			
Work with the National Health Board to identify services and accountabilities that will devolve from Ministry of Health/National Health Board Business Unit to District Health Boards to improve service integration.	On-going	On-going	Achieved
Timeliness			
Agree District Health Boards roles and responsibilities with Ministry of Health/National Health Board Business Unit and lead and supporting agencies and reflect these agreements in the District Health Board Annual Planning and Funding Package and District Annual Plan/Statement of Intent documentation.	Annual	Annual	Achieved

4.5 Inter Resident Assessment Instrument (interRAI)

Scope statement			
This output covers the implementation of the roll-out of the comprehensive clinical assessment (interRAI) tool across the aged residential care sector.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of Aged Residential Care facilities engaged in training on the use of or are using InterRAI Comprehensive Clinical Assessment by June 2014.	673	673	Achieved

Quality			
Percentage of registered nurses in aged care competent in the use of the assessment tool by 30 June 2014.	100%	Target = 1070 of 2370 Actual = 1108 of 2370	1804 of 2370 to be trained by TAS, 566 by partnership providers with support from TAS, by end of programme

Output Class 5 – Employment Relations – strategy, negotiation and operational

The focus of Employment Relations service is:

- Development and delivery of a national employment relations strategy and programme
- Negotiation of all DHBs' collective agreements
- Provision of workforce information and operational employee relations advice and support.

5.1 Development and delivery of a national employment relations strategy and programme

Scope statement			
This output covers maintenance of the Employment Relations Strategy Group and through that delivery of a national employment relations strategy and agreed employment relations settings.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Yearly production and review of Employment Relations settings ⁴ and the development of a three year Employment Relations strategy.	1	1	Achieved
Quality			
Strategies developed and adopted by District Health Boards for Employment Relations programme. ⁵	1	1	Achieved
Timeliness			
On-going annual programme, three year strategy to be completed by October 2013.	1	1	Achieved

⁴ ER Setting is an annually reviewed document put in place in 2010.

⁵ Quality is assured by way the ER environment is maintained.

5.2 Negotiation of all DHB national and regional Multi-Employer Collective Agreements

Scope statement			
This output covers the delivery of effective employment relations strategies and bargaining outcomes.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of bargaining strategies developed and advocacy provided.	12	13	A combined bargaining approach for 26 DHB SECA ⁶ s was co-ordinated by the Employment Relations team
Quality			
Percentage of bargaining strategies met Government and District Health Boards Employment Relations expectations.	100%	100%	Achieved
Advocacy and team leadership provided for all bargaining up to and including implementation plans for all settlements. ⁷	12	13	A combined bargaining approach for 26 DHB SECAs was co-ordinated by the Employment Relations team
Timeliness			
The number of bargaining activities completed within Multi Employers Collective Agreement timeliness.	12	13	A combined bargaining approach for 26 DHB SECAs was co-ordinated by the Employment Relations team

⁶ SECA is a Single Employer Collection Agreement

⁷ Multiple measures including the development of effective strategy, bargaining teams and leadership and implementation plans.

5.3 Provision of workforce information and employment relations operational support

Scope statement			
This output covers maintenance of the Health Workforce Information (HWI) database and the production of workforce analysis.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of workforce analysis reports produced during the year.	37	52	There was an increase in Official Information Act (OIA) requests beyond the initial estimate. OIA requests are dynamic in nature.
Quality			
Percentage of Employment Relations programme based operational projects supported by quality workforce information.	100%	100%	Achieved
Timeliness			
Number of Health Workforce Information reports produced annually.	21	34	There was an increase in OIA requests beyond the initial estimate. OIA requests are dynamic in nature.
Number of other reports produced annually.	16	16	Achieved

