



AUCKLAND  
REGIONAL RMO  
SERVICES LTD

## **Statement of Intent**

**2010/11 – 2012/13**

### **Auckland Regional RMO Services Ltd**

A wholly owned subsidiary of the Waitemata, Auckland and Counties  
Manukau District Health Boards

## EXECUTIVE SUMMARY

This Statement of Intent has been prepared by Auckland Regional RMO Services Ltd to meet the requirements of section 39 of the New Zealand Public Health and Disability Act 2000 and section 139 (1) of the Crown Entities Act 2004.

This document is intended to outline for Parliament and the general public the performance that will be delivered during 2010/11 by Auckland Regional RMO Services Ltd and contains non-financial and financial forecast information for 2011/12 and 2012/13. The agreed performance measures are in the context of the government's strategic and service priorities for the public health and disability sector.

Auckland Regional RMO Services Ltd (ARRMOS) is a not-for-profit limited liability Company with strong clinical leadership at both a governance and operational level. The company is wholly-owned by the Waitemata District Health Board, Auckland District Health Board and Counties Manukau District Health Board.

ARRMOS and its clinical partner the Regional Training Committee (RTC) support the Government's 'better, sooner, more convenient' health care strategy as reflected in DHB and regional planning documents by ensuring that Resident Medical Officers (RMOs) gain vocational registration in a way which supports the ongoing development of the medical workforce in the desired manner. It does this by providing recruitment, allocation, training, career support, workforce planning & development and administrative support services to RMOs and the Auckland Region DHBs. Specific services provided to stakeholders include:

### 1. Shareholder DHBs:

- Regional Leadership for Workforce Planning and Development issues
- All services related to the recruitment, selection and allocation of RMOs
- Maintenance of a regional RMO training information database
- Analysis and reporting of regional RMO workforce trends
- Information provision for CTA funding contracts
- Administration services for rostering, leave management and payroll liaison
- Operational level employment agreement interpretation
- Support services for the administration of run reviews to support DHB organisation development goals
- Compilation and analysis of Run Evaluation survey results and trends
- Reporting of RMO progression against MCNZ and College requirements to allow training committee chairs to target the provision of pastoral care
- Secretarial and administrative support to RTC for recruitment and allocation

### 2. RMOs:

- Access to clinical advice on training and career development opportunities
- Administrative services for all matters such as induction, orientation, rostering, leave management, additional payment claims and payroll liaison.
- Assistance with recruitment and allocation applications
- Provision of Certificates of Service, training and registration paperwork
- Processing of training expense reimbursements and registration matters

Dave Davies \_\_\_\_\_  
Board Chair  
Date: \_\_\_\_\_

Garry Smith \_\_\_\_\_  
Board Member  
Date: \_\_\_\_\_

## **ARRMOS Vision (November 2009)**

### **Mission Statement:**

To be the national benchmark organisation for the New Zealand RMO environment by providing vocationally registered SMOs to stakeholders sufficient to meet future workforce requirements.

### **Vision:**

To work in partnership with stakeholders to set the strategic direction for the RMO environment and to operationalise that by:

1. working together with stakeholders as one business.
2. providing leadership to stakeholders on all matters relating to RMOs through the Operational Management Group.
3. ARRMOS and the RTC working with stakeholders to meet the day to day requirements of the business and to implement longer term change processes as directed by OMG and the Board.

### **Objectives**

1. To have defined relationships with shareholders and key stakeholders
2. To create an environment where Auckland is consistently the region of choice for RMOs whilst respecting our obligations to DHBs outside the region
3. To support the DHBs to implement strategies developed by OMG after consultation with stakeholders
4. To provide consistent:
  - a. Expertise in RMO Administration
  - b. Excellent customer service to RMOs and DHBs
  - c. Adherence to, and development of, regionally agreed processes
5. To continuously improve the training environment for RMOs to facilitate their achievement of vocational registration in the most efficient manner possible
6. To retain RMOs by implementing national, regional and local workforce initiatives to ensure the ongoing provision of high quality specialist workforce.

**ARRMOS Values  
November 2009**

<b>Value</b>	<b>Attribute</b>	<b>Behaviour</b>
Integrity	<ul style="list-style-type: none"> <li>- Trust</li> <li>- Respect</li> <li>- Honest</li> <li>- Fair</li> <li>- Transparent</li> </ul>	<ul style="list-style-type: none"> <li>- Developing and following clear processes</li> <li>- Ownership of issues</li> <li>- Clear communication / expectations / accountability</li> <li>- Consistent application of policies and procedures</li> </ul>
Commitment	<ul style="list-style-type: none"> <li>- Desire to work in public health</li> <li>- Pride in ARRMOS</li> <li>- Focus on RMOs and DHBs</li> </ul>	<ul style="list-style-type: none"> <li>- Participation and engagement</li> <li>- Business development</li> <li>- Delivery on outcomes</li> <li>- Promoting the business</li> </ul>
Healthy Environment	<ul style="list-style-type: none"> <li>- Enjoyment of the work environment and the contributions of colleagues</li> <li>- Valuing shared experiences</li> <li>- Balancing work and home life</li> </ul>	<ul style="list-style-type: none"> <li>- pursuit of positive team dynamics</li> <li>- insight into the reasons behind our own and others behaviours</li> <li>- supporting each other across the business</li> <li>- acknowledging performance positively</li> <li>- respect for differences</li> </ul>
Professionalism	<ul style="list-style-type: none"> <li>- Cultural sensitivity</li> <li>- Diplomacy</li> <li>- Knowledgeable</li> <li>- Expert</li> </ul>	<ul style="list-style-type: none"> <li>- Work collaboratively with stakeholders</li> <li>- Continuous improvement</li> <li>- Share knowledge</li> <li>- Invest in learning</li> <li>- Right person / right place / right time</li> </ul>

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## 1.0 INTRODUCTION

### 1.1. *General*

Auckland Regional RMO Services Ltd is categorised as a Crown Agent under section 7 of the Crown Entities Act 2004 (CE Act 2004). The CE Act 2004 (section 49) states that the Board of Auckland Regional RMO Services Ltd must ensure that the Company acts in a manner consistent with its objectives, functions, and this Statement of Intent (SOI).

This SOI is for the period 2010/11 to 2012/13. The SOI describes to Parliament and the communities of the Auckland Region what the Company intends to achieve over the next three years in terms of providing regional support services related to the RMO workforce employed by its shareholders. The SOI incorporates the governance (the Board), and provider (e.g., Administrative Offices and Regional Training Committee) activities of the Company.

Performance measures and targets are included describing how Auckland Regional RMO Services Ltd will endeavour to provide these support services to its shareholders over the next three financial (1 July to 30 June) years.

This SOI is aligned to and consistent with:

- NZPHD Act 2000
- CE Act 2004
- Public Finance Act 1989 (and subsequent amendment acts)
- Auckland Regional RMO Services Ltd Annual Plan (AP)
- Auckland Regional RMO Services Ltd Strategic Plan (SP)
- The New Zealand Health Strategy (2000)
- The New Zealand Disability Strategy (2001)
- He Korowai Oranga (Māori Health Strategy (2002)
- Te Tāhuhu: Improving Mental Health 2005-2015 (2005)
- The Health of Older People Strategy (2002)
- The Primary Health Care Strategy (2001)
- The Pacific Health and Disability Action Plan (2002).

This SOI includes:

- a statement of forecasted service performance that the Company will seek to achieve during 2010/11, and the two subsequent financial years, with non-financial performance measures and targets for one of the two output classes (i.e., the governance and provider parts of the Company) this information can be referenced in section 5.
- financial forecast for 2010/11 and the two subsequent years this information can be referenced in section 6.

At the end of the year, auditors working on behalf of the Office of the Auditor-General compare the performance planned in the SOI with the actual performance described in the DHB's Annual Report.

## **1.2. Reporting to the Minister of Health**

The Company will ensure all decision-making processes comply with any legislative requirements to consult with or notify the Minister of Health. There is no obligation to routinely report matters to the Minister. Any communications with the Minister will be through the Board Chair on behalf of the Board and shareholding DHBs.

## 2.0 OUR PEOPLE

This section describes Auckland Regional RMO Services Ltd's "region". It outlines the geographical location and the profile of the RMO workforce, identifies RMO workforce issues for the Auckland region, and describes how this operating environment influences the choices Auckland Regional RMO Services makes.

