

# ***Annual Report*** 2010/2011



Aged Care  
Standards and Accreditation Agency Ltd

Annual Report 2010-2011  
Aged Care Standards and Accreditation Agency Ltd

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# Contents

Message from the Chairman	4
Message from the Chief Executive Officer	6
<b>Part one</b> The Company	9
<b>Part two</b> Accreditation and operations	14
<b>Part three</b> Education	21
<b>Part four</b> Stakeholder relationship management	25
<b>Part five</b> Quality assurance and improvement	27
<b>Part six</b> Our people	36
<b>Part seven</b> Company performance	40
<b>Part eight</b> Financial statements	46
<b>Appendix</b> Contact details	75



# Message from the Chairman

I am pleased to present the annual report and accounts of the activities of Aged Care Standards and Accreditation Agency Ltd for 2010/11.

The Company continues to deliver the important program of residential aged care accreditation while assisting the industry improve service quality for residents through our education programs and providing information about industry performance.

Attendance and feedback confirms that the Company's industry focused education program continues to be positively received and supports aged care managers and staff in their work.

Our visit program continues to generate close interest and the Company is well placed in its planning for the next 'round' of accreditation which will stretch through to the end of the 2012 calendar year.

The 2010/11 reporting period included three important landmarks:

The first was the outcome of a review of the accreditation processes set out in the legislation by the Department of Health and Ageing. The Accreditation Grant Principles 2011 remove or amend outdated provisions; streamline the accreditation process for industry; enhance consumer engagement; and provide greater clarity and consistency of administrative decision-making processes. We look forward to the next stage in this review.

Secondly, the Australian National Audit Office released its report of its performance audit of the effectiveness of our assessment and monitoring arrangements and the compliance activities of the Department of Health and Ageing.

The ANAO saw the obvious difference in roles: the Department of Health and Ageing as the regulator; while the Accreditation Agency's role is to promote quality by assessing performance against the Accreditation Standards. The Auditor-General did say that while the roles of the two organisations focus on different aspects of the quality and legal framework, they are complementary. The Auditor-General also noted the independence of the Accreditation Agency, the importance of which had been so well articulated over the years.

Lastly, the Productivity Commission finalised its report to Government following an inquiry into “Caring for Older Australians”. The Company believes that our experience and international examples demonstrate that quality improvement is best achieved through a model that includes accreditation and education independent of regulatory bodies.

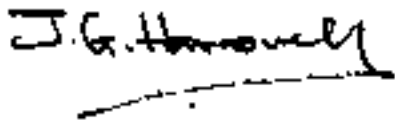
In addition, we are independently monitored and assessed by SAI Global against the ISO standard for quality management systems (ISO Standard 9001:2008), and by the International Society for Quality in Health Care (ISQua) against their international standards for accrediting bodies.

I would like to thank directors for their service and contribution, and welcome Mr Ian Yates AM as a new director appointed in June.

There has also been some media commentary recently about the make-up of Boards and representation of women in executive management roles. Let me record that four of the Company’s nine directors are women, and that five of the Company’s 11 General Managers and State Managers are women.

In closing, I would like to record the Board’s sincere appreciation of the leadership shown by the Company’s Chief Executive Officer, Mark Brandon.

The Company’s performance has improved immeasurably under Mark’s leadership and this is attested to by the independent evaluations of the Company’s performance ranging from the Australian National Audit Office, to SAI Global, to the International Society for Quality in Health Care, and the feedback the Company receives from stakeholders.



**Jim Harrowell AM**, Chairman



# Message from the CEO

The 2010/11 year has been a year of reviews, consolidation, and preparation.

The Company used its expertise and experience in accreditation to contribute to the reviews of the accreditation arrangements and the Accreditation Standards led by the Department of Health and Ageing.

Following the Department's review of the arrangements, the Accreditation Grant Principles 2011 came into effect on 20 May 2011. The new Principles streamline the accreditation process and strengthen consumer involvement provisions. We are now looking at opportunities to further engage residents and their relatives in the accreditation process.

During the year the Auditor-General conducted a comprehensive performance audit of the effectiveness of our assessment and monitoring arrangements, and the compliance activities of the Department of Health and Ageing.

This was a rigorous evidence-based review process which spanned 11 months. Any of our claims and assertions were thoroughly tested and had to be supported by corroborating evidence. The ANAO auditors met industry association key personnel, interviewed aged care managers and providers, attended our Better Practice conference, and also observed our assessors undertaking accreditation site visits.

The Auditor-General reported that some aged care managers said they were confused about the roles of the Accreditation Agency and the Department of Health and Ageing. However he was quite clear that our role was to promote quality improvement and protect residents through our accreditation and education activities, with the Department having the role of the regulator.

The Auditor-General recommended that we report performance against our service charter and we have done so in this annual report.

Separately, the Productivity Commission conducted an inquiry "Caring for Older Australians", and released its final report to Government in August. The Company made a submission to the Commission and responded to the draft report.

Our program of assessment and education activities remains strong. During the year, we undertook 5,666 visits to homes including 476 site audits, 69 review audits and 5,121 assessment contacts including 3,488 unannounced visits.

Case management and stakeholder relationship management continue to underpin our accreditation work and it was pleasing to receive the Auditor-General's positive commentary about our approach. We take a case management approach to the scheduling of visits by reviewing the accreditation history of each home (or group of homes with a common provider), the frequency of visits past and planned, the matters to be assessed and the composition of the assessment team.

During the year we revised the terminology used to describe the outcomes following a visit. Homes are now said to have met or not met the expected outcome rather than complied or not complied. This approach is consistent with contemporary external evaluation systems and removes the confusion with the compliance monitoring responsibilities of the regulating Department.

We are one of the very few accreditation bodies in health or aged care in the world where our key documents such as the Accreditation Standards, detailed guides to assessors and aged care managers such as the *Results and processes guide* and the *Assessor handbook* and reports of our accreditation audits are publicly available on our website.

Our stakeholder management program is multi-layered and includes a Board/ stakeholder contact program; visits to homes and regional visits by state managers and assessment managers; formal Agency Liaison Group meetings which include consumer representatives, unions, and industry associations; the appointment of relationship managers for providers whose activity crosses state borders; and training for our assessors in on-site relationship management.

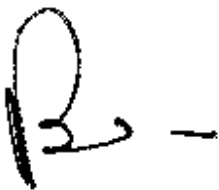
The Company's program of offering training programs to industry continues to grow. Demand for the three-day course, "Understanding Accreditation" remains strong, particularly for in-house delivery options, and attendance and feedback at our Better Practice conferences remains very positive. In April we launched a new one-day seminar about Person Centred Care which has proved very popular.

The Company remains strongly interested in how we can further engage residents in the accreditation process. We have completed a literature review and we are now looking at how we could improve our processes.

This year we implemented enterprise-wide technology including a new purchasing system, an online booking system for travel and an online registration system for our industry education programs as well as further enhancements to our accreditation operating system, and learning programs for our assessor workforce.

Our assessor workforce remains stable and with an appropriate blend of skills and experience. As we prepare for the next accreditation 'round' we have commenced the recruiting to increase our workforce. Most of this will be by engaging staff on term defined contracts. The level of response to our advertising has been very strong.

I would like to place on the record my appreciation for the support of our Board of Directors and the efforts of the staff of the Company as they make their contribution to the quality of care and services in Australia's aged care homes.



**Mark Brandon**, Chief Executive Officer





# The Company

## **Vision**

To make a significant contribution to quality consumer focused aged care through accreditation and education.

## **Mission**

To ensure the delivery of high quality aged care by:

- promoting innovation and best practice
- accrediting services that meet the Accreditation Standards
- working with services to continually improve their performance
- providing information about industry performance
- providing education directed at improving practice.

## **Our values**

**Quality and innovation**

We aspire to be as good as we can be and to improve the way we do things.

**Positive working relationships**

We work together to achieve better results.

**Acceptance of responsibility**

We accept responsibility for our actions.

**Ethical conduct**

We carry out our functions with integrity, fairness and a balanced consideration of evidence.

**Environment**

We actively work towards the efficient use of resources and minimising our impact on the environment.



## Overview of the Company

The Company is a company limited by guarantee, wholly owned by the Australian Government, established under the *Corporations Act 2001* and subject to the *Commonwealth Authorities and Companies Act 1997*. The Secretary of the Department of Health and Ageing has appointed the Company as the accreditation body under the *Aged Care Act 1997* until 30 June 2012.

## Role and functions

The role and functions of the accreditation body are set out in the Accreditation Grant Principles 2011. These are:

- manage the residential aged care accreditation process using the Accreditation Standards
- promote high quality care and assist industry to improve service quality by identifying best practice, and providing information, education and training
- assess and strategically manage services working towards accreditation
- liaise with the Department of Health and Ageing about services that do not comply with the Accreditation Standards.

The *Aged Care Act 1997*, the Accountability Principles 1998 and the Accreditation Grant Principles 2011 provide the framework for our role as the accreditation body. Our appointment is subject to a written agreement with the Department of Health and Ageing made under s.80-1 of the *Aged Care Act 1997*.

## Structure and governance

Our organisation structure reflects our national role as the independent accreditation body, with divisional offices responsible for policy, procedures and corporate functions, and regional offices responsible for program and product delivery.

Executive management and divisional offices are located in Parramatta. Regional offices are in Parramatta (covering most of NSW and the ACT), Melbourne (covering Victoria, Tasmania and some NSW border homes), Brisbane (covering Queensland and northern rivers district of New South Wales), Perth (covering Western Australia) and Adelaide (covering South Australia, Northern Territory and the Broken Hill district). Each regional office has a senior executive responsible for its activities. Contact details for each office are in the Appendix.

The Board of Directors has overall responsibility for the Company's strategic direction and performance. The Board's role is corporate governance: ensuring that the Company fulfils the functions specified in its agreement with the Department of Health and Ageing and in accordance with the requirements of legislation, and ensuring proper prudential management of its funds. Details of the Board for the period of 2010/11 are included in the Directors' Report.

The Chief Executive Officer (CEO) is responsible for the operational management of the Company and for ensuring the delivery of the core functions. The CEO reports to the Board. The CEO is the authority for accreditation decisions. That authority has been delegated to a small number of line managers.

