



annual report

2014/15

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chair's report

I am pleased to present the annual report for the 2014/15 financial year for the Central Region's Technical Advisory Services (TAS).

During this year the Board has recognised the significant progress of the organisation in its journey to becoming a cohesive and high performing professional services organisation. Much of the focus in the early part of the year was on ensuring robust internal operating processes and practices, while aligning the TAS leadership model to deliver the agreed strategic objectives.

An important feature of how we continue to operate has been to build and maintain effective collaboration and partnerships with our stakeholders, both regionally and nationally. This approach is well recognised as essential to our ongoing success and is a fundamental part of the culture that the Board and management team are cultivating. Moving forward we are dedicated to continually improving the value created for our stakeholders, adapting to changing customer needs and health system priorities, and exploring innovative areas in which we can add new value.

I would like to thank the Board and people of TAS for their continued professionalism and look forward to leading the development of the organisation in the period ahead.

A handwritten signature in dark ink, appearing to read 'Jan White'. The signature is fluid and cursive, with a large initial 'J' and 'W'.

Dr Jan White, Chair



chief executive's report

“The success of our organisation is built on the passion and commitment of our people.”

2014/15 was my first full financial year as CEO of TAS. It has been a year of significant change with the implementation of a new leadership structure and a renewed focus of TAS as a professional services organisation.

We began the year with three clear priorities:

- Do what we do well
- Build our reputation
- Add new value

The foundation for achieving these priorities is to build a service culture of cooperation and collaboration.

Doing what we do well was supported by the new structure and a focus on setting up robust systems and processes, including a balanced scorecard for monitoring and reporting performance and establishing a project management office. Our core services and programmes of work have been enhanced by actively sharing skills, knowledge and experiences across the organisation.

We are building our reputation by delivering high quality products and programmes to customers. A good example of this is the successful completion of the interRAI Long Term Care Facility project where an internationally recognised assessment tool was rolled out across all aged residential care providers, making New Zealand the first country in the world to implement this nationally. The success of the project is reflected in the Ministry of Health awarding TAS funding on an ongoing basis to carry out the next phase of this work.

We are now moving into the ‘adding new value’ space with several opportunities to bring our experience and expertise to strategic pieces of work. We recently assisted the Central Region DHBs to consider the current clinical service capability and future demand outlook. The Community Pharmacy Services programme of work has been extended for two years and TAS is also supporting the development of the future strategy. The same kind of strategic thinking is being sought with DHBs funding TAS to further develop workforce modelling capability to inform a future view of workforce requirements. These are significant and exciting opportunities demonstrating our clear progression into the professional services realm.

I would like to thank our customers and stakeholders for their continued belief in us and their support. The success of our organisation is built on the passion and commitment of our people and I would like to thank the team for bringing that passion and commitment to the health sector every day.



Graham Smith, Chief Executive



key highlights

2014/15 was an exciting year for TAS. Some of the key highlights include:

- TAS was accredited by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) as a Certification Assessment Body, a status it achieved in an exemplary manner by meeting all requirements with no non-conformities for either the office-based or field-based assessments. This is a significant achievement and evidences the sound systems and processes embedded within the Certification Audit programme.
- The Community Pharmacy Services Programme developed and facilitated an extension of up to two years for the current Community Pharmacy Services Agreement (CPSA), and agreement was reached from DHBs to enable the Programme to support the strategic development of the next CPSA, including extending the Programme from 30 June 2015 to September 2017.
- The Regional Health Informatics team completed the Regional Solution Design for CRISP and significant build progress was made on the Clinical Portal, Radiology System and Patient Administration System. Regional messaging and data standards that are fundamental to the transfer of patient and clinical information were established in the year.
- The final stage of the interRAI Long Term Care Facility (LTCF) project roll out across all aged residential care (ARC) providers was completed according to plan and budget. Now every ARC facility has at least one nurse competent in using the care assessment tool. Furthermore, funding was secured to support interRAI LTCF post-project completion.
- TAS provided the six Central Region DHBs with support in planning and carrying out the Regional Services Plan (RSP). This included managing service improvement projects, maintaining and supporting network groups, co-ordinating and strengthening education and training, in addition to providing analytical support and reporting against deliverables.
- Strategic Workforce Services had a successful year, building its workforce assessment and planning capability, and delivering the Employment Relations programme within the financial parameters set by the DHBs and with very limited industrial action.
- Internal processes such as planning and project management were strengthened with the establishment of a project management office. A value based performance management framework was implemented based on the balanced scorecard methodology. These initiatives play an active role in ensuring that monitoring and reporting processes are robust and effective.



about TAS

TAS provides ideas, expertise and programme management to support the health sector to achieve healthcare targets, and improve the services provided.

Central Region's Technical Advisory Services Limited (TAS) is a multi-parent subsidiary of the six District Health Boards (DHBs) of the Central Region: Capital & Coast, Hutt Valley, Wairarapa, MidCentral, Whanganui and Hawke's Bay. TAS was set up by the Central Region DHBs in June 2001 as a joint venture company under equal joint ownership. DHB Shared Services (DHBSS) integrated with TAS in 2011 creating a combined national and regional service offering. TAS now provides support and services not only to its six shareholders but also to all 20 DHBs, managing on average 30 national and regional work programmes on their behalf. TAS also works collaboratively with other health service providers, including the Ministry of Health.

Organisational Purpose

The role of TAS is primarily to support the six DHBs of the Central Region, as well as the other national DHBs. TAS does this by operating dedicated programmes with specialist expertise that can achieve better value for money than DHBs and other stakeholders would be able to do within their own individual organisations. Ultimately, TAS wants to be acknowledged as a trusted advisor and respected strategic partner who provides value to the health sector.

TAS is currently going through a transition with emphasis on development of a single organisational culture and identity. TAS is also exploring ways it can add further value for its customers and use its capabilities for maximum effectiveness.

Vision

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

Key Strategic Priorities

The TAS journey: moving from being a regional and national DHB programme manager to an independent professional services company.

