

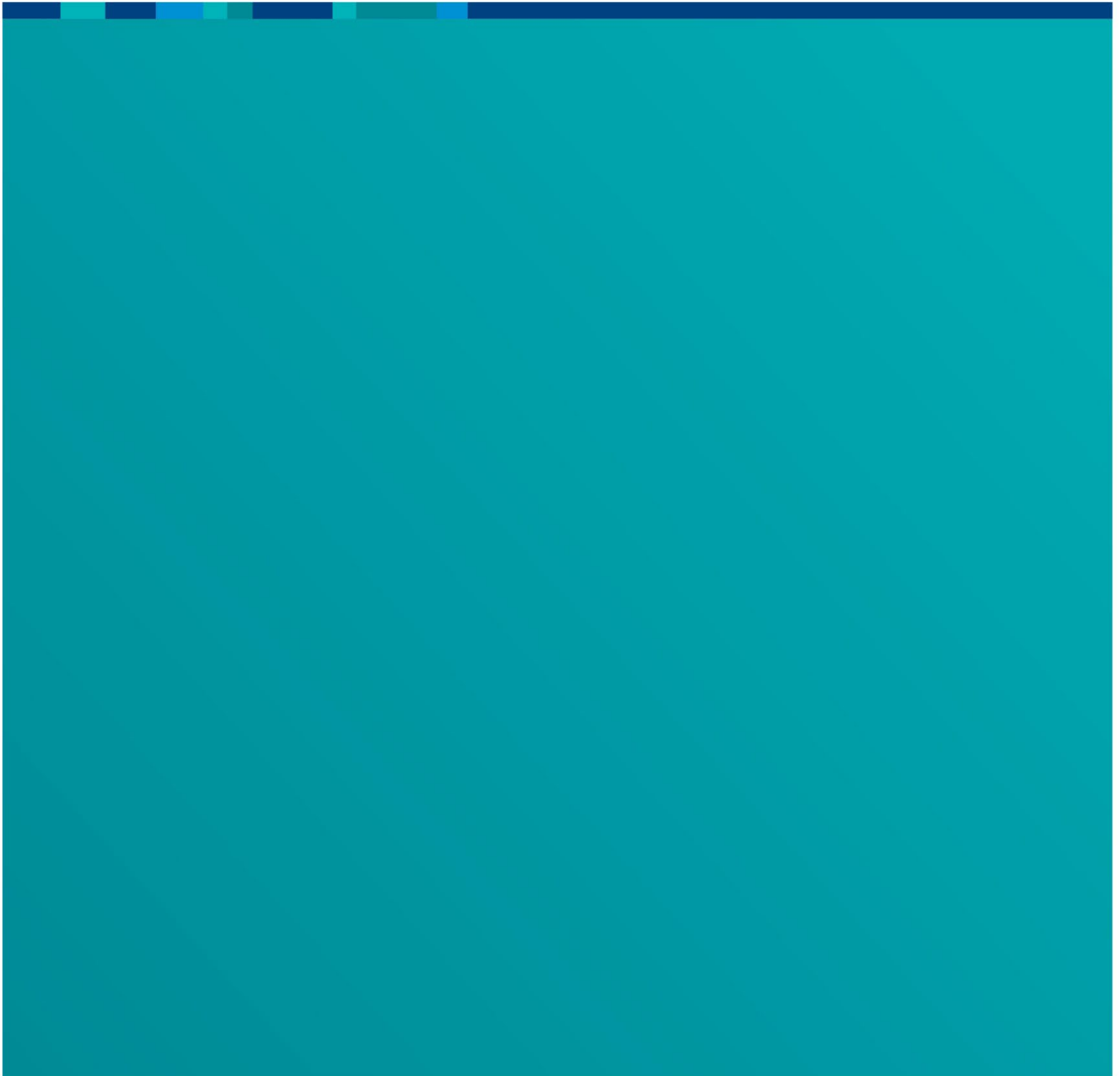


Australian Government

Department of Health and Aged Care

Home Care Packages Program Assurance Framework

July 2022 Version 1.1



Executive Summary

The Home Care Packages (HCP) Program supports older Australians with complex needs to help them stay at home. The HCP Program achieves this by using a consumer-directed care approach, to make sure the support provided suits a person's assessed needs and goals, across three focus areas:



The number of older Australians choosing to remain within their own homes continues to increase, including through the HCP Program. To enhance the oversight of the HCP Program, the Australian Government will assure the integrity of the HCP Program through:

- an ongoing annual risk-based program of Assurance Activities focussed on HCP Providers to assure value for money of HCP Program funds;
- continuous improvement of HCP Providers including through a Community of Practice; and
- enhanced fraud management and investigation capability within the Department of Health and Aged Care (the Department).

To support these measures, a Program Assurance function has been established by the Department outside the HCP Program area. The HCP Program Assurance Framework (Assurance Framework) implements a 'Second Line'¹ of assurance, aligned with the Department's existing 'Three Lines Model'². The purpose of this Assurance Framework is to:

Outline the Department's risk-based approach to protect the integrity of HCP Program funding through evidence-based Assurance Activities focused on the HCP Program's design, delivery and administration. Assurance Activities under this Framework will enhance value for money for HCP care recipients and Australian taxpayers, support HCP Providers to uplift their program knowledge and share better practices, inform the continuous improvement of HCP Providers and the Program and support future development of home care policy and programs.

Program Assurance Reviews undertaken by the Department are separate to the Aged Care Quality and Commission's role as the national regulator of Home Care Providers – further details at section 1.2.

This Assurance Framework reflects a broader mandate for the Department to:

- support evidence-based pricing of services, efficient and effective service delivery, and transparency to enhance consumer choice³
- support HCP Provider education and continuous improvement in HCP Program delivery⁴
- inform the development, monitoring, evaluation and continuous improvement of the HCP Program requirements and delivery to achieve intended outcomes⁵

¹ In the 'Three Lines Model', the 'Second Line' of defence encompasses the compliance/assurance oversight functions of the Department.

² Department's Assurance Framework.

³ *Aged Care Act 1997* section 95BA-1; *Public Governance, Performance and Accountability Act 2013* section 15; *Public Service Act 1999* section 13(8)

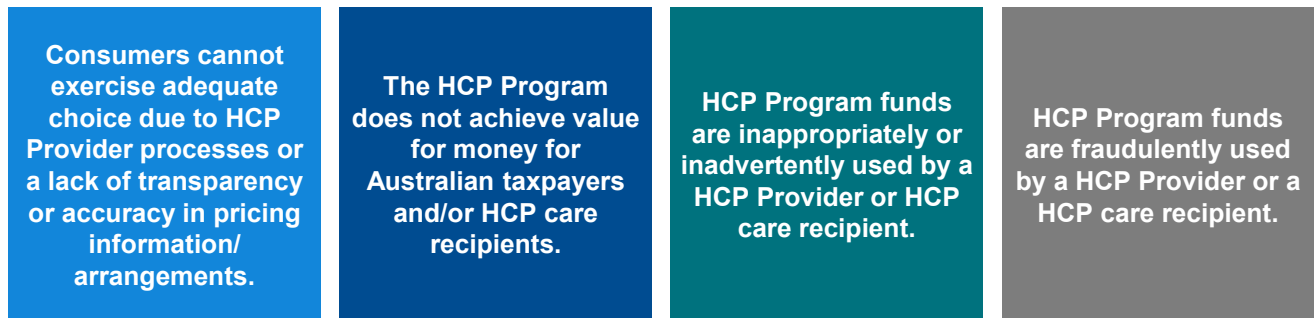
⁴ *Aged Care Act 1997* section 95BA-1

⁵ *Aged Care Act 1997* section 95BA-1; *Public Service Act 1999* section 57; *Public Governance, Performance and Accountability Act 2013* section 38

- conduct Assurance Activities to assess the effectiveness and efficiency of the HCP Program controls in place to appropriately manage risks and deliver outcomes⁶; and
- support mitigation of fraud and misuse of funds in the HCP Program⁷.

To support this Assurance Framework, the legislation was enacted through the ***Aged Care and Other Legislation Amendment (Royal Commission Response No. 1) Act 2021*** (assented on 28 June, 2021), amending the ***Aged Care Act 1997***, to enable the conduct of Home Care Assurance Reviews⁸.

Against the purpose of this Assurance Framework, four key HCP Program risks have been identified:



To support the Assurance Framework, an Annual HCP Program Assurance Plan (Annual Assurance Plan) will be developed each financial year. The Annual Assurance Plan will identify the key Areas of Focus against the program risks outlined above, and the planned Assurance Activities for each of these Areas of Focus.

This Assurance Framework outlines a suite of Assurance Activities that may be performed each year to address the Areas of Focus identified through the annual planning process. The nature and extent of these Assurance Activities may be amended throughout a given year as new risks or Areas of Focus are identified. Where HCP Providers have been engaged in the Assurance Activities, any findings will be issued in a report to the HCP Provider.

