



Australian Government
Safety, Rehabilitation and
Compensation Commission

Comcare

Rehabilitation management systems audit tool

Auditing rehabilitation management systems
of licensed self insurers under the
Safety, Rehabilitation and Compensation Act 1988

June 2008

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Contents

Definitions	5
Introduction	6
Applying the audit tool	7
Audit process	7
Licensee audits	9
Advice and assistance	10
Audit criteria	11
Element 1: Commitment and corporate governance	11
Element 2: Planning	12
Element 3: Implementation	13
Element 4: Measurement and evaluation	14
Element 5: Review and improvement	15

Definitions

Consultation: Consultation involves the sharing of information and the exchange of views between licensees and stakeholders. It provides for the genuine opportunity to effectively contribute to a decision making process. The extent and nature of the consultation will vary between workplaces and the nature of the issue.

Corporate governance: The processes by which organisations are directed, controlled and held to account. The term encompasses authority, accountability, stewardship, leadership, direction and control exercised throughout an organisation. It includes the transparency of corporate structures and operations, the implementation of effective risk management and internal control systems and the accountability of management to stakeholders.

Documentation: The documentation used by the leadership group to communicate its commitment to minimising the human and financial cost of injury and providing for fair compensation when an injury occurs. As examples it could take the form of a policy, management arrangements or an employer/employee agreement(s). (In reference to Element 1 page 11)

Documented commitment: A statement by the licensee of its commitment, intentions and principles in relation to its overall rehabilitation management performance which provides a framework for action and for the setting of its rehabilitation management objectives and targets.

Senior management: At the level required for the certification of the Licensee Improvement Program Report – Chief Executive Officer/Executive Manager.

Stakeholders: Includes but is not limited to employees, service providers, rehabilitation providers, case managers, medical practitioner, the claims manager, managers/supervisors and Comcare.

Introduction

The Rehabilitation management systems audit tool is the audit tool endorsed by the Safety, Rehabilitation and Compensation Commission (the Commission) for application to organisations with self insurance licences under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act).

These organisations (licensees) are required to meet the standards set by the Commission for the rehabilitation of injured employees. These standards require licensees to develop, implement and maintain rehabilitation management systems consistent with the Commission's performance standards and the SRC Act.

The Commission's Rehabilitation management systems audit tool provides the means to undertake an assessment and review of a licensee's management of the rehabilitation and return to work of its injured workers and to establish areas for improvement.

The tool is based on the following Australian/New Zealand standards:

- AS/NZS 4801:2001 Occupational health and safety management systems – Specification with guidance for use, and
- AS/NZS 4804:2001 Occupational health and safety management systems – General guidelines on principles, systems and supporting techniques.

The audit tool assesses rehabilitation management systems against five elements:

1. Commitment and Corporate Governance (6 criteria)
2. Planning (5 criteria)
3. Implementation (13 criteria)
4. Measurement and evaluation (9 criteria)
5. Review and improvement (2 criteria).

There are a total of 35 criteria. Each audit criterion is linked to a condition of licence, through the General Conditions of Licence and the Commission's Performance Standards and Measures, as well as to the SRC Act.

Related documentation:

1. Rehabilitation management systems audit tool workbook
2. Claims management systems audit tool
3. Claims management systems audit tool workbook

Applying the audit tool

Audit process

The audit process is a three stage process:

1. Preparation

- a. Notification of audit
- b. Audit scope

2. Audit

- a. Entry interview
- b. Documentation review and site visit
- c. Exit interview

3. Finalisation

- a. Report preparation
- b. Report finalisation.

1. Preparation

Notification of audit

The auditor will contact the licensee to advise that a rehabilitation management systems audit is to be undertaken. The auditor will identify, in consultation with the licensee, the timing of the audit process. The auditor will provide the licensee with a copy of the Rehabilitation Management Systems Audit Tool and Rehabilitation Management Systems Audit Workbook.

