

**Evaluation of the Trial of a  
New Quality Assurance System for  
Disability Employment Services**

**Final Report**

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Disability Employment Services**

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Prepared for the  
Disability and Carer Support Branch  
Department of Family and Community Services



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## Key findings

## 1. INTRODUCTION

*New quality assurance system for disability employment services*

The Commonwealth government is committed to the development of a new quality assurance (QA) system for disability employment services. The key features of the new QA system are:

- specification of the requirements of service quality in terms of 29 key performance indicators across 12 Disability Services Standards;
- certification of funded services' compliance with these requirements on the basis of audits undertaken by independent, accredited certification bodies. Full assessment audits are undertaken every three years with annual surveillance audits;
- accreditation of certification bodies by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ).

*Trial of the new QA system*

Between July 2000 and January 2001, the Commonwealth Department of Family and Community Services (FaCS) undertook a trial of the new QA system involving:

- certification audits of 22 disability services;
- accreditation of six potential certification bodies.

*Evaluation of the trial*

As part of the trial, FaCS commissioned ARTD Management and Research Consultants to undertake an independent evaluation focussed on the appropriateness and effectiveness of the audit procedures across the diversity of service types and arrangements (see Section 1.3). The evaluation methods covered:

- a document review of audit procedures;
- a document review of 40 audit reports completed during the trial;
- pre and post-audit interviews with all 22 service providers participating in the trial;
- post-audit interviews with 24 audit team members from certification bodies;
- post-audit interviews with 5 audit team members from JAS-ANZ;
- post-audit interviews with a sample of 35 participating consumers;
- audit summary data provided by certification bodies and JAS-ANZ.

## 2. OVERALL ASSESSMENT

*What did the trial demonstrate?*

The trial successfully demonstrated that the new QA system could provide a robust and credible system for measuring the extent to which disability employment services comply with the Disability Services Standards. On the basis of the trial, stakeholders can be confident that with identified refinements the quality assurance procedures under the new system will be adequate for ensuring:

- only appropriate organisations are accredited to undertake certification audits;
- accredited certification bodies that meet all the requirements of Procedure 18 will undertake audits which are rigorous and suitable for the sector;
- accredited certification bodies deliver audit reports which are credible and useful to service providers;
- only disability employment services which deliver quality services to a level defined by the Disability Services Standards are recommended for certification;
- that service providers and consumers have confidence in the integrity of the new QA system.

The trial demonstrated that these results could be achieved for a range of service types and arrangements including open- and supported-employment services; metropolitan and rural/remote services; single-site and multi-site services; services working with different disability types; and services with different experience in quality assurance. Interestingly, success in achieving certification only correlated with service providers' previous experience in relation to quality assurance and quality management systems.

However, the trial also highlighted a number of areas where the proposed quality assurance procedures need to be refined to ensure greater consistency across the diversity of service types and arrangements. There were examples where the implementation of the quality assurance procedures was inadequate, resulting in stakeholder confusion and dissatisfaction with aspects of the new system.

*What did we learn from the trial?*

The trial highlighted nine core areas where improvements were needed. In a sense, these areas reflect the essential success requirements for any future roll-out of the new QA system. The areas covered the need for:

- sector-wide education about quality assurance to ensure different service providers and consumers have similar expectations about the scope and focus of the new QA system (see Section 2.2);
- clarification and refinement of the assessment framework (Standards, KPIs, evidence questions, rating scale) to ensure consistent interpretations of the certification requirements and unambiguous communication on the basis of certification decisions (Section 2.6);
- clarification and integration of the role of consumer technical specialists / technical experts as part of audit teams to ensure no team members has a role that is, or could be perceived to be, tokenistic (Section 3.2 and 3.3);
- access to orientation training and ongoing professional development for audit team members to ensure audit procedures are based on identified best practice (Section 3.4);
- comprehensive and tailored audit planning to ensure that the available audit resources take account of the specific service type, customer profile, management system complexity and issues of the service provider seeking certification (Section 5.2);
- more rigorous and suitable methods for consumer consultations to ensure that feedback from participating consumers is representative and comprehensive (Section 5.4);
- increased audit resources allocated to exit meetings and preparation of the written audit report to ensure improved communication of audit results to service providers and consumers (Section 5.5);
- clarification of the link between the new QA system and continuous improvement initiatives to ensure appropriate support is available to service providers to prepare for certification assessments and to address identified areas of non-compliance (Section 4.1);
- increased service provider resources allocated to consumer participation strategies to ensure a high level of consumer interest and capacity to participate in the QA system (Section 4.2).

*What areas need further investigation?*

There was inadequate evidence from the trial to reach clear conclusions about the appropriateness and effectiveness of the new system in a number of specific areas:

- government services (namely CRS Australia) - the trial demonstrated that certification audits could be appropriately undertaken at individual CRS sites, with similar strengths and weaknesses as non-government / private sector sites. However, it was unclear what impact the full QA system would have on CRS as the trial covered only one-quarter of the sites needed for a full certification audit. CRS managers reported that the results from the sample of individual sites were difficult to generalise to the whole organisation.
- large multi-site organisations - it was unclear from the trial whether the formula used for calculating the required sample of sites for audits of large multi-site organisations would be adequate in the roll-out of the QA system. Under this formula, a 25 site service would require nine years to ensure all sites had been assessed. No evidence was available from the trial on the impact on stakeholder confidence of visiting a sample of sites, rather than ensuring coverage of all sites.
- state-government funded non-employment services - the trial demonstrated that certification audits could be appropriately undertaken at non-employment services, although the extent of the applicability was not clear because of the small sample in the trial (2 agencies). Even on this small sample, it was clear that a number of the KPIs (and possibly Standards) would require modification in non-employment contexts.

## COST-IMPACT OF THE NEW QA SYSTEM

*Will the new QA system be more cost-effective than the current departmental audits*

While a comprehensive cost-analysis of the new QA system was beyond the scope of the trial, it appears that the core costs of the new system will be roughly double that of the current departmental audits.

However, there was strong support from service providers and consumers for this additional investment on the basis of the added-value features of the new system, particularly the potential for greater:

- independence and professional objectivity through the use of accredited certification bodies;
- rigour and consistency between audits;
- involvement of consumers in the audit process;
- focus on service quality and outcomes;
- fairness in the quality requirements for different service types ('level playing field').

At the same time, trial participants highlighted that this added-value will only be achieved if action is taken on the identified areas for improvement.

*Will the new QA system accommodate a range of FaCS funding arrangements*

In theory, the proposed QA system could accommodate the full range of FaCS funding arrangements, by requiring that only certified service providers be eligible to apply for or receive government funding.

In practice, the trial provided no evidence on the practicality or issues that would need to be addressed in implementing this requirement. In fact, the funding /cost impact of the QA system on service providers was not tested as part of the trial, because FaCS paid the certification body's charges for the audit, and the results of audits were not linked to future funding.

In any roll-out of the new QA system, issues of funding will need to be considered in the light of the proposed milestones and processes for certification (see below)

## RECOMMENDATIONS

Recommendations were developed to address the areas for improvement identified during the trial and to facilitate the successful roll-out of the new QA system. Summaries of these recommendation are presented below with full details in Section 8 of the report.

*Changes to legislation to support formal implementation*

That the Quality and Standards Working Party recommend to the Minister for Family and Community Services that legislation be enacted to use an accredited certification system based on JAS-ANZ Procedure 18 as the basis for future quality assurance of disability employment services.

*Further investigation of the impact of the new system on government services (CRS)*

That, in the light of the inconclusive evidence from the trial about the impact of the proposed QA system on government services (namely CRS Australia), the Quality and Standards Working Party convene a sub-committee to investigate outstanding issues, with a view to ensuring all Commonwealth-funded services (government, non-government and private sector) are included under the same QA system.

*Flexible roll-out plan*

That FaCS and the Quality and Standards Working Party prepare an implementation plan for the roll-out of the QA system that recognises the varying levels of support needed by different service providers to adequately prepare for certification. To achieve this it is suggested that following the formal introduction of the new QA system, all service providers be required to register their intention to seek certification within a negotiated time period. Following the introduction of the new system, only registered or certified service providers would be eligible to apply for Commonwealth funding. Details of a possible timetable for the roll-out are presented in Section 9.

*Continuous improvement initiative*

That FaCS finalise the development of their continuous improvement initiative before the formal start of the new QA system to ensure clear mechanisms are available for supporting service providers to adequately prepare for certification.

<i>Communication strategy targeting service providers</i>	That FaCS develop and implement a comprehensive communication strategy for the new QA system targeting service providers.
<i>Communication strategy targeting consumers</i>	That each service provider develop and implement a communication strategy for the new QA system targeting their own consumers. The quality of this communication strategy should be assessed as one the requirements of Standard 3 in certification audits.
<i>Review of the assessment framework (Standards / KPIs)</i>	That FaCS and the Quality and Standards Working Party review the trial assessment framework in the light of the specific evaluation feedback on the logic of the Standards (Section 2.2.2) and the wording of individual KPIs (Section 2.3). To facilitate discussion of proposed changes, a consolidated summary is presented in Table 8.1.
<i>Publishing evidence guidelines</i>	That FaCS and the Quality and Standards Working Party publish evidence guidelines as a supporting document to the Standards and KPIs which include a comprehensive range of evidence questions and examples of good practice. An example of a possible format for the evidence guidelines is presented in Figure 2.6.
<i>Review of Procedure 18</i>	That FaCS fund the JAS-ANZ Technical Working Party to review Procedure 18 in the light of the evaluation findings and continue to monitor the need for further updates over the first three years of the roll-out of the new system.
<i>'Ethics Guidelines'</i>	That FaCS work with accredited certification bodies to develop 'ethics guidelines' that specifically apply to certification audits against the Disability Service Standards, to ensure a consistent approach to ethical and professional issues not explicitly covered in Procedure 18.
<i>Orientation training</i>	That funding arrangements for any future roll-out of the new QA system should include provisions for orientation training for audit team members. While certification bodies have responsibility for the training of audit team members, FaCS-funded orientation training should be used to build consistency in the new program. Planning and content for orientation training should have input from FaCS, certification bodies and peak disability advocacy agencies.
<i>Professional development</i>	That funding arrangements for any future roll-out of the new QA system should include provisions for professional development for audit team members.
<i>Competitive market of accredited certification bodies</i>	That FaCS encourage additional certification bodies to seek JAS-ANZ accreditation to provide service providers with greater choice and to ensure a high level of responsiveness from certification bodies to the specific needs and context of individual services. Provisions should be available for FaCS to provide seed funding to certification bodies wishing to trial innovative approaches
<i>JAS-ANZ surveillance audits</i>	That JAS-ANZ ensure that surveillance audits of accredited certification bodies specifically investigate and report on adequacy of audit plans,
<i>Supporting consumer participation</i>	That FaCS and the Quality and Standards Working Party, as part of their current review of Consumer Training and Support agencies, ensure priority is given to mechanism which assist service providers to meet <u>their</u> responsibilities under Standard 3 (Decision making and choice) to involve consumers in all aspects of the new QA system.
<i>Monitoring and evaluation</i>	That FaCS develop a monitoring and evaluation plan for the roll-out phase which includes mechanisms for ongoing monitoring of service provider and consumer satisfaction, annual reviews of implementation progress and a major evaluation after two years.



# 1 Introduction

## 1.1 Quality Assurance for Disability Employment Services

The Commonwealth Department of Family and Community Services (FaCS) funds specialist employment services to support people with a disability to gain and maintain employment. The Commonwealth's Disability Employment Program assists about 48,000 people, funding 854 service outlets in two categories:

- Open Employment Services - clients receive support from a service outlet but are directly employed by another organisation not funded under the Disability Services Act 1986. These include Competitive Employment, Training and Placement (CETP) services, Individual Supported Job services and some enclave services.
- Supported Employment Services - clients are employed by the same organisation that provides the employment support. These include business services, work crews and some enclave services.

In addition to these employment services, state governments fund a range of other disability services including advocacy and information services, and accommodation services.

### 1.1.1 Disability Services Standards

Commonwealth-funded disability services are covered by the *Disability Services Act 1986*. Under the Act, the required quality of services is defined in terms of Disability Service Standards. There are eight core standards which apply to all service types including employment services, advocacy, accommodation, day respite and therapy, transport and attendant care. A further three standards apply only to employment services.

All States and Territories have enacted legislation to mirror the principles and objectives of the Commonwealth *Disability Services Act*.

There is a legislative requirement under Part II of the Disability Services Act 1986 that all services receiving funding from the Commonwealth are to be reviewed against the Disability Services Standards every five years. State governments have their own quality assurance processes for state-funded services.

In November 1996, the Minister for Family Services appointed the Standards Review and Quality Assurance Working Party as a sub-committee of the National Disability Advisory Council. The Working Party was asked to review the existing standards and to recommend a quality assurance and accreditation system that would ensure improved service delivery for people with a disability seeking employment assistance funded by the Commonwealth.

The Working Party reviewed the existing quality assurance system for disability employment services (Section 1.1.2) and recommended a new system (Section 1.1.3).

### 1.1.2 Existing quality assurance system

Under current arrangements, each Commonwealth-funded service provider must be able to demonstrate annual compliance with all eleven of the existing standards through a self-assessment process. In addition, FaCS must undertake an independent audit of each service every five years to verify compliance.

The focus of the self-assessments and Departmental audits is on a *Standards Handbook* which covers 110 specific attributes of compliance across the 11 standards. Compliance with the standards is recognised at three levels - minimum, enhanced and eligibility levels. Under the legislation, all service providers receiving funding prior to the introduction of the existing standard qualified for some form of funding either under:

- Section 13A of the *Disability Services Act 1986* - which required meeting minimum level of compliance against supporting standards;
- Section 12A - which required meeting enhanced supporting standards; and,
- Section 10 - which required meeting all supporting standards.

The 1996 review of the existing standards and quality assurance system concluded that the existing mechanisms were ineffective, in that they were:

*“Unable to ensure consumer and purchaser confidence in the quality of Commonwealth funded services, to provide a guarantee of outcomes for people with disabilities and to assist consumers to make an informed choice of provider.” (Assuring Quality, April 1997)*

Concerns about the existing quality assurance mechanism highlighted by the Working Party were that:

- the link between service quality and eligibility for Commonwealth funding was not transparent, was inconsistently applied, and was often confusing for consumers and service providers;
- new services and services placing people in open employment were often automatically funded as eligible services under Section 10 of the Act, whereas older services, usually employment service attached to businesses and placing people in sheltered and supported employment, were generally funded as minimum and enhanced level services;
- the government provider, the Commonwealth Rehabilitation Service (which is funded under Part III of the Act), is treated quite differently from service providers in the non-government sector;
- consumers had only limited access to information about services’ performance against the standards; and,
- no service has yet been de-funded despite documentation of non compliance even with minimum supporting standards.

As a result of the review, the Working Party made a number of recommendations for revised standards and a new quality assurance system.

### **1.1.3 New quality assurance system**

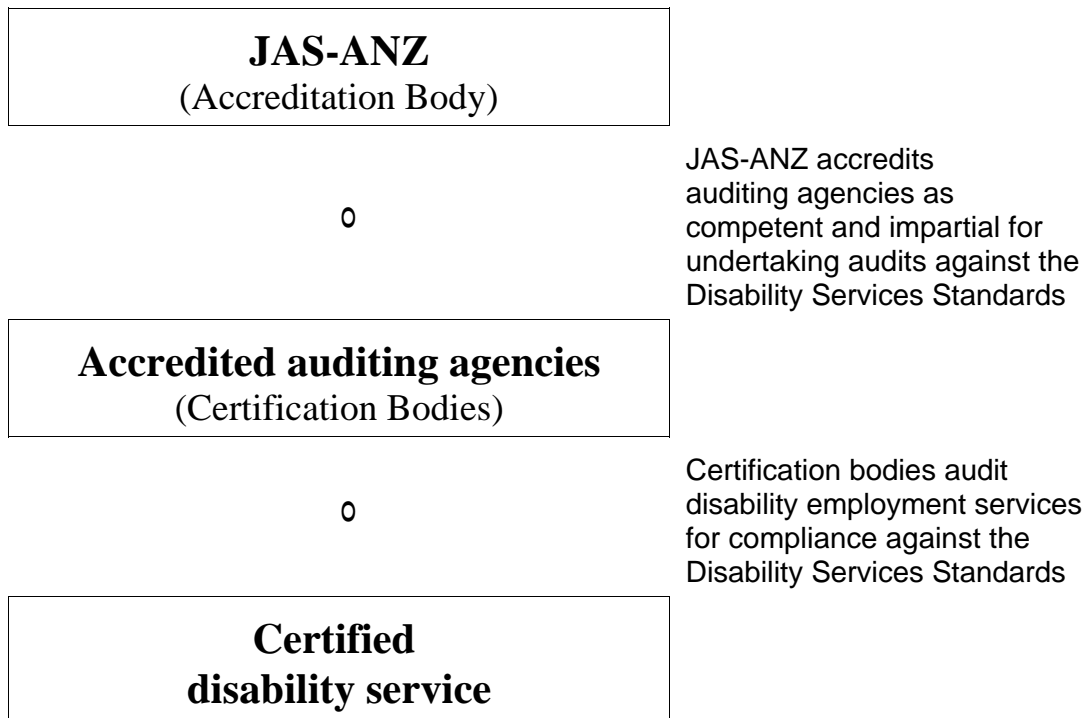
The Commonwealth Government is committed to developing a new quality assurance system for disability employment services. It is intended that this new quality assurance system will involve a shift to a system that is industry owned, consumer focussed and fosters a culture of continuous improvement. The overall goals for this new system are to:

- give people with disabilities confidence in the quality and results that disability employment services achieve for them;
- ensure all services meet, as a minimum, the Principles and Objectives of the Commonwealth Disability Services Act (1986) and the Disability Services Standards;
- make the assessment of quality more objective and measurable;
- treat all service providers equally (in both the government and non-government sectors);
- link quality assurance to funding;
- reduce government intervention in the day-to-day operation of services; and
- encourage a process of continuous improvement.

The Standards Review and Quality Assurance Working Party and FaCS have worked closely together to develop a model for a new quality assurance system.

The new system will use trained, independent auditors to assess the quality of disability employment services. These auditors will be appointed by agencies, known as Certification Bodies, that the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) accredits after measuring them against *The General Criteria for Bodies which Audit Disability Employment Services*. Audit teams will audit and assess disability employment services against the Disability Services Standards. Services that comply with the Standards will be certified. At a future date, the Commonwealth will fund only those services that have been certified as meeting the Disability Services Standards.

The key components of the new system are illustrated below.



The focus of the audit will be on 29 Key Performance Indicators (KPIs) and 12 disability standards. Agencies will be fully assessed every three years, with annual surveillance audits.

## 1.2 Trial of the new quality assurance system

Given the substantial differences between the current quality assurance system and the proposed new system, the Commonwealth announced that the model would be trialed from July to December 2000.

### 1.2.1 Scope of the trial

The trial of the new QA system involved:

- 22 agencies who provide government-funded disability services;
- six certification bodies who appoint teams to audit participating disability services; and,
- JAS-ANZ who undertake accreditation audits of the participating certification bodies.

#### *Agencies who provide disability services*

The 22 disability services participating in the trial included 21 Commonwealth-funded disability employment services and two state-funded disability services. One agency's participation in the trial involved an audit of both their Commonwealth-funded disability employment services and a state-funded disability service.

The two state government funded services were included in the trial because of the interest of one state government in examining the applicability of the new Commonwealth QA system to non-employment disability services.

Given that a number of these agencies are multi-site services, the trial covered certification audit activities at 49 different service sites (Table 1.1). In line with the *General Criteria for Bodies which Audit Disability Employment Services (JAS-ANZ, 2000)*, audits of multiple-site services were required to cover an appropriate sample of service sites (defined as approximately the square root of the number of remote sites). The audit of one large service provider participating in the trial was undertaken as a partial audit, due to the cost implications of covering an adequate sample of all sites.

**Table 1.1: Sample of disability services participating in the trial**

	Disability services participating in the trial		Audit sites
	Commonwealth-funded disability employment services	State-funded disability services	
Audit of single-site service	9	1	10
Audit of multi-site service	11	1	35
Partial audit of multi-site service	1		4
<b>TOTAL</b>	<b>21</b>	<b>2</b>	<b>49</b>

The geographical distribution of trial sites and the types of disability services participating in the trial (Attachment 1) broadly reflected the diversity of Commonwealth-funded services across Australia.

The sample of participating agencies was self-selected as all services volunteered to be part of the trial. As volunteers, it is anticipated that participating disability services will have a level of commitment to the new QA system that may not be present in other services.

### ***Certification bodies***

Six certification bodies were selected for the trial, following a national call for expressions of interest undertaken by FaCS. All six bodies had previous experience in either systems auditing or quality management in disability services. The six certification bodies were:

- Benchmark Certification;
- BVQI Australia P/L;
- International Standards Certifications;
- NCS International P/L;
- Quality Assurance Services (QAS); and,
- Council on Quality and Leadership.

Each certification body audited between three and five disability services.

### ***JAS-ANZ***

JAS-ANZ participated in the trial by undertaking accreditation audits of the six participating certification bodies. This involved witnessing a sample of 12 trial audits and undertaking audits of the policies, procedures and systems of each certification body.

## **1.2.2 Design of the trial**

The trial was designed as a “simple matrix” model whereby the six certification bodies each audited a sample of three to five services, with each service receiving a single audit. This design resulted in six certification body accreditation audit “cases” and 22 disability service certification audit “cases”. These “cases” formed the basis of the trial.

Using this design, the objectives of the trial were to:

- assess whether the new quality assurance system meets the stated goals (see Section 1.1.3);
- analyse the cost and benefits of the new system compared to the existing system;
- assess the operation of the new quality assurance system across a range of employment service types to identify strengths, weaknesses, risks and opportunities;
- test the validity and reliability of the assessment framework across different service types;
- test the suitability and relevance of the auditing procedures; and,
- identify the likely impact of quality assurance system on incentives and disincentives for continuous improvement.

## **1.2.3 Implementation of the trial**

The trial was undertaken between July and December 2000. The dates of the accreditation audit activities and certification audits are presented in Attachment 2.

## 1.3 Evaluation of the trial of the QA system

As part of the trial, FaCS commissioned ARTD Management and Research Consultants to undertake an independent evaluation. The purpose of the evaluation was to:

- assess the trial in terms of its six stated objectives (see Section 1.2.2); and,
- propose an implementation strategy and time frame for the roll-out of the system, based on the findings of the evaluation.

The evaluation was managed by FaCS under the direction of a Steering Committee comprising representatives from the Standards Review and Quality Assurance Working Party and other key informants.

### 1.3.1 Terms of Reference

The terms of reference for the evaluation were to:

1. assess whether the proposed quality assurance system is capable of meeting its stated goals in the light of government, industry and consumers experiences and perceptions of the trial;
2. assess whether the proposed quality assurance system can provide a more cost-effective system than the existing Department-based audit system;
3. assess the effectiveness of the proposed quality assurance system across the diversity of service types and arrangements in terms of the:
  - S** strengths and weaknesses of the process for accrediting Certification Bodies
  - S** strengths and weaknesses of the process for undertaking service audits
  - S** opportunities and risks associated with service audits
  - S** incentives and disincentives for continuous improvement as a result of service audits;
4. assess the potential of the proposed quality assurance system to accommodate a range of FACS funding arrangements (eg case based funding);
5. assess the effectiveness of the performance indicators and performance measurement used across different service audits based on:
  - S** JAS-ANZ and Certification Body assessment of their validity and reliability
  - S** service provider and consumer experiences and perceptions of service audits;
6. assess the appropriateness of the auditing procedures in the light of JAS-ANZ, Certification Bodies, government, industry and consumers experiences and perceptions of service audits; and,
7. propose an implementation strategy and time line for the quality assurance system that will provide the basis for discussion with the disability sector.

### 1.3.2 Methodology

The methods used to evaluate the trial were:

- a document review covering the policies and procedures for the QA system used in the trial;
- a document review of 40 audits reports completed during the trial covering:
  - § 22 certification audit reports completed by certification bodies
  - § 12 audit team witness reports completed by JAS-ANZ
  - § 6 accreditation audit reports completed by JAS-ANZ;
  - §
- audit activity surveys completed by certification bodies (n=20) and JAS-ANZ (n=5) after each audit;
- pre- and post-interviews with 30 managers of disability employment services covering all 22 service providers participating in the trial (supplemented by a brief survey completed by service providers after their certification audit [n=25]);
- post-audit interviews with 24 audit team members from certification bodies including lead auditors (n=8), consumer technical experts (n=12) and other technical experts (n=4);
- post-audit interviews with five audit team members from JAS-ANZ including lead auditors (n=3) and consumer technical experts (n=2); and
- post-audit interviews with a sample of 35 participating consumers from nine audit sites.

Details of the samples and data collection methods are presented in Attachment 3.

### 1.3.3 Evaluability of the trial

Overall, the sample of agencies participating in the trial appears to provide an appropriately complex mix of services to allow the evaluators to examine the strengths and weaknesses of the new QA system in a variety of contexts. In a similar way, the use of six different Certification Bodies, each of which was be subject to an accreditation audit by JAS-ANZ, provides a sound basis for examining a diversity of audit styles.

However, as with most trials, there are some factors outside of the direct control of the trial that may impact on the generalisability of the findings. These factors include:

- **the diverse characteristics of Commonwealth-funded disability services** in terms of service type, size, customer profile and management systems. While the trial covers an appropriate mix of these characteristics, care will be needed in generalising the evaluation findings to all disability services. Ongoing monitoring will be needed after this evaluation to assess specific issues that may arise for particular services;
- **self-selection of disability services participating in the trial.** As volunteers, it is anticipated that participating disability services will have a level of commitment to the new QA system that may not be present in other services;
- **trialing of one part of the audit cycle.** The trial focusses on a single compliance audit of participating disability services. There is no mechanism for the follow-up of identified non-compliance as would be the case in a full audit cycle. As such, the trial will not shed light on the question of whether disability services are capable of addressing a non-compliance within six months.

## 1.4 Structure of the report

The trial aims to test whether the quality assurance system is capable of improving consumer and government confidence in the quality and results that disability employment services achieve. Under the existing quality assurance system (Section 1.1.2), concerns have been raised about the objectivity, transparency, rigour and cost-effectiveness of the system.

An analysis of the program logic of the new quality assurance system (Figure 1.1) highlights a number of intermediate outcomes that need to be achieved as a prerequisite for ensuring consumer and government confidence in the quality of certified services (**Outcome 1**).

Firstly, three sets of lower order outcomes need to be investigated. These outcomes relate to the things that should be in place before an audit actually starts:

- clear and relevant criteria for measuring service quality (**Outcome 4**) - is an appropriate assessment framework available for auditing services against the Disability Services Standards?
- suitable agencies and teams for undertaking audits (**Outcomes 5 and 6**) - are appropriate agencies and teams selected for undertaking the certification audits?
- appropriate incentives and support to encourage participation (**Outcomes 7 and 8**) - are appropriate incentives and support in place to allow an “equal playing field” for all disability employment services seeking certification and for all consumers wishing to participate in the audit?

Answers to these questions need to be considered before investigating the rigour and suitability of the actual auditing procedures (**Outcome 3**) - that is, how well do the auditing procedures work across the diversity of service types and arrangements?

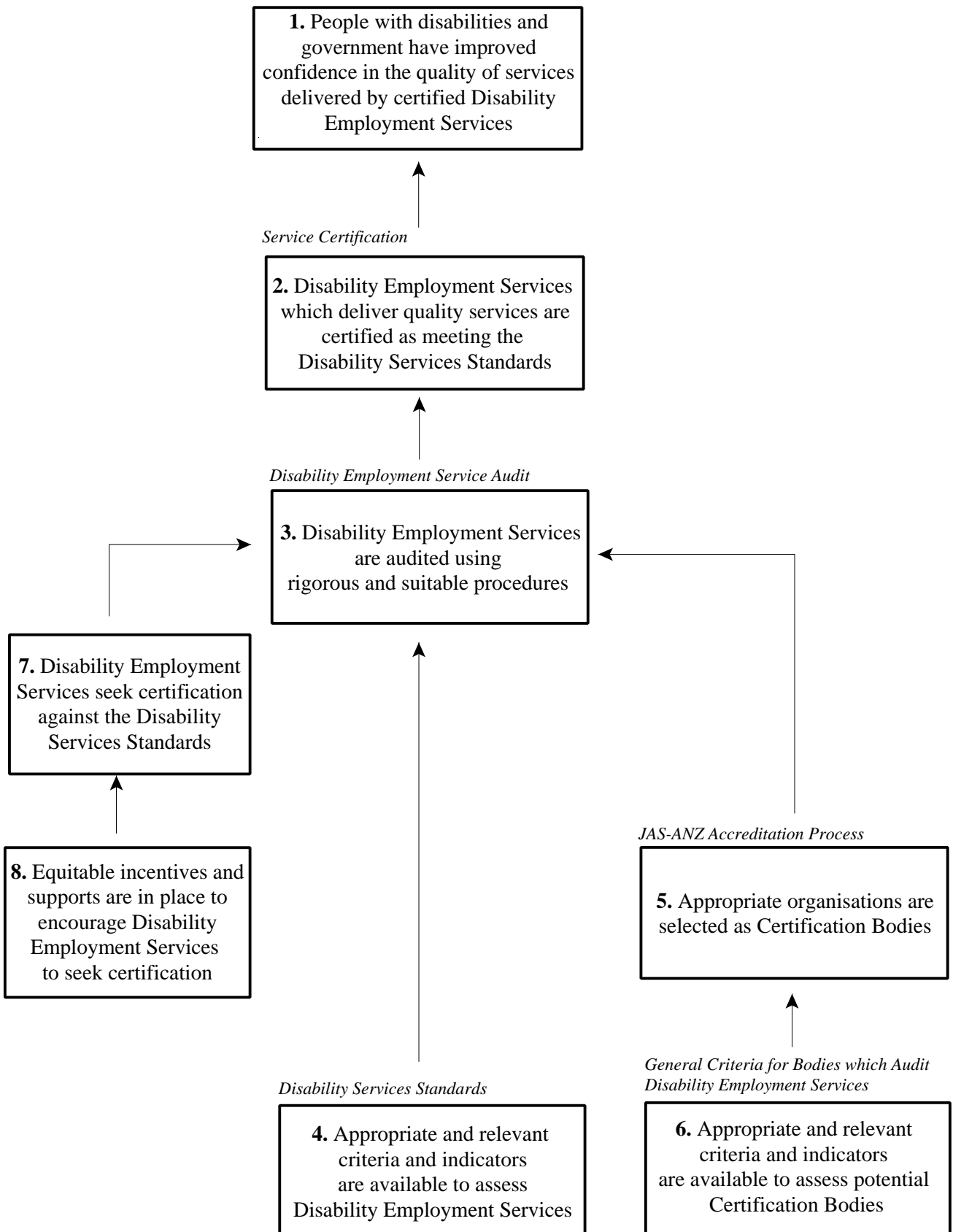
Finally, this analysis helps to examine the credibility of the results of the audits (**Outcome 2**) - that is, do only those services which deliver quality services receive certification and are areas for service improvement identified. In addition, the analysis of the results of the audits also needs to consider the cost impacts of the proposed QA system.

This evaluation report has been structured around these key outcome areas, in order to comprehensively address the terms of reference. As such the evaluation findings are reported in terms of the:

- assessment framework for measuring service quality (Section 2);
- selection of audit agencies and teams (Section 3);
- incentives and support to encourage participation (Section 4);
- rigour and suitability of the auditing procedures (Section 5);
- results of the audits (Section 6);
- cost impacts of the QA system (Section 7); and,
- overall assessment (Section 8).



**Figure 1.1: Intended outcomes of the quality assurance system**



## 2 Assessment framework for measuring service quality

Are clear and relevant criteria and indicators available for auditing services against the Disability Services Standards?

This section examines the appropriateness and clarity of the assessment framework used for measuring service quality in Disability Employment Services.

The assessment framework used in the QA trials (described in Section 2.1 below) covers four elements:

- Disability Services Standards (Section 2.2);
- key performance indicators (KPIs) for each Standard (Section 2.3);
- evidence questions associated with each KPI (Section 2.4); and,
- a rating scale for assessing a service's performance against the KPIs (Section 2.5).

The analysis presented in this section draws on evidence from the trials about the scope, relevance and clarity of each of these elements. Details about the actual auditing procedures used to implement this assessment framework are presented in Section 5.

An overall assessment of the appropriateness and clarity of the assessment framework is presented in Section 2.6.

### 2.1 Assessment framework used in the QA trial

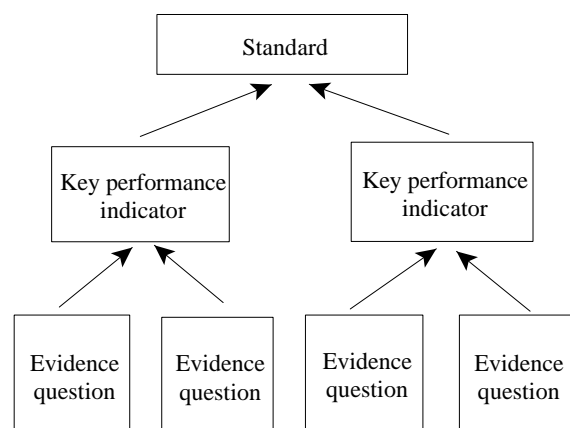
The measurement of service quality within the new QA system focusses on assessing compliance with defined standards.

Under the guidelines for the new QA system (*Guide for certification process - Section 3.2, FaCS 2000*), the assessment framework for measuring compliance is based on four elements - three core elements (Figure 2.1) plus a rating scale (Figure 2.2). The core elements covered:

- **Disability Service Standards**  
In 1996, the Disability Services Standards Review and Quality Assurance Working Party reviewed the then 11 Standards to establish whether they would provide an adequate basis for the new quality assurance system. The working party recommended retaining the existing Standards but with a number of amendments, resulting in 12 revised Standards. During the trial, services were assessed against these 12 Standards.

- **Key Performance Indicators**  
Associated with each of the 12 Standards are between one and three key performance indicators which are “derived from the Standards and clarify their meaning with regard to the disability employment sector ... They are intended to focus on service recipient outcomes and provide an accurate and objective measure of service quality” (*Guide for certification process - Section 3.2, FaCS 2000*). In total, there are 29 performance indicators for the new QA system.

Figure 2.1: Assessment framework used in the QA trial



- **Evidence questions**

Evidence questions were presented in the *Guide for certification process* “to guide auditors in identifying appropriate sources of evidence for each performance indicator”. A question format is used to reduce misinterpretation of the intent of the KPI.

In total, there are 47 evidence questions as part of the assessment framework for the new QA system.

In addition, the assessment framework for the trial involved the use a four-point **rating scale** which was used to rate the extent of service compliance against each of the 29 key performance indicators (Figure 2.2).

