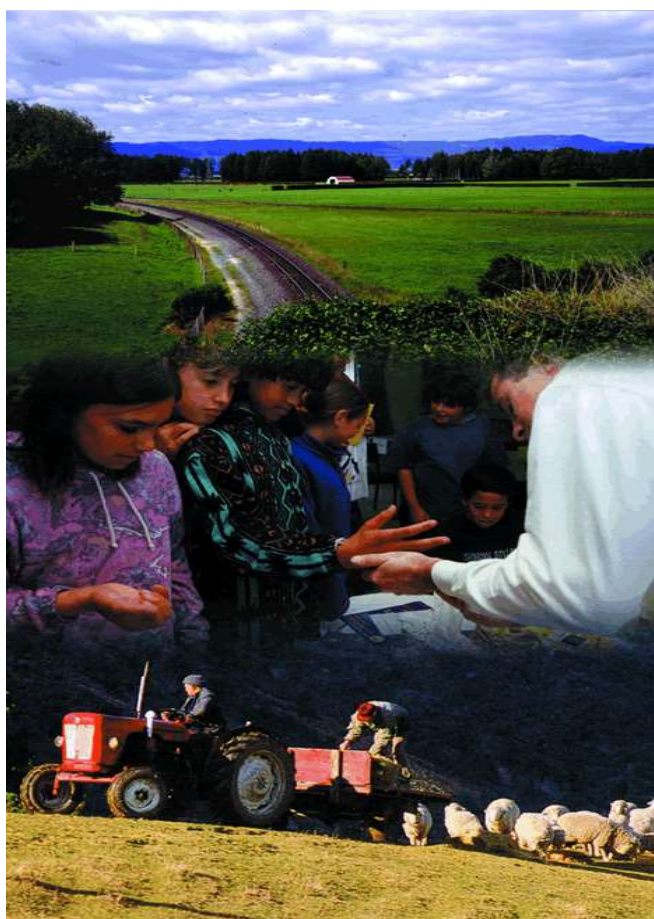




# New Zealand Institute of Rural Health

Te Pūtahi Hauora ki te Taiwhenua



## Annual Report

July 2012 - June 2013

## New Zealand Institute of Rural Health

9 Anzac Street  
Cambridge

Telephone: 07 823 9274  
Fax: 07 823 9268

For more information, visit our website:

[www.nzirh.org.nz](http://www.nzirh.org.nz)

## 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:



Joint sponsor in establishing the  
New Zealand Institute of Rural Health



Joint sponsor in establishing the  
New Zealand Institute of Rural Health



Sponsor of the  
New Zealand Institute of Rural Health



*Te Whare Wānanga o Ōtago*

Sponsor of the  
New Zealand Institute of Rural Health

# Message from the Chairman and Chief Executive



It is our pleasure to present the July 2012 - June 2013 Annual report for the New Zealand Institute of Rural Health. In a busy and productive year staff have focused on delivery of quality service on our core contracts.



A successful year in the DairyNZ Farmer Wellness and Wellbeing programme saw staff undertake 649 health checks at some 20 venues. Now in year four the programme aims to raise farmer awareness of their health risks. 46% of farmers contacted following identification of health risks have sought medical advice and/or made positive changes in their lives.

Staff have travelled to support rural practitioners and worked with Trusts, Primary Health Organisation's and District Health Board's to problem solve, undertake projects and to increase integration of service delivery, with increasing focus on moving services from secondary to primary delivery.

Delivery on the Waikato DHB rural support contract saw \$63,000 of scholarships awarded to support rural Waikato origin students undertaking health studies. Additionally some 150 secondary students had the opportunity to visit tertiary institutes to explore future study options.

The Grassroots Student Club, sponsored by the Institute visited 7 rural secondary schools in the Midland region, while 25 club members enjoyed the Waikato Clinical weekend.

The Institute has supported delivery of the Midland Clinical Services Plan, undertaking a research programme on rural maternity services. Other research has included service modelling of integrated primary care in rural Northland.