2001 – Regional Focus

TAS established to provide regional support and services such as planning, implementation of programmes, hosting groups and forums and ensuring the compliance of contracted health share providers.

2011 – Regional and National Focus

TAS adds a national arm, operating as a standalone business unit under the name DHB Shared Services. This unit focuses on three core service areas: facilitating the delivery of national strategies, contracts and service relationships; supporting the health sector workforce and enabling collaboration.

2012 – 14 Transformation

TAS integrates the two distinct business arms – regional (TAS) and national (DHBSS) – into an integrated single business unit with an independent Board.

Moving forward – Professional Services

A trusted and respected strategic partner that is focused on providing the professional services, information, advice and management required to support the development and implementation of the NZ health system strategies.

“In the future we consider our role is to bring information and insight to the health sector, and to help customers develop national and regional strategies that will address their priorities. From there we will need to turn thinking into agreed, actionable pieces of work that will deliver real change and improved health system outcomes.”

Graham Smith, Chief Executive

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

Translating Strategy into Action

In order to translate strategy into action, TAS has developed a strategic framework built on four perspectives: value, customer, internal business processes and learning and growth. These four values are used to ensure that there is a balance in TAS' strategic initiatives. This framework also underpins business planning and helps in creating alignment across the organisation. The framework is based on connecting the dots where all efforts and initiatives undertaken by TAS should eventually lead to an increased value in the eyes of shareholders, stakeholders and customers. The three key pillars of the framework are TAS' strategic priorities of *doing what we currently do well, building our reputation and delivering new value*.

Key Objectives

Value

Ensure best return from current investment through improved efficiency and effectiveness of services. Explore areas that will create new value for stakeholders.

Customer


Clients experience an integrated company wide approach to stakeholder management, and key stakeholders and clients are aware and advocate for our services.

Internal Business Processes

Internal processes are (as appropriate) standardised, repeatable and reliable. Our service delivery and operating processes are measured and tracked.

Learning and Growth

Our leaders operate at a higher level and work effectively across the organisation. Capability and performance of the organisation improves.



organisational structure

TAS has an independent board of directors. The Board comprises an independent chair, two independent directors and two directors, one of whom represents the Central Region and the other who represents the 20 DHBs. The Board reports to the Regional Governance Group (RGG).

Our Board of Directors



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 of the Open Polytechnic, Deputy Chair and Chair - Audit and Risk - TSB Bank and Director and Chair Audit and Risk – Powerco New Zealand.



Murray Georgel

Murray was MidCentral DHB's Chief Executive from 1999 to May 2015. 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 DHB and Deputy Chair of New Zealand Māori Arts and Crafts Institute. He is a former member of the Waikato DHB, Chair of Waiariki Institute of Technology and Board member of Institutes of Technology and 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.



Elaine McCaw – to June 2015

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, Trustee – Victoria University Foundation, and Board member – Hobson Leavy.

Directors' Interests

The following information was included in the Board's interests register over the period 1 July 2014 to 30 June 2015.

Dr Jan White - Chair	<ul style="list-style-type: none"> ○ Member of PHARMAC Board ○ Crown Monitor to the Southern DHB
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 (to July 2014) ○ Shareholder and Director of Oryx Technologies Ltd ○ Shareholder and Director of M I Bain & Associates Ltd
Murray Georgel	<ul style="list-style-type: none"> ○ Chief Executive of MidCentral DHB (to 1 May 2015) ○ MidCentral DHB involved in CRISP (to 1 May 2015) ○ DHB observer to PHARMAC Board (to December 2014) ○ Director of Health Benefits Limited (HBL) (to December 2014)
Deryck Shaw	<ul style="list-style-type: none"> ○ Member of the DHB Executive ○ Chair of Lakes DHB ○ 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 ○ National Executive Member of NZ Football ○ Member of the HBL Transition Interim Governance Group ○ Board member- Health Partnership Limited (HPL) ○ Director, Great Value Accommodation Ltd
Elaine McCaw	<ul style="list-style-type: none"> ○ Director of Cawthron Institute ○ Advisory Board member of Ocean Design ○ Chair of Victoria University Foundation (to March 2015) ○ Trustee, Victoria University Foundation ○ Chair of Hobson Leavy ○ Board member of Samuel Marsden Collegiate School (to March 2015) ○ Nominating Committee for the Guardians of New Zealand Superannuation ○ Director of Cormilligan Group Ltd ○ Board member of Hockey New Zealand (to 2015) ○ Independent Chair, Remuneration Committee for Ngāi Tahu

The Work We Do

We are a compact organisation with a broad range of roles and functions, working independently and cross-functionally to optimise resource allocation and knowledge sharing; key elements in being cost-effective and in providing the best service possible.

Audit and Assurance

Consisting of expert lead auditors, specialist contractors and support staff providing objective audit and assurance services to private and public health sector organisations in the central North Island and the South Island.

Community Pharmacy Services

Responsible for working with DHBs and the wider health sector to implement the new Community Pharmacy Services Agreement. This is all about keeping patients at the centre of their own health care and recognising the key role pharmacists have in delivering better health outcomes.

Regional Health Informatics

Working with the health sector to develop systems that ensure the right information gets to healthcare professionals at the right time, so they can deliver the most appropriate care for patients. TAS has been contracted to support the development of a suite of regional solutions that will centralise the acquisition, storage, retrieval and use of patient information across the Central Region's six DHBs.

Health of Older People

Working collaboratively with DHBs, the Ministry of Health, and the wider health sector to improve the delivery of health and disability services to older New Zealanders through a joint programme of work. This includes the Comprehensive Clinical Assessment interRAI Project which is about establishing and implementing the use of a standardised software based assessment tool, designed to improve the care of older people in residential care facilities.

Planning and Collaboration

Partnering with the health sector to provide planning services to support the development of regional and national plans that not only enhance the effectiveness of collaboration among key executive groups, but also enable them to deliver on key work programmes and projects. The team also plays a key role in identifying value-adding opportunities through analysis and assessment of programmes and activities.

Strategic Workforce Services

Providing employment relations and intelligence services to help maintain the current and future staffing needs of the health sector. The team also provides programmes and services to ensure staff are healthy and well and are providing safe and professional healthcare experiences for patients.

