

AUSTRALIAN INSTITUTE FOR SOCIAL RESEARCH

EVALUATION OF THE DEMONSTRATION DAY RESPITE PILOT IN RESIDENTIAL AGED CARE FACILITIES INITIATIVE

ACCOMPANYING REPORT 5:
ANALYSIS OF FINANCIAL ACCOUNTABILITY REPORT (FAR)
DATA 2008/09

REPORT PREPARED FOR:

THE DEPARTMENT OF HEALTH AND AGEING

RESPITE FOR CARERS SECTION, OFFICE FOR AN AGEING AUSTRALIA, AGEING AND AGED
CARE DIVISION

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1 INTRODUCTION

The *Demonstration Sites for Day Respite in Residential Care Facilities Initiative* (DDR) Financial Accountability Report (FAR) is required to be completed by all NRCP funded respite services.

An annual FAR must be submitted by 30 September each year and provides information relating to a standard financial year (1 July to 30 June).

With reference to their individual funding agreements, some services are required to submit a Progressive FAR and submit their responses as follows:

- For the quarter ended 30 September by 31 October
- For the quarter/six months ended 31 December by 31 January; and
- For the quarter ended 31 March by 30 April.

This report overviews the information provided in the FARs presented to the Department of Health and Ageing by DDR projects. At the same time, it assesses the usefulness of the FAR and its associated components as a data collection tool, and suggests improvements for future collections. The report draws on 2008/09 data provided by the Department to the AISR for analysis.

Section 2 of this report overviews the data collection process and the data available for analysis. It provides a reconciliation of FAR data items, and a validation of data keyed from the FAR, identifying any inconsistencies.

Section 3 presents the results of an analysis of the data keyed from the FAR. This includes the provision of three indicative performance indicators that can be compiled from FAR data in combination with SAR data.

Section 4 provides a summary of recommended changes to FAR data collection, based on our analysis.

2 DATA COLLECTION

2.1 THE PROCESS

The annual Financial Accountability Report (FAR) data collection instrument was distributed to service providers with a *FAR Community Care Programs User Guide*.

The annual FARs are completed by service providers and collected by State Offices together with the service provider's audited financial statements (due 30 September for the previous financial year).

State/territory data from the FARs were previously inputted into State Office databases and analysed individually.

For the 2008/09 FARs data, the Department is currently trialing a process whereby State Offices send all service provider reports to the Commonwealth Office and data from these reports then feed into a single national database. Individual service provider data is then extracted as 2 page "Project Summary Reports" and returned to State Offices for analysis. (State Offices receive reports pertaining to their jurisdiction only.) State Officers then assess information for their service providers and follow-up any issues or inconsistencies with service providers.

2.2 TIMEFRAME FOR THE DATA ANALYSIS

As the *Demonstration Sites for Day Respite in Residential Care Facilities Initiative* commenced in January 2008, data for the financial year 2007/08 only provided at most six months of financial data for each Project.

For the evaluation of the Initiative, the Department provided the AISR with 2008/09 data, exported from the national database into an Excel spreadsheet, as this includes a complete financial year's data for each Project.

2.3 THE FAR INSTRUMENT

The FAR, distributed to service providers for both the 2007/08 and 2008/09 financial years, was in the form of a 12 page Word document.

This document is currently being reviewed by the Department as it contained information that was not being used. At the time of writing, the Department advised that a simplified version of the FAR is expected to be available for use for the 2009/10 reporting period.

2.4 RECONCILIATION OF DATA ITEMS

A reconciliation of data items reported on the FAR data collection instrument and the corresponding field reference on the Excel spreadsheet are presented in Appendix I.

In many cases, it is unclear whether data have been reconciled correctly as it appears that different naming conventions have been used. For example, Column AB on the Excel spreadsheet is titled:

“Total Recurrent Expenditure” – but appears as “Total Program Expenditure” at Section 2.2.2 of the FAR.

In addition, there are many columns of data on the Excel spreadsheet for which a match could not be made to the FAR document. For example, see columns AD to AT as identified in Appendix I.

2.5 DATA VALIDATION AND INCONSISTENCIES

There do not appear to be any obvious data validation errors or inconsistencies in the data provided for analysis.

