



Auditor-General for Australia



29 October 2021

The Hon Kevin Andrews MP
Chair
Joint Standing Committee on the National Disability Insurance Scheme
Email: ndis.sen@aph.gov.au

Dear Mr Andrews

Inquiry into current scheme implementation and forecasting for the NDIS

The Australian National Audit Office (ANAO) published the following performance audit reports that you may find relevant to the Joint Standing Committee on the National Disability Insurance Scheme inquiry into current scheme implementation and forecasting for the National Disability Insurance Scheme (NDIS).

- Auditor-General Report No. 14 of 2020–21, *Decision-making Controls for NDIS Participant Plans*.
- Auditor-General Report No. 13 of 2017-18, *Decision-making Controls for Sustainability — National Disability Insurance Scheme Access*.

Information about what the audits assessed, concluded and recommended is attached. The audit reports are available online at www.anao.gov.au.

Should the Committee require further information in relation to this matter, my office would be pleased to provide you with a briefing at a time convenient to you or appear as a witness at a hearing.

To arrange a briefing, please contact our External Relations area at external.relations@anao.gov.au.

Yours sincerely

Grant Hehir

OFFICIAL

OFFICIAL

Auditor-General Report No. 14 of 2020–21, Decision-making Controls for NDIS Participant Plans, assessed whether the NDIA has appropriate controls to ensure supports in participant plans are ‘reasonable and necessary’. To form a conclusion against the audit objective, the ANAO adopted the following high level audit criteria:

- Has the NDIA established and implemented appropriate policies and processes to ensure supports in participant plans are ‘reasonable and necessary’?
- Is there appropriate oversight to ensure supports in participant plans are ‘reasonable and necessary’?

The audit concluded that:

The NDIA does not yet have appropriate controls to ensure supports in participant plans are ‘reasonable and necessary’. While an appropriate control framework had been established, the effective implementation of the controls will provide the NDIA with greater assurance that the supports approved in participant plans are reasonable and necessary. Effective implementation of controls will further assist the NDIA to manage risks relating to Scheme sustainability, while ensuring participants are receiving adequate supports.

While the NDIA had established largely appropriate policies and processes for participant planning, the implementation of the policies and processes did not provide the NDIA with appropriate assurance that supports in participant plans are reasonable and necessary.

The NDIA does not yet have appropriate oversight mechanisms in place to ensure the supports in participant plans are reasonable and necessary. The NDIA has established some frameworks for oversight and control of decision-making for participant plans; however, to date, this is not systematically leading to enterprise wide actions for improvement and compliance in decision-making.

The report included three recommendations.

Recommendation No. 1

The National Disability Insurance Agency review and update the ICT system controls relating to recording participant planning considerations and approvals, to align the system processes with internal policy requirements and to better support planning processes for reasonable and necessary decision-making.

National Disability Insurance Agency response: Agreed.

Recommendation No. 2

The National Disability Insurance Agency establishes mechanisms to track and analyse (at the enterprise level) issues arising from review mechanisms to inform continuous improvement in reasonable and necessary decision-making, including:

- a. using outcomes data from internal reviews and AAT reviews, including early resolution outcomes, to inform continuous improvement in reasonable and necessary decision-making; and
- b. implementing metrics for measuring the success of continuous improvement initiatives to enable the Agency to determine whether the initiatives are having the intended impact.

National Disability Insurance Agency response: Agreed.

OFFICIAL

Recommendation No. 3

The National Disability Insurance Agency align service delivery KPI and quality metric targets for reasonable and necessary decision-making; and review the target on a regular basis with a view to increasing the target to drive greater quality standards in reasonable and necessary decision-making.

National Disability Insurance Agency response: Agreed and Completed.

Auditor-General Report No. 13 of 2017-18, Decision-making Controls for Sustainability — National Disability Insurance Scheme Access, assessed the effectiveness of controls being implemented and/or developed by the National Disability Insurance Agency (NDIA) to ensure National Disability Insurance Scheme (NDIS) access decisions are consistent with legislative and other requirements. To form a conclusion against the audit objective, the following high-level audit criteria were adopted:

- Suitable information, training and guidance is available to support effective decision-making about access to the NDIS.
- Suitable administrative systems and processes are in place to support transparent, accurate, timely and consistent assessment of NDIS eligibility.
- Suitable quality and compliance arrangements have been established to mitigate the risk of incorrect NDIS access decisions.

The audit concluded that:

The NDIA has implemented some controls to ensure that NDIS access decisions are consistent with legislative requirements, but these have been inconsistently applied. As at August 2017, the NDIA is developing an integrated assurance framework to enhance decision-making controls.

Accurate and accessible information is available for consumers and carers about how to access the NDIS. Suitable training and guidance is available to support access decision-making by NDIA officers and processing of access requests by Human Services' staff.

Data integrity and reporting issues limit the NDIA's ability to monitor training completion by access decision-makers. In addition, NDIA requirements for on-the-job training were not documented and the ANAO found limited evidence that these requirements were implemented.

The NDIA's access processes supported the transition of a large volume of people into the NDIS in a short space of time. In practice, the ANAO observed legislative and administrative non-compliance that potentially affected the transparency, accuracy and timeliness of access decisions.

The access process was not well supported by the first stage of the NDIA's ICT system, introduced in July 2016, requiring implementation of inefficient manual work-arounds. The NDIA advised the ANAO that new ICT workflow management functionality was implemented from July 2017.

The NDIA had not established efficient or effective processes for internally reviewing access decisions. New procedures introduced by the NDIA in May 2017, if implemented effectively, will provide an internal review process that is consistent with legislative requirements.

The NDIA has implemented executive monitoring and reporting of strategic and operational risks, including risks to Scheme financial sustainability, which is informed by actuarial analysis of Scheme outlays and risks.

OFFICIAL

Comprehensive quality and compliance arrangements have not been implemented to mitigate the risk of incorrect NDIS access decisions. These are currently in development as part of a broader integrated assurance framework.

The report included four recommendations.

Recommendation No. 1

The National Disability Insurance Agency should establish, implement and monitor a robust quality framework for access decisions addressing training, ongoing assessment of officer proficiency and decision quality.

NDIA response: Agreed.

Recommendation No. 2

The National Disability Insurance Agency should ensure that the business rules underpinning computer aided decision-making are clearly documented, aligned with legislative and policy requirements, and verified to ensure they have been correctly incorporated into the National Disability Insurance Agency ICT system.

NDIA response: Agreed.

Recommendation No. 3

The National Disability Insurance Agency should review its processes to include reassessments of the eligibility of participants who enter the Scheme under the disability requirements, taking into account levels of impairment, and conditions that have greater prospects of improvement.

NDIA response: Agreed.

Recommendation No. 4

The National Disability Insurance Agency should implement quality control and assurance processes for internal reviews of access decisions, with the aim of supporting accurate, consistent and transparent decision-making.

NDIA response: Agreed.