



Overview Strengthened Aged Care Quality Standards

Pilot project report

April 2024

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Foreword by the Aged Care Quality and Safety Commissioner

2024 is shaping up to be a big year for the aged care sector. The anticipated introduction of the new Aged Care Act will deliver a new regulatory model and new strengthened Aged Care Quality Standards (strengthened Quality Standards).

The final draft of the strengthened Quality Standards was released by the Department of Health and Aged Care (the Department) in December 2023 in parallel with the release of the exposure draft of the new Aged Care Act for public consultation. The final draft of the strengthened Quality Standards was the product of a comprehensive review of the current Standards, followed by extensive public consultation and pilot processes.

Under the new Act, the strengthened Quality Standards will be part of a broader regulatory model that will continue to require providers to comply with their legal obligations and effectively manage risk, while placing more emphasis on building regulatory relationships, trust and transparency with the aged care sector and encouraging continuous improvement. The new model puts older people first and foremost and respects their autonomy and independence to make decisions that are right for them.

The strengthened Quality Standards are the promise we – the Commission and providers – make to the community about what people can expect from aged care in this country. We all share the same goal, which is to give older people a better experience of aged care, wherever they live in Australia.

This report outlines the process undertaken by the Commission to develop a new audit methodology with accompanying resources and tools that meet the expectations of the government's proposed new regulatory model.

Many organisations and individuals from across the sector have contributed to this exercise. The Commission acknowledges and appreciates their willingness to be involved, and the constructive, thoughtful input they have provided which has helped shape our thinking and approach to best practice auditing under the new Act. We will further improve the resources informed by feedback from the sector as part of our public consultation on a suite of [draft guidance resources](#) released to the sector on 6 February 2024.



J. M. Anderson

Janet Anderson PSM
Commissioner

Message from the Deputy Commissioner

Since the first draft of the strengthened Quality Standards was released in October 2022 for public consultation, the Commission, alongside our colleagues at the Department and the Health Care Commission, has completed the first stages of a significant work program to help both the sector and Commission staff to prepare for the changes ahead of us.

Commencing in December 2022 and throughout 2023, the Commission partnered with Ernst & Young Australia on the development of a new audit methodology, pilot audits, and a suite of draft guidance materials to support providers. We tested the auditability of the strengthened Quality Standards and how they will apply in practice across the diversity of aged care settings to learn how to best support providers to understand and implement them. The methodology has been designed to ensure older people are at the centre of the care and services they receive, and supports continuous improvement, flexibility, transparency, effectiveness, and efficiency; underpinned by evidence gathering and sampling.

Throughout the process, we have consulted and workshopped with representatives from across the aged care sector, peak bodies and older people as well as the Department and the Health Care Commission. Our aim, as always, is to ensure what we produce is fit for purpose, aligns with contemporary evidence-based practice and is easy to understand.

The feedback we have received from the providers and those receiving aged care services who participated in the pilot audits was positive. They told us they found the new process to be more transparent and easier to understand, and they felt more engaged with the Commission.

This project report provides you with an overview of the work undertaken to ensure that both the sector and Commission are ready for when the strengthened Quality Standards replace the current Quality Standards. This work is informing our readiness plan for the program of work we have underway to support the changeover to the strengthened Aged Care Quality Standards. I would like to thank all participants for their time and contributions during the pilot audits and guidance workshops.



A handwritten signature in black ink, appearing to read 'Lisa Peterson'.

Lisa Peterson PSM
Deputy Commissioner

1. Introduction

To help the sector prepare for upcoming changes in aged care legislation, the Commission partnered with Ernst & Young Australia for a pilot project of a new audit methodology, pilot audits, and a suite of draft guidance materials to support providers.

At the completion of this strengthened Quality Standards pilot project, we undertook an evaluation outlining the key insights, findings and lessons learned from the pilot audits. This report summarises our findings and will direct future work to be undertaken by the Commission in preparation for implementation of the strengthened Quality Standards and new audit methodology, after the passing of the new Aged Care Act.