However, the scope to undertake validation and inconsistency checks was restricted due to the inability to reconcile all data items on the Excel spreadsheet with that on the FAR document. (Refer Appendix I.)

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3 DATA ANALYSIS

3.1 PROJECTS FOR WHICH FAR DATA WAS PROVIDED

The Excel spreadsheet provided to the AISR for analysis by the Department, contained financial data for **30** projects. A list of these projects is presented in Appendix II.

3.2 RECURRENT INCOME, EXPENDITURE AND GROSS SURPLUS

An analysis of financial data by Project revealed that:

- *Total Recurrent Income* varied from \$115,087 to \$632,677, with an average of \$326,217.
-
- *Total Recurrent Expenditure* varied from \$73,255 to \$634,351, with an average of \$301,252.
-
- *Recurrent Gross Surplus* varied from -\$31,085 to \$251,571, with an average of \$24,964.
-

3.3 INDICATIVE PERFORMANCE INDICATORS

Without having undertaken a comprehensive review of the financials provided by each service provider, it is unwise to utilise financial information for performance analysis due to differences that may exist in the scope and quality of information reported to the Department.

As with the development of any performance indicator, extensive consultation would be required to determine:

- the quality and comparability of reported data,
- the appropriateness of the performance indicators for their intended purpose, and
- the extent to which indicators are clearly understood by all stakeholders.

Acknowledging that extensive further investigation would need to be undertaken before any formal data analysis could be undertaken, the following performance indicators have been suggested as *possible future* indicative indicators of the financial performance of Projects.

- **Program Income per Care Recipient** = Total Recurrent Income divided by Number of Care Recipients
- **Cost per Care Recipient** = Total Recurrent Expenditure divided by Number of Care Recipients
- **Cost per Hour Care Delivered** = Total Recurrent Expenditure divided by Total Hours Respite Delivered

As these performance indicators utilise both Service Activities Report (SAR) and Financial Accountability Report (FAR) data, extensive quality assurance and validation checks would need to be undertaken to ensure the reliability and consistency of source data. Refer in particular to data inconsistencies already identified with some SAR data in the *AISR Analysis of Services Activities Report Data – 2007/08 & 2008/09* report (2010).

Raw values of these indicators have been calculated and presented with Projects listed in ascending order of Program Income per Care Recipient – refer to *Figure 1, Figure 2 and Figure 3 in Appendix III*.

From these graphs, it may be possible to make some general conclusions about each Project's:

- relative program income per care recipient,
- costs of service provision relative to numbers of care recipients, and
- costs of service provision relative to total hours respite delivered.

The importance of undertaking an extensive developmental process for the implementation of performance indicators cannot be stressed enough; as such, the table and graphs presented in Appendix III are not for public consumption.

4 RECOMMENDED CHANGES TO THE FAR DATA COLLECTION

The AISR has three recommendations to make regarding the FAR data collection instrument, and these involve undertaking a comprehensive review of the scope, quality and comparability of financial data being supplied by each service provider. Without such a review, it is not possible to be confident about the accuracy and reliability of data.

Recommendation 1

It is recommended that a detailed review of the scope, quality and comparability of financial data be undertaken before any further analysis and/or development of performance indicators using FAR data.

Recommendation 2

It is recommended that the Department consult with service providers to develop a set of financial and service performance indicators.

It would also be useful to develop indicators that reflect the financial performance of Projects, and to consult with Projects on these indicators when they are in draft form.

The AISR has identified three possible indicators, all of which combine information from the FAR and SAR data bases. Again, thorough quality assurance and validation checks would need to be undertaken to ensure the reliability of source data, and consistency between FAR and SAR data. The following indicators are proposed:

- **Program Income per Care Recipient** = Total Recurrent Income divided by Number of Care Recipients
- **Cost per Care Recipient** = Total Recurrent Expenditure divided by Number of Care Recipients
- **Cost per Hour Care Delivered** = Total Recurrent Expenditure divided by Total Hours Respite Delivered

Finally, if the FAR and SAR data collection tools continue to be the key reporting sources of accountability, it will be important to ensure that their data can be cross-linked - as highlighted in relation to the proposed performance indicators.

Recommendation 3

It is recommended that any quality-focused review of the FAR and SAR data collection tools include an assessment of the capacity for cross-linking of data between the two sources.

