

AGED CARE STANDARDS AND ACCREDITATION AGENCY LTD

Agency resources and planned performance

Aged Care Standards and Accreditation Agency Ltd

Health and Ageing Portfolio Agency

ACSAA

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Section 1: Agency Overview and Resources

1.1 Strategic Direction Statement

The Australian Government, through the Aged Care Standards and Accreditation Agency Ltd (ACSAA), manages the accreditation and ongoing supervision of Australian Government-subsidised aged care facilities¹, and promotes high quality care to care recipients, by providing information, education and training services. ACSAA strategically manages aged care facilities working towards accreditation, and liaises with the Department of Health and Ageing about facilities that do not comply with the Accreditation Standards under the *Aged Care Act 1997*.

The role and functions of ACSAA, as the accreditation body, are set out under Division 80 of the *Aged Care Act 1997*, and the *Accreditation Grant Principles 1999*. ACSAA is a wholly owned Commonwealth Company limited by guarantee and is subject to the *Commonwealth Authorities and Companies Act 1997* and the *Corporations Act 2001*.

¹ Residential aged care is regulated by the Australian Government, which provides subsidies to approved providers, whose care and services have been accredited against the Accreditation Standards.

1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by departmental classifications.

Table 1.2.1 ACSAA Resource Statement – Budget Estimates for 2010-11 as at Budget May 2010

	Estimate of prior year amounts available in 2010-11 \$'000	Proposed at Budget 2010-11 \$'000	Total estimate 2010-11 \$'000	Estimated available appropriation 2009-10 \$'000
Opening balance/reserves at bank	16,902	-	16,902	18,970
FUNDS FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	-	-	-	-
Total ordinary annual services	-	-	-	-
Other services²				
Non-operating	-	-	-	-
Total other services	-	-	-	-
Total annual appropriations	-	-	-	-
Payments from related entities³				
Amounts from the portfolio department	-	24,956	24,956	22,274
Amounts from other agencies	-	-	-	-
Total payments	-	24,956	24,956	22,274
Total funds from Government	-	24,956	24,956	22,274
FUNDS FROM OTHER SOURCES				
Interest	-	636	636	611
Sale of goods and services	-	7,003	7,003	9,293
Other	-	-	-	-
Total other sources	-	7,639	7,639	9,904
Total net resourcing for ACSAA	16,902	32,595	49,497	51,148

Notes:

All figures are GST exclusive.

ACSAA is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Health and Ageing which are then paid to the ACSAA and are considered 'departmental' for all purposes.

¹ Appropriation Bill (No.1) 2010-11.

² Appropriation Bill (No.2) 2010-11.

³ Funding provided by a Government body that is not specified within the annual appropriation bills as a payment to the CAC Act body.

1.3 Budget Measures

Budget Measures relating to ACSAA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.3.1 ACSAA 2010-11 Budget Measures

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
National Health and Hospitals Network - Aged care - strengthening arrangements for complaints						
Aged Care Standards and Accreditation Agency						
Departmental expenses	1.1	-	517	668	741	818
Department of Health and Ageing						
Departmental expenses	4.8	-	9,571	11,902	12,688	13,690
Total		-	10,088	12,570	13,429	14,508

Section 2: Outcomes and Planned Performance

2.1 Outcomes and Performance Information

Outcome 1 – High quality residential aged care for older people, including through accrediting Australian Government funded aged care homes, identifying best practice, and providing information and education to the aged care sector

Outcome Strategy

The Australian Government is committed to high quality residential aged care for older people. One mechanism to achieve this is through the residential aged care accreditation process. This accreditation process assesses whether residential aged care facilities provide quality care and services. The Australian Government, through ACSAA, supervises and monitors compliance with the Accreditation Standards² to ensure residents receive a high standard of care in aged care facilities.

ACSAA communicates with industry and the public about issues and developments in aged care, and its role in promoting high quality care. These services raise aged care industry standards in general, leading to better outcomes in the provision of care to residents.