On the national front the Institute was a founding member of RHAANZ (Rural Health Alliance Aotearora New Zealand) which is a membership organisation bringing together rural focused organisations from cross sector, the group has produced a strategy for Healthy Rural Communities 2013-2018 which will be circulated in early 2014 for consultation.

This year we have worked within tight financial parameters with the year financial position producing a deficit of \$70,883. This has been covered by a draw down on reserves. The Institute is heading into the new year with adequate reserves and a break even budget.

March saw the completion of sponsorship arrangements with the Universities of Otago and Auckland as changing approaches to the Institute research agenda saw a reducing alignment in direction between the organisations. This saw the resignation from the Board of Dr John Adams (Otago) and Dr Raina Elley (Auckland). We sincerely thank them for their input over a number of years.

To all Trustees and staff our thanks for your ongoing efforts and commitment to the Institute in challenging times.

A handwritten signature in black ink, appearing to read 'D Clarke'.

**David Clarke**  
Chairman

A handwritten signature in black ink, appearing to read 'R Steed'.

**Robin L Steed**  
Chief Executive Officer

# New Zealand Institute of Rural Health - Trustees

## **Mr David Clarke**



David has significant experience, at both Chair and CEO level, in numerous industries and has a successful track record with companies in the areas of engineering biotechnology, information technology, healthcare, food and related sectors.

David comes from a background in engineering, finance, sales and marketing with significant experience in capital markets, raising both debt and equity. His experience includes successfully growing early stage high-technology companies to maturity and listing, as well as the management of large, high turnover organisations.

David is currently a director of several companies. His recent roles include Chair of Watercare, Deputy Chair of Watercare and Director of Ngai Tahu Tourism, Farm IQ and inaugural Chair of Orion International, now New Zealand's largest software exporter. Prior to this, David was Chief Executive Officer of Counties Manukau District Health Board, a 4,000 person, \$1 billion turnover organisation.

David is a Fellow of the New Zealand Institute of Management, the NZ Institute of Directors and Trustee for several charities. He is also Chair of the Industrial Advisory Group of Engineering Science at the University of Auckland and was a finalist for both New Zealand Business Leader of the Year (2006) and New Zealander of the Year (2002).

## **Mr Karl Metzler**



Karl is currently Chief Executive of Gore Health Limited in Southland. Gore Health employs 100 staff and is responsible for operating a 20 bed hospital, accident and emergency, general practice and dental surgery. Prior to this Karl was based in Auckland as National Workforce Development Manager of Te Pou, National Centre for Research, Information and Workforce Development. Previous to this he was employed by the Southland District Health Board, as a Clinical Psychologist and later as Manager of Community Mental Health. He holds a Postgraduate diploma in Management Studies from the School of Management at Waikato University

## **Ms Ruth Rhodes**



Senior Portfolio Manager in Planning and Funding at Waikato District Health Board, Ruth is the Waikato District Health Board's nominee and took up her position in March 2009. Ruth has extensive experience in health including various nursing roles most latterly in the public health area. She has responsibility for a diverse portfolio of services including oral health, rural health, pharmacy, radiology and laboratory services as well as child health, emergency and after hour's services. Her recent national working party involvement has been on the National Pharmacy Group and review of PRIME.

## **Associate Professor Judy Kilpatrick**



Head of School of Nursing Faculty of Medical and Health Sciences at the University of Auckland, Associate Professor Kilpatrick is an experienced nurse and educator and is a 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, an Executive Board member of International Association for Interprofessional Education and Collaborative Practice and a member of the Health Practitioners Disciplinary Board.



#### **Dr John Adams (Resigned February 2013)**

Dr Adams is Dean of the Dunedin School of Medicine. He is a University of Otago graduate, subsequently training in psychiatry and working for many years at the Ashburn Clinic in Dunedin where he was appointed Medical Director in 1988. He has had extensive involvement with the NZMA initially as a Council delegate, then Board member and subsequently NZMA Chairman from 2001 to 2003. An understanding of, and an interest in, rural health workforce issues were essential components of this role.