### 2.1. Workforce Information

Auckland Regional RMO Services Ltd provides support services to a Resident Medical Officer population approximately 1,091 strong across the Auckland region. Health Services in the region are provided by the Waitemata, Auckland and Counties Manukau DHBs who have an equal shareholding in the Company. RMOs are employed by the three DHBs and undertake training on all the main hospital and community sites including North Shore, Waitakere, Auckland City and Middlemore Hospitals as well as the Mason Clinic, Greenlane Clinical Centre, Manukau Super Clinic and a variety of community based institutions. RMOs rotate across all these sites on a two, three, four or six monthly basis depending on which training scheme they belong to. The size of the trainee workforce and the complexity of rotating across so many sites and three employers at regular intervals means that we are unique in the New Zealand environment and must constantly strive to formulate our own solutions to problems which may be international in origin.

In addition to the environment described above the RMO workforce differs from most other workforces in that it is:

- young with an average age of 32 years
- approximately 51% male and 49% female
- ethnically diverse

African	2%
Asian	40%
European	22%
Middle Eastern	3%
NZ - European	26%
NZ - Maori	2%
Pacific Island	2%
Not Disclosed	2%
- relatively well remunerated as compared to other NZ health workforces with salaries being any where between \$53,000 and \$166,000 depending on hours worked and level of experience.
- Undertaking post graduate education of 7-9 years duration in order to gain further registration as vocationally registered medical practitioners either as specialists in the hospital system or independently in the community

The population base and use of the Auckland region as a centre for the delivery of national services means that we are able to provide some of the best and most complex medical training environments in New Zealand and we are attractive employers because of that natural advantage. However, when we have a sustained period of high shortages in the trainee workforce such as the one experienced between 2007 and 2009 the very demanding and busy nature of our institutions means that our RMOs are more willing than their regional peers to seek training opportunities elsewhere. This means that ARRMOS must invest much more heavily than other DHB RMO service providers in permanent & temporary recruitment and most crucially of all workforce planning and development. In this regard we lead the country and are used as a significant resource by Health Workforce NZ.

### **3.0 NATURE AND SCOPE OF ACTIVITIES**

The activities of our Company fall into two groups (or “output classes”):

- Governance
- Provision of Services

#### **3.1. *Company Governance***

The governance structure for the Company is set out in the Companies Act 1993. The Board consists of three members being the Chief Executives of the three shareholder DHBs and they have overall responsibility for the operation of Auckland Regional RMO Services Ltd. The Board can delegate matters to the General Manager of the Company.

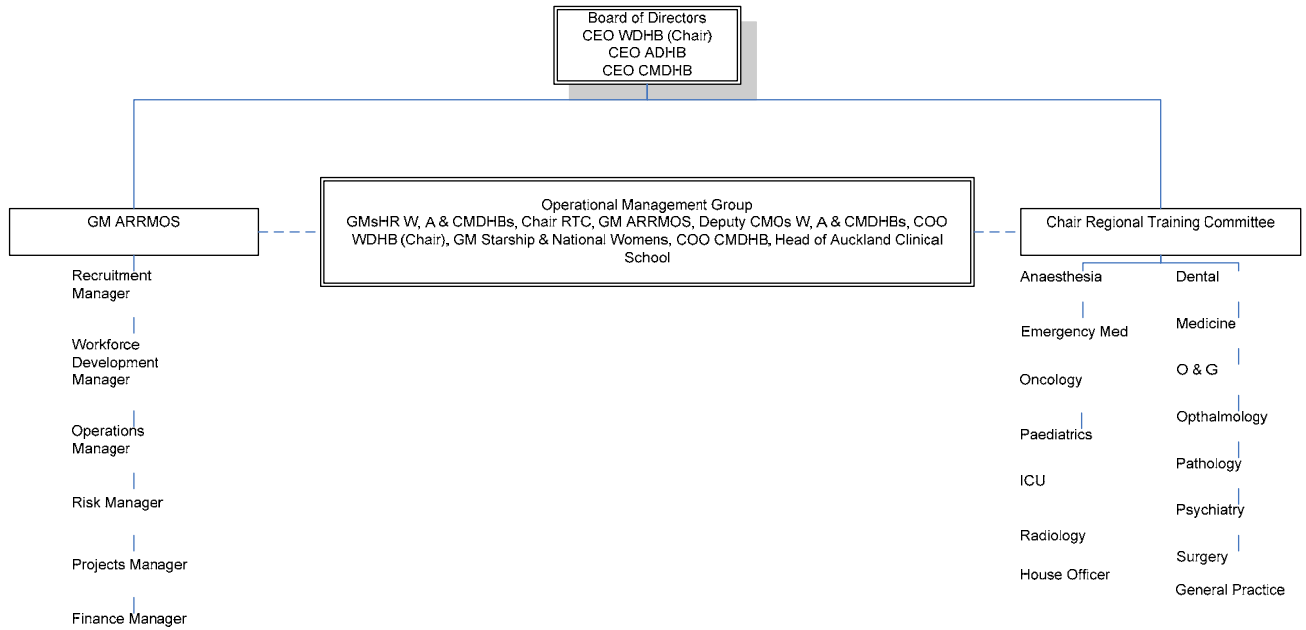
Members of the public are welcome to observe the meetings of the Board. The meetings are held quarterly. Details of the meetings (such as agendas, minutes, membership of the Board, people who attended a meeting) can be made publicly available by contacting the General Manager.

Occasionally the Board may need to have discussions about some subjects where it is better if the public does not attend, and this is allowed for in the Companies Act 1993.

##### **3.1.1. *Managing Organisational Health and Capability***

Organisational structure:

**Auckland Regional RMO Services Ltd**  
 Governance      November 2009



## Quality and Safety

The management of serious risks to the quality and delivery of services within Auckland Regional RMO Services Ltd is incorporated into the strategic & annual business plans. It is based on the Quality Dimensions and Goals outlined in Improving Quality (IQ): A systems approach for the New Zealand health and disability sector (2003), which is detailed below:



To measure that service meets the needs, values and expectations of our key stakeholders ARRMOs will conduct an annual customer satisfaction survey via an electronic survey tool to maintain consumer focus and enable continuous improvement of services offered.

The key to quality is continuous improvement via a proactive approach using analysis, measurement, evaluation and learning. A formalised process for measurement and auditing of key performance indicators has been implemented which underpins the annual business plan.

As part of the continuous improvement and quality management process a review of the procedure manuals covering all services provided by the business including, recruitment, allocations, registration, cost of training, rostering, run reviews and daily operations will be undertaken.

Data Integrity has been identified as a significant risk to the quality and delivery of services by ARRMOs. CTA Funding and Payroll information is provided to the District Health Boards based on the data contained in the Dr Who Database. To minimise the risk and ensure integrity of the data scheduled audits will occur as part of the key performance indicator measurement process.

The quality plan will be reviewed annually as part of the Business planning processes.

## Managing Key Aspects of Capability

The management of capability within Auckland Regional RMO Services Ltd is carried out primarily through the annual business and budget planning cycle scheduled for November 2010. The Company respects the fiscally restrained environment it operates within and is careful to ensure that planning for enhancements to services can be achieved within existing resources in the first instance, or in the event of additional resources are granted that these do not exceed the capacity of the Company, or its shareholders, to deliver on. Accountability for the successful implementation of this process is delivered through the reporting mechanism of the General Manager to the Board with the assistance of the Operational Management Group.

Key to the ongoing success of the Auckland Regional RMO Services Ltd model is the development of its people. Over the past twelve months intense effort has been put into stabilising ARRMOS workforce turnover. To a large extent this has been completed and all functions are now staffed by appropriately qualified individuals who have at least a year's service. In addition, most staff have tertiary or other appropriate qualifications in their particular field of expertise. The challenge with this team will be to increase customer perception of its functionality from 'competent' to 'proficient' with a long term goal of achieving 'expert' status by June 2013. All team members have an individual personal development plan and progress against goals will be measured.

Areas of development in the coming 12 months again focus largely on ensuring that team members are enabled to focus and perform well in their areas of responsibility and expertise. To this end the process of splitting the roster, run review, future leave and daily operations functions into two specialist teams working across four different sites will be completed with the inclusion of the Counties Manukau team in the matrix.

Additional areas for improvement are related to improving and maintaining relationships with key partners in the DHBs. Close relationships with individuals in key RMO, management and clinical leadership roles will be crucial to the success of the RMO recruitment and retention strategies the organisation wishes to introduce to the region during the course of 2010/2011. Implementation of RMO retention strategies in particular must be DHB led with specialist input from ARRMOS and Regional Training Committee staff and as such can only be successful if all parties are enabled to trust each others input. Leadership on RMO matters is also an important function of the ARRMOS OMG. Significant effort will be made in 2010/2011 to ensure that this group builds on the direction given to DHB Service Managers and Clinical Directors during 2009/2010 on matters such as workforce planning and development (in conjunction with Health Workforce New Zealand) position management, RMO retention, change management (to facilitate DHB organisation development needs stimulated by the Government's Health Targets) and the development of alternative workforces which should all be designed to positively enhance the clinical training experiences of RMOs working in the region.