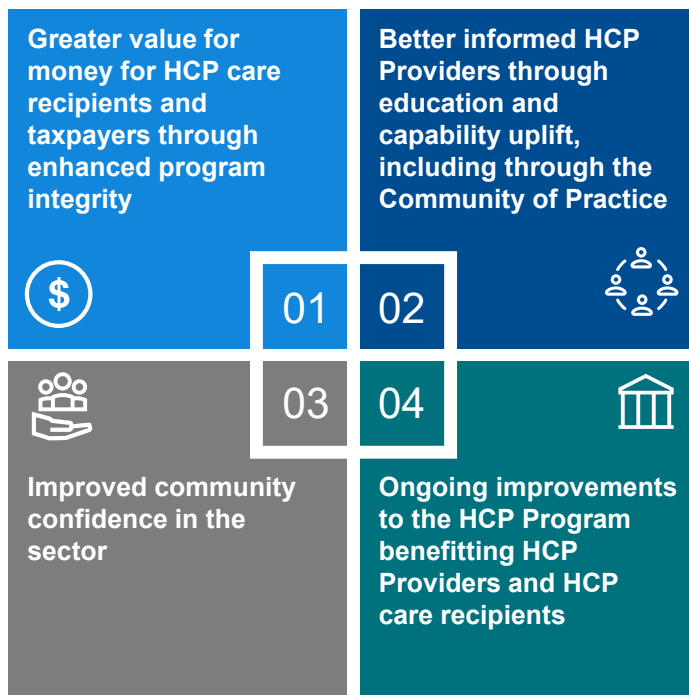
Review activities will be aligned where appropriate with the *AS/NZS ISO 19011:2019(E) Guidelines for auditing management systems* and will be underpinned by the principles of: continuous improvement; building trust; risk-based and data driven; and collaboration and engagement.

⁶ *Public Governance, Performance and Accountability Act 2013* section 16; Department of Health and Aged Care Assurance Framework

⁷ *Public Governance, Performance and Accountability Rule 2014* section 10; Commonwealth Fraud Control Policy; Department of Health and Aged Care's Fraud and Corruption Control Plan 2021-23

⁸ The Department of Health and Aged Care's HCP Program Assurance Review activities are separate to, but will complement, the activities of the Aged Care Quality and Safety Commission (ACQSC). The ACQSC protects and enhances the safety, health, well-being and quality of life of people receiving aged care. It is the national end-to-end regulator of aged care services, and the primary point of contact for consumers and providers in relation to quality and safety.

The expected benefits of Assurance Activities under this Framework include:



This Framework will be updated every two years, or when needed to ensure that learnings and stakeholder feedback supports fine-tuning of the framework and the assurance process.

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1 Introduction

1.1 The Home Care Packages Program

The purpose of the HCP Program is to support people to remain living at home and connected to their communities for longer. The objective of the HCP Program is to support older Australians to live independently in their own homes, using a consumer-directed care approach to help meet a person's assessed care needs and goals through structured and comprehensive support. To achieve this, three focus areas have been identified:

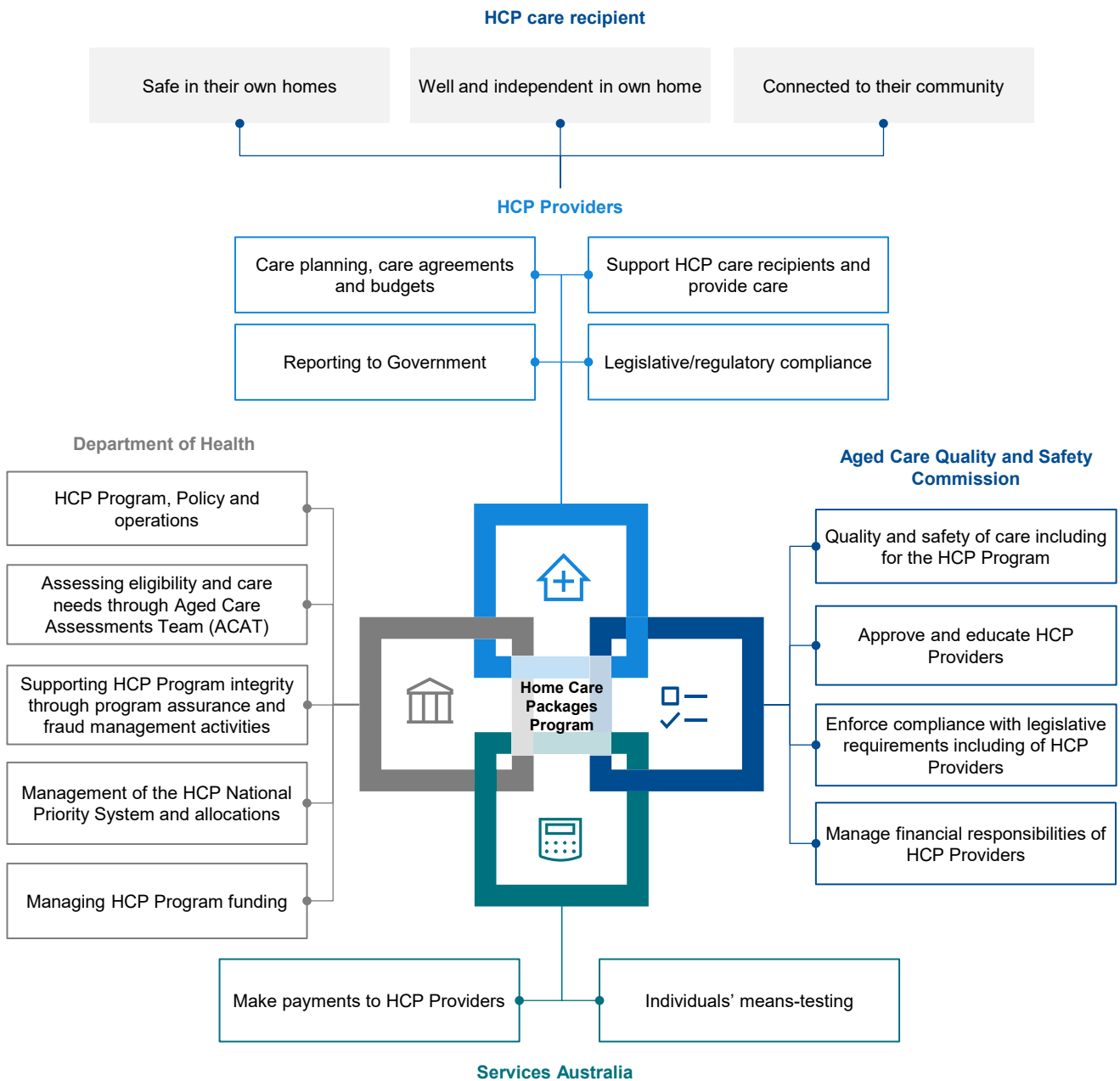


For the HCP Program;

- the Department of Health and Aged Care is the policy and program lead
- Services Australia is responsible for payments
- HCP Providers deliver services
- HCP care recipients participate in the Program through a Consumer-Directed Care model; and
- the Aged Care Quality and Safety Commission (ACSQC) is the national regulator.

The below figure summarises these functional responsibilities:

Figure 1: HCP Program Roles and responsibilities



1.2 HCP Program Assurance context

The number of older Australians choosing to remain within their own homes continues to increase, including through the HCP Program. To enhance the oversight of the HCP Program, the Australian Government will assure integrity of the HCP Program through:

- an ongoing annual risk-based program of Assurance Activities focussed on HCP Providers to assure value for money of HCP Program funds;
- continuous improvement of HCP Providers including through a Community of Practice; and
- enhanced fraud management and investigation capability within the Department of Health and Aged Care (the Department).

This Assurance Framework is essential to supporting the HCP Program's integrity which will, in turn, enhance value for money for existing and future program participants and the Australian taxpayers.

The development of this Assurance Framework has been aligned with the Department's:

- Risk Management Policy
- Corporate Assurance Framework; and
- the Fraud and Corruption Control Plan 2021-23.

The Department's Risk Management Policy:

- 1 defines the Department's approach to the management of risk, supporting the Department's strategic plans and objectives
- 2 sets out the key accountabilities and responsibilities for managing and implementing the Department's Risk Management Framework; and
- 3 defines the Department's risk appetite and risk tolerance.