In the rating scale, compliance is primarily defined in terms of the availability of objective evidence which demonstrates that a service is meeting a particular requirement.

Under the guidelines for the new QA system, a service is required to achieve ratings of “acceptable compliance (2)” or “strong compliance (3)” against all KPI, in order to be assessed as meeting the Disability Services Standards, and hence gain certification.

The intended logic of the assessment framework is that audits are undertaken to collect evidence in relation to all areas covered by the 47 evidence questions, allowing an objective and reliable measurement of the extent of service compliance (reported as a rating between 0 and 3) against each of the 29 KPIs. Services assessed as complying with all KPIs, are certified as providing a quality services as defined by the Disability Services Standards.

The following sections provide evidence from the trial on the appropriateness and clarity of each of the four elements of the assessment framework.

**Figure 2.2: Rating scale used during the trial**

0	<b>Major non-compliance</b> - major health / safety / abuse risk or no/little evidence of conformity to the KPI that has not or can not be addressed in 6 months
1	<b>Minor non-compliance</b> - little or no evidence of conformity to the KPI - a situation that could be addressed within 6 months  <i>Cut-off for certification</i>
2	<b>Acceptable compliance</b> - acceptable level of evidence of conformity to the KPI
3	<b>Strong compliance</b> - conformity to the KPI is based on very strong evidence

## **2.2 Disability Services Standards**

The ultimate focus of the assessment framework used for the new QA system revolves around certification against the Disability Services Standards. While an assessment of the appropriateness of the 12 Disability Services Standard was not part of the QA trial, participants and key informants raised a number of points about the Standards that relate to the assessment framework.

### **2.2.1 Scope of the Standards**

Overall, participants in the trial were broadly satisfied that the 12 Standards provided a comprehensive basis for assessing the quality of Commonwealth-funded disability employment services. That is, the experience of the trial confirmed that the Standards adequately covered the major attributes of service quality.

However, this did not mean that service providers, consumers and audit teams all agreed on the interpretation and focus of individual Standards. In fact, there were diverse views expressed about the appropriateness of individual Standards in particular contexts (eg the interpretation of Standard 5 in the context of open-employment services, and Standard 9 for supported-employment services).

The two state-funded (non-employment) services in the trial highlighted the fact that Standard 9 (Employment Conditions) had little relevance to their services.

Ultimately though, decisions about the appropriateness of the Standards rests with FaCS and the Disability Services Standards and Quality Assurance Working Party. The relevant issue for the trial was assessing whether the KPIs and evidence questions unambiguously reflected the intent of the regulators for each of the Standards. As will be highlighted in Sections 2.3 and 2.4, trial participants highlighted a number of areas where greater clarity was needed around some of the KPIs and evidence questions.

### **2.2.2 Understanding of quality assurance as it relates to the Standards**

A potentially significant barrier to acceptance of the new QA system is the varied understanding among stakeholders, particularly service providers, of the concept and techniques of ‘quality assurance’ as it relates to the Disability Services Standards. While all service providers in the trial had some experience of the existing system of Department audits, this did not adequately prepare some services for the requirements of the new system.

The generally accepted definition of quality assurance used by JAS-ANZ and the certification bodies in the trial is that quality assurance is “focussed on providing confidence that quality requirements will be fulfilled” based on the availability of objective evidence - “records, statements of fact or other information which are relevant to the audit criteria and verifiable”. In this case the quality requirements are defined by the Disability Services Standards.

However, observations from the trial indicate that stakeholders’ interpretation of this definition varied widely leading in some instances to dissatisfaction and confusion about the new QA system. Such differences were found to relate to three main areas (discussed below):

- the logic of quality assurance assessment procedures;
- the logic of the Standards; and,
- the link between quality assurance and continuous improvement.

While overall satisfaction with the QA system remained high (see Section 5 and 6), FaCS may need to consider additional background material and professional development and training for services to provide greater clarity around these three areas.

### ***Implicit logic of quality assurance assessment procedures***

The auditing procedure for the QA system states that “*the audit team shall assess the management system of the disability employment service against all applicable certification requirements*” (Procedure 18 - 3.3) - in other words, whether management systems are in place in the service organisation to give confidence that the required outcomes under the Disability Services Standards will be achieved.

The FaCS “*Guide for Certification Process*” highlights that the approach to the assessment of the management system should involve four aspects:

- are the service’s documented policies and procedures in accordance with the Standards;
- are the service’s staff aware of the policies and procedures that are relevant to their activities and responsibilities, and can demonstrate they follow them;
- does the feedback from the consumers of the service provide evidence that the service complies with its policies and procedures and with the Standards; and,
- do the records and documents of the service provide evidence that the service complies with its policies and procedures and with the Standards.

However, a number of service providers perceived an over-emphasis in the assessment approach on processes and paperwork rather than demonstrated service outcomes.

*“[We were concerned about] the over-emphasis on the assessment of paperwork rather than a balanced assessment of both reporting requirements and actual practical performance ... it did not appear relevant to the audit team that the clients confirmed that we actually do comply [with the Standards]. It was more important that we could not prove it with paperwork.” (small open-employment service)*

This view was partly supported by one of the certification bodies who felt the assessment approach of the QA system was overly focussed on generic quality management rather than customer outcomes. This concern led some service providers to question the rigour and suitability of the auditing procedures (see Section 5.3).

In contrast, other certification bodies indicated that such comments misrepresented the assessment framework.

*“Our job is to collect objective, verifiable evidence which, as a minimum, includes the written policies and procedures of the service. However, that is not enough - we need to find evidence that policies and procedures are actually being implemented and the intended client outcomes are being achieved” (Lead auditor, Certification Body)*

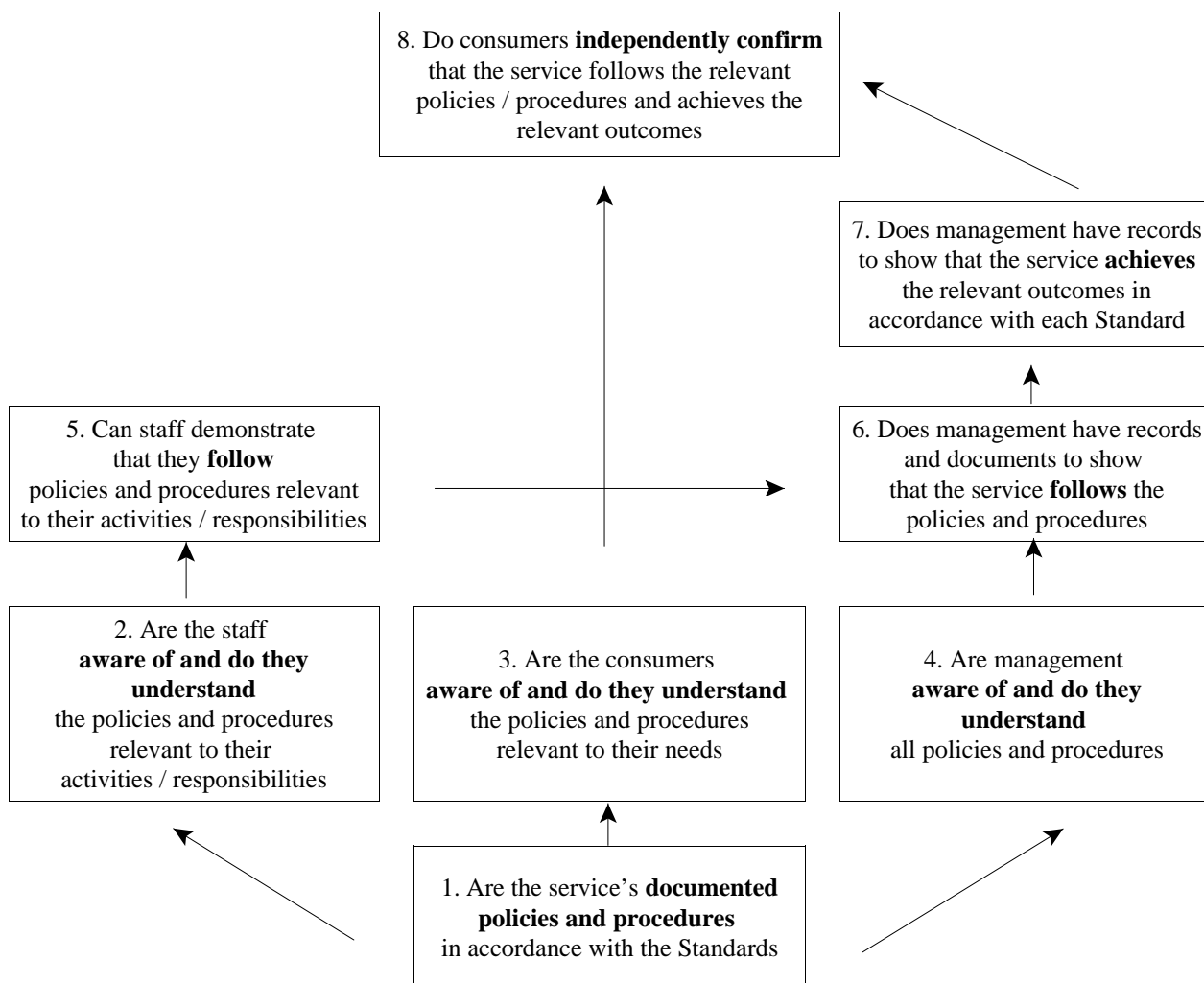
Discussions with JAS-ANZ, certification bodies and service providers highlighted the need to emphasise the implicit logic of the ‘evidence trail’ associated with demonstrating compliance. One possible presentation of this logic, based on the stakeholder feedback, is presented in Figure 2.3.

Such an approach differs from how the four aspects of the assessment approach is presented in the current FaCS “*Guide for Certification Process*” in that it emphasises:

- the links between the different aspects of assessment;
- the ‘level’ of each aspect (eg policy and procedure documents as lower level evidence; customer feedback as higher level evidence); and,
- a single focus for each aspect of the assessment (ie no double-barrelled questions).

This may also enhance the presentation of ‘non-conformance’ findings in audit reports by highlighting the type of evidence that was used to reach the assessment (eg non-conformity against a particular Standard because of a lack of consumer awareness of a relevant policy).

**Figure 2.3: Implicit logic of the QA assessment approach**



### ***Implicit logic of the Standards***

A number of certification bodies commented on the need to group the Standards to better reflect the core processes and outcomes of disability services. They perceived that the current order from one to twelve made it difficult for service providers to relate the Standards to their business and hence they became more like a checklist than an integrated set of requirements.

While no consensus was reached on the best way to do this, one possible grouping is suggested below based on feedback from a number of certification bodies and services (Figure 2.4). The key feature of this approach was to group the Standards around five dimensions of quality:

- **service management** - does the service have the right elements to direct and control the organisation (eg corporate governance, management reviews/internal audits, policies and procedures);
- **staff recruitment, employment and training** - does the service have the right staff to do the work;
- **values and principles** - does the service have the right approach to working with clients;
- **service delivery** - does the service have the right processes for helping clients to get a job and/or supporting them in employment; and,
- **service outcomes** - does the service achieve the right end result for clients

**Figure 2.4: Linking the Standards to core service processes and outcomes**

<i>Core service processes and outcomes</i>	<i>Possible order for Standards</i>
<b>Service management</b> having the right elements to direct and control the organisation (eg corporate governance, management reviews/internal audits, policies and procedures)	8: Service management
<b>Staff recruitment, employment and training</b> having the right staff to do the work	11: Staff recruitment, employment and training
<b>Values and principles</b> having the right approach to working with clients	1: Service access 4: Privacy, dignity and confidentiality 12: Protection of human rights and freedom from abuse 6: Valued status
<b>Service delivery</b> having the right processes for helping clients to get a job and/or supporting them in employment	2: Individual needs 3: Decision making and choice 7: Complaints and disputes 10: Service recipient training and support
<b>Service outcomes</b> having the right end result for clients	9: Employment conditions 5: Participation and integration

***Linking quality assurance to continuous improvement***

A number of service providers were confused about where the new QA system was positioned in relation to the overall goal of improving the service quality. In particular, if a service was found to be not fully complying with the requirements of the Standards, what was meant to happen next. Common questions for service providers included:

- how do we get help to address identified problems (areas of non-compliance);
- how do we get information about good practice at services complying with the Standard; and,
- how do we ensure the focus remains on service quality rather than compliance.

Service providers in the trial did not appear to be particularly well informed about FaCS proposals for a continuous improvement program to run in parallel with the new QA system. In part, this reflects the limited progress to-date in the development of this initiative.

However, it is clear from trial participant’s feedback that clearly defined and operational links between the QA system and a FaCS continuous improvement initiative are an essential requirements for a successful roll-out of the new system.

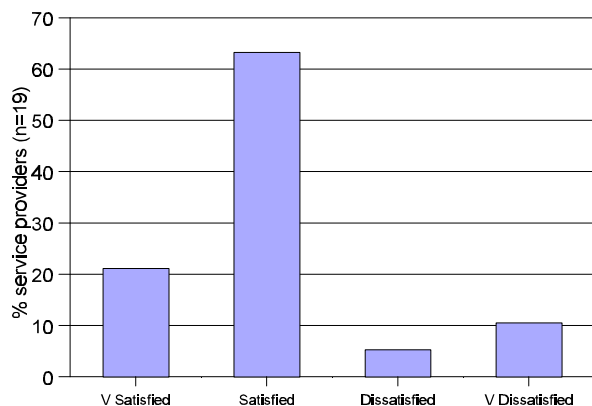
## 2.3 Key Performance Indicators (KPIs)

Overall, trial participants were broadly satisfied that the KPIs used in the trial provided a reasonable basis on which certification audits can be undertaken, although numerous areas for clarification and refinement were identified.

From a systems auditing perspective, lead auditors from JAS-ANZ and Certification Bodies confirmed that all 29 KPIs were technically “auditable” although indicated that the ease and consistency of auditing required further clarification of the intent and scope of a number of the performance indicators.

In a similar way, almost 85% of service providers were satisfied with the appropriateness and relevance of the KPIs (Figure 2.5). However, service providers also wanted the KPIs refined to better reflect the diversity of service types.

**Figure 2.5: Service providers’ perceptions of the appropriateness of KPIs used in the trial**



### **Key strengths of the KPIs used in the trial**

The broad satisfaction among trial participants with the appropriateness of the KPIs was focussed on three main points:

- **manageability of 29 core requirements**  
Service providers were very positive with the reduction in the number of KPIs from over 100 under the old departmental audits to 29 under the new QA system. This allowed a focus on the core requirements and outcomes of each Standards rather than a long checklist of processes.
- **“level playing field”**  
Service providers supported the common set of KPIs across all service types rather than the old system of certain KPIs only applying to minimum, enhanced and eligibility level services.
- **flexibility in the wording of KPIs**  
Service providers and audit teams recognised that most of the KPIs provided adequate flexibility to take account of the diverse context of disability employment services across Australia. However, this strength also represented one of the perceived weaknesses in that some KPIs were seen as vague and difficult to objectively assess (see below).

### **Areas for clarification and refinement**

A common theme across trial participants was that a number of the KPIs need to be further clarified and refined to ensure they are used in an objective and consistent manner. This related both to the level of specificity of some KPIs and the applicability of KPIs to all types of services.

Table 2.1 summarises the issues raised by trial participants in relation to each of the 29 KPIs. It also takes account the results of the audits (Section 6), which showed that the vast majority of services complied with the KPIs associated with Standards 4, 5, 6 and 12. Certification bodies speculated that this may partly reflect their difficulties in interpreting the precise focus of these KPIs.

For the purposes of ongoing discussion, the feedback in Table 2.1 has also been synthesised in the form of suggested alternative wording for KPIs. However it should be noted that a range of other factors outside of the trial may need to be considered when determining changes to the KPIs, not least of which is further practical experience of using the KPIs in audits.



**Table 2.1: Areas for clarification and refinement in relation to the existing 29 KPIs**

<i>KPI</i>	<i>Issues for clarification and refinement</i>	<i>Possible alternative word for KPIs</i>
<b>Standard 1</b>		
KPI 1.1	<ul style="list-style-type: none"> <li>greater recognition of service provider’s contractual agreement with FaCS in relation to agreed target group, referral sources and number of funded places. Service providers indicated that these elements help to shape a service’s entry criteria eg where services are contracted to support a specific target group or all referrals are governed by Centrelink</li> </ul>	The service adopts and applies non-discriminatory entry criteria in respect of age, gender, race, culture, religion or disability, relative to the services’ mission and contractual agreement with FaCS
KPI 1.2	<ul style="list-style-type: none"> <li>no significant issues</li> </ul>	(No change)
<b>Standard 2</b>		
KPI 2.1	<ul style="list-style-type: none"> <li>lack of clarity around the focus on ‘impartiality’. The point was raised that a service could be impartial (fair and equitable in treating all clients the same way) but not objective or effective in establishing goals. The required focus should be on an unprejudiced and rationale process for establishing goals that objectively reflect individual needs and personal goals (eg through the use of effective skills or needs assessment mechanisms such as work trials, vocational skills testing, career guidance tools, and the involvement of advocates)</li> <li>the last part of KPI 2.1 (“and used as a basis for service provision”) more closely links to KPI 2.2</li> </ul>	Each individuals’ s employment / career goals are established objectively to reflect their needs and personal goals
KPI 2.2	<ul style="list-style-type: none"> <li>see comment above</li> </ul>	Each individuals’ s employment / career goals are used as a basis for service provision through the Service undertaking a process of planning, implementation, review and adjustment to facilitate the achievement of these goals
KPI 2.3	<ul style="list-style-type: none"> <li>concept of “least restrictive way” was broadly supported, but found to be open to different, subjective interpretations</li> <li>given that the term “least restrictive way” is used in the Standard, the KPI should not repeat the use of the term but rather define the specific requirements that need to be achieved to meet the Standard</li> <li>the key element of the concept appears to relate to ensuring the employment / career pathways and plans do not contain any unnecessary restrictions or constraints</li> </ul>	Services are delivered to meet each individuals’ s employment / career goals via pathways and plans which do not have any unnecessary restrictions or constraints  (or integrate with KPI 10.2 - see below)
<b>Standard 3</b>		
KPI 3.1	<ul style="list-style-type: none"> <li>while trial participants were satisfied with the current wording of the KPIs, some consumer technical specialists indicated that additional prompts were needed in relation to the phrase “at all levels” to ensure the full range of levels were consistently covered in all audits.</li> </ul>	The Service provides responsive and flexible opportunities for all individuals to participate in decision-making at all levels including corporate and business planning, service delivery planning, individual choices in employment and pre-employment planning
KPI 3.2	<ul style="list-style-type: none"> <li>no significant issues</li> </ul>	(No change)
<b>Standard 4</b>		
KPI 4.1	<ul style="list-style-type: none"> <li>the concept of “accepted principles of privacy and confidentiality” is used without reference to the source of these accepted principles. Some trial participants suggested the need for defined requirements eg 10 Privacy Principles under the Privacy Amendment (Private Sector) Act 2000 to avoid subjective interpretations.</li> <li>the concept of “confidentiality” may need to be made explicit, particularly the need for informed consent for the disclosure of sensitive personal information</li> </ul>	The Service complies with the Privacy Principles under the Privacy Amendment (Private Sector) Act 2000 in order to protect and respect the rights of individuals  The Service does not disclose sensitive personal information about service recipients without their informed consent
KPI 4.2	<ul style="list-style-type: none"> <li>given that the term “dignity” is used in the Standard, the KPI should not repeat the use of the term but rather define the specific requirements that need to be achieved.</li> <li>the key attribute of ‘dignity’ appears to relate to tolerance and respect of the diverse personal needs of clients</li> </ul>	The Service promotes tolerance and respect for each service recipients’ personal needs and circumstances

KPI	Issues for clarification and refinement	Possible alternative word for KPIs
<b>Standard 5</b>		
KPI 5.1	<ul style="list-style-type: none"> <li>the requirement to “optimise opportunities to obtain and maintain community integration through employment” was perceived by a number of trial participants to be very difficult to critically assess. There did not appear to be a clear view about what conditions would have to occur for a service to be found as not complying with this KPI and services reported a range of interpretations from Certification Bodies.</li> <li>open-employment services wanted greater clarification of FaCSs’ expectations of the level/nature of support envisioned under this KPI</li> <li>service providers wanted clearer reference in this KPI to the achievement of employment outcomes for clients</li> <li>in line with the discussion on the logic of the Standards (Section 2.2), the consultants felt that the KPIs in Standard 5 should place greater emphasis on the achievement of service outcomes</li> </ul>	The service contributes to individual employment / career outcomes for service recipients which facilitates their participation and involvement in the community through employment
KPI 5.2	<ul style="list-style-type: none"> <li>the requirement to “promote acceptance, connectedness and sustainability of participation and involvement to the community” was perceived by a number of trial participants to be very difficult to critically assess and extent of the expected role unclear</li> <li>a number of trial participants perceived that KPI 5.2 had an over-reliance on jargon which did not help to clarify or communicate its focus and scope</li> <li>it was suggested that if the focus of KPI 5.1 was on employment outcomes, KPI 5.2 should focus on other non-employment outcomes (eg outcomes related to improved confidence and social skills)</li> <li>in line with the discussion on the logic of the Standards (Section 2.2), the consultants felt that the KPIs in Standard 5 should place greater emphasis on the achievement of service outcomes</li> </ul>	The service contributes to other non-employment outcomes for service recipients which facilitates their participation and involvement in the community
<b>Standard 6</b>		
KPI 6.1	<ul style="list-style-type: none"> <li>no significant issues related to the KPI although trial participants indicated that more work was needed on the evidence questions</li> </ul>	(No change)
KPI 6.2		
KPI 6.3		
<b>Standard 7</b>		
KPI 7.1	<ul style="list-style-type: none"> <li>needs reference to ‘areas of dissatisfaction’</li> </ul>	The Service encourages the raising of complaints by service recipients regarding any areas of dissatisfaction with the agency or their services
KPI 7.2		
KPI 7.3		
<b>Standard 8</b>		
KPI 8.1	<ul style="list-style-type: none"> <li>KPI 8.1 fails to specify the required scope and depth of the management system. It is apparent that services are not expected to have a quality management system that meets all the requirements of ISO 9001, but it is not clear what the minimum requirements are for disability services</li> <li>It was suggested that KPI 8.2 and 8.3 cover some of these requirements but many other attributes of management are not mentioned (eg internal audits, document control)</li> <li>A lead auditors from JAS-ANZ suggested combining the current three KPIs into a single KPI which spelt out the minimum requirements more comprehensively. Such requirements could built on the management system requirements developed for other sectors</li> </ul>	<p>The Service has management systems in place that facilitate quality management practices and continuous improvement and which meets the following specific requirements:</p> <ul style="list-style-type: none"> <li>&lt;specific requirements to be developed in consultation with JAS-ANZ, Certification Bodies and service providers&gt;</li> </ul> <p>(For example - One complete internal audit and one management review of the service shall take place annually)</p>

<i>KPI</i>	<i>Issues for clarification and refinement</i>	<i>Possible alternative word for KPIs</i>
<b>Standard 9</b>		
KPI 9.1	<ul style="list-style-type: none"> <li>while the wording of KPI 9.1 was perceived as unambiguous, some concerns were raised about the consistency of application of the KPI. It was claimed that in one audit, the supported-employment service did not pay pro-rata award wages in line with a legally ratified or legally recognised assessment tool, yet was assessed as complying with the standard. At this audit, emphasis was placed on the process used by the service rather than the outcome. This does not appear to be the intention of the KPI and greater emphasis may be needed in the evidence questions to wage outcomes.</li> <li>it should be noted however that some supported employment services raised concerns about the restrictive nature of the current KPI citing conflicts with State-based legislation and the interests of clients</li> <li>some consumer technical experts raised concerns that the current wording of the KPI did not protect consumers from exploitation as there was no requirements to demonstrate that the legally ratified agreements were fair and just.</li> </ul>	<p>The Service ensures that when people with a disability are placed in supported employment that their wages are paid according to a relevant award. Where a person is unable to work for a full award wage due to a disability, the service is to ensure that a pro-rata wage is paid. This pro-rata award must be determined through a transparent assessment tool or process.</p> <p>The Service ensures that when people with a disability are placed in supported employment that their conditions of employment are consistent with both general workplace norms and relevant federal and state legislation including the Disability Discrimination Act, Occupational Health and Safety legislation and the Federal Workplace Relations Act 1996.</p>
<i>New KPI</i>	<ul style="list-style-type: none"> <li>some consumer technical specialists highlighted the need for greater emphasis to be placed on client awareness of their wages and conditions</li> </ul>	<p>The Service ensures that when service recipients are placed and supported in employment that they and, where appropriate, their carers, are informed of how wages and conditions are determined and the consequences of this</p>
<b>Standard 10</b>		
KPI 10.1	<ul style="list-style-type: none"> <li>no significant issues</li> </ul>	
KPI 10.2	<ul style="list-style-type: none"> <li>service providers raised concerns about the potentially open-ended interpretation of “optimising employment opportunities” without reference to resource constraints and individuals circumstances.</li> <li>KPI 10.2 was perceived to have significant overlap with KPI 2.3</li> </ul>	<p>The Service optimises employment opportunities for service recipients in line with each individual’s employment / career goals, without any unnecessary restrictions or constraints</p>
KPI 10.3	<ul style="list-style-type: none"> <li>no significant issues</li> </ul>	(No change)
<b>Standard 11</b>		
KPI 11.1	<ul style="list-style-type: none"> <li>no significant issues</li> </ul>	(No change)
KPI 11.2		
KPI 11.3		
<b>Standard 12</b>		
KPI 12.1	<ul style="list-style-type: none"> <li>no significant issues related to the KPI although trial participants indicated that more work was needed on the evidence questions</li> </ul>	(No change)
KPI 12.2	<ul style="list-style-type: none"> <li>trial participants indicated that KPI 12.2 was open to subjective interpretation and that more work was needed on the evidence questions</li> </ul>	(No change)

## 2.4 Evidence questions

Overall, trial participants indicated that the evidence questions used in the QA trial added little value in helping participant identify appropriate sources of evidence for each performance indicator.

The key concerns of certification bodies and service providers were that:

- **evidence questions often simply re-stated the KPI**

Approximately two-thirds of the evidence questions (associated with 19 of the 29 KPIs) basically re-stated the KPI. Certification bodies and service providers indicated that this approach to evidence questions added no value as it did not provide any insight into appropriate sources of evidence.

Service providers were particularly concerned that the evidence questions provided little direction on the range and type of evidence needed to demonstrate compliance. This was particularly highlighted in relation to Standards 5, 6 and 12.

- **wording of some evidence questions unclear**

A number of service providers indicated that the wording of evidence questions was often *'wishy washy and open to varying interpretations'*. These comments related to the need to clarify the underlying KPI, and the fact that the evidence question did not add any additional insights.

- **over-emphasis on process questions rather than outcomes**

A number of trial participants highlighted the fact that most of the evidence questions focussed on the processes used by the service ("how does the service ..."). Such questions were seen as failing to recognise the range of evidence sources implicit in demonstrating compliance. Drawing on the framework presented in Figure 2.3, evidence questions for any KPI should cover the full range of assessment aspects - documentation; staff and consumer awareness and understanding; management records on processes and outcomes; direct customer feedback.

- **lack of examples of good practice**

Service providers highlighted the lack of concrete examples of good practice associated with compliance with the KPI. Without such examples, a number of providers indicated that they had little idea of what they needed to do to demonstrate compliance and what practical strategies could be used for achieving it.

It is important to note that FaCS was aware of a number of these limitation at the start of the trial. In the "Guide for Certification Process" it stated that

"there are no specific guidelines on outcome evidence. This is because of the difficulty of gaining stakeholder consensus at this level - a reflection of the complexity of the disability employment service sector."

In fact, FaCS had prepared an 'Evidence Matrix' to assist service providers, but did not distribute it as part of the trial, because there was no consensus or benchmarks of good practice in relation to the KPIs being trialed.

However, the experiences of the trial have demonstrated that there is a need for specific guidelines on outcome evidence in any future roll-out of the QA system. Based on feedback from certification bodies and service providers, such guidelines will need to include both a more comprehensive range of evidence questions (drawing on the framework presented in Figure 2.3) and examples of good practice (drawing on the existing material in the 'Evidence Matrix'). An example of what these guidelines might look like for a single KPI is presented in Figure 2.6.

**Figure 2.6: Example of possible evidence guidelines (based on KPI 7.1)**

<b>KPI 7.1: The Service encourages the raising of complaints by service recipients regarding any areas of dissatisfaction with the agency or their services</b>	
<i>Core evidence question</i>	<i>Possible additional dimensions to the evidence question</i>
Does the Service encourage the raising of complaints regarding any areas of dissatisfaction with the agency or their services	<ul style="list-style-type: none"> <li>• Does the service have documented policies and procedures related to encouraging the raising of complaints</li> <li>• Are all staff and consumers aware of these policies and procedures and understand how they are intended to operate</li> <li>• Can staff demonstrate how they implement the policy in their day-to-day activities and provide concrete examples of its implementation</li> <li>• Does management monitor the level of customer confidence about raising complaints.</li> <li>• Do customers indicate that they feel confident about raising complaints</li> </ul>
<i>Examples of good practice</i>	
<ul style="list-style-type: none"> <li>• The complaints handling mechanism is clearly available for all consumers and key stakeholders</li> <li>• Consumers understand how to make complaints and provide feedback</li> <li>• Consumers have access to a range of people to whom they can make a complaint, raise a concern or seek assistance</li> <li>• Consumers are encouraged to use an advocacy service or seek other support if they choose</li> <li>• Consumer advocacy is being used as required</li> <li>• Consumers are making complaints and providing feedback resulting in complaint resolution</li> <li>• Appropriate communication strategies are used to communicate the key players in the complaints resolution process for the service</li> </ul>	

The actual content of these evidence guidelines will need careful preparation and ongoing revision as more audits are undertaken. While there is insufficient evidence from a trial of 22 services to benchmark good practice, some examples can be gleaned from the results of the audit reports presented in Section 6 to build on the existing material in the ‘Evidence Matrix’.

## 2.5 Rating scale

The rating scale used as part of the assessment framework for the trial was controversial. While the intention of the ratings was to facilitate possible benchmarking of service quality against the Standards, it tended to create confusion and at times, dissatisfaction with the QA system.

The key issues for participants were:

- **definition of a “major non-compliance” (rating = 0)**

The current wording for a major non-compliance is “a major health / safety / abuse risk has been identified or no/little evidence of conformity to the KPI that has not or can not be addressed in six months”. This definition was also linked to the concept of notifiable issues, whereby audit teams are required to notify FaCS of allegation or evidence of abuse, financial impropriety and / or professional misconduct.

Certification bodies indicated that the linking of “major non-compliances” with notifiable issues created confusion and in some cases a reluctance to use the zero rating. Across all audits, only three zero ratings were issued over the 667 KPIs rated across all audits.

It was suggested that the reference to notifiable issues be dropped from the definition of a “major non-compliance”, and picked up as a separate requirement on audit teams in Procedure 18 - namely, that audit teams notify FaCS of evidence of any major health / safety / abuse risk or any allegation of abuse, financial impropriety or professional misconduct.

It was also suggested that greater emphasis be given in the definition of a “major non-compliance” to the intractable nature of a problem or the complex task of addressing it (as opposed to a minor non-compliance where there is evidence that the problem is more likely to be addressed in a short time frame).

In the case of a notifiable issue based on allegations, the audit report and rating would need to be issued subject to the outcomes of the investigation of the allegations by FaCS.

- **clarifying the cut-off for certification**

Following the first two trial audits, JAS-ANZ notified all certification bodies of a change in the definition of “certification”. It was determined that certification could not be granted until all major non-compliance (rating =0) and minor non-compliance (rating =1) were closed. This was done to prevent an agency gaining certification while having minor non-compliance on a significant number of Standards.

Under this definition, some service providers interpreted receiving a single minor non-compliance rating as a failure to achieve certification - as opposed to a failure to achieve immediate certification. This reflected a lack of awareness of the process of closing non-conformities through appropriate corrective action, in part because there was no mechanism for closing non-conformities in the trial. As a result, a number of service providers raised concerns about receiving a rating of “1” over what they perceived to be a relatively minor issue that could be quickly addressed. In fact in many of these cases, that was precisely what the audit team was trying to communicate.

Certification bodies suggested highlighting differences between major and minor non-conformities in terms of the level of corrective action required by the service. In the case of major non-compliance, it would be expected that a detailed corrective action plan would be required and that closure of the non-compliance would require the service to be re-assessed.

Some consumers also had concerns about the “minor non-compliance” rating, but for the opposite reason. At the end of one audit, some consumers were very concerned when they perceived that a serious issue they had raised was classified as a “minor non-compliance”. These consumers saw this as a failure to resolve their complaint. This relates to managing expectations about the scope of audit and highlighting the availability of other mechanisms for addressing complaints (see Section 5.4).

- **onus of proof**

Some service providers were concerned that instances of non-compliance were worded in terms of an absence of evidence (‘little or no evidence of conformity’) rather than evidence that the service was not meeting the requirement. Interestingly, certification bodies reported non-compliance in both ways - as an absence of evidence (eg no evidence that individual goals are being identified for each clients) and as evidence of not meeting the requirement (eg consumers were not aware of the entry and exit criteria).

- **subjectivity in assessing acceptable compliance (rating=2) and strong compliance (rating=3)**

Certification bodies highlighted the difficulties of objectively applying the definition of rating 2 and 3, which is based on either an “acceptable” or “strong” level of evidence of conformity. From an audit perspective, the usual concept of compliance simply relates to their being adequate objective evidence that a particular requirement is being fully met.

Service providers were dissatisfied with how consistently ratings 2 and 3 were applied, often citing examples of apparently different interpretations between sites or even within sites for different KPIs. There also felt that the “adequacy” of the evidence was often an artefact of how hard the audit team wanted to look, rather than what was actually available.

On the other hand, service providers recognised the value of positive feedback (rating=3) and in fact often wanted more feedback on those areas where the service was doing well (see Section 6).

- **situations where it was not possible to audit the service against a particular Standard**

Certification bodies indicated that in certain situations it was not possible to audit the service against a particular Standard because of a lack of objective evidence. It was felt that the rating scale should include an option for “not auditable”. In these situations, arrangements would need to be made with the service provider to present evidence or facilitate observation of the evidence at an agreed later date. Clearly, certification could not be granted while any KPIs had not been audited.

- **ratings against individual KPIs**

Service providers strongly supported the use of rating against each KPI (as opposed to the overall Standard) because it provided a much clearer indication of the specific areas of non-compliance.