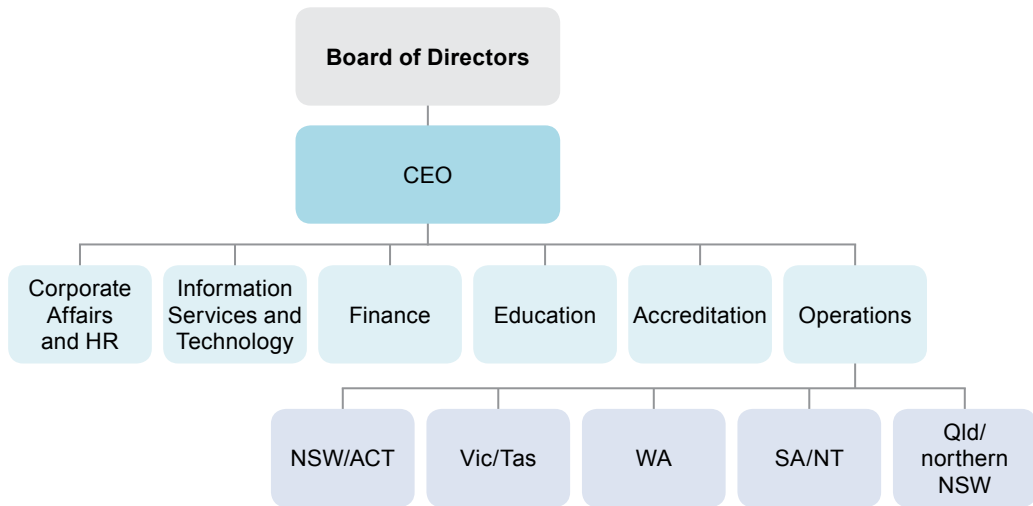
The CEO and the divisional General Managers form the Executive Management Team (EMT).

The National Leadership Team (NLT) meets regularly and comprises the CEO, the General Managers and the State Managers. The NLT meeting is the major forum for interaction, exchange of information, quality improvement and forward planning as well as providing input into significant issues.



## Company structure chart

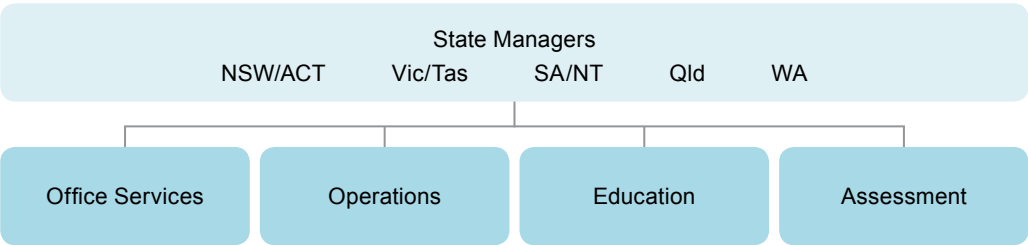
As at 30 June 2011



Corporate Affairs and Human Resources	Information Services and Technology	Finance	Education	Accreditation	Operations
<ul style="list-style-type: none"> <li>Human resources</li> <li>Media</li> <li>Marketing</li> <li>Government liaison</li> <li>Stakeholder relations</li> </ul>	<ul style="list-style-type: none"> <li>Computer hardware and software management</li> <li>Information management</li> <li>Risk management</li> </ul>	<ul style="list-style-type: none"> <li>Accounts</li> <li>Purchasing</li> <li>Property management</li> <li>Statutory reporting</li> </ul>	<ul style="list-style-type: none"> <li>QUEST</li> <li>Better Practice</li> <li>Assessor courses</li> <li>Seminars</li> <li>Flexible learning packages</li> </ul>	<ul style="list-style-type: none"> <li>Policy development</li> <li>Research</li> <li>Internal quality assurance</li> <li>Reviews and reconsiderations</li> </ul>	<ul style="list-style-type: none"> <li>Case management</li> <li>Accreditation visits</li> <li>Accreditation decisions</li> <li>DoHA liaison accreditation</li> <li>Education delivery</li> </ul>

# Company organisational chart regional offices

As at 30 June 2011



Office Services Manager	Operations Manager	Education Coordinator	Assessment Manager
<ul style="list-style-type: none"><li>• Office support services</li><li>• Statutory requirements</li><li>• System administration</li><li>• Asset management</li></ul>	<ul style="list-style-type: none"><li>• Activity scheduling</li><li>• Appointing assesment teams</li><li>• Processing applications for accreditation</li></ul>	<ul style="list-style-type: none"><li>• Delivery of industry education</li></ul>	<ul style="list-style-type: none"><li>• Management of the assessor workforce</li><li>• Accreditation decisions</li><li>• Case management</li></ul>

# Accreditation and operations

## **Accreditation overview**

Australian Government subsidised residential aged care homes must be accredited in order to receive residential care subsidies.

The high level accreditation processes for residential aged care homes are specified in the Accreditation Grant Principles 2011 and are described below.

## **Assessing homes' performance against the Accreditation Standards**

We assess the performance of residential aged care homes against the Accreditation Standards.

A case management approach is used to determine the type and frequency of contacts with aged care homes. Assessing performance against the Accreditation Standards includes visits to homes and consideration of information, such as information about changes at homes that may affect the provision of care and services, and information referred by the Department of Health and Ageing.

Our approach ensures that we consider the individual circumstances of each home to determine the appropriate review and assessment actions. This approach is also used to consider the performance of homes, as a group, where an approved provider manages a number of homes.

Visits to homes may be accreditation site audits, assessment contacts or review audits. Assessment contacts or review audits may be announced or unannounced.

The Australian Government requires that each home receives at least one unannounced visit each year. We have a national program of unannounced visits to ensure this requirement is met. Residents and their representatives are interviewed by assessment teams at visits to homes. Resident and representative feedback is an integral part of assessing a home's performance against the Accreditation Standards, indicating how homes meet the care needs of residents.



## Assessment contacts

An assessment contact is a visit by registered aged care quality assessors to an aged care home for the purpose of assessing performance against the Accreditation Standards.

Assessment contacts are usually conducted over one half to a full day by one to three assessors. The time on site is determined case by case taking into account the size of the home and information we have about the circumstances of the home. Assessment contacts may involve an overview of the home's performance against all the Accreditation Standards, may be focused on certain aspects of care or services, or cover one or more of the 'assessment modules'. In particular, any matters previously identified as requiring improvement will be reviewed.

Following an assessment contact, a report is given to the home setting out the findings of the assessment team. The home has the opportunity to provide a response before a decision is made. A decision as to the home's performance is made separately by a decision-maker appointed by the Chief Executive Officer under section 2.6 of the Accreditation Grant Principles 2011. The decision may also include information about areas in which the home needs to improve and whether the home's assessment contact arrangements need to be varied or whether a review audit is necessary.

## Assessment modules

Assessment modules have been created to assist assessors and homes assess how well a home is performing. They have been developed as a series of themes and as a whole, cover all aspects of the Accreditation Standards.

Each module identifies what systems are being considered, the process the assessors should follow and broader considerations to be thought about. Importantly, each module is focused on outcomes for residents.

If weaknesses in the home's systems are identified, assessors will follow up to determine if there are any areas where an expected outcome may not be met or we may decide to conduct a comprehensive review audit.

## Review audits

A review audit is an assessment of the quality of care provided by a home against all 44 expected outcomes of the Accreditation Standards. Review audits occur when there are concerns about a home's performance against the Accreditation Standards.

Review audits are carried out on-site by an assessment team made up of at least two aged care quality assessors and generally take two to four days. The assessment team reviews documents, interviews staff, residents, relatives and other relevant people and observes the environment and practices of the home.

## New homes

Applications can be made for the accreditation of new homes (called 'commencing services' in the Principles) before residents move into the home. Accreditation applications for new homes must identify how the Accreditation Standards will be met once residents move into the home and also require a commitment to undertake continuous improvement. Under the Accreditation Grant Principles 2011, new homes can only be accredited for a maximum of 12 months. They are then required to make an application for a further period of accreditation.

## Existing homes

Accredited aged care homes must apply for a further period of accreditation before their current period expires.

## Site audits

A site audit is an assessment of the quality of care provided by a home against all 44 expected outcomes of the Accreditation Standards. The assessment team interviews staff, residents, relatives and other relevant people, observes the environment and practices of the home and reviews relevant documentation.

A site audit is scheduled after a provider of residential aged care applies for a further period of accreditation. The provider must submit an application for accreditation and notify residents, or their representatives, of the date of the audit so that residents or their representatives can meet with the assessment team to provide their views as to the quality of care and services provided.

Self-assessment information must be provided to the team at the time of the site audit or the home may choose to send this information with their application for accreditation.

The assessment team is required to gather and corroborate information including the views of residents. The views of residents and their representatives is a very important aspect of the process of assessment.



## Decisions

The Accreditation Grant Principles 2011 provide that decisions of the accreditation body are made by an authorised decision-maker, taking into account the assessment team's report, responses to the assessment team's report and other information known about the home. Assessment teams make recommendations only. They do not make decisions. Accreditation decision-makers are senior staff appointed by the CEO and trained to make decisions. This arrangement is a unique feature of our accreditation arrangements.

## Reconsideration and review

The Accreditation Grant Principles 2011 provide the opportunity for approved providers to seek reconsideration and review of some decisions:

- Refuse to accredit a new home, or to re-accredit an accredited home
- Revoke the accreditation of an accredited home, or
- Vary the accreditation period for an accredited home.

We may reconsider a decision on our own motion if we decide it is appropriate to do so. The reconsideration decisions are usually made by a senior executive.

A reconsideration decision confirms the original decision, varies the decision, or sets the decision aside and substitutes a new decision.

If the provider remains dissatisfied with the decision made upon reconsideration, they may apply to the Administrative Appeals Tribunal (AAT) for review of the decision.

In the 2010/11 year, reconsiderations were sought for 24 decisions. There were 588 reviewable decisions made in the same period.

An application to AAT in the 2009/10 financial period was later declined in the 2010/2011 reporting period. One application to AAT in 2010/11 remains pending.

## Relationship with the Department of Health and Ageing

We contribute to the achievement of outcome four, a portfolio outcome set by the Australian Government for the Department of Health and Ageing (the Department).

Outcome four is described as: “Access to quality and affordable aged care and carer support services for older people, including through subsidies and grants, industry assistance, training and regulation of the aged care sector.”

We report twice a year to the Department on the key performance indicators set out in the Deed of Funding. These key performance indicators are reported in part seven of this report.

The Accreditation Agency and the Department have a protocol regarding actions each organisation takes where failure to meet the Accreditation Standards is identified or suspected. The protocol supports coordination of actions to deal with failures, with the Department and the Accreditation Agency making independent decisions about appropriate action.

We are required to inform the Department of any failure to meet the Accreditation Standards identified from an assessment. We will then put in place a timetable for improvement and monitor the home's progress in meeting the Accreditation Standards.