A long term interest in professionalism and ethics led to him being Chair of the NZMA Ethics Committee during the recent review of the NZMA Code of Ethics. As Dean of the Dunedin School, he has taken a vital interest in the further development of the School's undergraduate and post graduate rural programmes. He has been a member of the Medical Council of New Zealand since 2008, and has recently been elected Chair.



#### **Mrs Sherrill Dackers, M.N.Z.M.**

Lives in Whangarei. National President of Rural Women New Zealand – 2004 – 2007, and the National Councillor for the North Region of New Zealand – Pukekawa – Cape Reinga – 1999-2004. She spent five years as the Health Convenor during which time she presented the Rural Women New Zealand Rural Health Survey in 2001. Currently acts as a layperson on the Nursing Council of New Zealand Competency Review Panel. Former Trustee and Inaugural Chair of the Rural Support Trust – Northland. Member of the now defunct Consumer Reference Group for Breastsreen Aotearoa and the Cervical Programme and was a member of the Expert Advisory Committee for the Implementation of the Extension of Breast screening to the ages 45 to 69 years.



#### **Mrs Kamiria Gosman**

Kim Gosman is of Nga Puhi, Ngati Kahungunu ki Wairoa and Ngati Tautahi descent and has lived in the Central North Island Plateau for 35 years, currently residing in Turangi. Kim resigned in March 2009 as Chief Executive Officer of Tuwharetoa Health Services Limited. Kim has extensive experience and expertise in a range of health services, nursing, midwifery, Child and Family Health, and education. Kim was a Director of Rural Health for the North Island with the Institute of Rural Health, now the New Zealand Institute of Rural Health. Kim is currently an Independent Reviewer for Continuous Quality Improvement & Accreditation.



#### **Dr Raina Elley (Resigned February 2013)**

Raina Elley is an Associate Professor of General Practice and Primary Health Care at the School of Population Health, University of Auckland. She is also a GP in Auckland and was a rural GP in Te Aroha for 8 years previously. Her research involves lifestyle interventions in primary health care for increasing physical activity, improving diet, reducing cardiovascular risk and improving diabetes management.

## NEW ZEALAND INSTITUTE OF RURAL HEALTH

### FINANCIAL STATEMENTS for the year ended 30 June 2013

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## NEW ZEALAND INSTITUTE OF RURAL HEALTH

### Statement of Responsibility for the year ended 30 June 2013

The Board of Trustees has pleasure in presenting the annual report of New Zealand Institute of Rural Health, incorporating the financial statements and the auditor's report, for the year ended 30 June 2013.

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

The management (including the Chief Executive Officer and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the Institute's financial reporting.

In the opinion of the Board and management, the annual financial statements for the financial year fairly reflect the financial position and operations of the Institute.

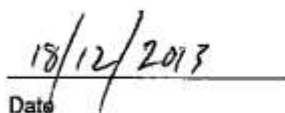
The Institute's 2013 financial statements are authorised for issue by the Board Chairperson and Chief Executive Officer.



