

2008

ANNUAL REPORT
christchurch^{ph}

vision

The Christchurch PHO will strive to maintain and improve the health of its population and will encourage access to effective health services that help reduce inequalities.

We will do this by ensuring services are of a high quality through effective communication. We will treat people with respect, valuing individual, different cultural and professional diversity.

We will seek to establish agreed goals and values and respect the rights of all who belong and subcontract to the organisation.

Guiding Principles

The guiding principles of the Christchurch PHO are:

- **Health Care** – in times of ill health, people should have ready access to skilled, competent and caring health professionals whom they know and trust
 - **Health Promotion** – the population should be encouraged to pursue a healthy lifestyle within a healthy environment
 - **Better Health** – emphasis will be given to health promotion to the whole population
 - **Innovation** – improving accessibility, affordability and appropriateness of services
 - **Excellence** – improving co-ordination and continuity of health care
 - **Resourcing** – providing and funding services according to the priority needs of the population
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Mihi

He mihi aroha ki a koutou, ngā iwi, ngā hapū, ngā whānau katoa.

Kind greetings to the iwi, hapū and all whānau.

Chair and Manager's Report

Christchurch PHO ended the 2007-08 financial year in an excellent position.

Christchurch PHO made sound progress in delivering a suite of health programmes and services to our population, primarily through our member general practices.

We are particularly proud of the achievements made in promoting Men's and Women's Wellness Checks, Youth Sexual Health, Smoking Cessation, Palliative Care and Diabetes Annual Checks.

Additional programmes this year included:

- Child Health Services
- Maori Health Services
- Discretionary Funding
- Chronic Disease Management
- Acute Packages of Care

While there is large and improving uptake of many of the available programmes, a number remain under utilised. Raising awareness and increasing uptake of these programmes is one of the PHOs priorities for the coming year.

Member practices

Our five contracted general practices provide the PHOs core primary health services, involving 32 GPs, 33 practice nurses, practice managers and administrative staff.

Christchurch PHO owes its success to our practice teams, which strive to deliver the highest standards of care.

Our role as a PHO is to support these practices. This year, we were delighted to appoint our own manager to enhance our work in improving health in our communities.

To this end we have continued to strengthen our relationship with community groups and organisations to develop initiatives that meet specific needs in our community.

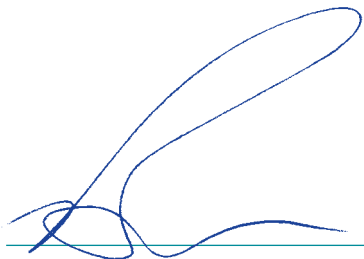
Strategic relationships

Christchurch PHO enjoys a collaborative working relationship with PHOs in Canterbury and throughout the South Island.

To streamline programme delivery, we have authorised some PHOs to manage a number of initiatives on our behalf. These include GP Liaison Roles, the Immunisation Programme and the Oral Health Programme.

In concert with Canterbury District Health Board (CDHB) and other PHOs, we are working hard to ensure our communities gain fast and fair access to a range of primary care services, in line with the MoH Primary Health Strategy 2001.

Thank you to all our members, from the Board to contracted practices, for your expertise, direction, support and practical input over the past year.



S Brown
Chair



Angus Chambers
Director

Member Practices

Burnside Medical Centre	368 Wairakei Rd	Burnside
Casebrook Surgery	12 Grampian St	Casebrook
Moorhouse Medical Centre	3 Pilgrim Place	Christchurch Central
Riccarton Clinic	6 Yaldhurst Rd, Church Corner	Riccarton
University Health Centre	90 Ilam Rd	Ilam

Organisational Structure and Governance

Christchurch PHO is a not-for-profit, limited liability company. Its governance board sets out strategic direction and organisational policy. It is responsible for ensuring the delivery of primary care services to our enrolled population.

The Board consists of eight members, providing the necessary diversity of expertise, background and skills.

- Chairperson
- 2 community representatives
- 2 Maori representatives
- 2 general practitioners
- 1 practice nurse

The current Board members are:

Stephen Brown	<i>Chairperson</i>
Julia Anderson	<i>Community representative</i>
Sharon McFarlane	<i>Community representative</i>
Manaia Cunningham	<i>Maori representative – Manawhenua ki Waitaha</i>
To be appointed	<i>Maori representative</i>
Joan Allerdyce	<i>GP representative</i>
Angus Chambers	<i>GP representative</i>
Megan Gerrard	<i>Practice nurse representative</i>

Population

As of 30 June 2008, Christchurch PHO has an enrolled population of 26,636.

