

Monitoring framework for the health, housing and community service sectors

Information for organisations funded through service agreements

October 2005



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Published by Financial and Corporate Services Division, Victorian Government
Department of Human Services, Melbourne Victoria

October 2005

Also published on <https://fac.dhs.vic.gov.au>

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Authorised by the State Government of Victoria, 555 Collins Street, Melbourne.

Printed by GT Graphics, 34 Stanley St, Collingwood.

Foreword

This document has been developed to inform organisations about the Monitoring Framework for the health, housing and community service sectors.

It introduces the framework, identifies which types of organisations will be involved, details the background and consultation undertaken as part of its development, identifies its principles and objectives, how it will operate and who is responsible for instigating the process. It also outlines the components of the framework, Core Monitoring, Desktop Review, Service Review and the benefits and workload implications of the Monitoring Framework for organisations.

This document was developed by the Department of Human Services in partnership with the Human Services Partnership Implementation Committee (HSPIC) Monitoring Framework Communication Sub-Committee.

Membership to the HSPIC sub-committee was Frances Moloney, DHS Partnership Coordinator, Victorian Council of Social Service; John Morkham, Executive Officer, ACROD (National Industry Association for Disability Services) and Michael White, Training Manager, Centre for Excellence in Child and Family Welfare.

This document as well as the framework have been developed in consultation with the sector and continues to build on the partnerships between the department and funded organisations.

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Introduction

The purpose of the Monitoring Framework is to build a sustainable funded human services sector by strengthening and monitoring accountability arrangements.

The Monitoring Framework introduces a uniform overarching framework to be used by Department of Human Services regional and divisional staff. It also contains collaborative components for the department to work in partnership with the organisations it funds.

The framework applies risk management principles to monitor organisation service sustainability, to assist the department in early identification of risks, and to enable the department to ensure the ongoing provision of human services and avoid the costs of service failure.

Scope of the Monitoring Framework

The Core Monitoring component of the framework applies to all organisations receiving funding through the Department of Human Services' service agreements.

The Desktop Review and Service Review components of the framework do not apply to hospitals, clinical mental health services, cemetery trusts, ambulance, and local government. Education facilities and organisations that already provide substantial accountability reporting to the Department of Education and Training are also considered outside the scope of the Desktop Review and Service Review.

Background

The development of a formal, statewide monitoring framework is, in part, a response to the Public Accounts and Estimates Committee (PAEC) 47th Report to Parliament. The PAEC *Report on the Department of Human Services - Service agreements for community, health and welfare services* (April 2002) highlighted the need for the department to apply a more systemic approach to the review and monitoring of organisations funded through service agreements.

Additionally, the Victorian Auditor-General's Office recommended the department strengthen the monitoring of compliance with service agreements with a more formally reported service review process using risk-based programs.

The introduction of the Monitoring Framework is consistent with the department's duty of care responsibilities for clients who are vulnerable and at risk. Monitoring is a critical part of the department's quality assurance approach designed to ensure that clients receive proper care and a service that meets appropriate standards and is in accord with community expectations.

The Monitoring Framework provides the department and organisations with greater clarity and direction in monitoring activities. It introduces a formal statewide framework and a more transparent and consistent approach by regional and divisional staff to service agreement accountability and monitoring processes.

Consultation

Consultation with the health, housing and community service sectors has been undertaken in relation to the framework. During consultations, a number of issues were raised including:

- the need for consistency in monitoring across the department's regions
- the expectation that the framework will align itself with the principles of the Partnership Project
- that the implementation of a framework would not increase the reporting requirements for organisations
- that there be regular feedback with peak bodies about the framework
- that information be available to develop benchmarks in monitoring of organisations' services
- that the corporate governance and independence of organisations be respected.

These issues have been considered in developing the Monitoring Framework.

Principles of the Monitoring Framework

The Monitoring Framework is based on the following principles:

- the monitoring process is facilitated through positive working relationships, honest and open communication, positive feedback and constructive criticism
- effective monitoring and review will occur in partnership with organisations and users of the service
- the Monitoring Framework is designed to support organisations in the earlier identification of issues and appropriate intervention to address these
- monitoring and review is a process that provides organisations and the department with an opportunity to review expectations of one another and examine performance against these expectations
- effective monitoring and review includes respect for the independence and governance arrangements of organisations.

Objective of the Monitoring Framework

The objective of the Monitoring Framework is to develop an approach to monitoring organisations that is consistent with the aims of the Partnership Agreement between the Department of Human Services and the health, housing and community service sectors. The Monitoring Framework provides appropriate assurances for the department on organisations' performance and sustainability by:

- formalising basic monitoring requirements
- improving monitoring consistency and communication across the department's regions and divisions
- using risk management principles for early detection of potential problems
- working jointly with organisations to improve performance where necessary.

How the Monitoring Framework will operate

The Monitoring Framework reflects the principles outlined in the Partnership Agreement between the Department of Human Services and the health, housing and community service sectors. It uses a risk filter to identify organisations that may require closer monitoring. The Monitoring Framework takes an organisation-wide rather than a program-specific approach to monitoring and requires effective communication between all departmental staff involved in the various monitoring aspects of an organisation. It is accompanied by a range of monitoring tools that are used at the various levels of monitoring.