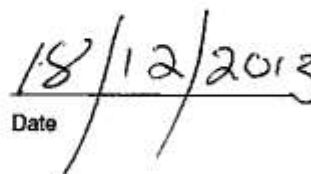
Chairperson



Chief Executive Officer



Date



Date

## NEW ZEALAND INSTITUTE OF RURAL HEALTH

Directory  
For the year ended 30 June 2013

**Entity:** Charitable Trust

**Registration Number:** CC23622

**Nature of Business:** Supporting the New Zealand rural health sector through initiatives and education

**Address:** 9 Anzac Street  
Cambridge 3434

**Accountant:** Lynne Wilkins  
Bizworx Consultancy Limited  
Chartered Accountants  
Raglan

**Auditor:** Stephen Nelley  
Anderson Accounting  
on behalf of the Auditor General

**Bankers:** BNZ  
Hamilton

**Solicitors:** Norris Ward Mckinnon  
Hamilton

## NEW ZEALAND INSTITUTE OF RURAL HEALTH

### Directory

For the year ended 30 June 2013

Name	Position	Term expires
------	----------	--------------

#### ***Trustees:***

Mr David Clarke	Chairperson	March 2015
Assoc Professor Judy Kilpatrick		July 2016
Mrs Sherrill Dackers		May 2016
Ms Ruth Rhodes		March 2017
Dr John Adams		December 2015
Ms Kim Gosman		October 2013
Dr Raina Elley		June 2015
Mr Karl Metzler		August 2015

#### ***Chief Executive Officer:***

Ms Robin Steed

# Financial Statements

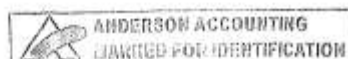
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## NEW ZEALAND INSTITUTE OF RURAL HEALTH

### Statement of Comprehensive Income for the year ended 30 June 2013

	Notes	2013 Actual \$	2013 Budget \$	2012 Actual \$
<b>Income</b>				
Contracts - District Health Boards		418,827	400,430	394,942
Contracts - Other		99,611	118,500	448,401
Donations & Sponsorship	10	100	-	-
Interest		9,742	10,500	18,232
Sundry Income		461	125,000	1,852
<b>Total Revenue</b>		<b>528,741</b>	<b>654,430</b>	<b>863,427</b>
<b>Expenses</b>				
Administration Expenses		36,907	38,100	61,067
Audit Fees		6,543	6,000	6,550
Board of Trustees Remuneration		6,000	30,000	30,000
Contracts - Expenses		94,718	96,000	307,618
Contractors		26,337	-	78,850
Interest		10	-	273
Operating Lease Costs	8	14,256	-	14,628
Professional & Consultancy Fees		9,170	4,400	10,417
Rental		21,600	21,600	27,850
Salaries & Wages		352,718	438,996	416,876
Travel & Accommodation		26,759	30,000	30,320
<b>Total Cash Expenditure</b>		<b>595,018</b>	<b>665,096</b>	<b>984,449</b>
<b>Non-Cash Expenditure</b>				
Depreciation on Fixed Assets	7	4,486	2,500	4,341
Loss on Disposal of Fixed Assets		120	-	474
<b>Total Non-Cash Expenditure</b>		<b>4,606</b>	<b>2,500</b>	<b>4,815</b>
<b>Total Expenses</b>		<b>599,624</b>	<b>667,596</b>	<b>989,264</b>
<b>Net Operating Surplus (Deficit)</b>		<b>( 70,883 )</b>	<b>( 13,166 )</b>	<b>( 125,837 )</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>( 70,883 )</b>	<b>( 13,166 )</b>	<b>( 125,837 )</b>

The accompanying accounting policies and notes form an integral part of these Financial Statements



# Financial Statements

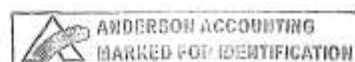
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## NEW ZEALAND INSTITUTE OF RURAL HEALTH

### Statement of Financial Position as at 30 June 2013

	Notes	2013 Actual \$	2013 Budget \$	2012 Actual \$
Trust Capital	2	300	400	400
Retained Surplus		166,595	350,149	237,478
<b>Public Equity</b>		<b>166,895</b>	<b>350,549</b>	<b>237,878</b>
<b>Represented by:</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	3	42,139	450,187	81,762
Investments	4	185,668	-	271,156
Receivables and Prepayments	5	33,696	85,300	97,269
<b>Total Current Assets</b>		<b>261,503</b>	<b>535,487</b>	<b>450,187</b>
<b>Current Liabilities</b>				
Accounts Payable	6	104,031	192,500	189,529
<b>Total Current Liabilities</b>		<b>104,031</b>	<b>192,500</b>	<b>189,529</b>
<b>Net Working Capital</b>		<b>157,472</b>	<b>342,987</b>	<b>260,658</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	7	9,423	7,562	7,809
<b>Total Non-Current Assets</b>		<b>9,423</b>	<b>7,562</b>	<b>7,809</b>
<b>Non-Current Liabilities</b>				
Waikato District Health Board - non-current portion	8	-	-	30,589
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>	<b>30,589</b>
<b>Net Assets</b>		<b>166,895</b>	<b>350,549</b>	<b>237,878</b>