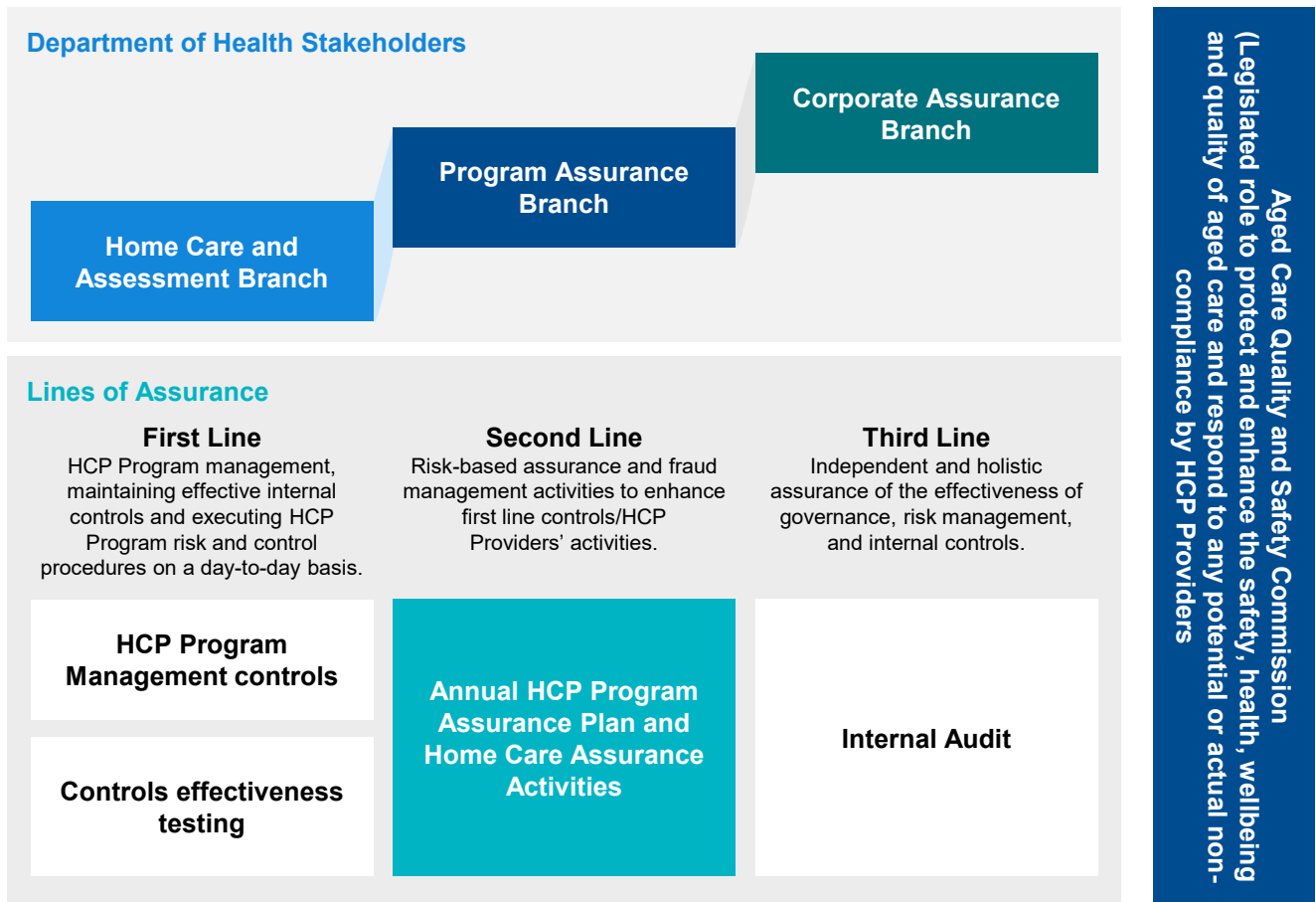
The Risk Management Policy is supported by the Department's Assurance Framework which provides guidance and direction to facilitate effective Assurance Activities across the Department to support the Secretary, Executives and business areas "to achieve better health outcomes for all Australians".

The Department's Fraud and Corruption Control Plan 2021-23 articulates the approach to the deterrence, detection and mitigation of fraud risks.

The Department's Corporate Assurance Framework utilises the 'Three Lines Model'⁹, which is a globally recognised model for best practice organisational governance, assurance, and risk management. The 'Three Lines Model' overlays roles for the management of risk and the provision of assurance across three key lines of an organisational structure as depicted in **Figure 2**. Management control (first line), compliance/assurance oversight functions (second line), and independent assurance (third line). This Assurance Framework sits within the second line of defence, with the first line being the HCP Program area and the third line being internal audit activities.

⁹ Refer to: [IIA Position Paper: THE THREE LINES OF DEFENCE IN EFFECTIVE RISK MANAGEMENT AND CONTROL](#)

Figure 2: Assurance responsibilities for the HCP Program across the ‘Three Lines Model’



Program Assurance Reviews undertaken by the Department are separate to the Aged Care Quality and Commission's role as the national regulator of Home Care.

The ACQSC¹⁰, established under the **Aged Care Quality and Safety Commission Act 2018** (ACQSC Act), is responsible for protecting and enhancing the safety, health, wellbeing and quality of life of people receiving aged care. It is the national end-to-end regulator of aged care services, and the primary point of contact for consumers and providers in relation to quality and safety. It approves providers and receives compulsory reports. It independently accredits, assesses and monitors aged care services subsidised by the Australian Government, conducts home care investigations, and determines compliance requirements to be imposed on HCP Providers (such as sanctions). It also resolves complaints about these services. Through its engagement and education work it aims to build confidence and trust in aged care, empower consumers, support HCP Providers to comply with quality standards, and promote best practice service provision.

¹⁰ Further information is available from: [About us | Aged Care Quality and Safety Commission](#)

1.3 Legislative Framework

The key legislation underpinning this Assurance Framework is:

- 1 The ***Aged Care and Other Legislation Amendment (Royal Commission Response No. 1) Act 2021***, which amends the ***Aged Care Act 1997*** to provide the Secretary of the Department legislative powers to undertake Assurance Activities, compel HCP Providers to participate, publish reports and issue civil penalties.
- 2 The ***Public Governance, Performance and Accountability Act 2013***, which requires Australian Government funded programs, such as the HCP Program, to be delivered in an efficient, effective, economical and ethical manner.
- 3 The ***Public Governance, Performance and Accountability Rule 2014***, which establishes a minimum standard for the Department for managing the risk and incidents of fraud.
- 4 The ***Public Service Act 1999***, which establishes unifying values, and requires the Secretary of the Department to manage the Department efficiently, effectively, economically and ethically.

Further details are included in **Appendix B – Legislative Requirements for the Assurance Framework**.

2 Assurance Framework overview

2.1 Purpose

Outline the Department's risk-based approach to protect the integrity of HCP Program funding through evidence-based Assurance Activities focused on the HCP Program's design, delivery and administration. Assurance Activities under this Framework will enhance value for money for HCP care recipients and Australian taxpayers, support HCP Providers to uplift their program knowledge and share better practices, inform the continuous improvement of HCP Providers and the Program and support future development of home care policy and programs.

2.2 Objectives

The objectives of the Assurance Framework are to conduct Assurance Activities to:

Assure that arrangements for the delivery and administration of home care are effective, efficient and transparent to support consumer choice and value for money	Support HCP Provider education and continuous improvement in program delivery and sharing of best practice	Inform the continuous improvement and monitoring of HCP Program policies and delivery to achieve intended outcomes	Support mitigation of fraud and misuse of funds in the HCP Program
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2.3 Risk Context

There are four key risks relevant to the objectives for the Assurance Framework for the HCP Program:

Consumers cannot exercise adequate choice due to HCP Provider processes or a lack of transparency or accuracy in pricing information/arrangements.	The HCP Program does not achieve value for money for Australian taxpayers and/or HCP care recipients.	HCP Program funds are inappropriately or inadvertently used by a HCP Provider or HCP care recipient.	HCP Program funds are fraudulently used by a HCP Provider or a HCP care recipient.
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In relation to value for money, the **Aged Care and Other Legislation Amendment (Royal Commission Response No. 1) Act 2021** outlines the need to consider efficiency, effectiveness and justification in assessing value for money and the delivery of the HCP Program. For the purposes of this Assurance Framework, these are defined as:

- Efficient: the achievement of the maximum value for the resources used.
- Effective: the extent to which intended outcomes or results are achieved.
- Justified: HCP Providers are able to justify (through verifiable information provided to the Review Team) their charges to care recipients.

The Department will assess these four HCP Program risks annually, in line with the Department's Risk Management Policy, to identify Areas of Focus to mitigate HCP Program risks.

The Department is responsible for the prevention, detection and mitigation of fraud risks. As such, the Department’s HCP Program Fraud Control Management Plan is within the Scope of this Assurance Framework.

The Department’s fraud management and Assurance Review Activities (both within the Program Assurance Branch) will complement and inform each other to maximise the impact of both sets of activities. For example, relevant information gleaned during HCP Program Assurance Reviews will be shared with the HCP Fraud Control and Investigations Section and vice-versa.

2.4 Program Assurance Roles and Responsibilities

The Assurance Framework recognises roles and responsibilities of:

- 1 the Department of Health and Aged Care (as relevant to HCP program assurance only)
- 2 HCP Providers; and
- 3 HCP care recipients.

These roles and responsibilities are outlined below.

Table 1: Roles and responsibilities within the Assurance Framework

Role	Responsibility	Description
Department of Health and Aged Care – Program Assurance Branch	Responsible for the management and implementation of the Assurance Framework and associated activities	<p>This includes:</p> <ul style="list-style-type: none"> • identifying and assessing Assurance Activity Areas of Focus (refer to section 3. Annual Assurance Plan) relevant to the risks in the HCP Program through an evidence-based approach • establishing an Annual Assurance Plan to address these Areas of Focus through a range of Assurance Activities • scoping and undertaking the respective Assurance Activities including reporting Review findings • imposing civil penalties (as a last resort) if HCP Providers fail to respond to request for documentation, information or answer questions • collaborating and engaging with relevant stakeholders operating within the HCP Program to advise of areas for improvement, including convening a Community of Practice to help uplift HCP Providers’ program understanding • being transparent in reporting on the findings and outcomes of Assurance Activities • managing and referring any suspected fraud/misuse of funds or non-compliance with regulations to appropriate areas of the Department and ACSQC for action, and • monitoring the implementation of relevant post-Assurance Review actions at a HCP Program-level.
HCP Providers	Participate in Assurance Activities.	When a HCP Provider is selected to participate in Assurance Activities including Assurance Reviews, an incorporated HCP Provider is legally obliged to participate in the Review. Selected HCP Providers will receive a formal letter of notice to provide information and documentation and make available any staff required by the Department in the conduct of the Assurance Activities.

