

Aged Care Prudential Standards - Council Policy

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Policy Owner	Health Services
Link to Corporate Plan	Strategic Theme 3: Healthy Living
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Related Legislation	<i>Aged Care Act 1997</i> <i>Local Government Act 2009</i> <i>Fees and Payments Principles 2014 (No.2)</i> <i>Privacy Act 1988 (Com)</i>
Related Documents	WDRC Delegations Register Definitions Dictionary

Policy Version	Approval Date	Adopted/Approved
1	17/02/16	Ordinary Meeting of Council

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1. PURPOSE

Western Downs Regional Council as an approved aged care provider is required to comply with four (4) prudential standards, which are set out in the Fees and Payments Principles 2014 (No.2) (the Principles).

The standards are:-

1. The **Liquidity Standard** - An approved provider must maintain sufficient liquidity to ensure the approved provider can refund any refundable deposit balances, accommodation bond balances or entry contribution balances that can be expected to fall due in the following 12 months in accordance with the *Aged Care Act 1997* and the Principles, Part 5 Division 2.
2. The **Records Standard** - An approved provider must establish and maintain a register (the refundable deposit register) as required by the Principles Part 5 Division 3.
3. The **Disclosure Standard** - An approved provider must disclose information about refundable deposits and accommodation bonds held to the Department of Social Services and to the resident or the resident's representative as by the Principles Part 5 Division 5.
4. The **Governance Standard** - An approved provider that holds one or more refundable deposit balances or accommodation bond balances must implement and maintain a governance system as required by the Principles Part 5 Division 4.

This Policy outlines Council's process for implementing each component of the required Standards as outlined in the Prudential Standards - Part 5 in the Fees and Payments Principles 2014 (No.2).

2. SCOPE

This policy applies to Western Downs Regional Council Aged Care facilities, being Tarcoola Hostel (Tara) and Carinya Aged Persons Hostel (Miles).

3. POLICY

3.1. LEGISLATIVE FRAMEWORK

The principle objectives of the above prudential standards are to assist the financial management practices, enhance financial sustainability and reduce the risk of default on the refund of refundable deposits and accommodation bond balances or bonds used for other than permitted uses.

The Aged Care Act 1997 and the Principles set out the requirements for approved providers holding refundable deposits, accommodation bonds or pre-1997 entry contributions.

3.2. GOVERNANCE STANDARD

3.2.1. Purpose

The Governance Standard requires approved providers who hold refundable deposits and accommodation bonds to have in place a governance system for refundable deposits and accommodation bonds. It does not prescribe the particular type of system, instead it describes the key outcomes that need to be achieved. They are designed to assist approved providers develop sound governance systems to ensure refundable deposits and accommodation bonds are only used for permitted uses and are refunded in accordance with the timeframes required by the Aged Care Act 1997 and sound business practices.

The Governance Standard also requires approved providers that invest in particular financial products to implement and maintain an Investment Management Strategy (IMS).

3.2.2. Requirements

Requirements of the Governance Standard are outlined in Part 5 Division 4 of the Principles.

3.2.3. Organisational Approval Processes and Permitted Uses

Legislative reference: s49 and s63 and s64 the Principles; s52N-1 of the Aged Care Act 1997 (the Act):-

- i) Who can negotiate Refundable Deposits and Accommodation Bonds
- ii) Who can sign resident agreements
- iii) Permitted Uses for Refundable Deposits and Accommodation Bonds
- iv) Review Process.



The Officers authorised to negotiate Refundable Deposits and Accommodation Bonds and to sign resident agreements will be listed in the WDRC Delegations Register.

Council's key personnel in relation to Refundable Deposits and Accommodation Bonds are:-

1. Chief Executive Officer
2. Community and Liveability General Manager
3. Health Services Manager

3.2.4. Permitted Uses for Refundable Deposits and Accommodation Bonds

Western Downs Regional Council holds all refundable deposits and accommodation bonds in Council's Trust Fund or Trust Investment account.