### Information Services

The main office of the Company is located on an Auckland District Health Board site. Therefore, ADHB provides the main information technology infrastructure which supports the activities of the company's employees. This includes telephone, fax, e-mail, internet and CPU/VDU, printing and copying capacity. The Company also relies on a number of applications which have been built to support its daily operations. These applications include the RMO database which contains information on allocations, qualifications and training history as well as the database which supports the centralised locum management function. The recruitment function is supported by an application which is common to all three Auckland DHBs. Payroll services are provided by the Information Technology Company which provides the software underpinning the payroll function at all three DHBs.

Over the course of the next 12 – 24 months it is intended to implement integration with existing DHB HRIS/HRMS applications wherever it is practicable to do so. Emphasis will be given to the 'Kronos' rostering and time and attendance modules at W&ADHBs and its 'McKesson' equivalent at CMDHB. The company will initiate similar processes wherever it is appropriate to do so, but given its small size as compared to the shareholder DHBs it is expected that most integration will continue to occur as a result of change to information services in the DHBs flowing through to the Company.

## Workforce Development and Managing Organisational Health

To assist us to deliver on our stated outcomes, over the next three years we will continue to implement our obligations to be a 'good employer' by developing and implementing equal employment opportunities for all. This will ensure we are positioned to compete successfully for employees in what is projected to be an extremely challenging labour market over the next 2-3 decades. The people who work for us in the future are likely to be different in their needs, motivations and behaviours than the people in current employment. We intend to ensure our people management practices evolve to be ready for this. Our people are essential to ensure we maintain excellence and a high level of performance and results.

We plan to continue to review our workforce profile, analyse our current situation, identify gaps and issues of concern, take action to address these issues, evaluate the effectiveness of these actions and plan future actions in order to ensure we have eliminated any discrimination and unintended barriers to equal opportunities. This will assist us in ensuring we have productive and talented staff who reflect the wider community. Delivering on our stated outcomes requires excellent leadership, people, culture, relationships and processes to be in place. The success of this objective will be measured by our profile closely reflecting the wider community and an improvement in staff morale, confidence and relationships in the organisation as well as staff perception of fairness and equity.

Over the next 12 months we will continue this process by reviewing the organisation's staff profile and reanalysing its representativeness. We will consult with staff on issues of concern and ideas for improvements. We will conduct a thorough analysis of our profile, HR statistics, existing policies, practices, documents and systems in all areas of the business to audit equal opportunities in recruitment, appointment, development, promotion and remuneration. This will place us in an excellent position to take the most appropriate action (in the following year) to do everything we can to ensure all groups have fair and equal opportunities.

## Productivity and Value for Money

In line with government expectations that resources are moved to front line services the 09/10 budget was reduced by 6%. The 2010/2011 budget has been approved on a 0% basis with an expectation that a target of 5% savings in RMO administrative services will be achieved by transferring services the DHBs currently provide to ARRMOS with no accompanying movement of human or financial resources. The Board through the General Manager (as assisted by the Operational Management Group) ensures that the Company continues to provide value for money to the DHB shareholders by measuring its performance against a number of key indicators on a monthly basis. These indicators include:

- Managing changes to RMO positions within the existing RMO establishment figure of 1,091 in order to ensure alignment with undergraduate supply and SMO demand.
- Diverting growth in service demand to alternative workforces such as Medical Officers, Nurse Practitioners, Nurse Specialists and Physician Assistants
- Reporting and managing against vacancy rates by DHB and specialty with the aim of maintaining vacancies at no more than 10% in 10/11, reducing to 8% in 11/12 and 6% in 12/13 in order to ensure health targets can be met in a fiscally responsible manner.

- Reporting and managing against total spend on additional duties, cross cover and locum spend on a regional basis with the aim of reducing this to levels recorded in 2006 by the end of the 2010/2011 financial year.
- Reporting against total spend per hire with the aim of maintain this between \$750 and \$1,250 per hire.
- Reporting against total spend on RMO recruitment with the aim of maintaining this below \$500,000 per annum.
- Reporting and managing against monthly RMO recruitment volumes with the aim of ensuring that the number of applications and appointments exceeds or balances the number of resignations over the course of a training year.
- Reporting and managing against regional RMO workforce satisfaction and retention rates as measured by run evaluations with the aim of ensuring that all runs average a 3.5 / 5.0 or better result in 10/11, rising to 3.75 in 11/12 and 4.0 in 12/13 and that pressure on ability to deliver against health targets is relieved by a significantly lower turnover rate.
- Reporting and managing Training Committee performance against agreed regional RMO pastoral care requirements by ensuring that all RMOs who are not progressing towards vocational registration within expected timeframes are identified and have an agreed improvement plan in place.
- Reporting and managing against the annual budget for the Company with the aim of returning an annual result of zero profit or loss before depreciation.

#### **4.0 DHB & INTERSECTORAL COLLABORATION**

- National  
Auckland Regional RMO Services Ltd works with all 21 DHBs through District Health Boards New Zealand to provide the deliverables outlined in the 2010 Advanced Choice of Employment (ACE) contract. This contract which Auckland Regional RMO Services Ltd and its predecessor the Northern Clinical Training Network Ltd (NCTN) has held with District Health Boards New Zealand since its inception in 2005 is designed to deliver a fair and transparent match between medical school graduates and the first year House Officer runs provided by each District Health Board. The process is technology driven through the ACE website and is supported by a fulltime coordinator based in the ARRMOS office. Timelines for the annual recruitment cycle and match are agreed annually with the DHBs. Governance for the system is driven by a reference group which is comprised of DHBNZ, ARRMOS, DHB and student representatives. As the sector moves towards a more integrated national RMO training programme during 2010/2011 ARRMOS will investigate expanding the national match of first year RMOs to other cohorts of trainees and using the ACE Roadshow as a starting point for an annual national careers fair similar to the one run in the Auckland region which is designed to support House Officers when they are making decisions as to which vocational pathway to join.

ARRMOS has led the development of formal terms of reference for a national RMO Unit Managers forum. The ARRMOS General Manager is the Chair of the forum and the Otago RMO Unit manager the Deputy Chair. The forum meets by teleconference quarterly and physically annually. The forum has been structured to undertake three main activities:

- Information sharing, particularly in relation to vacancy hot spots (15%+) with a view to providing practicable support wherever possible

- Education and skills training for RMO Unit employees with a particular emphasis in 2010/2011 on contract interpretation standards for cost of training entitlements, rostering best practice and MCNZ/NZIS training for recruitment processes.
- Projects focused on nationally consistent PGY1 selection criteria, orientation principles and consistent information transfer for cost of training and leave entitlements

ARRMOS will also work closely with the Health Workforce New Zealand Board to provide strategic and tactical input into strategies proposed by the Board and an environment in which strategies may be piloted before being rolled out nationally. This may include work on such issues as a national locum bureau, a national RMO office, two year provisional registration for house officers and career progression for RMOs.

- Regional  
Auckland Regional RMO Support Services Ltd is the RMO trainee workforce recruitment, allocation, administration and workforce development agent for the Waitemata, Auckland and Counties Manukau District Health Boards. This Statement of Intent describes the relationship between the four organisations and the services provided. In addition, the company will explore merging its services with those provided by the Northland District Health Board's RMO Unit and also support the government's primary care initiatives by offering to extend the services it offers to the GP training programme. ARRMOS will actively pursue the GP pilot and mid year intake processes on a regional basis. It is envisaged that long term coordination of these initiatives will be led by a newly created GP Vocational Training Committee, which will complement the existing vocationally based training coordination structure and lead to improved flow of hospital based House Officers into GP vocational training.
- Shared Support Agencies  
Auckland Regional RMO Services Ltd contracts with health Alliance Ltd for access to the Auckland Regional DHBs electronic recruitment solution, TALEO.

## 5.0 FORECAST SERVICE PERFORMANCE: MEASURES AND STANDARDS

One of the functions of this SOI, and in particular, the Performance Measures and Targets, and Statement of Forecast Service Performance, as stated in CE Act (s142), is to show how we measure what we do in 2010/11. These measures, targets and standards for the current year will be subject to an annual audit by auditors appointed by the Office of the Auditor General.

Key performance measures for 2010/11 are set out below.

