

NEW ZEALAND BLOOD SERVICE

Minutes – NZBS Board Meeting

Minutes of the NZBS Board

Meeting held at: New Zealand Blood Service
71 Great South Road
Epsom
Auckland

In attendance: Mr David Chamberlain (Chair)
Dr Jackie Blue (Deputy Chair)
Dr Bart Baker
Ms Cathryn Lancaster
Dr Paula Martin
Ms Fiona Pimm
Mr Ray Lind

Apologies: None

Management: Ms Sam Cliffe (Chief Executive)
Mr John Harrison (Finance Director)

Board Secretariat: Vanessa Siddins (Board Secretary)

Date: 29 August 2019

9.30am **BOARD ONLY TIME**

Board only time commenced at 9.35am.

D Chamberlain advised the Board that the CEO remuneration and performance measures needed to be finalised.

D Chamberlain informed the Board that S Cliffe and himself had met with Associate Minister Henare on Monday, 12 August. The Minister was very supportive and is a current donor who started donating when he was at high school. D Chamberlain did raise the issue with him of the outstanding Board tenures. The Board agreed to formally invite Minister Henare to the 31 October Board meeting in Auckland.

There was a brief discussion around the location of the 31 October Board meeting, dependant on if the Minister visits.

There was discussion on the finance session at the Board education day on 28 August 2019. The Board did not find the terminology helpful and D Chamberlain felt some of the terms needed defining. There was further discussion around financial terminology in particular in Health. There will be a further session set up and D Chamberlain will discuss this with J Harrison first.

C Lancaster had thought about the governance of business and what information she would like to see on a monthly basis and presented two slides with the following points:

- Confidence that NZBS are a going concern (D Chamberlain clarified that NZBS is not a company and the Board are not Directors and as such they are not bound by the Companies Act).
- Self-sustaining,
- Monthly - there is currently too much detail
 - Material / report by exception,
 - Controllable vs uncontrollable costs,

- Trends eg product mix changes,
 - Forecasts,
 - Statutory requirements,
 - Drivers of key variances yield vs mix,
 - Cost of producing product vs cost of running the business,
 - Working capital – cash.
- Operational earnings with traffic lights
 - Revenue / costs (month / ytd / fy forecast)

D Chamberlain noted that the majority of these items are on the first page of the finance report and it's not comparable to a normal business as NZBS is demand reactive. B Baker highlighted that the two line items that really matter are whole blood and IVIg. C Lancaster suggested that information could be presented in a more user friendly manner.

C Lancaster suggested Board circulate what is important for them to see at a glance and she will collate and feed back to the Chair. D Chamberlain suggested we could take out the first table in the report and have a new dashboard. The current table was designed by a previous Board working group. P Martin felt it was presentational issues, some of names in tables eg. Kg/vials aren't clear. Which variances matter? It can seem counter intuitive. The Board need to understand from this report what the Finance Director wants them to understand and focus on.

There was further discussion around understanding IVIg and the 12% threshold, as well as CSL and yields. It was noted that we have a much more positive relationship with CSL than a few years back.

D Chamberlain will discuss this with J Harrison once feedback has been compiled.

S Cliffe and J Harrison joined the meeting at 10.50am.

ITEM 1.0 APOLOGIES

There were no apologies for this meeting.

ITEM 2.0 INTERESTS REGISTER

2.1 Updates to the Interest Register

There were no updates to the interest register.

2.2 Declarations of Conflicts of Interest for this Agenda

There were no conflicts of interest acknowledged for any items on the agenda.

ITEM 3.0 MINUTES OF PREVIOUS MEETING/ACTIONS REPORT

3.1 Confirmation of Minutes – 30 May 2019 Board meeting

Motion: The presented minutes of the 28 March NZBS Board meeting were accepted as a true and correct record of that meeting.

Motion by: R Lind

Seconded by: B Baker

Carried: All present in favour

3.2 Confirmation of Minutes Board Meeting – 1 August 2019 Board teleconference

Motion: The presented minutes of the 1 August 2019 Board meeting were accepted as a true and correct record of that meeting.

Motion by: J Blue

Seconded by: C Lancaster

Carried: All present in favour

3.3 Schedule of Outstanding Action Items from Previous Meetings

The status of all action items as outlined in agenda item 3.3 were noted.

