Policy & Delegation

THE ASK:

Though governing bodies are responsible for setting strategic direction and overseeing provider operations, they must empower executives and staff to take responsibility for the day-to-day provision of high-quality services and care to consumers. The most effective way governing bodies can do this is by setting clear policy expectations and ensuring appropriate delegation of their authority to management to make certain decisions.

Covered in this Topic Guide

- What is a policy framework?
- Using a RACI Matrix
- Delegating governing body authority
- Financial and non-financial delegations

Where are we now?

❝❞ *I feel for management. [They] are trying to provide transparency and full information, but if people are not equipped, you can make a rod for your own back. Literacy is important, and also structures. [They need] the right structures to support governance.*

GOVERNING BODY MEMBER

Key concepts

The following high-level definitions are provided to assist in interpreting some of the key concepts discussed in this Topic Guide:

- A **policy framework** is a logical structure that is established to organise policy documentation. It provides a set of principles and long-term goals that form the basis of making rules and guidelines, and to give overall direction to planning and development of the organisation.
- A **delegated authority** refers to the transfer of responsibility or a function to another person.
- A **delegate** refers to the individual, position or group who has the delegated authority to perform certain tasks or make certain decisions.
- A **delegations policy/manual** refers to the document that specifies who the delegates are and the limits of any authority to act and make decisions on behalf of the provider.

Policy frameworks in aged care

Governing body members are responsible for compliance with corporate duties and the delivery of care in compliance with the Aged Care Quality Standards. In particular, Standard 8 requires that providers can demonstrate 'effective organisation wide governance systems.' This refers to the systems in place for how the provider applies and controls authority below the level of the governing body and how that authority flows from the governing body, to the executive team, and throughout the organisation.

The provision of quality and safe aged care is particularly dependant on integrated governance structures and an effective policy framework to meet the provider's objectives. A policy

framework enables a governing body to define and monitor which members of the provider can set policy and make decisions.

Story from the sector

Governing body members can delegate some of their functions, but must act with reasonable care,skill, and diligence to maintain oversight of risks

KEY TAKEAWAYS

- A clear and considered policy framework is important to ensure effective governance.

- Governing body members are expected to guide and monitor the provider's performance and should review information with a critical lens.

ACME Community Services has been managing an infectious disease outbreak. Gemma is a governing board member with years of experience in managing financial affairs.

There has been increasing media attention about the outbreak and the safety of their consumers. Gemma gets a call from one of the managers asking her to comment and approve the media release about ACME Community Service's response to the outbreak and how they are managing the consumer care. In response, Gemma said that she did not take an interest in matters relating to communications or media strategy and that the management team should deal with it.

The next day, Gemma saw on the news that it was reported that consumers were being put at risk by the provider, even though Gemma knew that was not the case. ACME Community Services suffered significant reputational damage as a result. Gemma was ultimately found to have not acted with reasonable care, skill and diligence in her capacity as a governing body member. Gemma should have asked more questions about the situation and the governing body should have had in place a clear policy and sign off procedure for media releases.

Tips for setting policy and delegating authority

Older Australians at the Centre of Care

- Understand how policies impact procedures and the effect the procedures have on delivering care to consumers.

Obligations and Accountabilities

- The governing body needs processes to maintain effective oversight of the decisions of delegated authorities and the impacts it may have on the delivery of care, approved provider status or Government funding.
- A member's duty of due care, skill and diligence to act in the best interest of the provider and ensure quality and safe care is non-delegable.

Knowledge, Skills and Experience

- Make enquiries to have grounds to believe that a role, position or Individual is the right one to delegate responsibilities to.

Leadership and Culture

- Encourage communication and reporting between delegation levels to ensure there is appropriate oversight of decisions being made.
- Ask questions and be curious about information provided to you - complete reliance on information provided to you is not always appropriate.

Reflecting on your practice

Think...

Below are the top things you need to be **thinking** about:

- How do our policies and procedures support the delivery of safe and high-quality aged care?
- How does our policy framework help to operationalise our strategy?
- Does our policy framework and delegations register clearly set out roles and responsibilities and encourage autonomy, trust and communication?
- Are our policy frameworks clear, easy to understand and accessible to everyone in the organisation?

Ask and say...

Below are the top **questions you need to be asking**:

- Does our policy framework address the full range of risks related to ensuring that consumers receive high quality service and care?

- Have consumers and other stakeholders been consulted (directly or indirectly) in the formulation of our policies and procedures?

- What controls do we have in place to ensure that those with delegated authority are held accountable for their decisions?

- Is the governing body sufficiently involved in the setting and review of policy and delegations, to ensure effective oversight?

