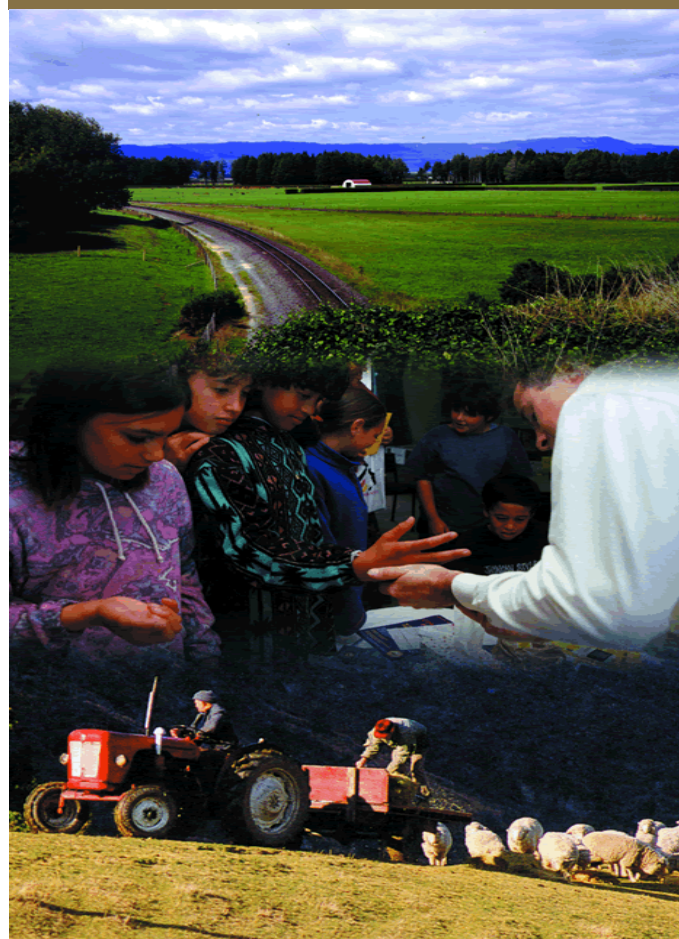




New Zealand Institute of Rural Health

Te Putahi Hauora ki te Taiwhenua



Annual Report
July 2004 - June 2005

New Zealand Institute of Rural Health

9 Anzac Street
Cambridge

Tel: 07 823 9274
Fax: 07 823 9268

For more information, visit our website:

www.nzirh.org.nz

Some of the information to be found on our website:

Our Trustees & Staff

More information about our staff and trustees and their involvement in rural New Zealand

Research

Information about research programmes being conducted and result of past research

Training & Education

Notices about forthcoming workshops and scholarship programmes

Community Involvement

Preliminary information on institute activity

Working Rurally

Interested in working in rural New Zealand?

News

New developments and items of interest

Vision

To promote a healthy future for rural people living in New Zealand and partnering with rural communities to seek to establish a sustainable and effective health system.

Mission

Partnering with the community to build a healthy rural future.

Values

- Respect
- Professionalism
- Partnership
- Cultural responsiveness
- Integrity
- Independence



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Sponsors

THE INSTITUTE ACKNOWLEDGES
WITH THANKS THE FOLLOWING
SPONSORS:



The Institute's first and major sponsor



Joint sponsor in establishing the Institute of Rural Health



THE UNIVERSITY OF AUCKLAND
NEW ZEALAND

Joint sponsor in establishing the Institute of Rural Health



Professor Gregor Coster

*Dean of Graduate Studies, Faculty of
Medical & Health Sciences,
University of Auckland.*

*With a background in general
practice, Professor Coster is
currently working to increase the
rural experience in the medical
curriculum as a long term recruitment
strategy to the rural health workforce.*

*He is a Director of PHARMAC and
Chairman of the West Coast District
Health Board.*

Chairman's Message

The 2004-2005 year has seen significant development for the Institute. Trustees took the strategic step of extending the scope of the Institute to include the South Island and thus the Institute became a national organisation. With this initiative came a name change to the New Zealand Institute of Rural Health. Early initiatives in the South Island began at governance level in the Institute with the University of Otago and the Otago District Health Board being invited to each take a position on the Board of the Institute. The nationalisation and the inclusion of the two South Island entities has strengthened the Institute which now sees the two leading universities educating medical and other health science graduates and the largest District Health Board funders and providers of rural services, in the North and South Islands with formal links to the Institute.