The following action items were discussed:

- Item 12.1 S Cliffe suggested we take the Auckland Blood Bank visit off the actions list. B Baker noted that this was raised as there were no Board members based in Auckland. D Chamberlain advised that he would visit Auckland Blood Bank. F Pimm noted that she was also due to visit a Blood Bank.
- Item 2.6 Future thinking in the clinical development space – we will raise this with S Morley in due course as she is still relatively new.
- Item 4.8 Risk Register – S Cliffe noted that she had asked the Chair to take this item off this meeting's agenda. The document needs a refresh and the Executive have set up a half-day session early October to work on this with our two new Executive members who have a lot to contribute. A refreshed risk register will be brought back to the October Board meeting.
- Item 5.1 Close

3.3 Matters Arising (Not Covered Elsewhere)

There were no matters arising.

ITEM 4.0 CHAIRMAN'S REPORT

D Chamberlain will work with S Cliffe and circulate to the Board the CEO performance measures and remuneration for next year.

ITEM 5.0 CEO's REPORT

S Cliffe presented the CEO's report and during discussion the following matters were specifically highlighted:

S Cliffe and D Chamberlain met with the Associate Minister of Health and he was very welcoming, interested and inquisitive about what we do.

The activities coming up are all positive, it's just a matter of determining how they are best funded without impacting the operational needs of the business. The Waikato service review was important as we need to be able to make decisions with the best information possible. It also gives us an opportunity in terms of increasing plasma collection capacity. NZBS has a complex distribution hub in the Waikato. It's more likely we'd move in 2 - 2.5 years rather than the 16 months Waikato DHB are requesting.

An option for funding infrastructure is via an equity injection. This year DHBs received a weighted increase of SECRET and it was S Cliffe's personal opinion NZBS shouldn't go any higher. However, it took a year to get our increase in borrowing capacity through Treasury so an equity injection may not be a simple procedure. Capital Charge relief had been raised with Associate Minister Henare. It was suggested that if we ask for an equity injection and this fails, it could clear the way to increase our borrowing.

There was discussion around a potential plasma centre in Auckland which would need further exploration. S Cliffe clarified that we are not yet at a stage to consider a plasma only centre

Discussion followed on the list of activities, eg Christchurch Blood Bank, Waikato site move, ISBT 128. S Cliffe reminded the Board that they agreed to spend 170k last October to bring together a business case on ISBT 128 to the 31 October Board meeting. It was raised that it would be difficult if the Board were asked to make a decision about ISBT 128 in isolation. Discussion continued around how imperative it is clinically for ISBT 128 and is there more to it than just the NZBS Board Minutes – 29 August 2019

FACT accreditation. S Cliffe to come back to the October Board meeting with a proposed list of capital requirements and their timelines. **ACTION 8.1**

J Harrison advised that he can refresh the 2019/20 budget and 3 year forecast to provide a baseline indication of what the financial impact of the above activities are within the period to 30 June 2023.

J Blue queried the timeline on when we have to agree on ISBT 128 before we lose accreditation? S Cliffe advised that if at the October Board meeting it was decided that it won't go ahead, FACT will withdraw accreditation immediately. F Pimm would like to see other options on how ISBT 128 could be funded, including the cost of charging DHBs and timeframes. S Cliffe will make sure this in is the business case presented to the Board on 31 October 2019.

P Martin would like to see a table of items / activities and phasing to be mindful of the fuller picture.

It was noted that not all DHBs are comfortable to sign up to the Holidays Act remediation process, but we are prepared.

J Harrison gave a short update on the 71 GSR redevelopment and noted that the weather had caused delays and additional costs due to the prevalence of daily rain throughout August. The layout for the ground floor was near finalised and expected to be finalised in September. Dilworth have confirmed their intention to replace the lifts in the front lobby. It was further noted that Dilworth are also undertaking seismic assessment work to ideally lift the seismic rating to 100% IL3.

Motion: The Board received and noted the CEO report and appendix.