1.1 Summary of pilot project

The main objectives of the pilot project were to inform how the strengthened Quality Standards can be effectively implemented, whether graded assessments can better differentiate provider performance and drive continuous improvement, and what support and resources providers will need to help them understand and meet their obligations. Importantly, consideration was given to how older people would be best supported to understand what the strengthened Quality Standards mean for them and what they should expect from their aged care provider.

A package of [draft resources](#), including a new audit methodology and associated tools, evidence mapping framework, and guidance for the strengthened Quality Standards, was released for consultation on 6 February 2024.

The scope of works for the pilot project were delivered in the following stages:

Table 1: Pilot project stages

| Stage 1 | Stage 2 | Stage 3 | Stage 4 | Stage 5 | Stage 6 |
|------------------------------|--|-------------------------|----------------------|------------------|--|
| Project scoping and planning | Audit methodology and evidence mapping | Pilot audit preparation | Pilot audit delivery | Pilot evaluation | Delivery of resources and final report |

Stage 1 – Project scoping and planning

A framework (gap) analysis was conducted detailing the differences between the strengthened Quality Standards and current Standards. This analysis supported the Commission to have a clearer understanding of the key similarities and differences between the two sets of Standards. An [updated framework analysis](#) is available on the Commission’s website alongside the other resources published on 6 February 2024.

A literature review of audit methodologies employed by other regulators in the health and/or care sector was undertaken. The literature review supported the identification of better practices for audits conducted by other regulators as well as key challenges with their current audit programs. The insights from the literature review, particularly the better practices, were incorporated into the new audit methodology.

Stage 2 – Audit methodology and evidence mapping

A review of the Commission’s current aged care quality assessment methodology was undertaken. This was followed by extensive consultation with Commission stakeholders to identify gaps, challenges and opportunities for improvement that could be addressed through the design of the new audit methodology.

A new audit methodology was developed for the strengthened Quality Standards, with initial testing in the pilot audits, addressing the following:

- Audits of entities seeking registration and existing providers applying for re-registration, which may have multiple service types and service delivery locations.
- A clear framework of evidence to inform which elements of the strengthened Quality Standards could be audited using offsite protocols, which required onsite evidence collection, and where existing and new data and reporting could be applied.
- Audit processes which were efficient and scalable, where the evidence required was commensurate with provider risk.
- Audit processes applicable to residential and home service providers respectively.
- Audit processes which allowed for graded audit ratings of Conformance, Minor Non-conformance and Major Non-conformance.
- Alignment with broader regulatory settings.

An [evidence mapping framework](#) was developed to support auditors conducting the pilot audits to gather evidence across a variety of categories.

Stage 3 – Pilot audit preparation

Auditor training, guidance, audit tools, and templates for the pilot audits were developed. The guidance and training informed participating auditors about the pilot audits, the new audit methodology and the approach to evidence gathering. The training also reviewed the associated audit tools and templates which support pilot audits.

A briefing pack for providers was prepared and briefings were held with providers participating in the pilot audits to inform them of the objectives and scope of the pilot project, the new audit methodology, the timeframes for the pilot audit, and the Commission's expectations of them.

Stage 4 – Pilot audit delivery

The new audit methodology, evidence mapping framework, and associated tools were piloted through 40 pilot audits across 32 providers who represented the diversity of the sector. The pilot audits supported testing and validation and enhanced the audit methodology, evidence mapping framework and tools, as well as understanding the auditability of the strengthened Quality Standards.

A digital audit tool was used to conduct the pilot audits, prepare pilot audit reports, and capture provider responses to the audit reports. The digital audit tool supported auditors to conduct pilot audits more consistently against the requirements of the audit methodology and the evidence mapping framework and gave providers more user-friendly access to detailed evidence and findings from the pilot audits.

Stage 5 – Pilot evaluation

Data and feedback were collected and analysed over the course of the pilot audits, including audit grading data, non-conformance data, audit time and effort data, as well as feedback from providers and participating auditors regarding the strengthened Quality Standards, new audit methodology, evidence mapping, and audit tools and templates.