Business Support Services

Supporting all areas of the business by providing Human Resources, IT and Desktop Support, Finance, Project Management and Communications support. The team also works alongside senior management and staff throughout the organisation, providing advice, tools, processes and systems to enable the organisation to achieve its business goals, and to help staff develop and grow.

Our People

Providing value to our customers and stakeholders is at the centre of why we exist and why we do what we do. A key component to be able to deliver on our promise is our people.



Graham Smith – Chief Executive

Graham started his role as Chief Executive in January 2014. Prior to this appointment he had operated at a senior management and leadership level for over 15 years in both the private and public sectors; more recently with the Ministry of Science and Innovation and Callaghan Innovation.



Holger Jessen – Director, Audit and Assurance

Holger has worked in the audit profession for almost 30 years. He has experience in a wide range of audit areas and has worked in different roles within private and government banks in Germany before he moved to New Zealand in 2008.



Rachel MacKay – Programme Director, Community Pharmacy

Rachel has more than 20 years experience in the NZ health sector, having begun her career in the multi-national pharmaceutical industry. She was at PHARMAC from the late 90s, where she established and ran two business units and also stepped in as Acting CEO from time to time.



Matt Wooster – General Manager, Regional Health Informatics (including CRISP)

Matt is a highly experienced product marketing and business leader spanning a range of industries including Telecommunications, e-commerce, banking payments, postal and data services. He has held leadership roles in New Zealand and international markets from start-ups through to large multinationals including SOEs.



Jon Shapleski – Programme Director, Health of Older People

Jon has worked in the health sector for more than 20 years in senior management positions. He has a strong commercial background from his 15 years with Mobil Oil and an excellent knowledge of contract management.



Tricia Sloan – Manager, Planning and Collaboration

Tricia brings to her role extensive health and business expertise. From a nursing background, Tricia has held senior management roles in the National Health Service (UK), and worked in developing countries prior to coming to New Zealand.



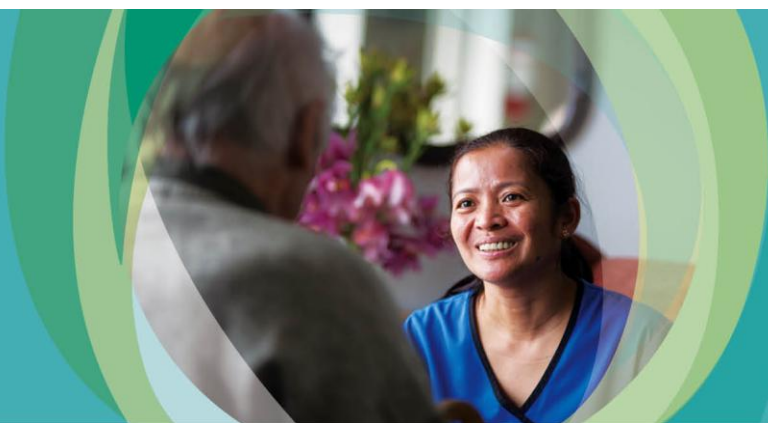
Mick Prior – Manager, Strategic Workforce Services

Mick originally trained in the United Kingdom as a psychiatric nurse, subsequently working in both the UK and New Zealand health systems. Mick has extensive experience in providing strategic leadership on employment relations and workforce matters in both the health and education sectors.



Lucy Haberfield – Manager, Business Support Services

Lucy is an experienced Corporate Support Manager with a background in finance, having been a Chartered Accountant since 1995. She also holds a marketing diploma. Lucy has a particular interest in strategic and business planning, having facilitated this process in her previous roles.



the year in review

Audit and Assurance

The Audit and Assurance team deliver a range of audit services, namely Provider Audits, Internal Audits and Certification Audits.

Provider Audits

DHBs employ a risk-based process to select providers for a routine audit programme involving annual reassessment using tools developed by TAS based on internationally recognised auditing standards.

The audit team completed the annual routine and follow-up audit programme comprising an equivalent of 65 audits for the Central Region and an additional 43 audits for the South Island. The “special”, or focused, audits completed during the year covered a range of reviews, including financial and clinical reviews.

The audit team completed eight additional provider audits, one of which was an issues-based special audit, and seven additional routine audits within the Midland Region on behalf of Healthshare Ltd.

Internal Audit for DHBs

Internal audit delivered assurance to the six DHBs in the Central Region based on individual internal audit plans. A number of integrated reviews across DHBs were also completed. Internal audit has been focused on delivering value over and above historic compliance reviews. The six plans in total consisted of approximately 50 reviews ranging from clinical areas such as clinical governance, risk management, outpatient management through to three-dimensional fraud review, investigations, security and health and safety.

Certification Audit Programme

The TAS Certification Audit Programme completed its first year of certification. Over the year, the programme grew significantly to include clients in all areas in which TAS is designated to audit under

the Ministry of Health, including Aged Residential Care facilities, Mental Health providers, Private Hospitals and DHBs. TAS also became a Retirement Villages Association Accredited Audit Agency, of which there were previously only two in New Zealand.

Feedback from clients audited under this programme has been positive. The ability for TAS to conduct combined audits, reducing the audit impact for providers, has also been acknowledged by the sector. The programme continues to grow with marketing as a major focus for the next financial year.

Key achievements:

- In September 2014, TAS was accredited by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) as a Certification Assessment Body, a status it achieved in an exemplary manner by meeting all requirements with no non-conformities for either the office-based or field-based assessments. This is a significant achievement and evidences the sound systems and processes embedded within the Certification Audit programme.
- Service Agreement signed with all Shareholders to provide Internal Audit Service for the six DHBs in the Central Region.
- For the first time, TAS combined Routine Audits with the MSD Audit programme to reduce the impact of audits on the health provider. This was well received by participating providers.
- Service Agreement signed with Southern DHB to provide an additional Routine Audit Programme.
- Information Security and Privacy Capability Audits were carried out within the Central Region and within the Midland Region supporting Healthshare’s Internal Audit team.