APPENDIX I – RECONCILIATION

Table 1: Reconciliation of Components of FAR Instrument & Excel Spreadsheet provided for evaluation

Data item (as per FAR Data Collection Instrument)	Reference on Excel spreadsheet provided to AISR for evaluation	
	Column	Name (if different)
PART 1: PROVIDER DETAILS		
	A	GAM ID
	C	State
Provider Details		
Name of Provider Organisation	G	Org Name
Trading Name		
ABN		
Contact Details		
Name	H	Org Contact Name
Position		
Street Address		
Postal Address		
Phone	I	Org Contact Phone
Fax		
Email		
PART 2: PROGRAM FUNDING		
2.1 PROGRAM DETAILS		
Name of Australian Government Program	F	Program/Funding Type
ID number	D	Project ID
Current period/year under review	B	Financial Year
Date prepared		
Name of Service(s)	E	Project Name
	J	Acquittal Status
	S	Assigned Officer
	T	Balance Sheet Accepted
	U	Compliance Statement Received
	V	Audit Statement Accepted
	W	Previous Year Surplus
2.2 STATEMENT OF INCOME AND EXPENDITURE		
2.2.1 PROGRAM INCOME		
Australian Government Program Funding		
Australian Government subsidy funding		
Australian Government funding agreement - operational	K	Project Funding Operational
Australian Government funding agreement - Brokerage	L	Project Funding Brokerage
Australian Government funding agreement - Reserve Pool Brokerage	M	Project Funding Reserve Pool Brokerage
Australian Government funding agreement - non-ongoing		
Interest received on Govt Funds	N	Interest Received
Approved roll-over from previous year	O	Previous Year Roll-Over
User fees received	P	User Fees
Other	R	Income Other
Other – please specify	Q	Income Other Description
TOTAL AUSTRALIAN GOVERNMENT PROGRAM FUNDING		
2.2.2 PROGRAM EXPENDITURE		
Direct Service Delivery Operating Costs		
Salaries & Wages		
Premises expenses		

Data item (as per FAR Data Collection Instrument)	Reference on Excel spreadsheet provided to AISR for evaluation	
	Column	Name (if different)
Insurance		
Vehicle Costs		
Travel (attributed)		
Professional development (attributed)		
Client aids and equipment		
Brokered Services		
Other		
Other – please specify		
Total direct service delivery operating costs	X	Direct Service Delivery Cost
Administration Costs		
Salaries and wages		
Rent (attributed)		
Insurance		
Vehicle costs		
Travel (attributed)		
Professional development (Attributed)		
Accounting and management fees		
Capital purchases		
Consumables		
Equipment		
Promotion		
Other		
Other – please specify		
Total administration costs	Y	Administrative Costs
Depreciation		
Motor Vehicles		
Furniture, Fittings and computer equipment		
Other		
Total depreciation	Z	Depreciation Costs
TOTAL PROGRAM EXPENDITURE	AB	Total Recurrent Expenditure
2.2.3 RECONCILIATION		
Program Income	AA	Total Recurrent Income
Less Program Expenditure	AB	Total Recurrent Expenditure
Subtotal	AC	Recurrent Gross Surplus
Less Approved Underspend / Plus Approved overspend		
Total Underspend / Overspend		
	AD	Recurrent Carry-Over Recommended
	AE	Recurrent Carry-Over Approved
	AF	Previous Year Carry-Over Exp
	AG	Recurrent Net Surplus
	AH	Previous Year Recurrent Carry-Over Gross Surplus
	AI	Previous Year Recurrent Carry-Over Net Surplus
PART 3: ONE-OFF & CAPITAL GRANTS		
3.1 ACQUITTAL OF ONE-OFF AND CAPITAL GRANTS		
3.1.1 INCOME		
Total capital grant		
3.1.2 EXPENDITURE		
Land and buildings		
Motor vehicles		
Equipment (service delivery)		
Equipment (administration)		
IT (administration)		
Other		