## Accreditation status of residential aged care homes as at 30 June 2011

Accreditation period as at 30/06/2011		NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Australia
Homes accredited for:-										
Less than one year	No.	0	0	4	1	0	0	0	2	7
One year - Commencing homes	No.	10	4	5	2	2	0	0	1	24
One year - Existing homes	No.	7	10	9	2	3	0	1	0	32
More than one year but less than two years	No.	1	1	2	1	0	0	0	0	5
Two years	No.	14	18	27	10	12	2	3	2	88
More than two years but less than three years	No.	5	5	6	3	1	0	0	0	20
Three years	No.	853	725	430	246	229	77	22	10	2,592
<b>Total accredited homes</b>	<b>No.</b>	<b>890</b>	<b>763</b>	<b>483</b>	<b>265</b>	<b>247</b>	<b>79</b>	<b>26</b>	<b>15</b>	<b>2,768</b>
Accreditation period of:-										
Less than two years	%	2.0%	2.0%	4.1%	2.3%	2.0%	0.0%	3.8%	20.0%	2.5%
Two years but less than three years	%	2.1%	3.0%	6.8%	4.9%	5.3%	2.5%	11.5%	13.3%	3.9%
Three years	%	95.8%	95.0%	89.0%	92.8%	92.7%	97.5%	84.6%	66.7%	93.6%
<b>Total</b>	<b>%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Better Practice

During the year, the Board reviewed the Better Practice in Aged Care Award program. This program was linked to the accreditation cycle and homes were restricted to applying for an award triennially.

Following the review the Company introduced the Better Practice Awards. These are annual awards in five categories. Homes that apply and meet the criteria will receive an award.

The new Better Practice Awards are presented for projects, initiatives or programs that act as exemplars for other aged care homes to assist and encourage quality improvement in care and services for residents.

The five award categories are:

- Health and personal care
- Resident lifestyle
- Staff development and retention
- Environmental management/living environment
- Innovation.

In this, our inaugural year we received 97 applications and an independent panel of aged care experts made 41 awards.

Award winners will be profiled on our website and in *The Standard*, and award winners will be invited to present their ideas at a future Better Practice conference.



# Education

The Accreditation Agency's industry education program continues to grow and is vitally important in contributing to quality care for residents.

Many of the programs such as the Better Practice conferences are directed at those aged care managers with the greatest capacity to influence quality improvement; however other programs such as Quality Education on the Standards (QUEST) sessions are designed for front-line care staff. In addition, there are a range of self-directed learning packages which are available free from our website [www.accreditation.org.au](http://www.accreditation.org.au).

The most popular activity this year was our 'Understanding Accreditation' course. Most of these courses were delivered directly in aged care homes to better suit the needs of organisations. The courses were attended by managers and supervisors as well as clinical, hospitality, lifestyle and allied health staff.

Our website, [www.accreditation.org.au](http://www.accreditation.org.au), is being used increasingly by homes as a source of reliable information, training materials, and self-directed learning packages.

There are four self-directed learning packages on our website:

- Continuous improvement
- Data and measurement
- Self-assessment
- Demystifying dementia.

These free self-directed learning packages are among the most consistently popular downloads from our website with over 7,000 unique downloads in 2010/11.

Our newsletter *The Standard* promotes examples of better practice and is designed to provide practical advice to homes which can be readily adapted or implemented and used in staff training sessions.

A special edition of *The Standard* was published in December 2010 focusing on '10 years of accreditation experience', while the May edition of *The Standard* featured a plain English guide to the new Accreditation Grant Principles 2011.

We have developed a range of 'fact sheets' that cover key topics such as risk management, emergency planning, continuous improvement and infection control. These fact sheets are important educational tools that assessors leave with homes during visits.

## Better Practice conferences

Better Practice conferences provide a two day overview across clinical, management and lifestyle issues in aged care homes. In 2010/11 five Better Practice conferences were held with 1,004 delegates attending. In the past year, the Accreditation Agency continued to promote evidence-based practice. Better Practice conferences featured speakers who have been involved in Encouraging Better Practice in Aged Care (EBPAC) projects sharing their experience implementing best practice guidelines.

Better Practice conference programs have involved up to 50 presenters over two days covering new, emerging, changing and sometimes controversial issues in a range of plenary presentations, workshops and concurrent sessions.

The evaluation and post-event survey results continue to show a high satisfaction rate with delegates finding the professional development opportunity and the networking a valuable tool in improving practice in their homes.

Comments from delegates:

*"Very encouraging to hear all the fabulous work being done in aged care. Thank you for a very fruitful two days of demystifying, education, feasting and networking".*

Launceston April 2011

*"Listening to the speakers and hearing what they have to say inspires you and makes you want to go back to your site or service and implement what you have heard. Brilliant just brilliant."*

Brisbane October 2010

## Improved aged care quality assessment course

The aged care quality assessment course was strengthened and updated to reflect the new Accreditation Grant Principles 2011 and revisions to the assessment modules. The course was updated in time for assessor intakes in preparation for the anticipated peak in accreditation activity.

## ‘Understanding Accreditation’ course

A highlight of the year has been the success of the three-day ‘Understanding Accreditation’ course. This course has proved to be a popular option for homes and aged care professionals to access and understand information about the Accreditation process, learn strategies for continuous improvement to better meet the Accreditation Standards and share ideas with peers.

Our research showed that one of the biggest barriers to taking up industry education was the cost of travel, accommodation and backfilling when aged care managers had to be away from their workplace.

We now deliver in-house industry education direct to homes and this has proved very popular. During the year, we delivered 64 ‘Understanding Accreditation’ courses in-house direct to staff.

In addition, we conducted 27 public ‘Understanding Accreditation’ courses. We also have an established and successful arrangement with Aged and Community Care Victoria who host a number of public courses in Victoria.

In total, 1,418 aged care managers and staff attended an ‘Understanding Accreditation’ course in 2010/11.

*‘Content enabled a better understanding of the accreditation process as I was a neophyte in aged care industry and now I feel that I am competent in the accreditation.’*

## Person-centred care

We launched a new one-day seminar in person-centred care. We worked with Dr Margaret Winbolt from TIME *for Dementia* based at La Trobe University and Associate Professor Victoria Traynor from the NSW/ACT Dementia Training and Study Centre at the University of Wollongong to develop innovative materials reflecting latest research and practice to enable aged care managers to plan a holistic approach to implementing person centred care strategies. Initial industry response has been very positive and we intend to promote this program further in 2011/12.

*‘Loved the Person Centred nursing model.’*

*‘Very relevant to everyday circumstances.’*

We also offer a number of one-day industry education programs covering continuous improvement, managing risk, and information systems.

In total, 2,145 aged care managers and staff attended our various courses and seminars during the year.

## QUEST

Quality Education on Standards (QUEST) are education sessions of up to one and a half hours delivered by an experienced assessor to front-line staff in residential aged care homes at no cost to the home.

This year the program was reviewed and a number of recommendations for improvements made, including how we can better meet the high demand for these sessions. The comprehensive review confirmed that industry stakeholders value QUEST because it is cost-effective education, breaks down barriers and improves understanding of the accreditation process.

Participation and demand for QUEST in 2010/11 attests to the success of this program. A total of 521 QUEST sessions were held, double the previous year. This is also reflected in an extremely healthy participation rate of 7,170 participants, while the number of homes represented increased to 528 – the most number of homes in the last three years.

One of the most popular QUEST sessions during the reporting period was a new session on 'Privacy and dignity'. Program topics also include 'Accreditation overview', 'Assessing the Standards', 'Accreditation for consumers - your role in aged care', 'Continuous improvement for residential aged care', 'Turn data into action' and 'Using resident feedback'.

## Community care quality assessor training

The Department of Health and Ageing (DoHA) contracted us to develop and deliver training to equip community care quality reviewers with the skills, knowledge and behaviours required to conduct accurate, consistent assessments under the Community Care Common Standards.

In a consultative process with stakeholders and DoHA, we developed and trialled comprehensive assessor training materials, and then coordinated delivery of training sessions in each state by community care expert facilitators.

A total of 116 participants attended the community care assessor training sessions nationally. Overall the training program was highly rated by participants with 90 per cent identifying that they agreed or strongly agreed that they had gained the skills and knowledge to confidently undertake assessment of community care services against the Community Care Common Standards. Furthermore 71 per cent of participants identified that they found the course to be useful and that they learned a lot.



# Stakeholder relationship management

## **Getting close to stakeholders**

We are committed to consultation with stakeholders, and contributing as a key participant in industry forums and working groups.

The Board has a stakeholder engagement program including a function coinciding with each meeting of the Board. Directors also participate in Better Practice conferences as session chairs and speakers. This enables directors to meet with a range of stakeholders and obtain direct feedback regarding the Company and gain a broader understanding of the issues facing the industry.

The Chief Executive Officer is a member of the Minister's Ageing Consultative Committee. This Committee is the major forum for consultation, discussion and advice on issues of relevance to aged care and provides advice to the Minister for Mental Health and Ageing as one of the Committee's terms of reference.

Management and staff participate in a number of industry committees and working groups, and the Chief Executive Officer, General Managers and State Managers also attend and make presentations to industry conferences and at accreditation and safety and quality conferences.

The Chief Executive Officer chairs the National Agency Liaison Group and State Managers chair each of the State Agency Liaison Groups. The liaison groups comprise representatives of industry associations, unions, and consumer groups and discuss industry trends and provide feedback.

## **Relationship managers**

Relationship managers have been appointed for larger providers, and for those providers whose operations cross state borders. The relationship manager is responsible for coordinating the overall relationship with the provider, and for providing internal advice on case management of the group, and homes within the group. The relationship manager will meet with the approved provider at least twice a year and acts as a central point for enquiries, service planning and contact for the provider in relation to all homes within the group.

## The Standard

Our industry newsletter *The Standard* is distributed monthly and includes information on how we conduct assessments, changes to operations, and other corporate information, as well as articles containing practical advice to homes which can be readily adapted or implemented and used in staff training sessions.

Circulation of *The Standard* in print has grown to around 8,500 per month in 2010/11 or a seven per cent increase. The online downloads of *The Standard* has increased from 2,900 in 2009/10 to 8,400 in 2010/11 as we publish a web-friendly edition and send bulk emails to all home key contacts. Homes are also encouraged to forward this to staff and place *The Standard* on their intranets.