Community Pharmacy Services

The Community Pharmacy Services Programme (the CPS Programme) brings together community pharmacists, DHBs, PHARMAC and the wider health sector to deliver a new service model that provides enhanced services for pharmacy users who need help managing their medicines, and for pharmacies managing significant changes.

Introduced on 1 July 2012, the Community Pharmacy Services Agreement (CPSA) was initially phased over three years and gave community pharmacists an increased opportunity to put their expert clinical skills to good use. In 2015, following extensive consultation with the pharmacy sector, the current CPSA was extended for a further year, with an option to extend for up to another year to enable the next CPSA to be developed.

The purpose of the CPS Programme is to support, monitor and evaluate the implementation of the CPSA across New Zealand.

Key achievements:

- Developing and implementing Stage 4 of the CPSA on 1 August 2014 including the introduction of a new funding model to support patient-centric services.
- Developing and facilitating an extension of up to two years (2015/16 and 2016/17) to the current CPSA in readiness for implementation 1 July 2015.
- Agreement from DHBs to extend the CPS Programme until Sept 2017 to enable the Programme to support the strategic development of the next CPSA.
- Completing a review of the CPS Programme Terms of Reference to ensure the operational and governance structure remains fit for purpose to deliver the CPSA extension through 2015/16.
- Initiating an independent third party evaluation of the CPSA 2012, including securing joint funding from DHBs and Ministry of Health.
- Endorsement from Deloitte NZ of CPS Programme Review of Sector Payments for the Financial Year 2013/2014.
- Financial management of the CPSA funding envelope including managing transition payments to all community pharmacies, implementing interim payment mechanisms and

agreeing on the annual end of year adjustment process.

- Supporting community pharmacies to deliver patient-centric services:
 - Close to 150 pharmacies providing Community Pharmacy Anticoagulant Management Services (CPAMS) to 5,100 patients
 - Nearly 113,000 patients registered with the Long Term Conditions Service.
 - Ongoing education and training, including presentations at national conferences on Long-Term Conditions and CPAMS.
 - DHBs mandated the CPS Programme to address the pharmaceutical margins issue, including the establishment of a Pharmaceutical Margins Taskforce and undertaking sector engagement.

Regional Health Informatics

Regional Health Informatics is about building organisational and technology capability to deliver the right information, to the right people, through a range of information channels in order to deliver better health outcomes for all New Zealanders.

A critical first step in this journey is developing the regions first fully integrated Patient Information Management Solution and electronic health record.

This will provide, in the first instance, a single consistent view of key patient data across the region's hospitals, and over time be made available to Primary Health service providers and the patients themselves.

Key functionality includes a clinical portal for key clinical information, a radiology information system and imaging repository plus a patient administration system.

The long term benefits of regional health informatics are, among others:

- Improving the quality and timeliness of information to inform real time clinical decision making.
- Improving the patient experience by being able to keep them better informed as they move through the health service continuum from primary to tertiary care and end of life.

- Providing tools and information that enable individuals, families and communities to pro-actively manage their health, lifestyle, preventative actions and long term conditions.
- Enabling greater efficiency and cost savings in service delivery by reducing the amount of manual intervention required in the extraction, manipulation, application and reporting of health data.
- Creating an 'intelligent network' with the aggregation of operation and client data to gain greater insights into demand, usage, performance and trend patterns.

Key achievements:

- Regional Solution Design completed and significant build progress has been made on the Clinical Portal, Radiology System and Patient Administration System.
- Regional messaging and data standards fundamental to the transfer of patient and clinical information established.
- Healthcare Provider data system build completed and consolidation well advanced.
- Vendor selected and the build of a Patient Administration System well underway.

Health of Older People

Health of Older People (HoP) is about improving the delivery of health and disability services to older New Zealanders. TAS manages the national Health of Older People project plan, maintains functional and responsive relationships with key stakeholders, manages claims, supports DHBs in the development of appropriate strategies and supports improvements to home-based support services as agreed through the DHB HoP Steering Group. TAS also provides the 20 DHBs with a common platform and system-wide focus across the service continuum, to support their continued performance improvement activity.

Key achievements:

- The annual review of the Aged Residential Care Contracts (ARCC) was completed on time, and agreement was reached on key issues as reflected in variations to the Agreements. Of particular note was inclusion of new clauses related to the mandatory use of interRAI across

the aged residential care sector effective 1 July 2015 (see interRAI).

- Agreement between DHBs and provider representatives was reached on several long-standing issues including provision of hospital care in secure dementia units, to ensure long-term residents are not unduly disturbed when they need a higher level of care.
- The A23 claim from New Zealand Aged Care Association (NZACA) related to the impact on the sector from the increase to the minimum wage was managed and eventually withdrawn by the sector.
- New reporting framework for aged care underwent further enhancements with more than 95% of providers now reporting quarterly on bed numbers and utilisation.
- The National Demand Model for Aged Care was updated with latest census data and data from the ARC reporting framework built in to provide a demand and supply model for aged care projected through until 2031/32.
- A Settlement Agreement for reimbursement of in between travel (IBT) was reached and ratified by all parties. The focus then moved to developing the payment model to support IBT. An interim payment arrangement was agreed and became operational from 1 July 2015.
- Complaints process for home care sector was piloted and then rolled out across the DHB and Home and Community Support Sector.
- On-going support for, and facilitation of, national sector forums was maintained, including secretariat services.

interRAI

In October 2012, the Associate Minister of Health announced that the interRAI care assessment tool would be mandatory in all aged residential facilities in New Zealand by July 2015, making it the first country in the world to implement this nationally. The Ministry of Health decided to move interRAI Home Care and Aged Residential Care Long Term Care Facilities (LTCF) to an integrated service model, with TAS nominated as the national provider of the integrated interRAI service, responsible for:

- Delivery of enduring integrated education and support
- Establishing a national data analysis and reporting service
- Providing support to a new interRAI NZ Governance Board

Key achievements:

- The final stage of the interRAI LTCF project roll out across all aged residential care providers was completed according to plan and budget on 30 June 2015. Funding of \$4.5M was secured to support interRAI LTCF post project completion.
- All aged care providers actively engaged in the project with 220 managers and more than 2500 registered nurses trained, against a target of 2370. Now every ARC facility has at least one nurse competent in using the care assessment tool.
- Recommendations for the data analysis and reporting service were developed.
- 50 facilities were supported in using interRAI data for planning purposes.