Key performance measures for 2011/12 and 2012/2013 will be similar to those for 2010/11 as the nature of our business is to operationally deliver on activities which do not change markedly from year to year. Having said this output targets will tighten as the aim of the organisation is to lower vacancy rates, increase retention by improving run satisfaction results and lifting RMO access to entitlements such as annual and study leave.

## NON FINANCIAL MEASURES

The following measures were chosen because they best reflect the way in which the organisation supports the DHBs' implementation of the Government's health care strategy of 'better, sooner, more convenient'. Close management of the overall position numbers within the training programme allows targeted direction of resource to the Government's six health targets whilst also requiring regional cooperation for medical workforce planning & development and alignment with the strategic objectives of undergraduate programme providers. Reduced vacancies facilitate appropriate use of financial resources, as does lower turnover and both contribute to DHB organisation development goals. Allocation and therefore the management of RMO progression to vocational registration against expected College norms is a clinically led function which also feeds workforce development health targets in the most effective and efficient manner possible.

The table below provides a summary of the key performance measures the organisation will be working to during the 2010/2011 financial year.

<b>Outcome</b>	To be the national benchmark organisation for the New Zealand RMO environment by providing vocationally registered SMOs to stakeholders sufficient to meet future workforce requirements.			
<b>Impacts</b>	Manage change to RMO positions within the existing establishment of 1,091 positions. Meet demand for increased service delivery by increasing Medical Officers, Nurse Practitioners, Nurse Specialists and Physician Assistants.	Reduce the current RMO vacancy rate of 10%	Reduce the numbers of RMOs resigning from the Auckland regional training programme (excluding RMOs who resign to become SMOs or who are rotated to an employer outside the region by a professional College).	Ensure that RMOs are allocated to runs which enable them to gain vocational registration in the shortest possible timeframe.
<b>Outputs</b>	Work to align undergraduate, post graduate and vocational registrant numbers with workforce planning and development requirements by implement the agreed procedure for management of RMO FTE. Divert demand for service RMO positions to alternative workforces by growing those workforces by 2% p/a	Recruit 500 RMOs to the regional training programme annually. Ensure effective use of financial resources by managing the cost per hire between a range of \$750 - \$1,250	Improve the quality of RMO training by: providing meaningful run feedback to the three DHBs following the completion of each run. Interpret results of run feedback and lead the improvement process in conjunction with the DHBs by improving runs where results consistently score less than 3.5 / 5.0.	Ensure that 90% of House Officers on the Dr Who database are listed as being year 3 or less. Ensure that 90% of Registrars on the Dr Who database are listed as being year 9 or less.
<b>Resources</b>	<b>Operational Management Group</b>	<b>Recruitment Team</b>	<b>Workforce Development Consultant</b>	<b>Operations Team</b>

## Strategic Initiatives

1. To have defined relationships with shareholders and key stakeholders
2. To create an environment where Auckland is consistently the region of choice for RMOs whilst respecting our obligations to DHBs outside the region
3. To support the DHBs to implement strategies developed by OMG after consultation with stakeholders
4. To provide consistent:
  - Expertise in RMO Administration
  - Excellent customer service to RMOs and DHBs
  - Adherence to, and development of, regionally agreed processes
5. To continuously improve the training environment for RMOs to facilitate their achievement of vocational registration in the most efficient manner possible
6. To retain RMOs by implementing national, regional and local workforce initiatives to ensure the ongoing provision of high quality specialist workforce.

Objective	Deliverable	Key Performance Indicator
<b>OMG Portfolio Objective</b>	To ensure that ARRMOS takes the lead at a national, regional and local level in order to support developments initiated by Health Workforce New Zealand and to implement recommendations made by the RMO Commission report wherever possible.	
<u>12/13</u>	<ul style="list-style-type: none"> <li>• Adherence to position management protocol</li> <li>• Development of alternative workforces</li> </ul>	<ul style="list-style-type: none"> <li>• Formal workforce planning within a zero growth environment to ensure alignment with undergraduate supply, SMO demand and Government Health Targets as outlined in DHB / PHO planning documents.</li> <li>• Increase alternative workforce positions (Medical Officers, Nurse Practitioners, Nurse Specialists, and Physician Assistants) by 6%</li> </ul>

Objective	Deliverable	Key Performance Indicator
		on 2009/10 numbers without removing RMOs from the training pool
<u>11/12</u>	<ul style="list-style-type: none"> <li>• Adherence to position management protocol</li> <li>• Development of alternative workforces</li> </ul>	<ul style="list-style-type: none"> <li>• Formal workforce planning within a zero growth environment to ensure alignment with undergraduate supply, SMO demand and Government Health Targets as outlined in DHB / PHO planning documents.</li> <li>• Increase alternative workforce positions (Medical Officers, Nurse Practitioners, Nurse Specialists, and Physician Assistants) by 6% on 2009/10 numbers without removing RMOs from the training pool</li> </ul>
<u>10/11</u>	<ul style="list-style-type: none"> <li>• Adherence to position management protocol</li> <li>• Development of alternative workforces</li> <li>• Ensure equitable 'distribution' of RMO positions across the region</li> <li>• Ensure the region leads the development of a nationally consistent RMO Administration and Clinical Leadership service</li> </ul>	<ul style="list-style-type: none"> <li>• Formal workforce planning within a zero growth environment to ensure alignment with undergraduate supply, SMO demand and Government Health Targets as outlined in DHB / PHO planning documents.</li> <li>• Increase alternative workforce positions (Medical Officers, Nurse Practitioners, Nurse Specialists, and Physician Assistants) by 6% on 2009/10 numbers without removing RMOs from the training pool</li> <li>• Implement recommendations from run distribution project</li> <li>• Implement common policies, procedures and structures nationally</li> </ul>
<b>Regional Training Committee Objective</b>	<ul style="list-style-type: none"> <li>• To actively manage individual RMO career progression towards vocational registration in a chosen speciality within overall workforce planning requirements.</li> </ul>	
<u>12/13</u>	<ul style="list-style-type: none"> <li>• <b>Provision of targeted pastoral care and career</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>95% of Registrars achieve vocational registration within five</b></li> </ul>

