



# Scheme Requirements

National Disability Insurance Scheme Approved Quality Auditor requirements (NDIS)

Certification audits



## Governing requirements

HDAA Australia Pty Ltd has been appointed by the National Disability Insurance Scheme Quality and Safeguards Commission as an Approved Quality Auditor to conduct verification and certification audits in line with the NDIS rules for provider verification and certification.

The certification audit will be based on the Initial Scope of Audit document or Service Description provided. If any changes are made to the Initial Scope of Audit which may in turn also result in a change to the audit process (including duration), an agreement variation may be developed in response to the change of scope. The scope of audit will be reconfirmed prior to the assessment.

## Name of guiding documents

In providing verification and certification services to providers of NDIS, HDAA is required to adhere to the [National Disability Insurance Scheme \(Approved Quality Auditors Scheme\) Guidelines 2018](#). The [National Disability Insurance Scheme \(Quality Indicators\) Guidelines 2018](#) sets out indicators and other matters that are considered when assessing compliance with the NDIS Practice Standards. Further detail should be accessed in the documents described above.

## Process requirements

In conducting a certification audit, the applicable NDIS Practice Standards to be assessed are:

- a) Schedule 1 to Schedule 7 of the [National Disability Insurance Scheme \(Provider Registration and Practice Standards\) Rules 2018](#) for provider certification; and
- b) Part 2 of the [National Disability Insurance Scheme \(Practice Standards-Worker Screening\) Rules](#) for provider certification and verification.

In providing audit services, HDAA staff and assessors will adhere to Annex A – Code of Conduct for Approved Quality Auditors set out in the [National Disability Insurance Scheme \(Approved Quality Auditors Scheme\) Guidelines 2018](#). HDAA has a procedure for handling whistleblowing with respect to alleged abuse or harm related to HDAA certified NDIS providers. The process includes mechanisms to support and protect whistle-blowers, and engage with relevant authorities to investigate issues raised. Service providers are required to advise personnel in the organisation of the opportunity to contact HDAA in such situations.

Applicants must provide a unique reference number (Application Reference Number) to access the relevant sections of the NDIS Commission's system. Prior to conducting certification audits, the audit scope will be reviewed to confirm:

- a) the range of registration groups selected to provide reflects actual or intended services provided
- b) types of participants receiving services, including disability type, age groups, diversity factors such as whether a participant is indigenous or culturally and linguistically diverse
- c) geographic coverage of services provided
- d) location and number of sites where supports are provided or coordinated
- e) number of participants
- f) number of workers providing services to participants.

Should an update of a provider's record on the Commission's system be required to accurately reflect the scope of audit, this should be confirmed to HDAA in writing. Changes in the scope of the audit may impact upon the time of the audit and/or its cost.

The certification audit program includes:

- a) A two-stage initial audit;

- b) A mid-term audit (required unless the provider is a partnership or individual and the only certification registration group is early intervention supports for early childhood; or where the only registration group is specialist disability accommodation); and
- c) A recertification audit in the third year no earlier than six months before the registration renewal date.

The initial Certification cycle is for three years and begins on the registration approval date. Mid-term audits must commence no later than 18 months after the beginning of the period for which the provider's registration is in force.

The NDIS Scheme requires that the certification audit team is comprised of at least two assessors and the team includes a qualified and experienced lead assessor. To the extent possible the audit team will reflect the characteristics of the supports provided, or intended to be provided. A mid-term audit may comprise one assessor. If a Technical Expert is required on any audit, the reasons for this shall be justified and the Technical Expert will have recognised qualifications and experience in the services area to be assessed. The Technical Expert may be a registered nurse with current Australian Health Practitioners Regulation Agency registration, when assessing clinical matters.

## Audit type and process

Certification audits must consist of a Stage 1 audit and Stage 2 audit. The purpose of a Stage 1 review is to collect sufficient verifiable information to enable an effective Stage 2 audit of the NDIS providers certification process. A Stage 1 audit will usually include an off-site audit that reviews:

- a) the self-assessment responses completed as part of the registration application, or registration renewal process,
- b) associated evidence documents submitted by you and available through the NDIS provider's application record on the Commission's system
- c) any prior NDIS provider certification outcome, corrective actions, and audit report
- d) any additional requirements raised by the Commission.

A Stage 1 audit may be conducted off site or on-site where prior written agreement to the audit being conducted on-site has been made. Following the Stage 1 audit, a description of any improvements identified will be provided and this will occur at least two weeks before the commencement date of Stage 2 audit. If conformity is determined at Stage 1, the findings will be provided at least 1 week before the Stage 2 audit.