Motion by: F Pimm

Seconded by: J Blue

Carried: All present in favour

ITEM 6.0 DECISION PAPERS

6.1 Year End Financial Statements and Statement of Performance – Pre-Board sign-off Review

J Harrison advised that there had not been any changes to the financial statements other than in the briefing paper where the going concern assessment had been updated. It was noted that accepting the going concern convention is an annual consideration prior to the Board approving the accounts. Confirmation was given that the Management Letter of Representation had been provide to the Chair. A copy of the Board Letter of Representation to Audit NZ letter was included in the Board pack.

Audit NZ had confirmed they were comfortable with everything we are doing and considering every year the audit is more sophisticated, it is pleasing to have retained the top level grading for all 3 criteria. We have received a letter of minor matters and NZBS agrees we need to improve the wording for KPI 1.1 around failure to supply. A J Harrison confirmed revised wording would be prepared for the 2020/21 Statement of Performance Expectations. **ACTION 8.2**

Motion: The Board confirmed receipt of the Letter of Representation from management as tabled and further confirmed they considered the organisation met the going concern convention with the financial statements received on this basis.

Motion by: C Lancaster

Seconded by: B Baker

Carried: All present in favour

6.2 AUDIT NZ Attendance – Financial Statements Adoption Considerations, 2018 Audit Outcomes and Management Report, issue of Audit Opinion *(Audit NZ Attendees: Athol Graham, Audit Director and Warren Auths, Audit Manager)*

The Chair welcomed Athol Graham and Warren Auths from Audit NZ to the meeting at 11.45am.

J Harrison noted that we value our relationship with Audit NZ, always striving to meet their requests and that we appreciate the feedback and scrutiny received as regards NZBS systems and general financial matters.

A Graham advised that the audit had been completed and they will be providing an unmodified Audit Opinion once they receive the Board Letter of Representation and a signed set of financial statements. Before the Board signs off the financial statements, A Graham highlighted the following points for the Board to consider:

- Anything that may have happened post balance date that could potentially require the accounts to be adjusted,
- related party transactions,
- the expectation around legislative compliance associated with the Annual Report.
- We should turn our minds periodically to areas where there may be fraud. NZBS have good controls in place, but there was always potential around accounts payable and procurement in general. With Payroll, we need to be confident around the Humanforce software. Having an ethical culture and culture of honesty is important and it was good to see the culture survey reported in the Annual Report.
- The inventory stock numbers were verified and Audit NZ attended the big stocktakes in Auckland and Christchurch. They were able to confirm what was held at CSL directly with them. Audit NZ noted they had used the same process for a number of years to value inventory.
- With the redevelopment of 71 Great South Road there are a number of areas that could potentially cause exposure. Commitments will grow as more agreements are entered in to. The approvals between NZBS and the Ministry were looked at and the authorising letter provided quite a broad scope which was good.
- The payment treatment of Dilworth's contributions was looked at and there would be some accounting considerations to consider around this next year.
- The Holidays Act remediation is a major challenge in the Health Sector. The DHBs are now working through their liabilities and big provisions are anticipated. This is the third year NZBS has been working on this with the provision going up this year to \$1.2m after further clarification based on the agreed MOU.
- The performance measure on product and service availability and how an incident was classified. It has been suggested that NZBS reflect on the wording of the current measure around 'potential harm'. It should be easier to measure.

D Chamberlain advised that we'll sign the Letter of Representation. A Graham noted a minor matters report had gone to CEO.

S Cliffe and J Harrison left the room at 12.05pm

D Chamberlain advised the Board that this was their opportunity to ask any questions of the auditors without management present.

J Blue queried the tender process for 71 Great South Road. A Graham noted it is always worth clarifying to the Board when stepping outside policy. A procurement specialist was directed to look at the process and that Dilworth were expecting GHD to do the work which was clarified with the Board at the time. The Board had discussions at the time around sub-tendering. A Graham further noted that GHD had history with the site and the decision was made on sound rationale.

R Lind noted that management say they have a good relationship with Audit NZ, is this correct? A Graham responded that yes, NZBS are very accommodating and responsive, J Harrison understands the audit role and appreciates feedback.

C Lancaster queried the breadth of knowledge beyond J Harrison. A Graham responded that David Searchfield answers a lot of the technical questions. W Auths added that the finance team are very knowledgeable and know their roles well, with David Searchfield being key to the management and execution of the audit.