Who is responsible for instigating the monitoring process?

The department will assign to each organisation a Monitoring Coordinator, usually the Program and Service Adviser (PASA), who will take a whole-of-organisation view when conducting an annual Desktop Review. For organisations funded by multiple regions, this will be a cross-regional view. It is anticipated that the Monitoring Framework will reduce duplication of monitoring, particularly for organisations that provide more than one departmentally funded program or are funded by multiple regions.

Components of the Monitoring Framework

The Monitoring Framework is made up of three core components:

- ongoing Core Monitoring
- an annual Desktop Review
- possible Service Review (and possible Action Plan).

Core Monitoring

The Department of Human Services has a requirement to monitor organisations receiving funding through service agreements. Core Monitoring relates to the requirements detailed in the service agreement schedules. The department has conducted Core Monitoring since the inception of service agreements. The Monitoring Framework incorporates existing Core Monitoring processes and is business-as-usual for organisations.

Core Monitoring requirements provide the department with details about the financial sustainability of an organisation, service delivery and client safety and wellbeing.

Core Monitoring is undertaken on an ongoing basis through the collection of information and the ongoing working relationships between departmental staff and organisations. Core Monitoring relates to:

- organisation legal status
- financial accountability requirements
- asset register
- service performance reporting and delivery
- fire risk management
- incident reporting and management
- pre-employment/pre-placement safety screening (police checks)
- complaints management.

Desktop Review

The Desktop Review is a filtering tool used by the department to consider a number of key risk factors. The Desktop Review helps the department decide whether to undertake a Service Review or continue with Core Monitoring.

The Monitoring Coordinator completes the Desktop Review on an annual basis, taking a whole-of-organisation perspective and in consultation with their manager and all other departmental staff involved in monitoring the organisation.

The Desktop Review comprises a short series of questions designed to consider key areas of risk. Only a few questions relate to performance. Key risk factors include:

1. Highly vulnerable or statutory client groups
2. Departmental funding exceeding \$5 million
3. Service complexity
4. Management and frequency of complaints and incidents
5. Service performance and reporting
6. Financial sustainability and reporting

The annual Desktop Review uses information collected throughout the year as part of Core Monitoring. The organisation has no involvement in the Desktop Review. When completing the Desktop Review, Monitoring Coordinators will consider any other information available to help evaluate whether a Service Review is required.

For the majority of organisations, the Desktop Review result will indicate that the current working relationship and monitoring practices in place are adequate. Core Monitoring will continue for these organisations.

For a small number of organisations, the Desktop Review result will indicate that a closer working relationship and monitoring practices are desirable. The department will contact the organisation to arrange a discussion (Service Review and possible Action Plan).

Service Review

It is anticipated that a small number of organisations will be asked to participate in a Service Review. The Service Review will only be conducted with organisations where the Desktop Review has identified a high level of risk or issues of concern.

The Service Review, in the context of the Monitoring Framework, provides an opportunity for the department and the organisation to meet, jointly raise issues and concerns and develop solutions to these items. The issues raised by the department in the meeting will have previously been identified through the Desktop Review.

The Service Review will:

- be undertaken within the principles of partnership
- be an opportunity to work together in a solution-focused manner
- work towards improving services for clients.

The Service Review will not be adversarial or punitive.

A draft agenda will be sent to the organisation outlining the issues to be discussed during the meeting. These issues will relate to any of the following performance areas:

- service delivery
- organisational management
- financial management (only raised when financial issues are identified in the Desktop Review).

As part of the Service Review, the department will seek information from the organisation about the performance area(s) listed on the agenda. The organisation also has the opportunity to raise items for discussion.

A departmental staff member, usually the Monitoring Coordinator, will convene the Service Review meeting, in consultation with the organisation.

Initial contact with the organisation will usually be by telephone. Arrangements will be made for a mutually convenient date and place for the Service Review meeting. Departmental and organisational participants attending the Service Review meeting will be based on the issues being discussed.

Arrangements for the Service Review meeting will be confirmed in writing and will include a draft agenda and terms of reference. The terms of reference for a Service Review are provided as Attachment 1.

The Service Review meeting will be documented and participants will collaboratively develop and agree on any actions to be taken by the organisation or the department. Any actions will be documented, followed up and reviewed.

Documentation from the Service Review will be sent to the organisation, following the meeting, for endorsement. Actions will be followed up and reviewed following the delivery dates.

Benefits for organisations

Organisations will benefit from the Monitoring Framework by:

- a reduction in duplication of the monitoring effort
- being monitored as a total entity rather than as a sum of individual parts; the Monitoring Coordinator will ensure that there is a coordinated approach for the monitoring of each organisation
- not having increased reporting requirements
- having skilled departmental staff to undertake the Service Review in a collaborative manner
- the opportunity for solution-focused, issues-based discussion at the Service Review meeting
- having jointly developed and agreed Action Plans, where appropriate
- having a written record of the discussions between the organisation and the department.

