



## Management Support Unit (MSU)

### Information Sheet 21:

## Quality Improvement Standards for Management and Governance in the Community Sector

### What is Quality Improvement?

Continuous quality improvement is a broad management term that describes a process through which organisations systematically assess and improve their performance along a range of criteria. When you type 'quality improvement' or 'quality assurance' into your web browser, you are likely to be swamped by the number and range of quality processes that are used in the sector. In fact, there is a great deal of confusion about the various quality standards and the processes that accompany them.

Some specifically focus on accreditation while others provide guidelines without auditable criteria. There is debate about whether quality standards aim to prescribe minimum levels of attainment and monitor compliance with legislative or policy requirements, or whether they actually focus on improving the quality of the service in the form of outcomes for clients. This is a key question that all service providers engaged in a quality process need to address.

### Diversity of Quality Improvement Processes

There is a wide range of quality programs currently in operation which generally comply with international standards for Quality Management Systems.

In the sector in NSW, services most frequently use the standards developed by either the Australian Council on Healthcare Standards (ACHS) or the Quality Improvement Council (QIC Standards and Accreditation Program) - administered by a licensed provider - such as Quality Management Services (QMS) in NSW. The core accreditation program for ACHS is the Evaluation and Quality Improvement Program (EQulP), guiding organisations through a four year cycle of self-assessment, organisation-wide survey and periodic review to meet the standards.

QIC accreditation certifies that the organisation has met the relevant standards and is participating in the QIC Program to build continuous quality

improvement. Some organisations use the framework of the Australian Quality Council – Australian Quality Awards for Business Excellence Framework.

In addition, Government departments each have their own policy regarding quality processes which apply to both government agencies and government funded programs. At the State level, the Department of Ageing and Disability and Home Care (DADHC) has the Integrated Monitoring Framework, in operation since 2005, which applies to both DADHC operated and funded services. This process is currently under development through the Quality Reform Project as DADHC strives to improve the quality component of its compliance, quality and performance monitoring framework.

The new process includes external certification by the Joint Accreditation System of Australian and New Zealand (JAS-ANZ), the government appointed accreditation body. The Department of Community Services (DoCS) has different approaches to quality improvement in its various programs. For example it is currently proposing the Strategic Compliance Monitoring and Enforcement Framework for children's services which 'aims to encourage children's services in NSW to improve service quality beyond compliance with legal minimum standards' (DOCS, Strategic Compliance Monitoring and Enforcement Framework, 4) and focuses specifically on enforcement of children's services legislation. Services funded by NSW Health are required to undertake some mutually agreed process of quality improvement and accreditation.

The situation becomes more complex when Federal government departments are added to the mix. For example, the Department of Health and Ageing and the Department of Families, Housing, Community Service and Indigenous Affairs each follow their own processes.

## **Quality Improvement Processes**

Most quality processes include documentation to demonstrate compliance with legislation and policies, a self-assessment process and an external review. Documentation to fulfil accountability and reporting requirements may include:

- The organisation's annual report, including the audited financial statement.
- The annual financial acquittal
- An annual return which demonstrates the organisation's compliance with the requirements of the funding agreement.
- Performance reports that measure outcomes against key performance indicators.
- Data concerning clients and services provided.
- Incident reports which detail any adverse incidents involving clients or occupational health and safety issues.
- Management and governance processes.

The service review process generally encompasses:

- A detailed written self-assessment document that provides evidence that the requirements of the standards have been met.
- A desk- top review of the documentation by the assessors.
- An on-site review.
- A review report.
- The development of a mutually agreed quality improvement program (an action plan) which is then monitored.

The implementation of a quality improvement process has the potential to be an excellent tool to enable Boards and managers alike to fulfil their responsibilities, to enhance the effectiveness of the organisation and to identify and manage potential risks. The keys are the relevance of the quality program, the manner in which it is implemented and the skill of the reviewing team.

Services funded by more than one government agency, (which is most NGOs), often have to deal with more than one quality assurance and accreditation program. Although efforts are being made by some government agencies to recognise the processes of others, there is certainly a need for a common quality assurance process for the sector in order to reduce compliance costs and duplication.