Audit scope

In conducting rehabilitation management system audits it is important to ensure that audit findings are representative of the state of the licensee's overall rehabilitation management system. The scope of any rehabilitation management systems audit will be sufficient to produce reliable and robust findings regarding the state of the licensee's rehabilitation management systems. If a licensee does not manage rehabilitation centrally then site selection will be at the discretion of the auditor and will be based on the auditor's satisfaction that the selection is sufficiently representative of the organisation and will produce reliable outcomes.

In conducting rehabilitation management systems audits there will be a need to examine a certain number of rehabilitation files. As such, the auditor will need to apply the population sampling technique in the table on page 8.

The scope of the audit should be confined to an examination of the current rehabilitation management system to ensure that the audit findings are timely and relevant. As such the audit sample should be confined to an investigation of rehabilitation cases that have had some form of activity within 12 months prior to the date of the audit.

In order to adequately assess how well a licensee is exercising its powers and meeting its responsibilities under the SRC Act an appropriate sample must be drawn from the rehabilitation file population. The audit should analyse a range of rehabilitation activity undertaken in the 12 month period prior to the audit. An example of the breadth of activity that should be reviewed includes rehabilitation assessment determinations and suspensions under sections 36 and 37 of the SRC Act, determinations relating to aids/appliances and alterations/modifications under section 39 of the SRC Act and the provision of suitable employment under section 40 of the SRC Act.

It is also useful to cross reference the rehabilitation sample with files selected for claims management systems audits. Cross referencing rehabilitation and claims management files will produce a more accurate representation of how well rehabilitation is being managed in all aspects.

The precise number of selected files remains dependent upon the following population sampling table.

Claims with rehabilitation activity in 12 months prior to audit	Suggested number of rehabilitation files to be sampled	Approximate audit timeframe (excluding planning and report writing)
1-15	All	Up to 2 days
16-100	16	2 days
>100	30	3 days

2. Audit

The Rehabilitation management systems audit tool contains 35 criteria grouped into five elements. In conducting an audit, an auditor will make judgements as to whether the criteria have been met. This judgement is informed by considering evidence that verifies that systems exist and that they are being effectively and appropriately administered. The types of evidence that the auditor may take into account include:

- documentation such as reports, minutes of meetings, policies and procedures
- rehabilitation files
- interviews with relevant personnel
- workplace observations
- IT system review.

Entry interview

The auditor is to hold discussions with licensee workplace representatives to explain the purpose of the audit, the process to be applied and the scope of the audit. The entry interview provides the licensee with the opportunity to be properly briefed on the audit approach.

Documentation review

The licensee is required to collate documentation that will assist the auditor to evaluate performance against the audit criteria. The auditor will generally spend the first day of the audit undertaking documentation review although it is at the discretion of the auditor to request that the evidence be provided at an earlier date and assessed off-site.

Examples of the types of evidence that may be supplied to the auditor include:

- policies and procedures
- minutes or outcomes of meetings
- training records
- internal audit reports
- internal performance reports
- staff bulletins.

The Rehabilitation management audit systems tool workbook will assist licensees to identify and prepare relevant documentation for the auditor.

The privacy and confidentiality of all information collected for the purposes of the audit is protected under the Privacy Act.

File review

Following consideration of the documentation provided, the auditor will undertake reviews of the selected rehabilitation files.

Interviews

The auditor will also require the licensee to arrange a suitable time to meet with and interview a selection of employees. Groups of employees who may be interviewed include:

- senior management
- workplace managers
- rehabilitation case managers
- rehabilitation providers
- injured employees.

The workbook identifies questions that may be asked of employee groups during the course of the audit process to assess the extent to which policies and procedures are being followed in practice.

Any information collected through interviews is protected under the Privacy Act and respondent confidentiality will be respected. Individual responses will not be made available to the licensee.

Exit interview

Once the auditor has completed the documentation and file review at the site, a verbal overview of the key audit findings is provided to the licensee workplace representative/s. The auditor will broadly identify areas where the system is working well and areas where improvement and/or corrective action is required. The auditor will advise the licensee of the timeframe for completion of the draft audit report.