Data item (as per FAR Data Collection Instrument)	Reference on Excel spreadsheet provided to AISR for evaluation	
	Column	Name (if different)
Other – please specify		
Total Assets Expenditure		
TOTAL UNDERSPEND / OVERSPEND		
	AJ	Previous Year One-Off Carry-Over Amount
	AK	Previous Year One-Off Carry-Over Expenditure
	AL	Previous Year One-Off Carry-Over Gross Surplus
	AM	Previous Year One-Off Carry-Over Net Surplus
	AN	One-Off Grant1 Recommended
	AO	One-Off Grant1 Approved
	AP	One-Off Grant1 Amount
	AQ	One-Off Grant1 Expenditure
	AR	One-Off Grant1 Description
	AS	One-Off Grant1 Gross Surplus
	AT	One-Off Grant1 Net Surplus
PART 4: PROVISION ACCOUNTS		
Staff Leave Entitlements		
Provision account balance at beginning of period		
Provision account deposits during the period		
Provision account expenditure during period		
Provision account expenditure during period - details		
Provision account balance at end of period		
Equipment Replacement		
Provision account deposits during the period		
Provision account expenditure during period		
Provision account expenditure during period - details		
Provision account balance at end of period		
TOTAL		
PART 5: EXPENSE ALLOCATION		
<i>Various qualitative data</i>		
PART 6: STATEMENT OF FINANCIAL POSITION		
Assets		
Cash		
Receivables		
Prepaid expenses		
GST recoverable		
Land and Buildings		
Motor vehicles		
Other		
Other – please specify		
Total Assets		
Liabilities		
Payables		
Accrued expenses		
Grants received in advance		
Provisions		
GST payable		
Other		
Other – please specify		
Total Liabilities		
TOTAL EQUITY		
Comment regarding significant changes		
CERTIFICATION OF AUDITED STATEMENT		
PART 7: STATEMENT OF COMPLIANCE		

APPENDIX II – PROJECT SUMMARY

Table 2: Projects providing FAR data for analysis

State	PIMS Projects ID	Project Name
NT	237	Masonic Homes Inc Residential Day Respite Service
NT	238	Frontier Services Pulkapulkka Kari
NT	239	Frontier Services Rocky Ridge
TAS	369	Bisdee House Respite Centre
TAS	371	Karingal Carer Support Service
WA	788	Coolibah Day Centre
WA	791	Day Respite Options
WA	792	Bethavon Day Respite
WA	793	Hamersley Respite House
QLD	1231	Garden City Retirement Home Respite Centre
QLD	1232	Spiritus Wide Bay - Day Respite Service
QLD	1233	Bribie Island Retirement Village Carer Respite Service
SA	1305	Benvenuti
SA	1306	Time Out
SA	1307	Ross Robertson Day Respite Service
SA	1308	Perry Park Day Respite Service
SA	1309	Resthaven Marion: Hersey Cottages Respite Service
NSW	2938	ANHF Dementia Respite for Carers of SE Asian Communities
NSW	2939	Cooinda Day Respite
NSW	2940	Warnervale Wellness Centre
NSW	2941	Constitution Hill Day Respite Centre
NSW	2942	Day Respite 'Wellness' Service
NSW	2943	Day Respite Goulburn
NSW	2944	Apsley Riverview Hostel
VIC	3834	Guest Day Respite Service
VIC	3835	Homestead Day Stay
VIC	3836	Lynbrook Respite Care
VIC	3837	Ave Maria Village Day Respite Program
VIC	3838	Inner East Community Health Service Day Respite - the Caring Cafe
VIC	3839	Stepping Out