The analysis of outcomes from pilot audits supported quick identification of:

- Any potential duplication in the strengthened Quality Standards and any auditability concerns.
- Issues and opportunities for improvement related to the draft audit methodology, evidence mapping, and audit tools that could be addressed for subsequent pilot audits.
- The effort required to conduct pilot audits, and the actions required in subsequent pilot audits to improve efficiency.

Stage 6 – Delivery of resources and final report

The audit methodology, evidence mapping framework and audit tools were updated in consultation with Commission stakeholders based on the findings, insights and recommendations identified in the pilot evaluation process. These updated documents provide the Commission with a baseline to test and further refine the audit methodology, evidence mapping framework and audit tools once the legislation and rules have been finalised, prior to implementation.

2. Key insights – pilot audits

Overall, 40 pilot audits were conducted across a sample of 32 providers who were broadly representative of the aged care sector (service type, size, location and diversity of people receiving aged care). The 40 pilot audits were undertaken between April and September 2023.

In delivering the pilot audits, the following key areas of work were performed:

- project scoping and planning
- audit methodology and evidence mapping
- pilot audit preparation
- pilot audit delivery
- pilot evaluation
- delivery of resources and final report.

At the conclusion of the pilot audits, the Commission was provided with a report of key findings and insights in relation to the audit methodology and evidence mapping. A number of recommendations were made and categorised based by priority level to support the successful implementation of the strengthened Quality Standards and audit methodology.

These key findings and insights are separated into the following categories: audit methodology, evidence mapping and audit reporting; timing considerations; consistency, accuracy and efficiency and readiness testing.

2.1 Audit methodology, evidence mapping and audit reporting

The audit methodology and evidence mapping framework tested during the 40 pilot audits supported consistent, accurate and flexible audit outcomes. Early issues with the methodology were addressed, and refinements were made and implemented in the later stages of the pilot audits.

Overall feedback from auditors and providers indicated audits at a provider level were effective and efficient as they reduced duplication in evidence gathering. This included the governing body only needing to be interviewed once per provider rather than at each service level.

Fully virtual vs hybrid audits

Fully virtual audits were found to be more efficient, however they did not support effective auditing practice. For example, auditors identified challenges related to accessing provider systems and stakeholders for virtual interviews.

Refinements were made to the audit methodology addressing this concern, preferencing the use of hybrid audits (combining off-site and on-site activity) and improving the pre-audit processes. During the audit, audit tools such as the Request for Information (RFI) and Pre-Audit Preparation Tool (PAPT) were tested with refinements made following the pilot audit evaluation to minimise duplication.

Assessment at the outcome level

Each of the strengthened Quality Standards is comprised of a number of outcomes under each of which sit multiple actions. During the pilot audit, evidence gathering processes and the evidence mapping tool were evaluated. Initially, evidence gathering was occurring at the action level for each Standard, however this approach resulted in duplication and inefficiencies. As a result, the approach to evidence mapping was refined. The Aged Care legislation will set the outcomes as the enforceable element of the strengthened Quality Standards. Therefore, auditors will determine findings of conformance at the outcome level. This requires auditors to gather and assess evidence at the outcome level, with the actions under each outcome providing guidance on what is required to achieve the outcome. Further information about the impact on auditability related to the length and breadth of the strengthened Quality Standards can be found below in 2.2 Timing considerations.

Audit reporting

The audit report templates, and the digital audit tool evaluated in the pilot supported efficient and effective audit reporting. Positive feedback was received from providers regarding the audit reports which were generated by a digital audit tool used during the pilot audits. Providers indicated that the audit reports, together with the detailed evidence in the digital tool, provided sufficient detail and rationale behind the audit grading.

The Commission confirmed that the audit reports and digital tool supported effective decision making for registration and re-registration in a way that aligned with procedural fairness principles.

2.2 Timing considerations

The pilot audits required more time and effort for both auditors and providers compared with current Quality Assessments. This was primarily due to the need for additional time to understand and apply the strengthened Quality Standards and train auditors in the new audit methodology. Towards the end of the project, there was a reduction in time and effort required to complete the pilot audits.