Overall, the feedback from the trial highlights the need to refine the rating scale used in the trial. Possible definitions, consistent with the feedback from the trial, are suggested in Figure 2.7

Using these definitions, the presentation of audit results to service providers and consumers would then focus on reporting compliance or non-compliance with each of the KPIs. Where a service was found to be non-complaint against a particular KPI, the audit team would be expected to indicate the evidence they used to conclude that the requirements of the KPI were not being fully met. They would also be expected to indicate whether the closure of the non-compliance required major corrective action (major non-compliance) or minor corrective action (minor non-compliance). Similarly, reporting of compliance against a particular KPI should highlight key pieces of evidence and may also include observations where improvements could be made. Further discussions about the presentation of audit findings and the link to the evidence questions is presented in Section 5.

**Figure 2.7: Possible definitions of compliance and non-compliance**

<p><b>Non-Compliance - ineligible for certification until non-compliance is closed</b></p> <p><b>Major non-compliance</b> - There is evidence that the requirements of the KPI are NOT being fully met and that major corrective action is required to address the problem. Major corrective action would usually involve a corrective plan and require re-assessment of the service against this KPI</p> <p><b>Minor non-compliance</b> - There is evidence that the requirements of the KPI are NOT being fully met and that minor corrective actions are required to address the non-conformity. Such corrective action would need to be completed within six months and evidence presented or observed that the corrective action had been successful.</p> <p><b>Compliance - eligible for certification</b></p> <p><b>Compliance</b> - There is adequate evidence that the requirements of the KPI are being fully met</p> <p><b>Compliance with observation</b> - There is evidence that the requirements of the KPI are being met, but greater attention may need to be given to particular actions or additional evidence may be needed to ensure ongoing compliance.</p> <p><b>Not able to be audited</b> Insufficient evidence to determine compliance or non-compliance</p>
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## **2.6 Conclusions**

Overall, the trial of the new QA system demonstrated that the proposed assessment framework (Standards, KPIs, evidence questions and rating scale) provides a reasonable basis on which certification audits can be undertaken. Neither JAS-ANZ nor the participating Certification Bodies, who have extensive experience in audits across a range of certification systems, identified any fundamental flaws in the assessment framework.

However, based on the experiences of the trial, a number of aspects of the assessment framework need to be clarified or refined to avoid participant confusion and to strengthen the integrity of the QA system. The main areas for improvements were:

- **promoting clear and consistent messages about quality assurance**  
There is a strong need to disseminate additional background material to service providers about quality assurance in general, and its application to the Disability Services Standards in particular. Key areas for clarification include the implicit logic of quality assurance assessment procedures and the link between quality assurance and continuous improvement. Further issues relating to the support needs of service providers are discussed in Section 4.
- **reviewing the presentation of the Standards and the wording of the KPIs**  
The clarity and utility of the Standards and associated 29 KPIs could be enhanced by grouping and re-ordering the Standards and refining the wording of the KPIs based on the feedback and suggestions presented in Table 2.1. To facilitate discussion of these changes, a consolidated summary is presented in the conclusion of the report in Table 8.1.
- **publishing evidence guidelines**  
There is a need to develop a set of evidence guidelines as a supporting document to the Standards and KPIs. For each KPI, the guidelines should include a more comprehensive range of evidence questions (drawing on the framework presented in Figure 2.3) and examples of good practice (drawing on the existing material in the “Evidence Matrix” and the results of the certification audits presented in Section 6). An example of a possible format for the evidence guidelines is presented in Figure 2.6.
- **simpler, clearer rating scale**  
The communication of audit results to service providers and consumers could be facilitated by the use of a simpler, clearer rating scale focussed on re-worded definitions of compliance and non-compliance. Possible new definitions are presented in Figure 2.7.
- **ongoing monitoring and evaluation of the assessment framework**  
While the trial has highlighted these key areas for improvement, it is anticipated that ongoing refinement will be needed as more audits are undertaken. As such, FaCS will need to develop and implement ongoing mechanisms for monitoring and evaluation. This could include regular stakeholder feedback surveys and periodic evaluations.

### 3 Audit agencies and teams

Are appropriate agencies and teams selected for undertaking the certification audits?

This section examines the appropriateness of the audit agencies (certification bodies) and teams (audit team members) selected for undertaking the trial certification audits.

It covers the appropriateness of the criteria and process used in the trial for selecting:

- **certification bodies** to auspice audits (Section 3.1)
- **audit teams** appointed by certification bodies (Section 3.2)
- **individual team members** with the required competencies (Section 3.3), covering both systems auditors (Section 3.3.1), consumer technical specialists (Section 3.3.3) and other technical experts (Section 3.3.2).

Issues for improving the selection of certification bodies and audit teams, including training and professional development, are identified in Section 3.4.

It is important to note that the focus of this Section is on issues and themes arising from the trial rather than the appropriateness of individual certification bodies or team members. In line with the confidentiality protocols for the evaluation, no individuals or agencies are identified.

#### 3.1 Appropriateness of certification bodies

Six certification bodies were selected for the trial following a national call for expressions of interest undertaken by FaCS. All six agencies had previous experience in either systems auditing or quality management in disability services.

Each of these agencies was required to undergo an accreditation process conducted by JAS-ANZ as part of the trial to assess their appropriateness. JAS-ANZ was established by the Australian and New Zealand governments to ensure that the certification agencies responsible for providing independent auditors are competent and impartial.

The criteria used by JAS-ANZ in the trial for assessing the appropriateness of certification bodies is documented in JAS-ANZ Procedure 18 (General Requirements for Bodies Operating Assessment and Certification of Disability Employment Services). Accreditation by JAS-ANZ in compliance with these general requirements acknowledges that certification bodies possess the necessary competence and impartiality to undertake audits of disability employment services.

The results of the JAS-ANZ accreditation audits of certification bodies are presented in Section 6.

This section draws on these results and other evidence from the trial to investigate issues relating to the appropriateness of the criteria and process for selecting certification bodies.

##### 3.1.1 Criteria for selecting certification bodies

Certification bodies were required to demonstrate compliance with the full set of requirements specified in Procedure 18. The core requirements relating to the organisation auspicing the audits included having:

- a documented structure which safeguards impartiality, including provisions to assure the impartiality of the operations of the certification body. This structure shall enable the participation of all parties significantly concerned in the development of policies and principles regarding the content and functions of the certification system;

- a quality system giving confidence in its ability to operate a certification system for disability employment services;
- policies and procedures that distinguish between disability employment services certification and any other activities in which the certification body is engaged; and,
- policies and procedures for the resolution of complaints, appeals and disputes received from disability employment services or other parties about the handling of certification or any other related matters.

Other significant requirements are covered in subsequent sections including requirements related to the competencies of audit teams (Section 3.2 and 3.3) and processes for conducting audits (Section 5).

### 3.1.2 Evidence from the trial

#### *Compliance with the core requirements relating to the organisation auspicing the audits*

Five of the six certification bodies in the trial, all of which had previously been accredited by JAS-ANZ for other certification systems (eg ISO 900X), were found to substantially comply with these requirements, although a number of minor areas of non-compliance were identified (see Section 6.1). These certification bodies reported that the core accreditation requirements were relatively straightforward to meet based on their experience of developing systems, policies and procedures for other certification systems.

One certification body was assessed during the trial as not meeting these requirements. JAS-ANZ reported that this agency had inadequate systems and documentation to demonstrate compliance with the requirements of Procedure 18.

In terms of the trial, this demonstrated that agencies without formal, well-developed systems and procedures specifically related to auditing against the Disability Services Standards would not be accredited by JAS-ANZ to be part of the new QA system.

#### *Service provider perceptions of the appropriateness of certification bodies*

Participating service providers were satisfied that the certification bodies chosen for the trial were appropriate. (Figure 3.1).

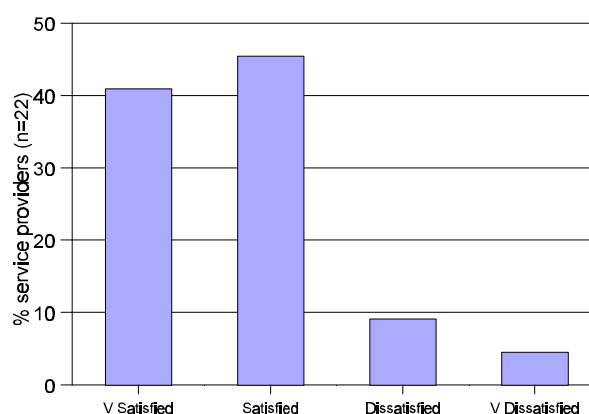
These service providers highlighted the independence of the certification bodies, and their confidence that JAS-ANZ provided appropriate control over the quality of accredited agencies. However, these service providers also raised a range of issues relating to the composition of audit teams (Section 3.2) and competence of individual auditors (Section 3.3).

The small number of providers who expressed dissatisfaction cited problems related to the rigour of the audit process used by the certification body (see Section 5).

#### *Auditor feedback on Procedure 18*

Lead auditors from JAS-ANZ and certification bodies indicated that Procedure 18 had a number of technical weaknesses relating to the clarity of definitions and requirements. Many of these are highlighted in the subsequent sections and are likely to require further consideration by the JAS-ANZ Technical Committee responsible for Procedure 18.

**Figure 3.1: Service providers' perceptions of the appropriateness of participating certification bodies**



## 3.2 Composition of audit teams

### 3.2.1 Criteria for selecting audit teams

Procedure 18 contains a number of references relating to the composition of audit teams. The overriding requirement is that the team possesses the following competencies:

- a detailed understanding of the Disability Services Act, the Disability Services Standards and their application;
- knowledge of the disability employment service industry's employment practices including:
  - S referrals mechanisms
  - S service agreements
  - S funding provisions
  - S individual planning techniques
  - S complaint mechanisms
  - S accounting practices and resource management
  - S link between service management and human service principles
  - S industrial relations - labour market;
- understanding of, and empathy with, the experience of customers of disability employment services including:
  - S individuals with varying needs for support
  - S citizens who have been historically, and are more often, vulnerable to discrimination and disempowerment
  - S people who may require advocacy support to achieve and defend basic human rights
  - S members of the community with different cultural, linguistic and religious backgrounds;
- experience as a consumer of a disability employment service; and,
- competent in engaging and communicating with people with a disability in an auditing environment.

Procedure 18 requires that audits are undertaken by persons who meet the internationally recognised criteria for auditors defined in ISO 10011-2. In addition, the certification body is required to involve a consumer technical specialist as a technical expert on audit teams, based on their competencies. Procedure 18 defined a consumer technical specialist as “a person with a disability or family member of a person with a disability who is utilised as a member of the audit team”.

While Procedure 18 does not explicitly delineate the roles of auditors and consumer technical specialists, it requires that the consumer technical specialist have:

- a specific role in engaging with consumers of services to collect evidence with respect to the Disability Service Standards. This shall include determining the method of consumer participation appropriate for the audit (which may include a range of techniques including individual or group meetings / interviews / conversations / surveys / telephone conversations. Certain of the auditable KPIs that are associated with the Disability Services Standards must be audited by the consumer technical specialist (J3.2.2); and,
- the opportunity to be involved in a review of all audit findings prior to the presentation of the audit findings (J3.2.3).

A guidance document prepared by FaCS on the Standards and KPIs highlights that the consumer technical specialist should as a minimum be involved in audit activities related to consumer feedback, assessing records and documents and cross-checking with consumers. However, it does not specify which KPIs must be audited by the consumer technical specialist.

### 3.2.2 Composition of audit teams

Three different “models” of audit teams were used by the participating certification bodies (Table 3.1). Most commonly, the certification body used a two person team of a lead auditor and a consumer technical specialist.

Two certification bodies used an additional team member in their audits - a technical expert who had knowledge and experience in disability service, but not as a consumer of these services. In both cases, the technical experts saw themselves as auditor-in-training. To distinguish these experts from consumer technical specialists, the term general technical expert is used in the remainder of the report.

Another certification body used an additional two or three general technical experts in their team. These additional team members were extensively involved in interviewing clients of the disability services during audits.

**Table 3.1: Different audit teams’ “models” used in the trial**

<i>Audit team composition</i>	<i>Number of team members</i>	<i>Number of certification bodies using ‘model’</i>	<i>Number of trial audits undertaken using ‘model’</i>
Lead auditor Consumer technical specialist	2	3	10
Lead auditor Consumer technical specialist General technical expert	3	2	9
Lead auditor Consumer technical specialist General technical expert (x 2-3)	4-5	1	3

Across and within these different models, it was observed that leader auditors, consumer technical specialists and general technical experts played very different roles and demonstrated different competencies.

The appropriateness of the composition of audit teams ultimately depends on the value added to the audit by each team member’s contribution - whether they be a lead auditor, consumer technical specialist or general technical expert. In this regard, evidence from the trial is presented in Section 3.3.

However, participants in the trial also raised a number of issues about the appropriateness and clarity of the criteria used for selecting an audit team. These are presented below.

### 3.2.3 Issues raised by the trial

#### ***Definition of a consumer technical specialist***

Auditors from JAS-ANZ and certification bodies highlighted a perceived lack of clarity in the definition of a consumer technical specialist used in Procedure 18.

According to Procedure 18 a consumer technical specialist is “a person with a disability or family member of a person with a disability, who is utilised as a member of an audit team”. In addition, a required competency of audit teams (see Section 3.2.1) is “experience as a customer of a disability service ie a person with a disability”.

The intended scope of the definition was not apparent to all trial participants with various interpretations covering:

- experience as a customer of any type of disability service;
- experience as a customer of a disability employment service;
- eligibility to be a customer of a disability service (whether they had used a service or not);
- person with a disability; and,
- family member or advocate for a person with a disability.

In addition, some trial participants raised concerns about the apparent use of an audit team member's disability as a required competency for the team under Procedure 18 - J2.2.1.

The situation was further complicated by JAS-ANZ classification of team members. In their accreditation audit reports, JAS-ANZ referred to members of the audit team who were not lead auditors as either a "consumer technical specialist and consumer" (a technical expert with a disability) or a "consumer technical specialist" (a technical expert without a disability). In one case, a lead auditor was referred to as a "lead auditor and consumer technical specialist" because they demonstrated the required understanding of disability services referred to in Section 3.2.1 above.

While different trial participants had different opinions about the most appropriate definition of a consumer technical specialist, it is ultimately a policy issue for the regulator. In reviewing the intent of the Disability and Quality Standards Working Party it is clear that the emphasis is placed on "people with disabilities having the opportunity to effectively participate in quality assurance systems", and "that they should occupy roles in which power can be exercised".

#### ***Role of lead auditor***

The role of the lead auditor was perceived as unambiguous and universally accepted as the leader of the team with responsibility for ensuring the audit was conducted in line with recognised auditing standards. Trial participants were aware that lead auditors needed formal qualifications to undertake this role.

#### ***Role of technical experts in the team***

At one level, the role of technical experts on the team (consumer technical specialists and general technical experts) was non controversial. They were seen as supporting the lead auditor through their detailed understanding and knowledge of the Disability Services Act, industry practices and understanding of consumers of disability employment services.

However, in practice there was a lack of clarity about their role. Lead auditors from JAS-ANZ and certification bodies indicated that this reflected a lack of detail in Procedure 18 and a subsequent lack of clarification in the FaCS guidance document (Guide for Certification Process - Section 3.2). However, it also reflected how lead auditors chose to use the expertise of the technical experts on their team.

In the cases of the three certification bodies that used general technical experts without a disability, these team members were observed by JAS-ANZ and service providers as having an integrated role in the team in supporting the lead auditor through their specialist knowledge and skills.

By contrast, the consumer technical specialists used by all six certification bodies were observed to perform very different roles in audits, ranging from an observer of the process to integrated specialist adviser on all aspects of the audit. Overall, four types of roles were observed based on different levels of involvement in the audit process (Table 3.2).

**Table 3.2: Generic roles of consumer technical specialist observed during the trial**

<i>Role type</i>	<i>Characteristics of the role<sup>1</sup></i>
1 Observer	<ul style="list-style-type: none"> <li>only observed the process</li> <li>no role in audit activities or assessment</li> </ul> <p><i>“The auditor told me I was a trainee and to just sit and watch what they were doing ... all contribution to the audit was blocked.”(Consumer technical specialist)</i></p>
2 Limited	<ul style="list-style-type: none"> <li>passive role in most aspects of the audit</li> <li>limited input in audit planning and review of audit evidence</li> </ul> <p><i>“The [consumer technical specialist] was so underutilised that one could be forgiven for questioning the potential for tokenism in their presence” (JAS-ANZ lead auditor)</i></p> <p><i>“The lead auditor and [technical expert without a disability] did not utilise the consumer technical specialist effectively. There was little direction given to the consumer technical specialist with respect to what input was required of him”(JAS-ANZ lead auditor)</i></p>
3 Active	<ul style="list-style-type: none"> <li>active involvement in “witness” audit activities, particularly in relation to interviewing consumers and reviewing consumer files</li> <li>input into the review of audit findings and development of ratings</li> <li>often lower involvement in audit planning and reporting</li> </ul>
4 Integrated	<ul style="list-style-type: none"> <li>input into the audit planning particularly regarding the planned approach to consultation with service consumers</li> <li>active involvement in “witness” audit activities, particularly in relation to interviewing consumers and reviewing consumer files</li> <li>active involvement in the review of audit findings, presentation of the audit findings and development of the audit rating and report, including opportunity to make additional comments and changes to the audit report</li> </ul>

1: In all cases, the description of role characteristics was based on two independent evidence sources - usually the consumer technical specialist themselves and a JAS-ANZ team member.

### ***Effectiveness of team work***

Given the confusion of the roles of consumer technical specialists, it is not surprising that JAS-ANZ identified several problems in the teamwork demonstrated by audit teams.

Three certification bodies had instances of non-compliance raised against them by JAS-ANZ because the team leader (lead auditor) failed to adequately involve the consumer technical specialist in the audit . In these cases, the consumer technical specialist was said to have a passive or observer role. One of these certification bodies was not recommended for accreditation, and the other two were recommended subject to demonstrating appropriate teamwork at the first audit after the trial.

In terms of the trial, it was clear that certification bodies which did not ensure active or integrated roles for consumer technical specialists would not be accredited by JAS-ANZ to be part of the new QA system.

### 3.3 Competence and value added by audit team members

The trial provided an opportunity to assess the competence of individual audit team members and the value each team member added to the audit, based on the expert assessments of JAS-ANZ and the perceptions of service providers and consumers.

#### 3.3.1 Lead auditors

##### *Criteria for selecting lead auditors*

The required competencies for lead auditors are set by the internationally recognised criteria defined in ISO 10011-2. Selection on this basis was undertaken by certification bodies and was non-controversial.

There is no requirement in Procedure 18 for lead auditors to have experience or knowledge relating to the Disability Services Standards, although JAS-ANZ highlighted that without this background the lead auditor “should not audit technical elements of the Disability Services Standards without technical assistance [from a technical expert]”.

##### *Competence of lead auditors*

JAS-ANZ assessed nine of the ten (90%) lead auditors used during the trial as meeting the required competencies defined in ISO 10011-2. The one certification body that did not meet these requirements, was not recommended by JAS-ANZ for accreditation.

However, JAS-ANZ also made observations about some lead auditor’s lack of technical knowledge and experience relating to the Disability Services Standards, in situations where there was inadequate involvement from a technical expert.

*“[X] is an experienced and skilled lead auditor in general. However, he did not appear to have the understanding or the intuition of what the Standards mean to people with disabilities and delivery of services to them. This came across in the style of questioning and the amount of evidence he took to come to the conclusions in their final report.” (JAS-ANZ Audit Report)*

In other audits, where a consumer technical specialist had an integrated role, the lead auditor’s lack of experience relating to the Standards did not present any issues.

*“[The lead auditor] has considerable experience as a quality management system lead auditor. [the consumer technical specialist] has had specific training in the Disability Services Standards, and their application, and brings life experience and professional knowledge to the audit team. Together they appear to bring all necessary competencies to the team” (JAS-ANZ Audit Report)*

Other trial participants identified a number of perceived strengths and weaknesses of lead auditors. The main strengths were:

- **impartiality** - Lead auditors were perceived as impartial, objective and independent of the many professional and collegiate debates which characterise policy development in the disability sector.
- **experience in auditing techniques** - Auditors had recognised professional qualifications to undertake the work, and were perceived as bringing standardisation to the auditing of services.
- **experience across a range of organisations and management systems** - Lead auditors were perceived as bringing broader experience of management systems from outside of the disability sector which had the potential to promote innovation.



Interestingly, feedback about the competence of lead auditors was most positive when they were observed by service providers and consumers to be working as part of an integrated team.

These strengths were favourably contrasted against some of the perceived weaknesses of the audit personnel used under the current system of departmental audits. This was an important factor in the broad industry support for the new QA system.

The perceived weaknesses of lead auditors were:

- **limited knowledge and experience of the disability employment services**

A number of service providers highlighted lead auditor's limited knowledge and experience of the sector in general, and the business systems of individual service providers in particular. This was seen at times as slowing the audit process and leading to errors in the assessments made by the auditors.

*'The questions [the lead auditor] asked often demonstrated a lack of insight about how employment services operated'*

*'The auditor did not always recognise when the evidence had been supplied'*

*'The auditor failed to come to terms with the complexity of our business and resulted in some wrong assessment. The suggestions they made for improvements were often totally irrelevant for our business''*

This was only seen as a major concern where it was felt that the lead auditor did not receive or accept adequate technical support from other suitable team members.

The concern about limited technical expertise was also often linked to perceived inadequate planning and preparation for the audit (see Section 5.2).

- **a lack of leadership for the audit team**

A small number of service providers and consumers commented that the audit team needed to work together more closely, and assumed that this was not occurring because of a lack of leadership from the lead auditor.

Similarly, a small number of consumer technical specialists raised concerns that some lead auditors failed to adequately clarify the technical specialist's role and subsequently failed to appropriately use their expertise in key audit activities.

For some service providers, the required technical expertise was very specialised, such as in the case of a large national rehabilitation service and services working with specialised target groups. In these cases, a lack of technical knowledge on the team remained an issue of concern. In any future roll-out of the QA system certification bodies will need to be more responsive to the needs of such specialised services.

#### ***Valued added by lead auditors***

All participants accepted that qualified lead auditors were integral to any audit team, and hence there was no debate about the value they added to the audit process.

Overall, trial participants were satisfied with the competence of lead auditors as long as appropriate technical expertise was available.

The next two sections explore the competence and value added by other team members. Information about consumer technical specialists is considered last as much of the feedback needs to be interpreted in the light of feedback on lead auditors and general technical experts.

### 3.3.2 General technical experts

#### *Criteria for selecting general technical experts*

Certification bodies that used general technical experts indicated they were selected on the basis of their demonstrated understanding and knowledge of the Disability Services Standards, industry practices and understanding of customers of disability employment services.

General technical experts were included because:

- a strategic alliance between one certification body and a consulting service specialising in disability services (to ensure the availability of appropriate technical expertise);
- the lack of the required audit qualifications of a person earmarked as a lead auditor for one certification body; and,
- existing team members of one certification body who prior to the trial had been conducting audits of disability services using a system that was not accredited by JAS-ANZ.

These opportunistic or pragmatic reasons for the inclusion of general technical experts meant that there was limited documentation on the required competencies of general technical experts, or how their selection varied from that of consumer technical specialists.

#### *Competence of general technical experts*

JAS-ANZ assessed all five general technical experts observed during witness audits as bringing strong technical expertise to their audit teams, particularly in relation to their applied knowledge of the Standards and their skills in interviewing consumers (Table 3.3). A number of observations were made regarding possible improvements for individual general technical experts, but these were generally minor.

Lead auditors from certification bodies and service providers confirmed these strengths.

**Table 3.3: Observations by JAS-ANZ of the strengths of general technical experts**

<i>Competencies</i>	<i>Strengths of individual general technical experts</i>
Applied knowledge and understanding of the Disability Services Standards	<ul style="list-style-type: none"> <li>• very knowledgeable about the Disability Services Standards</li> <li>• excellent depth of experience and understanding of the industry, and is able to talk to management in the industry 'jargon'</li> <li>• aware of current industry issues / projects / developments and is therefore able to add value to the process</li> </ul>
Engaging and communicating with people with a disability in an auditing environment	<ul style="list-style-type: none"> <li>• strong professional background and experience in interviewing consumers</li> <li>• a good style and the interview technique used is sound and able to gather lots of good information in a narrow time frame</li> <li>• great skills in interviewing. Made the consumers feel at ease and built rapport very effectively.</li> </ul>

### 3.3.3 Consumer technical specialists

#### *Criteria for selecting consumer technical specialists*

The required competencies for consumer technical specialists were not explicitly stated in Procedure 18. Certification bodies indicated that the required competencies were mainly indirectly derived from the requirement in Procedure 18 that the consumer technical specialist have a specific role in engaging with consumers of services to collect evidence with respect to the Disability Service Standards.

In practice, the majority of consumer technical specialists who participated in trial audits were selected on the basis of completion of a three-day training course run by a peak disability advocacy agency. Based on feedback from participants of this training course, the apparent competency focus was on developing:

- an understanding of the application of the Disability Services Standards to disability employment services; and,
- skills and techniques for consulting with consumers about the extent of service compliance with the Standards.

Certification bodies that selected consumer technical specialists who had not attended the three-day training course indicated that they were seeking similar competencies.

#### *Competence of consumer technical specialists*

JAS-ANZ used three main criteria to assess the competence of consumer technical specialists. These were how well they:

- engaged and communicated with people with a disability in the audit environment;
- analysed and collected objective evidence and then synthesised this evidence;
- understood the Disability Services Standards and applied this understanding to disability employment services.

JAS-ANZ assessed all 11 consumer technical specialists as competent in that they did not directly raise any non-conformities against their performance in the audits. In a small number of cases, non-conformities were raised because the lead auditor had not adequately involved them in required activities

However, JAS-ANZ observed that there were significant variations across the trial in the competency levels demonstrated by individual consumer technical specialists for these criteria (Table 3.4).

This variation was cited more strongly by certification bodies. In a number of cases, certification bodies commented on the high level of skills of consumer technical specialist and their invaluable contribution to the audit. In other cases, they indicated that the consumer technical specialists was not sufficiently competent to carry out the assigned task of engaging consumers to collect audit evidence. When certification bodies were asked why they selected team members who were subsequently found to lack the required competencies, they had been unclear about the required competencies or had assumed that consumer technical specialists who had attended the three-day training course would have a uniformly high level of expertise.

Interestingly, consumer technical experts assessed by JAS-ANZ and certification bodies as having a high level of competence included both those who attended the three-day training course and those who had not. The same applied to those individuals where a range of areas for improvement were identified.

**Table 3.4: Observations by JAS-ANZ of the strengths and weaknesses of consumer technical specialists**

<i>Competencies</i>	<i>Strengths of individual consumer technical specialists</i>	<i>Weaknesses of individual consumer technical specialists</i>
Engaging and communicating with people with a disability in an auditing environment.	<ul style="list-style-type: none"> <li>• able to ask questions in a way that prompted good response</li> <li>• easy manner that placed consumers at ease</li> <li>• very good at drawing responses from the whole group, focussing in turn on each individual within in the group</li> <li>• has a manner that makes the interviewees feel valued and important</li> <li>• establishes a good rapport</li> <li>• able to relate very well to the consumers and get the required information efficiently and without distraction, while keeping them at ease</li> </ul>	<ul style="list-style-type: none"> <li>• questioning techniques are still developing</li> <li>• too many leading questions and not enough open questions</li> <li>• attention needed to listening skills and acknowledgment of interviewee answers</li> <li>• need to encourage all consumers to participate rather than focussing on one or two vocal interviewee</li> <li>• questioning style not appropriate for consumers with low interpersonal skills and not appropriate for people with psychiatric disabilities</li> <li>• tendency to talk too much and talk over the top of some consumers</li> <li>• comment about a sleepy consumer's medication was unprofessional and did not reflect well on audit team.</li> </ul>
Objective, analytical skills to follow audit trail	<ul style="list-style-type: none"> <li>• readily adapts the prepared checklist of questions to suit each interviewee.</li> </ul>	<ul style="list-style-type: none"> <li>• need to drill deeper into the evidence collection</li> <li>• additional skills in following up on responses given in order to gain further relevant information</li> <li>• comparison of management with "fibbing" politicians was inappropriate</li> </ul>
Detailed understanding of the Disability Services Standards and their application to DES	<ul style="list-style-type: none"> <li>• very good understanding of the Standards</li> <li>• detailed knowledge of disability employment services</li> </ul>	<ul style="list-style-type: none"> <li>• further training is required to ensure more familiarity with the standards</li> </ul>

### ***Value added by consumer technical specialists***

Data from the trial on the value added by the consumer technical specialists to the audit team need to be analysed from the different participant perspectives, reflecting the often diverse and conflicting views.

In considering this data, it is important to note that in a number of audits the intended role of the consumer technical specialist was not effectively trialed. This included audits where the consumer technical specialist had a limited role (see Section 3.2.3) and those where the consumer technical specialists required additional training and support to fully undertake the role. These cases highlight issues for improving training and participation, but provide little insight on the value or otherwise of the consumer technical specialists.

### **Consumer Technical Specialists views**

Consumer technical specialists themselves perceived that when they were appropriately supported and involved in the audit process, they made a significant contribution to the audit. Key points raised by the consumer technical specialists were that their involvement:

- facilitated appropriate methods of communication with consumers (“Not patronising”; “aware of the cultural issues”);

- ensured that feedback from consumers in relation to the Standards was properly interpreted and conceptualised (“looking beneath the surface”);
- ensured “the consumer voice was heard loud and clear”; and,
- strengthened the legitimacy of the audit for consumers.

Consumer technical specialists also highlighted a number of situations where they were unable to add value to the audit. These instances related to the mismatch between their experiences as a person with a disability, and the consumers of the service they were auditing. Examples included:

- a consumer technical specialist with an intellectual disability at a service audit involving consumers with physical disabilities;
- a consumer technical specialist with a physical disability at a service audit involving consumers with intellectual disabilities;
- a consumer technical specialist from a metropolitan area at a rural / remote service.

This contrasted with the very positive feedback from a number of audits where a deliberate match was made between the experiences of the consumer technical specialist and the consumers of the service.

#### Consumer’s views

Participating consumers were generally very positive about the involvement of the consumer technical specialists in the audit process. They indicated that they added value by:

- asking questions appropriately and simply;
- establishing good rapport with consumers; and,
- interpreting feedback from consumers correctly (‘he understood the actual lived experience’).

However, a small number of consumers cautioned about assuming that a consumer technical specialists could relate to the experiences of all service consumers. They highlighted the great variations in consumer needs and experiences within and across services.

Others observed that the consumer technical expert had a limited role in the audit and raised concerns about the tokenistic inclusion of a person with a disability.

#### Service provider’s views

Service providers were mostly positive about the value added by the consumer technical specialist highlighting their knowledge of disability fields and issues, and the balance they provide to the auditor’s “systems and management perspective”.

However, a number of service providers cited examples where they perceived the consumer technical specialist added little value or were detrimental to the process. These includes instances where:

- a consumer technical specialist with an intellectual disability was perceived as lacking the analytical or interviewing skills to effectively collect evidence from their consumers. They cited examples of the specialist simply reading the evidence questions from the ‘Guide’ without additional prompts or follow-up questions;
- the questions asked and questioning style of the consumer technical specialist was seen as too adversarial (“they seemed to have their own agenda”; “more balanced needed - less advocating”)
- consumer technical specialists were observed to have too limited or passive a role in the audit team, either because they lacked the skills or were not supported by the team leader; and,
- there was a perceived mismatch between the experiences and disability type of the specialist and the service consumers.

In these instances, concerns were raised by service providers about tokenism and the potential for the distortion of the audit results.

#### Certification body's views

Certification bodies had mixed views about the value of consumer technical specialists based on different experiences with different individuals.

Some certification bodies recognised that individual consumer technical specialists had added significant value to a number of audits through their technical input. However, they also observed audits where they believed that the consumer technical specialist did not bring additional technical expertise that otherwise not available through the lead auditor or a general technical expert.

Overall, while recognising the significant contribution to some audits of individual consumer technical specialists, most certification bodies indicated that the current requirement to have a person with a disability, on the audit team were overly restrictive.

However, certification bodies were not opposed to the inclusion of people with a disability on audit teams. Rather most believed that the focus of skills required by the Consumer Technical Specialist needed to be on the required competencies for conducting an audit, regardless of whether audit team members had a disability or not. In this way, an appropriate general technical expert or a lead auditor with sufficient experience in the disability sector, may be able to meet the required competencies of the audit team (see section 3.2.1) without the additional requirement for a person with a disability on the team.

#### JAS-ANZ

JAS-ANZ also used consumer technical specialists as part of their accreditation audit teams and therefore had direct experience of the value of using consumer technical specialists.

JAS-ANZ reported that the consumer technical specialist in their team added significant value to the accreditation audit process particularly in advising JAS-ANZ lead auditors on the extent of certification audit coverage of the Standards. JAS-ANZ indicated that such technical input would need to be incorporated into their future accreditation activities in any roll-out of the new QA system.

### 3.3.4 Clarification of required roles and competencies of technical experts

The experiences of the trial highlighted unacceptable variations in the interpretation of the definition, role and required competencies of consumer technical specialists and as a result, technical experts in general.

All trial participants recognised that audit teams required technical expertise relating to a detailed understanding and knowledge of the Disability Services Standards and industry practices and the specialist skills of engaging and communicating with customers of disability employment services in an auditing environment. The trial also highlighted the significant value added by team members with technical expertise by providing critical insights about the experiences of customers of disability employment service.

Service providers and consumer technical specialists further highlighted the need for technical experts to be able to apply their knowledge to the particular context of the service being audited (eg service type, service management systems, disability type) - that is, the required technical expertise is not generic and a highly suitable technical expert for one service may be inappropriate for another.

However, what remained a vigorous topic of debate was whether the technical expertise was best delivered by a consumer technical specialist - that is, a person with a disability.

The trial provided examples of consumer technical specialists who were assessed as possessing these competencies and who added significant value to the audit. However, there were also lead auditors and general technical experts who were assessed as having these competencies. On this basis, there appears to be no reason for any reference to a team member's disability (or lack of a disability) in relation to the required competencies of a technical expert.

However, the trial also provided examples of the added value of a person with a disability as an integrated member of the audit team. Trial participants primarily highlighted:

- the added credibility for consumers and service providers that people with disabilities were effectively participating in the new QA system at all levels.
- the different insights generated by team members who had experiences as a service consumer. JAS-ANZ reported that consumer technical specialists were often able to pick up on things that auditors may not have as well as challenging auditors to think about consumer satisfaction from a broader perspective.

As such, the inclusion of a person with a disability as an integrated member of the audit team was valued by service providers and consumers, and consistent with the intent of the Disability and Quality Standards Working Party that people with a disability should occupy roles in the new QA system where power can be exercised.

The trial did not unambiguously determine whether the “consumer technical specialist” model added greater value than other approaches, as no other approaches were being trialed. What the trial did demonstrate was that when this role was poorly implemented or supported, there was significant potential for the team member with a disability to appear tokenistic and even detrimental to the audit process.