ACSAA Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for ACSAA by Program.

Table 2.1.1: Budgeted Expenses and Resources for ACSAA

	2009-10 Estimated actual \$'000	2010-11 Budget \$'000	2011-12 Forward year 1 \$'000	2012-13 Forward year 2 \$'000	2013-14 Forward year 3 \$'000
Program 1.1: Accrediting, monitoring and promoting high quality care through information, education and training for Australian Government funded aged care homes					
Departmental expenses					
Ordinary annual services (Appropriation Bill No. 1)	22,274	24,956	20,322	26,259	24,415
Revenues from independent sources	9,904	7,639	21,623	11,142	11,142
Total for Program 1.1	32,178	32,595	41,945	37,401	35,557
Total expenses for Outcome 1	32,178	32,595	41,945	37,401	35,557
	2009-10	2010-11			
Average staffing level (number)	225	220			

² Accessible at: www.accreditation.org.au

Contributions to ACSAA

Program 1.1: Accrediting, monitoring and promoting high quality care through information, education and training for Australian Government funded aged care homes

Program Objective

Through this Program, the Australian Government aims to:

- assess and strategically manage residential aged care services working towards accreditation;
- monitor residential aged care services for compliance with the Accreditation Standards;
- further develop education activities to promote high quality aged care; and
- provide information to industry to help improve the quality of care for residents.

To safeguard aged care residents against poor quality care, ACSAA will manage the accreditation and supervision of Australian Government-subsidised aged care facilities, and provide information and education services.

Major Activities

Accreditation of aged care services

The Australian Government, through ACSAA, manages the accreditation process for all subsidised residential aged care homes to protect the health, safety and wellbeing of residents, and promote high quality care.

In 2010-11, ACSAA will undertake the assessment of performance against the standards of the 453 aged care homes whose accreditation period is due for review during the year. To assist these facilities meet the Accreditation Standards, ACSAA will conduct accreditation audits and assess compliance against the 44 outcomes of the Accreditation Standards set out in the *Quality of Care Principles 1997*. ACSAA will conduct follow-up support visits and review audits as required. These assessments will benefit the community through the improvement and maintenance of quality of care to older people in aged care facilities.

The major challenge for ACSAA in 2010-11 will be maintaining its performance level in conducting accreditation assessments and monitoring, while contributing to a pilot of revised aged care Accreditation Standards. This will follow a review of the current standards by the Department of Health and Ageing.³

Monitoring of compliance with the accreditation standards

The Australian Government promotes high quality aged care through monitoring aged care providers' compliance with the Accreditation Standards, using support contacts and review audits conducted by ACSAA. A support contact is a visit to an aged care home for the purpose of monitoring the facility and assisting with its continual improvement.

In 2010-11, ACSAA will conduct at least one unannounced visit to each Australian Government-subsidised aged care facility, and provide follow-up support contact and review audits as required. These visits will ensure that high quality residential aged care is

³ For more information on this Government initiative, refer to the Outcome 4 chapter located in these Portfolio Budget Statements, specifically under Program 4.8 Residential Care.

maintained. ACSAA accreditation activity works on a three-year cycle, driven by the number of facilities that apply for re-accreditation. Accreditation activity will peak again in 2011-12.

In addition, ACSAA will work collaboratively with the Department by sharing data and statistical reporting, discussing services that do not comply with the Accreditation Standards, and strengthening capacity to monitor and assess facilities for compliance with the Accreditation Standards.

Education activities to promote high quality care

Over the next three years, the Australian Government, through ACSAA, will continue to assess and develop the most effective strategies to promote high quality care for residents of aged care facilities.

During 2010-11, ACSAA will conduct six Better Practice Conferences, and will deliver at least 250 quality education activities covering the Accreditation Standards, as well as 59 seminars and 48 assessor courses. The educational activities (with the exception of the assessor courses) will target approved providers of residential aged care services, helping to improve care for residents and strengthen management systems that support delivery of aged care services for residents.