Objective	Deliverable	Key Performance Indicator
	development advice to RMOs	<ul style="list-style-type: none"> <li>years of acceptance onto the training programme</li> <li>• 95% of PGY2 HO are promoted to registrar 12 months after gaining general registration</li> <li>• 95% of PGY1 HO are gain general registration 12 months after gaining provisional registration</li> </ul>
<u>11/12</u>	<ul style="list-style-type: none"> <li>• Provision of targeted pastoral care and career development advice to RMOs</li> </ul>	<ul style="list-style-type: none"> <li>• 90% of Registrars achieve vocational registration within five years of acceptance onto the training programme</li> <li>• 90% of PGY2 HO are promoted to registrar 12 months after gaining general registration</li> <li>• 90% of PGY1 HO are gain general registration 12 months after gaining provisional registration</li> </ul>
10/11	<ul style="list-style-type: none"> <li>• Provision of targeted pastoral care and career development advice to RMOs</li> </ul>	<ul style="list-style-type: none"> <li>• 85% of Registrars achieve vocational registration within five years of acceptance onto the training programme</li> <li>• 85% of PGY2 HO are promoted to registrar 12 months after gaining general registration</li> <li>• 85% of PGY1 HO are gain general registration 12 months after gaining provisional registration</li> </ul>
<b>Recruitment Portfolio Objective</b>	<ul style="list-style-type: none"> <li>• To consistently reduce vacancy rates in order to ensure OMG can deliver on workforce planning and development objectives and to allow prudent financial management of health resources.</li> </ul>	
<u>12/13</u>	<ul style="list-style-type: none"> <li>• Sourcing</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain an overall vacancy rate of 5%</li> <li>• Recruit/Appoint 400 RMO's into the Auckland Region</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>• Candidate Care</li>   <li>• Compliance</li>   <li>• Locum Bureau</li>   <li>• Graduate Recruitment</li>   <li>• Productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve 70% response to satisfaction survey (280/400)</li> <li>• Achieve an overall rating of 4.0/5 (80% - Good)</li>   <li>• Audit 100% of pre offer paper work</li>   <li>• Maintain a compliant database 400 RMOs. (min)</li> <li>• Maintain a “ready to work” database of 150 RMOs</li> <li>• Audit all pre-offer paperwork (External Locums)</li>   <li>• 90% successful graduates appointed have ranked that DHB #1.</li>   <li>• Cost per hire to be within \$700 - \$1150 range</li> <li>• Agency spend to be no higher than \$30,000</li> <li>• Time to hire does not exceed 70 days</li> <li>• Advertising spend will be no higher than \$130, 000</li> </ul>
<b><u>11/12</u></b>	<ul style="list-style-type: none"> <li>• Sourcing</li>   <li>• Candidate Care</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain an overall vacancy rate of 7.5%</li> <li>• Recruit/Appoint 450 RMO’s into the Auckland Region</li>   <li>• Achieve 60% response to satisfaction survey (240/450)</li> <li>• Achieve an overall rating of 3.75/5 (75% - Good)</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Locum Bureau</li> <li>• Graduate Recruitment</li> <li>• Productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Audit 100% of pre offer paper work</li> <li>• Maintain a compliant database 400 RMOs. (min)</li> <li>• Maintain a “ready to work” database of 150 RMOs</li> <li>• Audit all pre-offer paperwork (External Locums)</li> <li>• 85% successful graduates appointed have ranked that DHB #1.</li> <li>• Cost per hire to be within \$700 - \$1200 range</li> <li>• Agency total spend to be no higher than \$35,000</li> <li>• Time to hire does not exceed 80 days,</li> <li>• Advertising spend will be no higher than \$125, 000</li> </ul>
<b><u>10/11</u></b>	<ul style="list-style-type: none"> <li>• Sourcing</li> <li>• Candidate Care</li> <li>• Compliance</li> <li>• Locum Bureau</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain an overall vacancy rate of 10%</li> <li>• Recruit/Appoint 500 RMO’s into the Auckland Region</li> <li>• Achieve 50% response to satisfaction survey (250/500)</li> <li>• Achieve an overall rating of 3.5/5 (70% - Good)</li> <li>• Audit 100% of pre offer paper work</li> <li>• Maintain a compliant database 400 RMOs. (min)</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>• Graduate Recruitment</li> <li>• Productivity</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain a “ready to work” database of 150 RMOs</li> <li>• Audit all pre-offer paperwork (External Locums)</li> <li>• 80% successful graduates appointed have ranked that DHB #1.</li> <li>• Cost per hire to be within \$750 - \$1250 range</li> <li>• Agency total spend to be no higher than \$40,000</li> <li>• Time to hire does not exceed 90 days,</li> <li>• Advertising spend to be no higher than \$120, 000</li> </ul>
<b>Workforce Portfolio Objective</b>	<ul style="list-style-type: none"> <li>• Support OMG to deliver on workforce planning and development objectives by working with clinicians to develop attractive training programmes and measuring success through reduced RMO turnover, excluding those resigning because of College rotations or promotion to SMO positions.</li> </ul>	
<b><u>12/13</u></b>	<ul style="list-style-type: none"> <li>• Run feedback</li> <li>• CTA Rep/Data</li> <li>• Career Pathways</li> <li>• Flexible Employment Opportunities</li> <li>• Increase length of service</li> <li>• Entry/Exit interviews</li> </ul>	<ul style="list-style-type: none"> <li>• 35% response, &lt;10% &lt;4.0</li> <li>• 100% audits complete, &lt; 3 queries per report</li> <li>• 90% HO have CP</li> <li>• 30 positions</li> <li>• 2 years 30%</li> <li>• 85% conducted</li> </ul>
<b><u>11/12</u></b>	<ul style="list-style-type: none"> <li>• Run feedback</li> </ul>	<ul style="list-style-type: none"> <li>• 30% response, &lt;8% &lt;3.75</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>• CTA Rep/Data</li> <li>• Career Pathways</li> <li>• Flexible Employment Opportunities</li> <li>• Increase length of service</li> <li>• Entry/Exit interviews</li> </ul>	<ul style="list-style-type: none"> <li>• 95% audits complete, &lt; 4 queries per report</li> <li>• 80% HO have CP</li> <li>• 25 positions</li> <li>• 2 years 27.5%</li> <li>• 75% conducted</li> </ul>
<b><u>10/11</u></b>	<ul style="list-style-type: none"> <li>• Run feedback</li> <li>• CTA Rep/Data</li> <li>• Career Pathways</li> <li>• Flexible Employment Opportunities</li> <li>• Increase length of service</li> <li>• Entry/Exit interviews</li> </ul>	<ul style="list-style-type: none"> <li>• 27% response, &lt; 10% scoring &lt; 3.5</li> <li>• 90% audits complete, &lt; 5 queries report</li> <li>• 70% HO have CP</li> <li>• 20 positions</li> <li>• 2 years 25%</li> <li>• 65% conducted</li> </ul>
<b>Operations Portfolio Objective</b>	<ul style="list-style-type: none"> <li>• To allocate and deploy RMOs in the most effective manner possible in order to ensure their ability to gain vocational registration efficiently is enhanced.</li> </ul>	
<b><u>12/13</u></b>	<ul style="list-style-type: none"> <li>• <b>Allocations</b></li> <li>• Work in conjunction with training committee chairs to improve the rate of successful progression of RMOs through the training programme</li> </ul>	<ul style="list-style-type: none"> <li>• 95% of House Officers on the Dr Who database are year 3 or less</li> <li>• 95 % of Registrars on the Dr Who database are year 9 or less</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>• Maintain accurate information in the Dr Who database.</li> <li>• Ensure RMOs receive feedback on their performance in each run by the use of               <ul style="list-style-type: none"> <li>○ MCNZ evaluation forms for Provisional Registrants</li> <li>○ ARRMOS evaluation forms for General Registrants</li> </ul> </li> <li>• RMO Training Expense Reimbursements are processed in a timely manner</li> <li>• Increase the match between RMO preference and allocations</li> </ul>	<ul style="list-style-type: none"> <li>• 100% audit compliance</li> <li>• Completed evaluation forms are received:               <ul style="list-style-type: none"> <li>○ 80% within 1 week of completion of run</li> <li>○ 90% within 3 weeks of completion of run</li> <li>○ 100% within 4 weeks of completion of run</li> </ul> </li> <li>• Completed reimbursements are processed within the following timeframes:               <ul style="list-style-type: none"> <li>○ 80% of within 1 week of receipt</li> <li>○ 100% within 2 weeks of receipt</li> </ul> </li> <li>• Zero growth in reimbursement cost per FTE</li> <li>• Average reimbursement cost per year               <ul style="list-style-type: none"> <li>○ Registrar ≤ \$7000</li> <li>○ House Officer ≤ \$2000</li> </ul> </li> <li>• 80% of House Officers are allocated to their 1<sup>st</sup> preference run</li> <li>• 80% of RMOs are allocated to their 1<sup>st</sup> preference DHB</li> <li>• 90% of RMOs are allocated to 1<sup>st</sup> or 2<sup>nd</sup> preference DHB</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Rostering</b></li> </ul>	
	<ul style="list-style-type: none"> <li>• Published rosters are MECA compliant</li> </ul>	<ul style="list-style-type: none"> <li>• 100% compliance of inlier rosters</li> <li>• 10% increase on baseline for outlier services</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>Run salary category paid matches hours worked (except due to increases for relief and minimum category for ED/ICU runs)</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance of inlier services</li> </ul>
	<ul style="list-style-type: none"> <li><b>Units</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Ensure RMOs take adequate annual leave</li> <li>Manage RMO sick leave</li> <li>Vacant shifts are covered by the RMOSU in a cost effective manner</li> <li>RMOs have access to adequate Medical Education Leave to enable them to progress through their training programme</li> <li>Improve the ratio of Advisors : RMO</li> </ul>	<ul style="list-style-type: none"> <li>100% of RMOs take <math>\geq 4</math> weeks annual leave.</li> <li>Sick leave hours as a percentage of total accrued FTE hours is <math>\leq 3\%</math></li> <li>Appropriate cover is sourced for vacant RMO shifts: <ul style="list-style-type: none"> <li>80% of vacant shifts are covered 1 month prior,</li> <li>90% one week prior,</li> <li>100% on the day.</li> </ul> </li> <li>Average cost of cover is <math>\leq \\$80</math>/hour</li> <li>Where electronic rostering systems exist keep hours worked to 72 hours or less</li> <li>Training Registrars take an average of 2 weeks Medical Education Leave per year</li> <li>1:50</li> </ul>
<b><u>11/12</u></b>	<ul style="list-style-type: none"> <li><b>Allocations</b></li> </ul>	