The accompanying accounting policies and notes form an integral part of these Financial Statements

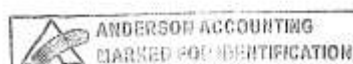


## NEW ZEALAND INSTITUTE OF RURAL HEALTH

### Statement of Movements in Equity for the year ended 30 June 2013

	Notes	2013 Actual \$	2013 Budget \$	2012 Actual \$
Total Comprehensive Income		( 70,883 )	( 13,166 )	( 125,837 )
Equity at beginning of year		237,878	363,715	363,715
Less: Withdrawal of University of Otago	2	( 100 )	-	-
<b>Equity at end of year</b>		<b>166,895</b>	<b>350,549</b>	<b>237,878</b>
<b>Movements in Equity for the Year</b>		<b>( 70,883 )</b>	<b>( 13,166 )</b>	<b>( 125,837 )</b>

The accompanying accounting policies and notes form an integral part of these Financial Statements



## NEW ZEALAND INSTITUTE OF RURAL HEALTH

### Notes to the Accounts For the year ended 30 June 2013

#### 1. STATEMENT OF ACCOUNTING POLICIES

##### 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. New Zealand Equivalents to International Financial Reporting Standards (NZIFRS) as appropriate to public benefit entities that qualify for differential reporting have been applied.

##### General Accounting Policies

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the New Zealand Institute of Rural Health.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. For this purpose the Institute has designated itself as a public benefit entity.

The information is presented in New Zealand dollars.

##### 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, except GST exclusive accounting is used.

##### Specific Accounting Policies

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

##### (a) Revenue

Interest and donations are recognised on an accrual basis.

Contract revenue is recognised as revenue when it becomes receivable, unless there is an obligation to return the funds if conditions of the contract are not met. If there is such an obligation the funds are initially recorded as income in advance, and recognised as revenue when conditions of the contract are satisfied.

##### (b) Receivables

Receivables are stated at their estimated realisable value.

##### (c) Investments

Short-term bank deposits are classified as held to maturity. They are measured at amortised cost using the effective interest method, ie interest is accounted for as it is earned.

##### (d) Income Tax

The New Zealand Institute of Rural Health has charitable status and is exempt from income tax.



## NEW ZEALAND INSTITUTE OF RURAL HEALTH

### Notes to the Accounts

For the year ended 30 June 2013

**(e) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis. All transactions have been stated exclusive of Goods and Services Tax with the exception of accounts receivable and accounts payable which are GST inclusive.

**(f) Financial Instruments**

Financial instruments in the statement of financial position include cash balances, receivables and payables.

**(g) Property, Plant & Equipment**

Property, Plant and Equipment are recorded at cost less accumulated depreciation.

**(h) 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 60% DV
Furniture, Fixtures, Fittings	11.4% to 31.2% DV
Domain Name	10% SL

**(i) Budget Figures**

The budget figures are extracted from the New Zealand Institute of Rural Health budget that was approved by the Trustees at the beginning of the year.

**(j) Employee Entitlements – Salary Accruals**

Liabilities for annual leave, retiring leave and long-service leave are accrued and recognised in the balance sheet. Annual leave is recorded at the undiscounted amount expected to be paid for the entitlement earned. For retiring leave and long-service leave the liability is equal to the present value of the estimated future cash outflows, calculated on an actuarial basis, as a result of employee services provided at balance date.