APPENDIX III – INDICATIVE PERFORMANCE INDICATORS

Table 3: Indicative Performance Indicators using FAR and SAR Data

Project ID	Project Name	FAR Data			SAR Data (Part D)		Possible Indicator		
		Total Recurrent Income	Total Recurrent Expenditure	Recurrent Gross Surplus	Number of Care Recipients	Total Hours Respite Delivered	Program Income per care recipient	Cost per care recipient	Cost per hour care delivered
1305	Benvenuti	\$299,581	\$290,551	\$9,030	110	36,510	\$2,723.46	\$2,641.37	\$7.96
1308	Perry Park Day Respite Service	\$203,809	\$212,759	-\$8,950	48	12,388	\$4,246.02	\$4,432.48	\$17.17
369	Bisdee House Respite Centre	\$568,174	\$540,439	\$27,735	131	14,300	\$4,337.21	\$4,125.49	\$37.79
3835	Homestead Day Stay	\$232,146	\$234,408	-\$2,262	45	8,726	\$5,158.80	\$5,209.07	\$26.86
2940	Warnervale Wellness Centre	\$484,649	\$486,943	-\$2,294	86	10,162	\$5,635.45	\$5,662.13	\$47.92
2942	Day Respite 'Wellness' Service	\$376,332	\$394,108	-\$17,776	64	2,080	\$5,880.19	\$6,157.94	\$189.48
2939	Cooinda Day Respite	\$115,529	\$73,255	\$42,274	19	2,464	\$6,080.47	\$3,855.53	\$29.73
1233	Bribie Island Retirement Village Carer Respite Service	\$324,567	\$310,243	\$14,324	50	15,867	\$6,491.34	\$6,204.86	\$19.55
793	Hamersley Respite House	\$436,278	\$455,757	-\$19,479	64	15,105	\$6,816.84	\$7,121.20	\$30.17
1309	Resthaven Marion:Hersey Cottages Respite Service	\$277,273	\$277,272	\$1	38	3,502	\$7,296.66	\$7,296.63	\$79.18
791	Day Respite Options	\$408,502	\$333,122	\$75,380	55	4,374	\$7,427.31	\$6,056.76	\$76.16
2941	Constitution Hill Day Respite Centre	\$561,697	\$551,712	\$9,985	75	21,092	\$7,489.29	\$7,356.16	\$26.16
239	Frontier Services Rocky Ridge	\$219,930	\$226,544	-\$6,614	29	6,401	\$7,583.79	\$7,811.86	\$35.39
792	Bethavon Day Respite	\$115,087	\$127,368	-\$12,281	15	6,899	\$7,672.47	\$8,491.20	\$18.46
2944	Apsley Riverview Hostel	\$224,421	\$219,678	\$4,743	27	4,186	\$8,311.89	\$8,136.22	\$52.48
3834	Guest Day Respite Service	\$258,587	\$246,644	\$11,943	31	4,466	\$8,341.52	\$7,956.26	\$55.23
2943	Day Respite Goulburn	\$322,508	\$308,028	\$14,480	38	6,479	\$8,487.05	\$8,106.00	\$47.54
1231	Garden City Retirement Home Respite Centre	\$632,677	\$634,351	-\$1,674	74	18,021	\$8,549.69	\$8,572.31	\$35.20

Project ID	Project Name	FAR Data			SAR Data (Part D)		Possible Indicator		
		Total Recurrent Income	Total Recurrent Expenditure	Recurrent Gross Surplus	Number of Care Recipients	Total Hours Respite Delivered	Program Income per care recipient	Cost per care recipient	Cost per hour care delivered
238	Frontier Services Pulkapulka Kari	\$144,075	\$144,067	\$8	16	3,384	\$9,004.69	\$9,004.19	\$42.57
3838	Inner East Community Health Service Day Respite	\$352,495	\$352,960	-\$465	39	10,945	\$9,038.33	\$9,050.26	\$32.25
2938	ANHF Dementia Respite for Carers of SE Asian Communities	\$374,034	\$344,144	\$29,890	37	5,775	\$10,109.03	\$9,301.19	\$59.59
788	Coolibah Day Centre	\$347,946	\$379,031	-\$31,085	33	9,562	\$10,543.82	\$11,485.79	\$39.64
3837	Ave Maria Village Day Respite Program	\$282,150	\$293,454	-\$11,304	23	4,731	\$12,267.39	\$12,758.87	\$62.03
237	Masonic Homes Inc Residential Day Respite Service	\$186,118	\$191,804	-\$5,686	15	1,900	\$12,407.87	\$12,786.93	\$100.95
3836	Lynbrook Respite Care	\$274,213	\$247,006	\$27,207	22	5,350	\$12,464.23	\$11,227.55	\$46.17
371	Karingal Carer Support Service	\$262,181	\$236,622	\$25,559	21	2,155	\$12,484.81	\$11,267.71	\$109.80
1306	Time Out	\$512,463	\$260,892	\$251,571	36	1,080	\$14,235.08	\$7,247.00	\$241.57
1307	Ross Robertson Day Respite Service	\$322,056	\$189,827	\$132,229	19	1,872	\$16,950.32	\$9,990.89	\$101.40
1232	Spiritus Wide Bay - Day Respite Service	\$543,850	\$355,338	\$188,512	28	7,060	\$19,423.21	\$12,690.64	\$50.33
3839	Stepping Out	\$123,173	\$119,244	\$3,929			#DIV/0!	#DIV/0!	#DIV/0!