During the past year achievements have included:

- Continuing work with Rural Communities to maintain and advance health services.
- Rural student initiatives included: sponsorship of the 'Grassroots' Student Club; awarding of \$70,000 of scholarships; school careers programme.
- Securing of a Clinical Training Agency contract to deliver the Post Graduate Diploma in Health Sciences (Advanced Nursing) Primary Health Care - Rural Focus over three years. Contract value \$2,486,000.
- Delivery on the Professional Development Facilitation Service contract.
- Delivery of regional workshops for health professionals.
- National coordination of the CARPA project - which involves review and publication of this standard treatment manual.

Much of this work has been delivered in conjunction with other rural sector agencies, education institutions, and rural communities.

The Institute has again this year been sponsored by the Gallagher Group and the support of this major rural focused corporate continues to be vitally important to and much valued by Trustees and staff.

Securing of funds to continue the work of the Institute remains a high priority for Trustees. Founding sponsors Waikato District Health Board and University of Auckland have completed initial sponsorship commitments and the Trustees wish to acknowledge the role that these two organisations have played in establishing and supporting the ongoing activities of the Institute.

The Right Honourable James Bolger, ONZ, has continued as Patron of the Institute and his input and knowledge of New Zealand and the rural sector has added much value.

During the year there have been changes of Trustees. Professor John Campbell resigned and was replaced by Associate Professor Jim Reid, Head of the Department of General Practice, Dunedin School of Medicine. Dr Tim Molloy resigned in June 2005 and Mr Brian Rousseau, CEO Otago District Health Board was appointed in December 2004. I also have resigned as Trustee and Chairman having been a Trustee since the inception of the Institute. I would also like to express my thanks and appreciation to Robin Steed, CEO, and the staff of the Institute for their dedication and hard work on behalf of rural communities and rural health professionals. My grateful thanks to all Trustees, past and present, for their commitment and dedication to the Institute. I wish the Institute every success for the future.



Gregor Coster
Chairman

NZ Institute of Rural Health - Board of Trustees



Dr Jan White

(Waikato District Health Board nominee)

Chief Executive Officer of the Waikato District Health Board and currently Chair of the New Zealand group of District Health Board Chief Executive Officers. She is a member of the DHBNZ Executive and has extensive experience in senior health sector reforms, positions and restructuring of health services in both Australia and New Zealand. She is a Trustee on the Waikato Health Trust, a Director of HealthShare Ltd, Mental Health Building Ltd and Director, Health Services Welfare Society.



Dr Paratene Ngata

(Rural General Practitioner)

Senior Medical Advisor and general practitioner working with Ngati Porou Hauora in Tolaga Bay. An experienced general practitioner, Dr Ngata spent four years in the Ministry of Health as the Community Medicine Registrar. Highly respected within his profession, he is a founding member of the Maori faculty of the Royal New Zealand College of General Practitioners. A major professional focus for many years has been involvement in designing programmes to stop violence and abuse. Dr Ngata is a Trustee on Hauora.com and the Tairāwhiti Community Trust.



Dr Tim Malloy

(Resigned June 2005)

Chairman of the New Zealand Rural General Practice Network Inc which is the national organisation of rural doctors and primary care nurses. He has been a rural general practitioner in Northland for over 16 years and has recently been working with the Ministry of Health to implement a range of strategies to retain and return general practitioners to rural New Zealand. Dr Malloy is Chairman of the Rural General Practice Consortium Inc (Northland), GP representative on the NZ Medical Association GP Council and Adviser to the Ministry of Health.