3.2.5. Investment Management Strategy (IMS)

Legislative reference: s50 of the Principles & s52N-1(3)(b) to (e) of the *Aged Care Act 1997*:-

This strategy, if required identifies key personnel allocated responsibility in relation to development and management of IMS and includes delegated authority required to undertake each action.

Council holds all refundable deposits and Accommodation bonds in Council's Trust Fund or Trust Investment account and therefore does not require an IMS to be developed.

3.2.6. Responsible Personnel Training

Legislative reference: s49 of the Principles:-

Existing staff receive refundable deposit and accommodation bond related training when the need is triggered by a change in legislation affecting refundable deposit and accommodation bond management, or a change in position or responsibility for existing staff members occurs. Refresher/reinduction training will also be provided on an ongoing basis.

3.2.7. Review of Governance System

Legislative reference: s49 of the Principles:-

Key compliance (and non-compliance) requirements are able to be identified through an effective review process of the provider's governance system. The following governance framework has been implemented by Western Downs Regional Council:-

- i. Policy template review process - SWP for Policy Development, Review and Amendment available on Council Intranet
- ii. Compliance and Governance - Health Services Management Team working closely with WDRC Governance Team
- iii. Delegated Authority - monitoring and controlling - WDRC Delegations Register reviewed regularly in line with legislation changes affecting delegations of authority; and changes in responsibilities of Officers with delegated authority.

3.2.8. Delegations of Authority under this Policy

1. Chief Executive Officer
2. Community and Liveability General Manager
3. Chief Financial Officer
4. Chief Technology Officer
5. Health Services Manager

3.3. DISCLOSURE STANDARD

3.3.1. Compliance with Disclosure Standard

Legislative reference: s51 - 60 the Principles:-

Approved providers will be required to confirm that they comply with the Governance Standard as part of annual reporting to the Department of Social Services through the completion of Annual Prudential Compliance Statement.



Council complies with this standard ensuring all disclosures are given to care recipients and the completion of an audited annual compliance statement.

3.4. LIQUIDITY STANDARD

3.4.1. Purpose

To apply a systematic approach to determine the level of funding that will be required to meet expected refundable deposits and accommodation bond balance refunds as they fall due. This should include a nominated minimum level of funding that will be maintained in liquid form.

The key purpose of the Liquidity Standard is to ensure that Western Downs Regional Council has access to sufficient liquidity to allow Western Downs Regional Council to meet expected refundable deposits and accommodation bond and entry contribution refunds (exclusive of retention amounts and any outstanding interest liabilities) as they fall due over the next 12 months.

3.4.2. Requirements for Sufficient Liquidity

Maintain sufficient liquidity to ensure that Western Downs Regional Council can refund balances as they fall due over the following 12 months.

3.4.3. Western Downs Regional Council Requirements

Maintain at all times access to all refundable deposits and bond monies required to be refunded. The minimum amount to be held at all times is \$40,000.00.

To comply with this Standard Western Downs Regional Council holds all refundable deposits and accommodation bonds in Council's Trust Fund or Trust Investment account.

The organisation has key personnel responsible for managing refundable deposits and accommodation bonds and staff with delegated responsibilities for managing refundable deposits and accommodation bonds for the organisation has been documented through:

3.4.4. Delegations of Authority under this policy:

1. Chief Executive Officer
2. Community and Liveability General Manager
3. Chief Financial Officer
4. Chief Technology Officer
5. Health Services Manager

3.5. RECORDS STANDARD

3.5.1. Purpose

The purpose of the Records Standard is to ensure that accurate, comprehensive and up to date information of refundable deposits and accommodation bond holdings (including pre-1997 entry contributions) is collected and maintained. This record will be in the form of a 'Refundable Deposits Register'.

The Refundable Deposits Register provides a powerful management reporting tool and also provides the basis for compliance based monitoring and reporting as well as reporting to residents on refundable deposits and accommodation bond balances.

3.5.2. Requirements

All providers must establish and maintain a Refundable Deposits Register as outlined in Part 5 Division 3 - the Principles.

Council's Refundable Deposits Register is maintained on-site for each of its Aged Care facilities and the registers are available electronically in Council's Shared Drive.