3. Finalisation

The auditor will consider the evidence reviewed during the course of the audit against each criterion and prepare a draft report that identifies how the licensee performed against the audit criteria. The report will clearly identify all corrective actions that are required by the licensee.

A draft audit report will be provided by the auditor to the licensee for comment within fifteen working days of the completion of the audit. The licensee is required to provide comment to the auditor on the report within fifteen working days of receipt of the draft. Following receipt and consideration of the licensee comments, the audit report will be finalised within ten working days.

Corrective action plans

The licensee is required to develop, within established timeframes, action plans to address any identified areas requiring corrective action and forward these plans to Comcare. The licensee is required to monitor improvements and inform Comcare accordingly.

Licensee audits

All licensees, irrespective of tier level, are required to conduct their own rehabilitation management systems audits using an approved audit tool. Licensees who do not use the Commission's Rehabilitation management systems audit tool will be required to submit any alternative audit tool, along with a mapping exercise/gap analysis, to Comcare for approval.

Licensees with the rehabilitation function at the second tier will need to provide rehabilitation management systems audit reports to Comcare in order for a desktop review to be undertaken. Licensees with the rehabilitation function at the third tier will only need to provide the executive summaries from rehabilitation management systems audit reports to Comcare.

Timing of audits

Licensees are required to submit a licensee improvement program (LIP) report to the Commission by 31 March each year. In preparing the LIP report, licensees are expected to reference the results of all internal rehabilitation management systems audits. Accordingly, licensees should complete all internal rehabilitation management systems audits in sufficient time to facilitate timely preparation of the annual LIP report.

Competent auditors

All licensees' auditors in claims management and rehabilitation must have knowledge of the SRC Act and Regulations, relevant experience and be independent of the area being audited. There are presently no formally recognised accreditation standards for auditing these functions.

Sampling variations

Where a licensee's auditor uses discretion in relation to the sampling methodology outlined on page 8, the auditor must provide justification for the alternate sampling methodology in the audit report.

Advice and Assistance

All enquiries about the Rehabilitation management systems audit tool and workbook should be directed to the Director, Self Insurance Section, Comcare, GPO Box 9905, Canberra ACT 2601.

Audit criteria

Element 1: Commitment and corporate governance

The licensee will document its commitment to rehabilitation. This documentation* will benchmark the organisation's objectives, be used to formulate strategic direction and be reviewed to ensure it remains relevant to the licensee and strives for continuous improvement. It will be endorsed and supported at the executive level and be relevant to the organisation's overall values, vision and business objectives.

Sound corporate governance* is the process by which organisations are directed, controlled and held to account. The Licensee's executive will provide stewardship for its rehabilitation management systems and commit adequate resources to ensure continuous improvement.

1.1 Documented commitment

- 1.1.1 The licensee sets the direction for its rehabilitation management system through a documented commitment by senior executive.

1.2 Corporate governance

- 1.2.1 The licensee's rehabilitation management system recognises legislative obligations.
- 1.2.2 The licensee's rehabilitation management system promotes the principle of continuous improvement and provides for effective rehabilitation arrangements.
- 1.2.3 The licensee's rehabilitation management system promotes communication of relevant information to employees.
- 1.2.4 The licensee's rehabilitation management system provides for internal and external accountability.
- 1.2.5 The licensee's rehabilitation management system includes appropriate control structures to manage risk.

See definitions on page 5

Element 2: Planning

The successful implementation and operation of a rehabilitation management system requires an effective planning process with well defined and measurable outcomes. Planning is essential for both the initial implementation of an overall management system and for specific elements that make up that system.

2.1 Rehabilitation planning

- 2.1.1 The licensee's rehabilitation management system plans provide for legislative compliance.
- 2.1.2 The licensee's rehabilitation management system plans include objectives, targets and performance measures.
- 2.1.3 The licensee's rehabilitation management system plans provide for effective rehabilitation.
- 2.1.4 The licensee's rehabilitation management system plans provide for appropriate training requirements.