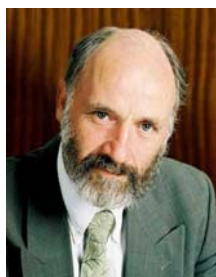
Associate Professor Judy Kilpatrick

Head of School of Nursing Faculty of Medical & Health Sciences at the University of Auckland, Associate Professor Kilpatrick has experience through all branches of nursing and is immediate past Chairperson of the New Zealand Nursing Council. She is a Board member of the Centre for Evidence Based Nursing for both Counties Manukau and Auckland District Health Boards, a member of the Ministry of Health's New Prescribers Advisory Committee and a member of NZ Nursing Council's Nurse Practitioner Appeals Committee.



Sherrill Dackers

National President of Rural Women New Zealand which has the mission statement "to strengthen rural communities". She lives in Whangarei and has represented the Kaurilands Regions - from Pukekohe to Cape Reinga - on the National Council of Rural Women New Zealand for five years, four years of which she has served as the National Health Convenor. As well as being a Trustee she is on the Consumer Reference Group for the Cervical Screening Programme and Breastscreen Aotearoa and was recently on the Expert Advisory Committee on the Implementation for the Extension of Breastscreening for the ages 49 to 65 years.



Professor A John Campbell
(resigned December 2004)

Dean of the University of Otago Faculty of Medicine. He is a physician with a particular interest in geriatric medicine. He is consultant with the Otago District Health Board and involved also with clinical teaching and research. Professor Campbell is also the President of the Medical Council of New Zealand. He has extensive experience from working on a number of Government and WHO Committees and expert groups.



Associate Professor Jim Reid
(Appointed December 2004)

Jim Reid graduated in medicine at the University of Otago Medical School in Dunedin New Zealand. He had previously trained as a pharmacist. He undertook Postgraduate work at the University of Miami in Florida. Currently he heads the Department of General Practice at the Dunedin School of Medicine and he is also Associate Dean for Postgraduate Education. The Department of General Practice is responsible for the teaching of rural medicine to undergraduate students and runs a popular and successful programme.

Jim is a Fellow of the Royal New Zealand College of General Practitioners and is also a Fellow of the American College of Chest Physicians. He has a special interest in Respiratory Medicine and has published widely in Asthma and COPD. He is a member of the Medical Advisory Panel of the Asthma and Respiratory Foundation and is a Director of the Best Practice Advocacy Centre New Zealand.

He is active in research in respiratory medicine and has had wide international lecturing experience.



Mr Brian Rousseau
(Appointed December 2004)

Brian Rousseau is Chief Executive of Otago District Health Board. Brian joined the New Zealand health services from the South African pharmaceutical industry in 1994. An industrial pharmacist and Master of Business Administration Graduate, Brian has a special interest in development of sustainable rural healthcare delivery models, with particular emphasis on human resources development and quality systems. Brian was recently appointed to the Minister of Health's Doctors in Training Roundtable.

Chief Executive's Report



It is my pleasure to present the Chief Executive's Report for 2004-2005. The year began with the renaming of the organisation to the New Zealand Institute of Rural Health to align with the nationalisation of the Institute. This strategic development posed challenges for the small core staff of the Institute as some resistance to nationalisation was experienced from the sector.

The Institutes South Island focus at this time is to work closely with District Health Boards and Universities in our approaches to rural communities. While work with rural communities in the North Island continues with the Institute responding directly to requests from rural communities for assistance.

Funding the Institute on an ongoing basis has been a focus of the year with a disappointing response from rural corporate New Zealand to a planned fundraising campaign. Feedback from this sector consistently raised the question "shouldn't the work of the Institute be publicly funded". Ironically, it was disappointing that despite lengthy negotiations by the Institute and other rural sector agencies that public funding previously allocated to the Rural Directors contract and the rural sector was not released to be utilised in the sector during the year. This meant that the Institute funded its rural community support service from internal funding which placed some risk to the responsiveness of this service.

The Professional Development Facilitation service contract was renewed, and it was with a sense of real loss that the Institute farewelled Dr Iain Hague from his role as Professional Development Facilitator. Iain had been with the Institute since its inception and his energy and passion will be missed not only here at the Institute but by the rural health sector generally where he contributed to many organisations. We wish him well in his new role based in Port Headland, Western Australia. The Institute now has a number of staff delivering on the Professional Development Facilitation contract including Dr George Tripe, Mrs Kim Gosman and Ms Mia Carroll.