**(k) Changes in Accounting Policies**

**Changes in Employee Entitlements – Salary Accruals**

The New Zealand Institute of Rural Health has determined that the accrual of sick leave is not appropriate for the size and nature of the organisation, as the Institute is not required to pay additional costs for covering a staff member's absence, nor is sick leave payable upon termination of employment.

As no accrual has been made for the year ended 30 June 2013, the effect of this change will be a reduction in Accounts Payable, and a reduction in Salaries & Wages. In the year ended 30 June 2012 Accounts Payable and Salaries & Wages included a provision of \$16,919.

There have been no other changes in accounting policies during the year. Policies have been applied on a basis consistent with the previous year.

# Financial Statements

## NEW ZEALAND INSTITUTE OF RURAL HEALTH

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### Notes to the Accounts for the year ended 30 June 2013

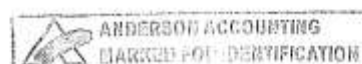
	<b>2013 Actual \$</b>	<b>2012 Actual \$</b>
<b>2 Trust Capital</b>		
Opening Trust Capital Balance	400	400
Less: Withdrawal of stakeholder University of Otago (Note 10)	100	-
Closing Trust Capital Balance	<b>300</b>	<b>400</b>
<b>3 Cash and Cash Equivalents</b>		
BNZ Cheque Account -000	11,896	7,916
BNZ Business Advance Call Account	10,008	73,846
SBS Term Investment @ 3.11% matures 29/07/2013	20,235	-
	<b>42,139</b>	<b>81,762</b>
<b>4 Investments</b>		
SBS Term Investment @ 4.09% matures 15/10/2013	77,189	127,027
SBS Term Investment @ 4.09% matures 14/10/2013	108,479	104,110
SBS Term Investment @ 3.53%	-	40,019
	<b>185,668</b>	<b>271,156</b>
<b>5 Receivables &amp; Prepayments</b>		
Accounts Receivable	33,696	96,373
GST Receivable	-	896
	<b>33,696</b>	<b>97,269</b>
<b>6 Accounts Payable</b>		
Accounts Payable	61,765	135,191
Employee Accruals	32,447	52,423
Credit Card Account	889	1,915
GST Payable	8,930	-
	<b>104,031</b>	<b>189,529</b>

### 7 Property, Plant & Equipment

	<b>2013</b>			<b>2012</b>		
	Cost/ Value	Accum Depn	Book Value	Cost/ Value	Accum Depn	Book Value
Furniture, Fixtures, Fittings	8526	4280	2246	5775	4031	1744
Plant & Equipment	47855	40756	7099	51023	45104	5919
Domain Name	679	601	78	679	533	146
	<b>55060</b>	<b>45637</b>	<b>9423</b>	<b>57477</b>	<b>49668</b>	<b>7809</b>

### Depreciation

	<b>2013</b>	<b>2012</b>
Furniture, Fixtures, Fittings	249	304
Plant & Equipment	4,169	3,969
Domain Name	68	68
	<b>4,486</b>	<b>4,341</b>



## NEW ZEALAND INSTITUTE OF RURAL HEALTH

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### Notes to the Accounts for the year ended 30 June 2013

#### 8 Commitments as at 30 June 2013

##### Operating Lease Commitments

Lease commitments under non-cancellable operating leases:

	2013	2012
	\$	\$
Not later than one year	31,500	40,799
Later than one year and not later than two years	5,625	40,239
Later than two years	-	57,991
	37,125	139,029

The New Zealand Institute of Rural Health has entered into a lease agreement for a property situated at 9 Anzac Avenue, Cambridge, commencing 1 May 2010. At the lease renewal date 1 May 2013, it was agreed with the landlord that the tenancy would continue for one year, to 30 April 2014.

On 16th February 2009 the New Zealand Institute of Rural Health had entered into a rental agreement for a photocopier with Leasing Solutions Limited. The agreement expired January 2013, and rental has continued on a month by month basis.