Role	Responsibility	Description
		Should an incorporated HCP Provider choose not to comply with the notice, the Department may issue civil penalties under Division 95BA of the <i>Aged Care and Other Legislation Amendment (Royal Commission Response No. 1) Act 2021</i> which amended the <i>Aged Care Act 1997</i> .
	Participate and engage within the Community of Practice.	The Community of Practice is primarily to support HCP Providers to uplift their program understanding in relation to issues identified through Assurance Activities. It will achieve this through a platform that facilitates sharing and discussing consolidated findings of Assurance Activities and identifying areas for improvement for HCP Providers. It will also facilitate sharing of identified better practices. Participating HCP Providers can also use the Community of Practice to provide feedback to support the continuous improvement of the HCP Program and/or the program assurance approach of the Department.
HCP care recipients	Participate in Assurance Activities (as appropriate, and not compulsory).	HCP care recipients may have the opportunity to contribute to Assurance Activities, at their discretion. For example, the Department may engage with a HCP care recipient where the Department reasonably believes that a HCP care recipient has information or documents relevant to the subject matter, or to obtain their perspective on a potential issue raised through the Review process. This is not compulsory and there are no penalties for an individual should they choose not to provide the information requested by the Department. HCP care recipient peak bodies may also provide input to the Annual Assurance Plan and participate in the Community of Practice to support the continuous improvement of the HCP Program. Consumer peak bodies will be engaged by the Department during the Review process as appropriate.

The Department may refer HCP Providers to the ACQSC, in its capacity as the national regulator of approved providers of Home Care, where potential non-compliance with the ***amended Aged Care Act 1997, the Aged Care Quality and Safety Commission Act 2018, the Aged Care Quality and Safety Commission Rules 2018*** or other supporting legislation is identified. In addition to sharing Review findings/information as appropriate, the Department will also refer any cases where there are concerns raised for health, safety, wellbeing or welfare of care recipients. The extent to which this information is used by the ACQSC is subject to the ACQSC's independent Regulatory Strategy. At its discretion, it may use such information as an input into its risk assessment processes, conduct an investigation, deliver educational activities to the sector and/or take compliance and enforcement actions.

The Department acknowledges a HCP Provider could be subject to activities by both the Department and the ACQSC during the year. The Department will work with the ACQSC to minimise the administrative burden placed on HCP Providers where possible.

If opportunities for improvement are identified through this Assurance Framework which are relevant to Services Australia's functions, these will be referred to Services Australia for consideration.

3 Annual Assurance Plan

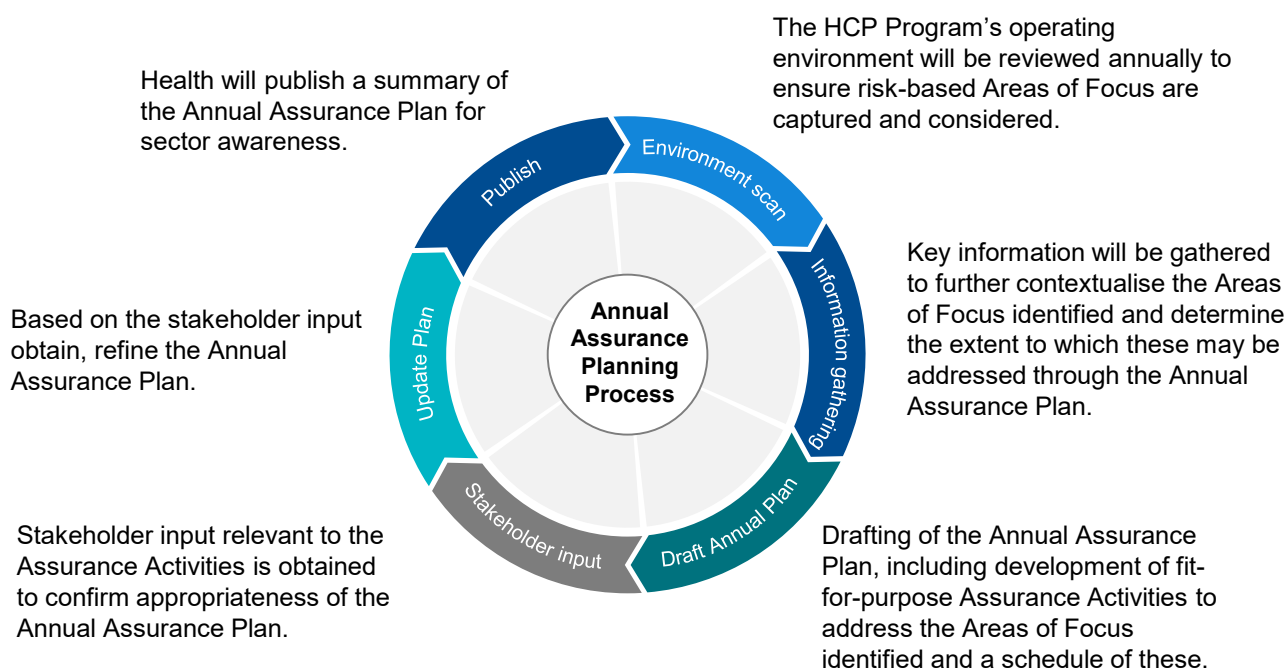
3.1 Overview

The Annual Assurance Plan is the guiding document for the conduct of Assurance Activities each year. The Annual Assurance Plan will outline:

- the approach taken to develop the Annual Assurance Plan
- the risks and priority Areas of Focus for Assurance Activities in that year
- the scope of Assurance Activities to be conducted during the year
- the scheduled timing of the Assurance Activities; and
- monitoring mechanisms for the progress and delivery of Assurance Activities.

The development of the Annual Assurance Plan will be cyclical, to enable any changes within the HCP Program to be considered each year. This cyclical process is depicted in **Figure 3**.

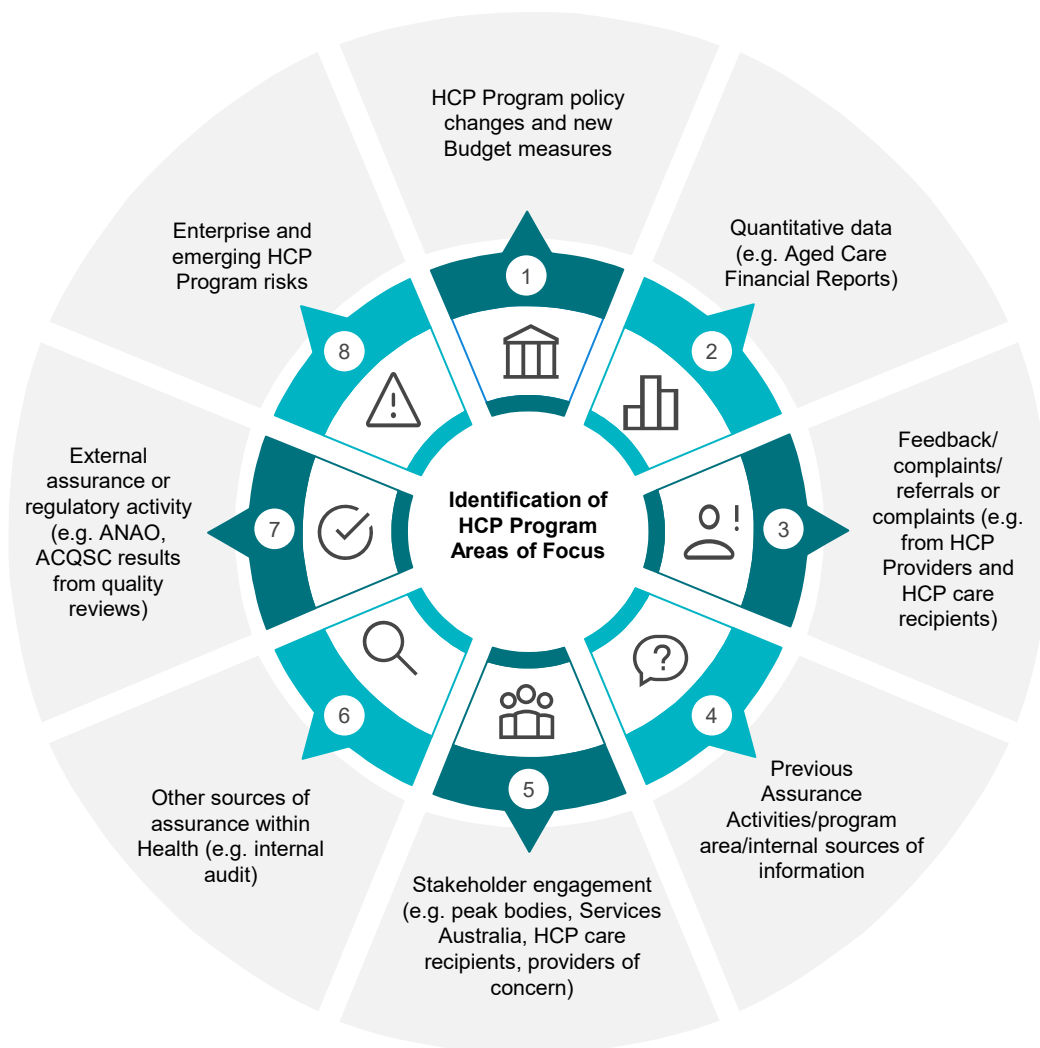
Figure 3: Annual Assurance Plan development process



3.2 Environmental scan

As part of developing the Annual Assurance Plan, the Department will conduct a scan of the HCP Program environment, in accordance with the Department's Risk Management Policy, for each of the key risks (refer to **section 2.3 Risk context**). A range of information sources will be collated to inform the environment scan as depicted in **Figure 4**, supplemented by the professional judgement of the Department's Assurance Review Officers.

Figure 4: Information sources for use in the environment scan



3.3 Publishing and updating the Annual Assurance Plan

A summary of the Annual Assurance Plan will be published each year, to provide the sector an overview of the Areas of Focus for Assurance Activities which will be undertaken throughout the year.

The Annual Assurance Plan may also be amended throughout the financial year to reflect changes in the HCP Program assurance priorities and/or risks. Where this occurs, an updated summary of the Annual Assurance Plan will be published as soon as possible in the same year.