### **Core Standards for Governance and Management**

Despite the diversity of quality accreditation programs and their accompanying standards and processes, there is remarkable congruence about what is required to ensure the effective governance and management of a service.

Key performance indicators are given for a range of criteria affecting organisational capacity including governance, management systems and processes, and capacity building – all factors that ensure the sustainability of a service. This is separate from assessing the actual service and programs provided. The following recurring criteria can be identified in the various accreditation models:

#### **Governance**

- **Organisational Purpose:** Organisational goals are clearly articulated and aligned with clients' needs and aspirations.
- **Leadership:** Leadership within the organisation is able to provide direction and strategies to ensure the organisation's goals are achieved. There is a collective sense of purpose that enables the organisation's philosophy, goals and service priorities to be identified and met.

- **Legal and Regulatory Compliance:** The organisation understands and complies with all relevant legislation and regulations and manages its contractual obligations effectively.
- **Policies and Procedures:** Policies are developed both to guide the operation of the Board and to support the organisation's service delivery and administrative operations.
- **Accountability:** At every level of the organisation, there are appropriate accountability and probity measures in place.

### ***Management Systems and Processes***

- **Planning, evaluation and service improvement:** The service has processes in place to ensure planning, review and quality improvement.
- **Financial Management:** Funds received from both government and private sources are spent and accounted for appropriately and the financial management system is congruent with the goals of the organisation, ensuring an efficient and sustainable service. A business plan is in place to ensure that the organisations objectives are able to be addressed.
- **Privacy:** Information is collected and used in accordance with privacy legislation and the best interests of all stakeholders.
- **Risk Assessment and Management:** A comprehensive risk management process is in place.
- **Knowledge Management:** Knowledge management is the systematic way in which an organisation finds, selects, creates, distills, organises, presents and accesses internal and external information which is used to develop the organisation. The organisation requires an effective knowledge management system to ensure its long term sustainability and development.
- **Communication and Feedback:** The organisation implements effective processes for communication and feedback from all stakeholders in meaningful and appropriate ways.
- **Organisational culture:** The culture of the organisation is positive, supportive and conducive in ensuring the best interests of clients, members, staff and volunteers are served.

### ***Workforce Development***

- Human Resources Management: An effective process of human resources management (recruitment, performance management, performance review and delegations) is in place.
- Workforce Planning: Effective planning is in place to ensure that there is continuity and quality in service delivery.
- Training and Development: Opportunities are available in accordance with the goals of the organisation and the learning needs of employees.

### ***Physical Resources***

- The organisation's assets, equipment, facilities and resources are adequate to fulfil its objectives in a safe and effective manner.
- Workplace environment – the workplace environment is positive and conducive the wellbeing of all stakeholders, especially clients and staff.

### ***Capacity Building – Networks and Partnerships***

- Collaboration: The organisation is able to demonstrate collaboration with internal stakeholders and external organisations to improve outcomes for clients, communities and the sector and shares knowledge.
- Research: The organisation documents its work and evaluates what is effective and what is not, in an effort to improve the quality of its services and that of others in the field.

### **Evidence**

For each standard, the quality programs provide a set of questions that organisations need to address in order to provide evidence that they have met the standard. For example, questions relevant to the standard that requires the organisation to demonstrate its leadership capacity may include:

- How are the organisation's directions and goals developed, communicated and monitored?
- How does the organisation implement plans to achieve its goals and objectives?
- How does the leadership team create a supportive environment and implement effective management processes to assist staff and other stakeholders to achieve the goals of the organisation?

- How does the organisation work in partnership with and account to stakeholders?
- How are clients and other stakeholders' interests represented in the management processes, both formal and informal?
- How is Quality Improvement embedded into all levels of the organisation and how is creativity fostered?

## Conclusion

While a range of quality improvement measures are in operation across the sector, there is a high degree of consensus about the management and governance processes that need to be in place to achieve desired outcomes.

It is the responsibility of each organisation to ensure that quality improvement is a core component of the ethos and systems that guide the organisation.

## References

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