

3 April 2018

OIA [2018/038]

Antony Andrews  
<mailto:fyi-request-7362-f423f588@requests.fyi.org.nz>

Dear Antony

**Official information Request: 2018/038**

Thank you for your request for official information, received on 3<sup>rd</sup> March 2018 requesting the following information under the Official Information Act (1982):

*I have been provided with SCHEDULE 3: DHB Provider Arm Financial Performance by MOH for year 2014.*

*I have a question with respect to the Outsourcing expenses for the months of March 2014 and April 2014.*

*The statement showed that the Year to Date Outsourced services expenses in March 2014 was \$15,026 ('000) while Year to Date for April 2014 dropped to \$14,074 ('000). This means that there was a credit of approximately \$461.57 ('000) in the month of April 2014.*

*How is this possible please? Year to date expenses always increase or remain same.*

*Please clarify the following points clearly:*

*1. What is the reasoning behind this credit? Did CCDHB outsourced its own staff to an external entity and received income? If it did, please specify how much it spent on outsourcing (if it did in that month) and how much it received by outsourcing its staff to other providers. In other words please break down the above credits.*

*2. Or was there an accounting adjustment made? If there was please advise the source period from which adjustment was made from. Or was there any other kind of transaction?*

In March 2014 there was an accounting reallocation of costs from an infrastructure category to an outsourced category. This was done in error and was corrected in April 2014. The outsourced category cannot be looked at in isolation. Set out below is a table showing the movement in the categories mentioned for Mar and Apr 2014. Please note the amount \$14,074 quoted above should be \$14,564.

		Year to Date '000s	Year to Date '000s
		Mar 2014	Apr 2014
Outsourced Services	Cost reallocation	2,033	
Outsourced Services	Other costs	12,993	14,564
Outsourced Services	Total	15,026	14,564
		Year to Date '000s	Year to Date '000s
		Mar 2014	Apr 2014
Infrastructure Costs	Cost reallocation	(2,033)	
Infrastructure Costs	Other costs	80,036	89,447
Infrastructure Costs	Total	78,003	89,447

You have the right, under section 28 of the Act, to seek a review or to ask the Ombudsman to review the information that has been provided to you.

Regards

A handwritten signature in blue ink, appearing to be 'TD', with a stylized flourish extending to the right.

**Thomas Davis**  
General Manager  
Corporate Services