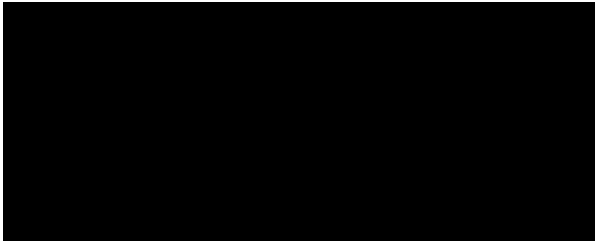


11 April 2019



Re DHB Holiday's Act – request for information

I refer to your email dated 14 March 2019 requesting the following information:

1. **Any form of financial risk register or similar produced since start of 2016 till now, that refers in any way to risks, liabilities or other issues associated with pay anomalies under the Holidays Act 2003**
2. **Any briefing or report by your CE or CFO to any joint meeting of DHB senior managers, about risks, liabilities or other issues associated with pay anomalies under the Holidays Act 2003**
3. **The Labour Inspectorate 'rough' audit or audits of your DHB done specifically in relation to this matter done, according to MBIE, in 2016, or 2017 or 2018**

Our response to your questions is as follows:

1. **Any form of financial risk register or similar produced since start of 2016 till now, that refers in any way to risks, liabilities or other issues associated with pay anomalies under the Holidays Act 2003**

In response to question one, I refer you to Auckland District Health Board's 2017/18 Annual Report:

Provision Amount	\$6.9M
Critical Accounting Estimates Declared	<p>Critical accounting estimates and assumptions In preparing these financial statements, the Board has made estimates and assumptions concerning the future. These estimates and assumptions might differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.</p> <p>The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:</p> <ul style="list-style-type: none"> • Estimating the fair value of land and buildings – refer to Note 13. • Measuring long service leave and retirement gratuities – refer to Note 17. • Classification of leases – refer to Note 19. • Estimated liability to comply with the Holidays Act pay – refer to Note 17 • Identifying agency relationships -refer to discussion note below.

Note 17	<p><i>Compliance with the Holidays Act 2003</i></p> <p>Many public and private sector entities, including the DHB, are continuing to investigate historic underpayment of holiday entitlements. For employers such as the DHB that have workforces that include differential occupational groups with complex entitlements, non-standard hours, allowances and/or overtime, the process of assessing compliance with the Act and determining the underpayment is time consuming and complicated. DHBs have decided to take a national approach and have been working with key stakeholders to define a baseline interpretation document for the health sector. This is substantially agreed but there are some remaining issues which are in the process of being resolved. The intention is that, once the baseline document is agreed, this would be used by each DHB to systematically assess their liability.</p> <p>Auckland DHB has estimated its liability as at 30 June 2018 to be \$6.9m (2017: \$6.9m). The estimate is based on the best information available to the DHB and our preliminary interpretation of the Holidays Act. The estimate is likely to be different due to the uncertainty surrounding the appropriate interpretation which is subject to the national process underway.</p>
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2. Any briefing or report by your CE or CFO to any joint meeting of DHB senior managers, about risks, liabilities or other issues associated with pay anomalies under the Holidays Act 2003

In response to question two, I can confirm that apart from what has been published in the Annual Report, there have been no written briefings or reports by the Chief Executive or Chief Financial Officer to any joint meeting of DHB senior managers in relation to the Holiday's Act.

3. The Labour Inspectorate 'rough' audit or audits of your DHB done specifically in relation to this matter done, according to MBIE, in 2016, or 2017 or 2018

In response to question three, the information is being withheld under section 9(2)(j) of the Official Information Act as release of this information would likely prejudice or disadvantage current negotiations and we do not consider that this disadvantage or prejudice is outweighed by the public interest in release of the information.

I trust this information answers your questions.

You are entitled to seek a review of the response by the Ombudsman under section 28(3) of the Official Information Act. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that this response, or an edited version of this response, may be published on the Auckland DHB website.

Yours faithfully



Ailsa Claire, OBE
Chief Executive