**SEPTEMBER 2011**

# the Standard

Monthly newsletter from the Accreditation Agency



The aftermath from the devastating Queensland flood

## Flood waters renew community spirit

Amid the pain and heartache of the Queensland floods earlier this year, came many stories of hope and community spirit. One of those stories is that of Pine Lodge Home for the Aged in Rocklea, where 57 residents were evacuated at the height of the floods, their home destroyed by the muddy waters.

The fateful day began early, with emergency services advising the home that it was in real danger of flooding. As Chairman of the home's board Serge Voloschenko explained, emergency plans were quickly activated.

"While we had an evacuation plan, the situation was completely unexpected for us. We were more prepared for fire than flood. We had to make decisions quickly for the residents' safety, but the fact we had a plan in place meant

that we could focus on the residents because we knew what needed to be done."

"Young church members immediately swung into action to assist in the evacuation of residents. By 9am all residents were on higher ground in the church grounds next door, and ambulances were on their way," he said.

"High care residents went to the local hospital, and low care residents were taken to the evacuation centre at ANZ stadium. Our first priority was to make sure they were safe, then to make sure they were comfortable. After two days all the residents were relocated more appropriately to two separate aged care homes, and our staff went with them. cont.

p3 >>



CELEBRATING A CENTURY pg 7

### In this issue...

- 2 Just a word
- 2 Welcome to our new look *The Standard*
- 4 ANAO report confirms our role
- 5 Case in point - over the counter medicines
- 8 New approach to wound dressing pays off
- 8 Colour brightens up lives

[www.accreditation.org.au](http://www.accreditation.org.au)

# Quality assurance and improvement

Our role as an accreditation body is to assess the performance of others against set standards. Any organisation involved in such activity should require no less of themselves and so we subject ourselves to external scrutiny by independent third-party reviewers who assess our performance against international standards.

We engage with stakeholders to gauge our performance and we use complaints and feedback to guide improvements.

In addition, we have a small research team that examines current and emerging aged care issues and best practice in accreditation. Our research function reviews industry resources, prepares submissions, and researches international trends on pertinent topics such as resident engagement and audit methodology.

## ISO certification



The Company's Quality Management Systems is certified to ISO Standard 9001:2008.

SAI Global undertook certification audits of each of our state offices as well as the divisional offices in 2009/10 and re-certified the Company through to August 2013.

In May and June 2011, SAI Global undertook surveillance audits in each of our state offices, as well as the divisional office.

In its report, SAI Global said: "Top management continues to ably demonstrate its willingness to embrace principles and practice of quality management. The culture for quality continues to be embedded at all levels in the (Corporate) National Office which appears to positively impact on the way the National Office delivers quality service as defined in the Organisation via the Charter of Commitment to Service Quality."

## ISQua accreditation



The Company also is accredited by the International Society for Quality in Health Care (ISQua) – formal recognition that our performance as an accrediting body has been assessed by peer reviewers against international standards. In addition to our organisational accreditation, our assessor training and management program is also accredited by ISQua and this was subject to periodic review in 2010/11. We await the results.

## Auditor-General

The Auditor-General tabled his report on the monitoring and compliance arrangements supporting quality of care in residential aged care homes. In the report, the Auditor-General has clearly articulated our role as a promoter of quality. He was quite clear that the Department of Health and Ageing is the regulator while the Accreditation Agency is an accreditation body charged with promoting quality through accreditation and education.

“The Accreditation Agency has a more defined role, with responsibility for promoting high quality care through its management of the accreditation process, the provision of information and education to industry, and monitoring homes’ compliance with the Accreditation Standards,” the Auditor-General said.

“DoHA is the regulator and the Accreditation Agency assesses compliance with the Accreditation Standards. While the roles of the two organisations focus on different aspects of the legal framework, they are complimentary.”

“[The Accreditation Agency’s] role is to promote high quality care and continuous improvement through the assessment and ongoing monitoring of homes’ compliance with the Accreditation Standards and through its education and information activities.”

During the audit, the Auditor-General’s team undertook considerable research and examined the information we provided them, including requesting evidence to support our input and assertions.

The report also highlights our independence:

“The accreditation body is expected to operate at arm’s length from government and the Department regarding its decision-making under the *Accreditation Grant Principles*. In addition... it has considerable operational independence in how it conducts and reports on its affairs...”

The ANAO report - *Monitoring Arrangements Supporting Quality Of Care In Residential Aged Care Homes* can be downloaded from the ANAO website at [www.anao.gov.au](http://www.anao.gov.au).

## Complaints and feedback

We are committed to the continuous improvement of our own processes and use the feedback provided by our stakeholders, as well as complaints information, to guide improvements.

All complaints are reviewed by the Chief Executive Officer, and are followed through by the relevant State Manager or General Manager. All complaint responses are reviewed by the General Manager Corporate Affairs and Human Resources who has overall responsibility for complaints management.

We aim to provide a finalised written response within 28 days or, where this is not possible, we keep the complainant informed about progress. In 2010/11 we finalised 73 per cent of complaints within the 28-day timeframe. A small number of complaints were complex and required more thorough investigation.

We received 82 complaints during the year, compared with 68 the previous financial year.

## Aged Care Commissioner

The Aged Care Commissioner can examine complaints about the conduct of the accreditation body relating to its responsibilities under the Accreditation Grant Principles 2011, or the conduct of assessors carrying out an audit or making an assessment contact (but not a complaint about the merits of a decision).

During the year, there were no complaints either in relation to the conduct of the accreditation body, or the conduct of assessors.

The Commissioner's examination of complaints is supported by a protocol between the two organisations, routine exchange of data in relation to complaints reporting, and regular meetings between the Aged Care Commissioner and the Accreditation Agency's Chief Executive Officer.

## Feedback

Following each visit to a home, assessors leave a feedback form which can be filled out confidentially and returned by reply-paid post to an independent company which provides a monthly report on collated and aggregated data. The Accreditation Agency only has access to the responses of individual residential aged care homes if the home identifies itself and therefore wishes to have the issues followed up. There were over 3,100 forms returned in the reporting period. This represents a return rate of 56 per cent.

We recognise that an unannounced visit may disrupt the home’s management during the time of the visit. The feedback statistics, however, suggest the level of disruption is not as extensive as some commentators have suggested. Our feedback program asks for responses on the question “Please rate the performance of the team in terms of allowing care staff to continue their duties during the visit”. Over 2010/11, 95.2 per cent of responses from all visits rated the assessment team’s performance on this measure as either ‘excellent’, ‘very good’, or ‘good’. This has been a consistently positive trend over a number of years and we continue to closely monitor this measure.

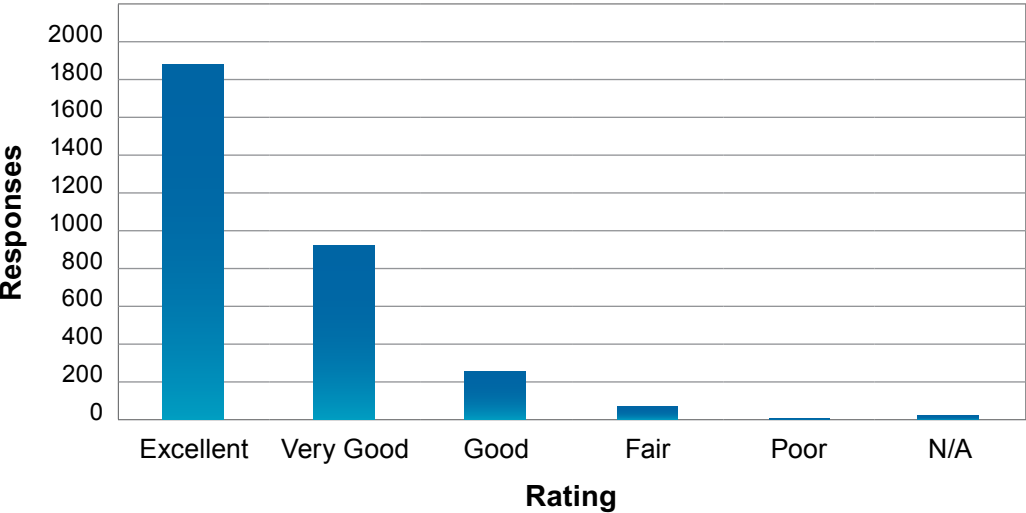
**“Allowing care staff to continue their duties during the visit (all visits)”**



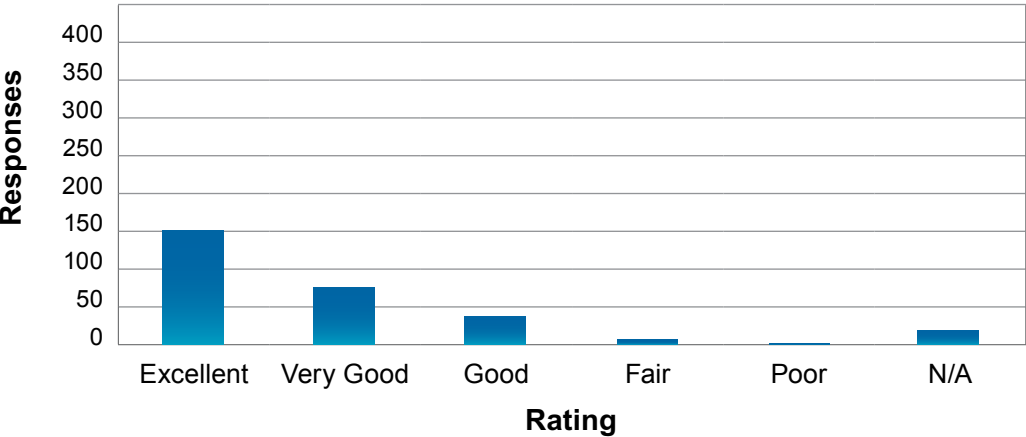
**“Overall, how would you rate the assessment team’s performance? (all visits)”**



**“The team’s knowledge and understanding of aged care (all visits)”**



**“The advice that the Accreditation Agency provided about the information required for the audit (excludes assessment contacts)”**



## Improvements

We review all review audit decisions, all less than three year accreditation decisions and at least five per cent of all three year decisions.

Results of reviews of decisions have shown a nationally consistent approach to decision making. The reviews have also shown assessors' reports are informative for decision makers, and consistent with our processes. Outcomes of this quality assurance activity have directly fed into training for assessors and review of the assessor resources.

We conduct regular reviews of best practice and professional guidelines, legislation and national and international human services accreditation schemes. This information has been used to improve our current processes and documents such as policies and procedures, and to inform projects aimed at improving our processes.