4 Assurance Approach and Activities

4.1 Assurance principles

The Assurance Activities conducted under the Assurance Framework will be guided by three key assurance principles. These principles and how they will be achieved are outlined in **Figure 5** below.

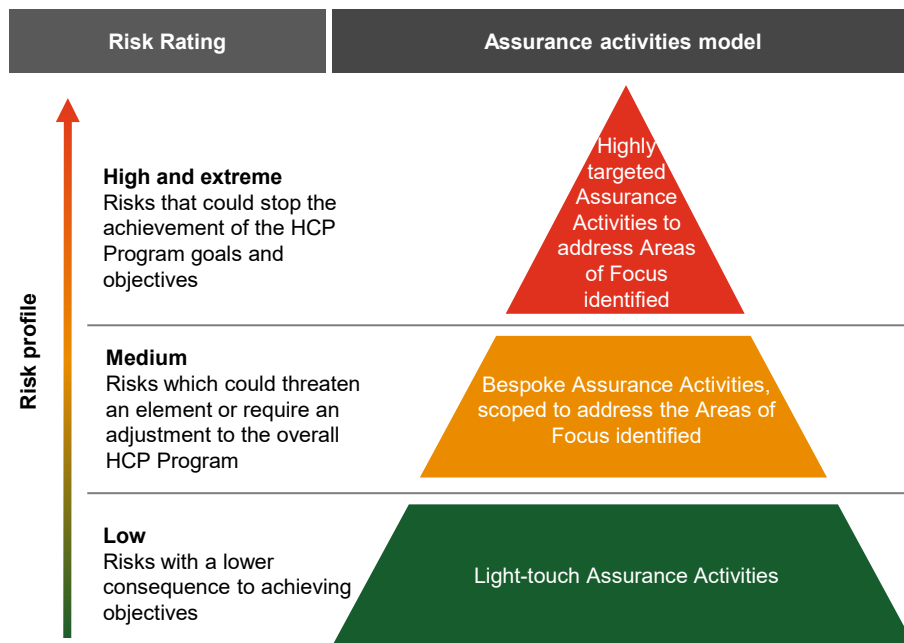
Figure 5: Assurance Principles

Number	Assurance Principle	How we will do this
01	<p>Continuous improvement</p> <p>The Department will adopt a whole-of-program perspective, continuously improving performance, capability and culture of providers and its assurance approach.</p>	<p>We will do this by:</p> <ul style="list-style-type: none"> • Being prevention-focused • Providing education to HCP Providers and HCP care recipients to support clear and consistent understanding of HCP Program requirements • Being open to feedback and continuously improving our assurance approach
02	<p>Risk-based and data driven</p> <p>The Department will manage risks proportionately and maintain essential safeguards while minimising administrative burden and leveraging data and digital technology to support the HCP Program Assurance Activities.</p>	<p>We will do this by:</p> <ul style="list-style-type: none"> • Taking a proportionate and risk-based approach to identifying and prioritising risks for Assurance Activities • Taking an evidenced-based and data-driven approach • Minimising the administrative burden
03	<p>Collaboration, engagement and trust</p> <p>The Department will be a transparent and responsive communicator in conducting Assurance Activities to build trust and confidence in the assurance of the HCP Program.</p>	<p>We will do this by:</p> <ul style="list-style-type: none"> • Being consistent with our Assurance Activity approach and findings • Being transparent about the rationale for our findings • Adhering to natural justice in how we conduct our Activities • Being collaborative with the sector, avoiding surprises • Being responsive to stakeholders

4.2 Assurance Activities

The Department’s selection of Assurance Activities will vary, with Activities proportionate to the HCP Program risks identified. In principle, as the risk increases, the extent of the Assurance Activities being conducted will also increase proportionately as described in **Figure 6** below.

Figure 6: Assurance Activities model



To address the Areas of Focus identified in each Annual Assurance Plan, the Department will define the Assurance Activities to be performed within the Assurance Scope, as outlined in **section 5.2 Approach to Assurance Activities**. These Assurance Activities may include one, or a combination, of the following:

Table 2: Examples of Assurance Activities

Risk	Description of Assurance Activities which may be undertaken	Potential outcomes of the Assurance Activity	What can HCP Providers expect?
Low (Light-touch assurance)	Focussed data analytics may be used, for example, to: <ul style="list-style-type: none"> understand trends; identify anomalies and outliers; and interrogate the integrity of reporting by HCP Providers. 	<ul style="list-style-type: none"> Letters outlining findings and suggested actions for self-correction by HCP Providers. Targeted HCP Provider education sessions. Engagement of HCP Provider through the Community of Practice. 	As a prevention-focused approach, a HCP Provider may receive a letter outlining they have been identified as an outlier in data with suggested actions, or may be invited to education sessions to support capability uplift.
Medium (Assurance Reviews)	Assurance Reviews ¹¹ will be undertaken, with a Scope defined to address the Areas of Focus. This may involve the collection and review of information and documentation, as well	<ul style="list-style-type: none"> A HCP Provider will receive a report which specifies the findings from the Assurance Activity relevant to them and might recommend areas for improvement. Observations from this 	To receive a notice from the Department informing relevant HCP Providers of their selection to be a part of the Assurance Review. Further, the notice will outline the requirements to submit information or

¹¹ Assurance reviews will generally be desktop based to minimise the impost on providers.

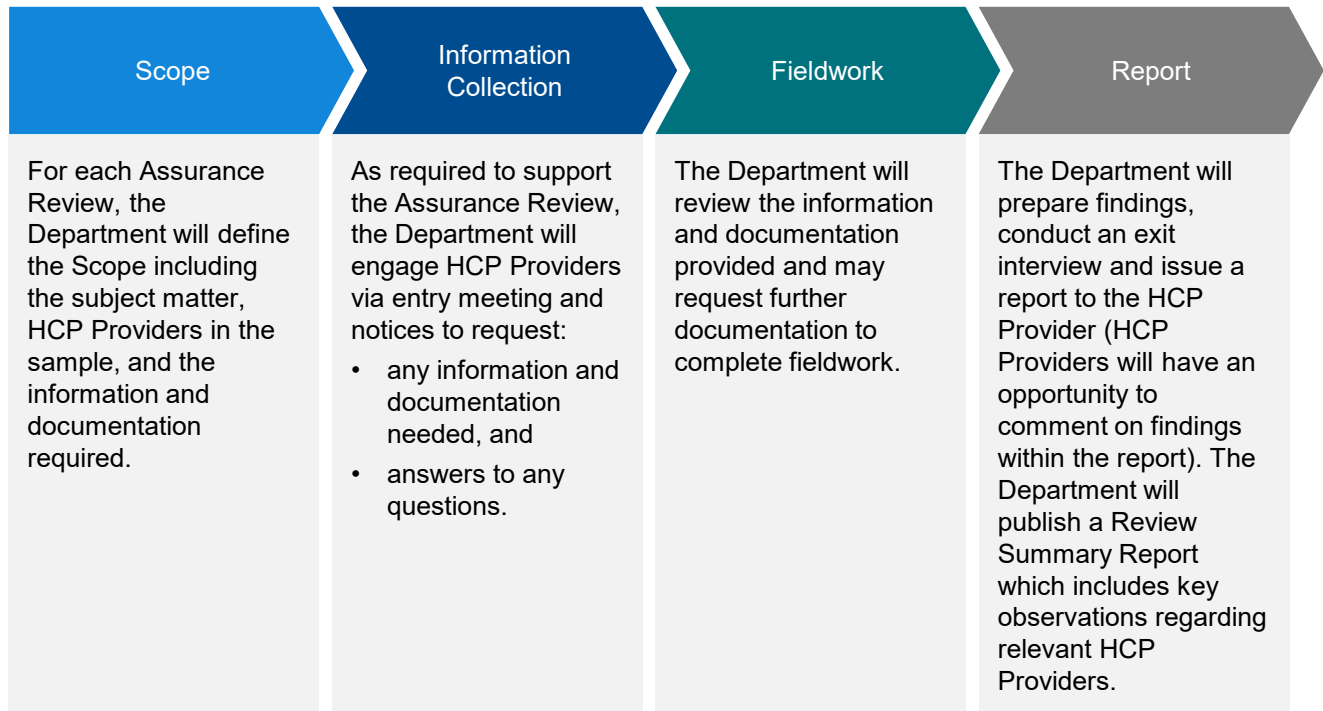
Risk	Description of Assurance Activities which may be undertaken	Potential outcomes of the Assurance Activity	What can HCP Providers expect?
	as the conduct of interviews.	<p>report will be published by the Department in an over-arching Review Summary Report.</p> <ul style="list-style-type: none"> • Targeted HCP Provider education sessions. • Engagement of HCP Providers through the Community of Practice. • Changes to HCP Program policy, guidance, practices and processes. 	documents relevant to the Assurance Review. By notice, the Department may also require the HCP Provider to make available appropriate staff to answer questions from the Department.
High and extreme (Targeted Assurance Reviews)	<p>Targeted Assurance Reviews will be undertaken with a Scope defined to address high priority Areas of Focus identified in the HCP Program. They may also result from an Assurance Review where risks are evident that require further and focussed Review. This may involve the collection and review of information and documentation, as well as the conduct of interviews.</p> <p>Given its nature, a Targeted Assurance Review will generally be deeper and more targeted than an Assurance Review.</p> <p>Fraud (or misuse of funds) management activities will also be undertaken where an indicator of potential fraud is identified through Assurance Activities.</p>	In addition to those outcomes for Medium Risk Assurance Activities, the outcomes and actions of matters relating to fraud will be undertaken in alignment with the Department’s Fraud and Corruption Control Plan 2021-23 and the HCP Program Fraud Control Management Plan.	To receive a notice from the Department informing HCP Providers of their selection to be a part of the Targeted Assurance Review. Further, the notice will outline the requirements to submit information or documents relevant to the Assurance Review. By notice, the Department may also require the HCP Provider to make available appropriate staff to answer questions from the Department.