Assessment of educational activities will include feedback from workshop and seminar attendees and accreditation referral activity, to identify gaps in knowledge areas.

Approved providers have limited resources for staff to attend educational courses and seminars. The challenge for ACSAA is to continue to provide relevant material so that the seminars and courses are beneficial to the aged care industry. ACSAA will respond to this challenge by providing ongoing evaluation and development of its materials.

Information to the industry on accreditation standards

Over the next three years, ACSAA will provide information to the aged care industry on improving the quality of care for residents through its monthly publication, *The Standard*. Articles in *The Standard* will focus on elements of the Accreditation Standards for use in staff education and training programs.

In addition, ACSAA will provide self-directed educational packages on its website⁴, covering areas such as self-assessment, continuous improvement and demystifying dementia. ACSAA has developed a series of fact sheets or 'leave-behinds' on risk management, infection control, continuous improvement, and information systems to assist providers to maintain compliance and strengthen their management systems. These 'leave-behinds' are routinely provided to facilities by ACSAA assessors during visits. ACSAA has also developed a Governance and Accreditation Toolbox to assist boards of residential aged care organisations to understand their roles and responsibilities.

ACSAA aims to enhance the understanding of the Accreditation Standards by approved aged care providers and improve the quality of care at their facilities. By providing this information, the Government, through ACSAA, will benefit the community with improved care for its older and frail citizens.

⁴ Accessible at: www.accreditation.org.au

Program 1.1: Deliverables

ACSAA will produce the following ‘Deliverables’ to achieve the Program Objective.

Table 2.1.2: Qualitative Deliverables for Program 1.1

Qualitative Deliverables	2010-11 Reference Point or Target
Education activities to promote high quality care	
Develop and deliver publications and education services that promote high quality care	Delivery of Better Practice conferences, seminars, assessor courses and quality education activities
Information to the industry on accreditation standards	
Provide self-directed education packages through the ACSAA website ⁵	ACSAA website provides a diverse range of resources for industry and the general public
Provide fact sheets to aged care facilities	Aged care facilities are provided with a diverse range of fact sheets and ‘leave behinds’

Table 2.1.3: Quantitative Deliverables for Program 1.1

Quantitative Deliverables	2009-10 Revised Budget	2010-11 Budget	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Percentage of Agency compliance with Funding Agreement requirements	100%	100%	100%	100%	100%
Accreditation of aged care services					
Percentage of site audits completed within statutory timeframes following receipt of a valid application	100%	100%	100%	100%	100%
Monitoring of compliance with the accreditation standards					
Number of unannounced visits per aged care home per year	≥1	≥1	≥1	≥1	≥1

⁵ Accessible at: www.accreditation.org.au

Quantitative Deliverables	2009-10 Revised Budget	2010-11 Budget	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Information to the industry on accreditation standards					
Number of editions of <i>The Standard</i> published each year	11	11	11	11	11

Program 1.1: Key Performance Indicators

The following ‘Key Performance Indicators’ measure the impact of the Program.

Table 2.1.4: Qualitative Key Performance Indicators for Program 1.1

Qualitative Indicator	2010-11 Reference Point or Target
Education activities to promote high quality care	
Residential aged care providers are made aware of methods and strategies to improve aged care and strengthen management systems	Attendance by aged care providers at Better Practice conferences, seminars, assessor courses and quality education activities held by ACSAA

Table 2.1.5: Quantitative Key Performance Indicators for Program 1.1

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Accreditation of aged care services					
Percentage of services that complied with the Accreditation Standards at the last accreditation audit	>92%	>92%	>92%	>92%	>92%
Monitoring of compliance with the accreditation standards					
Percentage of homes achieving compliance by the end of the ‘timetable for improvement’ period	≥90%	≥90%	≥90%	≥90%	≥90%

