

**From:**  
**To:**  
**Cc:**  
**Subject:** NSDS external audit  
**Attachments:** [image003.png](#)  
[Advocacy For Inclusion - Fee letter 2015.pdf](#)  
**Importance:** High

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Hi Carolyn and Catherine, I'm writing to you as I'm deeply concerned at the predicament that we find ourselves in with our external audit process.

Each year I work hard to ensure that we have some indication of what the audit will cost but this has never been provided, and in fact it is consistently actively refused. It appears that such things are simply open ended and I must sign up to cover whatever cost is generated. See attached letter.

I have refused to sign this blank cheque as it already asks me to exceed my audit budget (this plus a regular annual fee of just under \$1000 form the total amount) and I would be seriously abrogating my responsibilities in diligence and responsible financial management to do so. Upon requesting a cost for the audit to be undertaken this Friday I have been told that this is not possible. Despite the date being set several months ago the auditor has still not made travel arrangements, apparently.

This company has ensured that they have cornered the market in auditing NDAP agencies. They under quoted for everyone and through this signed up 40 of the 59 organisations. Their underquoting included waiving all travel and accommodation charges. Now that they have effectively seen off all of their competitors they are simply expecting us to sign blank cheques and agree to pay whatever figure is arrived at AFTER the audit and any quote they once provided has been discarded. "Our circumstances have changed" I was told by phone last Friday. I informed them that mine had not, including the amount of funding that I receive.

Given that we have seen only 4.4% indexation from DSS over the past 5 years it is impossible to continue to manage this. I cannot refuse the audit as this directly threatens my funding, yet I cannot commit to paying an unknown figure that will exceed both my budget and the amount originally allocated by DSS (\$5000). Somehow BSI know they have us over a barrel and continue to expect that we will simply pay whatever they charge.

They sent me this fee letter exactly 2 weeks prior to our audit. I have spent significant time on the phone with them once again attempting to get a fixed figure for the audit, yet they again refused as late as last Friday.

This situation arises when we have had a certification audit which showed NO areas for concern or improvement, and a surveillance audit last year which also showed NO areas for concern or improvement. In other words, there is nothing that has needed monitoring or response and we are considered to be a good practice organisation.

I am deeply disturbed that NDAP organisations are being held to ransom in this way. I am appalled that this company refuses to identify a fixed figure for its services despite this being common business practice. I have attempted to change audit companies (particularly when the standards changed again) but there is no one else who works in the field or in our area.

I am raising this with you because I have 2 options:

1. Cancel the audit
2. Reduce my frontline services, already facing huge unmet demand, so that I can afford to allocate a much larger amount of my budget to this process.

Which do you propose that I do? I am quite genuinely trying to find a solution to this and it appears that no one can currently offer one, so I have come to you both as a last resort. We are prepared for our audit and have already put in over 100 hours towards updating our systems and attending to much needed back office matters.

Thanks in advance for a rapid response and some support to resolve this urgent matter

regards

Christina Ryan  
General Manager  
Advocacy for Inclusion



Advocacy for Inclusion is a member of the Disability Advocacy Network of Australia

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

The next Control & Choice Expo is on 21 May 2015 [www.controlandchoiceexpo.org.au](http://www.controlandchoiceexpo.org.au)

[www.advocacyforinclusion.org](http://www.advocacyforinclusion.org)

<https://twitter.com/Adv4Inclusion>

2.02 Griffin Centre  
20 Genge Street  
Canberra City ACT 2601

**From:**  
**To:**  
**Cc:**  
**Subject:** FW: NSDS external audit [SEC=UNCLASSIFIED]  
**Date:** Tuesday, 24 March 2015 11:14:41 AM  
**Attachments:** [image002.gif](#)

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Hi Christina

I'm sorry to have missed your phone call. I had this email ready to go but please feel free to call me again if necessary.

I was very interested to hear of your concerns about your upcoming QA audit, and of the issues you have been experiencing with your current certification body.