To avoid such unintended outcomes and problems, a number of changes are needed to the definition of the role and competencies of “consumer technical specialists”.

On the basis of the findings in the previous sections, three areas were identified for clarifying the role and required competencies of technical experts. Each of these areas will require appropriate changes to Procedure 18 and cover:

- **separating the definition of the composition of the audit team from the required team competencies**

The definition of the composition of the audit team can simply state that audit teams shall include a person with a disability, either as a lead auditor or a technical expert. The actual technical expertise required of the team should be stated separately, but as a minimum should include:

- S a detailed understanding of the Disability Services Standards and their application to the type of service being audited;
- S knowledge of the industry practices and management systems and their application to the type of service being audited;
- S critical insights about and empathy with the experience of people with a disability similar to the customers of the service being audited;
- S detailed understanding and experience of appropriate techniques for engaging and communicating with people with a disability similar to the customers of the service being audited.

- **use of the term ‘consumer technical specialist’**

The term “consumer technical specialist” was not generally liked or understood by trial participants, however no alternatives were suggested. To avoid confusion and to maintain consistency with other certification systems, it may be better to use the term “technical expert”. Also, linking technical expertise to the team member with a disability may be overly restrictive. For example, a lead auditor could be a person with a disability, but may not be a suitable technical expert for a certain type of service.

In the light of the comments above, the reference in Clause J2.1.4 of Procedure 18 to the “consumer technical specialist as a technical expert on the audit team” appears redundant. The remainder of Clause J2.1.4 more appropriately belong in Clause J2.1.2.

- **role of the technical expert**

Greater specificity is needed in defining the role of the technical expert to ensure the active involvement of all team members in the planning, assessment and reporting of audit findings. As a minimum, this role should include:

- S planning and preparation of the methods of consumer participation in the audit including input on the choice of consultation processes, instrument design and sample selection. The strategies for consumer participation will be documented in the assessment plan, taking into account different service types, disability types, culture and religious issues.
- S engaging with consumers of services during the audit to collect evidence with respect to the Disability Service Standards.
- S reviewing consumer files or following-up on issues with consumers
- S contributing to the review of all audit evidence prior to the presentation of the audit findings to the client
- S contributing to the written audit report before it is submitted to the client

The current reference in Clause J3.2.2 of Procedure 18 that “certain of the auditable performance indicators that are associated with the Standards must be audited by the consumer technical specialist”, does not seem warranted on the basis of the trial. A consumer perspective is potentially relevant on all Standards and the technical expert should be able to add value to the auditing of all Standards.



## 3.4 Improving the selection of certification bodies and audit teams

### 3.4.1 Selection of certification bodies

There was a broad consensus that in any future roll-out of the QA system, service providers should be able to select the accredited certification body to undertake their audits.

However the efficient and effective operation of the ‘market’ will require sufficient numbers and diversity of certification bodies to meet the different requirements of service providers. Feedback from trial participants highlighted a number of issues relating to the fair operation of this market. The main issues were:

- **encouraging additional certification bodies to seek accreditation**  
Additional certification bodies will provide service providers with greater choice and encourage competition between certification bodies to ensure a high level of responsiveness to the specific needs and context of individual service providers. FaCS and JAS-ANZ will need to examine mechanisms for the accreditation of new certification bodies.
- **facilitating innovative models of certification**  
All certification bodies that were recommended for accreditation at the end of the trial, had previous experience in other accredited certification systems (eg ISO 900X). The one certification body that was not recommended by accreditation used an innovative approach to certification based on the use of a ‘Personal Outcome Measures’ methodology, which related each of the Disability Service Standards to specific consumer outcomes. While JAS-ANZ concluded that the audits conducted by this certification body did not meet the required professional standards for auditing, they noted their strengths and expertise in investigating “all-of-life” issues applicable to consumers.

Any ongoing implementation of the new QA system should encourage innovative and diverse approaches to quality assurance which are responsive to the specific nature of the disability services sector and their customers. This may require special funding to potential certification bodies for innovative pilots.

- **supporting service providers in their selection of certification bodies**  
A number of service providers indicated that, in hindsight, they would have benefited from greater guidance and support in selecting certification bodies. Having been through a trial audit, these providers feel they are now better placed to “grill” prospective certification bodies before making their selection. The key issue relates to ensuring that the selected certification body has the appropriate technical expertise to understand the nature of their business and its consumers.

This highlights the need to support new service providers in any roll-out of the QA system. It may be appropriate for industry associations in conjunction with FaCS to develop a screening questionnaire for use by service providers in selecting certification bodies.

### 3.4.2 Selection of audit teams

Under Procedure 18, certification bodies are required to have a procedure for selecting auditors and technical experts, on the basis of their competence, training, qualifications and experience.

While certification bodies strongly agreed with this requirement for selecting audit teams, they raised a number of issues based on the experiences of the trial. The main issues were:

- **orientation training and ongoing professional development**  
The experiences of the trial highlighted the need for appropriate orientation training for all audit team members and ongoing professional development activities. Specific suggestions arising from the trial are presented in Section 3.4.3 below.
- **the use of a ‘panel’ of consumer technical specialists / technical experts**  
As highlighted in Section 3.3.3, the majority of consumer technical specialists who participated in trial audits were selected on the basis of completion of a three-day training course run by a peak disability advocacy agency.

Certification bodies raised concerns about their lack of input into this training program and the limited information on the content of the course. Subsequently, there was confusion about whether completion of the course meant that the technical experts had been assessed as having the required competencies.

In the future, greater emphasis will need to be placed on the responsibility of the certification body for assessing the competence of individual team members. Participation in relevant orientation courses and other training is not, by itself, an adequate criteria for competence.

- **avoiding indirect discrimination**  
Certification bodies indicated that they were committed to having teams with the required competencies at the lowest cost to clients. However, this raised the question of the impact of the selection of team members with a disability who have different support costs. Examples based on the trial include the higher costs associated with:

- S** a team member with a disability who requires regular breaks throughout the audit process (this technical expert also reported that the allowed breaks were not adequate for his needs); and,
- S** a team member with an intellectual disability who required greater support to undertake the required roles.

Certification bodies raised the concern of indirectly excluding some disability groups and individuals from audit teams because of higher costs associated with their involvement, for example, the need to employ an interpreter or support person.

One trial participant suggested a ‘Code of Practice’ for certification bodies was needed to guide such selection decisions.

### 3.4.3 Training and professional development for audit teams

While issues relating to training and professional development for audit teams was the subject of a separate research study as part of the trial, the evaluation also identified a number of key issues. These were:

- **defining entry requirements for lead auditors and technical specialists**

While the entry requirements for lead auditors are defined by ISO 10011-2, there are no equivalent requirements for technical experts in the disability sector. While suggestions for the required technical competencies of an audit team were presented in Section 3.3.4, these do not translate to a standard entry requirement (eg university degree, TAFE certificate, years of experience working in a particular context).

The trial demonstrated the diverse qualifications, experiences and backgrounds of the consumer technical specialists / technical experts who participated in the trial. The consumer technical specialists themselves recognised the importance of flexible entry requirements given this diversity and the diversity of technical expertise required for the different types of disability employment services.

In this light, it appears appropriate to retain flexible entry requirements for technical experts, with the emphasis placed on clear selection processes to ensure applicants have the required competencies and to avoid indirect discrimination of certain disability groups.

- **orientation training for lead auditors**

The experiences of the trial highlighted the need for orientation training for both lead auditors and consumer technical specialists.

A number of lead auditors indicated that they would have liked more background information on the policy and program context of each Standard, and opportunities to workshop the scope and intent of Standards with appropriate technical experts. JAS-ANZ observed that a number of lead auditors would benefit from disability awareness training such as the free training provided by disability recruitment coordinators in all states.

- **orientation training for consumer technical specialists / lead auditors**

Consumer technical specialists who attended the three-day orientation training were positive about the course process and the content, highlighting:

- S discussions of the interpretation of the Standards;
- S approaches to evidence gathering; and,
- S networking opportunities and peer support.

However, a number of participants recognised, in hindsight, that the course did not prepare them for many of the demands of an on-site audit and the requirements of Procedure 18. It was not clear whether this was the intention of the training or whether this was meant to be the responsibility of the certification body.

A number of certification bodies raised strong concerns that they had no input into the training, as they felt they were the 'technical experts' in relation to systems auditing and the conduct of certification audits.

Based on feedback from both consumer technical specialists and certification bodies, priorities for orientation training for consumer technical specialists and lead auditors could include:

- S disability awareness;
  - S key concepts of quality assurance and the QA assessment;
  - S familiarity with the process of certification audits;
  - S audit team roles and responsibilities;
  - S business expectations of team members;
  - S scope and focus of Standards and KPI - “what does non-compliance look like”
  - S approaches to consumer consultation taking into account different service types, disability types, culture and religious issues; and,
  - S questioning techniques (including role-playing of challenging scenarios).
- **additional professional support for consumer technical specialists / lead auditors**  
Consumer technical specialists highlighted the value of the peer and professional support offered through the convening of a consumer technical specialist professional association. This included assistance in negotiating contractual arrangements with certification bodies, development of a payment protocol, and providing professional support to individual members.  
  
On the basis of the experiences of the trial, there appears to be significant merit in providing ongoing support to a professional association as an integral part of the new QA system.
  - **opportunities for consumer technical specialists / technical experts to observe audits**  
A number of consumer technical experts commented that they would have liked more practical exposure to certification audits before commencing their “official” duties. In this context it is worth noting that auditors-in-training are required to be assisted by a lead auditor for up to ten audits before being able to conduct audits independently.
  - **ongoing professional development**  
Both lead auditors and consumer technical specialists / technical experts identified the need for ongoing professional development opportunities. The focus of this professional development should be on keeping up to date with changes in the policy and program context of disability services, and disseminating information about identified good practice in relation to the Standards.

## 3.5 Conclusions

The trial demonstrated that it was possible to select appropriate agencies and teams for undertaking certification audits, based around the core requirements in Procedure 18 and JAS-ANZ's accreditation processes. In particular, it was found that certification bodies would not be accredited by JAS-ANZ to be part of the new QA system where they:

- lacked formal, well-developed systems and procedures specifically related to auditing against the Disability Services Standards;
- failed to ensure the audit team had adequate technical expertise, including an active and integrated role for consumer technical specialists / technical experts.

JAS-ANZ also assessed the majority of audit team members being competent to conduct certification audits, but, along with other trial participants, highlighted a number of significant areas for improvement. While in some cases these identified weaknesses may be an artefact of the newness of the system (by definition, all trial participants were inexperienced in relation to the new system), they also point to the important factors that will impact the success of any future roll-out of the new QA system.

The main identified areas for improvements were:

- **separating the definition of the composition of the audit team from the required team competencies**

Clause J2.2.1 of Procedure 18 should be updated to state that the

Audit teams shall include a person with a disability<sup>1</sup>, either as a lead auditor or a technical expert.

Audit teams shall have the following technical expertise:

- S** a detailed understanding of the Disability Services Standards and their application to the type of service being audited;
- S** knowledge of the industry practices and management systems and their application to the type of service being audited;
- S** critical insights about and empathy with the experience of people with a disability similar to the customers of the service being audited; and,
- S** detailed understanding and experience of appropriate techniques for engaging and communicating with people with a disability similar to the customers of the service being audited.

Note 1: A person with a disability is defined as a person who has received or been eligible to receive a service in respect of which financial assistance has been granted to an eligible service providers under the Disability Services Act 1986

- **clarifying the role of the consumer technical specialist / technical expert**

Greater specificity is needed in defining the role of the technical expert to ensure the active involvement of all team members in the planning, assessment and reporting of audit findings. Clause J3.2.1, J3.2.2 and J3.2.3 could be replaced with a single reference to the role of the technical expert as follows:

The technical expert shall, as a minimum, have a specific role in:

- S** planning and preparation of the methods of consumer participation in the audit including input on the choice of consultation processes, instrument design and sample selection. The strategies for consumer participation will be documented in the assessment plan, taking into account different service types, disability types, culture and religious issues;
- S** engaging with consumers of services during the audit to collect evidence with respect to the Disability Service Standards;
- S** reviewing consumer files or following-up on issues with consumers;
- S** contributing to the review of all audit evidence prior to the presentation of the audit findings; and,
- S** contributing to the written audit report before it is submitted to the client.

- **orientation training for lead auditors and consumer technical specialist / technical expert**

It is suggested that funding arrangements for any future roll-out of the new QA system should include provisions for orientation training for lead auditors and consumer technical specialist / technical expert. The evidence from the evaluation suggests that planning and content for the training should include input from:

- S FaCS (as specialists in the policy and program context of the Standards);
- S certification bodies (as specialists in system auditing and auditing procedures); and,
- S peak disability advocacy agencies (as specialists in consumers' requirements of service quality and consultation with consumers).

Given the positive feedback from participating consumer technical specialists about the three-day training during the trial (auspiced by a peak disability advocacy agencies), this appears a suitable model to build on. However, given the need for integrated teamwork between all audit team members and the need for orientation training for lead auditors, the scope of this training should be expanded to include participation by, and input from, lead auditors.

- **supporting professional development and professional associations**

It is suggested that funding arrangements for any future roll-out of the new QA system should include provisions for professional development opportunities for audit team members. Priorities could include funding for:

- S support for the convening and ongoing running of a professional association of consumer technical specialists / technical experts;
- S annual workshops for members of the professional associations of lead auditors and technical experts involved in certification audits; and,
- S opportunities for consumer technical specialists / technical experts to participate as observers in audits.

- **selection of audit team members**

Greater emphasis will need to be placed on the responsibility of the certification body for selecting individual team members on the basis of demonstrated competence. Participation in relevant orientation courses and other training is not, by itself, an adequate demonstration of competence.

It is suggested that certification bodies and FaCS develop "Ethics Guidelines" which cover, in part, guidelines on appropriate selection procedures. Such guidelines are needed to ensure a consistent approach to issues such as dealing with the differential support costs of team members with a disability and the potential for direct or indirect discrimination (see Section 5.8).

- **supporting a diverse and competitive 'market' for certification bodies**

Any future roll-out of the QA system should include provisions for encouraging additional (and innovative) certification bodies to seek accreditation. This is needed to provide service providers with greater choice and to ensure a high level of responsiveness from certification bodies to the specific needs and context of individual service providers. In addition, there would be benefits in service provider industry associations in conjunction with FaCS developing a screening questionnaire for use by service providers in selecting certification bodies.

- **ongoing role for the JAS-ANZ Technical Committee responsible for Procedure 18**

A comprehensive review of Procedure 18 should be undertaken by the JAS-ANZ Technical Committee in the light of the evaluation findings (see above). However, it is unlikely that the trial has uncovered all relevant issues and an ongoing mechanism is needed for updating Procedure 18. It is suggested that funding arrangements for any future roll-out of the new QA system include provisions for the support of the Technical Committee over the first two to three years of implementation.

## 4 Support mechanisms to encourage participation

Are appropriate incentives and support mechanisms in place to encourage the participation of all service providers and their consumers in the new QA system?

The new QA system is intended to support the participation of all service providers and their consumers, regardless of the service type, size, location and experience in quality assurance - that is, the system is intended to support a 'level playing field' for all disability employment services seeking certification and for all consumers wishing to participate in the audit process.

This section examines the support needs of participants and the appropriateness of the available support mechanisms based on the experiences of the trial. The analysis focuses on support for service providers (Section 4.1) and their consumers (Section 4.2).

### 4.1 Support for service providers

#### 4.1.1 Support needs of service providers

All service providers recognised the need for some type and level of support to enable them to participate in the new QA system, although this varied greatly across the trial.

Service providers were aware that at a future date, the Commonwealth will fund only those service that have been certified as meeting the Disability Services Standards. They were also aware that the same certification system was intended to apply to all service types - regardless of their classification under the Disability Services Act.

While service providers were very supportive of this 'level playing field' approach, it was recognised that some providers, because of their context and history, would need greater levels of support to participate in the QA system.

Four main support needs were identified as a result of the trial. These included the need for:

- **information about the 'rules' of the new QA system.**  
While service providers were aware that this initial phase was a trial, they wanted clear information about the 'rules' of the QA system covering areas such as:
  - S available time frame to achieve certification;
  - S time allowed to address identified non-conformities;
  - S planned audit cycle (including initial certification, ongoing surveillance and re-auditing);
  - S sampling and coverage of multi-site agencies;
  - S impact on certification decisions if a Certification Bodies fail to gain or loses their accreditation;
  - S link to other initiatives such as a complaints and appeals mechanism and the continuous improvement program; and,
  - S funding for the new QA system.

While much of this information was beyond the scope of the trial, it highlights some of the information requirements of service providers in any roll-out of the system.

- **information about how services can demonstrate compliance with the Standards**  
Section 2.4 highlighted service providers' needs for clear and comprehensive information about the attributes of good practice and examples of compliance under each of the 29 KPIs.

This need was related to supporting services in undertaking regular internal audits of their management systems and continuous improvement activities.

- **practical support in developing service management systems**

Among service providers which had limited experience of any quality assurance system before the trial, the vast majority indicated that after the trial that they would need considerable practical support in addressing identified non-conformities and developing their service's overall management system.

A number of these services said that they entered the trial simply to help highlight gaps in their management systems. While the trial audits were often successful in identifying such gaps (see Section 6.2), many of these services indicated that they did not have the knowledge or skills to begin addressing the problems. Services highlighted an important role for FaCS (particularly in relation to the their Continuous Improvement program) and quality assurance consultants.

It should also be noted that a number of services indicated that they did not require any support in this regard, as they had existing in-house expertise and experience in relation to QA systems such as ISO 9000 certification.

- **peer-support**

Service providers highlighted the importance of ongoing industry peer support to facilitate the exchange of ideas, learning and problems regarding the new QA system.

#### 4.1.2 Appropriateness and effectiveness of the support provided to service providers

Service providers had mixed reactions to the type and level of support they received during the trial. While the majority of providers expressed reasonable satisfaction with the support provided within the constraints of the trial, a number of areas for improvement in any roll-out of the full system were identified. Almost one-third (34%) of participating services expressed dissatisfaction with the information provided about the audit process.

Four key issues were identified in relation to the appropriateness and effectiveness of the support provided. These were the:

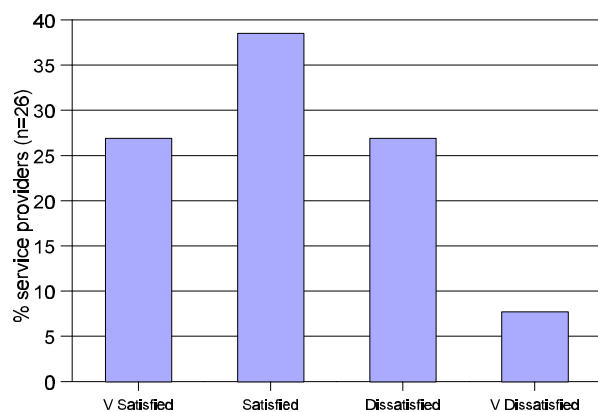
- clarity and comprehensiveness of general information about the audit process;
- appropriateness of the application for certification;
- effectiveness of the continuous improvement tools; and,
- availability of internal and external QA consultants;

##### *Clarity and comprehensiveness of general information about the audit process*

The vast majority of participating service providers received information about the audit process from certification bodies (96%) and FaCS (92%). The exceptions related to the two state-based services who were late entrants in the trial.

Almost two-thirds (65%) of participating service providers were satisfied with the information provided by FaCS and certification bodies about the audit process, although some services, particularly smaller agencies and those with limited experience of quality assurance systems, wanted clearer and more comprehensive information (Figure 4.1).

**Figure 4.1: Service provider satisfaction with the information provided about the QA system**





As a result of the information provided by certification bodies and FaCS, the vast majority of participating services providers reported being aware of key elements of the audit process. In fact:

- 100% reported they were aware of the Standards and KPIs to be used in the trial;
- 85% reported they were aware of the evidence questions;
- 88% reported they were aware of the proposed audit plan, including time frame and involvement of staff and consumers;
- 78% reported they were aware of an audit complaints and appeals mechanisms.

#### Information provided by certification bodies

The majority of participating service providers reported that they received adequate information from the certification body about the audit process including the audit timetable and the planned audit activities. A number of these service providers commented positively that the auditors were accessible and helpful before the audit, and provided clear information on the audit process.

However a number of service providers reported that they remained confused about the scope of the audit right up until the audit was over. In particular, individual service providers highlighted their confusion concerning:

- which policies, procedures and files would need to be made available to the auditors;
- the extent of involvement of service staff in the audit process;
- the extent and methods of consumer involvement in the audit process; and,
- the assessment methods to be used in the audit.

While these comments tended to come from service providers with less experience of QA systems, they also appear to reflect the quality and comprehensiveness of the information provided by different certification bodies. Extensive additional comments were made about the need for greater information about the evidence questions and sources of evidence (see Section 2.4).

Under Procedure 18, the certification body is required to conduct a review of the request for certification, to ensure that “*the requirements for certification are clearly defined, documented and understood and any differences in understanding between the certification body and the applicant are resolved*” [Procedure 18 - 3.2.1 a) and b)]. A small number of service providers indicated that, in hindsight, they should have sought greater clarification from their certification body on issues of confusion. However, as one service provider commented, “*they didn’t know what they didn’t know!*”.

This information mismatch could be better addressed in future audits by the dissemination of a simple pre-audit information checklist to all service providers. This would provide new service providers with a guide about possible areas of clarification that they should explore with their certification body before an audit.

#### Information provided by FaCS

Almost all (92%) participating service providers recalled receiving a copy of the FaCS ‘*Guide for Certification Process*’.

These service providers were very positive about the Guide indicating that it provided clear and comprehensive information about the audit process.

*“I felt well prepared because of the FaCS [guide] - the information was well-structured, clear and concise” (small open-employment service)*

However, apart from the Guide and formal correspondence about the trial, the majority of service providers had limited contact with FaCS during the trial. A small number of providers maintained more

regular contact and were very positive about the support they received. A further small number of providers used the FaCS website to obtain further information about the trial.

Most service providers recalled seeing the FaCS newsletter. While useful in providing general information about the QA system, it was not seen as a direct information source for trial participants.

Service providers also indicated that the FaCS information should have been distributed earlier and there was the perception that the information arrived in “drips and drabs”. This was particularly an issue for larger multi-site organisations which had the added issue of internal distribution. A number of service providers also commented on the lack of attention to document control issues, particularly with the issuing of revisions to the “Guide to Certification Process” manual with inconsistent page number and date and edition labelling.

A number of small service providers highlighted the need for more face-to-face workshops to “go through KPIs and discuss the issues.”

The feedback from the trial highlights that FaCS has an important role in disseminating information about the “rules” of the QA system and well as the many of the key concepts of quality assurance (see Section 2.6). It is clear that a comprehensive information strategy will need to be developed to ensure all service providers have equitable access to this information.

#### ***Appropriateness of the application for certification***

Service providers are required under Procedure 18 to officially apply for certification and, before the on-site assessment, provide the certification body with information about the service and copies of any policies and procedures required by the Disability Services Standards as well as internal audits against the Standards.

Certification bodies indicated that it was clear from the applications of a number of service providers, that they lacked the basic management systems and documentation to have any chance of achieving certification. However under the arrangements for the trial, certification bodies were obliged to complete an on-site assessment, even though they were aware that the service provider was not ready for certification. The on-site audit was then often frustrating and, in a small number of cases, counter-productive.

Both JAS-ANZ and certification bodies highlighted that in other certification systems, the decision on whether to immediately proceed with an on-site assessment is only made after the document review in the initial application phase. It was felt that such a system should apply to the new QA system, with the application process being seen as a pre-audit assessments of service readiness for certification.

Where a service provider was assessed as not being ready for certification, they should be given time to seek assistance. As highlighted in Section 4.1.1, service providers highlighted an important role for FaCS (particularly in relation to the their Continuous Improvement program) and quality assurance consultants in providing this assistance.

#### ***Effectiveness of continuous improvement tool***

As part of the trial, FaCS distributed a continuous improvement tool developed by the Quality Assurance Steering Committee.

*“The tool uses a grid system, connecting inputs, processes and outcomes with accessible goals. It’s a simple prompt for gathering, presenting and reviewing information about service practice. It can be used to lead discussion among staff teams, encouraging them to think more broadly about the concept of quality and how it can be improved within their service” (Guide for certification Process, FaCS)*

The continuous improvement tool prompted users to look at the “quality dimension” of each of the 12 Standards.

Approximately three-quarters (73%) of service providers in the trial recalled receiving a copy of the continuous improvement tool, but only three providers (14%) actually used the tool. One of these providers used it as a pre-audit internal audit involving all staff and found the process very useful, whereas the other two mainly used it to try to understand the type of evidence certification bodies would be looking for.

The reasons the tool had not been used more widely were twofold - either service providers did not realise the tool was intended for continuous improvement (they simply thought it was more information about the quality assurance system) or they did not believe the tool was linked closely enough to the auditing of the Standards.

Given the limited use of the continuous improvement tool, no real conclusions can be drawn about its value or potential. However, the experience of the trial indicates that the presentation and focus of the material will need to be much clearer. If the FaCS continuous improvement tool is primarily intended to focus on broader issues of quality, then service providers will also want an additional “internal audit” tool which is more closely linked to the assessment processes of the audit.

It was recognised that a careful balance needs to be struck with the development of continuous improvement tools to ensure service providers do not become focussed on compliance rather than service quality. This balance will need to be prompted by the planned FaCS Continuous Improvement Program.

#### ***Availability of internal and external QA consultants***

A number of participating service providers, particularly those found to be non-compliant against a significant number of KPIs, recognised that they will need significant support and assistance to develop appropriate management systems.

During the trial, a small number of service providers engaged external quality assurance consultants to assist with their preparation for certification, with mixed results. In one case a service was already in the process of developing an ISO 9000 management system and engaged an external consultant. They felt that the consultant added significant value to setting up their documentation for the Disability Services Standards and that they ‘couldn’t have done it without them’.

In another case, a service engaged a consultant who developed an “off-the-shelf” quality manual for the Standards. When this was submitted to the certification body during the assessment phase, they were informed that the documentation was totally inadequate and failed to adequately address any of the requirements of the Standards.

Clearly these limited experiences highlight the potential variation in the appropriateness of external consultants used during the trial.

A number of service providers indicated that support and assistance in developing appropriate management systems may be best provided by FaCS as part of their Continuous Improvement Program. However, they recognised that FaCS staff involved in disability services are not specialists in accredited certification systems and may need to draw on appropriate external expertise. It is also important to note the service providers were aware that under Procedure 18, certification bodies could not support and assist in developing appropriate management systems as this would undermine their required objectivity and impartiality of its certifications.

While the trial identified an unambiguous need among some service providers for support and assistance in developing their management systems, it did not provide insights on the most appropriate mechanism. However, such a mechanism will need to be in place in time for any roll-out of the QA system.

## 4.2 Support for consumers

Based on the trial, a number of issues were identified in relation to the appropriateness and effectiveness of the support to encourage the participation of consumers. These were:

- **diverse opportunities to be involved in consumer consultation**

Consumers highlighted the need for a wider range of opportunities to be involved in the audit process. This was reflected in comments about the need for greater choice in consultation methods used by certification bodies (eg range of times and formats; amount of notice given) and the need to involve greater numbers of consumers.

A number of these limitations are highlighted in Section 5.4.

- **consumer representation in the audit process**

Under Procedure 18, a representative(s) of the consumers of the service is required to be involved in the audit assessment process and be present at meetings reporting the audit findings. This requirement was strongly supported by consumers.

In practice, the involvement of a consumer representative was often constrained by the audit timetable which meant that assessment and reporting meetings were held at the end of the process (often very late on the last day), which made it difficult for consumers to attend.

Certification bodies queried the appropriateness of requirement J3.4.1 in Procedure 18 that certification bodies had to ensure that a representative(s) of the consumers of the service being audited were invited to the closing meeting. They felt this should be a responsibility of the service provider - in a sense as part of demonstrating compliance with Standard 3 regarding participation in decision making.

- **ongoing opportunities to be involved**

It was recognised that on-site audit activities had practical limitations, and that greater emphasis may need to be placed on regular input into the audit preparation rather than a “once a year” chance to have your say. This view was supported by a number of certification bodies and service providers who felt that as part of compliance with Standard 3 (Decision making and choice) the audit should examine the extent to which the service provider:

- S** has suitable processes for communicating with and educating all consumer about the audit process and the new QA system (a key indicator of the success of this education will be the level of consent obtained for participation in the consumer consultation); and
- S** collects regular consumer feedback in relation to the Standards which is credible and independent.

- **adequate preparation**

Most participating consumers indicated that they received some information about the audit before the on-site assessment. Examples included direct advice from service staff and managers, newsletters, announcements at Job Clubs and a pre-audit survey.

At one level, most participating consumers indicated that they understood the basic purpose of the audit and their role in it. However there was considerable variation in the depth of information given to consumers - from brief overview of what to expect; to a customised information booklet; to a FaCS facilitated training day. As a result, different consumers and some service providers had different views about the adequacy of the preparation. Examples included:

- S positive comments about a simple information booklet about the audit and the role of consumers in the audit prepared by a service provider working with consumers with intellectual disabilities;
- S concerns about the accuracy of information on the consultation methods. In one case, consumers were expecting a one-to-one interview (based on information supplied before the audit) and were surprised and disappointed to be part of a small group discussion;
- S concerns about the lack of information given by the audit team about the scope and focus of the consumer consultation, at the start of the small group discussion;
- S concerns about the lack of information about how consumer views would be used in the audit report.

A number of consumers indicated that service providers should have a responsibility for disseminating information about the new QA system to their consumers.

- **adequate support to encourage participation**

A number of participating consumers highlighted the need for improved support in preparing for and participating in the consumer consultation, although the nature of the support needs varied widely. Examples included:

- S the need for an independent support person from outside of the service. This was raised as an issue at two sites - one involving customers with intellectual disability and another involving sensory disabilities. At both sites, individual consumers raised concerns about staff from the service assisting with the communication processes.

However at another site the service provider gave consumers the option of having a 'staff support person' in the interview and five of the six consumers chose to have this 'support person' present.

- S consumers of an open-employment service highlighted the difficulties of attending on-site group discussions during normal business hours.

In contrast, a number of consumers spoke positively about one audit team that provided flexible consultation locations (eg going to the consumer's home).

Certification bodies and service providers cited both positive and negative examples of the assistance provided by Consumer Training and Support agencies in encouraging consumer participation. This is discussed in more detail in Section 5.4.

Some certification bodies indicated that future audits should examine the extent to which the service provider actively promoted measures that support consumer participation in the audit process, in particular supporting the participation of "difficult to reach" groups including participants located a considerable distance from the audit site, Indigenous participants and certain disability groups.

- **feedback on the audit findings**

A number of consumers highlighted that they had not received feedback on the audit results and were not aware of the process for receiving feedback. Greater clarity and consistency was sought in the mechanisms for providing feedback to consumers.

## 4.3 Conclusions

The trial demonstrated that both service providers and consumers have specific support needs to ensure their equitable and full participation in the new QA system. These were met to varying degrees during the trial, and a number of key areas for improvement were identified:

- **information from FaCS about the QA system**

FaCS has an important role in disseminating information about the “rules” of the QA system and well as the many of the key concepts of quality assurance (see Section 2.6). Any future roll-out of the QA system will require a comprehensive information strategy to ensure all service providers have access to clear and consistent information. Ideally, such a strategy will include:

- S dissemination of formal QA system documents (eg revised KPIs, Procedure 18) and descriptions of the “rules” of the QA system and key concepts of quality assurance. This could build on the “Guide for Certification Process” manual by updating the current material in the manual and including interpretive commentaries. Given the likely ongoing revisions to the manual, a clearer emphasis will need to be placed on document control issues (including consistent page number, date and edition labelling).
- S information workshops to allow service providers to obtain a “feel” for the new system. Ideally, FaCS should seek to involve certification bodies (lead auditors and technical experts) in the presentation of these information workshops.
- S the dissemination of simple pre-audit information checklists to all service providers as a guide to possible areas of clarification that they should explore with their certification body before an audit.

- **flexibility in the timetable for achieving certification**

Service providers will need different levels of support to prepare for certification depending on the ‘maturity’ of their management system. As a result, in any future roll-out of the QA system, some flexibility will be needed in the timetable for achieving certification.

To achieve this, it is suggested that following the formal introduction of the new QA system all service providers be required to register their intention to seek certification within a stated time period. During this time, only registered or certified service providers would be eligible to apply for Commonwealth funding. For a small service provider this registration period may last 3 years whereas for a large provider with existing ISO 9000 certification, the registration period may only be six months. The actual time period would be initially suggested by service providers, subject to negotiations with FaCS. Details of a proposed timetable involving registration are presented in Section 9.

During the registration period, service providers would be encouraged to:

- S seek assistance from FaCS to develop their management systems and internally audit the performance of the service against the Standards;
- S apply for certification to an accredited certification body which includes all relevant documents. A decision on whether to immediately proceed with an on-site assessment would only be made after the document review in the initial application phase. Services assessed as lacking the basic policies and procedures would be encouraged to seek an extension of their registration period and assistance in developing their policies and procedures.

- **finalise FaCS continuous improvement model and strategy**

A number of service providers indicated that support and assistance in developing appropriate management systems may be best provided by FaCS as part of their Continuous Improvement Program. In finalising the model and strategy, particular attention should be given to:

- S** the review of the continuous improvement tool used in the trial. If this tool is primarily intended to focus on broader issues of quality, then service providers will also want an additional “internal audit” tool which is more closely linked to the assessment processes of the audit.
- S** mechanisms for providing consultancy services to address weaknesses identified through internal audits or pre-assessment document reviews by certification bodies.

- **service providers’ responsibility under Standard 3 to support consumer participation**

As part of the process of auditing Standard 3 (Decision making and choice), the certification body should examine the extent to which the service provider:

- S** has suitable processes for communicating with and educating all consumers about the audit process and the new QA system, while recognising consumers’ right not to be involved and the confidentiality and privacy of consumers’ decision to participate;
- S** collects regular consumer feedback in relation to the Standards which is credible and independent, and acts on this feedback;
- S** actively promotes and implements measures that support the participation of consumers in the audit process, with particular consideration given to supporting the participation of “difficult to reach” groups;
- S** has suitable mechanisms during the on-site assessment for ensuring consumer representation in the audit process.

The role of Consumer Training and Support agencies in assisting service providers to meet these responsibilities is covered in Section 5.

## 5 Rigour and suitability of the auditing procedures

How well do the auditing procedures work across the diversity of service types and arrangements?