The Stage 2 audit is required to commence within 3-months of the completion of the Stage 1 audit. If the Stage 1 audit determines that a provider is unlikely to be suitably prepared for their Stage 2 audit, the Commission and the provider will be informed using the Commission's system that the Stage 2 audit is likely to be delayed while the identified non-conformities are corrected.

The Stage 1 report will:

- a) state whether the documents and information provided for the Stage 1 audit were sufficient to meet the requirements of the relevant modules (or parts) of the NDIS Practice Standards
- b) identify your registration groups to be included in the audit
- c) key personnel involved in the audit
- d) number of participants
- e) how key personnel and participants are best involved in the audit.

The Stage 2 audit is completed on-site and includes an evaluation of the effectiveness and implementation your service's systems for addressing the relevant modules or parts of the NDIS Practice Standards. Where a provider operates in remote or regional areas, HDAA may obtain from the Commission approval to complete remote off-site audit. HDAA need to apply to the Commission in writing no later than ten working days prior to planned date of a Stage 2 audit in a remote or regional area.

Prior to the Stage 2 audit HDAA will:

- a) notify the Commission of the intended date of the audit using the Commission's system
- b) check the Commission's system for any relevant information
- c) ensure the provider has obtained prior informed consent from each participant to be part of the audit
- d) develop an audit plan and that includes information from section 14(4) and the relevant requirements of Annex B of the Guidelines
- e) seek written agreement of the audit plan from the provider.

During the Stage 2 audit the Lead Assessor will chair and maintain records of opening and closing meetings with the NDIS provider. At the closing meeting, the Lead Assessor shall provide you with a written copy of any improvement actions.

If a critical risk relating to criminal acts or child protection concerns is identified, the assessment team will:

- a) immediately notify the approved quality auditor, the Commission, and any relevant authorities of the risk
- b) cease the audit until the Commission notifies us that it may recommence.

If the audit team identify any other critical risk, the assessment team will

- a) immediately notify the HDAA office of the risk
- b) document the critical risk and mitigations taken to date
- c) seek sign off by a relevant senior person in HDAA and within 24 hours provide the Commission with this information.

## Provisional audits

A provisional audit may be completed where a provider has applied for registration that is subject to the certification audit; and systems and processes have been developed to deliver NDIS supports and services, but service delivery has not commenced. In this situation the audit may consist of a combined Stage 1 and Stage 2 on-site audit which is modified in to reflect that service delivery has not commenced.

In such a situation the following requirements in the Approved Quality Auditor Scheme do not apply: (i) subsection 15(9); and (ii) evidentiary requirements in Annex B.

Should a provisional audit be completed, a qualified certification decision will be issued.

## Sampling

Annex B of the Guidelines details the sampling methodology. If a provider is delivering one of the registration groups outlined in Annex D, no minimum sampling requirements apply for participants receiving services under this registration group.

As required by the NDIS Approved Quality Auditor Scheme Guidelines, the process for calculating the duration of the Stage 2 audit includes (but may not be limited to) the following:

- a) minimum duration of 4 hours
- b) size and complexity of your service including geographic spread between regional and outreach services from the primary service hub
- c) results of prior audits
- d) sampling methodology applied.

The duration on site will comprise at least 80% of the estimated total audit time.

A range of audit evidence relating to compliance with the applicable standards in the National Disability Scheme Insurance (Provider Registration and Practice Standards) Rules 2018 will be reviewed and this will include (but may not be restricted to):

- a) information directly from participants
- b) information from family/friends/carers/nominees and/or independent advocates (with participant consent)
- c) documented support plans and evidence of the delivery of supports to execute the plans
- d) a description of all supports delivered to participants by your service.

The Scheme requires that HDAA take appropriate steps to ensure providers are made aware of and comply with the sampling methodology requirements. Providers should note the sampling rules that apply, and that further detail can be obtained in “Annex B – Audit methodology and sampling (normative)” of the “National Disability Insurance Scheme (Approved Quality Auditors Scheme) Guidelines 2018”:

The participant sampling methodology used under this Scheme is “Opt Out” sampling. This means providers must advise all participants that they are automatically included in the audit process (i.e., they may be contacted for interviews and/or have their files, records or plans reviewed) and that if they do not want to participate in the audit process this needs to be documented. HDAA must document the number of participants that opted out of the sampling as part of the audit.