Ethnicity				Age Group					
NZ European	Maori	Pacific Islander	Other	Under 6 yrs	6–18 yrs	19–24 yrs	25–44 yrs	45–65 yrs	Over 65 yrs
16827	1496	567	7746	1079	3038	8469	8138	4622	1290

Strategic Goals 2006-08

- Achieve the best possible health status for our population, working within accepted policy settings and available resources
- Reduce health inequalities within our area by targeting those with special needs and those with disabilities and chronic illness
- Establish and maintain excellent relationships with the communities we serve, acknowledging their geographic spread and ethnicity
- Establish and maintain excellent relationships with organisations and individuals contracted to deliver services, and with our funder, Canterbury District Health Board
- Work with key primary care providers within our area to achieve the highest level of integrated service provision, by way of an appropriately skilled and supported workforce
- Ensure that the services we contract for are of a high quality, and are an effective and efficient use of resources
- Be recognised by the Ministry of Health as a ‘high performing Primary Health Organisation’ according to valid criteria

Performance Management – PHO Performance Programme (PPP)

The PPP is a framework for accountability and ongoing performance improvement designed by primary health care representatives, DHBs and the MoH.

It seeks to improve the health of populations enrolled in PHOs and reduce inequalities in health outcomes through supporting clinical governance and rewarding quality improvement.

The Ministry of Health strategy encourages best practice in all fields of health delivery. Performance targets exist for the following categories:

- clinical indicators
- process indicators
- financial indicators

Since 1 July 2006, CDHB and Christchurch PHO has negotiated realistic, achievable targets on an annual basis. Christchurch PHO receives additional funding for each enrolled person according to its reaching these targets, as per the following scale:

- clinical indicators 60%
- financial indicators 30%
- process indicators 10%

Member practices are informed of their results in the PPP, and receive payment in accordance with these.

Results 2007-08

At the time of writing, Christchurch PHO has not yet received final performance results from the Ministry for the 2007-08 fiscal year. The mid-year results lead us to expect we could be very close to meeting and or exceeding most targets.

Christchurch PHO meets all of the pre-requisites to remain in the PPP.

Health Promotion and Services to Improve Access

Christchurch PHO offers the following programmes:

Careplus

- people with 2 or more chronic illnesses
- low cost access to care
- tailored to individual and flexible

Chronic Packages of Care (CPOC)

- tailored care packages
- specific to individual's needs
- ensure flexibility in providing care

Child Health Liaison

- assist practices to utilise current resources

Diabetes Annual Check

- free annual check for those diagnosed with diabetes (Type 1 or 2)

Discretionary Funding

- enables purchase of health-related services to those on low income

Language Line

- on-call translation service for NZ residents who don't speak English

Māori Health

The Māori Health Action Plan was approved by the Christchurch District Health Board late October 2007. We are now working on targeting 5 key initiatives to be achieved in the next 12 months.

Programmes targeted to Māori to reduce inequalities and barriers to access primary health care include

- Smoking Cessation
- Chronic Packages of Care for Māori
- Careplus

Men's and Women's Wellness Checks

- at-risk individuals, including Maori and Pacific Islanders
- free to men and women over 45 years and under 65
- haven't attended GP for 3 years

Mental Health

- Brief Intervention Co-ordination (BIC) – provide services for people with mild to moderate health issues
- Extended GP consultations – allow GPs to offer extended time with an individual

Palliative Care

- advise and support GP teams delivering end of life care

Smoking Cessation Programme

- available to people who want to stop smoking

Youth Sexual Health

- free consultations for young adults aged 16-20

Further programmes

Several programmes have been made available through collaboration with other South Island PHOs:

Acute Demand Service Co-ordination

- acute medical care package
- acute nursing services
- provide alternative to hospital care for certain acute conditions

Appetite for Life

- nutritional programme delivered by nurses for families with weight issues

Green Prescription

- exercise-based prescription for those wishing to become more active

Immunisation

- available for children and adults

Oral Health

- free oral health service for adolescents (Yr 9 to age 18)
- includes school leavers

Education Co-ordination

The CDHB has provided funding for a half-time Education Co-ordinator within CPHO. This funding is for one year and is to help provide education and training services for General Practice Teams, Non-Governmental Organisations (NGOs) and community providers within the PHOs.