Delivery began on the Clinical Training Agency funded Post Graduate Diploma in Health Sciences (Advanced Nursing) Primary Health Care - Rural Focus. This contract secured by the Institute is delivered in conjunction with University of Auckland and provides for 60 rural nurses to undertake studies in a flexible learning model over a period of two years. The funding for each participant includes payment of fees, travel, accommodation and work release when attending lectures and undertaking clinical experience. The first intake of 20 participants began in July 2004 with the second intake expanded to 30 participants beginning in January 2005. There has been positive feedback on the programme thus far and the Institute is hopeful of negotiating a further contract beyond the 2006 intake. Staff changes during the year have seen Dr Joyce Hendricks resign and Ms Mia Carroll, who is a joint appointment with the University of Auckland taking up the post of Senior Lecturer of Nursing, with responsibility for the coordination of the Post Graduate Diploma in Health Sciences (Advanced Nursing) Primary Health Care - Rural Focus.

The Institute has responded to a request from a group of rural clinicians to undertake national coordination of the CARPA project. The Central Australian Rural Practitioners Association (CARPA) publish a manual for use of health practitioners in rural and remote Australia. A workshop sponsored by Otago DHB in February 2005 established an Editorial Committee to 'New Zealandise' the CARPA manual to support rural practitioners in New Zealand. The Institute is pleased to be involved with the CARPA project and is working with the Editorial Committee toward a publishing date for 'Kiwi CARPA' in mid 2006. Associate Professor Ron Janes resigned from his joint Institute/University of Auckland post and this role is currently being advertised. I am happy to say that Ron has continued his links with the Institute through project work.

Research has continued to be undertaken by the Institute either using our own resources or in conjunction with the University's of Auckland and Otago.

The latter part of the year saw the Institutes North Island office relocating from Hamilton to Cambridge. With a name change and address change through the year I do want to acknowledge the extra work this has meant for our administrative staff.

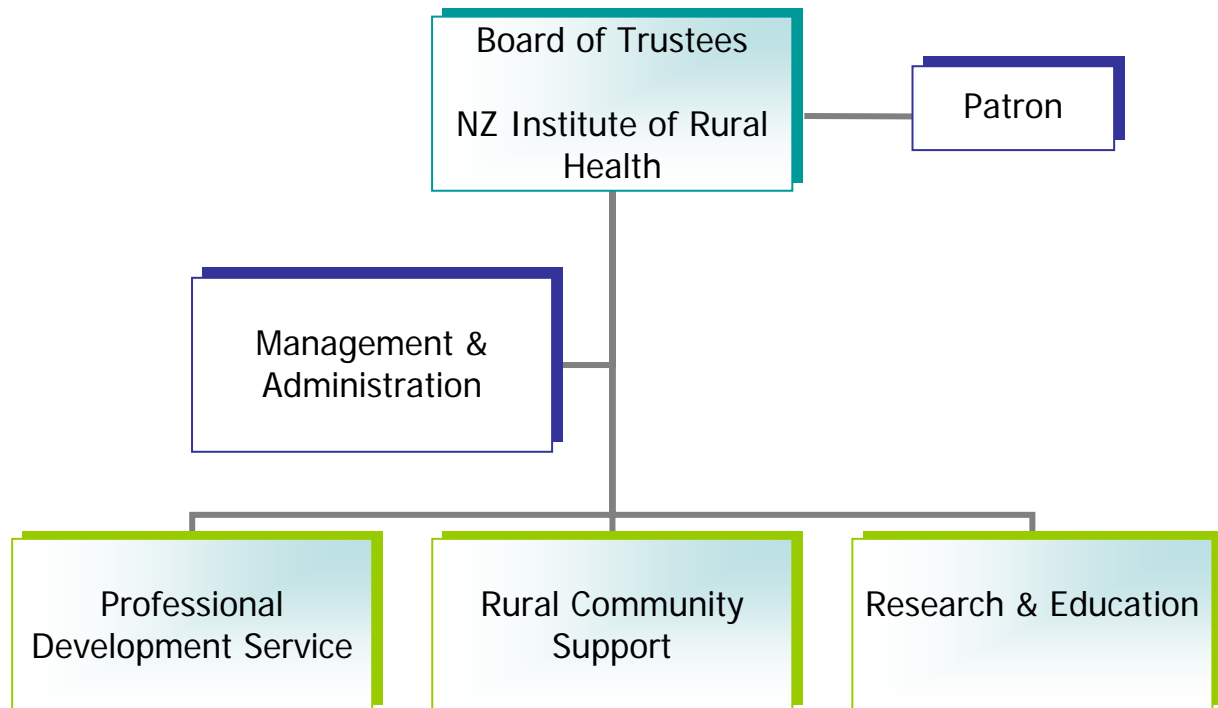
To the professional staff goes my thanks for your continued efforts. You are the face of the Institute and the standard and quality of the services you continue to deliver is of significant support to your rural colleagues and the communities in which they live.