Figure 1: Program income per care recipient

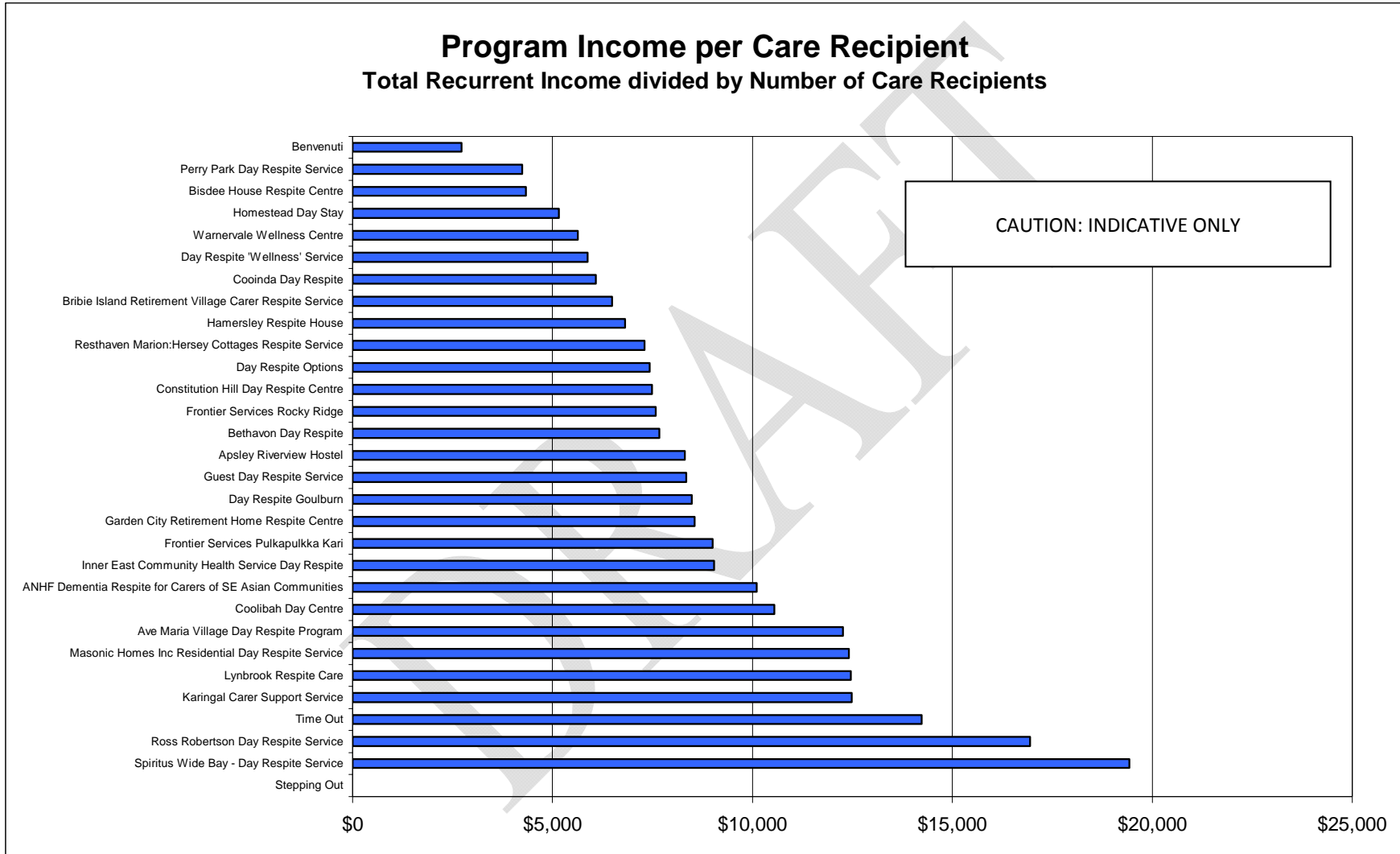