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>• Work in conjunction with the training committee chairs to improve the rate of successful progression of RMOs through the training programme</li>   <li>• Maintain accurate information in the Dr Who database.</li>   <li>• Ensure RMOs receive feedback on their performance in each run by the use of               <ul style="list-style-type: none"> <li>○ MCNZ evaluation forms for Provisional Registrants</li> <li>○ ARRMOS evaluation forms for General Registrants</li> </ul> </li>   <li>• RMO Training Expense Reimbursements are processed in a timely manner</li>   <li>• Increase the match between RMO preference and allocations</li> </ul>	<ul style="list-style-type: none"> <li>• 92% of House Officers on the Dr Who database are year 3 or less</li> <li>• 92 % of Registrars on the Dr Who database are year 9 or less</li> <li>• 100% audit compliance</li>   <li>• Completed evaluation forms are received:               <ul style="list-style-type: none"> <li>○ 80% within 1 week of completion of run</li> <li>○ 90% within 3 weeks of completion of run</li> <li>○ 100% within 4 weeks of completion of run</li> </ul> </li>   <li>• Completed reimbursements processed within the following timeframes:               <ul style="list-style-type: none"> <li>○ 80% of within 1 week of receipt</li> <li>○ 100% within 2 weeks of receipt</li> </ul> </li> <li>• Zero growth in reimbursement cost per FTE</li> <li>• Average reimbursement cost per year               <ul style="list-style-type: none"> <li>○ Registrar ≤ \$7000</li> <li>○ House Officer ≤ \$2000</li> </ul> </li>   <li>• 75% of House Officers are allocated to their 1<sup>st</sup> preference run</li> <li>• 75% of RMOs are allocated to their 1<sup>st</sup> preference DHB</li> <li>• 90% of RMOs are allocated to 1<sup>st</sup> or 2<sup>nd</sup> preference DHB</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>• <b>Rostering</b></li> </ul>	
	<ul style="list-style-type: none"> <li>• Published rosters are MECA compliant</li> <li>• Run salary category paid matches hours worked (except due to increases for relief and minimum category for ED/ICU runs)</li> </ul>	<ul style="list-style-type: none"> <li>• 100% compliance of inlier rosters</li> <li>• 5% increase on baseline for outlier services</li> <li>• 95% compliance of inlier services</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Units</b></li> </ul>	
	<ul style="list-style-type: none"> <li>• Ensure RMOs take adequate annual leave</li> <li>• Manage RMO sick leave</li> <li>• Vacant shifts are covered by the RMOSU in a cost effective manner</li> <li>• RMOs have access to adequate Medical Education Leave to enable them to progress through their training programme</li> </ul>	<ul style="list-style-type: none"> <li>• 90% of RMOs take <math>\geq 4</math> weeks annual leave</li> <li>• Sick leave hours as a percentage of total accrued FTE hours is <math>\leq 3.5\%</math></li> <li>• Appropriate cover is sourced for vacant RMO shifts: <ul style="list-style-type: none"> <li>○ 80% of vacant shifts are covered 1 month prior,</li> <li>○ 90% one week prior,</li> <li>○ 100% on the day.</li> </ul> </li> <li>• Average cost of cover is <math>\leq \\$82.50/\text{hour}</math></li> <li>• Where electronic rostering systems exist keep hours worked to 72 hours or less</li> <li>• Training Registrars take an average of 2 weeks Medical Education Leave per year</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>Improve the ratio of Advisors:RMO</li> </ul>	<ul style="list-style-type: none"> <li>1:45</li> </ul>
<b><u>10/11</u></b>	<ul style="list-style-type: none"> <li><b>Allocations</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Work in conjunction with the training committee chairs to improve the rate of successful progression of RMOs through the training programme</li> <li>Maintain accurate information in the Dr Who database.</li> <li>Ensure RMOs receive feedback on their performance in each run by the use of <ul style="list-style-type: none"> <li>MCNZ evaluation forms for Provisional Registrants</li> <li>ARRMOS evaluation forms for General Registrants</li> </ul> </li> <li>RMO Training Expense Reimbursements are processed in a timely manner</li> <li>Increase the match between RMO preference and</li> </ul>	<ul style="list-style-type: none"> <li>90% of House Officers on the Dr Who database are year 3 or less</li> <li>90% of Registrars on the Dr Who database are year 9 or less</li> <li>100% audit compliance</li> <li>Completed evaluation forms are received: <ul style="list-style-type: none"> <li>80% within 1 week of completion of run</li> <li>90% within 3 weeks of completion of run</li> <li>100% within 4 weeks of completion of run</li> </ul> </li> <li>Completed reimbursements are processed within the following timeframes: <ul style="list-style-type: none"> <li>80% of within 1 week of receipt</li> <li>100% within 2 weeks of receipt</li> </ul> </li> <li>Zero growth in reimbursement cost per FTE</li> <li>Average reimbursement cost per year <ul style="list-style-type: none"> <li>Registrar ≤ \$7000</li> <li>House Officer ≤ \$2000</li> </ul> </li> <li>70% of House Officers are allocated to their 1<sup>st</sup> preference run</li> <li>80% of RMOs are allocated to their 1<sup>st</sup> preference DHB</li> </ul>

Objective	Deliverable	Key Performance Indicator
	allocations	<ul style="list-style-type: none"> <li>90% of RMOs are allocated to 1<sup>st</sup> or 2<sup>nd</sup> preference DHB</li> </ul>
	<ul style="list-style-type: none"> <li><b>Rostering</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Published rosters are MECA compliant</li> <li>Run salary category paid matches hours worked (except due to increases for relief and minimum category for ED/ICU runs)</li> </ul>	<ul style="list-style-type: none"> <li>100% compliance inlier rosters</li> <li>100% audit of outlier services</li> <li>90% compliance of inlier services</li> </ul>
	<ul style="list-style-type: none"> <li><b>Units</b></li> </ul>	
	<ul style="list-style-type: none"> <li>Ensure RMOs take adequate annual leave</li> <li>Manage RMO sick leave</li> <li>Vacant shifts are covered by the RMOSU in a cost effective manner</li> <li>RMOs have access to adequate Medical Education Leave to enable them to progress through their training programme</li> </ul>	<ul style="list-style-type: none"> <li>80% of RMOs take a minimum of 4 weeks of annual leave</li> <li>Sick leave hours as a percentage of total accrued FTE hours is <math>\leq</math> 4%</li> <li>Appropriate cover is sourced for vacant RMO shifts: <ul style="list-style-type: none"> <li>80% of vacant shifts are covered 1 month prior,</li> <li>90% one week prior,</li> <li>100% on the day.</li> </ul> </li> <li>Average cost of cover is <math>\leq</math> \$85/hour</li> <li>Where electronic rostering systems exist keep hours worked to 72 hours or less</li> <li>Training Registrars take an average of 2 weeks Medical Education Leave per year</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<ul style="list-style-type: none"> <li>Improve the ratio of Advisors:RMO</li> </ul>	<ul style="list-style-type: none"> <li>1:40</li> </ul>
<b>Risk Portfolio Objective</b>	<ul style="list-style-type: none"> <li>To enhance organisational performance by ensuring compliance with legislative statutes, standards Policies and Procedures.</li> </ul>	
<b><u>12/13</u></b>	<ul style="list-style-type: none"> <li>Develop and maintain continuous improvement initiatives throughout the organisation</li> <li>To ensure employee performance is enhanced through training and professional development</li> <li>To monitor organisational compliance with required auditing processes detailed in ARR MOS policies, procedures and manuals</li> </ul>	<ul style="list-style-type: none"> <li>Maintain Quality Health New Zealand certification.</li> <li>Annual Training plan which achieves average of 40 hrs per year per FTE.</li> <li>100% audit compliance for RMO checklists.</li> <li>Weekly audits of the data contained in the Dr Who database.</li> <li>100% of existing Query Analyser Reports migrated to Business Objects.</li> </ul>
<b><u>11/12</u></b>	<ul style="list-style-type: none"> <li>Develop and maintain continuous improvement initiatives throughout the organisation</li> <li>To ensure employee performance is enhanced through training and professional development</li> <li>To monitor organisational compliance with required auditing processes detailed in ARR MOS policies, procedures and manuals</li> </ul>	<ul style="list-style-type: none"> <li>Maintain Quality Health New Zealand certification.</li> <li>Annual Training plan which achieves average of 35 hrs per year per FTE.</li> <li>100% audit compliance for RMO checklists.</li> <li>Weekly audits of the data contained in the Dr Who database.</li> <li>75% of existing Query Analyser Reports migrated to Business</li> </ul>