Planning and Collaboration

Regional Services

TAS provides the six Central Region DHBs with support in planning and carrying out the Regional Services Plan (RSP). The RSP builds on the existing regional collaboration to make better use of available resources to ensure the region's services are sustainable, fair and meet the changing needs of the population.

The plan is developed at the direction of the Minister of Health and each year the plan is updated.

TAS' role in the execution of the RSP is to manage service improvement projects, establish and maintain network groups, co-ordinate and strengthen education, train and ensure best use of resources, in addition to providing analytical support and reporting against RSP deliverables.

Key achievements:

- TAS supported a campaign to raise awareness of polypharmacy with patients and their family/whānau. As a result of a specialist medicine review, polypharmacy in older adults was addressed with medication modifications recommended in 86% of patients while a discontinuation of medicines was recommended in 57% of patients.
- Supporting the Cardiac Network in the development and endorsement of a Cardiac Minimum Standards document which sets out the obligations for primary and secondary care providers. It is envisaged that the Minimum Standards will be used nationally and subsequently presented at the National Cardiac Network meeting in 2015/16.
- The Workforce Programme provided coordination and support to programmes and clinical networks to address priorities of vulnerable workforces, and regional coordination of reporting for RSP workforce priorities through a workforce development hub.
- Supporting and coordinating the Electives Programme where it was identified through the Ophthalmology work stream that the costs of Avastin in Central Region DHBs varies significantly. This enabled the DHBs to review their purchasing and resulted in overall reduction in costs for this product.

- Project management and coordination within Mental Health & Addiction (MH&A) led to establishing Working Groups and Action Plans across the seven MH&A RSP work streams. Good traction was gained in achieving targets, raising visibility and using TAS' sector knowledge and experience to increase its contribution to and collaboration across various services in the Central Region. Furthermore, support was provided to the Mental Health & Addiction Network (MHAN) Chair to review and re-shape the purpose, functions and structure of the programme.
- Continued support and coordination to the DHBs in the implementation of NZ Stroke Foundation Guidelines 2010.
- Supporting and coordinating the development of a Communication plan with the Central Region Quality and Safety Alliance and an escalation process for raising areas of concern to the Regional Executive Committee.
- The Child Health and Tamariki Ora programme was established. Improvements were made in several areas, including testing strategies to improve rates of breastfeeding, engagement and handover processes with Lead Maternity Carers and engaging vulnerable young children in oral health services.

National Services

TAS provided the 20 DHBs with a common platform and system-wide focus, across the service continuum, to support them in delivering on key work programmes and projects.

Key achievements:

- Working with the DHBs to prepare and plan for the transition of the PHO Performance Programme (PPP) to the Integrated Performance and Incentive Framework (IPIF). This included a redevelopment of PPP reports to align with Ministry of Health requirements for reporting during the transition to IPIF.
- A new Collaboration Service Team was established with a specific focus on developing a cross-functional collaboration strategy and framework for key stakeholders to increase innovation,

productivity and quality. The collaboration team has also delivered support to the National DHBs CE and Chairs, and provided national secretariat services for the 20 DHB collaboration groups.

- Working with the Ministry of Health and Management Service Organisations (MSO) on system changes that will support the health target "Better Help for Smokers to Quit", which is to be implemented in Quarter 1 2105/16.
- Together with the National Screening Unit, reports that provide information for recall of cervical screening were developed and released to PHOs.
- Reviewing and strengthening the services and support provided to PHO Service Agreement Amendment Protocol (PSAAP) and the Independent Chair.
- Through the Hospital Quality and Productivity Programme TAS provided reports on a quarterly basis that promote assessment of performance and identify areas of improvement.
- TAS continued to provide high quality advice, planning and support to the 20 DHBs' General Managers Planning and Funding network.

Strategic Workforce Services

The Strategic Workforce Services (SWS) Team is responsible for the development and regular review of the Employment Relations (ER) Strategy for the 20 DHBs and ensuring the delivery of the employment relations programmes and associated workforce activities. The Employment Relations Strategy Group (ERSG) provides governance oversight to SWS 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, accounting for 60% to 70% of provider-arm expenditure. Effective national employment relations and workforce activity supports DHBs to engage with their workforces and foster improvements in service delivery, quality and responsiveness.

Workforce and 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, Ministry of Health 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).

The Care Capacity Demand Management (CCDM) programme which is developed by the Safe Staffing Healthy Workplaces (SSHW) Unit also sits within SWS. The objective of the programme is to address key elements of the safe staffing healthy workplaces agenda, by balancing the requirement to deliver quality patient outcomes in quality work environments, in ways that make efficient use of health resources. The work has grown to become a whole of system approach involving a range of professional groups with the Public Service Association (PSA) now also involved.

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 with very limited industrial action.
- All operational projects delivered on time and within budget.

- Expansion of KiwiHealthJobs recruitment website into the wider health sector.
- Health Workforce Information Programme moved from static to dynamic reporting to support increased workforce forecasting, planning and strategic workforce activity.
- The ongoing value of the Care Capacity Demand Management (CCDM) programme continues to be recognised by the New Zealand Health sector with 15 of the DHBs having been involved with the implementation of the CCDM Programme since 2009. Three more have indicated they will be joining the programme. An independently commissioned 15-month evaluation of the CCDM Programme by the New Zealand Institute of Community Health Care was initiated in August 2013. On the back of the evaluation the national Chief Executives (CEs) confirmed ongoing funding for the SSHW Unit until June 2018.

Business Support Services

The Business Support Services team provides support across the entire organisation and works cross-functionally with all areas of the business. The team grew considerably throughout the year out of necessity, and now consists of a dedicated team of key support functions such as HR, IT, Finance, Project management and Communications.