This section examines the rigour and suitability of the auditing procedures used in the trial. It covers a description of the audit procedures (Section 5.1) and an analysis of each specific elements covering:

- planning and preparation (Section 5.2)
- witness audit (Section 5.3)
- consultation with consumers (Section 5.4)
- reporting (Section 5.5)
- other procedures in the full audit cycle (Section 5.6)

It is important to note that the assessment of the rigour of the audit process is derived substantially from the expert assessments of JAS-ANZ who witnessed a total of 12 audits undertaken during the trial. These expert assessments are contextualised by drawing on the perceptions and experiences of participating certification bodies, services providers and consumers. Issues relating to the performance of JAS-ANZ in undertaking their quality control role are examined in Section 5.7.

### 5.1 Description of the certification audit procedures

#### 5.1.1 Certification audit stages

All certification audits in the trial followed similar procedures based around five stages:

- **pre-audit planing and preparation** - covering activities such as
  - S reviewing the application from the client (service provider) for certification
  - S negotiating the scope and focus of the audit with the client
  - S distributing audit information to the client
  - S administering a self-assessment checklist for use by the client
  - S developing a consumer consultation plan
  - S scheduling consumer interviews
  - S training and orientation for the consumer technical specialist
  - S gathering background information about the service (size, client base)
  - S preparing an audit plan.
- **document review** - off-site review of the policies and procedures of the service provider, prior to the on-site assessment, including
  - S any quality manual and associated documentation;
  - S policies and procedures related to the Disability Services Standards
  - S records of internal audits, including records of consumer participation during internal audits.
- **witness audit** - on-site assessment of the service provider against the Disability Services Standards covering
  - S a formal entry meeting
  - S a verification of policies and procedures through a review of records, interviews with service management, staff and consumers
  - S an audit review meeting to synthesise findings and develop final assessments
  - S a formal exit meeting.
- **reporting audit finding** - oral and written presentation of the audit finding through
  - S a presentation of the audit findings at the exit meeting
  - S a written report on the audit findings.



- **decision on certification** - formal process for making a decision on certification based on the audit findings, and the subsequent communication of the decision to the service provider.

During the trial, data was available on only the first four of these stages, as the procedures for the decision of certification had not been completed by any certification bodies.

### 5.1.2 Resources allocated to each stage

The resources allocated by certification bodies to each stage of the audit was monitored during the trial in terms of the total number of audit team hours spent on each stage.

It was found there was significant variations in the resources allocated between the audit stages and between different certification bodies (Table 5.1).

Most notably, the total audit team hours varied significantly between certification bodies, from a average of around 150 audit team hours (approximately 19 person days) for two certification bodies to an average of around 50 for three certification bodies. This reflected both the larger number of audit team members used by two of the certification bodies and the intensity of resources they directed at audit tasks.

On average, around two-thirds (68%) of the audit team resources were directed to the witness audit, with roughly equal resources (about 10%) directed at the other three stage. However, there were some significant variation to this pattern for the two certification bodies with the largest number of audit team hours. One of these certification bodies directed an average of 133 hours to each witness audit (reflecting the large number of team members involved in witnessing activities, particularly consumer interviews), yet had roughly the same hours allocated to planning, reviewing documents and reporting as other certification bodies. The other certification body allocated a significantly higher proportion and number of hours to audit planning and the document review as a result of comprehensively involving all team members in these processes.

**Table 5.1: Resources allocated by certification bodies to each stage - audit team hours<sup>1</sup>**

Source: Audit summary data forms from 16 audit sites (based on all audits from 5 certification bodies)

Certification body	Audit planning	Document review	Witness audit	Reporting	TOTAL
Cert body 1 (avg - 4 audits)	29 (18%)	22 (14%)	93 (58%)	15 (9%)	159 (100%)
Cert body 2 (ave - 3 audits)	7 (5%)	5 (3%)	133 (87%)	7 (5%)	153 (100%)
Cert body 3 (ave - 3 audits)	9 (16%)	4 (7%)	39 (68%)	5 (9%)	57 (100%)
Cert body 4 (ave - 3 audits)	5 (10%)	10 (19%)	30 (58%)	7 (13%)	52 (100%)
Cert body 5 (ave - 3 audits)	2 (4%)	7 (15%)	33 (72%)	4 (9%)	46 (100%)
Average across all Cbs (16 audits)	12 (12%)	11 (11%)	67 (68%)	9 (9%)	99 (100%)

1: Audit team hours is calculated by adding the time spend by all audit team members (eg 4 hrs spend for 2 audit team members = 8 audit team hours). For the purposes of comparison, audit team hours excluded travel time.

The total number of audit team hours also varied according to the number of sites being audited. Single site audits were allocated an average of 71 audit team hours, compared to almost double (139hrs) for audits involving three sites (Table 5.2). The two certification bodies highlighted in Table 5.1 as allocating

around significantly higher total audit team hours were found to apply this higher level of resources to both single-site and multi-site audits.

**Table 5.2: Resources allocated to each stage of single and multi-site audits - audit team hours<sup>1</sup>**

*Source: Audit summary data form (based on all audits from 5 certification bodies)*

Certification body	<b>TOTAL</b>
<b>Single-site audits</b>	
Certification body 1 and 2 (average across 3 audits)	115 hrs
Certification body 3, 4 and 5 (average across 5 audits)	44 hrs
.....	
All CBs (Average across 8 audits)	71 hrs
.....	
<b>Three-site audits</b>	
Certification body 1 and 2 (average across 5 audits)	182 hrs
Certification body 3, 4 and 5 (average across 3 audits)	66 hrs
.....	
All certification bodies (Average across 8 audits)	139 hrs

### 5.1.3 Resources allocated to different witness audit activities

Systematic data was not available on the breakdown of audit activities within each of the four audit stages. However, one certification body provided detailed data on the breakdown of activities undertaken during the main witness audit stage. It showed that between 17% and 37% of the witness audit time was spend directly gathering evidence from service consumers. It also showed that for single-site audits, entry and exit meetings occupied a significant proportion (around one-third) of the audit resources (Table 5.3).

**Table 5.3: Breakdown of witness audit activities (case study of one certification body)**

	Multi-site audit 1	Multi-site audit 2	Multi-site audit 3	Single-site audit 1	Single-site audit 2
Review of records and interviews with service management & staff	67%	65%	50%	46%	38%
Consumer consultation	20%	17%	37%	17%	27%
Entry and exit meetings	13%	18%	13%	34	35%
.....					
Total	100%	100%	100%	100%	100%

Discussions with all certification bodies revealed that variations in the resources directed to consumer consultation activities were often dependent on the available sample of consumers (Table 5.4).

Detailed data on the number of consumers consulted was available from 16 of the participating audit sites (covering 12 different service providers). At these sites the number of participating consumers varied from 2 to 17, or 2% - 60% of the current customer population.

While the adequacy of the sample size is discussed in Section 5.4, it is important to note the variation in the number of consumers involved compared to a standard measure of an adequate sample size - the square root of the customer population at each site. In the trial there was no consensus on the appropriate fraction to use, but it varied from 0.3 to 3.

**Table 5.4: Number of consumers participating in selected audits**

	<i>Number of consumers involved in audit</i>	<i>Proportion of current customer population<sup>1</sup></i>	<i>Fraction of the square root of the customer population</i>
Site 1	5	3%	0.4
Site 2	6	12%	0.8
Site 3	5	4%	0.4
Site 4	4	4%	0.4
Site 5	3	5%	0.4
Site 6	11	6%	0.8
Site 7	3	14%	0.7
Site 8	6	6%	0.6
Site 9	6	7%	0.6
Site 10	6	11%	0.8
Site 11	5	2%	0.3
Site 12	15	60%	3.0
Site 13	17	14%	1.6
Site 14	14	19%	1.6
Site 15	2	18%	0.6
Site 16	14	13%	1.3

1: It should be noted that at some sites, interviews were conducted not just with current customers but with customers on the waiting list and exited customers.

***Rigour and suitability of the auditing procedures***

The following sections provide an assessment of the rigour and suitability of the auditing procedures used in the four audit stages described above. Planning and document review procedures are combined in section 5.2 and witness audit activities in section 5.3. Because of the large amount of feedback on the consumer consultation procedures of the witness audit stage, this is covered separately in Section 5.4. The procedures for the reporting stage of the audit are presented in Section 5.5.

## 5.2 Planning and document review

Overall, the planning and document review stages of the audit were assessed by JAS-ANZ as one of the main weaknesses of the audit procedures used during the trial.

Three of the six certification bodies received non-compliance ratings with respect to the effectiveness of their planning and preparation. Lead auditors from JAS-ANZ identified planning as a key area for improvement in any roll-out of the QA system.

*“Overall, we observed a lack of audit planning during the trial. To get the process right, certification bodies will need to spend a lot more time in detailed preparation” (JAS-ANZ lead auditor 1)*

*“Certification bodies need to recognise that more planning is required for consumer-focussed audits than quality systems management audits”. (JAS-ANZ lead auditor 2)*

The main weaknesses in the planning and document review activities of individual certification bodies are summarised in Table 5.4.

**Table 5.4: Observations by JAS-ANZ of the weaknesses of planning and document review activities of individual certification bodies**

<i>Weakness</i>	<i>Feedback from JAS-ANZ on individual audits</i>
Inadequate planning of consumer consultation activities	The audit plan did not include details on the strategies for consumer participation or the manner in which consumers were to be consulted. Procedure 18 clearly indicates that the information should be included in the audit plan
Inadequate involvement of the consumer technical specialist / technical expert in planning of consumer consultation activities	The Consumer Technical Specialist was not adequately involved in the planning of the consumer consultation, in particular those activities stated in clause J.3.2.1 of Procedure 18 regarding determining the methods of consumer participation.
Failure to undertake a document review	The certification body did not obtain a copy of the quality manual prior to the audit as required by Clause 3.1.2.2 d); and did not conduct and report a review according to Clause 3.2.1 a). In fact the service providers policies and procedures manual was not sighted by the audit team until the afternoon of day 2 of the audit.
Poor general planning and preparation, including the time allowed for the audit duration	The audit appeared poorly planned and rushed. Had the service provider had more documentation and records the audit duration would have been insufficient to conduct a comprehensive audit.  If consumers had raised more issues or more consumers been involved in the consultation process, it is doubtful that the audit could have been completed within the allocated time.

A small number of service providers raised strong concerns about a perceived lack of planning for their audit. They observed that the lead auditor appeared to be “learning on the run”, had no set questions, and that time frames where either “sketchy” are not adhered to.

Other service providers raised concerns about the perceived lack of preparation for the audit as demonstrated by the audit team’s lack of familiarity with the service and its policies and procedures.

*“We had given [the audit team] information about our service prior to the audit, but felt they either had not read the documents or had an extreme lack of knowledge about disability services” (Large service provider)*

It should be noted that a number of the identified weaknesses with audit planning and preparedness may reflect the “steep learning curve” associated with the trialing of the new QA system. However, consistency in the quality of the planning is required for stakeholder confidence in the new system, particularly when a number of the identified weaknesses were directly related to a failure to follow the requirements of Procedure 18.

Three main areas for improvement were identified during the evaluation:

- **JAS-ANZ surveillance audits**  
JAS-ANZ surveillance audits of accredited certification bodies will need to pay close attention to the adequacy of audit plans, particularly whether adequacy of strategies for consumer participation, taking into account different service types, disability types, culture and religious issues. Issues related to consumer participation strategies are covered in detail in Section 5.4

In addition, close attention will need to be paid to evidence that consumer technical specialist / technical expert have a specific role in planning and preparation of the methods of consumer participation in the audit including input on the choice of consultation processes, instrument design and sample selection.

- **Audit duration**  
Currently certification bodies are required to “allow auditors sufficient time to undertake all activities relating to an assessment ... based on such factors as the size of the organisation, the type of business and the communication abilities of consumers”. However, given the weaknesses in planning demonstrated in some audits during the trial, the notion of “sufficient time” may need to be defined more clearly and it may be prudent to include specific guidelines on minimum audit duration in Procedure 18.

- **Complaints mechanisms**  
Service providers should be encouraged to use the available complaints mechanism (see Section 5.6) to raise concerns about perceived inadequate planning and preparation. One service provider in the trial raised such concerns in a letter of complaint to FaCS, but did not formally use the complaint mechanisms available through either the certification body or JAS-ANZ.

While over three-quarters (78%) of participating service providers reported they were aware of the complaints and appeals mechanisms (see Section 4.1), service providers may need more information about the situation in which it is appropriate to use these mechanisms.

It is also important to note that future planning for audits should take account of the evaluation findings regarding the rigour of on-site assessment activities, particularly consumer consultations (see Section 5.4).

## 5.3 Witnessing (on-site assessment) procedures

This section examines the rigour and suitability of the witnessing procedures used during the on-site assessment stage of the audit. It covers the entry meeting (Section 5.3.1), evidence gathering based on service provider records and interviews with service management and staff (Section 5.3.2) and the review and synthesis of evidence (Section 5.3.3). On-site assessment activities involving consultation with consumers is covered separately in Section 5.4.

### 5.3.1 Entry meeting

JAS-ANZ assessed the conduct of all opening meetings as adequate citing appropriate explanation of the scope and objectives of the audit, the timetable and planned audit activities, as well as allowing adequate time for questions. Examples of good practice included:

*“an excellent opening meeting covering all relevant issues and explaining the FaCS rating scale. Allowed contributions from [audit] team members.” (JAS-ANZ witness audit report)*

*“good technique displayed in making clear distinction between the end of opening meeting and start of audit. This reduced the number of client staff members present and so set the scene for a productive start to the audit.” (JAS-ANZ witness audit report)*

In the case of one certification body, JAS-ANZ raised significant concerns about the lack of focus on the Disability Services Standards during the opening meeting. It was felt that the certification body was overly focussed on their own certification scheme (which is not accredited by JAS-ANZ).

### 5.3.2 Evidence gathering

The majority of audits were assessed by JAS-ANZ as meeting accepted professional standards for evidence gathering. JAS-ANZ’s assessment focussed on the skills and techniques of audit teams covering their objectivity, questioning and cross checking skills, alertness to evidence and coverage of the Standards.

One certification body had non-compliances raised against the rigour of their evidence gathering, and JAS-ANZ made observations about identified weaknesses for two other certification bodies. The main weaknesses raised for these three certification bodies are summarised in Table 5.5.

**Table 5.5: Observations by JAS-ANZ of the weaknesses of evidence gathering activities in individual certification bodies**

<i>Weakness</i>	<i>Feedback from JAS-ANZ on individual audits</i>
Incorrect assessments of service provider compliance (one certification body only)	Two KPIs assessed by the audit team were judged to be incorrect, with adequate compliance ratings given (rating =2), where evidence was observed that the service was not fully meeting the requirements of the Standards. In the case of Standard 8 there was minimal implementation of the management system as documented (an un-issued draft policies and procedures manual), weak self-assessment and no evidence gathered of management review practices.  One KPI (Standard 9) was assessed by the audit team as a minor non-compliance. However the JAS-ANZ Technical Expert observed that there was not enough objective evidence to provide any other rating than a major non-compliance (“0”)

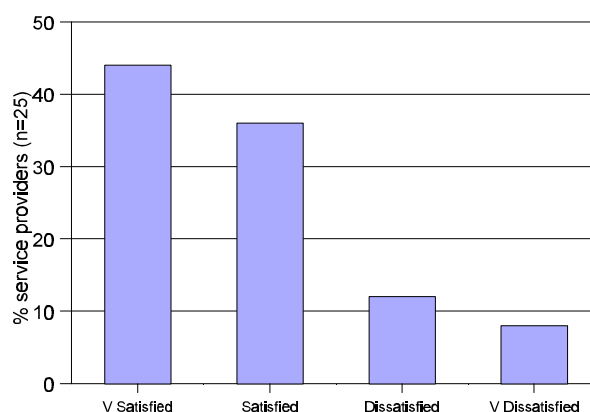
Weakness	Feedback from JAS-ANZ on individual audits
Depth of investigation	In the assessment of some of the standards there appeared to be a lack of evidence requested and reviewed. This was discussed with the audit team and they indicated that there was little evidence available due to the immaturity of the system and lack of action against some standards. While this was accepted JAS-ANZ would suggest that some additional training was needed in this area
Coverage of all Standards in evidence gathering	<p>It appeared to the JAS-ANZ team that the audit team did not review all relevant evidence available for some of the standards. Also, the audit team did not take the opportunity to interview support staff who may have been able to verify some practices. Only Management and consumers were interviewed during the process.</p> <p>The checklist for consumer interviews were examined and found not to address all of the DSS Standards. The advice of the JAS-ANZ technical specialist is that all standards should be sampled to some extent in consumer interviews.</p>

Overall, the service providers themselves were satisfied with the rigour of the audit evidence gathering. In total, 80% of participating services expressed satisfaction, citing the range of data sources used by auditors and level of clarification and cross-checking of evidence.

*“[the audit team] wanted evidence at every step, both verbal and written evidence through the files. There was a feeling that the methodology of the audit process was thorough and logical”*

*“A systematic, structured approach which was very thorough - they got to the bottom of everything”*

**Figure 5.1: Service providers’ perceptions of the rigour of the audit evidence gathering**



However, a small number of participating service providers (5 - 20%) raised some strong concerns. These services were characterised by either receiving a large number of non-compliances in their audit or had strong concerns about the rating they received on one particular Standard. Interestingly, services expressing dissatisfaction only matched with JAS-ANZ’s assessment in two of these five cases. This implies that a number of the dissatisfied services may have been more concerned with the outcome of the audit than the rigour of the methodology.

Even where services were satisfied, a number of areas for improvement in the methodology were suggested. While many of these related to consumer consultation processes (see Section 5.4), other issues related to the review of records and interviews and management and staff. These issues were:

- **perceived over-reliance on documents**

There was the perception among some service providers that the evidence gathering was too “document focussed” and should have included a greater focus on client outcomes.

*“They only seemed to be interested in bits of paper - not whether we got jobs for our clients.”*  
(participating service provider)

*“You could have all your paperwork in order, and still run a bad service”.* (participating service provider)

It is important to note that these comments were not borne out by JAS-ANZ's assessment of the evidence gathering, although they did observe audits where the depth of investigation against some Standards was weak. In addition, certification bodies indicated that the perceived over-reliance on documents usually arose when service providers had immature management systems. In these cases, services were not meeting the "entry-level" requirements of documented policies and procedures that then allows auditor to explore further to check if the policies are being used and the intended outcomes achieved.

In response, some services promoted the line that the QA system should simply focus on whether the service is achieving the intended outcomes, regardless of whether they have documented policies and procedures ("you can run a good service, and still have lousy paperwork"). However, JAS-ANZ and certification bodies highlighted that the focus of certification is not just about observing outcomes at the time of the audit, but being assured that the service provider has the systems in place to ensure the ongoing achievement of outcomes in response to foreseeable challenges (eg current staff leave, service expands to a new site, more challenging customers arrive).

This debate relates to different understandings of levels of evidence used in quality assurance audits as discussed in Section 2.2 and highlights the need for greater emphasis to be placed on educating service providers about key quality assurance concepts.

- **danger of missing the 'big picture'**

A number of service providers, while satisfied with the overall rigour of the evidence gathering, were concerned that an audit could potentially miss the 'big picture' of service quality by the single-minded focus of each of the 29 contributing KPIs.

This concern was strongest where the service provider questioned the level of technical expertise on the audit team.

*"The rigour of the evidence gathering for each KPI was adequate, but [the audit team] never seemed to come to terms with the nature of our business and the intricacies of our systems. While I'm confident in the quality of our service, there is a danger that an inexperienced audit team would miss the forest for the trees" (large service provider)*

This issue reinforces the importance of technical expertise, as highlighted in Section 3.

- **too rushed**

Some service providers felt that the evidence gathering was too rushed leading to a perceived inadequate coverage of the evidence for some of the Standards. JAS-ANZ also had concerns about the lack of consistency between audits in the time and resources allocated to evidence gathering (see Section 5.2).

- **inadequate sample of client files**

A number of service providers and JAS-ANZ commented on the small number of client files examined at some audits. Certification bodies indicated that they wanted greater access to files but were constrained by the low consent rates achieved at some sites. This issue is explored further in Section 5.4.

- **inadequate sample of staff**

Three service providers were dissatisfied with the number of staff selected to provide evidence in the audit. This appeared to relate to time pressures in the audit, but these service providers felt that the inadequate sample of staff limited access to potentially valuable information.



### 5.3.3 Review and synthesis of evidence

Three certification bodies were assessed by JAS-ANZ as meeting accepted professional standards for the review and synthesis of evidence. JAS-ANZ's assessment focussed on the process for consolidating findings, reaching agreement of the ratings for conformities and non-conformities and ensuring the scope of the audit was covered. Examples of good practice included:

*“The review meeting was run with tight control, with appropriate and firm delegation to team members to get the report prepared in a short time. At the same time, [the lead auditor] still allowed adequate input from all team members” (JAS-ANZ witness audit report)*

*“The team discussed all findings thoroughly, reviewing all evidence that had been collected during the audit. Ratings allocated adequately reflected the compliance of the service to the DSSs. The Lead auditor sought clarification where necessary” (JAS-ANZ witness audit report)*

*“The audit team discussed all evidence in some detail and reviewed all evidence collected during the audit and rated the evidence. The audit team also held an interim review meeting at the close of the first day where some of the ratings were discussed. The review meeting on the second day took 2 hours” (JAS-ANZ witness audit report)*

However, three certification bodies had non-compliances raised against their process for the reviewing the evidence - all based on the failure to adequately involve the consumer technical specialist. Under Procedure 18 J3.2.3, the consumer technical specialist is required to have an opportunity to be involved in the review of all audit findings prior to the presentation of the results. In two of these cases, the certification body indicated that the involvement of the consumer technical specialist was self-limiting and reflected a need for additional training. In a sense, the certification bodies acknowledged that they selected the wrong technical expert, although one of the technical experts involved in these cases strongly disagreed with this assessment indicating that the lead auditor failed to adequately consult and seek clarifications on technical issues.

These findings highlight the importance of ongoing JAS-ANZ surveillance audits to ensure accredited certification bodies appropriate involve consumer technical specialists / technical experts in the review and synthesis of audit evidence.

## 5.4 Consumer consultation

JAS-ANZ and other trial participants raised ten main issues about the rigour and suitability of the consumer consultations procedures used during the trial. These were:

- **independence of the sample selection process**

JAS-ANZ raised concerns about the involvement of service providers in the selection of the sample of consumers to participate in the consultation activities, because of the potential for the introduction of bias. Even where certification bodies provided guidelines on the number and type of consumers required, the process of actually selecting participant was left up to the service provider in the majority of audits.

While there was no suggestion that service providers attempted to introduce a bias towards more favourable consumers, the required credibility of all audit procedures demands a more independent selection process.

JAS-ANZ suggested to a number of certification bodies that they could obtain a list of consumers in advance from the service provider, together with basic demographic and service delivery details, that would allow the certification body to select an appropriate stratified sample from which consent could then be sought. To ensure confidentiality, certification bodies would only need code names or file numbers at this stage, and service provider would still retain responsibility for seeking informed consent from potential participants selected by the certification body.

It is also suggested that the certification body review the service provider's process for obtaining informed consent from potential participants (eg information and consent proformas) to ensure that it does not inadvertently impose any barriers (eg use of overly formal language, lack of encouragement to participate, lack of references to available assistance to support participation).

- **representativeness of the sample of consumers**

Trial participants questioned the representativeness of the sample of consumers used at a number of the audit sites. At most audit sites, all or selected consumer were asked if they wanted to participate using an "opt-in" basis for obtaining consent (that is, consumers had to explicitly agree to participate). This resulted in a self-selected sample that may not have been fully representative of the consumer population. Examples included the:

- S small proportion of currently employed clients in the sample used at an open employment service. The service provider commented that these clients were often reluctant to participate in on-site audit activities because of competing work and time commitments;
- S high proportion (43%) of the consumers in the sample were members of the service management committee, and therefore may have had different experiences and views than the other customers;
- S small proportion of clients in the sample from remote areas serviced by the open employment provider. This may have reflected a lack of access to appropriate transport or in some cases telephones.
- S small proportion of Indigenous clients in the sample compared to the profile of service customers.

In addition, some service providers commented that delays in receiving information from the certification body about the extent and nature of consumer involvement meant there was a limited time to obtain consent from clients.

To improve the representativeness of the sample greater emphasis needs to be placed on the stratification of the sample of consumers. As a minimum, this stratification should include appropriate sub-samples of:

- S consumers referred to the service but not accepted;
- S consumers accepted into the service but on a waiting list;
- S service recipients who have obtained employment;
- S service recipients who have not yet obtained employment;
- S consumers who have exited the service.

- **adequacy of the sample size for interviews**

During the trial, there was no agreed basis for determining the required sample size of consumers at each audit site. While one certification body used a standardised formula based on the population of the consumers at each site ( $0.3 \times$  square root of the total number of consumers), others simply selected the sample size of the basis of availability.

JAS-ANZ observed that the sample sizes at a number of sites were quite small given the diversity of “sub-populations” within the service (eg range of disability types, both open and supported employment customers).

However, all trial participants agreed that clearer guidelines were needed on the process of determining an adequate sample size for the diverse contexts of disability services. Such guidelines could include a standardised formula for use with a homogenous consumer population, and approaches to stratification to address variations in the profile of the consumers.

Certification bodies should then be required under Procedure 18 to be prepared to substantiate or justify the actual sample size used in an audit.

- **adequacy of the number of consumer files reviewed**

JAS-ANZ and certification bodies noted that at some audit sites, audit teams were restricted to a very small sample of consumer files because of low consent rates. They indicated that this restricted the audit team’s ability to follow up on issues raised in consumer interviews and to confirm management and staff responses to these issues.

To address this, certification bodies raised the possibility of de-identifying files or providing supervised access to files. Consideration may need to be given to the limited use of an “opt-out” system of consent in relation to examining client files. It was suggested that all consumers be asked to allow audit teams restricted access to their files, unless a consumer explicitly requests not to have their file examined (ie “opting-out”). Such an approach would need a clear code of practice specifying what “restricted” access meant and limitations on the process. It is suggested that the Federal Privacy Commissioner be consulted in the development of such an approach.

- **greater flexibility in consultation methods**

In most audits, consumer consultation was undertaken through one of three methods:

- S semi-structured face-to-face interviews
- S semi-structured telephone interviews
- S small group discussions.

In each of these cases, a member of the audit team, usually the consumer technical specialist / technical expert, used a prepared set of questions to seek feedback against each of the Standards. Trial participants raised a number of issues about this approach to consumer consultation. They included:

- S A number of participating consumers felt that many of the questions asked covered the same issues and so they kept having to repeat the same answers. Some consumers felt that the interviews were overly structured as the questions seemed like a checklist against the Standards.

It was suggested that greater use be made of open-ended questions at the start of consultations (eg are you happy with the services you have received; do you have any concerns you would like to talk about) to ensure consumers are able to talk about the issues which are important to them. This could then be followed up with more specific questions to ensure all Standards were covered.

- S At many sites, only one method of consultation methods was offered (eg small group discussion) and service providers and consumers believed that a greater choice was needed. This was based on the observed strengths and limitations of individual methods.

- S A number of consumers who participated in small group discussions indicated that, in hindsight, a one-to-one interview would have been more appropriate. These consumers raised problems with individuals dominating the group and the lack of privacy to raise issues in detail.

*“Privacy is an issue [in a group discussion]- can’t be specific in front of other people, so only raise issues in general terms or not at all. I came with a list of issues to raise, but didn’t raise them” (participating consumer)*

*“In our [group discussion], a few people tended to dominate. It was a bit hard to raise issues”(participating consumer)*

*“We were offered a private interview after the group. I wish I would have taken this offer because I had more things to say”(participating consumer)*

- S In contrast, other consumers (and some service providers) wanted to see a move away from individual interviews towards the use of group discussions. They highlighted that personal interviews can be intimidating and did not provide the opportunity to “bounce” ideas of other people.
- S Some consumers and service providers suggested that consumers who could not attend in person be given the opportunity to provide feedback through a self-completion questionnaire.
- S Service providers and JAS-ANZ suggested that audit teams needed to examine more innovative strategies for consumer consultation - such as talking to people informally during their normal work day

There was also very positive feedback from JAS-ANZ about the consumer consultation processes associated with the “Personal Outcomes Methodology” used by one certification body. They highlighted that for each participant in the sample, the method involved comprehensive interviews with consumers based around a “whole of life” philosophy and validation interviews through a second interview with a nominated support person. JAS-ANZ observed that this method provided a comprehensive picture of customer expectation, needs and issues. While JAS-ANZ noted gaps in the methodology in relation to the Disability Services Standards, they highlighted the potential of the method to obtain extremely “rich” data from customers.

- **appropriateness of the interviewing techniques**

JAS-ANZ observed that a number of audit team members required additional training in appropriate interviewing and questioning techniques for consulting with customers of disability services, particularly in relation to customers with intellectual disabilities. They observed that, in some cases, the consumer technical specialist was able to provide such specialist expertise, as envisioned under Procedure 18, although competencies levels varied significantly (see Section 3.3).

Service providers also felt that regardless of the technical expertise on the team, all lead auditors should have disability awareness training to ensure they can participate as needed in the consumer consultation processes.

- **managing expectations about the scope of the consumer consultations**

Two participating consumers raised concerns about the perceived limited scope of the consultations. Both felt that the audit team (a different team in each case) had not been responsive to the complaints that they raised.

In the first of these cases, there was evidence that the certification body had responded to the issue by raising a notifiable issue with FaCS.

Such examples highlight the importance of audit teams managing expectations about the scope of the consumer consultations and communicating the mechanisms that will be used to follow up on issues which are outside of this scope.

- **added value of using Consumer Training and Support agencies in the consultations**

There were mixed reactions to the involvement of Consumer Training and Support agencies in supporting the consumer consultations. Examples included:

**S** very valuable feedback from a CTS agency who provided a report on a consumer consultation they undertook two weeks prior to the on-site audit. However, the certification body indicated that the de-identified nature of the information meant that it was not possible to verify some of the specific issues raised in the report through follow-up of files and other records. In addition, the consultations during the audit became very repetitive for those consumers who participated in both processes.

**S** a number of certification bodies draw on previous consumer consultations done for by a CTS agency for departmental audits as an evidence source. These certification bodies indicated that the reports were useful in highlighting potential issues to examine in the audit.

**S** JAS-ANZ and a certification body observed that one CTS agency was very adversarial in their approach and appeared to create an “us against them” atmosphere during the consultation.

**S** claims from a service provider and certification body that one CTS agency failed to attend the audit to provide the agreed support services.

- **matching the disability type of the consumer technical specialist with consumers**

Service providers and consumers provided very positive feedback on the consumer consultation where the process involved a consumer technical specialist who had specific skills and experience relating to the disability type of the service.

- **engaging consumers with significant intellectual or communication disabilities**  
Trial participants broadly agreed that “best practice” had yet to be established in the trial regarding the consultation processes used for consumers with significant intellectual or communication disabilities.

It was observed that some lead auditors had views about customers with intellectual or communication disabilities that may be seen as limiting their objectivity and rigour.

*“Information from consumers with significant intellectual or communication disabilities is difficult to class as reliable, thus limiting their opportunity for input into the process”  
(certification body lead auditor)*

JAS-ANZ also observed that a number of consumer technical specialists / technical experts needed further training in questioning techniques involving consumers with significant intellectual or communication disabilities.

A number of service providers raised concerns about the perceived “naive” approach of some audit team members to questioning consumers with an intellectual disability. An example was cited where customers were asked whether the client handbook had been explained, and a response of “no” from participants was claimed to have been used as evidence of non-compliance with the Standards. The service provider was concerned that the question failed to take account of the difficulties of memory recall for many people with an intellectual disability and the fact that “yes / no” questions do not always elicit the desired information from this client group.

Other positive examples were cited of appropriate questioning techniques and the use of advocates to support the consumers.

These issues highlight the complexity of ensuring best practice in the consumer consultation process and have implications for the:

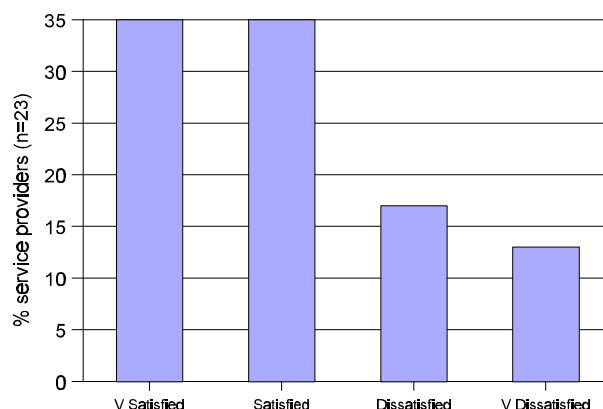
- audit planning process (see Section 5.2);
- training and professional development of audit team members (see Section 3.4.3 and 3.5);
- supporting the participation of consumers in the audit process (see Section 4.2 and 4.3);
- the future role of Consumer Training and Support agencies which are currently funded by FaCS to facilitate the effective participation of consumers in the current departmental audit process (See Section 5.9).

## 5.5 Reporting

Overall, the certification audit reports were assessed by JAS-ANZ as adequate and only one minor non-compliance was raised in relation to the audit report. In this case, the certification body had incorrectly indicated on the front page of the audit report that the service be recommended for certification, which conflicted with a non-compliance rating given against one of the Standards.

Service providers were generally satisfied with the audit reporting process, although 30% expressed some level of dissatisfaction. This dissatisfaction related to both the reporting at the exit meeting and the written audit report.

**Figure 5.2: Service providers' perceptions of the audit reporting process**



### 5.5.1 Reporting at exit meetings

JAS-ANZ assessed the conduct of most exit meetings as adequate citing appropriate explanation of the audit findings and results.

Two certification body had non-compliances raised against their conduct of the closing meeting - in one case because the certification body failed to ensure that a representative(s) of the consumers of the DES being audited were invited to be present at the closing meeting; and in the other case because the lead auditor failed to deliver the audit teams conclusions regarding the service provider's conformance with the KPIs and Standards. In both these cases, the non-compliance was closed at the subsequent audit where remedial action was taken. Certification bodies queried the appropriateness of requirement J3.4.1 in Procedure 18 that certification bodies had to ensure that a representative(s) of the consumers of the service being audited were invited to the closing meeting. They felt this should be a responsibility of the service provider - in a sense as part of demonstrating compliance with Standard 3 regarding participation in decision making.

Most service providers were satisfied with the exit meeting in that it provided a clear indication of the results of the audit. In particular, services highlighted that it was particular important that they received the main results of the audit straight away

*“it was really important to get feedback at the exit interview because staff felt a bit threatened and would have been very stressed if we didn't received a report for two weeks” (open-employment service)*

Where concerns were raised, they related to three key issues:

- **inadequate time for reporting at the exit meeting**  
Due to poor time management or inadequate allocated time at some audits, only a short time period was available for the exit meeting at these sites, which meant that the presentation of the findings was rushed or incomplete.

*“the auditors started to go through the standards but only got to Standard 3 and had to leave.”(open-employment service)*

- **opportunities to comment on audit findings**

Most services felt they had an opportunity to comment on the audit findings at the exit meeting, although a number raised strong concerns about the lack of input, often linked to poor time management.