Documents and information gathered for the purpose of the Assurance Activities will be managed in accordance with the **amended Aged Care Act 1997** and supporting legislation, **Privacy Act 1988**, **Archives Act 1983** and the Department’s Records Management Policy.

4.3 Approach to Assurance Reviews

Figure 7 outlines the overarching process for Assurance Reviews. This approach to undertaking these Assurance Reviews reflects better practice described by *ISO19011:2019(E) Guidelines for auditing management systems* and *ISO17021-1:2015 Conformity assessment — Requirements for bodies providing audit and certification of management systems — Part 1: Requirements*.

Figure 7: Assurance Review Process



Scope

For each Assurance Review, the Department will define the Scope including: the subject matter, HCP Providers selected, and the information and documentation required. Each Scope will include:

- the purpose and objectives of the Assurance Review, as defined within the Annual Assurance Plan
- the Areas of Focus of the Assurance Review
- the Assurance Review Criteria (Review Criteria)
- the methodology for the Assurance Review
- the selection of HCP Providers, and any sample of HCP care recipients’ documentation. An overview of the sampling methodology is included at **Appendix C – Sampling methodology key stakeholders**,
- key stakeholders, and
- timeline for the completion of the Assurance Review.

Relevant stakeholders will be consulted on the proposed Scope and methodology prior to finalisation by the Department.

Following the development of the Scope, a notice will be issued to each selected HCP Provider which specifies:

- the scope and intent of the Assurance Reviews
- the activities the Department will undertake in conducting the Assurance Reviews
- the information and documentation required to be provided, and any questions to be answered
- the Department’s representatives conducting the Assurance Reviews who will be asking the questions, and the means by which these will be asked

- the timeframes for the Assurance Reviews, and
- if the notice is being issued to a HCP Provider, the application of penalties should a HCP Provider not respond to the Department.

Each HCP Provider will be invited to an entry interview to discuss the notice issued with the relevant member(s) of the Review Team and will be provided the opportunity to raise any concerns.

Information collection

A notice for information and documents required by the Department to support the Assurance Review will be issued to a HCP Provider. These requests are supported by **section 95BA-5 & 95BA-6** in the **amended Aged Care Act 1997** allowing the Department to request information and documents, and issue questions related to the subject matter of the Assurance Activity.

Information from Assurance Reviews will be retained. Information obtained during the Assurance Reviews which is confidential or proprietary will be appropriately stored by the Department.

Where necessary, after an initial review, the Department may request additional information and documentation, and for the HCP Provider to make staff available for interviews. Where the Department issues a notice to make staff available, then civil penalties can be applied by the Department as a last resort where a HCP Provider refuses to cooperate. The Department will only request the information and documentation relevant to the Scope of the Assurance Review and will seek to leverage information already available to reduce the burden of the Assurance Review on HCP Providers.

For some Assurance Reviews, the Department may approach specific HCP care recipients for additional information.

The notice to HCP Providers will contain details of how Review information will be handled. For general information about the Department's privacy practices please see the Department's Privacy Policy [Privacy policy | Australian Government Department of Health and Aged Care](#).

Fieldwork

The purpose of the Fieldwork stage is to:

- evaluate the information and documentation provided against the Review Criteria outlined within the Scope;
- identify and explore any possible findings and related verifiable information (e.g., deficiencies, omissions or conflicts); and
- summarise key findings.

All Review Officers undertaking Assurance Reviews as part of the Assurance Framework will be qualified under the International Standards Organisation in relation to:

- ISO 9001:2015 – Quality management systems
- ISO 19011:2019(E) – Guidelines for auditing management systems

Review Officers will follow the principles and methodologies outlined in **AS/NZ ISO 9001:2016** – Quality management systems and **AS/NZS ISO 19011:2019** – Guidelines for auditing management systems. This includes using their training and professional judgement to determine the degree of reliance that can be placed on the information and documentation obtained, and responses to questions raised. Further, each Review will have an effective moderation process to encourage consistency and identify outliers early in fieldwork to support transparency and consistency in Review Officers' findings and decisions.

Report

The purpose of the Reporting stage is to support transparency in the Department's Assurance Reviews, explain why findings/observations have been raised, and to support continuous improvement.

The Assurance Reviews management and team will work together to share learnings and insights to drive consistency in the Department's reports. The lessons from Assurance Reviews will inform the scoping, fieldwork and reporting of subsequent Assurance Activities (refer to **section 6. Continuous Improvement**).

All reports will be checked for accuracy, objectivity, evidence-base and consistency. Consultation will occur with relevant stakeholders and the reports will be finalised through relevant senior managers.

There are two types of Assurance Review reports:

- **HCP Provider Report:** Following the completion of an Assurance Review, a report summarising the Scope, key findings, better practices identified, and any identified areas for improvement will be given to each HCP Provider in the Review. The report will also note whether any matters will be referred to the ACQSC or, where relevant, Departmental fraud teams, for further consideration. HCP Providers will have the opportunity to comment on findings in the draft report prior to its finalisation in an exit interview. The comments and feedback provided will be included at the Department's discretion.
- **Review Summary Report:** In addition to the HCP Provider Reports, the Department will prepare a Review Summary Report, which may include aggregated findings, observations in relation to relevant HCP Providers, better practices identified, areas for improvement and key themes from all HCP Providers involved in the Assurance Review. Observations for this report will be drawn from the content of the HCP Provider Report, thus not requiring further commentary from reviewed HCP Providers. The Department will publish this report.

Following the publishing of the Review Summary Report, the Community of Practice will be used to share systemic HCP Program issues/findings and obtain feedback from HCP Providers on the process of conducting Assurance Reviews, including what worked well and areas for improvement. The Community of Practice will also be an opportunity for HCP Providers to help improve the HCP Program guidance and requirements.

Where a HCP Provider needs to dispute any part of the Assurance Reviews undertaken, including where a HCP Provider disagrees with the findings of the Assurance Reviews, the HCP Provider will be able to raise concerns:

- initially directly with their assigned Review Officers – the Director of the relevant Program Assurance Reviews Section will work in good faith to resolve the issues; however, if unresolved, then
- with the Assistant Secretary, Program Assurance Branch (PAB), and, if still dissatisfied,
- with the First Assistant Secretary, Quality and Assurance Division (QAD).

Requests will need to be made in writing (within 10 business days of the Department's decision/outcome being known to the HCP Provider) and include the following:

- a clear request for an internal review of the decision/finding, advising the reason for disputing the finding, and
- providing verifiable information to support the claims/rationale for seeking a review.

A written response by the relevant Delegate (AS PAB/FAS QAD) will be provided within 10 business days of a valid request being received.

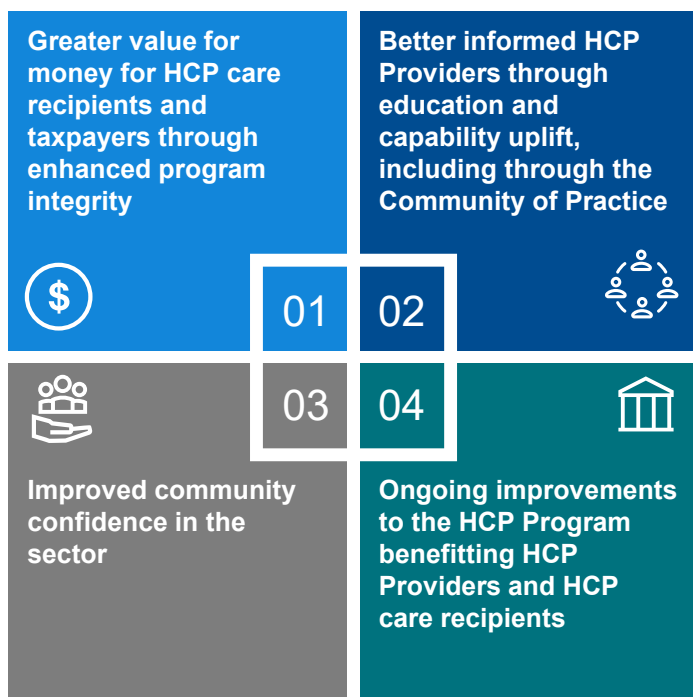
Once the FAS QAD has made a decision as the final Delegate in a dispute resolution process, no further requests will be possible.

5 Assurance Framework benefits

5.1 Benefits overview

Through the Assurance Activities, the Department expects to realise four key benefits outlined in **Figure 8** below.

Figure 8: Program Assurance Framework benefits



5.2 Greater value for money for HCP care recipients and taxpayers through enhanced program integrity

This benefit will apply to all current and future HCP care recipients under the HCP Program. Care recipients will benefit from increased cost transparency and value for money for their package funds. They will be empowered through information to secure the best value for money for their individual needs or change HCP Providers to achieve a better pricing outcome.

The findings and reports from the Assurance Activities aim to improve the value for money of the services provided by HCP Providers and aim to serve HCP care recipients and the Commonwealth by assuring the use of funds are:

- Efficient – the maximum value is provided for the cost of the goods and services.
- Effective – meet the needs of the HCP care recipient within the time they require it.
- Justified – HCP Providers are able to justify (through verifiable information provided to the Review Team) their charges to care recipients.