ACSAA – Agency Budget Statements – Outcomes and Planned Performance

Quantitative Indicators	2009-10 Revised Budget	2010-11 Budget Target	2011-12 Forward Year 1	2012-13 Forward Year 2	2013-14 Forward Year 3
Number of facilities assessed to be non-compliant during the year	<300	<300	<300	<300	<300
Education activities to promote high quality health care					
Education activities meet attendee needs ⁶	>85%	>85%	>85%	>85%	>85%

⁶ Measured by percentage of positive feedback from attendees.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and Australian Government Indigenous Expenditure.

3.1 Explanatory Tables

3.1.1 Movement of administered funds between years

Section 3.1.1 is not applicable to ACSAA.

3.1.2 Special Accounts

Section 3.1.2 is not applicable to ACSAA.

3.1.3 Australian Government Indigenous Expenditure

The 2010-11 Australian Government Indigenous Expenditure (AGIE) Statement is not applicable because ACSAA has no specific Indigenous expenses.

3.2 Budgeted Financial Statements

3.2.1 Differences in agency resourcing and financial statements

Section 3.2.1 is not applicable to ACSAA.

3.2.2 Analysis of budgeted financial statements

An analysis of ACSAA's budgeted financial statements for 2010-11 is provided below.

Departmental Resources

Comprehensive Income Statement

Income for ACSAA is predominately provided by Government through the Department of Health and Ageing and aligns with the three year accreditation cycle. The peak of the cycle is planned for 2011-12.

ACSAA is planning for a break-even position in all years.

Balance Sheet

Assets and liabilities will remain stable over the budget and forward years.

3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	22,642	21,029	30,768	24,364	24,364
Supplier expenses	8,379	10,399	10,001	11,735	9,891
Depreciation and amortisation	1,157	1,167	1,176	1,302	1,302
Total expenses	32,178	32,595	41,945	37,401	35,557
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	9,293	7,003	20,962	10,454	10,454
Interest	611	636	661	688	688
Other revenue	-	-	-	-	-
Total revenue	9,904	7,639	21,623	11,142	11,142
Gains					
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total own-source income	9,904	7,639	21,623	11,142	11,142
Net cost of (contribution by) services	22,274	24,956	20,322	26,259	24,415
Revenue from Government	22,274	24,956	20,322	26,259	24,415
Surplus (Deficit)	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	16,902	15,995	19,464	16,842	16,842
Receivables	543	543	557	557	557
Total financial assets	17,445	16,538	20,021	17,399	17,399
Non-financial assets					
Infrastructure, plant and equipment	865	970	1,070	1,165	1,260
Intangibles	1,597	1,492	1,392	1,297	1,202
Other	-	-	-	-	-
Total non-financial assets	2,462	2,462	2,462	2,462	2,462
Total assets	19,907	19,000	22,483	19,861	19,861
LIABILITIES					
Payables					
Suppliers	977	977	977	977	977
Other payables	4,486	3,579	7,062	4,440	4,440
Total payables	5,463	4,556	8,039	5,417	5,417
Provisions					
Employees	2,842	2,842	2,842	2,842	2,842
Other provisions	209	209	209	209	209
Total provisions	3,051	3,051	3,051	3,051	3,051
Total liabilities	8,514	7,607	11,090	8,468	8,468
Net assets	11,393	11,393	11,393	11,393	11,393
EQUITY					
Contributed equity	11,393	11,393	11,393	11,393	11,393
Retained surpluses or accumulated deficits	-	-	-	-	-
Total equity	11,393	11,393	11,393	11,393	11,393

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)

	Retained surplus	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance carried forward from previous period	11,393	-	-	-	11,393
Surplus (deficit) for the period	-	-	-	-	-
Appropriation (equity injection)	-	-	-	-	-
Estimated closing balance as at 30 June 2011	11,393	-	-	-	11,393