I would finally like to record the thanks of staff to the retiring Chairman, Professor Coster. Gregor has been a driving force in the vision, creation and running of the Institute over a period of several years and his contribution has been immeasurable.

A handwritten signature in dark ink, appearing to read 'Robin L Steed'. The signature is fluid and cursive, with a large initial 'R'.

Robin L Steed
Chief Executive

STRUCTURE



In May 2005 the Institute moved to 9 Anzac Street Cambridge. The premises provide a North Island rural base for management and administration staff.



Administration staff Maree Wells & Jullaine Vernall outside the new Institute premises

RURAL COMMUNITY SUPPORT

An exciting opportunity to provide rural community support has seen the Institute involved in the CARPA project. In response to requests from rural practitioners in the Otago, Southland and West Coast regions, the Institute has undertaken the National Coordination of the New Zealand review and printing of Central Australian Rural Practitioners Association (CARPA) Standard Treatment Manual. The Chief Executive of the Institute and the convenor of the Editorial Committee, Kate Baldwin, Director of Nursing, Otago DHB, travelled to Alice Springs to sign Memorandums of Understanding with CARPA and fellow organisation CRANA (Council of Remote Area Nurses of Australia) to allow free flow of information for the New Zealand work.

The work of the Institute has continued in rural communities with an increasing interaction with Iwi providers occurring. Support has been offered through facilitation of workshops, project activity, mentoring and support for service delivery.

The Taihape Case Study is an example of this activity in one rural community.



CARPA Convenor Fran Vaughan & Chief Executive Robin Steed sign the Memorandum of Understanding in Alice Springs

Retention of locum medical services is a problem common to many rural districts. Just over two years ago, in the case of the Taihape Medical Centre, now the Taihape and District Medical Trust, it had reached crisis point.

Here, faced with no solution to recruitment deterrents such as after hours on call requirements, isolation, lack of peer support and family lifestyle requirements, the Trust was faced with the very possibility of closing its door. In the first instance NZIRH were able to assist in providing short-term locum support and doctor supervision to address the immediate problem. Since then the Institute has also worked closely with Taihape and the District Medical Trust to formulate a strategy aimed at delivering a long term solution to the problem. This work has included preparation of a report to Whanganui DHB which details the likely social impact on the region from disintegration of the integrated model of health service in Taihape. At the same time the Institute also helped facilitate planning and education workshops about the role of Rural Nurses, the shape of the new health team and the benefits this group can delivery for regions such as Taihape.

As Di Valentine, Chair of Taihape and District Medical Trust notes, "the NZIRH provided invaluable advice and mentoring to our team, particularly regarding the development of systems and protocols. They also provided the opportunity to discuss all relevant issues specific to our situation here in Taihape."

Although there is still some way to go Taihape's healthcare services are now in a stable position.