During the year a range of quality assurance and review activities were conducted. The major actions were:

- inclusion of observers on some visits to evaluate the performance of assessors and the effectiveness of audit practice
- reviewing samples of accreditation decisions and audit reports to evaluate their conformance with Accreditation Agency standards
- reviewing audit reports and reasons for changes in 'score' whenever a significant change in a home's compliance with the Accreditation Standards occurs
- reviewing our processes and enhancement of documentation.

During the year, we conducted a survey of past complainants to ascertain their view of the Company's complaints management processes, and our response to their complaint.

A total of 94 letters were sent to complainants covering the period 1 January 2010 to 31 May 2011 inviting them to complete a survey (anonymously if they wished).



Responses were received from 44 homes, of which 29 identified themselves.

Forty-two agreed it was easy to lodge a complaint and were aware of the various avenues for lodging a complaint (letter/fax/email/phone) and that their complaint was acknowledged in a timely manner.

Twenty-three were satisfied with our response to their complaint while 14 were not satisfied. Of these, some believed we should have taken them at their word; some believed our responses were not sufficiently detailed; and others wanted to know what specific actions had been taken against the assessor.

When a complaint is received, the complaint, or the particulars of the complaint, are referred directly to the person who is the subject of the complaint, and a written response to the matters is sought. Responding to and dealing with complaints is also a part of the corporate induction process for new employees.

Complaints are collated and analysed to identify improvement opportunities and to inform learning and development programs, including assessor training sessions dealing with effective on-site relationship management during the conduct of audits and assessments contacts, including unannounced visits.



## Charter of commitment to service quality

We are committed to providing quality products and services. In doing our work, we will:

- give highest priority to the health, safety and wellbeing of residents in aged care homes
- be ethical, honest, courteous, professional and respect confidentiality
- be helpful
- provide accurate information in plain language
- work with aged care providers to promote continuous improvement and better practice in aged care homes
- be accountable for our actions
- be fair and unbiased in our actions and decision making
- seek feedback on our products and services and use the information to monitor quality and to continuously improve
- welcome comments, suggestions and complaints
- analyse comments and complaints individually, and review collectively to identify and respond to any systemic issues
- consult, on a regular basis, with representatives of the aged care sector and consumers
- be customer-focused and efficient
- meet all our statutory obligations.

At an individual and at a corporate level, we strive to continuously improve.

### Client contact standards

We aim to respond to general enquiries within seven working days. More complex correspondence will be acknowledged within seven working days and responded to within 28 working days.

- Met

Complaints will be acknowledged in writing within three working days and seek to be resolved as quickly as possible, in consultation with the complainant where appropriate.

- Met

Accounts are settled within the trading terms of the supplier.

- Met

## Client contact standards

Wherever possible, we will provide for transactions to be made electronically.	• Met
We will provide information or material in hard copy for people who do not have access to the Internet.	• Met

## Review and measures

<p>We will review this charter for relevance, compliance and performance on a regular basis. The commitments in this charter align with our corporate goals and key performance indicators. The following measures will be used to assist monitoring our compliance with our commitment to service quality:</p> <ul style="list-style-type: none"> <li>• Feedback shows 95 per cent of approved providers are satisfied with Company performance</li> <li>• 100 per cent compliance with CAC Act, Corporations Law and our Company Constitution</li> <li>• Maintenance of Quality Management System to ensure certification is maintained.</li> </ul>	• Met
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## Accreditation quality assurance

<p>The accreditation quality assurance program is a program of activities and processes designed to maintain conformance with set processes and to find better ways of performing accreditation activities. This sits within our broader quality assurance program and ensures information on how residential aged care homes provide care and services to residents is accurate.</p> <p>Implementation of the quality assurance program reflects:</p> <ul style="list-style-type: none"> <li>• our commitment to performing high quality work in a way that is consistent with our values, code of conduct, and approved audit methodology</li> <li>• our commitment to effective and accurate assessment and decision-making of residential aged care homes' care and services to residents</li> <li>• our commitment to providing information about performance and better practice in a way that promotes quality improvement of resident care and services.</li> </ul>	<p>• Met</p> <p>• Met</p> <p>• Met</p> <p>• Met</p>
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# Our people

The size of our workforce varies according to the cyclical accreditation workload which begins its cyclical increase from the start of 2011/12.

As at 30 June 2011, staff numbers were at 219.2 fulltime equivalent. This includes term-defined employees and 34 staff who are on part-time arrangements.

Around 82 per cent of our staff are female and 84 per cent of all staff have at least one tertiary qualification.

The staff recognition and reward program is for staff who have achieved five or 10 years' service. During the year, 32 staff reached the five-year milestone and five reached the 10-year milestone. These five staff were Nan Angelkovik, Jenny Peckett, Nancy Morelli, Cathy Bai and Kate Smith. Their service was formally recognised and celebrated through the year. Planning has commenced for awarding 15 years service to staff in two years time – quite an achievement given the Company itself only commenced operations in 1998.

*Extra!* our staff newsletter continued to be published each month. *Extra!* is distributed via email to all staff and all assessors on the register. *Extra!* contains important information relevant for all staff, accreditation news, research, assessor updates (regulatory and legislative), upcoming events, etc. The introduction of *Extra!* is part of our commitment to strengthen our internal communications.

Special editions of *Extra!* were developed to highlight the Accreditation Agency's sustainability activities and the benefits our staff receive within our Company. The December green issue of *Extra!* provided staff with information and environmentally sustainable ideas to model as individuals and within each work group. The nine-page January issue highlighted the employee benefits available to our staff.



We also recognise a number of staff have worked in quite varied roles across the Company and these details are available on our website under 'Meet our people':



Kimberley Moss, Quality Assessor has worked with us as a quality assessor since July 2007. She has had the opportunity to act as Principal Assessor and Assessment Manager and this helped Kimberley to understand other roles and the 'behind the scenes' work that is involved. Kimberley has worked in quality in the aged care industry and prior to that worked in finance in the hotel industry. Her interest is in Aboriginal culture and artwork, and Kimberley's work provides her with the opportunity to travel to the Northern Territory as she is the relationship manager for homes in the Northern Territory.



Chris Schubert, Principal Quality Assessor has been with us since the Adelaide office opened in August 1998. Chris started as one of six Quality Assessors, and became a Principal Quality Assessor in 2008. Her background is in nursing, in the acute care sector and then quality improvement coordinator. Chris enjoys helping new assessors settle into their roles, finding easier ways of doing things, and seeing homes that have experienced problems successfully overcome them.



Benjamin Lau, Senior Applications Development and Administration Officer in Information Services and Technology, relishes the opportunity to develop business solutions and enhance the quality of the organisation's systems and processes. Ben started with us as an assessor, moved into an analyst role and then into IT. He has also undertaken acting managerial roles in the Operations and Education divisions.

## Assessors

Of the 406 assessors on the register as at 30 June 2011, 122 are permanent employees. The balance are engaged on a contract or casual basis to meet workload demands.

There are three scopes of registration for assessors which assist us to create teams to undertake visits. They are:

- registered nurse (249 assessors or 61 per cent)
- cultural specific experience, ie. have worked with indigenous cultures or with various cultures overseas
- language skills.

Our program of selection, training and management of our assessors has been certified by the International Society for Quality in Health Care (ISQua).

In addition to their initial training, assessors participate in regular update training through the Assessor Development Program (ADP). The provision of ADP helps assessors meet their professional development requirements of 15 hours each year.

Workshops are conducted six times per year. Update training topics for 2010/11 included:

- Explaining changes in compliance and report writing
- The new support contact report template
- Sampling
- Report writing in specific contexts
- Effective on-site relationship management
- Assessing expected outcomes 2.4 Clinical care, 2.5 Specialised care needs and 2.7 Medication management using a hypothetical workshop
- New Accreditation Grant Principles: What it means for quality assessors.

## Occupational Health and Safety

In recognition of our responsibility to safeguard the health of employees while they work, we provide and maintain a safe and healthy working environment.

Each state office continues to proactively manage their OHS issues and we remain a safe organisation to work for.

We have Health and Safety Committees for each of our Designated Work Groups (DWG). Health and safety representatives and first aid officers are trained for each DWG, in accordance with federal legislation.

During the year, there were 395 days lost due to injury. Two of the injuries accounted for 222 days.

## The environment

Our operations have a low impact on the environment. Initiatives include recycling of paper, toner cartridges, and use of electronic communication instead of paper-based wherever possible. We are a tenant in a number of buildings where the building owner/manager undertakes recycling of glass and other waste, and provides energy-efficient lighting and waste water systems.

In December 2010 we launched an environmental sustainability initiative across the Company with the following objectives:

- 1. Reduce the Company's paper consumption** from 1.8 million pages per annum to one million pages per annum by 31 December 2011. As at 30 June, the Company's annualised paper consumption was less than one million pages.
- 2. Reduce Company electricity consumption** by 10 per cent by June 2011 by implementing energy saving features on all electronic devices and reducing the number of printers throughout the Company. Overall there has been a reduction in electricity usage across the Company of 19 per cent.
- 3. Recycle all paper materials** by providing recycling bins throughout the Company.

Staff in our Melbourne office made front page news with Planet Ark for their "Friday file fling" initiative during National Recycling Week.

# Part seven

## Company performance

Progress against performance targets – as at 30 June 2011.





Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
1. An optimum level of compliance with the Accreditation Standards	<p>To work towards an optimum level of compliance with the Accreditation Standards, the Company will:</p> <ul style="list-style-type: none"> <li>• conduct 100 per cent of site audits in response to valid accreditation applications</li> <li>• maintain an average visiting schedule of at least 1.75 visits per home per year</li> <li>• conduct at least one unannounced visit to each home each year</li> <li>• conduct review audits as required, including 100 per cent as directed by the Department</li> <li>• make accreditation decisions within 60 days of the accreditation expiry date for each service.</li> </ul>	<p>Achieved.</p> <p>From July 2010 to June 2011, we achieved an average of 2.0 visits per home.</p> <p>In the twelve month period to June 2011, 3,488 unannounced visits were conducted. 5,121 assessment contacts were conducted. All homes received at least one unannounced visit in the year.</p> <p>In the year, 69 review audits were conducted, including 25 unannounced review audits. 55 review audits were conducted as determined by us.</p> <p>Achieved.</p>
2. Appropriate management of non-compliance	<p>At least 90 per cent of homes to have achieved full compliance by the end of their timetable for improvement period.</p> <p>Targeted support contacts conducted as necessary in cases where non-compliance is suspected, including responding to referrals of information from the DoHA.</p> <p>Quality assessors to conduct daily visits where serious risk is identified, until the serious risk has been mitigated.</p>	<p>During 2010/11, 239 homes or 93.7 per cent had met all expected outcomes by the end of their timetable for improvement. As at 30 June 2011, 58 homes were on a timetable for improvement.</p> <p>Achieved.</p> <p>Achieved.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
	Homes on a timetable for improvement, or granted 'exceptional circumstances' or homes with accreditation revoked or reduced to be regularly monitored.	All such homes are monitored more regularly using a case management approach taking into account each home's individual circumstances.
3. Promotion of high quality care	<p>The Accreditation Agency is to promote high quality care and assist the industry to improve service quality by encouraging best practice through a program of relevant information, education and training which may include:</p> <ul style="list-style-type: none"> <li>• QUEST</li> <li>• Seminars</li> <li>• Better Practice conferences</li> <li>• Better Practice awards</li> <li>• Printed and electronic publications</li> </ul>	<p>During the year, 521 QUEST sessions were conducted for 528 homes to a total of 7,170 participants.</p> <p>40 seminars were conducted with 727 participants. 91 courses were conducted with a total of 1,418 participants.</p> <p>During the year, 1,004 delegates attended Better Practice conferences.</p> <p>During the year four homes were awarded with Better Practice in Aged Care Awards. Summaries of the homes' programs were published on our website and will progressively be promoted through the industry newsletter <i>The Standard</i>.</p> <p><i>The Standard</i> is issued by mail and electronically to a total of 7,078 addresses per month. Special editions were produced in December 2010 on the industry's performance of the latest accreditation round together with the Better Practice in Aged Care Award winners; and in March 2011 on the Accreditation Grant Principles 2011.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
	In addition, the Accreditation Agency will promote high quality care by analysing trends in compliance and non-compliance and identifying opportunities for improvement in service quality through the provision of relevant education and training.	A detailed analysis of the industry's performance is completed following each round of accreditation. This information is used, along with other research and feedback to develop and target appropriate education products to the industry.
4. Liaison with the Department	<p>Timeliness of response to referrals, consistent with the protocols with the Department specifically:</p> <ul style="list-style-type: none"> <li>• Notify the Department of significant non-compliance in accordance with the agreed protocols</li> <li>• Provide a report on serious risk within 24 hours of serious risk being identified</li> <li>• Timeliness and quality of reports to the Commonwealth in accordance with Item E, Schedule A of the agreement</li> <li>• Maintain an appropriate level of contact at state and central office levels as specified in the protocols.</li> </ul>	<p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Regular contact on all accreditation issues and regular meetings and teleconferences at both State and Central office levels maintained.</p>
5. Maintain an appropriately qualified assessor workforce	<p>Ensure that all quality assessors meet the police check legislative requirements.</p> <p>Ensure that assessments are conducted by quality assessors who are suitably qualified and experienced in the issues of concern for the service being assessed.</p> <p>Utilise well trained and skilled Accreditation Agency staff and maintain a process to ensure ongoing training and skills development.</p>	<p>Achieved. There is a policy and procedure in place to ensure all police checks are complete and up-to-date.</p> <p>Assessors regularly attend training and information sessions to remain informed of the various issues. A monthly electronic newsletter <i>Extra!</i> has been introduced to keep all assessors informed and updated.</p> <p>Competency and skills matrices are used to match position descriptions and ensure appropriate training and development.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
6. Accurate decision making and accountable reporting	Ensure the provision of accurate, evidence-based, nationally consistent accreditation reports by implementing quality assurance processes (such as conducting internal reviews of audit reports and accreditation decisions).	<p>Quality assurance activities to ensure consistency of reports include training, communication, observers on visits, training programme for all decision makers, review of accreditation decisions and audit reports and the development of a mentoring program. Results of reviews have shown a nationally consistent approach to decision making.</p> <p>During the peak of accreditation renewal activity ("round four"), decision making about applications for further accreditation was centralised.</p>
7. Assessing and strategically managing commencing services towards accreditation	<p>All accreditation decisions to be made in accordance with the statutory requirements.</p> <p>100 per cent of commencing services have a support visit within 1-2 months of residents moving into the home.</p> <p>Site audit conducted within the first 12 months.</p> <p>Provision of education information and support.</p>	<p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p> <p>All commencing services receive support contacts and education as appropriate to their circumstances. They also receive a commencing services package, which consists of a <i>Results and processes guide</i>; Pocket guide to the Standards; a copy of the current issue of <i>The Standard</i> newsletter; education promotional material and other relevant material.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
8. Meet corporate requirements	Meet all legislative and corporate publishing and information provision requirements.	Achieved.
	Provide the annual compliance statement to the Minister for Finance, incorporating details of any failure to meet the corporate requirements.	Achieved.
9. Effective complaints handling process established	Professional code of conduct maintained for registered assessors, Accreditation Agency staff and external assessors.	Code of conduct maintained by registrar for assessors and by Human Resources for other staff.
	An effective formal process in place to manage complaints.	A formal policy and procedure is in place for the management of complaints. All complaints are reviewed by the Chief Executive Officer and followed through by the relevant General Manager or State Manager. All complaint responses are reviewed by the General Manager Corporate Affairs and Human Resources who has overall responsibility for complaints management.
	Timely and appropriate response to complaints.	80 per cent of complaints resolved were responded to in 28 days. On the few occasions when a complaint took longer than 35 days to resolve the complainant was kept informed of progress. At 30 June there were three complaints still open.

# Financial statements

## **Directors' report**

Directors submit the financial accounts of the entity for the financial year ended 30 June 2011.

## **Directors**

The names of the directors in office as at 30 June 2011 are:

- Mr James Harrowell AM (Chairman)
- Ms Kate Carnell AO
- Dr Sally Goold OAM
- Dr June Heinrich AM
- Prof Joseph E Ibrahim
- Prof Rhonda Nay
- Dr Andrew Refshauge
- Dr Mike Rungie.



## Mr James Harrowell AM, Chairman

Appointed 23 June 1999. Current  
appointment until 30 June 2012.

### **Current appointments:**

- Partner, Hunt & Hunt Legal Group
- Qualified lawyer and accountant
- President, Australia China Business Council (NSW)
- Fellow, Australian Institute of Company Directors
- Board Member, University of NSW Confucius Institute
- Member, Attorney General's China Working Group
- Member, Law Council of Australia China Experts Panel
- 34 years experience in litigation in all jurisdictional levels in NSW and interstate.

### **Previous appointments:**

- Director and Chairman, Interlaw Limited
- Managing Partner, Hunt & Hunt Legal Group.

LLB BComm CPA AHKSA FAICD

**Board meetings eligible to attend: 8**

**Board meetings attended: 8**



## Ms Kate Carnell AO

Appointed 9 December 2008. Current  
appointment until 8 December 2011.

### **Current appointments:**

- Chief Executive Officer, Australian Food and Grocery Council
- Deputy Chair, Beyondblue
- Director, Cooperative Research Centre for Forestry
- Director, Australian Red Cross
- Director, GS1 Australia.

### **Previous appointments:**

- Director, IFA
- Director, IOTA
- Director, NRMA
- Director, NICS
- Director, GPET
- Pharmacy owner 1981-2000
- Vice President, Pharmacy Guild of Australia
- Minister for Health, ACT
- Chief Minister, ACT
- Chief Executive Officer, Australian General Practice Network.

B Pharm FAIM FAIPM MAICD AFCHSE

**Board meetings eligible to attend: 8**

**Board meetings attended: 6**



## Dr Sally Goold OAM

Appointed 9 December 2008. Current appointment until 8 December 2011.

### Current appointments:

- Executive Director, Congress of Aboriginal and Torres Strait Islander Nurses
- Member, National Indigenous Health Equality Council
- Member, Australian Peak Nurses and Midwifery Forum
- Member, Close the Gap Steering Committee
- Member, The Board of Directors Australian Nursing and Midwifery Council
- Member, Aboriginal and Torres Strait Islander Health Workforce Working Group.

### Previous appointment:

- Senior Australian of the Year 2006.

RN RM DipNEd BApp SC Nursing MN St DN-HC RMIT FRCNA FCNA

**Board meetings eligible to attend: 8**

**Board meetings attended: 5**

## Dr June Heinrich AM

Appointed 9 December 2008. Current appointment until 8 December 2011.

### Current appointments:

- Chief Executive Officer Macquarie Community College
- Chairman, Strategic Advisory Council, Aged Care Channel
- Member, Central Coast Local Health District Board
- Member, NSW Home Care Advisory Board
- Consultant, University of Western Sydney.

### Previous appointments:

- Chief Executive Officer, Baptist Community Services – NSW & ACT
- Chairman Baptist Care Australia
- Director, St Vincent de Paul Society
- Member, Aged Care Services Ltd
- President, Baptist Churches of NSW & ACT.

BA (Hons) MSc D Educ Centenary Medal

**Board meetings eligible to attend: 8**

**Board meetings attended: 7**





## Professor Joseph E Ibrahim

Appointed 14 November 2002. Current appointment until 8 December 2011.

### Current appointments:

- Associate Director, Centre of Research Excellence in Patient Safety Department of Epidemiology and Preventive Medicine, Monash University
- Adjunct Professor, Australian Centre for Evidence Based Aged Care, Faculty of Health Sciences, La Trobe University
- Research investigator on projects investigating quality of clinical care, patient safety, performance indicators and effects of extreme heat on health
- Consultant Physician and Clinical Director Subacute Services, Ballarat Health Service.

### Previous appointment:

- Regional Editor, *International Journal for Quality in Health Care* (2000-2004).

MBBS GradCertHE PhD MRACMA  
FAFPHM FRACP

**Board meetings eligible to attend: 8**

**Board meetings attended: 7**



## Professor Rhonda Nay

Appointed 24 June 2002. Current appointment until 18 June 2012.

### Current appointments:

- Foundation Professor, Interdisciplinary Aged Care, La Trobe University
- Director, Vic & Tas Dementia Training Studies Centre
- Director, Institute for Social Participation
- Director, Australian Institute for Primary Care
- Head, DCRC3 Victorian Hub
- Member, Minister's Dementia Advisory Group.

### Previous appointments:

- Foundation Professor of Gerontic Nursing
- Member, National Advisory Committee on Ageing
- Consultant Editor, *Coroner's Communiqué*
- Regional Editor, *International Journal of Older People Nursing*
- Expert Advisor, International Council of Nurses.

RN BA MLitt PhD FRCNA FCN FAAG

**Board meetings eligible to attend: 8**

**Board meetings attended: 6**



## Dr Andrew Refshauge

Appointed 9 December 2008. Current appointment until 8 December 2011.