5.4 Safe Staffing Healthy Workplace Unit

Scope statement			
To continue to offer the Care Capacity Demand Management (CCDM) Programme to existing and new DHBs			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Two year CCDM Programme continued to be implemented with current DHBs (Waitemata, Taranaki, Tairāwhiti, Southern and Hutt Valley).	5	5	Achieved
Three new sites involved in the programme during 2013-2014.	3	3	Achieved
Quality			
Percentage of CCDM programmes that demonstrated effectiveness through independent research done by DHBs.	100%	N/A	For completion by December 2014
Timeliness			
Programme is introduced within a period of:	Two years	See comment	Now a long-term change management programme. The SER Unit has looped back to DHBs previously worked with and continues to support the implementation

Output Class 6 – Collaboration

The focus of Collaboration services is:

- Development, delivery and/or support of national DHB collaboration forums, information and decision-making platforms and related advisory services
- Provision of secretariat services for agreed national projects, programmes and forums
- DHBs working effectively together and with others to add value and achieve gains.

6.1 Maintenance of governance function and CTAS Agreement

Scope statement			
This output covers the maintenance of the TAS governance function working with DHBs.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
The DHB Executive is provided with governance support and papers for meetings during the year.	4	5	Additional meeting held
Quality			
All required facilities, reports and papers are provided for each meeting to agreed standard.	To be benchmarked	Not measured	Staff across TAS supported this function. Identified solution will result from the organisational design changes. Measurement to be established
Timeliness			
Percentage of meetings where all materials and arrangements are confirmed seven days prior to the meeting date as agreed.	To be benchmarked	Not measured	As above. Measurement to be established

6.2 National secretariat services

Scope statement			
This output covers the provision of secretariat services to District Health Board Shared Services governance groups and agreed collaboration activities.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
The provision of secretariat services to TAS governance groups and agreed collaboration services for:			
– CE meetings	8	15	CE meetings include regular and strategy sessions
– Chair meetings	4	4	Staff across TAS supported this function. Identified solution will result from the organisational design changes.
– Collaboration groups	4	4	
– Programmes	8	8	
Quality			
Percentage of satisfaction reported by group Chairs for the provision of professional secretariat services.	To be benchmarked	Not measured.	As above. Measurement to be established
Timeliness			
Percentage of satisfaction that the services are delivered to required timeframes.	To be benchmarked	Not measured.	Staff across TAS supported this function. Identified solution will result from the organisational design changes. Measurement to be established

6.3 National office co-ordination/communication services

Scope statement			
This output covers the co-ordination of Official Information Act (OIA) requests received by DHBs and TAS, management and delivery of national 20 DHB communications, consultation and voting through the CONNEX collaboration platform, and development of the CONNEX collaboration platform so that it is cost effective and well utilised by DHBs and other health sector groups.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of OIA responses co-ordinated and national office communications managed on behalf of DHBs and TAS during the year.	To be benchmarked	168	New Measure
Quality			
Percentage of satisfaction reported by recipients of national office OIA co-ordination, communications and decision processes <i>Replaced with:</i> Percentage of OIAs that led to Ombudsman intervention/complaint	To be benchmarked To be benchmarked	Not measured 0%	Output measure replaced New Measure
Timeliness			
Percentage of satisfaction that the services are delivered to required timeframes <i>Replaced with:</i> Percentage of services delivered to required timeframes	To be benchmarked To be benchmarked	Data not reported 80%	Output measure replaced Dependent upon external response, caveats for delay: complexity, lack of clarity and multi-agency involvement

6.4 National information systems

Scope statement			
This output covers the portfolio support for the implementation of national information system planning in accordance with the National Health IT Plan.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
The provision of secretariat function to Sector IT Advisory groups to support the DHBs' development of information practices, effective guidance and investment strategy nationally.	4	Not measured	Agreement for function to transfer to TAS delayed until 2014/15 Measurement to be established
Quality			
Percentage of governance groups and key stakeholders who reported satisfaction with TAS interactions through engagement.	To be benchmarked	Not measured	As above. Measurement to be established
Timeliness			
Percentage of satisfaction that the services are delivered to required timeframes.	To be benchmarked	Not measured.	As above. Measurement to be established