PROFESSIONAL DEVELOPMENT SERVICE

This service contract was secured at the time the Institute was established and continues to deliver support to rural practices in the North Island (excluding Northland) some 3 years on. Initially very focused on general practitioners and practice nurses. This service has now expanded to embrace other providers of services. Over the year contact was made with 100% of rural practices in the contract area either through face-to-face contact or by mail. Additionally, staff have been working with Iwi organisations and local Trusts, primarily on the development of nursing models to reflect service provision and provide a professional development pathway. Workshops have been targeted to specific identified need and have included:

- Management of sick children in a rural setting
- Working as a team to deliver rural health services
- Focus on cardiology
- Telephone triaging

Dr George Tripe
Professional Development Facilitation
Service



Mrs Kim Gosman
Professional Development
Facilitation Service



Having worked with students in the upper North Island to establish the rural student club Grassroots it is pleasing to report that over this year the students have taken strong ownership of the club and formed links with the clubs at Dunedin, Christchurch and Wellington. Plans for the 2005-06 year are to establish a rural student club based in Hamilton around the Waikato Clinical School and the Waikato Institute of Technology (Wintec).

With the School Careers Service establishing in the Waikato during the year the Institute will be approaching other District Health Boards next year to support such initiatives where with the facilitation of the Institute, school students are matched with current students studying health sciences to further develop their interest in taking up health sciences as careers.

In the Waikato region the Institute offers a total of \$60,000 in scholarships to undergraduate health science students to assist with education and to post graduate health professional to further their studies and development. These Scholarships are awarded annually.

RESEARCH & EDUCATION

Research projects completed during the year have been:

- Barriers to National Screening Programmes (Janes, Buetow, Elley, Ihimaera, Steed)
- Indicators to Measure a 'Health Community' - A Literature Review (Hendricks, Janes, Coster, Steed)

Two reports have been submitted for publication and staff have continued to present at conferences, meetings and rural forums.

The Institute has had the opportunity to deliver on a unique post graduate opportunity for New Zealand's Rural Nurses. The Post Graduate Diploma in Health Sciences (Advanced Nursing) Primary Health Care - Rural Focus is now in its second year. Interest from rural nurses continues to grow. Developed as a part time 2 year diploma by the University of Auckland School of Nursing, the course offers a variety of practical and theory work to extend nurses current knowledge, skills and practice in the specialty areas of primary health care nursing in the rural sector. The programme has been designed to prepare nurses in rural settings with advanced practice competencies and forms part of the Master of Nursing, which is approved by the Nursing Council of New Zealand as preparation for Nurse Practitioner status.

"We expect that these graduates will make a major contribution in easing the severe workload currently confronting our rural practitioners," says Mia Carroll, Coordinator of the programme. Jackie Morris, currently one year into the course commented, "it's been exhilarating, is applicable to my current job and it has certainly raised my skill levels." Jackie who is the practice nurse at the Tarawera Medical Centre in Kawerau believes that the Post Graduate Diploma has helped her become aware of the wider issues associated with primary healthcare and believes it will impact greatly on her ability to assist in health promotion, diagnosis and care. She has also appreciated the support provided by New Zealand Institute of Rural Health, especially their help in the organisation of accommodation and travel. "It's been a wonderful opportunity and although it takes some time I'm really enjoying it." These thoughts are also shared by Lucretia Oldham, a nurse manager in the Chatham Islands and now into her second year. Lucretia comments, "I'm due to graduate in '06, and I believe that the better understanding I have gained in primary healthcare will provide many benefits for our very isolated community."



Ms Mia Carroll
Senior Lecturer in Nursing
Coordinator of Post Graduate
Diploma



Post Graduate Diploma participants at
an informal session with Dr Joyce
Hendricks

Financial Statements

STATEMENT OF FINANCIAL PERFORMANCE for the Year Ended 30 June 2005

	Notes	2005 Actual \$	2005 Budget \$	2004 Actual \$
Revenue		1,508,243	1,302,518	621,732
Expenses		967,883	1,263,886	616,360
Net Operating Surplus (Deficit)	1	540,360	38,632	5,372

STATEMENT OF MOVEMENT IN EQUITY for the year ended 30 June 2005

	Notes	2005 Actual \$	2005 Budget \$	2004 Actual \$
Opening Balance July 1		370,181	370,181	364,809
Net Operating Surplus for the year		540,360	38,632	5,372
Closing Balance June 30		910,541	408,813	370,181

The accompanying accounting policies and notes form an integral part of these financial statements.