### Current appointments:

- Chair, Careflight (NSW)
- Chair, Australian Institute of Health and Welfare
- Director, Family Care Medical Services
- Director, Neuroscience Research Australia
- Chair, Investment Committee, NSW Aboriginal Lands Council.

### Previous appointments:

- Member, Foundation for Research and Treatment of Alcoholism and Drug Dependence
- Member, Evatt Foundation
- Member, Mandela Foundation
- Deputy Premier, NSW
- Minister for Health, NSW
- Minister for Aboriginal Affairs, NSW
- Treasurer, NSW
- Medical Officer, Aboriginal Medical Services, Redfern, NSW.

MBBS FAICD

**Board meetings eligible to attend: 8**  
**Board meetings attended: 8**

## Dr Mike Rungie

Appointed 9 December 2008. Current appointment until 8 December 2011.

### Current appointments:

- Chief Executive Officer, ACH Group
- Director, Aged and Community Services SA/NT Board
- Member, Ageing Consultative Committee
- Member, Expert Panel - Nursing Home for the Ministry of Health, Singapore
- Member, Alzheimer's Australia Quality Dementia Care Network.

### Previous appointments:

- Member, Central Northern Adelaide Health Services Board
- Member, Prime Minister's Australia 2020 Summit
- Member, Study Group on Teaching Nursing Homes Norway and Holland
- Management Committee Member, *Australasian Journal on Ageing*
- Member, Consumer Directed Care Working Group for the Ageing Consultative Committee.

BSc. (Hons) PhD Centenary Medal

**Board meetings eligible to attend: 8**  
**Board meetings attended: 8**



## Financial Statements

### Operating results

The operating profit amounted to \$388,850. Dividends are not applicable for this entity, as no beneficial interest exists.

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the twelve months to 30 June 2011.

### After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

### Areas of risk and likely development

The Company has a funding agreement with the Commonwealth Department of Health and Ageing, pursuant to which it carries out its functions in accordance with the Accreditation Grant Principles 1999.

The Deed of Funding provides funds for the Company to meet its responsibilities under the Deed and as the accreditation body appointed under the Aged Care Act 1997. The current Deed of Funding is due for renewal at the end of 2011/2012 financial year.

### Audit Committee

The Audit Committee is established by the Board of Directors. The objective of the committee is to provide assistance to the Board concerning the Company's risk, control and compliance framework, and its external accountability responsibilities. The members are responsible to apply good analytical skills, objectivity and good judgement in relation to:

- risk management systems
- internal control systems and relevant policies and procedures
- reporting of financial information in the annual report and other reports
- legislative compliance
- the performance of the internal audit function while providing a forum for communication between the Board, senior management and internal and external audit
- external audit.

### Directors' and officers' indemnification

The Company has, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; and
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs of expenses to defend legal proceedings.



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PO Box 773 Parramatta NSW 2124  
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Email [national@accreditation.org.au](mailto:national@accreditation.org.au)  
[www.accreditation.org.au](http://www.accreditation.org.au)  
1800 45 010 010 002





Aged Care  
Standards and Accreditation Agency Ltd

During or since the financial year the Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium paid was \$7,439 for all directors and officers.

**Directors' benefits**

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or any entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amounts of emoluments received or due and receivable by directors and shown in the Company's accounts, or the fixed salary of a full-time employee of the parent entity, controlled entity or related body corporate.

Signed in accordance with a resolution of the Board of Directors



Jim Harrowell AM  
Director



Dr Andrew Refshauge  
Director

Dated 8 September 2011



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1800 65 676 676 676



#### Directors' declaration

The directors declare that:

- a) the financial statements and notes comply with the *Accounting Standards and Corporations Act 2001*;
- b) the financial statements and notes give a true and fair view of the financial position as at 30 June 2011 of the performance of the Company and the cashflows for the year ended;
- c) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due and payable.



Sir Harcourt PM  
Director



Dr Andrew Reilshauge  
Director

Dated 8 September 2011



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**AGED CARE STANDARDS AND ACCREDITATION AGENCY LTD  
FINANCIAL REPORT 2010-11  
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the Aged Care Standards and Accreditation Agency Ltd for the year ended 30 June 2011, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Ron Webb  
Audit Principal

Delegate of the Auditor-General

Canberra  
8 September 2011

GPO Box 107 CANBERRA ACT 2601  
18 National Circuit BARTON ACT 2600  
Phone 021 6226 7000 Fax 021 6226 7111

## Statement of Comprehensive Income

For the year ended 30 June 2011	Note	2011 \$	2010 \$
Revenue from ordinary activities	2	32,143,849	33,248,946
Labour expenditure		(23,418,436)	(22,889,885)
Depreciation and amortisation		(1,010,115)	(1,005,264)
Finance costs		(10,039)	(8,808)
Other expenses from ordinary activities	2	(7,316,409)	(6,968,703)
<b>Net operating result from ordinary activities</b>		<b>388,850</b>	<b>2,376,286</b>
<b>Total Comprehensive Income</b>		<b>388,850</b>	<b>2,376,286</b>

The accompanying notes form part of this Statement of Comprehensive Income.

## Balance Sheet

As at 30 June 2011	Note	2011 \$	2010 \$
<b>Current assets</b>			
Cash and cash equivalents	5	20,562,516	17,197,910
Trade and other receivables	6	407,229	322,479
Prepayments		860,023	173,066
<b>Total current assets</b>		<b>21,829,768</b>	<b>17,693,455</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	674,714	643,288
Intangibles	8	517,944	1,172,253
<b>Total non-current assets</b>		<b>1,192,658</b>	<b>1,815,541</b>
<b>Total assets</b>		<b>23,022,426</b>	<b>19,508,996</b>
<b>Current liabilities</b>			
Trade and other payables	9	5,820,916	2,611,785
Other current provisions	10	10,039	8,808
Employees provisions	11	2,009,988	2,162,797
<b>Total current liabilities</b>		<b>7,840,943</b>	<b>4,783,390</b>
<b>Non-current liabilities</b>			
Employees provisions	12	758,320	613,409
Other non-current provisions	13	218,066	209,258
Other payables	14	46,747	133,439
<b>Total non-current liabilities</b>		<b>1,023,133</b>	<b>956,106</b>
<b>Total liabilities</b>		<b>8,864,076</b>	<b>5,739,496</b>
<b>Net assets</b>		<b>14,158,350</b>	<b>13,769,500</b>
<b>Equity</b>			
Retained earnings		14,158,350	13,769,500
<b>Total equity</b>		<b>14,158,350</b>	<b>13,769,500</b>

The accompanying notes form part of this Balance Sheet.



## Cash Flow Statement

For the year ended 30 June 2011	Note	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and government grants		33,079,649	28,821,295
Interest received		1,098,127	621,516
Other income and net GST paid		399,112	179,489
Payments to suppliers and employees		(30,816,266)	(31,028,701)
Finance costs		(10,039)	(8,808)
<b>Net cash from/(used by) operating activities</b>	<b>4</b>	<b>3,750,583</b>	<b>(1,415,209)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(390,827)	(361,429)
Proceeds on disposal of property, plant and equipment		4,850	4,922
<b>Net cash (used by) investing activities</b>		<b>(385,977)</b>	<b>(356,507)</b>
Net increase/(decrease) in cash and cash equivalents		3,364,606	(1,771,716)
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>17,197,910</b>	<b>18,969,626</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5</b>	<b>20,562,516</b>	<b>17,197,910</b>

The accompanying notes form part of this Cash Flow Statement.

## Statement of Changes in Equity

For the year ended 30 June 2011	Note	2011 \$	2010 \$
<b>Opening balance</b>			
Balance carried forward from previous period		13,769,500	11,393,214
<b>Income and expense</b>			
Net operating result		388,850	2,376,286
<b>Closing balance</b>		<b>14,158,350</b>	<b>13,769,500</b>

The accompanying notes form part of the Statement of Changes in Equity.

# Notes to the Financial Report

**For the year ended 30 June 2011**

## Note 1. Statement of accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with accounting standards and interpretations issued by the Australian Accounting Standards Board, and the Corporations Act 2001.

The financial report covers the economic entity of Aged Care Standards and Accreditation Agency Limited (the Company). The Company is a public, unlisted Company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accrual basis, and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied with those of the previous year, unless otherwise stated.

### **Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 6 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### **Revenue recognition**

Accreditation fees are paid on application and 25% is brought to revenue throughout the following month and 75% three months after the money is received. The funds are shown as unearned income on the Balance Sheet until it is brought to revenue. Analysis of the year end accounts reveals that a number of applications are received ahead of the expected date and related work will be undertaken as previously planned. Consequently unearned income for 2010-11 has been adjusted to reflect the principle that funds are recorded as revenue when the related work has been undertaken.

Australian Government funding and interest income is brought to account in the month it is earned. Education income is recognised in the same period in which training is conducted. Income received from publications is recognised upon receipt.

## **Income tax**

The Company has received a private ruling from the Australian Taxation Office exempting it from income tax.

## **Financial Assets**

The Company classifies its financial assets in the category of loans and receivables which comprise trade and other receivables that have fixed or determinable payments that are not quoted in an active market.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

## **Property, plant and equipment**

Property, plant and equipment are recognised on the cost basis.

The depreciable amount for all newly acquired property, plant and equipment is depreciated over their useful lives on a straight line basis commencing from the time the asset is held ready for use.

The current straight line rates of depreciation by categories are unchanged from 2010:

Computers	33%
Software internally developed	25%
Furniture and fittings	20%
Other equipment	20%
Leasehold	20% (or term of lease, whichever is shorter)

## **Impairment of assets**

All assets were assessed for impairment at 30 June 2011. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed, and subsequent disposal.

The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

There has been no objective evidence that impairment of assets has occurred at balance date.

## **Intangibles**

The entity's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

All software assets were assessed for indications of impairment as at 30 June 2011.

## **Financial Liabilities**

Financial liabilities are classified as other financial liabilities which include supplier and other payables that are recognised at amortised cost. Financial liabilities are recognised and derecognised upon 'trade date'.

## **Leases**

Leases of plant and equipment where substantially the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives, where it is likely that the Company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. The Company did not have finance leases during the year.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

## **Lease incentives**

The lease incentives derived from the negotiation of new or renewed operating leases have been recognised as the aggregate benefit of incentives, as a reduction of rental expense over the term of the lease, on a straight line basis.

## **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave, which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Long service leave provision continues to be provided in accordance with AASB119.

Contributions made by the Company to employee superannuation funds are charged as expenses when incurred.

### **Goods and service tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

### **Statement of compliance**

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Finance Reporting Standards (A-IFRS).