Figure 2: Cost per care recipient

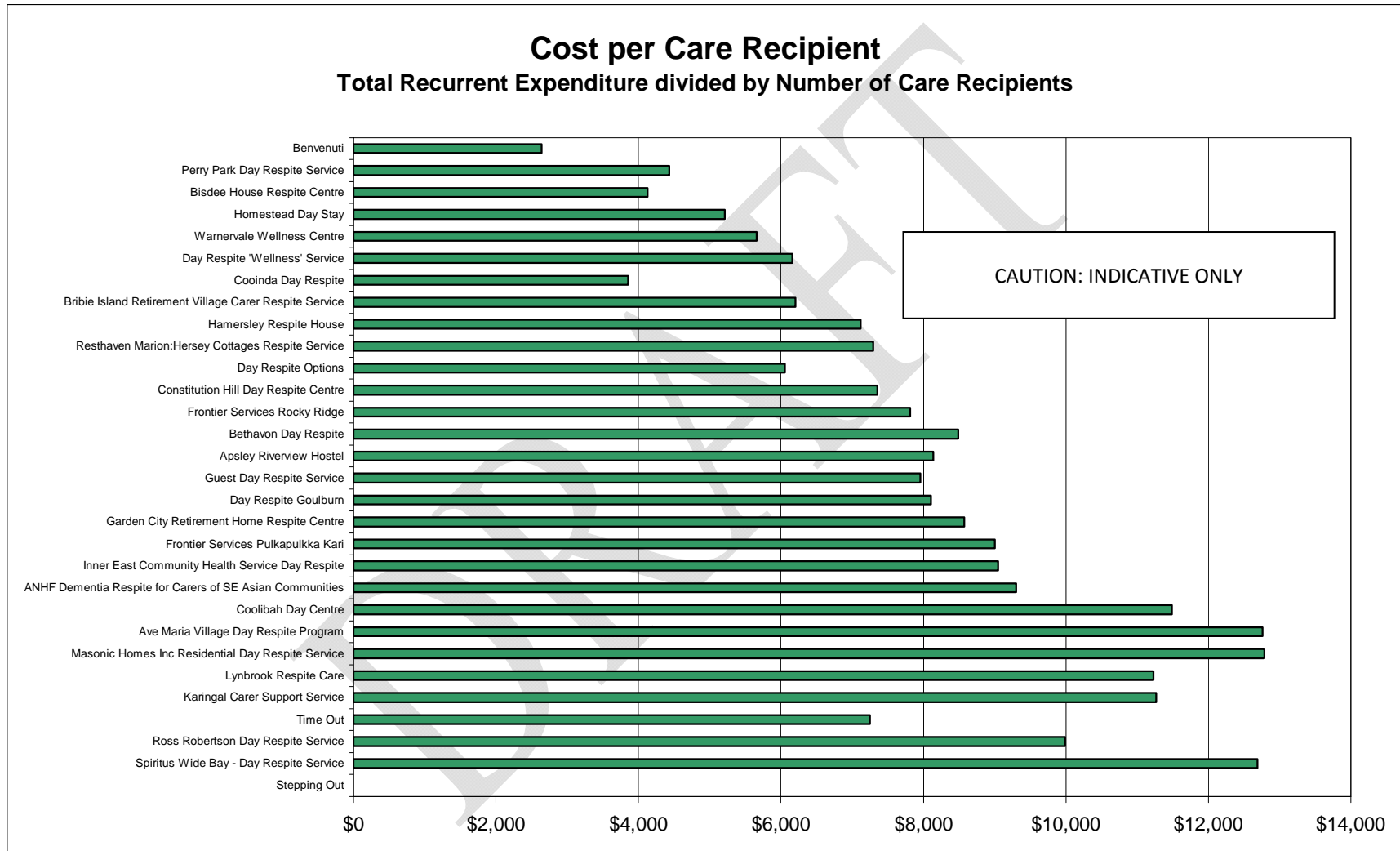


Figure 3: Cost per hour delivered