S Cliffe and J Harrison joined the meeting again at 12.08pm.

D Chamberlain advised that there was nothing raised that was of any concern. The understanding is that the next step is to sign the letter of representation and accounts. These would be couriered to A Graham as per previous years, including the letter of representation.

A Graham thanked J Harrison, S Cliffe and David Searchfield. S Cliffe noted the Audit NZ team are always a pleasure to host and that we are always happy to give them whatever they need.

On behalf of the Board the Chair thanked Audit NZ, particularly Athol who will be rotated off the NZBS audit. The Board are proud of the Finance team for what they produce and the fantastic way they turn around the work for Audit NZ within very tight timeframes.

12.15 – 1.00pm break for lunch

6.3 Year End Formalities – Resolutions and Formal Document Signing (Chair and Deputy Chair)

Formalising the Electronic CFIS Letter of Representation Approval

Motion: That the Board, for the purpose of the formal minutes:

- 1) Record their prior off-line approval of the release of the signed CFIS Letter of Representation to the Ministry of Health; and
- 2) Duly note the Letter of Representation was filed by NZBS on 12 August 2019.

Motion by: P Martin

Seconded by: J Blue

Carried: All present in favour

Letter of Representation to Audit New Zealand

Motion: That the NZBS Board, noting the receipt of the supporting Management Letter of Representation, **approve** the providing of a Letter of Representation to Audit NZ and **authorise** the NZBS Chair and Deputy Chair to sign, on behalf of NZBS the said Letter of Representation.

Motion by: J Blue

Seconded by: B Baker

Carried: All present in favour

Approving the Financial Statements for the 2018/2019 Financial Year

Motion: That the NZBS Board **approve** the tabled *Financial Statements* reporting a deficit result of \$593k for the year ended 30 June 2019 and authorise the Chair and Deputy Chair to sign the financial statements on behalf of the Board.

This approval is provided after having confirmed:

- Audit New Zealand will issue an unmodified Audit Opinion,
- there had been no substantive changes to the previously circulated financial statements other than had been already advised,
- there were no material misstatements within the financial statements,
- the going concern convention underpinning the financial statements remained a valid assumption for the foreseeable future, defined as the next 12 months from the date of signing the 2018/19 financial statements on 29 August 2019.

and noting;

- such approval also covers the *2018/19 Annual Statement of Performance*,
- the reported result included a nil price rebate declaration to DHBS,
- the Financial Statements will be made available publicly on the NZBS website, once the NZBS Annual Report has been presented to the House via the Office of the Clerk (Bills Office).

Motion by: C Lancaster

Seconded by: R Lind

Carried: All present in favour

Statement of Responsibility – 2018-19 Financial Year

Motion: That the NZBS Board **approve** the NZBS Chair and Deputy Chair to sign, on behalf of NZBS, the *Statement of Responsibility* as required by the Crown Entities Act 2004 (the Act) therein acknowledging the responsibilities under the Act and NZBS compliance with those responsibilities.

Motion: F Pimm

Second: P Martin

Carried: All present in favour

Statutory Disclosures

Motion: that the NZBS Board approve the tabled Statutory Disclosure document and authorise the NZBS Chair and Deputy Chair to sign the Statutory Disclosure on behalf of the Board of New Zealand Blood Service.

Motion: B Baker

Second: P Martin
Carried: All present in favour

D Chamberlain thanked J Harrison and the Finance team and noted that being the first 30 June 2019 client to receive a clean Audit Opinion from Audit New Zealand was something to be proud of.

6.4 Annual Report and Annual Review – Final Board review

S Cliffe handed around a mock-up of the intended finalised Annual Report and noted that we had featured our 20th anniversary in the publication. NZBS prints two report versions, the Annual Review and the Annual Report which goes to various stakeholders. In keeping with last year, we have kept it user friendly and it was designed in-house. F Pimm commented that it was an easy read. S Cliffe reflected that in the last two or three years we had moved to have a more contemporary look and feel. J Blue was pleased to see we reported on disability.

Motion: The NZBS Board reviewed the final copy of the NZBS Annual Review and NZBS Annual Report for the 2018/19 financial year and provided approval to print and publish.