Ongoing medical and nursing education activities help health professionals to maintain the competency requirements set out in the Health Practitioner Competence Assurance Act. This, in turn, is necessary for ongoing annual certification. Currently General Practice Team administration and reception staff, NGOs and community providers have very little, if any, activities addressing their needs.

Numerous services and contracts are being let for the provision of health services within the Primary Health Care sector of the CDHB. The Education Co-ordinator helps ensure all General Practice Teams, NGOs and community providers are aware of these services, the reporting requirements, and of the changes that occur within the CDHB and the Ministry of Health. The role is also responsible for helping to fill the education and training gaps of other primary health care service providers.

Our Education Co-ordinator, Alison Wilkie, is required to meet with other PHO education co-ordinators to reduce the duplication of education and training opportunities within the CDHB area.

Ongoing medical and nursing educational activities have continued throughout the year.

Christchurch PHO Limited

Financial Statements

for the year ended 30 June 2008

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Christchurch PHO Limited

Statement of Financial Responsibility

for the year ended 30 June 2008

The Directors are responsible for preparing the financial statements and ensuring that they comply with generally accepted accounting practice in New Zealand, and give a true and fair view of the financial position of the Company as at 30 June 2008 and the results of their operations for the year ended on that date.

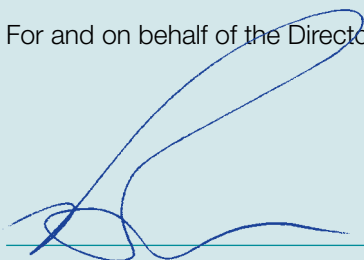
The Directors consider that the financial statements of the Company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance with generally accepted accounting practice in New Zealand.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of the Christchurch PHO Limited for the year ended 30 June 2008.

For and on behalf of the Directors:



S Brown

Chair

20 October 2008



Angus Chambers

Director

20 October 2008

Christchurch PHO Limited

Statement of Financial Performance

for the year ended 30 June 2008

	Note	2008 \$	2007 \$
Operating revenue		3,831,331	2,778,882
Total operating revenue		3,831,331	2,778,882
Operating expenses	1	3,781,868	2,727,302
Total operating expenses		3,781,868	2,727,302
Net operating surplus		49,463	51,580
Interest Income		33,871	10,746
Net surplus for the period		83,334	62,326

Christchurch PHO Limited

Statement of Movements In Equity

for the year ended 30 June 2008

	Note	2008 \$	2007 \$
Net Surplus		83,334	62,326
Total Recognised Revenues & Expenses		83,334	62,326
Equity at beginning of year		91,504	29,177
Equity at end of year		174,838	91,504

Christchurch PHO Limited

Statement of Financial Position

As at 30 June 2008

	Note	2008 \$	2007 \$
Equity		174,838	91,504
Current assets			
Cash and Bank	2	621,853	250,816
Accounts Receivable	3	126,703	90,668
Prepayments		3,186	3,348
GST Receivable		58,114	26,535
		<hr/>	<hr/>
		809,856	371,367
Non current assets			
Plant and Equipment	4	4,334	-
		<hr/>	<hr/>
		4,334	-
Total assets		<hr/>	<hr/>
		814,190	371,367
Current liabilities			
Accounts Payable	5	639,352	279,863
		<hr/>	<hr/>
Total liabilities		639,352	279,863
		<hr/>	<hr/>
Net assets		174,838	91,504

Christchurch PHO Limited

Statement of Accounting Policies

For the year ended 30 June 2008

Basis of preparation

The Christchurch PHO Limited is registered under the Companies Act 1993. These Financial statements have been compiled in accordance with the Companies Act 1993, the Financial Reporting Act 1993 and generally accepted accounting practice in New Zealand.

The measurement base is historical cost.

Differential reporting

In terms of the framework for differential reporting an entity is exempt from certain requirements of the financial reporting standards if it satisfies the criteria laid down in the framework; such an entity is called a qualifying entity.