Key achievements:

- Leading initiatives supporting operational excellence, with a focus on strengthening planning and project management capabilities.
- Developing and implementing a value based performance management framework based on the balanced scorecard methodology.
- Implementing a performance and talent management framework.
- Strengthening communication functions with a dedicated resource for project and programme communication support.
- Strengthening financial management, budgeting and reporting processes.



financials

Financial Statements

Statement of comprehensive revenue and expense for the year ended 30 June 2015

	Notes	Actual 2015 \$000	Actual 2014 \$000
Revenue			
DHB revenue		30,215	22,095
Interest revenue		156	233
Other revenue	2	3,779	1,934
Total revenue		34,150	24,262
Expenditure			
Personnel costs	3	17,195	12,282
Depreciation and amortisation expense	8, 9	202	543
Other expenses	4	16,597	11,134
Total expenditure		33,994	23,959
Net surplus/(deficit)		156	303
Other comprehensive revenue		-	-
Total comprehensive revenue		156	303

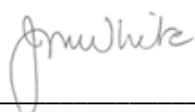
The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2015

	Notes	Actual 2015 \$000	Actual 2014 \$000
Current Assets			
Cash and cash equivalents	5	6,481	6,663
Receivables	6	5,836	13,912
Investments	7	-	150
Prepayments		86	798
GST receivable		282	-
Total current assets		12,685	21,523
Non-current assets			
Property, plant & equipment	7	324	521
Intangible assets	8	78	3,174
Work in progress	9	-	7,925
Total non-current assets		402	11,620
Total assets		13,087	33,143
Current liabilities			
Payables	10	6,528	5,752
Funds received in advance		3,512	6,691
GST Payable		-	421
Working capital reserve		715	-
Employee entitlements	11	817	607
Total current liabilities		11,572	13,471
Total liabilities		11,572	13,471
Net assets		1,515	19,672
Equity			
Share capital		-	18,313
General funds		1,515	1,359
Total equity		1,515	19,672

The accompanying notes form part of these financial statements.

For and on behalf of the Board:



Dr Jan White
Chair
28 October 2015



Murray Bain
Director
28 October 2015

Statement of changes in equity for the year ended 30 June 2015

	Notes	Actual 2015 \$000	Actual 2014 \$000
Balance at 1 July		19,672	11,111
Total comprehensive income and expense for the year		156	303
Capital contribution		-	8,258
Reclassification of equity	12	(18,313)	-
Balance at 30 June		1,515	19,672

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2015

	Notes	Actual 2015 \$000	Actual 2014 \$000
Operating Activities			
Receipts from customers		37,310	25,812
Interest received		156	233
Payments to employees		(17,051)	(12,550)
Payments to suppliers		(15,038)	(10,944)
Goods and services tax (net)		(703)	450
Net Cash Flow from Operating Activities	13	4,674	2,951
Investing Activities			
Purchase of property, plant, equipment and work in progress		(5,006)	(7,447)
Net Cash from Investing Activities		(5,006)	(7,447)
Financing Activities			
Share capital		-	1,108
Net Cash from Financing Activities		-	1,108
Net (decrease)/increase in cash and cash equivalents		(332)	(3,388)
Cash and cash equivalents at the beginning of the year		6,813	10,201
Cash and cash equivalents at the end of the year		6,481	6,813
Represented by:			
Cash and cash equivalents		6,481	6,663
Short-term deposits		-	150
Cash and cash equivalents		6,481	6,813

The accompanying notes form part of these financial statements.



notes to financials

Notes to Financial Statements

1. Statement of accounting policies

Reporting entity

TAS is a multi-parent subsidiary company owned by the six Central Region DHBs, which are Crown entities as defined by the Crown Entities Act 2004. The relevant legislation governing TAS operations is the Crown Entities Act 2004. TAS' ultimate parent is the Crown.

TAS' primary objective is to provide professional services to the NZ health sector. TAS does not operate to make a financial return.

TAS has designated itself as a public benefit entity (PBE) for financial reporting purposes. The financial statements for TAS are for the year ended 30 June 2015, and were approved by the Board on the 28 of October 2015.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of TAS have been prepared in accordance with Tier 1 PBE accounting standards. These financial statements comply with the PBE accounting standards. These financial statements are the first financial statements presented in accordance with the new PBE accounting standards. There are no material adjustments arising on transition to the new PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$000).

Standards issued and not yet effective and not early adopted

In May 2013 the External Reporting Board (XRB) issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. TAS has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. TAS will apply these updated standards in preparing its 30 June 2016 financial statements. TAS expects there will be minimal or no change in applying these updated accounting standards.

Summary of significant accounting policies

Revenue

The specific accounting policies for significant revenue items are explained below:

DHB funding

TAS is funded by the National and Regional DHBs. DHB revenue is recognised as revenue when it becomes receivable unless there is an obligation in substance to return the funds if conditions of the National or Regional Work Plans are not met. If there is such an obligation then the funding is initially recorded as revenue in advance and recognised as revenue when conditions of the Work Plans are met.

Provision of services

Services provided to third parties on commercial terms are exchange transactions. Revenue from these services is recognised in proportion to the stage of completion at balance date.

Interest revenue

Interest revenue is recognised using the effective interest method.

Foreign currency transactions

Foreign currency transactions are translated into NZ\$ (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

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 to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and cash equivalents

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

Debtors and other receivables

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

A receivable is considered impaired when there is evidence that TAS will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Investments

Bank term deposits

Investments in bank deposits are initially measured at the amount deposited.

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

Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, information technology and office equipment. Property, plant and equipment are 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 through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

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 surplus or deficit 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.

Costs associated with maintaining TAS' website 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 amortisation charge for each financial year is recognised in the surplus or deficit. 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

TAS does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash generating assets

Property, plant, and equipment and intangible assets that have a finite useful life are reviewed for 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 service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as 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.

Payables

Short-term 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 accrued up to balance date and annual leave earned but not yet taken at balance date.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Presentation of employee entitlements

Annual leave is classified as a current liability.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver 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:

- Contributed capital and
- Accumulated surplus/(deficit)

Goods and services tax

All items in the financial statements are presented 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.