6.5 Annual planning and reporting

Scope statement			
This output covers the delivery of high quality reports that support, inform and provide assurance on the TAS programme and service performance.			
Performance measures	Estimate 2013/2014	Actual 2013/2014	Comments
Quantity			
Number of plans and programmes delivered during the year:	1	1	Achieved
– Annual plan	4	4	Achieved
– Quarterly reports			

Quality			
Percentage of key stakeholders who reported satisfaction with annual plan and quarterly reports.	To be benchmarked	Not measured	Staff across TAS supported this function. Identified solution will result from the organisational design changes. Measurement to be established
Timeliness			
Percentage of satisfaction that the services are delivered to required timeframes.	To be benchmarked	Not measured	As above. Measurement to be established

Cost of Service Statement

	Actual 2014 \$000	Budget 2014 \$000
Income		
Regional Services Programme	1,833	1,573
CRISP	5,816	5,488
Audit and Assurance	1,873	1,708
National Services	10,308	10,297
Employment Relations	3,686	4,340
Collaboration	746	1,324
Total Income	24,262	24,730
Expenditure		
Regional Services Programme	1,702	1,573
CRISP	5,843	5,488
Audit and Assurance	1,796	1,708
National Services	10,213	10,297
Employment Relations	3,675	4,340
Collaboration	730	1,324
Total Expenditure	23,959	24,730
Net surplus/(deficit)	303	-

The output classes in the statement of intent were revised for 2013/2014. This resulted in a change from 2 output classes in 2012/2013 to 6 in 2013/2014. The revised output structure means a direct comparison of output funding and expenses between the 2012/2013 and 2013/2014 financial years is not possible. The table below shows the actual results for the 2012/2013 outputs.

	Actual 2013 \$000
Income	
Audit and assurance programme	1,028
Executive support, projects and administration	474
Regional Services Programme	1,524
CRISP	3,849
District Health Board shared services	12,898
Total Income	19,773
Expenditure	
Audit and assurance programme	1,200
Executive support, projects and administration	487
Regional Services Programme	1,324
CRISP	3,849
District Health Board shared services	12,898
Total Expenditure	19,758
Net surplus/(deficit)	15

Independent Auditor's Report

**To the readers⁸ of
Central Region's Technical Advisory Services Limited's
financial statements and non-financial performance information
for the year ended 30 June 2014**

The Auditor-General is the auditor of Central Region Technical Advisory Services Limited (the Company). The Auditor-General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the Company on her behalf.

We have audited:

- the financial statements of the Company on pages 19 to 41, that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Company that comprises the statement of service performance on pages 42 to 59

Opinion

Financial statements and non-financial performance information

In our opinion:

- the financial statements of the Company on pages 19 to 41:
 - comply with generally accepted accounting practice in New Zealand; and
 - give a true and fair view of the Company's:
 - financial position as at 30 June 2014; and
 - financial performance and cash flows for the year ended on that date.
- the non-financial performance information of the Company on pages 42 to 59:
 - complies with generally accepted accounting practice in New Zealand; and
 - gives a true and fair view of the Company's statement of service performance for the year ended 30 June 2014, including for each class of outputs:
 - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and

⁸ Appointed Auditors shall replace "readers" with an equivalent addressee such as "shareholders" where an actual private sector ownership interest exists or where a private sector ownership interest is anticipated.

- its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

Our audit was completed on 28 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Company's financial statements and non-financial performance information that give a true and fair view of the matters to which they relate. We consider internal control 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 Company's internal control.

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 the Board of Directors;
- the appropriateness of the reported service performance within the Company's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

In accordance with the Financial Reporting Act 1993 we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements and non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the Company's financial position, financial performance and cash flows; and
- give a true and fair view of its statement of service performance.

The Board of Directors is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

The Board of Directors' responsibilities arise from the Crown Entities Act 2004 and the Financial Reporting Act 1993.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Company.

Kelly Rushton
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance.

This audit report relates to the financial statements and statement of service performance of Central Region's Technical Advisory Services Limited (TAS) for the year ended 30 June 2014 included on TAS's website. The Board is responsible for the maintenance and integrity of TAS's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 31 October 2014 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

New Zealand Government