2.2 Administrative arrangements

- 2.2.1 The licensee has a delegation schedule, signed by the principal officer, as per section 41A of the SRC Act.

Element 3: Implementation

A licensee shall achieve its rehabilitation management system objectives, identified in its rehabilitation management system plans, by involving its people as well as focusing and aligning its systems, strategies, resources and structure.

3.1 Resources

- 3.1.1 The licensee allocates adequate resources to support its rehabilitation programs.
- 3.1.2 The licensee implements relevant training programs to support its rehabilitation management system.

3.2 Communication and awareness

- 3.2.1 The licensee defines and communicates rehabilitation responsibilities to relevant stakeholders.
- 3.2.2 The licensee ensures that employees are aware of their legislative rights and obligations in relation to rehabilitation.

3.3 Rehabilitation assessment

- 3.3.1 The licensee assesses the capability of its employees undertaking a rehabilitation program in accordance with the SRC Act.

3.4 Rehabilitation programs

- 3.4.1 The licensee provides rehabilitation programs in accordance with the SRC Act.
- 3.4.2 The licensee complies with the provisions of the Section 41 Guidelines.

3.5 Suitable employment

- 3.5.1 The licensee takes all reasonable steps to provide employees with suitable employment or to assist employees to find such employment.

3.6 Employee assistance

- 3.6.1 The licensee pays for the cost of alterations, modifications and/or aids/appliances in accordance with Section 39 of the SRC Act.

3.7 Reconsiderations

- 3.7.1 The licensee complies with the provisions of the SRC Act when managing reconsiderations.

3.8 Commission guidelines

- 3.8.1 The licensee complies with any general policy guidelines issued by the Commission, as per the provisions of Section 73A of the SRC Act.

3.9 Confidentiality

- 3.9.1 The licensee maintains the confidentiality of information and applies legislative requirements.

3.10 Document management

- 3.10.1 The licensee maintains the relevant level of reporting, records and/or documentation to support its rehabilitation management programs and legislative compliance.

Element 4: Measurement and evaluation

A licensee shall measure, monitor and evaluate its rehabilitation management system performance and take corrective action where required. Measuring, monitoring and evaluating are key activities which ensure that the licensee is performing in accordance with its documented commitment to rehabilitation, objectives and targets as well as initial and ongoing planning. The results should be analysed and used to determine areas of success and to identify activities requiring corrective action and improvement.

A licensee shall establish, implement and maintain documented procedures to monitor and measure, on a regular basis, the key characteristics of its rehabilitation management system operations and activities. Periodic audits of the rehabilitation management system are necessary to determine whether the system has been properly implemented and maintained and whether the licensee has met its performance objectives.

4.1 Monitoring

- 4.1.1 The licensee monitors planned objectives and performance measures for core rehabilitation management activities.
- 4.1.2 The licensee monitors rehabilitation providers' performance in terms of quality of service delivery, costs and progress reports and outcomes.

4.2 Auditing

- 4.2.1 The licensee conducts an audit program to measure performance of its rehabilitation management system.
- 4.2.2 The rehabilitation management system audits are performed by competent personnel.
- 4.2.3 The rehabilitation management system audits are conducted in accordance with the requirements of the Commission.
- 4.2.4 The outcomes of rehabilitation management system audits are appropriately documented, actioned and reviewed at appropriate senior executive level.
- 4.2.5 The licensee communicates the outcomes and results of rehabilitation management system audits to its employees.

4.3 Reporting

- 4.3.1 The licensee reports to senior executive on its rehabilitation management system performance.
- 4.3.2 The licensee provides the Commission with reports as requested.

Element 5: Review and improvement

A licensee shall regularly review and continually improve its rehabilitation management system with the objective of improving its overall rehabilitation performance.

5.1 Continuous improvement

- 5.1.1 The licensee analyses rehabilitation management system performance outcomes against documented objectives to determine areas requiring improvement.
- 5.1.2 The licensee promotes continuous improvement strategies within its rehabilitation management system.