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. Information Technology costs are allocated based on the number of machines allocated to each output. Property and other premises costs, such as maintenance, are charged on the basis of floor area occupied for the production of each output. People and other indirect costs are assigned to outputs based on the proportion of direct staff for each output.

There have been no material changes to the cost allocation methodology since the date of the last audited financial statements.

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. Other revenue

	Actual 2015	Actual 2014
	\$000	\$000
MOH revenue	2,359	1,507
Rental revenue	-	26
Gain on disposal	562	-
Other revenue	858	401
Total revenue	3,779	1,934

Gain on disposal relates to the write-back of depreciation on the transfer of the CRISP assets to DHBs

3. People costs

	Actual 2015	Actual 2014
	\$000	\$000
Salaries and wages	16,718	12,004
Defined contribution plan employer contributions	283	163
Increase/(decrease) in employee entitlements	194	115
Total personnel costs	17,195	12,282

Employer contributions to defined contribution plans include contributions to KiwiSaver.

4. Other expenses

	Actual 2015	Actual 2014
	\$000	\$000
Fees to auditor		
- Fees to Audit New Zealand for audit of financial statements	59	59
Office lease	392	347
Travel and transport	1,276	944
Consultancy	2,535	1,748
Information Technology	9,643	5,925
Legal Fees	334	347
Facility Reimbursements	996	502
Other	1,362	1,262
Total expenses	16,597	11,134

5. Cash and cash equivalents

	Actual 2015	Actual 2014
	\$000	\$000
Cash at bank and on hand	6,481	3,663
Term deposits with maturities less than 3 months	-	3,000
Total cash and cash equivalents	6,481	6,663

6. Receivables

	Actual 2015	Actual 2014
	\$000	\$000
Receivables (gross)	5,398	13,891
Accrued debtors	438	21
Less: provision for impairment	-	-
Total receivables	5,836	13,912
Total receivables comprises:		
Receivables from exchange transactions	5,836	13,912
Receivables from non-exchange transactions	-	-

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

	Actual 2015	Actual 2014
	\$000	\$000
Not past due	1,239	10,848
Past due 31 - 60 days	820	33
Past due over 60 days	3,777	3,031
Total	5,836	13,912

All receivables greater than 30 days in age are considered to be past due.

There are no impairment provisions for receivables (2013/14: nil).

7. Property, plant and equipment

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

	Leasehold improvements \$000	Furniture & office equipment \$000	Information technology \$000	Total \$000
Cost				
Balance at 01 July 2013	249	155	500	904
Additions	44	23	55	122
Disposals	-	-	-	-
Balance 30 June 2014	293	178	555	1,026
Balance at 01 July 2014	293	178	555	1,026
Additions	28	34	84	146
Disposals	-	-	(249)	(249)
Balance 30 June 2015	321	212	390	923
Accumulated depreciation and impairment losses				
Balance at 01 July 2013	65	70	137	272
Depreciation Expense	81	15	137	233
Depreciation Recovered	-	-	-	-
Balance 30 June 2014	146	85	274	505
Balance at 01 July 2014	146	85	274	505
Depreciation Expense	87	18	82	187
Depreciation Recovered	-	-	(93)	(93)
Balance 30 June 2015	233	103	263	599
Carrying amounts				
At 30 June and 1 July 2013	184	85	363	632
At 30 June and 1 July 2014	147	93	281	521
At 30 June 2015	88	109	127	324

Depreciation recovered of \$93k has been recognised as Other Revenue.

8. Intangible assets

Movements for intangible asset are as follows:

	Acquired software \$000	Internally generated software \$000	Total \$000
Cost			
Balance at 01 July 2013	30	3,619	3,649
Additions	25	-	25
Disposals	-	-	-
Balance 30 June 2014	55	3,619	3,674
Balance at 01 July 2014	55	3,619	3,674
Additions	75	-	75
Disposals	-	(3,619)	(3,619)
Balance 30 June 2015	130	-	130
Accumulated amortisation and impairment losses			
Balance at 01 July 2013	30	161	191
Amortisation Expense	1	308	309
Amortisation Recovered	-	-	-
Balance 30 June 2014	31	469	500
Balance at 01 July 2014	31	469	500
Amortisation Expense	21	-	21
Amortisation Recovered	-	(469)	(469)
Balance 30 June 2015	52	-	52
Carrying amounts			
At 30 June and 1 July 2013	-	3,459	3,459
At 30 June and 1 July 2014	24	3,150	3,174
At 30 June 2015	78	-	78

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

Amortisation recovered of \$469k has been recognised as Other Revenue.

9. Work in progress

The total amount of property, plant and equipment in the course of construction, which relates to software, is nil (2013/14: \$7,925,000).

10. Payables

	Actual 2015 \$000	Actual 2014 \$000
Creditors	5,307	5,209
Accrued expenses	1,221	543
Total payables	6,528	5,752
Total payables comprises:		
Payables from exchange transactions	6,394	5,752
Payables from non-exchange transactions	134	-

	Actual 2015 \$000	Actual 2014 \$000
Current portion of provisions		
Opening balance	116	-
Restructuring provision	-	116
Release of provision	(116)	-
Closing balance	-	116

11. Employee entitlements

	Actual 2015 \$000	Actual 2014 \$000
Current portion		
Accrued salaries	86	37
Annual leave	665	471
Key performance indicator accrual	66	99
Total employment entitlements	817	607

12. Reclassification of equity

During the year shareholder DHBs decided to take over ownership of the CRISP asset. This was a change to the previous ownership agreement and resulted in the reversal of capital contribution previously included in share capital.