The Company is a qualifying entity because it has no public accountability and is not large (as defined in the framework).

All differential reporting exemptions have been adopted, except FRS 19 Accounting for Goods and Services Tax, as the financial statements are prepared GST exclusive.

Plant and equipment

Plant and equipment is stated at cost and depreciated as outlined below.

Where an asset is disposed of, the gain or loss recognised in the statement of financial performance is calculated as the difference between the sale price and the carrying amount of the asset.

Depreciation

Depreciation is calculated on a diminishing value basis to allocate the cost of the asset, less any residual value, over its estimated useful life.

The rates are as follows:

Equipment	48% DV
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Revenue recognition

Revenue from contracts and interest is recognised in the Statement of Financial Performance as earned. Contract income for which service delivery is yet to occur is then transferred to the Statement of Financial Position and held as 'Reserve Funding'.

Accounts receivable

Accounts receivable are stated at estimated realisable value after providing against debts where collection is doubtful. Bad debts are written off during the period in which they are identified.

Income Tax

Christchurch PHO Limited is a charitable organisation and is therefore exempt from income tax under Section CW34 of the Income Tax Act 2004.

Goods and services tax

All amounts are shown exclusive of Goods & Services Tax (GST), except for accounts receivable and accounts payable that are shown inclusive of GST.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

Comparatives

Where applicable, certain comparatives have been restated to comply with the accounting presentation adopted for this year.

Notes to the Financial Statements

For the year ended 30 June 2008

	2008	2007
	\$	\$
1. Operating Expenses		
Audit Fees	3,924	2,825
Advertising	294	-
Bank Charges	108	79
Chairs Forum	1,153	520
Clinical Governance	3,036	3,274
Conference Expenses	1,403	622
Consultancy Fees	28,898	5,681
Contract Payments	3,475,133	2,466,952
Depreciation	181	-
Directors Fees	45,402	26,708
Directors Expenses	7,737	4,307
Education Meetings	113	-
Elective Waiting List	-	1,867
Electricity	1,866	-
General Expenses	199	488
Insurance	4,412	3,282
Legal Fees	583	2,041
Management Services	199,460	191,404
PHO Alliance Membership	1,000	-
Printing & Stationery	498	-
Project Officer - SIA/HP	3,159	11,615
Rental	2,600	4,750
Special Projects	327	887
Telephone & Tolls	382	-
	3,781,868	2,727,302

	2008	2007
2. Cash and bank balance	\$	\$
ASB Current Account	71,853	10,816
ASB Term Deposit	550,000	240,000
	<hr/> 621,853	<hr/> 250,816
	2008	2007
3. Accounts Receivable	\$	\$
Trade Receivables	118,863	81,278
Sundry Receivables	7,840	9,390
	<hr/> 126,703	<hr/> 90,668
	2008	2007
4. Plant and equipment	\$	\$
Computer Equipment & Plant		
Cost	4,515	-
Accumulated depreciation	181	-
Net book value	4,334	-
	<hr/> 4,334	<hr/> -
Total plant and equipment	4,334	-

	2008	2007
	\$	\$
5. Accounts Payable		
Trade Payables	100,652	108,403
Sundry Payables	538,700	171,460
	<hr/>	
	639,352	279,863

6. Commitments and Contingencies

As at 30 June 2008 the Christchurch PHO was not aware of any commitments or contingencies. (2007: nil).

7. Lease Commitment

The company is party to an agreement for a property. The commitments outstanding at year end are as follows:

	2008	2007
	\$	\$
Falling due within 1 year	9,244	-
Falling due after 1 year	1,541	
	<hr/>	
	10,785	-

8. Related Party Transactions

Christchurch PHO Limited is related to South Link Health Inc as a result of South Link Health being the sole shareholder of Christchurch PHO Limited. During the year South Link Health Inc provided Finance, Information Technology, Management and Education & Quality Improvement services to the PHO. These services were provided on a commercial basis. As at 30 June 2008 Christchurch PHO Limited owes South Link Health Inc \$29,488 (2007:\$60,269).

Dr S Brown, Dr A Chambers and Dr A Hawes who are directors of Christchurch PHO Ltd have received capitation and other payments from the PHO in their capacity as GP members of the PHO. All transactions have been carried out at arms length.