This benefit will be measured by:

- subsequent Reviews find minimal number of HCP Providers who cannot justify, through verifiable information provided to the Department's Review Teams, their charges to HCP care recipients;
- increased proportion of HCP Program funds going towards direct service delivery, measurable through Review activity and/or existing sector surveys (e.g., StewartBrown Surveys); and

- feedback from HCP care recipients/consumer peak bodies (e.g., OPAN) that HCP Providers' pricing arrangements (including in relation to indirect charges) are clearer to HCP care recipients.

5.3 Better informed HCP Providers through education and capability uplift, including through the Community of Practice

A core benefit of this Assurance Framework will be the identification of areas which are not well understood by HCP Providers and refining the guidance material available. The Department's work will include education of HCP Providers to clarify misunderstanding about the application of the rules. Further, the establishment of a Community of Practice (CoP) will support better practice information sharing across the industry and help to identify common areas requiring further clarity. Through these initiatives, there will be a capability uplift in HCP Providers being able to deliver the right support to HCP care recipients within the requirements of the HCP Program.

This benefit will be measured by:

- the number of HCP Providers engaging with the Community of Practice;
- feedback from HCP Providers/peak bodies of enhanced understanding of program requirements;
- ongoing program Assurance Activities by the Department yielding majority positive findings; and
- the frequency and types of findings issued in the Assurance Activities over time, including root cause analysis where appropriate.

HCP Providers should note that the Department is legally obliged to address any suspected intentional misuse of funds/fraud identified through the Assurance Activities.

5.4 Improved community confidence in the sector

Activities under the Assurance Framework will benefit the entire sector, by improving community confidence in the many HCP Providers offering quality, safe and reliable services. Community confidence is a key indicator of whether the HCP Program is designed, delivered and administered in a way that meets the needs of HCP care recipients.

This benefit will be measured by:

- review reports demonstrating majority positive findings in relation to HCP Providers;
- over time, a reduction in complaints from care recipients/the public regarding the HCP Providers/sector; and
- feedback from consumer peak bodies

5.5 Ongoing improvements to the current HCP Program as well as informing future home care reforms, benefitting current and future HCP Providers and HCP care recipients

The findings from the Assurance Activities will be used to enhance the current HCP Program requirements/guidance. Relevant findings will also support future home care reforms.

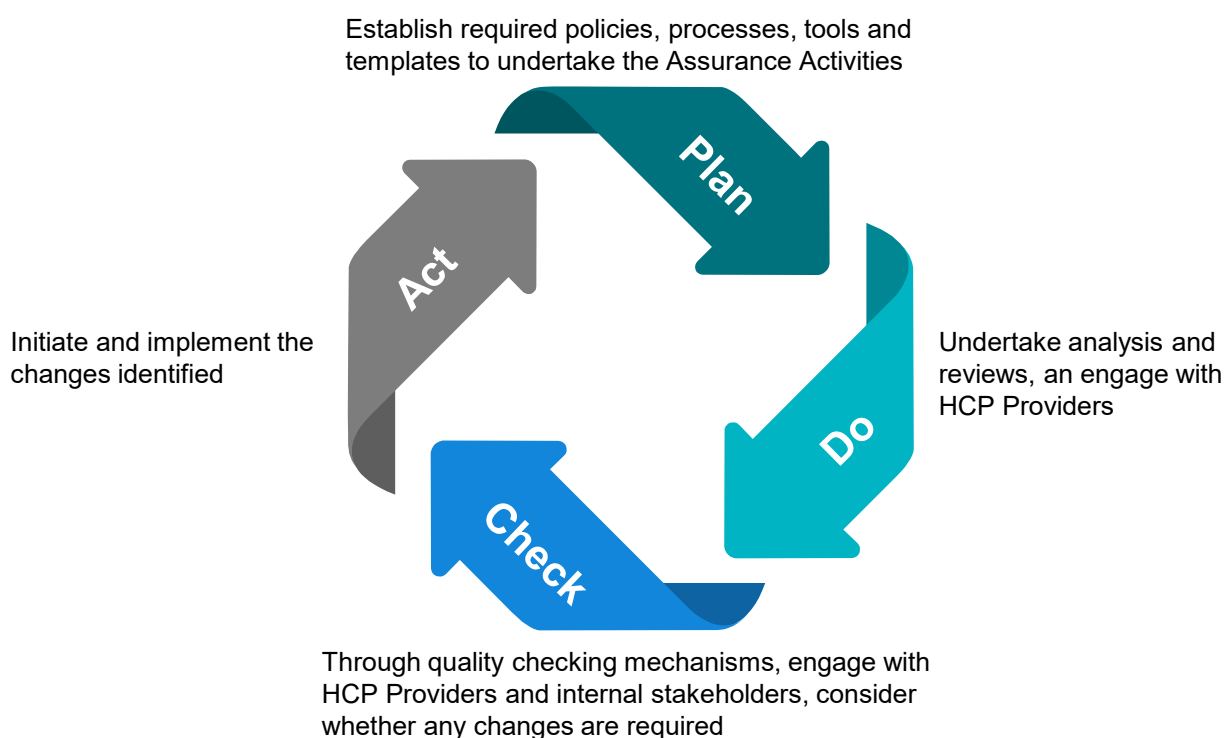
This benefit will be measured by:

- improved guidance/requirements for the current HCP Program that reduces any ambiguities/confusion for HCP Providers; and
- enhancements evident in the reformed home care requirements.

6 Continuous Improvement

To continuously improve the Assurance Activities and reflect changes in the HCP Program landscape, the Department will build on, develop and adapt this Assurance Framework towards meeting its intended objectives. The process of continuous improvement is described in **Figure 9** below.

Figure 9: Continuous improvement cycle



The mechanisms of identifying potential areas for improvement include:

- the Community of Practice
- Assurance Activities
- feedback from participants in the Assurance Activities (e.g., from HCP Providers)
- broader discussion with representative bodies, HCP Providers, HCP care recipients and other stakeholders,
- feedback from other relevant stakeholders, and
- complaints and feedback lodged with the Department.

These mechanisms will allow the Department to receive feedback on the existing HCP Program Assurance Framework and Assurance Activities, consider and prioritise potential opportunities for improvement (including through feedback received) and provide further clarifications where required. The Framework will be updated every two years, or when needed to reflect any changes in risks to the HCP Program and/or changes in the approach to undertaking assurance.

7 Appendices

Appendix A – Glossary of terms

Term	Definition
ACQSC	Aged Care Quality and Safety Commission
<i>Amended Aged Care Act 1997</i> and supporting legislation	Means the following Acts relevant to the HCP Program: <ul style="list-style-type: none"> • <i>Aged Care Act 1997</i> • <i>Aged Care and Other Legislation Amendment (Royal Commission Response No. 1) Act 2021 which amended the Aged Care Act 1997</i> • <i>Accountability Principles 2014</i> • <i>Fees and Payments Principles 2014</i> • <i>Information Principles 2014</i> • <i>Quality of Care Principles 2014</i> • <i>Records Principles 2014</i> • <i>Sanctions Principles 2014</i> • <i>Subsidy Principles 2014</i> • <i>User Rights Principles 2014</i> • <i>Prioritised Home Care Recipients Principles 2016</i> • <i>Aged Care (Transitional Provisions) Act 1997</i> • <i>Aged Care (Transitional Provisions) Principles 2014</i> • <i>Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014</i> • <i>Aged Care (Subsidy, Fees and Payments) Determination 2014.</i>
Annual Assurance Plan	A document developed annually which identifies the Assurance Activities which will be undertaken throughout the year.
Areas of Focus	Areas of Focus will be informed by the risks identified in the HCP Program Environment scan. These will be addressed by the Assurance Activities in a particular year.
Assurance Activity	The purpose of an Assurance Activity is to assess the effectiveness and efficiency of the controls in place to appropriately manage risks and deliver outcomes. Examples of Assurance Activities include: <ul style="list-style-type: none"> • Focussed data analytics • Assurance Reviews; and • Targeted Assurance Reviews. (See Section 4.2 Assurance Activities for further detail)

Term	Definition
Assurance Review	<p>The purpose of the Assurance Review as defined in the amended Aged Care Act 1997 is:</p> <ul style="list-style-type: none"> • assuring that arrangements for the delivery and administration of home care are effective and efficient; and • informing development of home care policy and education of approved providers in relation to home care and home care services. <p>An Assurance Review will involve defining a Scope, Information gathering, Fieldwork and Reporting.</p> <p>To support the conduct of the Assurance Review, the amended Aged Care Act 1997 provisions for the Department to issue notices to HCP Providers and require HCP Providers to submit information and documentation and make available any staff to answer questions to the Department.</p>
Community of Practice (CoP)	<p>A forum for HCP Providers and HCP provider and care recipient peak bodies to meet with the Department to: discuss findings from Assurance Reviews and their implications for HCP Providers/the sector/the HCP Program; identify best practices identified through Review Activities; share lessons learnt and possible improvements to the conduct of Reviews; and share mutual insights and suggested improvements in relation to the guidance/requirements for the HCP Program. The CoP will be hosted by the Department and all interested HCP providers and HCP provider and care recipient peak bodies are able to participate.</p> <p>The COP may comprise a digital platform to share information and ideas, as well as webinars and/or other means of “real time” engagement.</p>
Department	Australian Government Department of Health and Aged Care
Findings	Results of the Review of the collected information against Review Criteria.
Fraud	Dishonestly obtaining a benefit, or causing a loss, by deception or other means
HCP	Home Care Packages
HCP Provider	An organisation which has been assessed and approved by the ACQSC to provide Home Care Package services under the amended Aged Care Act 1997 . For the purposes of this document and Assurance Reviews, only incorporated HCP Providers are in scope.
HCP care recipient	An older Australian who has been approved by the Aged Care Assessment Team (ACAT), assigned a HCP and has entered into a Home Care Agreement with an approved HCP Provider.
Natural justice	<p>The accepted notion of natural justice is that everyone is entitled to a decision by an unbiased adjudicator (the hearing rule); and that the parties shall be given adequate notice of the case against them, and a right to respond (the bias rule).</p> <p>In the context of program Assurance Activities/Reviews, this means a HCP Provider can expect: adequate notice to respond; and a fair and unbiased opportunity to be “heard” before a report/decision is finalised with an adverse finding.</p>
PGPA Act	Public Governance, Performance and Accountability Act 2013
Professional scepticism	To show professional scepticism means: having a questioning mind, being alert to anything that may indicate misstatement due to error or fraud, and critically assessing the information available.