### **Adoption of new Australian Accounting Standards requirements**

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable in the current period, have had a material financial affect on the Company.

### **Future Australian Accounting Standard requirements**

New standards, amendments to standards, and interpretations that are applicable to future periods have been issued by the Australian Accounting Standards Board. It is estimated that adopting these pronouncements, when effective, will have no material impact on future reporting periods.

### **Comparative figures**

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## Note 2. Operating result

Operating result from ordinary activities has been determined after:

<b>Crediting as income</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
Income from ordinary activities		
Government grants received	24,054,000	22,854,000
Accreditation revenue	5,456,267	8,454,737
Training revenue	1,093,675	1,065,509
Interest	1,059,247	728,471
Other income	480,660	146,229
Income from ordinary activities	32,143,849	33,248,946
<b>Charging as expenses</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Depreciation of non-current assets:		
Property, plant and equipment	997,147	992,472
Make good	12,968	12,792
Total depreciation	1,010,115	1,005,264
Other expenses		
IT	531,640	314,371
Legal	47,568	215,074
Other professional fees	211,183	256,960
Printing and stationery	388,751	236,077
Occupancy, leases and other rental cost	2,370,308	2,335,738
Seminars and conferences	105,982	98,931
Telephones and communications	332,345	308,305
Training and recruitment	357,385	213,697
Travel	2,312,884	2,447,089
Other	658,363	542,461
Total other expenses from ordinary activities	7,316,409	6,968,703

### Note 3. Remuneration of auditors

	2011 \$	2010 \$
Audit of financial report	36,700	35,300

No other services were provided by the Auditor General during the reporting period.

### Note 4. Reconciliations of cashflow from operations with operating profit

#### Cash

For the purpose of the Cash Flow Statement, cash and cash equivalents include:

- cash on hand and on call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 180 days to maturity.

#### Reconciliation of operating result from ordinary activities to net cash flow from operating activities

	2011 \$	2010 \$
Operating result from ordinary activities	388,850	2,376,286
Non-cash flows in operating result		
Depreciation	1,010,115	1,005,264
Loss /(gain) on sale of property, plant and equipment	(1,255)	(2,248)
Changes in assets and liabilities		
(Increase)/decrease in receivables	(84,746)	77,880
(Increase)/decrease in prepayments	(686,957)	(29,798)
Increase/(decrease) in payables	3,209,131	(4,693,409)
Increase/(decrease) in current provisions	(151,578)	(168,693)
Increase/(decrease) in non-current provisions	67,023	19,509
Net cash from/(used in) operating activities	3,750,583	(1,415,209)

## Note 5. Cash and cash equivalents

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	20,562,516	17,197,910

## Note 6. Trade and other receivables

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	271,684	213,967
GST receivable from the Australian Tax Office	131,253	102,217
Other	4,292	6,295
Total trade and other receivables	407,229	322,479

Trade and other receivable are unsecured and non-interest bearing.



## Note 7. Property, plant and equipment

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Furniture and fittings</b>		
<b>Cost</b>		
Opening	1,107,690	1,106,002
Additions	74,148	2,350
Disposals	—	(662)
Closing	1,181,838	1,107,690
<b>Accumulated depreciation</b>		
Opening	(955,417)	(871,807)
Depreciation expense	(75,909)	(84,011)
Write back on disposals	—	401
Closing	(1,031,326)	(955,417)
<b>Net furniture and fittings</b>	<b>150,512</b>	<b>152,273</b>
<b>Computers</b>		
<b>Cost</b>		
Opening	1,488,561	1,495,947
Additions	151,993	250,915
Disposals	(201,728)	(258,301)
Closing	1,438,826	1,488,561
<b>Accumulated depreciation</b>		
Opening	(1,059,361)	(1,093,904)
Depreciation expense	(231,258)	(221,346)
Write back on disposals	200,623	255,889
Closing	(1,089,996)	(1,059,361)
<b>Net computers</b>	<b>348,830</b>	<b>429,200</b>

## Note 7. Property, plant and equipment (continued)

	2011 \$	2010 \$
Office equipment		
Cost		
Opening	460,661	453,281
Additions	151,622	7,380
Disposals	(165,196)	–
Closing	447,087	460,661
Accumulated depreciation		
Opening	(418,537)	(368,661)
Depreciation expense	(35,671)	(49,876)
Write back on disposals	162,706	–
Closing	(291,502)	(418,537)
Net office equipment	155,585	42,124
Leasehold improvements		
Cost		
Opening	171,669	171,669
Additions	13,064	–
Disposals	–	–
Closing	184,733	171,669
Accumulated depreciation		
Opening	(151,978)	(137,188)
Depreciation expense	(12,968)	(14,790)
Closing	(164,946)	(151,978)
Net leasehold improvements	19,787	19,691
Total property, plant and equipment	674,714	643,288

## Note 8. Intangibles

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Software – internally developed		
Cost		
Opening	2,579,605	2,478,821
Additions	–	100,784
Closing	2,579,605	2,579,605
Accumulated depreciation		
Opening	(1,407,352)	(772,110)
Amortisation expense	(654,309)	(635,242)
Closing	(2,061,661)	(1,407,352)
Net Software	517,944	1,172,253

The value of the intangible assets is sustained only so long as they contribute to the Company achieving its goals as an ongoing organisation. Their value is depreciated over four years at 25% per annum.

## Note 9. Current liabilities – trade and other payables

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Lease incentives	84,661	92,532
Trade creditors and accruals	1,711,221	1,014,008
Unearned income	4,025,034	1,505,245
Total trade and other payables	5,820,916	2,611,785

## Note 10. Current liabilities – other current provisions

	<b>2011</b> \$	<b>2010</b> \$
Makegood	10,039	8,808
Total current liabilities - other provisions	10,039	8,808

## Note 11. Current liabilities – employee provisions

	<b>2011</b> \$	<b>2010</b> \$
Annual leave	1,533,777	1,448,311
Long service leave	433,707	337,190
Salary and wages	42,504	377,296
Total employee provisions	2,009,988	2,162,797

## Note 12. Non-current liabilities – employee provisions

	<b>2011</b> \$	<b>2010</b> \$
Long service leave	758,320	613,409
Total non-current employee provisions	758,320	613,409
Aggregate employee benefit liability (sum of notes 11 and 12)	2,768,308	2,776,206

### Note 13. Non-current liabilities – other non-current provisions

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Makegood	218,066	209,258
Total other non-current provisions	218,066	209,258

### Note 14. Non-current liabilities – other payables

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Lease incentives	46,747	133,439
Total other payables	46,747	133,439

### Note 15. Issued capital

Aged Care Standards and Accreditation Agency Limited is a public company limited by guarantee.

The Member undertakes to contribute to the assets of the company (up to an amount not exceeding \$5) in the event of the Company being wound up while a member of the Company, or within one year after ceasing to be a member, for payment of the debts and liabilities of the Company including the costs, charges and expenses of the winding up.

## Note 16. Expenditure commitments

	2011 \$	2010 \$
<b>Operating leases</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts		
Payable:		
Within one year	1,540,814	1,677,739
Later than one year but not later than 5 years	1,265,554	2,336,295
Later than 5 years	–	–
	<b>2,806,368</b>	<b>4,014,034</b>

The expenditure commitment figures shown above exclude GST.

## Note 17. Contingent liabilities and assets

	2011 \$	2010 \$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
The Company has four bank security deposit guarantees for rental properties	247,377	247,377
	<b>247,377</b>	<b>247,377</b>

## Note 18. Financial instruments

### Financial assets includes Cash and Trade Receivables

Cash and deposits are recognised in the Balance Sheet at their nominal value. Interest is credited to revenue as it is earned. The effective weighted average interest rate for cash deposits at 30 June 2011 was 5.63% (30 June 2010: 4.73%).

Receivables are normally settled within 30 days.

### Financial liabilities includes Trade and Other Payables

Liabilities are recognised at their nominal value in the Balance Sheet for amounts to be paid in the future for goods and services received, whether or not billed. Trade creditors are normally settled within 30 days.

### Interest rate risk exposures

2011	Floating interest rate \$	Non interest bearing \$	Total \$	Weighted average effective interest rate %
<b>Financial assets</b>				
Cash	20,562,516		20,562,516	5.63%
Receivables		407,229	407,229	
	20,562,516	407,229	20,969,745	
<b>Total assets</b>			23,022,426	
<b>Financial liabilities</b>				
Payables		1,711,221	1,711,221	
		1,711,221	1,711,221	
<b>Total liabilities</b>			8,864,076	

## Interest rate risk exposures

2010	Floating interest rate \$	Non interest bearing \$	Total \$	Weighted average effective interest rate %
<b>Financial assets</b>				
Cash	17,197,910		17,197,910	4.73%
Receivables		322,479	322,479	
	17,197,910	322,479	17,520,389	
<b>Total assets</b>			19,508,996	
<b>Financial liabilities</b>				
Payables		1,014,008	1,014,008	
		1,014,008	1,014,008	
<b>Total liabilities</b>			5,739,496	

## Net fair value

All financial assets and liabilities have been recognised at the balance date at their net fair values.

## Credit risk

The Company's maximum exposure to credit risk is limited to the risk that arises from potential default of its debtors.

## Note 19. Economic dependency

The operations of the Company are dependent on income from the Department of Health and Ageing in the form of the accreditation grant, income from fees paid by registered aged care facilities and income from education activities.





## INDEPENDENT AUDITOR'S REPORT

To the members of the Aged Care Standards and Accreditation Agency Ltd

I have audited the accompanying financial report of the Aged Care Standards and Accreditation Agency Ltd, which comprises the Balance Sheet as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, Notes comprising a Statement of Accounting Policies and other explanatory information, and the Directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the Aged Care Standards and Accreditation Agency Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

GPO Box 767 CANBERRA ACT 2601  
15 National Circuit SUTTON ACT 2600  
Phone (02) 6223 1399 Fax (02) 6223 1717



#### *Independence*

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*.

#### *Opinion*

In my opinion the financial report of Aged Care Standards and Accreditation Agency Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Aged Care Standards and Accreditation Agency Ltd's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Australian National Audit Office

Ron Wah  
Audit Principal

Delegate of the Auditor-General

Canberra

8 September 2011

GPB Box 707 CANBERRA ACT 2601  
18 National Circuit BARTON ACT 2600  
Phone (02) 6262 1800 Fax (02) 6262 7777

# Appendix

## Aged Care Standards and Accreditation Agency Ltd

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Aged Care  
Standards and Accreditation Agency Ltd  
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