	2008	2007
9. Equity	\$	\$
Share Capital	1	1

As at 30 June 2008, 100 ordinary shares have been allocated to the shareholder and have been fully paid. All shares rank pari passu.

28 August 2008

The Directors
Christchurch PHO Limited
C/- South Link Health
Level 9
10 George Street
DUNEDIN 9016

Dear Directors

We formally consent to act as auditors of the Christchurch PHO Limited (the "Company") for the year ending 30 June 2008. This letter outlines the basis on which we accept this audit, and provides information about the audit services we will provide.

This letter, together with the **attached** standard terms and conditions, forms the entire agreement between WHK Taylors, the Company and the rights and duties of each party arise solely and exclusively under the agreement set out in this letter. Any variation of the terms of this letter shall be made in writing and will not be effective unless signed by a partner of WHK Taylors and a duly authorised representative of the Company.

We would be pleased to provide additional services compatible with our appointment. Such additional services would be undertaken by us pursuant to a further letter of engagement which would specify the scope of that appointment.

WHK TAYLORS RESPONSIBILITIES

It is our responsibility to examine and report to the Directors. Our audit will be conducted in accordance with New Zealand Auditing Standards. Our audit reports will be in the form prescribed by the Financial Reporting Act 1993 and New Zealand Auditing Standards.

RESPONSIBILITIES OF THE COMPANY

The Company and the Directors are responsible for:

- maintaining accounting records that:
 - correctly record and explain the transactions of the Company;
 - enable the financial position of the Company to be determined with reasonable accuracy at any time;
 - enable the financial statements of the Company to be readily and properly audited;
- preparing financial statements for the Company that comply with New Zealand generally accepted accounting practice as defined by the Financial Reporting Act 1993;
- making all explanations and information available to us, including minutes of all Directors meetings, that we may request;
- allowing us a right of access to the accounting records and other documents of the Company at all times;
- giving us notice of, and other communications relating to, all general meetings of the Company;
- notifying us of such further information including post balance date events that will or might have a bearing on our audit responsibilities;
- implementing an internal control structure to maintain the reliability of the financial statements of the Company. Because of the test nature and other limitations of an audit, it cannot provide an absolute assurance that there are no misstatements whether arising from fraud or error.

REPORTING TO MANAGEMENT

In the conduct of our audits, matters may come to our attention relating to weaknesses in internal control or areas where it may be possible to improve the efficiency or effectiveness of your operations. We may report any such matters of significance, but must emphasise that we will not be making an examination of internal controls except to the extent necessary to determine the nature, extent and timing of our audit procedures.

WHK TAYLORS STANDARD TERMS AND CONDITIONS OF BUSINESS

We accept this engagement on the basis that our WHK Taylors standard terms and conditions of business, as set out in Appendix 1, will apply to this work and govern our relationship with you.

This letter is the "Engagement Letter" as defined by our WHK Taylors standard terms and conditions of business.

We set out in clauses 14 and 15 of our WHK Taylors standard terms and conditions of business the principal limitations on our liability to you and the indemnities we seek from you.

USE OF AUDIT REPORT

Our audit opinion on the financial statements is intended for the benefit of those to whom it is addressed. The audit will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

CONFIRMATION

Please acknowledge receipt of this letter and your acceptance of all terms and conditions by signing the **enclosed** copy.

Please contact us if you require clarification of this letter.

Yours faithfully



Ross Smith
Partner

The Company and the Directors have accepted the audit arrangements detailed above.

For and on behalf of the Christchurch PHO Limited

Signed:



Date:

23/10/08

Christchurch PHO Limited

Directory

For the year ended 30 June 2008

Principal Business:	Primary Health Organisation
Address:	L2, 160 Bealey Avenue St Albans Christchurch
Directors:	J Anderson appointed: 20 Nov 2006 S Brown appointed: 1 Dec 2006 A Chamberlain resigned: Aug 2007 A Chambers appointed: 20 Nov 2006 M Cunningham appointed: 20 Nov 2006 A Hawes resigned: June 2008 M Hughes resigned: June 2008 S McFarlane appointed: 31 Jan 2007
Auditors:	WHK Taylors
Solicitors:	Anderson Lloyd Lawyers
Bankers:	ASB Bank

christchurchpho

L2, 160 Bealey Avenue, St Albans, Christchurch

www.chchpho.org.nz