Motion by: F Pimm
Seconded by: J Blue
Carried: All present in favour (C Lancaster absent for the vote)

6.5 CSL Behring Commercial products agreement

There was discussion around the ordering process for commercial products and the need to give CSL four month's notice to change the purchase profile. J Harrison commented that unless we are disciplined with our forward ordering patterns CSL cannot always guarantee supply if a late change is made. He also noted NZBS had pushed back on price increases which were partly due to CSL having to invest in infrastructure.

Motion: The Board reviewed the *Commercial Products Supply and Distribution Agreement* (Supply Agreement) with CSL Behring and considered it satisfactory to authorise the Chief Executive to execute the Supply Agreement, when ready, on behalf of the New Zealand Blood Service.

Motion by: B Baker
Seconded by: C Lancaster
Carried: All present in favour

6.6 Westpac Master Lease Agreement – Part 2 of Redevelopment Funding Envelope

J Harrison advised that this agreement provides the long term funding needed for financing the 71 GSR redevelopment works. J Harrison noted the option for a further 5 year extension at the end of the initial 10 year term. The interest rate environment is currently very favourable and could go lower yet by the time the various drawdown tranches are locked in. It was noted NZBS was also awaiting a Westpac letter of comfort that all 3 parties would need to sign. J Harrison noted Buddle Finlay had provided assurance that from a legal perspective the document was in order to sign.

H Harrison highlighted that this was the Board's opportunity to authorise signatures for the Westpac Master Lease Agreement. D Chamberlain queried what the Board would be giving authority to the Chief Executive and Director Finance authority to do, and why wouldn't it come back to Board? J Harrison responded that it was for ease of transaction and that it would be reported to the Board when transacted. The first MLA transaction will be for Stage 1 National Office, followed by Stage 1A cafeteria, Stage 2, Stage 2A and Stage 2B before a hiatus prior to Stage 3 commencing in the middle of 2020. It is expected that by March 2020 all Stages other than Stage 3 will have been migrated from the short term MOCL facility to the long term MLA debt facility. D Chamberlain clarified that the master agreement is for \$15m funding line.

The final step would be for the Chief Executive and Finance Director to sign off the transfer from the MOCL to MLA term debt facility.

Motion: The Board;

- 1) approved the Westpac Master Lease Agreement and in so approving authorise the Chair and Deputy Chair to execute the Master Lease Agreement on behalf of the New Zealand Blood Service and;
- 2) Further resolved to approve the associated Certificate of Members of Board and authorise the Chair and Deputy Chair to execute the document and;

- 3) In so authorising the Certificate of Members of Board confirm the Chief Executive and Director Finance were the agreed authorised signatories for any other action required, under or in connection with the documents on behalf of NZBS including to enter into any Lease Agreements associated with the redevelopment at 71 Great South Road.

Motion by: B Baker
Seconded by: J Blue
Carried: All present in favour

6.7 New Deed of Lease for 71 GSR, Rental reset and DTB's Redevelopment Contribution

J Harrison advised that a finalised Deed of Lease was not yet to hand but wanted to ensure the board were comfortable with what was now agreed as the rental renewal terms noting those terms included S.9 (2) (b) (ii) [REDACTED]. The capital contribution was recognition of the capital works being undertaken by NZBS and the landlord fully funding two agreed asset enhancements, the atrium courtyard and a new working lift and level 1 lobby extension. The negotiated outcomes were within budgeted expectations.

Motion: The Board;

considered the settlement as tabled by Dilworth and considered it to be in order and hereby approved the settlement noting the NZBS advisory to Dilworth was that acceptance was caveated on NZBS Board approval.

In approving the tabled settlement, the Deed of Lease, will be subsequently approved and executed by the Chair and Deputy Chair on behalf of the New Zealand Blood Service.

Motion by: J Blue
Seconded by: P Martin
Carried: All present in favour

6.8 Freight RFP Outcomes and Recommendations

S Cliffe noted that this paper has come to the Board as it exceeds the \$1.0m spend threshold and will be a \$10.5m spend over 10 years. This can be hidden area of expenditure and the level of freight spend has grown organically over time. NZBS was keen to undertake this work and comply with government procurement rules. NZBS needed assurance it was getting good value for money with existing suppliers.