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	7,226	6,096	24,431	7,832	10,454
Grants	22,274	24,956	20,322	26,259	24,415
Interest	611	636	661	688	688
Net GST received	801	767	1,234	857	875
Other cash received	-	-	-	-	-
Total cash received	30,912	32,455	46,648	35,636	36,432
Cash used					
Employees	22,642	21,029	30,768	24,364	24,364
Suppliers	8,379	10,399	10,001	11,735	9,891
Net GST paid	801	767	1,234	857	875
Total cash used	31,822	32,195	42,003	36,956	35,130
Net cash from (or used by) operating activities	(910)	260	4,645	(1,320)	1,302
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,157	1,167	1,176	1,302	1,302
Total cash used	1,157	1,167	1,176	1,302	1,302
Net cash from (or used by) investing activities	(1,157)	(1,167)	(1,176)	(1,302)	(1,302)
Net increase (or decrease) in cash held	(2,067)	(907)	3,469	(2,622)	-
Cash at the beginning of the reporting period	18,969	16,902	15,995	19,464	16,842
Cash at the end of the reporting period	16,902	15,995	19,464	16,842	16,842

Table 3.2.5: Capital budget statement

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally from departmental resources ¹	1,157	1,167	1,176	1,302	1,302
Total acquisitions of non-financial assets	1,157	1,167	1,176	1,302	1,302
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,157	1,167	1,176	1,302	1,302
Total cash used to acquire assets	1,157	1,167	1,176	1,302	1,302

¹ Includes the following sources of funding:
 - annual and prior year appropriations;
 - donations and contributions;
 - gifts;
 - finance leases;
 - internally developed assets;
 - section 31 relevant agency receipts (for FMA agencies only); and
 - proceeds from the sale of assets.

Table 3.2.6: Statement of asset movements (2010-11)

	Land	Buildings	Other infrastructure, plant & equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2010					
Gross book value	-	-	4,384	2,479	6,863
Accumulated depreciation/amortisation	-	-	3,519	882	4,401
Opening net book balance	-	-	865	1,597	2,462
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services	-	-	1,167	-	1,167
Sub-total	-	-	1,167	-	1,167
Other movements					
Depreciation/amortisation expense	-	-	1,062	105	1,167
as at 30 June 2011					
Gross book value	-	-	5,551	2,479	8,030
Accumulated depreciation/amortisation	-	-	4,581	987	5,568
Closing net book balance	-	-	970	1,492	2,462

3.2.4 Notes to financial statements

The budgeted financial statements for ACSAA are prepared for the Budget year, previous year and three forward years.

Departmental Financial Statements

Comprehensive income statement (showing net cost of services) (for the period ended 30 June)

This statement provides a picture of the expected financial results for ACSAA by identifying accrual expenses and revenues showing the net cost of services.

This statement also provides for the first time, revenues and expenses taken through equity to provide for a comprehensive income and expense

Budgeted departmental balance sheet (as at 30 June)

The statement shows the financial position of ACSAA. It enables decision-makers to track the management of ACSAA's assets and liabilities.

Departmental statement of changes in equity – summary of movement (Budget year 2010-2011)

This table shows the movements in equity during the Budget year.

Budgeted departmental statement of cash flows (for the period ended 30 June)

Budgeted cash flows as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by characterising them into expected cash flows from operating activities, investing activities and financing activities.

Capital budget statement

This table shows the appropriations from Government for the purchase of capital items and purchases of non-financial assets from capital and internal sources.

This table has been amended for the 2010-11 budget to provide a reconciliation between the asset purchases and cash flow statement.

Statement of asset movements (2010-11)

This table shows the movements in asset classes through addition (eg purchases) and other movements (eg depreciation and amortisation).

Purchases are reconciled in the Capital Budget Statement to the Statement of Cash Flows as described above and include sources of funding for asset purchases.