- What systems and frameworks do we have in place to record and update policy and procedure documents?

- Are delegates and committees clear with the ambit of their authority and responsibilities?

Do...

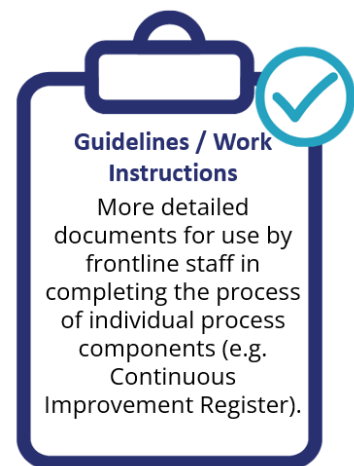These are the top **actions and behaviours** of leaders:

- Review and update policies and procedures as needed to ensure they reflect the strategic direction of the provider and support quality care to consumers.

- Be aware of – or be readily able to find out - who the delegates are, what their authority is and what their responsibilities are.

- Take reasonable steps to act with due care, skill and diligence in all decision making – this is a responsibility that cannot be delegated.

- Take a proactive, curious approach to stay informed about how decisions are being made and situations are being handled within the provider.

Setting policy expectations

What is a policy framework?

A policy framework supports effective governance practices as it provides a central process to guide the development and implementation of policy documents. In practice, a policy framework should set out the hierarchy of documents as well as the process and roles and responsibilities for setting, reviewing and approving policies. Broadly:

- Policy documents reflect the governance position of the provider and will include high impact risk, strategic implications or legal or regulatory requirements.

- Procedures set out the operational standards expected in decision making and explain how the policies are put into effect at an operational level.

- Guidelines or work instructions such as manuals, handbooks or registers provide additional reference materials, process explanation or other supporting documents to assist staff to comply with policy and procedures.

Policies

Most common board-approved documents outlining 'the way we do things' (e.g. Quality Management Policy.

Procedures

Management approved documents stepping through the key components and high-level steps of a process (e.g. Continuous Improvement Procedure).

Guidelines / Work Instructions

More detailed documents for use by frontline staff in completing the process of individual process components (e.g. Continuous Improvement Register).

A policy framework is useful to increase efficiency and compliance of a provider, as it empowers committees and individuals to make appropriate decisions without the need to discuss or obtain board approval, while ensuring a clear and consistent approach is taken.

What should be included in a policy framework?

The scope and policy statement

The policy framework should make it clear what documents the framework applies to and how the policy framework fits into broader compliance with the Aged Care Quality Standards and other provider obligations. For example, the policy framework may state that its scope is to govern all policies, procedures and decision making related to the delivery of quality and safe aged care

Policy approval process

The policy framework should include a clear development process for how policies and procedures should be created or updated. For example, a policy framework could state that the CEO will delegate responsibility for the development of a new policy when a new regulatory requirement is introduced.

Roles and responsibilities

The policy framework should set out who is responsible for the process of developing policies (policy author) and who has the relevant authority to approve policy and procedure documents before they are implemented and circulated throughout the organisation (policy approver). For example, a policy framework could describe that the policy must be reviewed by the Clinical Governance Advisor before being approved by the Audit and Risk Committee of the governing body.

Policy revision dates and processes

The policy framework should set out clearly the reasons for and processes to address the need for new or revised policy and procedure documents, including version control and document management procedures. Aged care sector reforms, changes in regulation or updates to the provider's strategic direction may all be reasons to review and update existing documents in line with the policy framework. Good practice process is to include a scheduled review date or agreed period on all policy and procedure documents so that they are reviewed and updated regularly to reflect best practice.

Template documents

Effective governance systems should include templates and tools that can be circulated and operationalised throughout the organisation. The policy framework should include template policy and procedure documents, so that policies are reviewed, approved and communicated clearly and consistently.

Using a RACI Matrix

A RACI Matrix can be used by providers to set out roles and responsibilities within and across key tasks and processes. It provides a format within which to specify who is responsible and accountable for a particular task or process, and who must be consulted and informed as part of that task or process. A RACI Matrix can be included within individual policy documents, in project planning documents, or at a provider level and can help to provide clarity to those participating in a process, those interacting with the process externally, and the governing body in exercising oversight (including ensuring accountability).

A RACI Matrix can be particularly useful for tasks or processes that:

- Are complicated, or involve a large number of stakeholders.

- Have overlapping responsibilities.

- Have historically been difficult to manage.