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

	Actual 2015 \$000	Actual 2014 \$000
Net surplus/(deficit)	156	303
Add back non-cash items		
Depreciation and amortisation expense	(356)	543
Total non-cash items	(356)	543
Add/(less) movements in statement of financial position items		
Decrease/(increase) in receivables	7,373	(2,336)
(Increase)/decrease in prepayments	712	(798)
(Decrease)/increase in payables	843	1,209
Increase/(decrease) in employee entitlements	144	(89)
(Decrease)/increase in funds received in advance	(4,198)	4,119
Net movements in working capital items	4,874	2,105
Net cash flow from operating activities	4,674	2,951

14. Commitments

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

Capital Commitments

	Actual 2015 \$000	Actual 2014 \$000
Intangible assets	-	4,950
Total Capital Commitments	-	4,950

Operating Leases as Lessee

	Actual 2015 \$000	Actual 2014 \$000
Not later than one year	295	355
Later than one year and not later than five years	-	295
Later than five years	-	-
Total non-cancellable operating leases	295	650

A significant portion of the total non-cancellable operating lease expense relates to the lease of office space at Level 2&3, 186 Willis Street, Wellington. TAS has a three year right of renewal effective April 2016. TAS management has not yet decided whether to renew the current lease. 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.

15. Contingencies

TAS has no contingent liabilities or contingent assets. (2013/2014: Nil).

16. Related party transactions

TAS is a multi-parent subsidiary of a group of Crown Entities.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those reasonable to expect TAS would have adopted in dealing with the part at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaking on the normal terms and conditions for such transactions.

The following transactions are not at arm's length.

	Revenue		Accounts Receivable		Expenses		Accounts Payable	
	Year to June 2015	Year to June 2014	Year to June 2015	Year to June 2014	Year to June 2015	Year to June 2014	Year to June 2015	Year to June 2014
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Bay of Plenty DHB	771	960	2	2	97	10		-
Canterbury DHB	1,568	1,945	149	149	138	148		29
Capital & Coast DHB	4,095	7,071	1,393	4,998	220	381	40	6
Counties Manukau DHB	-	16	-	-	-	1		-
Hawkes Bay DHB	2,651	2,564	55	452	59	139	1	8
Hutt Valley DHB	2,371	4,353	1,883	3,175	59	-	7	-
Lakes DHB	350	436	67	67	3	-	3	-
MidCentral DHB	3,555	5,270	23	2,168	1	3		-
Nelson Marlborough DHB	514	629	(45)	12	-	-		-
Northern Regional Alliance*	5,031	6,200	-	-	622	128	52	-
Tairāwhiti DHB	179	222	-	-	-	-		-
Taranaki DHB	382	476	-	-	130	102	36	29
South Canterbury DHB	208	273	(20)	-	-	-		-
Southern DHB	1,216	1,252	25	44	6	-		-
Waikato DHB	1,225	1,516	-	233	3	-		-
Wairarapa DHB	750	777	18	230	-	1		-
West Coast DHB	127	159	(12)	-	-	-		-
Whanganui DHB	1,362	2,457	545	1,119	-	-		-

*Revenue is billed to Northern Regional Alliance on behalf of Auckland DHB, Counties Manukau DHB, Northland DHB and Waitemata DHB.

Key management personnel compensation

	Actual 2015	Actual 2014
Leadership team		
Remuneration	\$1,752,734	\$1,577,885
Full-time equivalent members	8.4	8.2

17. Board member remuneration

The total value of remuneration paid or payable to each Board member during the year ended 30 June 2015 was:

	Actual 2015 \$000	Actual 2014 \$000
Dr Jan White (Chairperson)	31	31
Murray Bain	16	14
Elaine McCaw	16	14
Deryck Shaw	16	14
Mary Bonner	-	5
Murray Georgel	3	-
Total Board member remuneration	82	78

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year.

TAS has provided a deed of indemnity to Directors for certain activities undertaken in the performance of TAS' functions.

TAS has taken its Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.

18. Employee remuneration

	Actual 2015	Actual 2014
Total remuneration paid or payable:		
100,000 - 119,999	9	12
120,000 - 139,999	19	13
140,000 - 159,999	3	3
160,000 - 179,999	3	3
180,000 - 199,999	1	-
200,000 - 219,999	1	2
220,000 - 239,999	1	1
240,000 - 259,999	1	-
260,000 - 279,999	-	-
280,000 - 299,999	-	-
Total employees	38	34

During the year ended 30 June 2015, one employee (2013/2014: nil) received compensation and other benefits in relation to cessation totalling \$29,313.

19. Events after balance date

There were no significant events after the balance date.

20. 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.

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. TAS' exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest. TAS does not actively manage its exposure to fair value interest rate risk.

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.

Credit risk

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

Due to the timing of cash inflows and outflows, TAS invests surplus cash with registered banks.

In the normal course of business, TAS is exposed to credit risk from cash and term deposits with banks and receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

TAS holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Liquidity risk

Management of 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.

TAS mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities

The table below analyses financial liabilities (excluding derivatives) into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000	Contractual cash flows \$000	Less than 6 months \$000	6-12 months \$000	Later than 1 year \$000
2014					
Payables (excluding funds received in advance and taxes payable)	5,752	5,752	5,752	-	-
Total	5,752	5,752	5,752	-	-
2015					
Payables (excluding funds received in advance and taxes payable)	6,394	6,394	6,394	-	-
Total	6,394	6,394	6,394	-	-

21. Capital management

TAS capital is its equity, which comprises accumulated funds, capital for which Class B Redeemable Shares were to be issued. Equity is represented by net assets.

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

TAS has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

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

Independent Auditor's Report

To the readers of the Central Region's Technical Advisory Services Limited's financial statements for the year ended 30 June 2015

The Auditor-General is the auditor of the Central Region's 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 of the Central Region's Technical Advisory Services Limited on her behalf.

Opinion

We have audited the financial statements of the company on pages 20 to 40, that comprise the statement of financial position as at 30 June 2015, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the company:

- present fairly, in all material respects:
 - its financial position as at 30 June 2015; and
 - its financial performance and cash flows for the year then ended; and
- have been prepared in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 28 October 2015. 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 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 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. 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. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, 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 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 adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

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

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 is responsible for the preparation and fair presentation of financial statements for the company, in accordance with Public Benefit Entity Reporting Standards.

The Board of Directors is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements 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, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 17 of the Public Audit Act 2001.

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

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