Workload implications for organisations

In recognition of the existing requirements for data from organisations, there will be no additional reporting requirements associated with the implementation of the Monitoring Framework.

Current requirements	Requirements under the Monitoring Framework	
<ul style="list-style-type: none"> • Organisation legal status • Service performance actuals • Financial accountability • Asset register • Fire risk management • Incident reporting • Pre-employment/placement screening • Complaints management 	<ul style="list-style-type: none"> • Organisation legal status • Service performance actuals • Financial accountability • Asset register • Fire risk management • Incident reporting • Pre-employment/placement screening • Complaints management 	Core Monitoring
<ul style="list-style-type: none"> • No formal process in place for whole-of-organisation view. 	<ul style="list-style-type: none"> • No organisation involvement. Desktop Review is conducted by the department using existing information collected during Core Monitoring. 	Desktop Review
<ul style="list-style-type: none"> • No formal process in place for whole-of-organisation view. 	<ul style="list-style-type: none"> • Small number of organisations are invited to meet for a Service Review. • Whole-of-organisation focus aimed to reduce duplication. • Documentation of meeting discussions. Action plan where applicable. 	Service Review

Governance

In situations where the corporate governance of an organisation may be having an impact on the effective delivery of services, the Monitoring Coordinator will inform senior departmental management. A senior departmental manager will contact the organisation to make arrangements for a separate meeting to discuss the situation.

The department recognises that the governance of individual organisations is the responsibility of the organisation's governing body. The department also recognises that the vast majority of organisations operate effectively and deliver high quality services to the people of Victoria.

The governance of organisations will only be reviewed where:

- the department has reasonable concerns that governance issues in the organisation are having an impact on service delivery capacity
and
- it can be demonstrated that the organisation is not performing at an appropriate level in the delivery of requirements stated in the service agreement.

Attachment 1

Terms of reference for Service Review

Background

As part of the Monitoring Framework for the health, housing and community service sectors, an annual risk assessment, known as the Desktop Review, has been undertaken by the department. Where a Desktop Review indicates areas of concern requiring clarification, a meeting known as a Service Review is arranged.

More information about the Monitoring Framework can be found on the Funded Agency Channel website at <https://fac.dhs.vic.gov.au/>

Purpose

The Service Review, in the context of the Monitoring Framework, provides an opportunity for the department and the organisation to meet, jointly raise issues and concerns and develop solutions to these items. The issues raised by the department in the meeting will have previously been identified through the Desktop Review.

The Service Review will:

- be undertaken within the principles of partnership
- be an opportunity to work together in a solution-focused manner
- work towards improving services for clients.

The Service Review will not be adversarial or punitive.

An Action Plan may be developed to address the issues discussed.

Objectives

The objectives of the Service Review are to:

- resolve issues or matters that require clarification, highlighted during the Desktop Review or raised by the organisation
- enhance collaboration and generate solutions
- identify opportunities to meet challenges and plan actions to deliver solutions
- make recommendations that will support the delivery of ongoing quality services.

Processes

The Service Review will:

1. Involve a meeting and discussion between the department and organisation's staff.
2. Be undertaken in an open and transparent manner in keeping with the Partnership Agreement - Department of Human Services/health, housing and community sector.
3. Provide the organisation with an opportunity to raise agenda items.
4. Discuss issues that relate to items on the agenda. New topics are only introduced at the meeting where participants agree.

5. Examine issues in any or all of three performance areas: service delivery, organisational management and financial management.
6. Consider documents or other information provided by the organisation.
7. Develop an Action Plan, where needed. The Service Review participants will work together to develop and agree on actions to be undertaken by the organisation or the department. Any agreed actions will be documented and reviewed.
8. Refer organisational governance matters to senior departmental and senior organisational staff only if the desired outcome outlined in the Action Plan is not achieved, or the Service Review meeting indicates there are governance issues that need to be addressed.

Roles and responsibilities in the Service Review

Cooperation between departmental and organisational staff is essential to ensure successful and mutually beneficial results from the Service Review.

The department and the organisation have the right to:

- be heard in an open minded manner
- have adequate time to prepare for the discussion and consider issues
- openly express issues and concerns.

The department is responsible for:

- providing at least three weeks notice of a Service Review meeting
- clearly articulating the issues leading to the Service Review
- maintaining a solution-focused approach to the Service Review
- providing advice and assistance, where appropriate, to support an organisation's improvement strategies
- recognising and acknowledging strengths, good practice and innovation
- acknowledging where systemic issues may impact on the organisation.

The organisation is responsible for:

- determining its own participants to attend the Service Review meeting
- providing supporting documentation to the department as appropriate
- being open and honest in the Service Review
- contributing to identification of solutions and improvement actions.

The department and organisation are responsible for:

- undertaking actions as agreed, and following up outstanding issues
- developing and agreeing on outcomes of the Service Review and establishing an Action Plan (or equivalent) where appropriate.