Objective	Deliverable	Key Performance Indicator
		Objects.
<b><u>10/11</u></b>	<ul style="list-style-type: none"> <li>Develop and maintain continuous improvement initiatives throughout the organisation</li> <li>To ensure employee performance is enhanced through training and professional development</li> <li>To monitor organisational compliance with required auditing processes detailed in ARRMOS policies, procedures and manuals</li> </ul>	<ul style="list-style-type: none"> <li>Attain Quality Health New Zealand certification.</li> <li>Annual Training plan which achieves an average of 30 hrs per year per FTE.</li> <li>100% audit compliance for RMO checklists.</li> <li>Weekly audits of the data contained in the Dr Who database.</li> <li>50% of existing Query Analyser Reports migrated to Business Objects.</li> </ul>
<b>Project Portfolio Objective</b>	<ul style="list-style-type: none"> <li>To ensure that the strategic workforce planning and development goals of the business are not compromised by operational pressures by enabling a focus on development issues thereby averting the need to divert operational resources.</li> </ul>	
<b><u>12/13</u></b>	<ul style="list-style-type: none"> <li>The annual planning process will enable the team to identify and prioritise key projects for the coming financial year.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<b><u>11/12</u></b>	<ul style="list-style-type: none"> <li>The annual planning process will enable the team to identify and prioritise key projects for the coming financial year.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<b><u>10/11</u></b>	<u>Recruitment</u> <ul style="list-style-type: none"> <li>Technology systems</li> </ul> <u>Retention</u> <ul style="list-style-type: none"> <li>Career planning pathways</li> </ul>	<ul style="list-style-type: none"> <li>Technology system implemented regionally/ nationally</li> <li>Career planning pathways project plan kept up to date. Project executed, monitored and reported monthly to OMG and quarterly to the ARRMOS Board.</li> <li>70% HO in Auckland region have CP by June 2011</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<u>Operations</u> <ul style="list-style-type: none"> <li>• Communications strategy- internal and external</li> </ul>	<ul style="list-style-type: none"> <li>• National traction with our career pathways planning model</li> <li>• Implementation and management of Communications strategy as per agreed KPIs once project plan in place</li> </ul>
<b>Finance Portfolio Objective</b>	<ul style="list-style-type: none"> <li>• Ensure that the Organisation is enabled to deliver contracted services within its means.</li> </ul>	
<b><u>12/13</u></b>	<ol style="list-style-type: none"> <li>1. To provide ARRMOS Management, OMG and Board with accurate and timely information which will enable them to:               <ol style="list-style-type: none"> <li>a. Meet all relevant statutory and audit obligations</li> <li>b. Monitor the financial performance of the Company</li> <li>c. Forecast the financial performance of the Company</li> </ol> </li> <li>2. Monitor and raise issues of legal or financial risk / opportunity for action to ensure the ongoing viability of the Company.</li> </ol>	<ul style="list-style-type: none"> <li>• Report against the budget to the Management team and OMG monthly and the Board Quarterly</li> <li>• Prepare the draft annual accounts within statutory guidelines, and work with Audit NZ to achieve an unqualified Audit Opinion.</li> <li>• Work with the management team to prepare the annual report, annual budget and Statement of Intent.</li> </ul>
<b><u>11/12</u></b>	<ol style="list-style-type: none"> <li>1. To provide ARRMOS Management, OMG and Board with accurate and timely information which will enable them to:               <ol style="list-style-type: none"> <li>a. Meet all relevant statutory and audit obligations</li> <li>b. Monitor the financial performance of the Company</li> </ol> </li> </ol>	<ul style="list-style-type: none"> <li>• Report against the budget to the Management team and OMG monthly and the Board Quarterly</li> <li>• Prepare the draft annual accounts within statutory guidelines, and work with Audit NZ to achieve an unqualified Audit Opinion.</li> <li>• Work with the management team to prepare the annual report, annual budget and Statement of Intent.</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<p>c. Forecast the financial performance of the Company</p> <p>2. Monitor and raise issues of legal or financial risk / opportunity for action to ensure the ongoing viability of the Company.</p>	
<b><u>10/11</u></b>	<p>1. To provide ARRMOS Management, OMG and Board with accurate and timely information which will enable them to:</p> <p>d. Meet all relevant statutory and audit obligations</p> <p>e. Monitor the financial performance of the Company</p> <p>f. Forecast the financial performance of the Company</p> <p>2. Monitor and raise issues of legal or financial risk / opportunity for action to ensure the ongoing viability of the Company.</p>	<ul style="list-style-type: none"> <li>• Report against the budget to the Management team and OMG monthly and the Board Quarterly</li> <li>• Prepare the draft annual accounts within statutory guidelines, and work with Audit NZ to achieve an unqualified Audit Opinion.</li> <li>• Work with the management team to prepare the annual report, annual budget and Statement of Intent.</li> </ul>
<b><u>Common Portfolio Objectives</u></b>	<ul style="list-style-type: none"> <li>• Ensure that ARRMOS staff function at an expert level and have the supports in place to enable them to consistently do so</li> </ul>	
<b><u>12/13</u></b>	<p>1. ARRMOS Staff Turnover &lt;8%</p> <p>2. Succession Plan for team leader and management roles</p>	<ul style="list-style-type: none"> <li>• 2 resignations</li> <li>• Average length of service 30 months.</li> <li>• Documented succession plan for all supervisory and managerial roles</li> </ul>

Objective	Deliverable	Key Performance Indicator
	<p>3. Satisfaction Survey</p> <p>4. Staff Satisfaction</p> <p>5. Communications</p>	<ul style="list-style-type: none"> <li>• Average score of 4.0 / 5.0</li> <li>• 6 monthly interview with key customers completed</li> <li>• A/L taken – 4wks +</li> <li>• S/L taken – &lt;2 wks</li> <li>• St/L – 1 wk.</li> <li>• All staff have a monthly meeting with DHB equivalent management and clinical positions or key customer</li> </ul>
<b><u>11/12</u></b>	<p>1. ARRMO Staff Turnover &lt;10%</p> <p>2. Succession Plan for team leader and management roles</p> <p>3. Satisfaction Survey</p> <p>4. Staff Satisfaction</p>	<ul style="list-style-type: none"> <li>• 3 resignations</li> <li>• Average length of service 24 months</li> <li>• Documented succession plan for all supervisory and managerial roles</li> <li>• Average score of 3.75 / 5.0</li> <li>• 6 monthly face to face with key customers</li> <li>• A/L taken – 4wks +</li> <li>• S/L taken – &lt;2 wks</li> <li>• St/L taken – 35 hrs.</li> </ul>

Objective	Deliverable	Key Performance Indicator
	5. Communications	<ul style="list-style-type: none"> <li>All staff have a monthly meeting with DHB equivalent management and clinical positions or key customer</li> </ul>
<b><u>10/11</u></b>	<ol style="list-style-type: none"> <li>ARRMOS Staff Turnover &lt;12%</li> <li>Succession Plan for team leader and management roles</li> <li>Satisfaction Survey</li> <li>Staff Satisfaction</li> <li>Communications</li> </ol>	<ul style="list-style-type: none"> <li>4 resignations</li> <li>Average length of service 18 months.</li> <li>Documented succession plan for all supervisory and managerial roles</li> <li>Average score of 3.5 / 5.0</li> <li>6 monthly face to face with key customers</li> <li>A/L taken – 4wks +</li> <li>S/L taken – &lt;2 wks</li> <li>St/L taken – 30 hrs</li> <li>All staff have a monthly meeting with DHB equivalent management and clinical positions or key customer</li> </ul>

## 6.0 FINANCIAL PERFORMANCE MEASURURES

### 6.1. Financial Statements

All financial statements are presented using NZ IFRS.

#### Statement of Comprehensive Income

	2008/09 Actual \$000s	2009/10 Forecast \$000s	2010/11 Budget \$000s	2011/12 Plan \$000s	2012/2013 Plan \$000s
<b>Income</b>					
Funding from shareholders	2,847	2,822	2,822	2,822	2,822
Interest	19	9	15	15	15
Other	11	33	8	8	8
	<u>2,877</u>	<u>2,864</u>	<u>2,845</u>	<u>2,845</u>	<u>2,845</u>
<b>Expenditure</b>					
ARRMOS operations <sup>(1)</sup>	786	691	631	631	631
Finance costs	0	0	0	0	0
Employee costs <sup>(2)</sup>	2,091	2,172	2,214	2,214	2,214
	<u>2,877</u>	<u>2,863</u>	<u>2,845</u>	<u>2,845</u>	<u>2,845</u>
<b>Operating profit before depreciation and tax</b>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Depreciation	0	0	0	0	0
Tax	0	0	0	0	0
<b>Net profit after depreciation and tax</b>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>

Shareholder budget constraints of a 0% funding rise have been used in the preparation of the 2010/2011 budget and also in subsequent years.

(1) The decrease in operations relates to a decrease in agency fees paid to recruit RMOs. This is offset by an increase in staffing costs, the full effect of which is felt in the 2009/2010 forecast.