The current Quality Standards have a total of 42 requirements, compared with the 33 outcomes and 146 actions across the strengthened Quality Standards. The length and breadth of the strengthened Quality Standards impacted the efficiency of pilot audits as well as auditability due to the number of actions and sub-actions. Auditor and provider feedback identified that there were multiple instances where outcomes and actions across the strengthened Quality Standards were duplicated. This resulted in:

- auditors experiencing challenges assessing and interpreting the purpose and intent of certain actions.
- increased difficulty of assessment and overall time for the audits
- significant duplication and repetition in the evidence mapping used in the pilot, leading to inefficiency.

These issues were addressed in the second iteration of the strengthened Quality Standards. Further clarity of interpretation was addressed by draft guidance for the strengthened Quality Standards, prepared after the conclusion of the pilot audits.

2.3 Consistency, accuracy and efficiency

The intent when designing the new audit methodology was to develop a framework that supported consistent, accurate and efficient audit outcomes. The pilot audits were effective in providing insights into these areas. Specifically, the audit methodology used throughout the pilot audits identified that:

- The majority of auditors (79%) felt that the evidence gathering process supported an accurate assessment of the quality of care and services audited.
- Providers (82%) agreed that the audit process provided an accurate assessment of the quality of care and services delivered, as well as identifying any risks to older people.
- Audits provided consistent and accurate audit outcomes for the same providers even when audited by different teams.

- Feedback from auditors indicated that smaller and newer providers were challenging to audit due to resourcing constraints and lack of clearer expectations regarding implementation of the strengthened Quality Standards.
 - The guidance for the strengthened Quality Standards has since been designed to consider expectations for smaller providers, which should assist in resolving these issues.
- Sampling of older people (approach and size) was appropriate for Category 6 providers; however, difficulties arose when sampling older people for Category 4/5 providers, including engaging with older people over the phone, in which communication barriers prevented meaningful collection of evidence.

These issues were addressed in the refinements to the audit methodology after evaluation of the pilot audits and will be tested in the readiness audits in early 2024 before finalising the audit methodology.

2.4 Readiness testing

The Commission is conducting readiness testing of the updated audit methodology, evidence mapping framework and associated audit tools in early 2024. The aim of this testing is to identify opportunities for improvement prior to finalising all documents. The audit tools are subject to review and amendment in line with the introduction of the New Aged Care Act.

3. Key insights – Guidance development

It was determined that there should be guidance material available for older people, governing bodies, provider organisations and workers. The guidance for strengthened Quality Standards 1, 2, 3, 4, 6 and 7 was developed in an initial consultation process with a variety of key stakeholders, including providers, the Department and the Health Care Commission, with the Health Care Commission also being responsible for the development of guidance for Standard 5. The guidance content provides the Commission with a baseline to develop additional resources and undertake broader public consultation in the lead up to implementation of the strengthened Quality Standards.

Initial consultation process

Engagement with all stakeholders during the pilot provided insights which informed the guidance development process. Stakeholder briefings were important in helping individuals understand the consultation process and the purpose of their involvement. Key messages were reinforced during consultation to ensure stakeholders were aligned and feedback was as targeted as possible.

Key decisions were documented throughout the consultation process to provide transparency and accountability. During the consultation process, a set of guiding principles were developed to ensure consistency across the Quality Standards and that any feedback received was assessed against these principles. Providers were given the option to provide anonymous feedback throughout the process if this was their preferred method.

One of the key discussion points during consultation was related to the scope of the guidance and whether certain information such as contemporary evidence-based practice guidance should be part of separate resources. This highlighted the need for a Resource Library, and reference to this resource in the guidance.

Stakeholder discussions indicated resources may be needed most in the following situations:

- Application of new or enhanced concepts. For example, resources may be needed to support the understanding of practical expectations associated with person-centred, culturally safe, trauma-aware and healing-informed care.
- Outcomes which need to be applied differently based on service type. For example, there are numerous different service types under registration Category 4 and 5. Application of the strengthened Quality Standards could look different for allied health, nursing, personal care, or other service types. Specific resources may be needed which support provider understanding depending on the variation in application in these settings.

