Human Services Quality Framework

Frequently Asked Questions: Quality Audit Financial Contributions

The Department of Child Safety, Community Services and Disability Services (the department) requires organisations delivering services in-scope of certification under the Human Services Quality Framework (HSQF) to be independently audited for compliance with the Human Services Quality Standards.

Audits are conducted by certification bodies which set their fees and charges according to commercial rates. After organisations choose and contract a certification body to complete their audit, they pay the certification body directly for the cost of the audit.

As a transitional arrangement for organisations delivering services under the Child and Family and Community Services service streams, during 2017-18 the department will provide eligible organisations with one-off financial contributions towards the costs of finalised audits. In future, Child and Family and Community Services funded organisations will be expected to meet quality compliance and audit costs within their allocated funding. Further information about how this will be implemented will be provided to impacted organisations.

Financial contributions will continue to be made to organisations delivering Disability Services funded by the department until the services transition to National Disability Insurance Scheme (NDIS) as outlined below:

1. Financial contributions will be provided towards audits completed at the time when organisations were receiving Disability Services funding and when the funded Disability Services were included in the audits.
2. Part payments will be provided when audits cover both funded Disability Services and NDIS services.
3. Financial contributions will not be provided for audits that only cover NDIS services. NDIS providers are responsible for meeting the quality compliance costs of NDIS services.

Which organisations are eligible for a financial contribution?

- Organisations delivering existing\(^1\) services funded under the Child and Family, Community Services and Disability Services funding streams.
- Organisations delivering child protection placement services that are required to hold a Child Safety Licence and are funded under Child Related Costs Placement and Support (CRC PAS).
- Organisations that are required to achieve certification under another approved alternative quality system in order to demonstrate compliance with HSQF. This includes:
  - Disability providers (including disability peak organisations) certified under ISO 9001 and solely funded for output codes 6.02, 6.03, 6.04, 6.05, 7.01, 7.02, 7.03 and 7.04.
  - Peak organisations certified under ISO 9001 that are delivering Service System Support and Development.

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\(^1\) Existing services are defined as funded services that have not been procured by the department through a Request for Quote or Tender Specification since 1 September 2014.
Which organisations are ineligible for a financial contribution?

- Organisations delivering new or recommissioned services procured by the department through a Request for Quote or Tender Specification since 1 September 2014 which stated that NGOs are responsible for meeting all costs associated with achieving and maintaining HSQF certification and/or HSQF certification is an eligible cost item. Organisations are responsible for meeting all HSQF costs for these new or recommissioned services/outlets.²
- Organisations that already hold existing certification under another quality system for another purpose.
- Organisations delivering services funded under the department’s Community Care program.
- Organisations delivering specialist disability services in Queensland for the NDIS are required to meet compliance costs for their NDIS services and so are ineligible for a financial contribution towards the audit costs of these services.
- Organisations that are required to demonstrate compliance with the HSQF through a self-assessment only.
- As a general rule, organisations that declare unspent funds in their Directors Certification will be ineligible, subject to final assessment by the department. Organisations should note that the costs associated with HSQF compliance, including audit costs, are an eligible cost item under departmental service agreements and should be met or budgeted for before unspent funds are declared.

How is the financial contribution calculated and what does it include?

The financial contribution is based on an approved benchmarked costing methodology which was informed by consultations with service providers and auditing bodies. It recognises key cost factors such as:

- type and duration of the audit
- number of auditors, auditor daily rates and travel and accommodation costs
- registration and other accreditation fees
- audit sampling and report writing requirements
- organisational structure and the number, type and location of services audited.

The methodology establishes a base contribution rate which is tailored to each organisation and based on the duration of the audit (number of days) and type of audit undertaken (certification or maintenance).

Table 1 below provides examples of the indicative minimum base contributions for audits of between 1 and 20 service sites. These contributions are calculated based on services delivered in one region only.

Additional loadings apply for organisations operating across multiple regions, as outlined below.

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² Note that if these organisations are also delivering existing funded services that have not been procured by the department through a Request for Quote or Tender Specification since 1 September 2014, organisations will be eligible for a proportional financial contribution from the department towards the costs of audits for the existing services.
³ This only applies to organisations funded under the Community Services and Child and Family service streams that are contracted on ‘streamlined’ service agreements and not to Disability Services or other fee-for-service arrangements.
Adjustments to calculated amounts or proportional financial contributions may be made when organisations are delivering some existing and some new or recommissioned services (procured through a Request for Quote or Tender Specification since 1 September 2014, as outlined in eligibility/ineligibility information above). The department may also adjust the calculated amount, including loadings, based on other information such as invoiced cost of audit.

The department does not meet the costs of any follow-up audits to close out non-conformities or major non-conformities.

### Table 1: Indicative minimum base financial contributions for quality audits

<table>
<thead>
<tr>
<th>Total number of service sites included in the audit</th>
<th>Base certification audit contribution payment (excluding GST)*</th>
<th>Base maintenance audit contribution payment (excluding GST)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$4,800</td>
<td>$3,200</td>
</tr>
<tr>
<td>2</td>
<td>$6,400</td>
<td>$3,200</td>
</tr>
<tr>
<td>3</td>
<td>$7,100</td>
<td>$4,800</td>
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<tr>
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<td>$5,200</td>
</tr>
<tr>
<td>20</td>
<td>$19,800</td>
<td>$7,700</td>
</tr>
</tbody>
</table>

*Base rates are inclusive of an organisation’s head office location

### Additional contributions/loadings

The following additional contributions/loadings are added to base contributions, where applicable:

- **Initial certification audit Stage 1 contribution** – for eligible organisations going through HSQF certification for the first time, an additional amount of up to $3,000 may be added to the base certification audit contribution calculated for the organisation (see Table 1 above). This is to assist new organisations with the costs of the Stage 1 component of the initial HSQF certification audit.

- **Regional loading for travel costs** - applies for audits of outlets/sites operating outside of South-East Queensland. This loading provides a contribution towards the costs of flights/transport, accommodation, meals and incidentals for auditors. The contribution is based on approved government allowances (Directive 9/11 Domestic Travelling and Relieving Expenses), with flight costs calculated using the average costs for flights from Brisbane to the main city within the region to be visited.

- **Remoteness loading** - organisations may be eligible for an additional loading of $2,400 (excluding GST) for outlets audited which fall into one of the Accessibility/Remoteness Index of Australia (ARIA) categories of Remote (4) and Very Remote (5).

- **Specific requirements loading** – a loading of up to $2,400 may be applied for organisations delivering child protection placement services required to hold a Child Safety License in recognition of additional report writing requirements. Organisations that require interpreter services to enable clients to participate in the audit process may also be eligible for a loading of up to $2,400, where applicable.
Processes and timeframes for the payment of financial contributions

When audit reports are finalised, certification bodies provide a copy to the department’s HSQF team.

Following receipt of each audit report, the financial contribution is calculated and payments are progressed for approval in batches approximately every three months. Organisations do not need to apply for the financial contribution or submit their invoice to the department.

Where Disability Services and Community Services/Child and Family Services are included in an audit, the organisation’s financial contribution may be paid in two separate amounts – one through the Disability Services payment system and one through the Community Services/Child and Family Services payment system.

Organisations should note that there will be a period of time between when the audit cost is met by the organisation and when a financial contribution is approved and paid by the department.

Further information on the benchmarked audit cost methodology and financial contribution payment process is available from the HSQF team on 1800 034 022 or hsqf@communities.qld.gov.au.