Financial Statements

STATEMENT OF FINANCIAL POSITION as at 30 June 2005

	Notes	2005 Actual \$	2005 Budget \$	2004 Actual \$
Trust Capital	2	200	200	200
Retained Surplus		910,341	408,613	369,981
Public Equity		910,541	408,813	370,181
<i>Represented by:</i>				
Current Assets				
Cash Deposits	3	1,000,668	524,770	379,365
Receivables and Prepayments	4	122,267	100,000	642,191
Total Current Assets		1,122,935	624,770	1,021,556
Current Liabilities				
Accounts Payable	5	128,905	125,000	85,959
Income Received in Advance		121,140	120,000	580,459
Total Current Liabilities		250,045	245,000	666,418
Net Working Capital		872,890	379,770	355,138
Non-Current Assets				
Fixed Assets	6	37,651	29,043	15,043
Total Non-Current Assets		37,651	29,043	15,043
Net Assets		910,541	408,813	370,181



Chairman of the Board of Trustees
of the NZ Institute of Rural Health

Date: 16 November 2005



Trustee of the NZ Institute of Rural Health

Date: 16 November 2005

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Accounting Policies

For the year ended 30 June 2005

Reporting Entity

These financial statements are for the New Zealand Institute of Rural Health.

The New Zealand Institute of Rural Health is incorporated under the Charitable Trusts Act 1957. The Institute's financial statements are general purpose financial statements that have been presented in accordance with the Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand, and as required by the Trust Deed.

Measurement Base

The general accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis have been followed.

Specific Accounting Policies

The following specific accounting policies that materially affect the measurement of financial performance and the financial position have been applied.

- (a) **Recognition of Income**
Interest and donations are recognised on an accrual basis.
- (b) **Accounts Receivable**
Accounts Receivable are stated at their anticipated realisable value. Bad debts are written off during the year as they are identified.
- (c) **Investments**
Investments are stated at the lower of cost and net realisable value.
- (d) **Income Tax**
The Institute is deemed to be a Charitable Trust and therefore is not subject to income tax.
- (e) **Goods and Services Tax (GST)**
The financial statements have been prepared on a GST exclusive basis. All items in the Statement of Financial Performance have been recorded exclusive of GST with the exception of Accounts Receivable, Income Received in Advance, and Accounts Payable, which are recorded in the Statement of Financial Position inclusive of GST. GST owing to or by the entity at balance date is recorded in the Statement of Financial Position, and has been determined on an accruals basis.
- (f) **Financial Instruments**
Financial instruments in the statement of financial position include cash balances, receivables and payables.
- (g) **Depreciation**
Depreciation has been calculated to allocate the cost or valuation of assets over their estimated useful lives at the following rates:

Plant and Equipment	22% to 48% DV
Furniture, Fixtures, Fittings	11.4% to 31.2% DV
Domain Name	10% SL
- (h) **Differential Reporting**
The Institute qualifies for differential reporting as it is not publicly accountable, and is not large as defined in the Framework for Differential Reporting. The Institute has taken advantage of all available differential reporting exemptions..
- (i) **Changes in Accounting Policies**
There have been no changes from the accounting policies adopted in the last audited financial statements. All policies have been applied on a basis consistent with the previous period.

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 June 2005

1 Net Operating Surplus

	2005	2004
After Charging:		
- Audit Fees	3,500	3,525
- Depreciation on Fixed Assets	13,340	5,759
- Board of Trustees Remuneration	10,000	7,083
- Rental & Operating Lease costs	5,902	10,441
After Crediting:		
- Interest	40,037	21,464
- Donations	25,000	25,000

2 Trust Capital

Opening Trust Capital Balance	200	200
Closing Trust Capital Balance	200	200

3 Cash Deposits

BNZ Cheque Account - 000	2,855	2,695
BNZ Cheque Account - 002	97,214	0
BNZ Business Advance Call Account	242,724	376,670
BNZ Term Investment @ 6.4% matures 15/9/05	250,000	0
BNZ Term Investment @ 5.25% matures 07/07/05	101,518	0
BNZ Term Investment @ 6.49% matures 27/08/05	306,357	0
	1,000,668	379,365