Term	Definition
Proper use	Per the PGPA Act , the proper use of public monies is defined to be: <ul style="list-style-type: none"> • Efficient – the achievement of the maximum value for the resources used. • Effective – the extent to which intended outcomes or results are achieved. • Economical – emphasises the requirement to avoid waste and sharpens the focus on the level of resources applied to achieve outcomes. • Ethical – honesty, integrity, probity, diligence, fairness and consistency.
Review Criteria	A set of requirements used as a reference against which objective evidence is compared.
Review Officer	A member of the Department’s Program Assurance Branch team undertaking HCP Program related Assurance Activity.
Risk	Is the effect of uncertainty on objectives. Risk is the possibility of an event or activity preventing an organisation from achieving its objectives.
Risk-based	Risk-based approach: an approach that considers risks and opportunities The risk-based approach should substantively influence the planning, conducting and reporting of Assurance Activities in order to focus Assurance Activities on matters that are significant for the Department, and for achieving the program objectives.
Risk appetite	The amount of risk the Department is willing to accept or retain in order to achieve its objectives. It is a statement that explains the Department’s attitude toward taking risks.
Risk tolerance	The levels of risk taking that are acceptable in order to achieve a specific objective or manage a category of risk.
Sampling	The objective of sampling is to provide verifiable information for the Review Officer to have confidence that the Assurance Activity objectives will be achieved. Sampling typically involves the following steps: a) establishing the objectives of sampling b) selecting the extent and composition of the population to be sampled c) selecting a sampling method d) determining the sample size to be taken e) conducting the sampling activity; and f) compiling, evaluating, reporting and documenting results. See Appendix C for further details.
Scope	The extent and boundaries of an Assurance Activity.
Value for Money	In the HCP Program Assurance Framework, value for money ¹² means: <ul style="list-style-type: none"> • Efficient: the achievement of the maximum value for the resources used. • Effective: the extent to which intended outcomes or results are achieved. • Justified: HCP Providers are able to justify (through verifiable information provided to the Review Team) their charges to care recipients.

¹² Consistent with the Aged Care and Other Legislation Amendment (Royal Commission Response No. 1) Act 2021 which amended the *Aged Care Act 1997*.

Appendix B – Legislative requirements for the Assurance Framework

Amended Aged Care Act 1997

The **amended Aged Care Act 1997** is the main Act covering government-funded aged care in Australia. It establishes the rules for all Aged Care providers (including HCP Providers) regarding funding, regulation, approval of providers, quality of care and the rights of people receiving care, and consequences for non-compliance.

To support the HCP Program Assurance function, legislation was enacted through the **Aged Care and Other Legislation Amendment (Royal Commission Response No. 1) Bill 2021** to amend the **Aged Care Act 1997** and compel HCP Providers to participate in the Department's Home Care Assurance Activities. The legislative purpose set out in the **amended Aged Care Act 1997** pursuant to **section 95BA-1 Home care assurance reviews** is:



This amendment to the **Aged Care Act 1997** provides the Secretary of the Department legislative powers to:

- **Conduct Assurance Reviews** for the purpose of assuring that arrangements for the delivery and administration of home care are effective and efficient and informing development of home care policy and education of approved providers in relation to home care and home care services (**section 95BA-1** of the **amended Aged Care Act 1997**).
- Scope Assurance Reviews including the approved providers subject to such Reviews, and their subject matter (**section 95BA-2** of the **amended Aged Care Act 1997**).
- **Issue notices to compel HCP Providers** to give information or documents, or answer questions in relation to a given subject matter (**section 95BA-5**, **section 95BA-6** and **section 95BA-8** of the **amended Aged Care Act 1997**).
- **Report on findings** from the Reviews directly to a HCP Provider, as well as publicly (**section 95BA-3** of the **amended Aged Care Act 1997**).

Section 95BA-5, **95BA-6**, and **95BA-7** of the **amended Aged Care Act 1997** enable the Department to apply civil penalties where a HCP Provider fails to comply with the requirements of the notice. These civil penalties are enforceable under the *Regulatory Powers Act*. In addition to civil penalties, the Department may publish the names of HCP Providers who do not comply with the Assurance Activities.

Section 95BA-5 of the **amended Aged Care Act 1997** allows a HCP Provider to request reasonable compensation by the Commonwealth for complying with a requirement of a notice to give copies of documents.

Public Governance, Performance and Accountability Act 2013 (PGPA Act)

The **PGPA Act** is designed to establish a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. The Department is required to meet the obligations under the **PGPA Act**.

The **PGPA Act** establishes accountability for the achievement of the purposes of the Department, for all public funding including that provided through programs such as the HCP Program. In support of this, the PGPA Act requires the Department to:

- make proper use of resources, which means the delivery of the HCP Program must be done in an efficient, effective, economical and ethical manner (**section 15** of the **PGPA Act**)
- establish appropriate systems of oversight of the risk and control environments (**section 16** of the **PGPA Act**)
- ensure information obtained by the Department must not be improperly used to gain an advantage or cause detriment to any person (**section 28** of the **PGPA Act**); and
- keep records that properly record and explain the performance in achieving its purposes, including those of the HCP Program (**section 37** of the **PGPA Act**).

Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)

Pursuant to **section 10** of the **PGPA Rule**, the Department is required to take all reasonable measures to prevent, detect and deal with fraud relating to the HCP Program.

The Commonwealth Fraud Control Framework establishes the Commonwealth's Fraud Control Policy and, together with the accompanying *Resource Management Guide RMG-201 Preventing, detecting and dealing with fraud*, sets a clear mandate to deter, detect and mitigate fraud risks. These requirements are reflected in the Department's Fraud and Corruption Control Plan 2021-23 and the Fraud Control Management Plan for the HCP Program.

The **PGPA Rule** further specifies the Department must pursue the recovery of debt owed to the Commonwealth (**section 11** of the **PGPA Rule**).

Public Service Act 1999

The **Public Service Act 1999** established, among other things, a unifying set of values (committed to service, ethical, respectful, accountable and impartial under **section 10**) and a Code of Conduct to be followed by all Australian Public Servants (including, pursuant to **section 13**, the requirements to use and act in accordance with all Australian laws and utilisation of Commonwealth resources in a proper manner and for a proper purpose).

Further, the **Public Service Act 1999** requires the Secretary of the Department to manage the affairs of the Department efficiently, effectively, economically and ethically and requires measures to ensure that the Department complies with Australian laws (pursuant to **section 57**).

Other obligations and guidance

There are numerous other legislative obligations on HCP Providers including, but not limited to: taxation, competition and consumer law, privacy, employment obligations, occupational health and safety, and food safety. Such obligations are not within the Scope of this Assurance Framework as they are the mandate of other Commonwealth, State or Territory entities.

Guidance on the HCP Program can also be found in the following:

- Home Care Packages Program Operational Manual: A guide for home care providers – available [here](#)
- Home Care Packages Program Operational Manual for Home Care Package consumers – available [here](#)

Appendix C – Sampling methodology

Sampling takes place where it is not practical or cost effective to examine all information during an activity. Sampling is the process of selecting less than 100% of a given population to obtain and evaluate verifiable information about specific characteristics of the population. Sampling is designed to form conclusions concerning the population as a whole.

Under this Assurance Framework, sampling may occur in two key areas:

- Assurance Activities may include a sample of HCP Providers, rather than all HCP Providers
- For a specific HCP Provider, a sample of information (e.g., HCP care recipients, care agreements) may be selected, rather than all HCP Provider information.

The Review Team will need to consider the size of the sample to deliver meaningful results, noting that Assurance Reviews will be deep-dive reviews based on risk. The complexity of the Review or the nature of the response from HCP Providers (more qualitative information) may limit sample size. For some Reviews, such as indirect charges, the entire HCP Provider cohort may need to be reviewed given the nature of the risk.

Furthermore, completely random sampling of data may not always provide the best results for a program Assurance Review that needs to be risk-based. Instead, Review Officers may use filtered or selective sampling, where a set of criteria or filters are applied to provide a cohort from which to draw random samples. This approach means that the samples fit the requirements of the Review but avoids suggestions of bias.

Professional judgement will be applied by the Department to select additional samples. This will be determined in context of the nature and extent of the risk the Assurance Activity intends to address, and the available time and resources to complete the activity.

As is evident from the above discussion, program assurance samples may not be representative of the population from which they have been selected. Professional judgement is therefore required in the selection of a sample, to align the sample to the objectives and nature of a given Assurance Activity.

The Department's approach to sampling under this Assurance Framework aligns to better practice within *ISO19011:2019(E) Guidelines for auditing management systems*, and the methodology within *IIA Whitepaper: Internal Audit Sampling*.

Both of these allow for judgement-based sampling approach as proposed by the Department.