We would have liked to have reduced the number of suppliers but they don't always have national coverage. The process won't save us any money but current spend stacks up against market pricing. The contracts will be for five years and suppliers have been advised, but no contracts have yet been signed.

Motion: The Board having considered the recommendation from the NZBS evaluation panel and;

- 1) Noted that a formal RFP process was operated by NZBS for the renewal of its national freight contracts,
- 2) S.9 (2) (b) (ii) [REDACTED]
- 3) Approved NZBS to finalise all contract and related matters with the suppliers in the knowledge the planned annual spend will be in the order of \$2m per annum and,
- 4) Authorised and delegated to the Chief Executive Officer the authority to execute the finalised contracts with the suppliers on behalf of the New Zealand Blood Service.

Motion by: F Pimm
Seconded by: B Baker
Carried: All present in favour

6.9 NZBS Output Agreement 2019-2020

The Board reviewed the draft 2019/20 Output Agreement noting the only changes from the current 2018/19 Agreement being relevant dates, named personal and increase in approved borrowing limit to \$14.0m.

Motion: The Board reviewed the draft 2019/20 Output Agreement and approved the draft 2019/20 Output Agreement on the understanding the document signed by the Minister aligned with the draft document and on that

understanding hereby authorised the Chairman to sign two copies of the 2019/20 Output Agreement on behalf of NZBS noting that one copy will be returned to the Ministry of Health.

Motion by: R Lind
Seconded by: B Baker
Carried: All present in favour

ITEM 7.0 PRESENTATION – Staff Engagement Survey – Karen Didovich, Director HR & Organisational Development / Garth Cook, People Development Manager

Karen Didovich and Garth Cook were welcomed to the meeting and introduced to the Board at 2.45pm.

S Cliffe advised that she will spend the next month on the road for the CEO staff engagement roadshow. It was noted that the engagement score was slightly down compared to last survey in 2016.

Karen Didovich commented she felt incredibly lucky taking on her role at such an opportune time. She believed we shouldn't underestimate the value of getting an 88% participation rate which shows that staff trust us enough to share. The next step is listening and understanding staff. It was pleasing to note that the 88% participation rate was consistent nationwide.

Overall the engagement score was down slightly from 2016. There were six questions in the survey that made up the engagement model and they only counted if staff agreed or strongly agreed. All the other questions related to work experience factors.

The next steps are action planning based on the data. S Cliffe will work with the Executive and is having informal one hour sessions with staff across the country and will be asking them what they think will make our Blood Service better. At the next Board meeting in October S Cliffe will inform the Board what came out of the roadshows.

It was noted that nothing came out in the survey around sexual harassment nor discrimination on gender. S Cliffe commented that in the health and wellbeing section, staff had said their work was affected by fatigue. K Didovich advised that we will look at roster and on call, but won't rush into a decision. We need to work with the teams and we don't want to go too quickly and make assumptions. The data gives us the opportunity to ask questions.

There was further discussion around if we asked questions around 'if management were good at making hard decisions' or 'if poor performance was managed effectively'. K Didovich responded that we don't wait for a staff engagement survey to have tough conversations with anyone and that we are not using this as a management tool. This can be subjective and different answers could be given because of immediate experiences at the time the survey was completed.

ITEM 8.0 DISCUSSION PAPERS

There were no discussion papers for this agenda.

ITEM 9 MONTHLY/REGULAR REPORTS

9.1 Director Finance Report – Financial Performance – 1 month to 31 July 2019

J Harrison advised that he will liaise with D Chamberlain and C Lancaster in terms of a revised financial dashboard. The Director of Finance's report was taken as read and he noted that NZBS had a solid start to the year. It was a pooling month which drove positive outturns as regards pool output. Demand is strong with IVIg continuing to grow and is now becoming our number one product line. We are now at a 13% growth curve year to year.

J Harrison noted that he has a schedule of yield and various calculations which sit behind the pooling inputs and outputs. There is an element of spill from the prior financial year with a favourable outcome was reflected in the July result from the May pooling.

The term deposit programme is running well at a weighted 3.31% interest rate.

We have a weighted forward cover at 0.939 in AUD for 18 months providing necessary certainty in meeting CSL obligations.