*“we were not told why the [non-compliance] ratings were given as they skipped through the reporting in a hurry”*

*“there was some opportunity for us to comment at the end of the audit, but it was very rushed”*

In some cases there was a perception that the auditors were unwilling to provide feedback, particularly where it related to questions of the interpretation of the Standards.

*“auditors were not willing to discuss and they referred me to FaCS”*

A number of services were concerned that staff and consumers were not able to be at the exit meeting because audits often finished so late. Two service providers commented that they had limited opportunity for input on the validity of findings, leaving them with the impression that undue weight was given to the consumer feedback.

These concerns highlight the potential for poorly presented or rushed exit meeting to lead to service provider and consumer dissatisfaction with the audit findings. Certification bodies will need to ensure sufficient resources are allocated to the exit meeting through appropriate audit planning, including the consideration of audit duration.

- **consumer participation in exit meeting**

As previously highlighted, the timing of the exit meeting made it difficult for a number of consumers to attend. Even where consumers chose not to attend, a number indicated that they wanted feedback on the results.

## 5.5.2 Written audit reports

Four main issues were raised regarding the written audit report. They were:

- **depth of evidence and analysis in the audit report**

Service providers had mixed reactions to the written audit report, although the majority were satisfied that it clearly presented the overall findings of the audit. The main area of concern raised by service providers related to the lack of depth of evidence and analysis in the audit report.

In these cases, services were disappointed that the written report merely re-iterated what was said at the exit interview, without additional details about the evidence used or suggestions for improvements.

In a small number of cases, the service provider assessed the report as “totally inadequate” because of the lack of detail and analysis. In one of these cases, these assessments were supported by JAS-ANZ



*“The audit reports were noted to be of marginal content. Management explained that this was due to the lack of time for drafting the report on-site. In this case, audit duration must be increased, or reports written off-site, to ensure all the requirements in Clauses 3.4 and 3.5 are met.”*

However, no non-conformities against Procedure 18 were raised by JAS-ANZ in relation to the depth of evidence and analysis in the audit report. This relates to the fact the current requirements for the written report only require, as a minimum, that the report contain “comments on the conformity of the disability employment service with the certification requirements with a clear statement of non-conformity”.

Certification bodies highlighted that audit report in most certification systems focussed on presenting the assessment of compliance, rather than a detailed analysis and interpretation of the findings that might be expected in a program evaluation report or continuous improvement review.

Several issues need to be considered in relation to this feedback. First, there is a need to manage expectations about what an audit report should cover (and what it does not cover), and second, the need for clearer guidelines on the minimum reporting requirements. Based on feedback from service providers, the minimum requirements for reporting against each KPI should include:

- S** rating of compliance / non-compliances (see Section 2.5)
- S** brief description of the main evidence used to reach the assessment ( identifying the level of evidence - policy and procedures; awareness of policies and procedures; implementation; records of outcomes, consumer feedback on outcomes) (see Section 2.2);
- S** where relevant, suggestions for addressing identified non-conformities.

- **opportunities for feedback on the written audit report**

There appeared to be some confusion about opportunities for feedback on the written audit report. While most services were given an opportunity to comment of the draft report, some service providers perceived that they would have an opportunity to discuss, and where relevant, change the ratings, by providing additional evidence before the final report was completed.

Certification bodies indicated that this was not the intention as any “bargaining” over the assessments would undermine the integrity of the system.

It appears that at the written report stage, a distinction needs to be drawn between the assessments made by the audit team (which are not negotiable), and the clarity and depth of evidence presented in the report to support the assessment (which are negotiable).

- **consistency with verbal report**

Two service providers raised concerns about inconsistencies between the verbal report at the exit meeting and the written report, without explanation. This directly contradicts Procedure 18 which requires an explanation of any difference from the between the verbal report at the exit meeting and the written report.

- **confidentiality**

One service felt customers were too identifiable in the written audit report and this was a problem as they wanted to release the report as a public document.

## 5.6 Other procedures in the full audit cycle

Due to the scope of the trial, a number of elements of the full audit cycle were not tested. These included:

- **complaints and appeals mechanisms**

Three levels of complaints and appeals mechanisms were available during the trial:

- S Certification bodies had internal mechanisms for dealing with complaints and appeals about certification decisions;
- S JAS-ANZ had a mechanism for handling complaints and disputes about certification bodies accreditation and certification audits (including complaints taken by a certification body on whether or not to grant certification)
- S JAS-ANZ had a mechanism for handling appeals from certification bodies about accreditation decisions.

However, no complaints or appeals were lodged during the evaluation, so it was not possible to assess the appropriateness and effectiveness of these mechanisms.

What the evaluation did highlight was a number of instances where a complaint or appeal should have been made, on the basis of the claims made by a service providers. Examples included:

- S a lack of audit planning and preparation which impacted on the conduct of the audit (these concerns were raised in a letter to FaCS, but the service provider did not use the available complaints and appeals mechanisms). JAS-ANZ observed that in this situation, the certification body should have been more proactive in responding to the complaint, even though they only received the concerns second-hand.
  - S a change of ratings between the exit meeting and the written report without explanation
  - S strong disagreements with the evidence basis of audit assessments.
- **closing of non-conformities**  
There was no formal mechanism in the trial for service providers to submit evidence of corrective actions to certification bodies to allow non-conformities to be closed.
  - **decisions on certification**  
Certification body personnel not involved in the audit are required to make the decision regarding certification on the basis of the audit report. However during the evaluation, no certification body had completed this step and so information was not available on the appropriateness and effectiveness of these mechanisms.
  - **surveillance audits**  
The certification body is required to carry out periodic surveillance audits of certified services to verify that they continues to comply with the certification requirements. Procedure 18 suggested annual surveillance audits. However, as this step was beyond the scope of the trial, no evidence was available on the appropriateness of this suggested timing.
  - **re-assessment audits**  
Re-assessments are certified services are intended to be undertaken every three years. However, as this step was beyond the scope of the trial, no evidence was available on the appropriateness of this suggested timing.

## 5.7 Quality control of audit procedures

As previously indicated in Section 3.1, trial participants expressed strong confidence that appropriate certification bodies were chosen to undertake the trial audits. Service providers highlighted the independence of the certification bodies, and their confidence that JAS-ANZ ensured appropriate control over the quality of accredited agencies. In addition, FaCS reported that, as the regulator of the Standards, they were satisfied with the professional relationship that had been developed with JAS-ANZ.

A small number of trial participants raised issues relating to the quality control role of JAS-ANZ in the trial. The main issues were:

- **instances of perceived inconsistencies in JAS-ANZ’s application of Procedure 18**

Examples were cited where it was perceived that different JAS-ANZ auditors interpreted part of Procedure 18 differently. Examples included raising non-compliances in relation to:

**S** the role of the consumer technical specialist / technical expert in the consumer consultation. It was reported that one JAS-ANZ auditor interpreted this as meaning the consumer technical specialist was required to ask all the questions, whereas other JAS-ANZ auditor only required an active role of the consumer technical specialist.

**S** the role of consumer technical specialist in the review of findings. It was reported that the required level of participation varied between the witnessed audit of one certification body (where two different JAS-ANZ auditors were used).

It should be noted that these perceived inconsistencies may relate to the lack of clarity in the role of the consumer technical specialist in the trial and in Procedure 18 (see Section 3.2).

- **impact of JAS-ANZ presence on witnessed audits**

A number of service providers and one certification body raised concerns about the “intrusive” nature of the JAS-ANZ presence at the audit, particularly for small services. This was related to the large number of people associated with witnessed audits (up to seven at one site).

One certification body raised concerns that they did not received an audit plan from JAS-ANZ and were not provided with an opportunity to negotiate their role and method of operation in the audit.

- **feedback to consumer technical specialists / technical experts**

One certification body raised concerns that JAS-ANZ provided feedback to the consumer technical specialists without the lead auditor being present. This was seen as restricting their ability to act on the feedback or present additional evidence.

A number of certification body lead auditors raised commented on the “blunt” feedback given to consumer technical specialists by JAS-ANZ about their performance in the audit. They believe the feedback should have taken greater account of the relative inexperience of some consumer technical specialists. However, it is important to note that no consumer technical specialists raised these concerns to the evaluators.

## 5.8 Conclusions

JAS-ANZ assessed the auditing procedures used by certification bodies recommended for accreditation, as broadly meeting professional auditing standards. In addition, service providers and consumers were generally satisfied that the procedures were rigorous and suitable to a wide range of service contexts.

However as highlighted in the previous sections, a large number of specific areas for improvements in the procedures were identified. These improvements have implications for:

- **audit duration**

Certification bodies tended to under-estimate the required time for an audit, although this may have been an artefact of the trial. However, the factor-of-three variation in the intensity of resource employed by different certification bodies highlights the need for greater consistency in audit duration. As a result, Procedure 18 should include specific guidelines on minimum audit duration, paying particular attention to the time required for:

- planning appropriate and effective consumer consultations
- ensuring adequate on-site time to complete the assessment against all 12 Standards, report the findings, and receive feedback from the service provider and consumer representatives.
- preparing a written report with sufficient content to adequately inform service providers of the main evidence basis of each non-conformity, and where relevant, possible areas for improvement.

- **audit planning**

JAS-ANZ surveillance audits of accredited certification bodies will need to pay close attention to the adequacy of audit plans, particularly:

- S the adequacy of strategies for consumer participation, taking into account different service types, disability types, culture and religious issues;
- S the basis on which the planned sample size of consumers is justified (eg formula for use with a homogenous consumer population, and approaches to stratification to address variations in the profile of the consumers);
- S evidence of input from the consumer technical specialist / technical expert in determining the consumer consultation methodology;
- S the extent to which a through document review is undertaken and the results fed back to the service provider before the on-site assessment.

- **training and professional development**

Further training and professional development will promote greater consistency in the rigour of the audit procedures used and the interpretation of the evidence collected against the Standards. Future development of background materials, orientation training and professional development activities should ensure information is available on:

- S the policy and program context of each Standard to ensure the scope and focus of the Standard is unambiguous (see also Section 4.3);
- S innovative and flexible methods for consumer consultations;
- S best practice in consulting with clients with intellectual disabilities and communication disabilities;
- S issues to consider in selecting a representative sample of consumers;
- S best practice in ensuring integrated teamwork between the lead auditor and consumer technical specialist / technical expert.

- **‘Ethics guidelines’ for the conduct of certification audits against the Disability Service Standards**

JAS-ANZ and certification bodies recognised that Procedure 18 can not be expected to cover all of the specific details of audit procedures, and that additional guidelines could be provided through an accompanying “code of practice’ or ‘ethics guidelines’. The focus of these guidelines should be on ensuring a consistent approach to ethical and professional issues not explicitly covered in Procedure 18. Relevant issues to cover in the guidelines would include:

- S selection procedures that appropriately address the differential support costs of team members with a disability and the potential for indirect discrimination;
- S processes for obtaining a representative sample of consumers which respect consumers’ right not to be involved and the confidentiality and privacy of consumers’ participation decision;
- S the use of “opt-out” consent methods to allow audit teams restricted access to consumer files;
- S the process for promoting available complaints mechanisms to service providers and participating consumers.

- **Role of Consumer Training and Support agencies**

The evidence from the trial suggests that there is a role for mechanisms which support consumers in preparing for the audit and supporting their participation in the audit. However, the significant variations in the success of using the currently funded Consumer Training and Support agencies in the audits suggests the need for a comprehensive review of this mechanism in relation to the new QA system.

Consistent with the focus of the QA system, the priority for any new mechanism should be on assisting service providers meet their responsibilities under Standard 3 - namely

- S having suitable processes for communicating with and educating all consumer about the audit process and the new QA system,
- S collecting regular consumer feedback in relation to the Standards which is credible and independent, and acting on this feedback;
- S actively promoting and implementing measures that support the participation of consumers in the audit process.

As such, any mechanism should have sufficient flexibility to meet the diverse range of contexts of service providers.

## 6 Results of the audits

Are the audit results credible and useful and do they improve stakeholder confidence in the quality of services?

This section examines the results of the certification audits of the participating service providers (Section 6.1) and the accreditation audits of the six certification bodies (Section 6.2).

In presenting these results, the focus of the evaluation is on trial participants' perceptions of the credibility and utility of the audit findings, as a key indicator of stakeholder confidence in the new QA system.

### 6.1 Accreditation audits

Five of the six (83%) certification bodies which participated in the trial were recommended by JAS-ANZ for accreditation, subject to specified conditions (Table 6.1). The nature of these conditions means that of the five certification bodies recommended for accreditation,

- two will need to submit corrective action plans to JAS-ANZ to demonstrate evidence of the closure of identified minor non-conformities;
- one will need to submit corrective action plans to JAS-ANZ as well as submitting an appropriate audit plan from their first post-trial audit;
- two will need to submit corrective action plans to JAS-ANZ as well as being re-witnessed to address non-conformities at their first post-trial audit.

**Table 6.1: Accreditation audit recommendations**

<i>Recommendation</i>	<i>Conditions on recommendation</i>	<i>Number of certification bodies</i>
Accreditation (conditional 1)	<ul style="list-style-type: none"> <li>• subject to closing specific non-conformities through corrective action (does not require on-site assessment to close)</li> </ul>	2
Accreditation (conditional 2)	<ul style="list-style-type: none"> <li>• subject to closing specific non-conformities through corrective action (does not require on-site assessment to close)</li> <li>• subject to closing additional non-conformities at first post-trial audit (does not requires JAS-ANZ witness of audit)</li> </ul>	1
Accreditation (conditional 3)	<ul style="list-style-type: none"> <li>• subject to closing specific non-conformities through corrective action (does not require on-site assessment to close)</li> <li>• subject to closing additional non-conformities at first post-trial audit (requires JAS-ANZ witness of audit)</li> </ul>	2
Not accredited		1
<b>TOTAL</b>		<b>6</b>

The specific minor non-conformities that have to be addressed by the certification bodies recommended for accreditation generally relate to deficiencies in their management systems against the requirements of Procedure 18.

Certification bodies indicated that corrective action for these non-conformities were relatively straightforward, and reflected the “newness” of their work in this area..

Apart from certification bodies, other trial participants were not aware of the results of the accreditation audits and therefore could not comment on their credibility. However, as highlighted in Section 5.8, the vast majority of participants recognised the mandate of JAS-ANZ to conduct the accreditation process, and supported their independence and quality control procedures.

However, the large number of observations about areas improvement of certification bodies, identified not just by JAS-ANZ but by service providers and consumers, mean that certification bodies recommended for accreditation are still a considerable distance from achieving best practice in the new QA system.

Ongoing surveillance and re-assessment by JAS-ANZ will be a critical factor in the future success of the QA system. It is important to note that several JAS-ANZ lead auditors highlighted the fact that the service providers in the trial were all “self-selected” and that future audits may present more significant challenges for certification bodies.

## 6.2 Certification audits

### 6.2.1 Certification results

Out of the 23 service provider organisations in the trial, about one-quarter (26%) were assessed to be eligible for immediate certification, pending the outcome of the trial, on the basis of being assessed as complying with all 12 Standards (Table 6.2).

The remaining organisations were assessed as needing varying degrees of corrective action to be eligible for certification. Almost two-thirds (65%) of the service providers in the trial had to address minor non-conformities within six months to be eligible for certification. However this includes almost one-third (30%) of the service providers who needed to address minor non-conformities on the majority of the Standards.

Two organisations (9%) received major non-compliances and would not be eligible for certification without a successful re-assessment.

**Table 6.2: Results of the certification audits**

Certification audit result	Description	Number of service providers <sup>1</sup> (n=23)
Eligible for immediate certification	Assessed as complaint on all 29 KPIs	26% (6 organisations)
Eligible for certification only if 1-2 minor non-conformities addressed within six months	Minor non-conformities found against 1 or 2 Standards	13% (3)
Eligible for certification only if 3-4 minor non-conformities addressed within six months	Minor non-conformities found against 3 or 4 Standards	22% (5)
Eligible for certification only if more than 6 minor non-conformities addressed within six months	Minor non-conformities found against the majority of Standards (>6)	30% (7)
Not eligible for certification without reassessment	Major non-conformities on any standard	9% (2) <sup>2</sup>

1: These results include the rating made by the certification body that was not recommended for accreditation

2: Included one organisation that had non-conformities against all 12 Standards, and an organisation that had non-conformities against 3 Standards



Interestingly, the pattern of the certification results broadly correlated with the service providers' previous experience in relation to quality assurance and quality management systems (Table 6.3). However, the services eligible for immediate certification included examples from all levels of previous experience.

On all other variables, there was no obvious correlation between the certification audit results and the type of services being audited including open- and supported-employment services; metropolitan and rural/remote services; single-site and multi-site services; and services working with different disability types.

**Table 6.3: Relationship between experience with quality assurance and certification results**

Service provider's self-assessment of experience in relation to quality assurance	Average (median) number of Standards assessed as non-compliant	Proportion eligible for immediate certification
Beginning (n=7)	6.0 (8)	14%
Intermediate (n=7)	2.9 (3)	28%
Advanced (n=5)	0.6 (0)	60%

The pattern of certification audit results also varied between certification bodies (Table 6.4). Two certification bodies found very few (or in one case none) non-conformities, whereas another two certification bodies found on average around eight non-conformities at their audit sites. It was interesting to note that the certification body with the high rate of finding non-conformities, also applied the greatest intensity of resources to audits as measured by total audit team hours. However, JAS-ANZ did not make any observations that particular certification bodies were either "easy" or "hard markers".

**Table 6.4: Relationship between certification body and certification results**

Certification body (n=number of audits)	Average (median) number of Standards assessed as non-compliant	Proportion eligible for immediate certification
Certification body 1 (n=3)	0 (0)	100%
Certification body 2 (n=4)	1 (0.5)	50%
Certification body 3 (n=3)	2 (3)	33%
Certification body 4 (n=3)	6 (3)	0%
Certification body 5 (n=4)	6 (7)	0%
Certification body 6 (n=4)	8 (8.5)	0%

## 6.2.2 Results against standards

Detailed results of the certification audits against each of the 12 Standards and 29 KPIs are presented in Table 6.5. In addition, details of the specific reasons for non-compliance or compliance are summarised in Attachment 4.

In the light of the findings in Section 2 on the lack of clarity around certain of the KPIs, it is difficult to interpret Table 6.5 as a comprehensive indicator of sector-wide quality. For example, positive assessments against Standards 5 and 6 and KPI 12.2 are thought to partly reflect the broad concepts used in the current KPIs. In addition, the negative assessment that only 38% of services had an adequate management system, could reflect the high expectation of certification bodies who have extensive experience in auditing quality management systems as part of ISO 9000 certifications.

The ongoing challenge arising from these results is the need for an appropriate benchmarking process to better define the specific attributes of good practice under each KPI to enable the monitoring of sector-wide strengths and weaknesses.

**Table 6.5: Results of the certification audits against the Standards**

<i>Standard</i>	<i>KPI</i>	<i>Proportion of service providers assessed as meeting the KPI</i>	<i>Proportion of service providers assessed as meeting the Standard</i>
Standard 1	1.1	54%	<b>50%</b>
	1.2	67%	
Standard 2	2.1	75%	<b>46%</b>
	2.2	63%	
	2.3	75%	
Standard 3	3.1	83%	<b>79%</b>
	3.2	92%	
Standard 4	4.1	71%	<b>71%</b>
	4.2	96%	
Standard 5	5.1	92%	<b>83%</b>
	5.2	83%	
Standard 6	6.1	88%	<b>83%</b>
	6.2	96%	
	6.3	88%	
Standard 7	7.1	75%	<b>50%</b>
	7.2	71%	
	7.3	58%	
Standard 8	8.1	46%	<b>38%</b>
	8.2	71%	
	8.3	38%	
Standard 9	9.1	55%	<b>55%</b>
Standard 10	10.1	83%	<b>65%</b>
	10.2	65%	
	10.3	83%	
Standard 11	11.1	96%	<b>75%</b>
	11.2	83%	
	11.3	83%	
Standard 12	12.1	71%	<b>71%</b>
	12.2	92%	

## 6.3 Perceived credibility and utility of the audit results

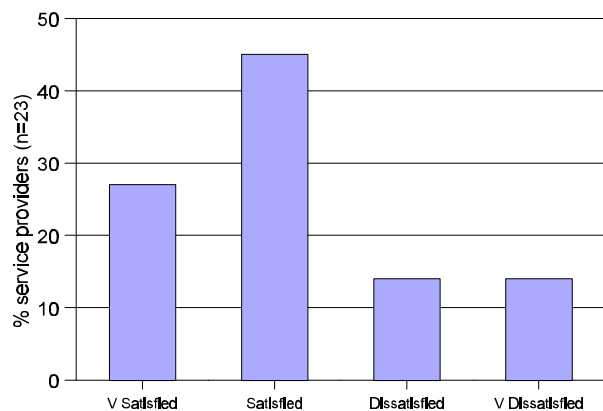
A key indicator of stakeholder confidence in the new QA system is participants' perceptions of the credibility and utility of the audit findings.

Overall, almost three-quarters (74%) of the participating service providers were satisfied that the audit results were credible. These service providers commented that the results broadly reflected their main strengths and weaknesses, and they accepted the challenge of addressing the non-conformities.

*“It highlighted a number of areas we are not strong in and we felt the assessment revealed some valid gaps.”*

*“The assessment was fair, both affirming our strengths and noting areas for improvement.”*

**Figure 6.1: Service providers' perceptions of the credibility of audit results**



However, around one-quarter (26%) of the participating service providers raised concerns about the credibility of the results. All these providers either received a large number of non-compliances in their audit or had strong concerns about the rating they received on one particular Standard. Examples of the specific concerns raised by these providers include:

- **Standard 1** - *“We had documentation to say we consider all people who apply equally but this was deemed not sufficient as we didn’t know the demographics of the area when asked.”*
- **Standard 2** - *“We provide private training plans but they are not documented.”*
- **Standard 3** - *“Getting consumer involvement in policy and procedure development is difficult given that a substantial number can’t speak and have severe intellectual disabilities - they have worker committees.”; “The auditors didn’t have time to look at training videos that we have.”*
- **Standard 4** - *“One client said there was abuse in the agency, this was the first I had heard of it.”*
- **Standard 7** - *“Clients said they didn’t know about how to make a complaint - but we have policies and procedures that deal with complaints - the auditors should have asked to see them.”*
- **Standard 11** - *“I believe we do this very well - auditor did not interview any of my staff, only me.”*
- **Standard 12** - *“This was a harsh call - we were said not to do enough to prevent people who exhibit challenging behaviour disrupting fellow employees - we do have policies and procedures in place.”*

Many of these comments highlight differences between the certification body’s and service provider’s perceptions of required outcomes. For example, the difference between having a complaints procedure and consumers actually being aware of it.

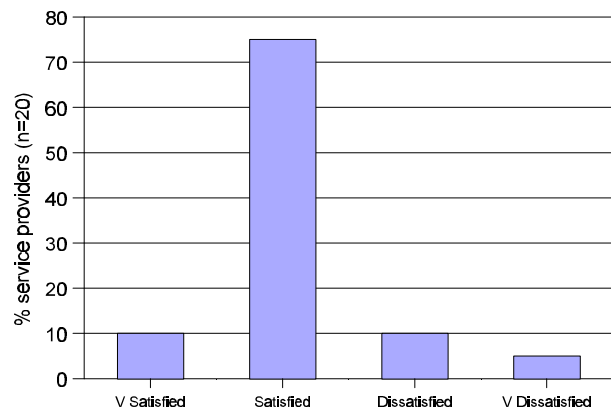
While the overall results of the credibility of the audit findings are encouraging for a trial, they also highlight the importance of service provider’s understanding of the requirements of quality assurance.

Positively, 80% of participating service providers expressed satisfaction with the utility of the audit result, citing relevant feedback on key areas for improvement. In most cases, these service providers were satisfied that the audit helped to identify the areas where they needed to make improvements before being eligible for certification.

*“The audit results provided us with a bit of an agenda for what we need to fix.”*

*“A number of [the audit team’s] suggestions for improvement were very useful, and we feel confident that we will be able to address the areas of non-compliance.”*

**Figure 6.2: Service providers’ perceptions of the utility of the audit findings**



Many of these suggestions for improvement related to documenting processes and better management of key procedures.

A number of satisfied services also commented that the audit findings served to confirm what they had suspected about their policies and procedures.

*“The areas highlighted for improvement were pretty predictable but helped to point us in the right direction.”*

A small number of service providers (15%) indicated that the audit findings were of limited use. These were all larger organisations with complex management systems. They felt that the suggestions and observations made in the audit report were:

- **superficial** - in that they did not appear to be based on a detailed analysis of the organisations strengths and weaknesses;
- **impractical or naive** - in that they failed to take account of the complex nature of the management systems in the organisation.

More generally, a number of other service providers would have liked more direction and detail on the corrective action required to address non-conformities. However, they also appreciated that such assistance may lay outside the scope of the audit.

## 6.4 Applicability of audit results in different contexts

Across the 22 service providers who participated in the trial, the results of the certification audits were found to be credible and useful across a wide range of service types and arrangements including open- and supported-employment services, metropolitan and rural/remote services, single-site and multi-site services and services working with a range of disability types.

However, there was inadequate evidence from the trial to reach clear conclusions about the appropriateness and effectiveness of the new system in a number of specific areas:

- government services** (namely CRS Australia)  
The trial demonstrated that certification audits could be appropriately undertaken at individual CRS sites, with similar strengths and weaknesses as non-government / private sector sites. However, it was unclear what impact the full QA system would have on CRS as the trial covered only one-quarter of the sites needed for a full certification audit.
- large multi-site organisations**  
It was unclear from the trial whether the formula used for calculating the required sample of sites for audits of large multi-site organisations would be adequate in the roll-out of the QA system. Under this formula, a 25 site service would require nine years to ensure all sites had been assessed (Table 6.6).

No evidence was available from the trial on the impact on stakeholder confidence of visiting a sample of sites, rather than ensuring coverage of all sites.

**Table 6.6: Estimated time period to ensure all sites visited at least once during audits**

Type of service	Sampling requirements for multi-site audits	Estimated time period to ensure all sites visited at least once during audits
Head office and 10 remote sites	Initial: HO + 4 remote sites (1 random) Surveillance: HO + 2 remote sites (1 random) Re-assessment: HO + 3 remote sites (1 random)	5 years
Head office and 25 remote sites	Initial: HO + 5 remote sites (2 random) Surveillance: HO + 3 remote sites (1 random) Re-assessment: HO + 4 remote sites (1 random)	9 years
Head office and 180 remote sites	Initial: HO + 14 remote sites (4 random) Surveillance: HO + 9 remote sites (3 random) Re-assessment: HO + 11 remote sites (3 random)	21 years

- state-government funded non-employment services**  
The trial demonstrated that certification audits could be appropriately undertaken at non-employment services, although the extent of the applicability was not clear because of the small sample in the trial (2 agencies). Even on this small sample, it was clear that a number of the KPIs (and possibly Standards) would require modification in non-employment contexts.

## 6.5 Impact of audits on business operations and consumers

### 6.5.1 Impact of the audit processes on service providers

Service providers generally accepted that the impact of the audit on the service was reasonable, given the importance of certification (Figure 6.3). However, a small proportion (22%) raised concerns, particularly among supported employment services, who cited the drain on staff and management resources during the on-site inspection.

*“We still have to run a business while the audit is running. There were also a large number of observers that created a lot of distraction” (supported employment service)*

All other service providers indicated that the audit impacted on their day-to-day business, but they expected this and felt the disruption was reasonable.

However, the key potential impact identified by service providers - cost - was not tested as part of the trial. For the trial, FaCS paid the certification bodies' charges for the audits, although a number of service providers highlighted the indirect costs associated with the preparation time for the audit. In addition, a small number of services paid external quality assurance consultants to assist with the preparation process.

The vast majority of service providers in the trial accepted the time and costs associated with preparation for an audit as a reasonable internal business development expense. However, a number of smaller providers were concerned at the actual and anticipated costs of getting specialist assistance to help develop their management systems. They indicated that their final assessment of the impact of the QA system could only be made after it was clear what support FaCS intended to provide through the Continuous Improvement Program.

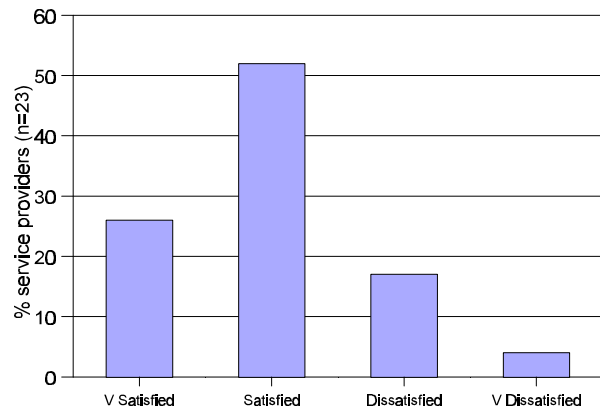
In a similar way, service providers were not able to comment on the likely impact of certification bodies' charges, until information was available on the commercial costs of audits and funding arrangements with FaCS.

A number of service providers who currently participate in ISO 9000 certification programs, indicated that they intended to minimise the cost impacts of the Disability Services Standards audits by trying to combine the two certification processes. A number of the certification bodies in the trial indicated they plan to offer joint ISO 9000 / Disability Services Standards certification programs.

#### ***Impact of the audit processes on CRS Australia***

CRS indicated that it was not possible to comment on the impact of the new QA system on business, as the trial had not involved CRS having to meet the requirements of a multi-site agency under Procedure 18. Under these requirements, the trial audit would have needed to cover at least 13 sites, and may have involved regional offices in at least three states.

**Figure 6.3: Service providers' perceptions of impact of the audit on the service**



## 6.5.2 Impact on consumers

Most participating consumers indicated that their experience of the trial was positive and that they would be happy to participate in future audits, although some qualified these comments by highlighting the need for improvements in the consumer consultation processes (see Section 5.4).

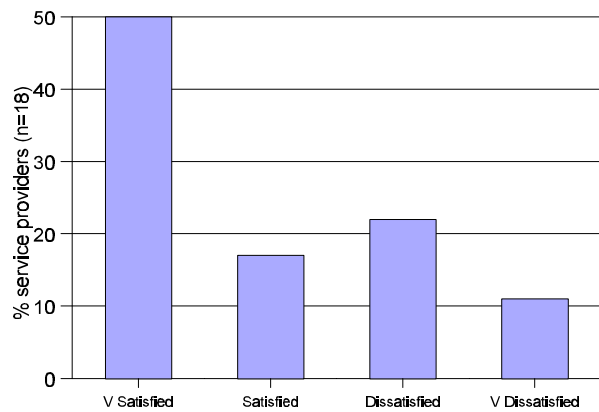
In some cases, consumer satisfaction will ultimately depend on whether they see any changes occur in their service as a result of the audit.

*“If the service providers takes up the recommendations, then I will be very satisfied with the [new QA system].”*

*“If the process has ended, then it is unsatisfactory; if it is continuing and action happens, then it’s done its job.”*

Service providers generally accepted that the impact of the audit on consumers was reasonable, although one-third (33%) raised concerns, particularly among supported employment services and services targeting consumers with intellectual disabilities. The key issue for these service providers was the stress and disruption caused by the audit, although it was recognised that as consultation processes are improved, consumers can be better prepared to minimise any adverse consequences.

**Figure 6.4: Service providers’ perceptions of impact of the audit on consumers**



## 7 Cost impacts of the QA system

This section examines the potential cost impacts of the new QA system compared to the previous system of departmental audits. However, given that the evidence on potential cost impacts is limited by the scope of the trial, the analysis presented in this section should be seen as indicative, rather than a comprehensive cost-benefit analysis. In particular, no analysis is undertaken of the ongoing costs that will be incurred by FaCS in supporting the new QA system such as the involvement of state-based FaCS officers in the continuous improvement program and the complaints and appeals system.

### 7.1 Funding available for the trial

#### 7.1.1 Certification audits

The funding for certification audits during the trial was broken into three components:

- assessment costs - pre-audit planning and preparation; on-site assessment; reporting.
- travel costs - associated with audit teams travelling to conduct on-site assessments.
- support costs for consumer technical specialists (e.g. specialist vehicle hire, carer's wage).

During the trial, assessment costs were funded at \$4,000 for a single-site audit plus \$1,500 for each additional site covered by the audit. For multi-site services, certification audits are required to cover a sample of sites, equal to the square root of the total number of sites.

Travel costs varied from zero (where the service provider selected a certification body who could provide local audit team members) to almost \$6,000. The median travel costs amounted to \$1,500 per audit. Support costs for consumer technical specialists again varied from zero to almost \$3,000, with a median cost of \$500.

While the actual total funding available for certification audits varied from audit to audit, it is possible to provide an indication of the funding available for a typical audit during the trial by using the known assessment costs and the median travel costs and support costs (Table 7.1). On these figures, if the trial had been conducted with all 436 disability employment services (covering 872 sites), the cost of the certification audits would have been \$2.92m. These costs exclude CRS Australia.

**Table 7.1: Indicative funding for certification audits during the trial**

Type of service	Indicative funding for agency audit	Indicative funding for a trial across all disability employment services	
		Number of services	Indicative funding
Single-site service	\$6,000	274	\$1,644,000
Service with 2-4 sites (2 audit sites)	\$7,500	132	\$990,000
Service with 5-9 sites (3 audit sites)	\$9,000	23	\$207,000
Service with 10-16 sites (4 audit sites)	\$10,500	4	\$42,000
Service with 17-25 sites (5 audit sites)	\$12,000	2	\$24,000
Service with 26-36 sites (6 audit sites)	\$13,500	1	\$13,500
		436	\$2,920,500

#### 7.1.2 Accreditation audits

FaCS also provided funding to JAS-ANZ to undertake accreditation audits of certification bodies. Allocated funding for each accreditation audit was of the order of \$10,000 based on two witness audits and a head-office audit for each participating certification body.



## 7.2 Estimated commercial costs of certification audits

To provide a realistic assessment of the adequacy of the funding available for the trial, certification bodies were asked to estimate the commercial costs of each audit undertaken. To facilitate cost comparisons, travel costs and the support costs of consumer technical experts were not included in these calculations.

Across 18 certification audits undertaken by five different certification bodies, only two audits (11%) were found to have lower commercial assessment costs than the trial funding for assessment costs (Table 7.2). For two certification bodies, the average commercial costs per audit were about \$5,200 and \$10,800 higher than the trial funded. For a further two certification bodies, the average commercial costs per audit was of the order of \$1,500 higher than the trial funded.

The main reason for the variations between certification bodies related to the intensity of resources employed. The two certification bodies with the higher commercial costs employed close to three times the total number of audit team hours than other certification bodies.

To a far lesser extent, differences in the rate of payment for consumer technical specialists accounted for some difference, with the daily rating varying between \$350 and \$800 per day.