4 Receivables and Prepayments

Accounts Receivable	121,527	642,191
GST Receivable	740	0
	122,267	642,191

5 Accounts Payable

	2005	2004
Accounts Payable	127,122	11,955
Credit Card Account	1,783	0
GST Payable	0	74,004
	128,905	85,959

6 Fixed Assets

	2005			2004		
	Cost/Value	Accum Depn	Book Value	Cost/Value	Accum Depn	Book Value
Furniture, Fixtures, Fittings	5,107	252	4,855	269	61	208
Plant & Equipment	61,938	29,764	32,174	31,508	16,673	14,835
Domain Name	679	57	622	0	0	0
	67,724	30,073	37,651	31,777	16,734	15,043

Depreciation	2005	2004
Furniture, Fixtures, Fittings	191	28
Plant & Equipment	13,092	5,731
Domain Name	57	0
	<hr/> 13,340	<hr/> 5,759

7 Commitments as at 30 June 2005

Lease commitments under non-cancellable operating leases:

	2005	2004
No later than one year	14,820	0
Later than one year and not later than two years	12,350	0
Later than two years	0	0
	<hr/> 27,170	<hr/> 0

The New Zealand Institute of Rural Health has entered into a lease agreement for a property situated at 9 Anzac Street, Cambridge. The lease has a renewal date of 1 May 2007, with a final expiry on 30 April 2010.

8 Contingent Liabilities as at 30 June 2005

There were no known contingent losses or gains outstanding as at 30 June 2005 (30 June 2004: Nil).

9 Related Party Transactions

The Institute received grants from the Waikato District Health Board and the University of Auckland.

The following related party transactions occurred during the year:

- a. Some administration costs of the Institute were borne by the Waikato District Health Board in the period July to September 2004. These related primarily to winding up the 2003-04 financial year.
- b. Some cash surpluses were invested with the Waikato District Health Board during the period July through September 2004. The balance of funds invested with the Waikato District Health Board is \$Nil (2004 - \$376,670).
- c. Interest on the cash advances to Waikato District Health Board totalled \$1,154 (2004 - \$21,464).

	2005	2004
	\$	\$
d. Revenue received from Waikato District Health board	273,680	33,658
e. Revenue received from the University of Auckland	12,834	25,000

10 Board of Trustees Remuneration

	2005	2004
Remuneration paid to the Board members	10,000	7,083
Other Expenses	3,369	1,312

The Board of Trustees fees were apportioned as follows:

Dr Tim Malloy	5,000	5,000
Mrs Sherrill Dackers	5,000	2,083
	<hr/> 10,000	<hr/> 7,083

11 Subsequent Events

The New Zealand Institute of Rural Health changed its name from the Institute of Rural Health Board on 15th July 2005. These financial statements have been issued under the new name of New Zealand Institute of Rural Health.

There are no other matters or events that have arisen, or been discovered, subsequent to balance date that would require adjustment to, or disclosure in these financial statements.

AUDIT REPORT
TO THE READERS OF
THE NEW ZEALAND INSTITUTE OF RURAL HEALTH'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of the New Zealand Institute of Rural Health (the Institute) under section 14 of the Public Audit Act 2001. The Auditor-General has appointed me, M G Taris, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Institute, on his behalf, for the year ended 30 June 2005.

Unqualified Opinion

In our opinion the financial statements of the Institute on pages 12 to 16:

- σ comply with generally accepted accounting practice in New Zealand; and
- σ fairly reflect:
 - the Institute's financial position as at 30 June 2005; and
 - the results of its operations for the year ended on that date.

The audit was completed on 24 November 2005, and 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 Trustees and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's 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.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- σ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- σ verifying samples of transactions and account balances;
- σ performing analyses to identify anomalies in the reported data;
- σ reviewing significant estimates and judgements made by the Trustees;
- σ confirming year-end balances;
- σ determining whether accounting policies are appropriate and consistently applied; and
- σ determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Trustees and the Auditor

The Trustees are responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Institute as at 30 June 2005. They must also fairly reflect the results of its operations for the year ended on that date.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 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 Institute of Chartered Accountants of New Zealand.

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



M G Taris
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand
24 November 2005