Policies and procedures in aged care

Policies and procedures sit beneath the policy framework as the functional elements of the policy hierarchy. Policy and procedure documents are critical in the governance of aged care providers as they set guidelines to help providers to meet their obligations under the Aged Care Quality Standards, comply with broader regulatory reporting requirements and importantly to deliver safe and quality care to consumers.

The policies and procedures a provider will have will depend on the provider context and structure, however some examples of policies and procedures that aged care providers could have include:

- Consumer Rights and Responsibilities Policy

- Care Management and Planning Policy

- Aged Care Quality Standards Compliance Policy, including in relation to a provider's Clinical Governance Framework

- Continuous improvement

- Reporting Policy

- Information Management Policy

- Incident Management Policy

- Open Disclosure Policy

- Risk Management Policy

- Communications Policy

- Feedback and Complaints Policy
- Policies relating to all clinical services including (but not limited to) Clinical Governance, Wounds Management, Medications Management, Continence Management, Pain Management, Falls Management, Infection Control, Restrictive Practices.

The above is not an exhaustive list. In practice, an aged care provider should have a policy and procedure for every part of the service being provided to consumers as well as any internal processes to support that service delivery.

Delegating governing body authority

Governing bodies are responsible both for providing strategic direction to their organisation and oversight of safe and high-quality aged care services. However, given the complexity of providing aged care services, it is not possible or practical for a governing body to exercise all its powers and functions and make every decision impacting the provider. As such governing body members must inevitably rely on others to make some of those decisions and ensure policies and procedures are implemented and operationalised. To do this, the governing body's authority should be delegated to a functional operational level to allow the provider to operate. A delegations policy or manual should specify the limits of authority to take action and make decisions for all roles. Effective governance practice suggests that governing bodies should establish and maintain a formal written list of all delegated authorities (this may be called a delegations matrix or register).

Financial delegations

Delegations of financial authority refer to decisions that involve the provider's funds. A delegations manual should clearly set out the financial limits on decisions that can be made without approval by the governing body and who the highest delegated authority is to make those financial decisions. These can be delineated by the business area, cost centre or expenditure type.

Governing bodies should ensure periodic review of the financial delegations to identify any potential breaches in expenditure, to ensure any transactions were appropriately authorised and to ensure that the financial limits align with the operational needs of the provider.

Non-financial delegations

Non-financial delegations refer to decisions that do not have direct financial expenditure implications attached to it (for example the scenario set out in the 'Story from the Sector' above). Non-financial delegations can be broad in nature, so it is important to make clear in the delegations manual who the delegated authority and what the function and limitation to their authority is. Some examples of non-financial delegations are set out below:

Corporate

- Executing legal documents with no financial implications such as Memorandums of understanding, intellectual property licences.
- Communications with third parties such as the media.

Clinical

- Supervision and delegation of clinical care by a registered nurse to other care staff.
- Involvement of a service manager in review and apprival of a consumer's care plan.
- Responsibilities of registered nurses and care staff regarding administration of medication, including the use of scheduled medications.

Operational

- Engaging sub-contractors.
- Managing suppliers of services and equipment or other procurement activities.
- Maintenance of infrastructure.

Governing body duties and delegation

Governing body members should understand that delegation of authority does not discharge or excuse a governing body member from their legal and fiduciary duties. It remains the governing body's responsibility to ask the right questions and critically examine materials. The delivery of safe and high-quality aged care services requires governing bodies to be able to monitor clinical quality and safety, manage risks appropriately and be informed about the providers compliance with the Aged Care Quality Standards.

When delegating authority, governing body members must be able to demonstrate that:

- There were reasonable grounds to believe that the delegate would act within the limits of their authority and in conformity with the duties imposed on governing body members.

- They made proper enquiries in order to believe that the responsibility is being delegated to a role or individual that is competent and able to act appropriately in relation to the power delegated.

Put simply, governing body members cannot delegate all clinical or operational accountability in fulfilling their duties. In order to delegate responsibilities within their duties, members must have systems and processes in place to stay informed about how the provider is delivering compliant, consumer-directed care.

Limitations of delegations

Governing body members should be aware that there are statutory non-delegable duties and responsibilities of members, meaning the governing body cannot remove their liability and those responsibilities should remain within the governing body's domain. For example, the statutory duty to ensure the provider maintains financial records and does not trade while insolvent is non-delegable under the Corporations Act 2001(Cth). The limitations of delegations are such that, governing body members do not discharge their legal duties and are ultimately accountable for the decisions made. Members can only rely on the information provided to them by others, where it is appropriate and reasonable to do so.

Useful tools

- Tool - Delegations Register
- Tool - RACI Matrix

Useful references and links

Standard 8. Organisational governance | Aged Care Quality and Safety Commission

Accountability Principles 2014