**Table 7.2: Estimated commercial costs of certification audits**

		Trial funding for assessment costs	Certification body estimate of commercial assessment costs	Difference	
<b>Certification bodies where commercial costs were substantially higher than the trial funding</b>					
Certification body 1	Audit 1	\$5,500	\$9,600	-\$4,100	
	Audit 2	\$4,000	\$9,600	-\$5,600	-\$5,200 (average)
	Audit 3	\$7,000	\$12,800	-\$5,800	
Certification body 2	Audit 1	\$4,000	\$8,548	-\$4,548	
	Audit 2	\$8,500	\$23,755	-\$15,255	
	Audit 3	\$7,000	\$18,048	-\$11,048	-\$10,800 (average)
	Audit 4	\$8,500	\$27,819	-\$19,319	
	Audit 5	\$7,000	\$13,000	-\$4,000	
<b>Certification bodies where commercial costs were higher than the trial funding</b>					
Certification body 3	Audit 1	\$4,000	\$5,780	-\$1,780	
	Audit 2	\$5,500	\$8,345	-\$2,845	-\$1,950 (average)
	Audit 3	\$4,000	\$5,200	-\$1,200	
Certification body 4	Audit 1	\$4,000	\$5,000	-\$1,000	
	Audit 2	\$4,000	\$4,500	-\$500	-\$1,400 (average)
	Audit 3	\$4,000	\$6,000	-\$2,000	
	Audit 4	\$5,500	\$7,500	-\$2,000	
<b>Certification bodies where commercial costs are about equal to the trial funding</b>					
Certification body 5	Audit 1	\$7,000	\$6,050	\$950	
	Audit 2	\$5,500	\$4,050	\$1,450	+\$340 (average)
	Audit 3	\$4,000	\$5,380	-\$1,380	

While the accuracy of these estimated commercial costs was not tested by market forces during the trial, they broadly support the conclusion that the costs of certification audits in any further roll-out of the QA system could be higher than the funding allowed for the trial. Other evidence supporting this conclusion was that:

- a number of trial audits were rushed and would have benefited from additional time and resources;
- many of the suggested areas for improvement arising from the evaluation are likely to require additional resources for audit planning and reporting, particularly related to the involvement of the consumer technical specialist /technical expert;
- the required level of technical expertise demanded of consumer technical specialists /technical experts is likely to be associated with higher daily rates than paid by a number of certification bodies during the trial.

On the other hand, as audit teams gain experience, audit procedures may be streamlined reducing the cost of audits.

***Assumed certification costs for planning purposes***

For the purposes of planning, it was calculated that the certification cost of a single-site service would be \$8,000, rather than the \$6,000 allowed for the trial. The key assumptions in this calculation are presented in Table 7.3.

**Table 7.3: Indicative certification costs for a single site service**

	Estimated costs beyond the trial	<i>Funding available for the trial</i>
Assessment costs		
Lead auditor (3 days @ \$1,100/day)	\$5,700	\$4,000
Technical expert (3 days @ \$800/day)		
Travel costs	\$1,500	\$1,500
Support costs for team member with a disability	\$500	\$500
Certification body accreditation costs <sup>1</sup>	\$300	-
<b>TOTAL</b>	<b>\$8,000</b>	<b>\$6,000</b>

1: In the future, certification bodies are likely to pass on to service providers their accreditation costs covering surveillance audits and re-assessments undertaken by JAS-ANZ. These costs were covered by FaCS during the trial. Assuming each certification body had 50 clients, it is estimated that these costs would be of the order of \$15,000 per year or \$300 per certification audit

In the trial, \$1,500 was available for each additional assessment site. On the basis of 1 additional day for both the lead auditor and technical expert, it was calculated that the costs associated with additional sites would be closer to \$2,000 per site.

A summary of the indicative costs for future certification audits is presented in Table 7.4. These costs should not be interpreted as recommended costs for certification audits, which ultimately will be set by the market. They are solely intended for planning purposes to allow estimates of the potential cost impact of the new QA system.

**Table 7.4: Indicative costs for future certification audits**

Type of service	Indicative costs for future certification audit
Single-site service	\$8,000
Service with 2-4 sites (2 audit sites)	\$10,000
Service with 5-9 sites (3 audit sites)	\$12,000
Service with 10-16 sites (4 audit sites)	\$14,000
Service with 17-25 sites (5 audit sites)	\$16,000
Service with 26-36 sites (6 audit sites)	\$18,000

### 7.3 Cost impacts compared to departmental audits

#### *Departmental audits*

The estimated cost of the current departmental audits was calculated on the basis of data provided by FaCS covering the internal staff resources used and associated support costs. The current QA system involves supporting services with annual self-assessments and conducting 5-yearly departmental audits.

FaCS estimates that each of the 872 service outlets requires 8 staff-days to complete a departmental audit and approximately 2 days per outlet in supporting annual self-assessments. Using standard FaCS costing assumptions, the annual cost of departmental audits is estimated to be approximately \$1.31 million (Table 7.5).

To facilitate comparisons with the new QA system, these costs do not include annual funding for Consumer Training and Support agencies.

**Table 7.5: Estimated annual costs of departmental audits under the current QA system**

Type of service	Annual cost of conducting each departmental audit (at \$720 pa per site) <sup>1</sup>	Annual cost of support self-assessments (at \$770 pa per site) <sup>2</sup>	Estimated annual costs of departmental audits	
			Number of services	Indicative total costs
Single-site service	\$720	\$770	274	\$406,800
Service with 2-4 sites	\$1,440 - \$2,880	\$1,540 - \$3,080	132	\$515,200
Service with 5-9 sites	\$3,600 - \$6,480	\$3,850 - \$6,930	23	\$204,900
Service with 10-16 sites	\$7,200 - \$11,520	\$7,700 - \$12,320	4	\$71,300
Service with 17-25 sites	\$12,240 - \$18,000	\$13,090 - \$19,250	2	\$59,400
Service with 26-36 sites	\$18,720 - \$25,920	\$20,020 - \$27,720	1	\$48,900
			436	\$1,306,500

1: 8 days x 872 outlets = 6,976 staff days per five year cycle or 1,400 days per year. This translates to 5.42 full-time equivalent staff at a cost of \$542,000 per year or \$620 per audit site. Travel costs are estimated at \$500 per site or \$100 per annum.

2: 2 days x 872 outlets = 1,744 staff days per annual cycle. This translates to 6.71 full-time equivalent staff at a cost of \$671,000 per year or \$770 per audit site

#### ***Certification audits under the new QA system***

The estimated cost of certification audits under the new QA system was calculated on the basis of the indicative costs presented in Table 7.4. Under the new QA system, it is proposed that full assessment audits would be conducted every three years, with surveillance audits conducted annually.

It was estimated that the annual costs of certification audits under the new QA system to be approximately \$2.34 million (Table 7.6), close to double the costs of the departmental audits. In addition, it is anticipated that some of the departmental costs under the current QA system would also be borne under the new QA system, possibly under the guise of the new continuous improvement program.

**Table 7.6: Estimated annual costs of certification audits under the new QA system**

Type of service	Annual cost of conducting assessment audits <sup>1</sup>	Annual cost of conducting surveillance audits <sup>2</sup>	Estimated certification audit costs under the new QA system	
			Number of services	Indicative total costs
Single-site service	\$2,700	\$2,100	274	\$1,315,200
Service with 2-4 sites	\$3,300	\$2,700	132	\$792,000
Service with 5-9 sites	\$4,000	\$3,200	23	\$165,600
Service with 10-16 sites	\$4,700	\$3,700	4	\$33,600
Service with 17-25 sites	\$5,300	\$4,300	2	\$19,200
Service with 26-36 sites	\$6,000	\$4,800	1	\$10,800
			436	\$2,336,400

1: The cost of the initial certification assessment and re-assessments were based on Table 7.4. These costs are divided by three, reflecting the fact that these audits are undertaken every three years.

2: The cost of surveillance audits was estimated by certification bodies as approximately one-third of the cost of a full assessment. However, given the innovative nature of the new QA system, it is suggested that a figure of 40% is more realistic during the start-up phase of the system. In addition, it is assumed that surveillance audits would not be undertaken in years where a full re-assessment is undertaken. Therefore each individual surveillance audit would be 40% of the costs in Table 7.4, with the annual cost equal to two-thirds of this amount (two surveillance audits every three years).

### **Cost impact**

As previously highlighted, the cost impact of the new QA system has not been market tested in the trial, and so trial participants had limited feedback on the cost-effectiveness of the new QA system compared to the existing Department-based audit system.

However, while it appears that the cost of the new QA system will be higher, there is strong support for its implementation based on the experiences of the trial. In particular, trial participants highlighted a number of areas where the new QA system is perceived to offer significant additional value compared to the current departmental audits. The key areas are:

- **objectivity and independence**  
Trial participants indicated that external audits undertaken by accredited certification bodies offered significant value because they were perceived by the different stakeholder groups as more objective, credible and transparent than departmental audits;

- **potential for greater rigour and consistency between audits**  
Many service providers felt that the use of accredited audit teams offered the potential for greater rigour in audit procedures and therefore improved consistency in audit results;
- **involvement of consumers in the audit process**  
The integrated involvement of a person with a disability as part of the audit team was seen by service providers and consumers as adding significant credibility to the new QA system;
- **focus on service quality**  
The assessment framework of the new QA system was perceived as having a clearer focus on service quality and outcomes, than the current departmental audits. There was strong support for the reduction in the number of KPIs from over 100 under the current departmental audits to 29 under the new QA system. This allowed a focus on the core requirements and outcomes of each Standards rather than a long checklist of processes;
- **level playing field**  
Service providers supported the common assessment framework across all service types rather than the current system of certain KPIs only applying to minimum, enhanced and eligibility level services.

However, there were a number of areas where participants indicated that the certification audits conducted during the trial did not consistently deliver as good a value as departmental audits. These were:

- **technical expertise in disability issues**  
At some audit sites, service providers commented that departmental auditors were more familiar with the Standards and service delivery issues than external auditors;
- **scope of consumer consultations**  
At some audit sites, it was felt that the departmental audits utilised more comprehensive and representative consumer consultation methods than those used during the trial.

Where these issues were raised, the service provider noted that they reflected the need for improvements in the new QA system, rather than a summary assessment of the added value of the new system.

#### ***Implications for a FaCS funding arrangements***

In theory, the proposed QA system could accommodate the full range of FaCS funding arrangements, by requiring that only certified service providers be eligible to apply for or receive government funding.

In practice, the trial provided no evidence on the practicality or issues that would need to be addressed in implementing this requirement. In fact, the funding /cost impact of the QA system on service providers was not tested as part of the trial, because FaCS paid the certification body's charges for the audit, and the results of audits were not linked to future funding.

In any roll-out of the new QA system, issues of funding will need to be considered in the light of the proposed milestones and processes for certification (see Section 9).

## 8 Overall assessment

This section summarises the main findings from the evaluation and presents our overall assessments across the Terms of Reference and recommendations for improvement.

### *What did the trial demonstrate?*

The trial successfully demonstrated that the new QA system could provide a robust and credible system for objectively measuring the extent to which disability employment services comply with the Disability Services Standards.

On the basis of the trial, stakeholders can be confident that, with identified refinements, the quality assurance procedures under the new system will be adequate for ensuring::

- only appropriate organisations are accredited to undertake certification audits;
- accredited certification bodies that meet all the requirements of Procedure 18 will undertake audits which are rigorous and suitable for the sector;
- accredited certification bodies deliver audit reports which are credible and useful to service providers;
- only disability employment services which deliver quality services to a level defined by the Disability Services Standards are recommended for certification;
- that service providers and consumers have confidence in the integrity of the new QA system.

The trial demonstrated that these results could be achieved for a range of service types and arrangements including both open- and supported-employment services, metropolitan and rural/remote services, single-site and multi-site services and services working with a range of disability types.

However, the trial also highlighted a number of areas where the proposed quality assurance procedures need to be refined to ensure greater consistency across the diversity of service types and arrangements (see below). There were examples where the implementation of the quality assurance procedures was inadequate, resulting in stakeholder confusion and dissatisfaction with aspects of the new system.

In two specific contexts, non-employment services and CRS Australia, there was inadequate evidence from the trial to reach clear conclusions about the appropriateness and effectiveness of the new system (see Section 6.4).

### *What needs to be improved?*

The main areas for improvement identified from the trial were the need for:

- sector-wide education about quality assurance to ensure different service providers and consumers have similar expectations about the scope and focus of the new QA system (see Section 2.2);
- clarification and refinement of the assessment framework (Standards, KPIs, evidence questions, rating scale) to ensure consistent interpretations of the certification requirements and unambiguous communication on the basis of certification decisions (Section 2.6);
- clarification and integration of the role of consumer technical specialists / technical experts as part of audit teams to ensure no team members has a role that is, or could be perceived to be, tokenistic (Section 3.2 and 3.3);

- access to orientation training and ongoing professional development for audit team members to ensure audit procedures are based on identified best practice (Section 3.4);
- comprehensive and tailored audit planning to ensure that the available audit resources take account of the specific service type, customer profile, management system complexity and issues of the service provider seeking certification (Section 5.2);
- more rigorous and suitable methods for consumer consultations to ensure that feedback from participating consumers is representative and comprehensive (Section 5.4);
- increased audit resources allocated to exit meetings and preparation of the written audit report to ensure improved communication of audit results to service providers and consumers (Section 5.5);
- clarification of the link between the new QA system and continuous improvement initiatives to ensure appropriate support is available to service providers to prepare for certification assessments and to address identified areas of non-compliance (Section 4.1);
- increased service provider resources allocated to consumer participation strategies to ensure a high level of consumer interest and capacity to participate in the QA system (Section 4.2).

***What areas need further investigation?***

There was inadequate evidence from the trial to reach clear conclusions about the appropriateness and effectiveness of the new system in a number of specific areas:

- government services (namely CRS Australia) - The trial demonstrated that certification audits could be appropriately undertaken at individual CRS sites, with similar effectiveness to non-government / private sector sites. However CRS managers indicated that the cost-benefits of the trial audits was relatively low at the organisation-wide level. This may reflect the fact that the CRS audit covered only one-quarter of the sites needed for a full certification audit. As a result, it was unclear from the trial what impact the full QA system would have on CRS
- large multi-site organisations - It was unclear from the trial whether the formula used for calculating the required sample of sites for assessments of large multi-site organisations would be adequate in the roll-out of the QA system. For example, a 25 site service would require up to 10 years to ensure all sites had been assessed.
- state-government funded non-employment services - The trial demonstrated that certification audits could be appropriately undertaken at non-employment services, although the extent of the applicability was not clear because of the small sample in the trial (2 agencies). Even on this small sample, it was clear that a number of the KPIs (and possibly Standards) would require modification to non-employment contexts.

***Will the new QA system be more cost-effective than the current departmental audits***

While a comprehensive cost-analysis of the new QA system was beyond the scope of the trial, it appears that the core costs of the new system will be roughly double that of the current departmental audits.

However, there was strong support from service providers and consumers for this additional investment on the basis of the added-value features of the new system, particularly the potential for greater:

- objectivity and independence through the use of accredited certification bodies;
- rigour and consistency between audits;
- involvement of consumers in the audit process;
- focus on service quality and outcomes;
- fairness in the quality requirements for different service types ('level playing field').

At the same time, trial participants highlighted that this added-value will only be achieved if action is taken on the identified areas for improvement.

***Will the new QA system accommodate a range of FaCS funding arrangements***

In theory, the proposed QA system could accommodate the full range of FaCS funding arrangements, by requiring that only certified service providers be eligible to apply for or receive government funding.

In practice, the trial provided no evidence on the practicality or issues that would need to be addressed in implementing this requirement. In fact, the funding /cost impact of the QA system on service providers was not tested as part of the trial, because FaCS paid the certification body's charges for the audit, and future funding was not linked to the results of audit.

In any roll-out of the new QA system, issues of funding will need to be considered in the light of the proposed milestones and processes for certification (see Section 9)

***What is needed to ensure the success of any roll-out of the new QA system***

On the basis of the evaluation findings, 16 recommendations were developed to address the areas for improvement identified during the trial and to facilitate the successful roll-out of the new QA system. These recommendations were:

**1 Changes to legislation to support formal implementation**

That the Quality and Standards Working Party recommend to the Minister for Family and Community Services that legislation be enacted to use an accredited certification system based on JAS-ANZ Procedure 18 as the basis for future quality assurance of disability employment services.

**2 Further investigation of the impact of the new system on government services (CRS)**

That, in the light of the inconclusive evidence from the trial about the impact of the proposed QA system on government services (namely CRS Australia), the Quality and Standards Working Party convene a sub-committee to investigate outstanding issues, with a view to ensuring all Commonwealth-funded services (government, non-government and private sector) are included under the same QA system.

**3 Flexible roll-out plan**

That FaCS and the Quality and Standards Working Party prepare an implementation plan for the roll-out of the QA system that recognises the varying levels of support needed by different service providers to adequately prepare for certification. To achieve this it is suggested that following the formal introduction of the new QA system, all service providers be required to register their intention to seek certification within a negotiated time period. Following the introduction of the new system, only registered or certified service providers would be eligible to apply for Commonwealth funding. Details of a possible timetable for the roll-out are presented in Section 9.



4 **Continuous improvement initiative**

That FaCS finalise the development of their continuous improvement initiative before the formal start of the new QA system to ensure clear mechanisms are available for supporting service providers to adequately prepare for certification. In finalising the model and strategy, particular attention should be given to:

- S reviewing the continuous improvement tool used in the trial. If this tool is primarily intended to focus on broader issues of quality, then service providers will require an additional “internal audit” tool which is more closely linked to the assessment processes of the audit.
- S mechanisms for providing consultancy services to address weaknesses identified through internal audits or pre-assessment document reviews by certification bodies.

5 **Communication strategy targeting service providers**

That FaCS develop and implement a comprehensive communication strategy for the new QA system targeting service providers. Priority messages for dissemination should relate to the:

- S scope and focus of accredited quality assurance
- S logic of the quality assurance assessment framework
- S link between the QA system and continuous improvement initiatives
- S complaint and appeal mechanisms
- S planned roll-out of the new system.

6 **Communication strategy targeting consumers**

That each service provider develop and implement a communication strategy for the new QA system targeting their own consumers. The quality of this communication strategy should be assessed as one the requirements of Standard 3 in certification audits (see recommendation 15 below).

7 **Review of the assessment framework (Standards / KPIs)**

That FaCS and the Quality and Standards Working Party review the trial assessment framework in the light of the specific evaluation feedback on the logic of the Standards (Section 2.2.2) and the wording of individual KPIs (Section 2.3). To facilitate discussion of proposed changes, a consolidated summary is presented in Table 8.1.

8 **Publishing evidence guidelines**

That FaCS and the Quality and Standards Working Party publish evidence guidelines as a supporting document to the Standards and KPIs which include a comprehensive range of evidence questions and examples of good practice. An example of a possible format for the evidence guidelines is presented in Figure 2.6.

9 **Review of Procedure 18**

That FaCS fund the JAS-ANZ Technical Working Party to review Procedure 18 in the light of the evaluation findings and continue to monitor the need for further updates over the first three years of the roll-out of the new system. Priority areas for the initial review relate to:

- S Clause J2.2.1: separating the definition of the composition of the audit team from the required team competencies - namely

*Audit teams shall include a person with a disability<sup>1</sup>, either as a lead auditor or a technical expert.*

*Audit teams shall have the following technical expertise:*

- . *a detailed understanding of the Disability Services Standards and their application to the type of service being audited;*
- . *knowledge of the industry practices and management systems and their application to the type of service being audited;*
- . *critical insights about and empathy with the experience of people with a disability similar to the customers of the service being audited; and,*

- . detailed understanding and experience of appropriate techniques for engaging and communicating with people with a disability similar to the customers of the service being audited.

*Note 1: A person with a disability is defined as a person who has received or been eligible to receive a service in respect of which financial assistance has been granted to an eligible service providers under the Disability Services Act 1986*

**S** Clause J3.2.1, J3.2.2 and J3.2.3: clarifying the role of the consumer technical specialist / technical expert (see Section 3.5) - namely

*The technical expert shall, as a minimum, have a specific role in:*

- . *planning and preparation of the methods of consumer participation in the audit including input on the choice of consultation processes, instrument design and sample selection. The strategies for consumer participation will be documented in the assessment plan, taking into account different service types, disability types, culture and religious issues;*
- . *engaging with consumers of services during the audit to collect evidence with respect to the Disability Service Standards;*
- . *reviewing consumer files or following-up on issues with consumers;*
- . *contributing to the review of all audit evidence prior to the presentation of the audit findings; and,*
- . *contributing to the written audit report before it is submitted to the client.*

**S** Clause 3.3 / 3.4: explicit references to the definitions of compliance, non-compliance and notifiable issues to be used in audit assessments and reports (see Section 2.5) - namely

*Certification bodies procedures shall ensure assessment of compliance or non-compliance are undertaken against each of the auditable performance indicators that are associated with the Disability Services Standards.*

*Assessments against each auditable performance indicators must be reported as:*

- . *major non-compliance if there is evidence that the requirements of the KPI are NOT being fully met and that major corrective action is required to address the problem. Major corrective action would usually involve a corrective plan and require re-assessment of the service against the performance indicator;*
- . *minor non-compliance if there is evidence that the requirements of the KPI are NOT being fully met and that minor corrective actions are required to address the non-conformity. Such corrective action would need to be completed within six months and evidence presented or observed that the corrective action had been successful.*
- . *compliance if there is adequate evidence that the requirements of the KPI are being fully met*
- . *compliance with observation if there is evidence that the requirements of the KPI are being met, but greater attention needs to be given to particular actions or additional evidence is needed to ensure ongoing compliance*
- . *not able to be audited if there is insufficient evidence to determine compliance or non-compliance.*

*Certification can only be recommended in cases where all auditable performance indicators are assessed and reported as a 'compliance' or 'compliance with observation'*

*Certification bodies are required to report notifiable issues which are defined as evidence or allegations of a serious health, safety or abuse risk, financial impropriety and / or professional misconduct. If such evidence is found or allegations are made, the certification body should record the details of the disclosure, allegation or witnessed event, and immediately notify the service manager and FaCS state/ territory office. The certification body is not responsible for resolving the issue.*

- S** Clause 3.3: that certification bodies be prepared to substantiate or justify the actual sample size used in an audit (See Section 5.4)
- S** specifying requirements for audit duration, paying particular attention to the time required for planning and reporting (see Section 5.8).
- 10 **‘Ethics guidelines’ for the conduct of certification audits against the Disability Service Standards**  
That FaCS work with accredited certification bodies to develop ‘ethics guidelines’ that specifically apply to certification audits against the Disability Service Standards, to ensure a consistent approach to ethical and professional issues not explicitly covered in Procedure 18. Priority areas for the guidelines should include:
- S** selection procedures that appropriately address the differential support costs of team members with a disability and the potential for indirect discrimination;
- S** processes for obtaining a representative sample of consumers which respect consumers’ right not to be involved and the confidentiality and privacy of consumers’ participation decision;
- S** the use of “opt-out” consent methods to allow audit teams restricted access to consumer files;
- S** the process for promoting available complaints mechanisms to service providers and participating consumers.
- 11 **Orientation training**  
That funding arrangements for any future roll-out of the new QA system should include provisions for orientation training for audit team members. While certification bodies have responsibility for the training of audit team members, FaCS-funded orientation training should be used to build consistency in the new program. Planning and content for orientation training should have input from FaCS, certification bodies and peak disability advocacy agencies and cover:
- S** the policy and program context of each Standard to ensure the scope and focus of the Standard is unambiguous;
- S** innovative and flexible methods for consumer consultations;
- S** best practice in consulting with clients with intellectual disabilities and communication disabilities;
- S** issues to consider in selecting a representative sample of consumers;
- S** best practice in ensuring integrated teamwork between the lead auditor and consumer technical specialist / technical expert.
- 12 **Professional development**  
That funding arrangements for any future roll-out of the new QA system should include provisions for professional development of audit team members. Priorities could include funding for:
- S** support for the convening and ongoing running of a professional association of consumer technical specialists / technical experts;
- S** annual workshops for members of the professional associations of lead auditors and technical experts involved in certification audits;
- S** opportunities for consumer technical specialists / technical experts to participate as observers in audits.
- 13 **Competitive market of accredited certification bodies**  
That FaCS encourage additional certification bodies to seek JAS-ANZ accreditation to provide service providers with greater choice and to ensure a high level of responsiveness from

certification bodies to the specific needs and context of individual services. Provisions should be available for FaCS to provide seed funding to certification bodies wishing to trial innovative approaches.

14 **JAS-ANZ surveillance audits**

That JAS-ANZ ensure that surveillance audits of accredited certification bodies specifically investigate and report on adequacy of audit plans, particularly

- S the adequacy of strategies for consumer participation, taking into account different service types, disability types, culture and religious issues;
- S the basis on which the planned sample size of consumers is justified (eg formula for use with a homogenous consumer population, and approaches to stratification to address variations in the profile of the consumers);
- S evidence of input from the consumer technical specialist / technical expert in determining the consumer consultation methodology;
- S the extent to which a through document review is undertaken and the results fed back to the service provider before the on-site assessment.

15 **Supporting consumer participation**

That FaCS and the Quality and Standards Working Party, as part of their current review of Consumer Training and Support agencies, ensure priority is given to mechanism which assist service providers to meet their responsibilities under Standard 3 (Decision making and choice) to involve consumers in all aspects of the new QA system. Particular areas of assistance may include resources for:

- S developing suitable processes for communicating with and educating all consumer about the audit process and the new QA system,
- S collecting regular consumer feedback in relation to the Standards which is credible and independent;
- S promoting and implementing measures that support the participation of consumers in the consultation activities of certification audits with particular consideration given to supporting the participation of “difficult to reach” groups;
- S developing suitable mechanisms for ensuring consumer representation in audit preparation activities (eg internal audits) and certification audit assessment and reporting processes (eg training of a panel of consumer representative who attend the exit meeting and feedback the findings to other consumers).

16 **Monitoring and evaluation**

That FaCS develop a monitoring and evaluation plan for the roll-out phase which includes mechanisms for:

- S ongoing monitoring of service provider and consumer satisfaction
- S annual reviews of progress in the implementation of the new system
- S a mechanism for reviewing and benchmarking the requirements of each Standard and the associated key performance indicators
- S a major evaluation after two years.

**Table 8.1: Possible refinements to the KPIs based on feedback from the trial**

<i>Disability Services Standards</i>	<i>KPI</i>
<b>Service management</b>	
Does the service have the right elements to direct and control the organisation (eg corporate governance, management reviews/internal audits, policies and procedures)	
<i>8. Service management</i>	KPI 8.1
Each agency adopts quality management systems and practices that optimises outcomes for service recipients	The Service has management systems in place that facilitate quality management practices and continuous improvement and which meets the following specific requirements: <ul style="list-style-type: none"> <li>&lt;specific requirements to be developed in consultation with JAS-ANZ, Certification Bodies and service providers&gt;</li> </ul>
<b>Staff recruitment, employment and training</b>	
Does the service have the right staff to do the work	
<i>11. Staff recruitment and training</i>	KPI 11.1
Each person employed to deliver services to the service recipient has relevant skills and competencies	The Service identifies the skills and competencies required of each staff member
	KPI 11.2
	The Service ensures that its staff has relevant skills and competencies
	KPI 11.3
	The Service ensures the provision of appropriate and relevant training and skills development for each staff member
<b>Values and principles</b>	
Does the service have the right approach to working with clients	
<i>1. Service access</i>	KPI 1.1
Each person with a disability seeking a service has access to a service on the basis of relative need & resources	The Service adopts and applies non-discriminatory entry criteria in respect of age, gender, race, culture, religion or disability, relative to the services' mission and contractual agreement with FaCS
	KPI 1.2
	The Service's entry and exit procedures are fair and equitable and consistently applied
<i>4. Privacy, dignity &amp; confidentiality</i>	KPI 4.1
Each service recipients' right to privacy, dignity and confidentiality in all aspects of his or her life is recognised and respected	The Service complies with the Privacy Principles under the Privacy Amendment (Private Sector) Act 2000 in order to protect and respect the rights of individuals
	KPI 4.2
	The Service does not disclose sensitive personal information about service recipients without their informed consent
	KPI 4.3
	The Service promotes tolerance and respect for each service recipients' personal needs and circumstances
<i>12. Protection of human rights and freedom from abuse</i>	KPI 12.1
The agency acts to prevent abuse and neglect and to uphold the legal and human rights of service recipients	The Service takes all practical and appropriate steps to prevent abuse and neglect of its service recipients
	KPI 12.2
	The Service upholds the legal and human rights of people with a disability
<i>6. Valued status</i>	KPI 6.1
Each person with a disability has the opportunity to develop and maintain skills and to participate in activities that enable him or her to achieve valued roles in the community	The service promotes the belief and ability of service recipients to fulfil a valued role in the community
	KPI 6.2
	The service promotes opportunities for individuals to fulfil valued roles in the community
	KPI 6.3
	The service develops and maintains service recipient skills relevant to roles in the community
<b>Service delivery</b>	
Does the Service have the right processes for helping clients to get a job and/or supporting them in a job	
<i>2. Individual needs</i>	KPI 2.1
	Each individuals's employment / career goals are established objectively to reflect their needs and personal goals
	KPI 2.2
	Each individuals's employment / career goals are used as a basis for service provision through the Service undertaking a process of planning, implementation, review and adjustment to facilitate the achievement of these goals

<i>Disability Services Standards</i>	<i>KPI</i>
	KPI 2.3 Services are delivered to meet each individuals's employment / career goals via pathways and plans which do not have any unnecessary restrictions or constraints
3. <i>Decision making and choice</i> Each person with a disability has the opportunity to participate as fully as possible in making decisions about the events and activities of his or her daily life in relation to the service he or she receives	KPI 3.1 The Service provides responsive and flexible opportunities for all individuals to participate in decision-making at all levels including corporate, business and service delivery planning, and individual choices in employment and pre-employment planning
	KPI 3.2 The service acts upon the outcomes of service recipient decision-making
7. <i>Complaints and disputes</i> Each service recipient is encouraged to raise or have resolved without fear of retribution, any complaints or disputes he or she may have regarding the agency or the service	KPI 7.1 The Service encourages the raising of complaints by service recipients regarding any areas of dissatisfaction with the agency or their services
	KPI 7.2 Service recipients have no fear or retribution in raising complaints
	KPI 7.3 The service facilitates the resolution of complaints or disputes regarding the agency or the service by service recipients
10: <i>Service recipient training and support</i> The employment opportunities of each person with a disability are optimised by effective and relevant training and support	KPI 10.1 The Service identifies employment opportunities with service recipients
	KPI 10.2 The Service optimises employment opportunities for service recipients in line with each individual's employment / career goals, without any unnecessary restrictions or constraints
	KPI 10.3 The Service provides or facilitates access to relevant training and support programs that are consistent with the employment opportunities of each service recipients
<b>Service outcomes</b>	
Does the service achieve the right end result for clients	
9: <i>Employment conditions</i> Each person with a disability enjoys working conditions comparable to those of the general workforce	KPI 9.1 The Service ensures that when people with a disability are placed in supported employment that their wages are paid according to a relevant award. Where a person is unable to work for a full award wage due to a disability, the service is to ensure that a pro-rata wage is paid. This pro-rata award must be determined through a transparent assessment tool or process.
	KPI 9.2 The Service ensures that when people with a disability are placed in supported employment that their conditions of employment are consistent with both general workplace norms and relevant federal and state legislation including the Disability Discrimination Act, Occupational Health and Safety legislation and the Federal Workplace Relations Act 1996.
	KPI 9.3 The Service ensures that when service recipients are placed and supported in employment that they and, where appropriate, their carers, are informed of how wages and conditions are determined and the consequences of this
5. <i>Participation and integration</i> Each person with a disability is supported and encouraged to participate and be involved in the community	KPI 5.1 The service contributes to individual employment / career outcomes for service recipients which facilitates their participation and involvement in the community through employment
	KPI 5.2 The service contributes to other non-employment outcomes for service recipients which facilitates their participation and involvement in the community

## 9 Roll-out of the QA system

This section proposes an implementation strategy and time frame for the roll-out of the quality assurance system, based on the conclusions and recommendations in Section 8.

## 9.1 Key milestones and time frame

The proposed milestones and time frame in this roll-out of the new QA system are summarised in Table 9.1 and discussed below.

**Table 9.1: Milestones in the roll-out of the QA system**

Milestone	Time frame
Consultation with the sector on the results of the trial	March 2001 - June 2001
Introduction of the phased implementation of the system	1 July 2001
Changes to legislation to support formal implementation	July 2001 - December 2001
Formal commencement of the system.	1 January 2002
Commencement of fully operational QA system	1 July 2004

### ***Consultation with the sector on the results of the trial***

Service providers expressed a strong interest in feedback on the results of the trial, and it is anticipated that there would be similar interest across the sector.

It is proposed that FaCS undertake a comprehensive consultation process in the period leading up to the end of June 2001, to allow sector-wide input on the trial and the evaluation findings.

### ***Introduction of the phased implementation of the system***

It was highlighted in Section 4.3 that service providers will need different levels of support to prepare for certification depending on the 'maturity' of their management system. As a result, in any future roll-out of the QA system, some flexibility will be needed in the timetable for achieving certification.

To achieve this, it is proposed that the initial implementation of the system be conducted as a phased process commencing on 1 July 2001. At this time all service providers would be required to register their intention to seek certification within a fixed time period. For a small service provider this registration period may last three years, whereas for a large provider with existing ISO 9000 certification, the registration period may only be six months.

It is proposed that:

- the phased implementation of the system be undertaken between 1 July 2001 and 1 July 2004;
- FaCS maintain a register of agencies who have formally indicated that they intend to seek certification within a specified registration period, not greater than 3 years;
- any agency seeking to be listed on the register be prepared to submit documentation verifying their intent (eg Board minutes);

- currently funded service providers be required to register for certification by 1 July 2001;
- other service providers that do not currently receive Commonwealth funding be required to register for certification by 1 July 2002;
- during the period 1 July 2001 to 30 June 2004, only registered or certified service providers be eligible to apply for Commonwealth funding;
- the standard registration period be 18 months, after which time the agency must have been assessed for certification by an accredited certification body, or be removed from the register;
- agencies can apply for an extension of their registration period if adequate evidence is presented to FaCS of progress towards preparing for certification (eg internal audit reports against the Disability Services Standards). However, the maximum registration period is 3 years and all registrations expire on 30 June 2004.
- once an agency has been removed from the register it can not apply for re-registration. The agency would only be eligible to apply for Commonwealth funding after it achieved certification.

During the registration period, service providers would be encouraged to:

- seek assistance from FaCS or quality assurance consultants on developing their management systems and internally auditing their performance of the service against the Standards;
- submit an application for certification to an accredited certification body which includes all relevant documents. A decision on whether to immediately proceed with an on-site assessment would only be made after the document review in the initial application phase. Services assessed as lacking the relevant policies and procedures would be encouraged to seek an extension of their registration period and assistance in developing their policies and procedures.