(2) The increase in staffing costs relate to the increase in recruitment staff by June 2009. The first full year of this increase in recruitment staff is seen in the 2009/2010 forecast and there is little movement from this forecast in subsequent years.

Staffing levels	FTE	34.2	34.2	34.2	34.2	34.2
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Staff FTE is expected to remain stable at December 2008 levels and is stated using the Establishment methodology.

**Please note: Actual financial results achieved for the periods covered are likely to vary from the information presented, and these variations may be material. The information above is provided solely for the purpose of this Statement of intent and may not be appropriate for any other purpose.**

## Statement of Changes in Equity

	2008/09 Actual \$000s	2009/10 Forecast \$000s	2010/11 Budget \$000s	2011/12 Plan \$000s	2012/2013 Plan \$000s
<b>Equity at beginning of year</b>	1	1	2	2	2
Net Profit for the year	0	1	0	0	0
Total recognised revenues and expenses for the year	0	1	0	0	0
<b>Equity at end of year</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

## Statement of Financial Position

	2008/09 Actual \$000s	2009/10 Forecast \$000s	2010/11 Budget \$000s	2011/12 Plan \$000s	2012/2013 Plan \$000s
<b>Equity</b>					
Share capital	0	0	0	0	0
Accumulated retained earnings	1	2	2	2	2
<b>TOTAL EQUITY</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Current Assets</b>					
Cash and cash equivalents	1,357	1,332	1,336	1,345	1,269
Trade and other receivables	773	809	812	812	812
	2,130	2,141	2,148	2,157	2,081
<b>Non Current Assets</b>					
Plant and equipment	0	0	0	0	0
<b>Total Assets</b>	<b>2,130</b>	<b>2,141</b>	<b>2,148</b>	<b>2,157</b>	<b>2,081</b>
<b>Current Liabilities</b>					
Trade and other payables	527	514	512	512	511
Staff entitlement	146	169	178	187	112
Funds held as agent	1,456	1,456	1,456	1,456	1,456
	2,129	2,139	2,146	2,155	2,079
<b>Non Current Liabilities</b>					
Lease Liability	0	0	0	0	0
<b>Total Liabilities</b>	<b>2,129</b>	<b>2,139</b>	<b>2,146</b>	<b>2,155</b>	<b>2,079</b>
<b>NET ASSETS</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

Please note: Actual financial results achieved for the periods covered are likely to vary from the information presented, and these variations may be material. The information above is provided solely for the purpose of this Statement of intent and may not be appropriate for any other purpose.

## Statement of Cash Flows

	2008/09 Actual \$000s	2009/10 Forecast \$000s	2010/11 Budget \$000s	2011/12 Plan \$000s	2012/2013 Plan \$000s
<b>Cash Flows From Operating Activities</b>					
<b>Cash provided from:</b>					
Receipts from DHBs	2,847	2,822	2,822	2,822	2,822
Interest	19	8	15	15	15
Other	15	37	8	8	8
Agency funding receipts & interest	4,402	6,210	6,260	6,260	6,260
Recharges	392	210	0	0	0
	7,675	9,287	9,105	9,105	9,105
<b>Cash applied to:</b>					
Employee costs	2,063	2,149	2,204	2,204	2,289
Interest paid	0	0	0	0	0
Other operating costs	699	699	636	631	631
Agency distributions	5,583	6,265	6,261	6,261	6,261
Invoices paid then recharged	377	195	0	0	0
Net GST	(70)	4	0	0	0
	8,652	9,312	9,101	9,096	9,181
<b>Net Cashflow From Operating Activities</b>	<b>(977)</b>	<b>(25)</b>	<b>4</b>	<b>9</b>	<b>(76)</b>
<b>Cash Flows From Investing Activities</b>					
Purchase of plant and equipment	0	0	0	0	0
<b>Net Cashflow From Investing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>					
Net Cashflow From Operating Activities	(977)	(25)	4	9	(76)
Net Cashflow From Investing Activities	0	0	0	0	0
	(977)	(25)	4	9	(76)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,334</b>	<b>1,357</b>	<b>1,332</b>	<b>1,336</b>	<b>1,345</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,357</b>	<b>1,332</b>	<b>1,336</b>	<b>1,345</b>	<b>1,269</b>
<b>Represented by: Cash and cash equivalents</b>	<b>1,357</b>	<b>1,332</b>	<b>1,336</b>	<b>1,345</b>	<b>1,269</b>

Please note: Actual financial results achieved for the periods covered are likely to vary from the information presented, and these variations may be material. The information above is provided solely for the purpose of this Statement of Intent and may not be appropriate for any other purpose.

## Budget: Output Class Summary

	2010/11 Budget \$000s	2011/12 Plan \$000s	2012/13 Plan \$000s
<b>Income</b>			
ARRMOS operations	2,830	2,830	2830
Interest	15	15	15
	<u>2,845</u>	<u>2,845</u>	<u>2,845</u>
<b>Expenditure by Output Class</b>			
Operational Management Group	1,048	1,048	1,048
Operations	1,253	1,253	1,253
Recruitment	544	544	544
	<u>2,845</u>	<u>2,845</u>	<u>2,845</u>
<b>Net surplus</b>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>0</b></u>

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Please note: Actual financial results achieved for the periods covered are likely to vary from the information presented, and these variations may be material. The information above is provided solely for the purpose of this Statement of intent and may not be appropriate for any other purpose.

## **Significant assumptions made in the preparation of the financial statements**

- a. FFT for 2010/2011, 2011/2012 and 2012/2013 is 0%
- b. The increase in RMO expenses in 010/2011, 2011/2012 and 2012/2013 is 0%.  
(Due to the fact that this increase relates to an agency relationship, it is shown in the Agency Distribution line of the statement of cash flows rather than in the statement of financial performance)
- c. The regional projects funded in 2009/2010 will not be repeated in 2010/2011, 2011/2012 or 2012/2013.
- d. All operational expenses (excluding staff payments) will be paid 20<sup>th</sup> month following invoice

## **Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### *Revenue*

Revenue is measured at the fair value of consideration received.

Interest income is recognised as income in the period in which it is earned.

### *Expenditure*

Borrowing costs are recognised as an expense in the period in which they are incurred.

### *Income tax*

The Company was granted income tax exemption on the basis of being deemed a Public Authority on 9 July 2004, therefore no provision has been made in the financial statements for income tax.

### *Leases*

#### *Finance leases*

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not title is eventually transferred.

This is reflected in the statement of financial position by recording an asset and a liability at amounts equal, at the inception of the lease, to the lower of the fair value of the leased asset or the present value of the minimum lease payments.

The leased asset is depreciated on a straight-line basis over its useful life and the lease payment is apportioned between the interest expense and the reduction of the outstanding liability over the term of the lease.

#### *Operating leases*

An operating lease is a lease that does not transfer to the lessee substantially all the risks and rewards incidental to the ownership of an asset.

Payments under an operating lease, are recognised as an expense on a straight line basis over the lease term.

### *Cash and cash equivalents*

Cash and cash equivalents comprise of cash on hand and deposits held on call with the bank.

### *Trade and other receivables*

Trade and other receivables are stated at their cost less any impairment losses.

### *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

#### *Additions*

Additions are recognised at its cost.

#### *Disposals*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are shown in the statement of financial performance.

#### *Subsequent costs*

Costs incurred subsequent to the initial acquisition are capitalized only when it is probably that future economic benefits will flow to the Company, and the cost of the item can be measured reliably.

#### *Depreciation*

Depreciation of plant and equipment is calculated on a straight-line basis so as to allocate the cost of the assets, less their estimated residual values, over their useful lives as follows:

- Fixtures and Fittings                      3 years
- Computer Equipment                      3 years

#### *Impairment*

The residual value of an asset is reviewed, and adjusted if necessary, at each financial year end.

### *Employee benefits*

#### *Short term benefits*

Employee benefits that the Company expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Company recognises a liability for sick leave to the extent that compensated absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year.

### *Goods and Service Tax (GST)*

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis.

Net GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

Net GST paid to or received from the IRD, including the GST relating to investing or financing activities, is classified as operating cash flow in the statement of cash flows.

#### *Agency Transactions*

The Company acts as an agent with respect to certain transactions between a number of its shareholders and RMOs.

These transactions do not represent revenue or expenditure for Auckland Regional RMO Services and are not recognised as such in the accounts.

Where funds have been received but have not been distributed under the agency arrangement, this is shown as a current liability in the accounts.

#### **6.2. Capital Expenditure**

There is no capital expenditure anticipated.

#### **6.3. Disposal of Land**

Auckland Regional RMO Services does not own land.