- Outcomes which need to be applied differently based on an individual's role. A number of resources are already available or in the process of being developed for governing bodies. For workers, some of the guidance may be sufficient in its current form when supplemented by a provider's own systems and procedures. However, there may be some instances where a particular resource would be helpful for a specific role type. For example, chefs at residential services may need a resource describing how they should develop a menu based on the needs and preferences of older people at that service.

The draft guidance documentation was published for public consultation on 6 February 2024. This is complemented by a series of targeted consultation discussions with key stakeholder groups. The consultation period will close on 30 April 2024.

4. Key recommendations

This structured field test of the strengthened Quality Standards and the Commission's approach to assessing conformance occurred in the context of a broader aged care reform agenda being led by the Department. The strengthened Quality Standards provide a shared understanding of what is expected in aged care and are a valuable resource for older people, their families and carers, aged care providers and people working in the aged care sector. They should be measurable, relevant and foster a culture of continuous improvement, and they need to be practical and work across the diversity of aged care settings.

To achieve this goal, the pilot evaluation report included a number of key recommendations. The pilot project highlighted various considerations, implications and risks. The highest priority recommendations are categorised under the following focus areas:

Finalise and implement the audit methodology and associated guidance:

- Develop and implement a scope and applicability matrix for providers that outlines the applicability of specific outcomes of each strengthened Quality Standard to different service types under each registration category.
- Assess the current audit methodology policies, processes, and documents (including assessor digital toolkit) to determine what resources need to be created, reviewed or decommissioned to align with the new audit methodology.

Finalise the evidence mapping framework:

- Review and update the evidence mapping framework to establish clear links between the provider obligations and the content of the evidence mapping framework, as well as guidance for the strengthened Quality Standards.

Develop and implement future Commission workforce model:

- Develop the future workforce model aligning current capabilities and skills with future needs of the Commission to deliver on its audit program.
- Following the development of the workforce model, undertake recruitment and retraining as required.

Develop and deliver training for Commission workforce:

- Develop and deliver training and instruction to auditors participating in the readiness test of the audit methodology and evidence mapping framework in early 2024.
- Develop and deliver a new quality auditor training program aligned with the new audit methodology, evidence mapping framework and other associated tools.

Further develop and implement auditor quality assurance processes:

- Further develop and implement auditor quality assurance processes and activities including peer review processes, delegate feedback processes, shadow audit processes, benchmarking and analysis of auditor performance.

Select, configure and implement digital audit tool:

- Select, configure and implement a digital audit tool to streamline and embed the new audit methodology into the Commission's systems and processes.

Develop and deliver sector communication and education:

- Develop and deliver sector communication, education and guidance related to the intent and application of the strengthened Quality Standards, audit methodology, and digital audit tool.
- Communicate the Commission's expectations and purpose of quality audits, audit gradings and audit timeframes (informed by scope and applicability matrix).

Undertake public consultation to finalise and publish guidance content:

- Following finalisation of the strengthened Quality Standards and associated legislation, amend and update the guidance.
- Undertake development of key guidance resources in relation to provider obligations aligned with the strengthened Quality Standards, including public consultation with key stakeholders.

5. Summary

The Commission will continue to take a fair and sensible approach to regulating aged care providers' compliance with their responsibilities. Thank you to those providers, their staff and recipients of care and services for their participation in the pilot audits. This valuable exercise has enabled the Commission to develop a draft audit methodology and evidence mapping framework.

Please note that these [resources](#) are subject to review and amendment in line with the introduction of the new Aged Care Act. As the new regulatory model is still under development, refinements will continue to be made over the following months. More detail on this is available in [The Department of Health and Aged Care's Consultation Paper 2: A new model for regulating Aged Care](#) and [A New Model for Regulating Aged Care Consultation – Summary Report 2023](#).

We welcome your feedback during this consultation period to help inform further iterations of these important documents.



The Aged Care Quality and Safety Commission acknowledges the Traditional Owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to Elders both past and present.



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