Whilst acknowledging that it is less than an acceptable practice for a company to be unable to provide a clearer indication of costs, as it relates to a commercial arrangement between your agency and the certification body, it is not an issue that DSS can address or intervene in. The QA system that was introduced back in 2012 was set up as a third party one, with agencies having the power and sole responsibility to engage a certification body of their choosing (there are currently five to choose from) to conduct the audits. I understand that time was spent during the training to encourage agencies to negotiate the best deal, and to consider a group approach to minimise costs such as travel.

At this stage I can only suggest that you look at lodging a formal complaint with BSI, as they have an internal complaints mechanism in place. If you are not satisfied with the outcome you could then consider going to the Joint Accreditation System for Australia and New Zealand (JAS ANZ) who accredit BSI. I note your comment about the number of NDAP agencies using this company, and would suggest that this in itself provides an opportunity for you and those other agencies to work together for a better price and service. I would think that the collective bargaining power of a group of that size, where there are five companies vying for the business in a limited market, should result in a very competitive quote.

In terms of the two options that you suggest you have in response to the situation – they must be viewed in the context of your grant agreement with the Department, and existing legislation. As you know, QA certification is written into legislation – and it would be a breach under the Disability Services Act for you to be funded without current certification (which requires annual audits).

I understand that there are significant pressures on advocacy organisations to make the funding cover all that it needs to, and that there has been additional demand due to the NDIS trial in the ACT. I can also see from your last performance report that Advocacy for Inclusion Inc. has been performing above the target in the grant agreement. Balancing the front line services with administration requirements such as the QA certification is obviously a difficult and ongoing process.

We hope to address some of the challenges facing NDAP agencies through the reform of the program and we will be in touch about this process in the next few months. I am aware that you have raised your concerns about advocacy through a Senate submission and I would encourage you to contribute to the current consultation on the NDIS Quality and Safeguarding Framework,

if you haven't already - [www.engage.dss.gov.au](http://www.engage.dss.gov.au) .

I look forward to meeting you at some stage and am happy to talk at any time.

Regards

**Carolyn Wilkes**

**A'g Director**

**Advocacy and Access**

**NDIS Transition and Disability Service**

Department of Social Services

The Department of Social Service acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

Description: Description: frog email



**From:**  
**To:**  
**Cc:**  
**Subject:** RE: NSDS external audit [SEC=UNCLASSIFIED]  
**Attachments:** [image004.gif](#)  
[image002.png](#)

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Thanks Carolyn, yes I totally understand that this is seen as a commercial arraignment between an advocacy organisation and one of the 3 (actually) audit providers. Alas the situation is somewhat ridiculous and has placed us in a difficult position and that is the responsibility of DSS and the obligations that have been attached to our funding agreement.

I guess we will go ahead with spending about \$7k this year on auditing (we now have no other option and I can't spend 6 months of every year trying to negotiate with people who don't actually care) and opt to reduce our services despite the demand. It is curious to me that this is the only funding program that has such an onerous quality compliance obligation for such small funding amounts. I can't see the sense in it, it doesn't produce better quality advocacy or organisations, in fact it could be argued that it is directly threatening the capacity of many advocacy organisations to do our jobs as expected due to the time commitment involved alongside the increasing financial pressure.

We had bargaining power through a peak body called DANA and I can't be responsible for replacing DANA's role by drawing the sector together through Advocacy for Inclusion. We already have far too much demand on our work to be adding that to what we do.

We are unfortunately dealing with a ruthless commercial operator who simply doesn't care about the impact on us, refuses to negotiate with us about the arrangement, and has seen off most of the other auditors in the sector. We have tried repeatedly to change them but found other auditors no longer interested in even quoting for NDAP organisations. Perhaps they have all realised that none of us can afford it and they are staying well away. I've tried many times and can't even get a response to messages. Given your advice, I'll pay them what they ask and simply continue to reduce my services as needed to adjust our budget for sustainability.

Thanks  
Christina

Christina Ryan  
General Manager  
Advocacy for Inclusion



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