The insurance programme renewal is per calendar year and the 2020 renewal terms will be tabled at the October Board meeting.

P Martin queried in the 2020/21 budget preparations at what point do we factor in the new National Agency for Organ Donation? S Cliffe responded that we need to know what the National Agency is going to do and how big the Agency scope is. There are costs that we know about, eg staff that we can put in although it shouldn't take a project manager long to get the required budget information.

Motion: The Board received and noted the Directors Finance report

Motion by: C Lancaster

Seconded by: J Blue

Carried: All present in favour

9.2 Q3 Organisation Health & Safety Report

S Cliffe advised that she will be revising this report with the new HR Director, Karen Didovich before the next Board meeting.

The driver medical programme was discussed and it was noted that the PSA are taking NZBS to the Employment Relations Authority on 22-23 October 2019. It was felt that they see this as a test case. We believe that on practical grounds our drivers should be medically fit and we need to know they are safe to drive our vehicles. Mediation didn't work as the PSA were philosophically opposed to the medicals. Our drivers don't need a special license, although they drive product, staff and donors. S Cliffe will ask the team to précis what their and the PSA arguments will be. **ACTION 8.3**

There was further discussion if there were any financial or other consequences if we win or lose. F Pimm commented that if we don't win, it's a learning and we will need to find other ways of managing safety.

Motion: The Q3 Organisation Health & Safety Report was received and noted

Motion by: F Pimm

Seconded by: P Martin

Carried: All present in favour

9.3 Q3 Contracts & Leases Register

The Contracts & Leases Register was received and noted by the Board.

9.4 Q4 Statement of Performance Monitoring Report

J Harrison confirmed that the Q4 Statement of Performance Monitoring Report had been sent to the Ministry.

The Statement of Performance Monitoring Report was received and noted by the Board.

9.5 Q4 Board Expenditure Overview

The Q4 Board expenditure overview was received and noted by Board.

9.6 Q4 Cybersecurity Report

S Cliffe highlighted the **S.9 (2) (b) (ii)** which was recently signed will better protect NZBS' websites and web services.

There had been an announcement from the Ministry for Culture and Heritage that there had been a digital privacy breach with over 300 people's personal details available on the internet since June 2019. Our CIO didn't believe there were any implications for NZBS.

Motion: The Board received and noted the Q4 cybersecurity report.

Motion by: C Lancaster

Seconded by: B Baker

Carried: All present in favour

9.7 CEO Legislative Compliance Declaration – 12 months to 30 June 2019

S Cliffe advised that before signing the annual declarations, the Executive had their annual session with Buddle Findlay where they were able to ask questions or request more information. It was noted that the wording in the declarations had changed last year to read, 'to the best of my knowledge'. We are now looking at the next layer of relevant regulations with a named owner for identified regulation. V Siddins to put the Buddle Findlay summary in the Board resource centre on Diligent. **ACTIONED**

Motion: The Board received and noted the CEO Legislative Compliance Declaration noting the exceptions.

Motion by: J Blue

Seconded by: F Pimm

Carried: All present in favour

B Baker and F Pimm left the meeting at 3.15pm

ITEM 10 INFORMATION PAPERS

There were no information papers for this agenda.

ITEM 11 Correspondence

11.1 Letter of Agreement with NZBS and MoH for PM to support Organ Donation Agency – 26 June 2019

The letter received from the Ministry of Health dated 26 June 2019 was noted by the Board.

11.2 Letter from MoH – Change of Responsible Minister – 23 July 2019

The letter from the Ministry of Health regarding change of responsible Minister dated 23 July 2019 was noted by the Board.

ITEM 12 General Business

Nothing raised.

ITEM 13 Board Matters

13.1 Board Work Programme and Calendar

The NZBS Board Work Programme was noted by the Board.

13.2 Board Member Tenure Timetable

The Board Member Tenure Timetable was noted by the Board.

ITEM 14 Next Meeting

14.1 The next Board meeting is a scheduled for Thursday, 31 October, at 71 Great South Road, Epsom commencing at 9.30am

Close of meeting: The meeting closed at 3.25pm.

Certified as a true and correct record:



David Chamberlain – Board Chair