It should be noted that formal commencement of the system can only occur after changes to legislation are passed by Parliament. It is proposed that the relevant legislative changes be introduced in the Spring 2001 session of Parliament to support formal implementation on 1 January 2002.

#### ***Commencement of fully operational QA system***

After the phased implementation of the system, ending on 30 June 2004, it is proposed that only agencies who are certified be eligible to apply for Commonwealth funding.

However some extension of the registration model will be needed in the fully operational QA system to allow the Commonwealth to fund new services and to deal with situations where a previously certified agency is identified as having areas of major or minor non-compliance at subsequent surveillance or re-assessment audits (see Section 9.2 below).



## 9.2 Milestones in the full audit cycle

A clear set of procedures are needed to guide decisions following certification audits in both the implementation phase (July 1 2001 - 30 June 2004) and fully operational system (after 1 July 2004).

Clearly, where a service provider is found at their initial audit to be fully compliant with all 12 Standards, they would be recommended for certification, and therefore be eligible to apply for Commonwealth funding. Continuing eligibility would be dependent on successful annual surveillance audits and re-assessments every three years.

However the procedures in cases where non-compliances are identified have not been specified to date. Based on feedback from certification bodies and service providers, the main principle that should be applied in these cases, is that services be given time to address identified problems or appeal the decision.

### *Major non-compliance*

It is proposed that when a major non-compliance is reported at an initial, surveillance or re-assessment audit, that:

- the status of the agency immediately changes to (or remains as) a registered provider;
- the agency be eligible for Commonwealth funding for a period of 12 months as long as they:
  - S** submit a detailed corrective action plan within 3 months to the certification body and FaCS;
  - S** undergo a full re-assessment within 12 months to verify that the major non-compliance had been closed
- if the agency disputes the assessment, they must submit a formal appeal against the certification decision within one month of receiving the final audit report. However, if the original assessment stands after the appeal, then services must still meet the standard time frame for actions plans and re-assessments outlined above (ie appeals can not be used to delay the time frame for addressing major non-compliances).
- while a major non-compliance remains open, the agency would not be able to claim they were a certified provider;
- if the major non-compliance is not closed within 12 months, then the agency would be ineligible to apply for Commonwealth funding until such time as they had closed all non-compliances and re-gained certification.

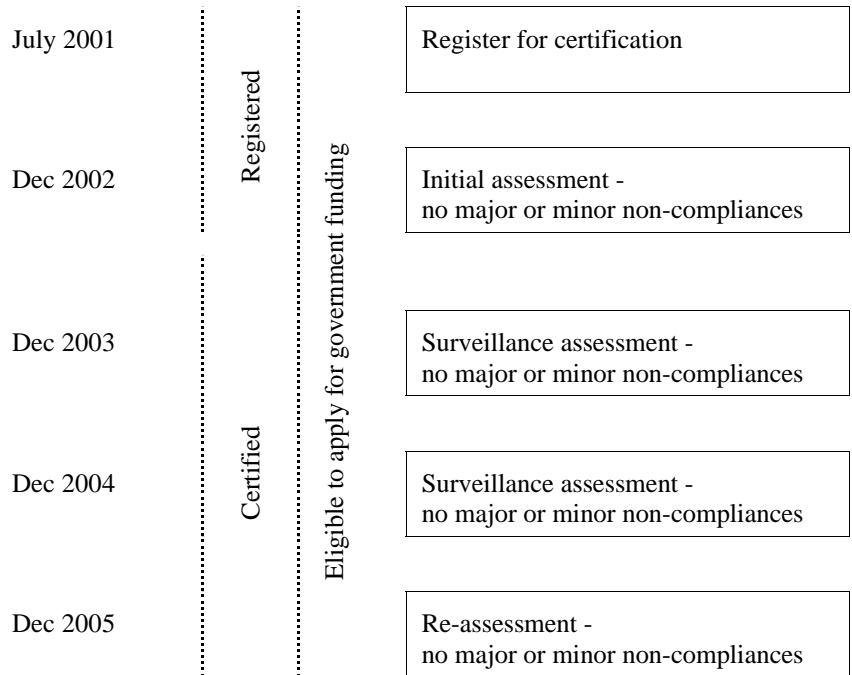
### *Minor non-compliance*

It is proposed that when a minor non-compliance is reported at an initial, surveillance or re-assessment audit, that:

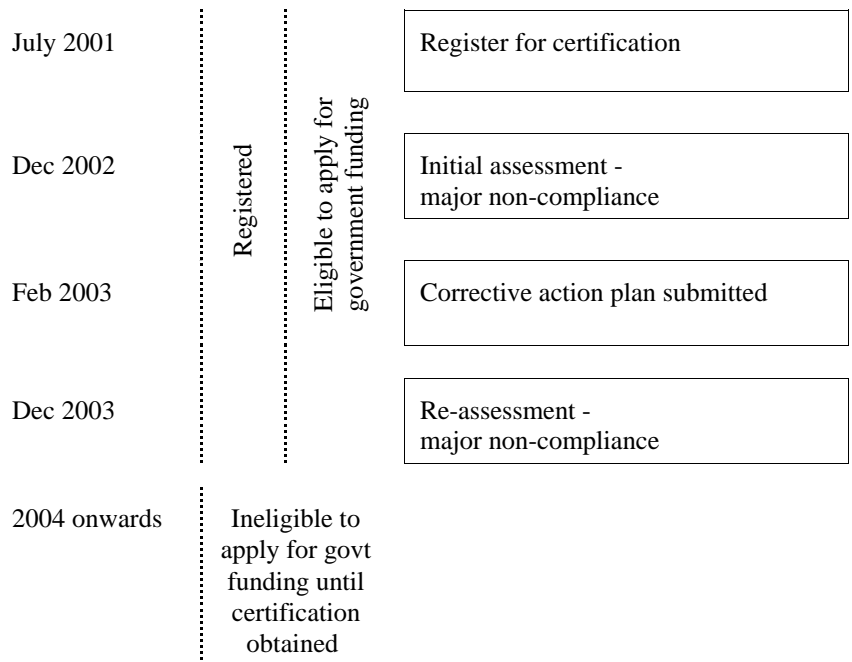
- the status of the agency remain the same (ie previously certified agencies would still be to claim they were a certified provider);
- the agency be eligible for Commonwealth funding for a period of 6 months as long as they:
  - S** submit a corrective action plan within 3 months to the certification body and FaCS;
  - S** submit evidence of corrective action or be re-witnessed within 6 months to allow closure of the minor non-compliance
- if the minor non-compliance is not closed within 6 months, then the agency would receive a major non-compliance from the certification body and be subject to the procedure outlined above.

The implementation of these proposed procedures is illustrated in the following scenarios.

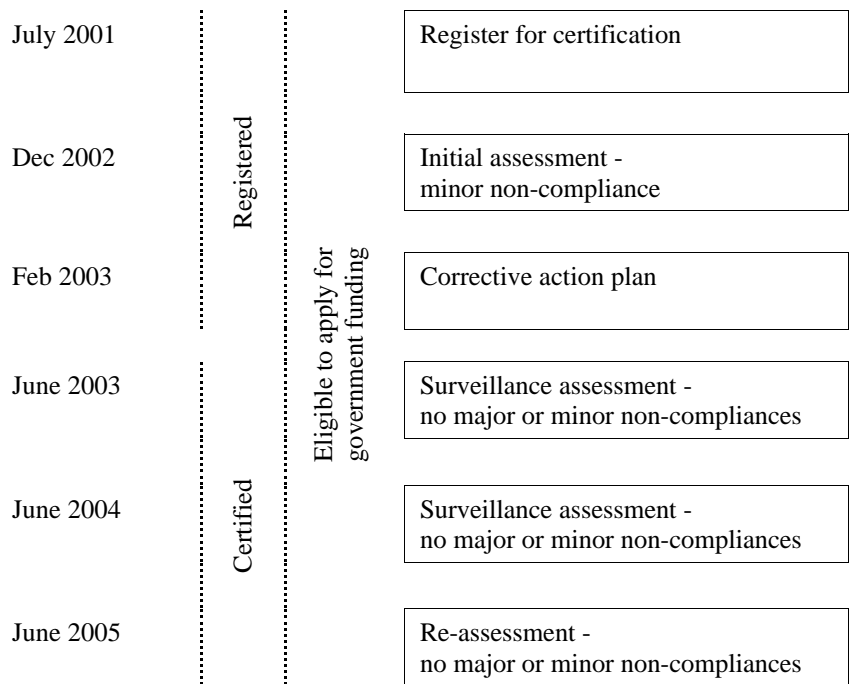
**Scenario 1: No major or minor non-compliances at initial audit  
 No major or minor non-compliances at subsequent surveillance and re-assessment audits**



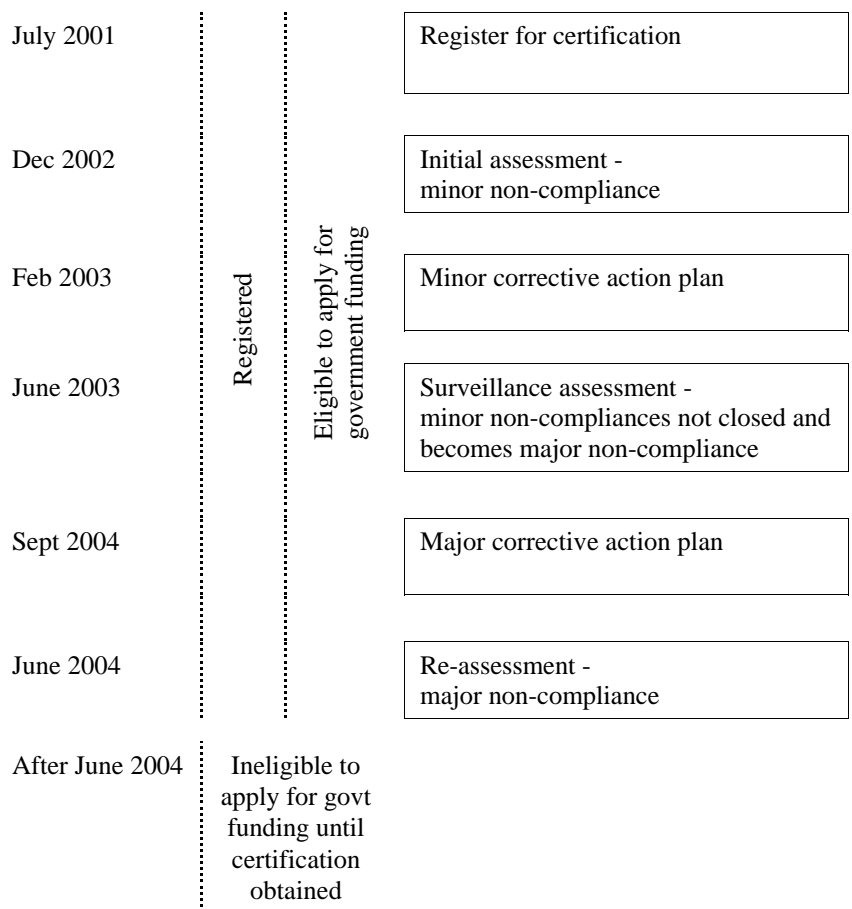
**Scenario 2: Major non-compliances at initial audit.  
 Non-compliance not closed at subsequent re-assessment audit**



**Scenario 3: Minor non-compliances at initial audits.  
Non-compliance closed at subsequence surveillance audit**



**Scenario 4: Minor non-compliances at initial audits.  
Non-compliance not closed at subsequence surveillance audit**



**Attachment 1: Geographical distribution of trial sites**

The sample of disability services for the trial covers all States and Territories except the ACT (Table A1.1), providing a broad geographical coverage of sites across Australia. The distribution of trial sites broadly matches the pattern of services across Australia, with the exception of Queensland.

**Table A1.1: Geographical distribution of trial sites**

	Disability services participating in the trial	Comments
NSW	6	includes part of a multi-site audit (2 audit sites)
Victoria	6	includes part of a multi-site audit (1 audit site)
Western Australia	4	
South Australia	4	
Queensland	2	includes part of a multi-site audit (1 audit site)
Tasmania	1	
Northern Territory	1	
ACT	0	

Similarly, the sample of trial sites covers a diversity of locations including metropolitan, regional / rural and remote sites (Table A1.2).

**Table A1.2: Location of trial sites**

	Disability services participating in the trial	Comments
Urban - capital city	13	<ul style="list-style-type: none"> <li>includes one urban-based agency providing state-wide services</li> <li>includes part of a multi-site audit (3 sites)</li> </ul>
Regional and rural	8	<ul style="list-style-type: none"> <li>includes two agencies with urban head-offices which include a rural site in the audit</li> <li>includes part of a multi-site audit (1 site)</li> </ul>
Remote	2	

The types of disability services participating in the trial vary significantly, largely reflecting the diversity of funded services. Among the 21 disability employment services in the trial, key characteristics include:

- employment service type**  
Approximately 60% of participating services provided open-employment services and 40% supported employment services, although some multi-site agencies provide both.
- disability types**  
The majority of agencies cater for all types of disability, but a number of audit sites provide specialist services including high support need consumers.
- experience with quality systems**  
Five agencies in the trial currently have certified quality management systems, with a further four investigating or developing systems to obtain ISO 9002 certification. A small number of other agencies utilise self-assessment based quality system. The remaining agencies are at varying stages in the development of quality systems.

## Attachment 2: Trial audit timetable

### *Certification Audits*

The timetable for the completion of the 22 certification audits is presented in Table A2.1.

**Table A2.1: Certification audit timetable**

<i>Week ending</i>	<i>Number of audits undertaken during week</i>	<i>Total audits completed (running total)</i>
27 October 2000	1 (1 site of 4)	0
3 November 2000	1	1
10 November 2000	1	2
17 November 2000	4	6
24 November 2000	2	8
1 December 2000	5	13
8 December 2000	2 (includes 1 site of 4)	14
15 December 2000	7 (includes 1 site of 4)	20
22 December 2000	2 (includes 1 site of 4)	22

### *Accreditation audits*

The timetable for these witness audits undertaken by JAS-ANZ is presented in Table A2.2.

**Table A2.2: Accreditation audit timetable**

<i>Week ending</i>	<i>JAS-ANZ witnessing of audits undertaken during week</i>	<i>Total completed (running total)</i>
27 October 2000		0
3 November 2000	1	1
10 November 2000	1	2
17 November 2000	2	4
24 November 2000	2	6
1 December 2000	3	9
8 December 2000	0	9
15 December 2000	2	11
22 December 2000	1	12

## Attachment 3: Evaluation methodology

Key elements of the evaluation methodology related to gathering data about:

- implementation of the trial (Section A3.1);
- experiences and perceptions of service providers who participated in the trial (Section A3.2);
- experiences and perceptions of consumers who participated in the trial (Section A3.3)
- experiences and perceptions of Certification Bodies (Section 3.4);
- experiences and perceptions of JAZ-ANZ (Section 3.5);

It is important to note that the evaluation did not involve the consultants independently testing and assessing the validity and reliability of the performance indicators, performance measurement or compliance judgements reached as part of the quality assurance audits. Such assessments are built into JAZ-ANZ's role in accrediting certification bodies. In line with the Terms of Reference, the evaluators role is to assess the effectiveness and appropriateness of the performance indicators, performance measurement and auditing procedures in the light of JAS-ANZ's and certification body's assessments of their validity and reliability, and service providers' and consumers' experiences and perceptions of the process and outcomes of service audits.

### A3.1 Implementation of the trial

ARTD collected a range of data relating to the implementation of the trial including:

- inputs- trial budget by cost categories;  
sample matrix of service providers participating in the trial (by service characteristics)  
timeframe of audits;  
pattern of audit activities (based on a simple activity log which audit teams will be asked to complete over the course of an audit)
- outputs- 'products' of the accreditation process, such as the JAS-ANZ report on the results of each of the Certification Bodies application for accreditation;  
'products' of the quality assurance audits, such as the Certification Bodies report on the results of each audit.

This data was gathered through:

- a document review covering the policies and procedures for the QA system used in the trial;
- a document review of 40 audits reports completed during the trial covering:
  - S 22 certification audit reports completed by certification bodies
  - S 12 audit team witness reports completed by JAS-ANZ
  - S 6 accreditation audit reports completed by JAS-ANZ.
- audit activity surveys completed by certification bodies (n=20) and JAS-ANZ (n=5) after each audit;

### A3.2 Experiences and perceptions of service providers

Data collection from service providers who participated in the trial included:

- pre-audit telephone interviews with all services to identify their expectations and initial issues regarding the audit, and to assess their views on the adequacy of initial information and communication about the audit process (n=30);

- self-completion survey distributed to all services immediately after the audit to provide an initial opportunity for services to express their views and raise issues about the audit (n=24);
- post-audit telephone interviews with all service providers to identify their experiences and perceptions of the audit processes and outcomes (n=24);
- debriefing workshops held in Adelaide and Sydney attended by 6 service providers.

### **A3.3 Experiences and perceptions of consumers**

Data was collected from consumers of services participating in the trial. In total, interviews were conducted with 35 participating consumers from nine audit sites. Data collection methods included:

- small group discussions (6 sites)
- follow-up telephone interviews (3 sites).

### **A3.4 Experiences and perceptions of certification bodies and audit teams**

Data collection from certification bodies and members of the audit teams will include post-audit interviews with 24 audit team members from certification bodies including lead auditors (n=8), consumer technical experts (n=12) and other technical experts (n=4). Additional semi-structured data about certification bodies' experiences and perceptions was collected as part of four certification bodies teleconference forums.

### **A3.5 Experiences and perceptions of JAZ-ANZ**

Data collection from JAZ-ANZ and members of their audit teams included:

- post-audit interviews with five audit team members from JAS-ANZ including lead auditors (n=3) and consumer technical experts (n=2);
- final debriefing interview with JAZ-ANZ Directors

## Attachment 4: Certification audit results - Specific reasons for non-compliance / compliance

Standard / KPI	Services assessed as compliant (n=24)	Non-compliance issues (Feedback to services rating as "0" or "1")	Compliance 'good practice' (Feedback to services rating as "2" or "3")
<b>1</b>	<b>50%</b>		
1.1	54%	<ul style="list-style-type: none"> <li>C Entry criteria not documented</li> <li>C Information not consistently provided to all consumers in target group in formats that meet their particular needs</li> <li>C No evidence that the mix of service recipients is consistent with the catchment population.</li> <li>C Inadequate monitoring of possible discrimination                             <ul style="list-style-type: none"> <li>- Client feedback questionnaire does not include feedback regarding perceptions of being discriminated against</li> <li>- demographic information on catchment area is not collected</li> </ul> </li> <li>• Service knowledge of access policies and procedures</li> <li>S Service handbooks should be re-issued on a regular basis to ensure consumers are informed</li> <li>• Service access is limited according to funding for age and disability groups</li> </ul>	<ul style="list-style-type: none"> <li>C Monitoring of client characteristics -the service maintains a database identifying age, gender, disability and ethnic origins of its clients                             <ul style="list-style-type: none"> <li>• Cultural sensitivity</li> <li>• evidence of cultural sensitivity through links with Centrelink Aboriginal Liaison Officer &amp; interpreter services.</li> <li>• signage in different languages relevant to the catchment</li> </ul> </li> <li>• Standard format used for consumer intake</li> </ul>
1.2	67%	<ul style="list-style-type: none"> <li>• Entry and exit process is not a clearly defined procedure</li> <li>• Prioritisation process not clearly documented (eg how priority is determined for clients on the wait list)</li> <li>• Consumers are not clear about entry and exit criteria.</li> </ul>	
<b>2</b>	<b>46%</b>		
2.1	75%	<ul style="list-style-type: none"> <li>C Individual plans not established or not used.</li> <li>C Some consumers felt pushed to do certain types of work.</li> </ul>	<ul style="list-style-type: none"> <li>C Environments altered to suit individual needs and promote work opportunities.</li> <li>C Use of standard forms as a basis for ascertaining goals.</li> <li>C Active involvement of more than one JSO to assist impartial and comprehensive support.</li> <li>C IEPs, ISPs, Job Support Plans and Goal Setting all in evidence.</li> </ul>
2.2	63%	<ul style="list-style-type: none"> <li>C Consumers not aware of the goals and strategies in their individual plans.</li> <li>C Review practices not well defined or regular enough.</li> <li>C Alternate methods / formats of communication should be considered.</li> <li>C Need evidence of continuity between planning, implementation and review.</li> </ul>	<ul style="list-style-type: none"> <li>C Career Plans prepared and updated regularly.</li> <li>C Staff follow through with their undertakings.</li> </ul>



Standard / KPI	Services assessed as compliant (n=24)	Non-compliance issues (Feedback to services rating as "0" or "1")	Compliance 'good practice' (Feedback to services rating as "2" or "3")
2.3	75%	<ul style="list-style-type: none"> <li>C Resources not adequate.</li> <li>C Alternative employment is not being sought for service recipients who wish it.</li> <li>C No evidence that goals are being identified and used as a basis for ongoing development for consumers.</li> <li>C No procedures for evaluating clients' personal needs against agency needs.</li> <li>C Insufficient documentation.</li> </ul>	<ul style="list-style-type: none"> <li>C JSOs very flexible (and unobtrusive) in their support of clients.</li> <li>C Organisational charter and associated values are sound, well implemented, and responsive to clients.</li> </ul>
3	79%		
3.1	83%	<ul style="list-style-type: none"> <li>C Consumers not aware of opportunities for participation in decision making.</li> <li>C Provision for only some consumers to participate in decision making.</li> </ul>	<ul style="list-style-type: none"> <li>C Evidence of opportunities for informed decision making.</li> <li>C Formal processes: <ul style="list-style-type: none"> <li>- IEP</li> <li>- personal outcome measure reviews</li> <li>- action group meetings</li> <li>- Employee Representative Committee (monthly)</li> <li>- parents and carer meetings</li> <li>- bulletins</li> <li>- client reps on Board</li> </ul> </li> <li>C Suggestions: <ul style="list-style-type: none"> <li>- Opportunities for Improvement Form in Client Handbook.</li> <li>- Alternative communication techniques.</li> <li>- training for effective Board participation.</li> </ul> </li> </ul>
3.2	92%	<ul style="list-style-type: none"> <li>C No evidence of response to consumer decision-making.</li> <li>C Some consumers forced / coerced to do things they don't want.</li> </ul>	<ul style="list-style-type: none"> <li>C Minutes of Employee Representative Committee show that consumers decisions are responded to.</li> <li>C Personal outcome interviews show evidence responsiveness of SP to desired outcomes of individuals.</li> <li>C Career Plan allows actions to be monitored.</li> <li>C Effective consultative process in place.</li> </ul>
4	71%		
4.1	71%	<ul style="list-style-type: none"> <li>C No evidence that consumers are informed about confidentiality principles.</li> <li>C Consent forms not standard across files.</li> <li>C Consent forms too broad.</li> <li>C Principles of privacy not <ul style="list-style-type: none"> <li>- clearly identified</li> <li>- measured</li> <li>- known and understood by staff and clients</li> </ul> </li> <li>C No signed commitment by staff or board members.</li> </ul>	<ul style="list-style-type: none"> <li>C (Some consumers not aware they could withdraw consent).</li> <li>C Defined</li> <li>C Good staff awareness</li> <li>C Records and files stored in locked cabinets.</li> <li>C Info provided during client induction.</li> <li>C Authority for release of information discussed and signed on completion of each Career Plan update.</li> </ul>
4.2	96%		<ul style="list-style-type: none"> <li>C Staff are given training.</li> <li>C A dress code is encouraged</li> <li>C Clients are dealt with as equals during all interactions.</li> </ul>
5	83%		

Standard / KPI	Services assessed as compliant (n=24)	Non-compliance issues (Feedback to services rating as "0" or "1")	Compliance 'good practice' (Feedback to services rating as "2" or "3")
5.1	92%	<ul style="list-style-type: none"> <li>C Long term institutionalisation of many of the consumers makes integration unrealistic.</li> <li>C Work not community based and doesn't encourage integration.</li> <li>C Staff unaware of community roles held by consumers.</li> </ul>	<ul style="list-style-type: none"> <li>C Social networks encouraged</li> <li>C Assistance given with transport arrangements.</li> <li>C Dress codes fostered.</li> <li>C Progression to Work Plus and Career Plan available.</li> <li>C Community work initiatives in place.</li> <li>C Open employment opportunities available.</li> <li>C Office locations in general business area.</li> </ul>
5.2	83%	<ul style="list-style-type: none"> <li>C Unrealistic for consumers institutionalised long-term.</li> <li>C No documentation of any structured method for promoting community involvement.</li> </ul>	<ul style="list-style-type: none"> <li>C Support by JSOs</li> <li>C Community work initiatives</li> <li>C Working hours, transport etc fits community norms.</li> <li>C (Staff lack detailed knowledge of what integration means to clients, and what level is desired by them.)</li> </ul>
6	83%		
6.1	88%	<ul style="list-style-type: none"> <li>C No formal strategies in place.</li> </ul>	<ul style="list-style-type: none"> <li>C Active encouragement for clients to identify and implement actions to achieve integration.</li> <li>C 'Hall of Fame' photo display of success stories.</li> <li>C Skills training (including leadership development)</li> <li>C Certified levels of competency given for use in open employment sector.</li> <li>C Social groups encouraged.</li> <li>C Leading hand position promotes status.</li> <li>C Job rotation used to develop skills and confidence.</li> <li>C Marketing and networking in wider community.</li> </ul>
6.2	96%	<ul style="list-style-type: none"> <li>C No understanding of desired roles</li> <li>C No promotion of opportunities</li> </ul>	<ul style="list-style-type: none"> <li>C Offers skills development</li> <li>C Independence actively encouraged through                             <ul style="list-style-type: none"> <li>- assistance to obtain drivers licence</li> <li>- assistance with public transport.</li> </ul> </li> <li>C Belief in valued role fostered through such things as                             <ul style="list-style-type: none"> <li>- work contracts (eg with RTA)</li> <li>- modern office facilities.</li> </ul> </li> </ul>
6.3	88%	<ul style="list-style-type: none"> <li>C No skill development</li> </ul>	<ul style="list-style-type: none"> <li>C Social groups enhance skills and promote community involvement.</li> <li>C Multi-skilling in workplace permits flexibility in future employments</li> <li>C Certified level of competency</li> <li>C Training (eg IT skills) is provided and then practiced.</li> <li>C Involvement in sub-committees.</li> </ul>
7	50%		

Standard / KPI	Services assessed as compliant (n=24)	Non-compliance issues (Feedback to services rating as "0" or "1")	Compliance 'good practice' (Feedback to services rating as "2" or "3")
7.1	75%	<ul style="list-style-type: none"> <li>C No brochure or other suitable formats for consumers</li> <li>C No evidence that procedure is regularly publicised</li> </ul>	<ul style="list-style-type: none"> <li>C Information provided on availability of advocates.</li> <li>C Info disseminated to consumers via: <ul style="list-style-type: none"> <li>- induction</li> <li>- booklet provided at induction</li> <li>- newsletter</li> <li>- informal training and education in complaints procedure.</li> </ul> </li> <li>C Feedback from consumers collected through <ul style="list-style-type: none"> <li>- multi-choice surveys</li> <li>- informally via Case Managers</li> <li>- grievance box / grievance committee</li> <li>- employee meetings</li> </ul> </li> </ul>
7.2	71%	<ul style="list-style-type: none"> <li>C Box for employee complaints located in highly visible area</li> </ul>	<ul style="list-style-type: none"> <li>C Consumer survey results, ERC minutes and consumer interviews indicate consumers' willingness to raise complaints.</li> <li>C The message, 'it is OK to complain' has been given and understood.</li> <li>C Understanding that dissatisfaction may become apparent through a change in behaviour.</li> </ul>
7.3	58%	<ul style="list-style-type: none"> <li>C Insufficient evidence of effective response to complaints.</li> <li>C Inconsistent approach</li> <li>C Register not maintained</li> <li>C Root causes not addressed</li> <li>C Limited information on availability of external avenues for complaints.</li> <li>C Conflict of interest in 'independent' service offered to clients.</li> </ul>	<ul style="list-style-type: none"> <li>C Compliance demonstrated by <ul style="list-style-type: none"> <li>- ERC meetings</li> <li>- procedures and Grievance Brochure</li> <li>- consumer interviews</li> </ul> </li> <li>C Appointment of grievance officers (with DASH training) by consumer committee</li> <li>C Complaints logged, reviewed, corrective action taken.</li> <li>C Hierarchy of contacts provided ending with an independent advocate.</li> </ul>
8	38%		
8.1	46%	<ul style="list-style-type: none"> <li>C Services should ensure that: <ul style="list-style-type: none"> <li>- procedures are written with sufficient detail</li> <li>- formal continuous improvement tools are used</li> <li>- a document control system is in place</li> <li>- an internal audit system exists</li> <li>- all consumers are offered opportunity and support to participate in the service's self-assessment</li> <li>- there are policies covering non-discrimination</li> <li>- least restrictive practices</li> <li>- measurement of service recipients' outcome</li> <li>- monitoring and application of general workforce conditions</li> <li>- service recipient participation in community life.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>C Use of 'Exception Report' from Nexus to highlight incidents outside KPI guidelines.</li> <li>C Evidence of strategic thinking</li> </ul>
8.2	71%	<ul style="list-style-type: none"> <li>C Feedback forms not collated</li> <li>C Tools not defined in procedures</li> <li>C Practices do not provide information on individual outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>C Annual survey form elicits feedback from clients with results presented to Board.</li> <li>C Personal outcome interviews used as basis for measuring quality.</li> <li>C Strategic thinking evident.</li> </ul>

Standard / KPI	Services assessed as compliant (n=24)	Non-compliance issues (Feedback to services rating as "0" or "1")	Compliance 'good practice' (Feedback to services rating as "2" or "3")
8.3	38%	<ul style="list-style-type: none"> <li>C Many important policies not in place</li> <li>C Systems only recently established</li> <li>C No implementation of internal audits or management reviews.</li> <li>C Insufficient evidence of                             <ul style="list-style-type: none"> <li>- review of policies and procedures</li> <li>- involvement of consumers (including Board) in review</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>C Internal audit system used for this.</li> <li>C Policies address DSS</li> </ul>
9	55% (n=22)		
9.1	55%	<ul style="list-style-type: none"> <li>C Clients placed in 'voluntary' unpaid work.</li> <li>C Ratified legal industrial agreement not in place.</li> <li>C Wages not determined using a legally recognised assessment tool.</li> <li>C Some jobs offered as 'paid work experience'.</li> <li>C No documentation where a contract was believed to exist.</li> <li>C Lack of formalised system to check wages and conditions.</li> </ul>	<ul style="list-style-type: none"> <li>C Clients independently assessed for supported wage components.</li> <li>C Strong and traceable process for evaluating OH&amp;S risks</li> <li>C List of preferred employers and an events database</li> <li>C Productivity measured but not linked to wages (which are minimum award). May be reviewed if productivity falls below a minimum level. Needs to be clarified and made known to consumers.</li> </ul>
10	65% (n=23)		
10.1	83%	<ul style="list-style-type: none"> <li>C Employment service not appropriate for all consumers.</li> <li>C Funding not adequate.</li> <li>C Procedures not sufficiently detailed.</li> </ul>	<ul style="list-style-type: none"> <li>C Examples of mock interviews being set up on employers sites.</li> <li>C Self-esteem programs linked to job seeking skills.</li> <li>C Leadership training and action groups.</li> <li>C Career Plans, short term work experience, work trials.</li> <li>C Makes explicit the potential for employment gained through varying levels of Certificates awarded.</li> <li>C IEPs</li> <li>C GEMMA program</li> </ul>
10.2	65%	<ul style="list-style-type: none"> <li>C Number and gender of staff restricts the type of jobs that can be supported.</li> <li>C Can't optimise if not identified.</li> <li>C Reviews not performed regularly or recorded.</li> </ul>	<ul style="list-style-type: none"> <li>C Certificates awarded for meeting competency standards.</li> <li>C Multi skilling.</li> <li>C Realistic goals set.</li> <li>C Utilisation of internet, local paper and local business contacts.</li> </ul>
10.3	83%	<ul style="list-style-type: none"> <li>C Procedures not defined adequately</li> <li>C employment opportunities not identified.</li> <li>C Not appropriate for all consumers</li> <li>C Insufficient funding</li> </ul>	<ul style="list-style-type: none"> <li>C Support for training both within and outside the service</li> </ul>
11	75%		
11.1	96%	<ul style="list-style-type: none"> <li>C Job descriptions did not include skills and competencies required.</li> </ul>	<ul style="list-style-type: none"> <li>C Interviewing based on competencies rather than selection criteria.</li> <li>C Consumers on interview panel</li> <li>C Good practice - coaching model for training programs, peer reviews and self assessments.</li> <li>C Maintains staff training matrix with competencies currently self-assessed.</li> <li>C Sound supervision practices.</li> </ul>

Standard / KPI	Services assessed as compliant (n=24)	Non-compliance issues (Feedback to services rating as "0" or "1")	Compliance 'good practice' (Feedback to services rating as "2" or "3")
11.2	83%	<ul style="list-style-type: none"> <li>C Records of training not maintained.</li> <li>C Competencies not appraised or recorded.</li> </ul>	<ul style="list-style-type: none"> <li>C Use of                             <ul style="list-style-type: none"> <li>- job descriptions</li> <li>- selection criteria</li> <li>- training</li> <li>- annual performance appraisals</li> <li>- ISPs</li> <li>- training matrix</li> </ul> </li> </ul>
11.3	83%	<ul style="list-style-type: none"> <li>C Records are insufficient.</li> <li>C No agency training plan or appraisal system in place.</li> </ul>	<ul style="list-style-type: none"> <li>C Internal training includes policy and procedure awareness.</li> <li>C External training as required.</li> </ul>
12	71%		
12.1	71%	<ul style="list-style-type: none"> <li>C Policy encourages staff to be reactive rather than proactive to incidents of abuse or neglect.</li> <li>C No training for service recipients in identifying abuse and neglect.</li> <li>C Insufficient procedures in place for prevention and for reporting.</li> <li>C Some consumers behave in ways which place others at risk.</li> </ul>	<ul style="list-style-type: none"> <li>C Employment screening procedures are used.</li> <li>C Education of staff, families and consumers.</li> <li>C Grievance procedures explained and reinforced in newsletters.</li> </ul>
12.2	92%	<ul style="list-style-type: none"> <li>C Decisions made by consumer's family not by the consumer.</li> <li>C Some service policies restrict the rights of consumers.</li> </ul>	<ul style="list-style-type: none"> <li>C Rights are well documented and understood by staff and consumers.</li> <li>C Safety and welfare are protected in the workplace.</li> <li>C Due process principles are followed.</li> </ul>