



HealthShare Limited

Report to Shareholding District Health Boards

Matters Arising November 2008

1. Finance - October 2008

For October 2008, HealthShare returned an operating deficit of \$183,323 against a budgeted \$0 surplus with a YTD deficit of \$205,197 (budget = Operational Budget 2008-09, matches SOI).

Expenses were \$20,088 under budget for the month. The key components being:

- Personnel & Outsourced \$12,640 under budget;
- Travel & Accommodation was \$8,179 over budget reflecting out of region air travel;
- Facilities were \$4,219 under budget; and
- IT Systems were \$5,899 under budget, relating to an over accrual in the 2007/08 year.

Revenue was \$195,343 under budget for the month the key components being that there was no DHB or audit invoicing in the period.

Cash position at month end was a surplus of \$8,418

a) Risk Compliance

There were no finance risks identified that required reporting to Shareholding DHBs.

2. Governance

a) General Compliance

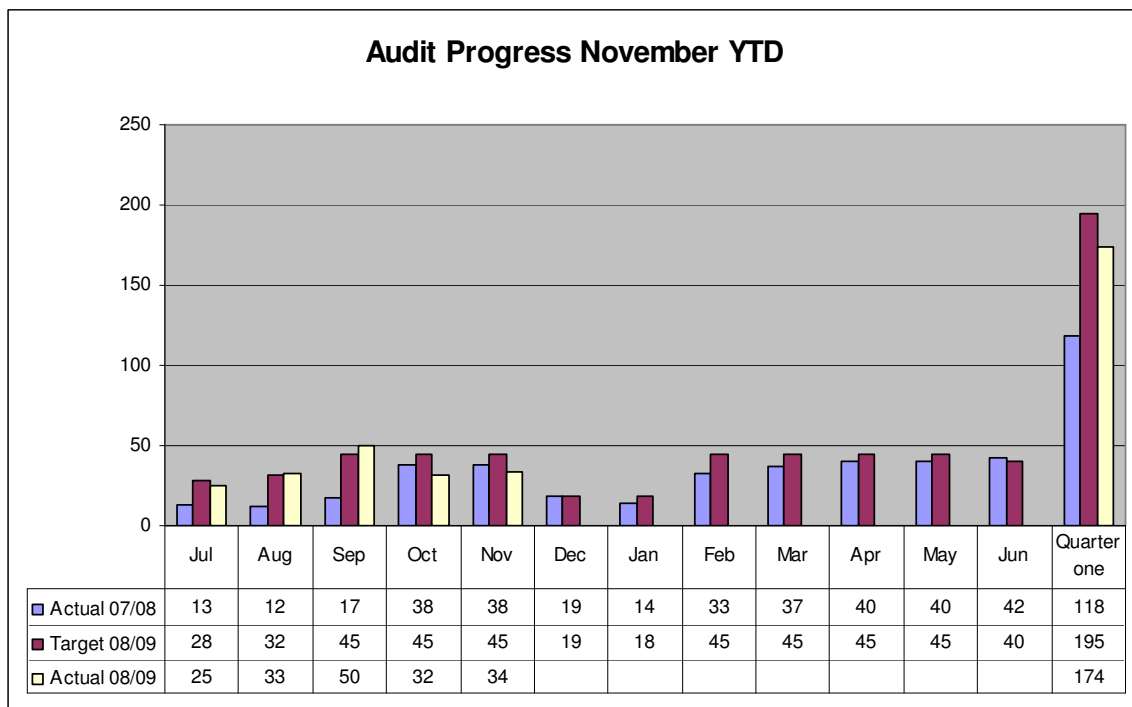
There are no compliance or administration risks identified, that require reporting to Shareholding DHBs.

3. Operations

a) **Service Level Agreement Performance**

Audit progress towards the 2008/09 Midland and Northern audit volumes November 2008 YTD, is summarised as follows:

	2008/09 Total
Midland Region	291
Added to the programme	3
Removed from the programme	6
Revised Total	288
Audits completed (November 2008 YTD)	98
Percentage of 2008/09 volumes completed	34%
Northern Region	141
Added to the programme	17
Revised Total	158
Audits completed (November 2008 YTD)	76
Percentage of 2008/09 volumes completed	48%



Auditing for the second quarter of 2008/09 is nearly complete and whilst the actual audit volumes are 10.8% less than the 2008/09 YTD target, they are 47% higher than the same period in the 2007/08 year.

b) Service Orientation

All operational staff are fully engaged with respective NGO Providers, DHBs, MoH and other SSA contacts.

There are no outstanding issues that require reporting to Shareholding DHBs.

4. Human Resources

a) Recruitment

There have been no resignations or recruitments in the reporting period.

b) Training and Development

Training in the core training requirements has continued in the month of November.

5. Regional Fees Review Committee

By 30 November 2008, sixteen requests for a review of Primary Health Organisation (PHO) fees had been received:

- Four PHOs subsequently withdrew from the process;
- Two reviews were referred back to the DHB, for a recalculation of their increase; and
- Ten reviews have been conducted, of which two increases have been recommended.

There were no fees reviews pending at the time of this report.

6. Research and Development

There are no outstanding issues requiring reporting to Shareholding DHBs.

**Helen Wood-Rowe
General Manager
HealthShare Limited**

HEALTHSHARE LTD

Summary Financial Report to Shareholding District Health Boards October 2008

STATEMENT OF FINANCIAL POSITION	Oct-08 Year to Date			12 month Budget \$
	Actual \$	Budget \$	Variance \$	
Equity	6,612	103,000	(96,388)	103,000
Current Assets	152,725	306,000	(153,275)	306,000
Current Liabilities	205,343	265,000	(59,657)	265,000
Net Working Capital	(52,618)	41,000	(93,618)	41,000
Non-Current Assets	59,231	62,000	(2,769)	62,000
Non-Current Liabilities	-	-	-	-
Net Assets	6,612	103,000	(96,388)	103,000

Oct-08			STATEMENT OF FINANCIAL PERFORMANCE	Oct-08 Year to Date			Original 12 month
Actual \$	Budget \$	Variance \$		Actual \$	Budget \$	Variance \$	Budget \$
4,055	207,467	(195,343)	Total Sources of Funds	324,895	794,672	(437,503)	2,398,503
147,739	160,379	12,640	Total Personnel & Outsourced	386,879	618,999	232,120	1,866,267
39,640	47,088	7,448	Total Operating Expenses	143,212	175,672	32,460	532,236
187,379	207,467	20,088	Total Expenses	530,092	794,672	264,580	2,398,503
(183,323)	0	(175,255)	Operating Surplus/(Deficit)	(205,197)	0	(172,923)	(0)

Oct-08			STATEMENT OF CASHFLOWS	Oct-08			12 month Budget \$
Actual \$	Budget \$	Variance \$		Actual \$	Budget \$	Variance \$	
97,664	188,010	(90,347)	Operating Cashflows				
			Cash was provided from DHBs and MoH	642,419	799,667	(157,247)	2,399,000
231,139	186,543	(44,596)	Cash was provided to employees and suppliers	762,426	794,333	31,907	2,383,000
(133,475)	1,467	(134,943)		(120,007)	5,333	(125,340)	16,000
			Financing Activities				
				-	(3,000)	(3,000)	(9,000)
(133,475)	1,467	(134,943)	Net increase/(decrease) in cash held	(120,007)	2,333	(128,340)	7,000
8,418	62,034	(53,616)	Closing Bank & Short Term Investment Balance	8,418	79,333	(76,915)	84,000