In February 2011 the New Zealand Institute of Rural Health entered into an agreement to lease a motor vehicle through the Waikato District Health Board's arrangement with LeasePlan. The lease is for 48 months, and expires January 2015.

##### Other Commitments - Waikato District Health Board

The New Zealand Institute of Rural Health has received funding for a programme to supply Thrombolysis drugs in rural communities. This programme commenced in the year ended 30th June 2003 and continued into the year ended 30th June 2010. The drugs for the Thrombolysis programme were supplied by the Waikato District Health Board, and this cost has been charged to the New Zealand Institute of Rural Health. The balance is to be repaid through six-monthly instalments of \$15,294, with the final payment due 14 June 2014. The term portion of this debt has been treated as a non-current liability.

#### 9 Contingent Losses or Gains as at 30 June 2013

There were no contingent losses or gains outstanding as at 30 June 2013 (30 June 2012: Nil).

#### 10 Related Party Transactions

The Institute has the following stakeholders:

Waikato District Health Board

University of Auckland

Southern District Health Board (formerly Otago District Health Board)

The University of Otago withdrew on 10 April 2013, and donated their initial capital contribution of \$100

Each stakeholder is represented on the Board of Trustees

The Chairperson of the New Zealand Institute of Rural Health, David Clarke, is a Director of Cranleigh Merchant Bankers.

## NEW ZEALAND INSTITUTE OF RURAL HEALTH

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### Notes to the Accounts for the year ended 30 June 2013

#### 10 Related Party Transactions (cont'd)

The following related party transactions occurred during the year:

	2013	2012
	\$	\$
Revenue received from Waikato District Health Board	415,826	394,942
Payments made to Waikato District Health Board	5,000	4,000
Revenue received from Cranleigh Health	3,000	-

#### 11 Board of Trustees Remuneration

Remuneration paid to the Board members	6,000	30,000
Other Expenses	764	1,065

The Board of Trustees fees were apportioned as follows:

S Dackers	3,000	5,000
D Clarke	-	20,000
K Gosman	3,000	5,000
	6,000	30,000

#### 12 Statement of Uncommitted Funds

Funds held:

Cash & Investments	227,807	352,918
Receivables & Prepayments	33,696	97,269
	261,503	450,187

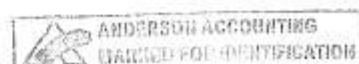
To meet the following commitments

Accounts Payable	104,031	189,529
Waikato District Health Board - non-current portion	-	30,589
	104,031	220,118

Leaving uncommitted / (overcommitted) funds	157,472	230,069
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#### 13 Subsequent Events

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





## **REPORT TO THE AUDITOR GENERAL**

### **TO THE READERS OF NEW ZEALAND INSTITUTE OF RURAL HEALTH'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

The Auditor-General is the auditor of New Zealand Institute of Rural Health (the Institute). The Auditor-General has appointed me, Stephen Nelley, using the staff and resources of Anderson Accounting to carry out the audit of the financial statements of the Institute on her behalf.

We have audited the financial statements of the Institute on pages stamped by Anderson Accounting, that comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, and the statement of changes in equity for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

#### **Opinion**

In our opinion the financial statements of the Institute on pages stamped by Anderson Accounting:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Institute's:
  - financial position as at 30 June 2013 and
  - financial performance for the year ended on that date.

Our audit was completed on 20 December 2013. 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 Trustees and our responsibilities, and we explain our independence.

#### **Basis of opinion**

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

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.

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 Institute's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Trustees;
- the adequacy of all 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. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

#### **Responsibilities of the Board of Trustees**

The Board of Trustees is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the Institute's financial position and financial performance.

The Board of Trustees 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 Trustees' responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004.

#### **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 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

#### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

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

A handwritten signature in blue ink, appearing to read 'S B Nelley', written over a light blue horizontal line.

**S B NELLEY**

**ANDERSON ACCOUNTING**

On behalf of the Auditor-General  
Cambridge, New Zealand