When assessors sample participants and select participant files for review, assessors shall prioritise to registration groups that are of the highest risk and sample worker files and conduct interviews with a sample of workers as required by the Approved Quality Auditors Scheme. Interviews shall be confidential. HDAA shall also sample a selection of sites based on the requirements set out in the Approved Quality Auditors Scheme. The sample selections shall be chosen by HDAA at random.

If the assessor determines that an event poses a serious risk to a participant, the assessor will determine that the situation and the risk of reoccurrence has been addressed. In such a situation the assessor will make an appropriate audit finding and document an action plan.

## Reporting

A written report using the NDIS Commission’s template will be completed after the stage two audit has occurred. The report will endeavour to include some or all the following:

- a) whether the service is to be recommended for full certification or if there are any conditions which should be applied to the registration requiring an on-site audit for a registration group
- b) an executive summary
- c) a description of evidence from a variety of reliable sources
- d) evidence and examples from documented records and interviews
- e) a description of the relationship between actual and expected outcomes
- f) attainment ratings against each outcome and indicator at the time of the audit.

The audit will endeavour to ensure finding statements and improvement actions are completed according to the level of attainment and risk determined. It will also identify opportunities for improvement; and provide certification recommendations against each outcome within the applicable NDIS Practice Standards.

As required by the Scheme, certification will only be recommended where a provider has demonstrated that all criteria in the relevant NDIS Practice Standards are being met or where minor non-conformities have been identified and it is demonstrated that an acceptable corrective plan has been developed prior to our recommendation being made to the NDIS.

If there is any disagreement on the content of the report, the disagreement shall be recorded. HDAA shall endeavour to meet the timeframes for reporting to the Commission for certification audits

(including mid-term audits) which requires that reporting occurs no more than 28 calendar days after the on-site audit.

In providing the report to the Commission HDAA will make a certification decision and registration recommendation.

## Ongoing requirements

Mid-term audits must commence no later than 18 months after the beginning of the period for which the provider's registration is in force to monitor external and internal changes to a provider. The scope of the mid-term audit will be proportionate to the size and scope of the services provided. The mid-term audit can be completed by one assessor who is a team leader. An audit plan will be developed that includes:

- a) The standards in Part 3 of Schedule 1 in the National Disability Insurance Scheme (Provider Registration and Practice Standards) Rules 2018, which includes governance and operational management
- b) Any standard for which a previous assessment by an approved quality auditor identified a need for the provider to implement a corrective action plan
- c) Any standard specified in relation to the audit by the Commissioner in a written notice given to the provider.

Recertification planning will occur no earlier than six months prior to the registration renewal date. Recertification audit shall include a stage one audit; including a self-assessment indicating where any variation or changes to the previous assessment have occurred.

## Ratings (Findings)

In assessing the requirements of the Scheme, HDAA shall adhere to the ratings of attainment as set out in the Approved Quality Auditors Scheme. Where improvements are identified these will be followed up to ensure satisfactory progress is made within the required timeframes. HDAA shall conduct follow-up in a cost-effective manner that ensures that improvement actions have been properly downgraded or closed within the required timeframes. Follow-up may entail a desktop review of documentation or other review process as we determine. If any major non-conformance is identified HDAA will specify time limits for correction and corrective actions.

HDAA shall adhere to "Annex C – Timeframe for correcting non-conformities" when determining timeframes for responding to any identified improvement, noting that the Approved Quality Auditors Scheme requires that providers present a corrective action plan within seven calendar days of written notification of the improvement action.

## Information and Communication Technology Auditing (MD4:2018)

HDAA is authorised to complete assessments to MD4:2018 which enables a greater use of information and communication technologies (ICT) in the auditing activities. ICT is the use of technology for gathering, storing, retrieving, processing, analysing and transmitting information. It includes software and hardware such as smartphones, handheld devices, laptop computers, desktop computers, drones, video cameras, wearable technology, artificial intelligence, and others. The use of ICT may be appropriate for auditing both locally and remotely. The use of ICT during audits may include but is not limited to:

- Meetings; by means of teleconference facilities, including audio, video and data sharing;
- Audit of documents and records by means of remote access, either synchronously (in real time) or asynchronously (when applicable);
- Recording of information and evidence by means of still video, video or audio recordings; and
- Providing visual/audio access to remote or potentially hazardous locations.

The use of ICT shall be mutually agreed upon with you by HDAA prior to the audit commencing. HDAA and the service provider shall ensure that security and confidentiality is maintained throughout audit activities and activity is in accordance with information security and data protection measures and regulations before ICT is used for audit purposes. In the event systems to be used, security and or data protection measures are not able to be fulfilled or agreed the assessment will be conducted on site.