



# Towards Mutual Recognition: Information Sharing Protocol For Human Services Agencies

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**Family &  
Community Services**  
Ageing, Disability & Home Care

# Table of contents

<b>1</b>	<b>Background</b> .....	<b>1</b>
<b>2</b>	<b>Aim</b> .....	<b>1</b>
<b>3</b>	<b>Objectives</b> .....	<b>1</b>
<b>4</b>	<b>Principles</b> .....	<b>2</b>
<b>5</b>	<b>Privacy and Confidentiality</b> .....	<b>2</b>
<b>6</b>	<b>Information Sharing Arrangement</b> .....	<b>2</b>
	<b>Diagram 1 – Information Sharing Protocol implementation overview</b> .....	<b>3</b>
	6.1 Implementation of Phase 1.....	3
	6.1.1 NGO list and maintenance.....	3
	6.1.2 What information can be shared?.....	4
	6.1.3 What information is not to be shared under this agreement?.....	4
	6.1.4 When should information be shared? .....	4
	<b>Table 1 – NGO reporting schedule</b> .....	<b>5</b>
	<b>Flowchart 1 - Process to determine whether information should be shared between agencies</b> .....	<b>5</b>
	6.1.5 How should information be shared? .....	6
	6.1.6 Rules of engagement.....	6
	6.2 Implementation of Phase 2.....	6
	6.3 Opportunities to reduce red tape and the administrative burden for NGOs	7
<b>7</b>	<b>Information Integrity</b> .....	<b>7</b>
<b>8</b>	<b>Review of Protocol</b> .....	<b>8</b>
	<b>Appendix 1</b> .....	<b>9</b>
	<b>Appendix 2</b> .....	<b>10</b>

# 1 Background

'Mutual Recognition' is identified in the *NGO Red Tape Reduction* report (2009) as a way to help the NSW Government build a more effective Non-Government Organisation (NGO) sector through streamlining administrative requirements and reducing the burden of red tape.

Mutual recognition was also identified by the sector through work undertaken by Ageing, Disability and Home Care (ADHC) and National Disability Services NSW to develop the direction for disability services into the future. A report was developed *Directions for Industry Development* (April 2010) following a series of stakeholder workshops. The report identified the need for agencies to recognise equivalent monitoring systems and reduce reporting duplication. The report sets out the strategic direction and priorities for government and the sector and identifies specific actions required to reduce the administrative burden on NGOs.

Developing a different approach to the monitoring and reporting requirements of NGOs through mutual recognition will contribute to the creation of a more efficient sector and enable a greater focus on service delivery and client outcomes.

True 'mutual recognition' requires that different organisations (in this case government agencies) 'recognise' that the requirements each organisation places on a third party (in this case funded organisations) serve the same regulatory or administrative purpose. To derive a benefit from such recognition each organisation deems compliance with the other organisation's requirements as satisfying with their own requirements (even where some of the requirements may be different).

This Protocol has been developed for use by Department of Family and Community Services (FACS) agencies and the Department of Health. The *NGO Red Tape Reduction* report (2009) indicates that there are 2,600 NGOs that receive funding from ADHC, Community Services and the Department of Health. 179 NGOs receive funding from both ADHC and Community Services which accounted for approximately 40% of the total ADHC and Community Services funding pool in 2008/09. NGOs that receive funding from more than one agency could benefit from information sharing.

## 2 Aim

The aim of this Information Sharing Protocol (the Protocol) is for agencies to formally share and recognise NGO performance information where this information may impact on the agency's ability to deliver funded services.

## 3 Objectives

The objectives of the Protocol are to:

1. Implement relevant NSW Government *Red Tape Reduction* priorities by improved information sharing by FACS and Health agencies (agencies).
2. Enable NGO resources to be directed to service delivery and achieving client outcomes.
3. Achieve more efficient use of NGO reporting information.
4. Enable targeted intervention by one or more agencies to prevent disruption to funded service delivery.

## 4 Principles

Information sharing is based on the following principles:

- The process for sharing information reduces the administrative burden on funded NGOs and agencies.
- Duplicate requests for reporting information from NGOs are reduced.
- Information is not shared that identifies individual clients.
- Information is shared that is current, relevant and related to Funding Agreement<sup>1</sup> requirements.
- Information is evidence based and NGOs are aware of what information is to be shared.
- Sharing of NGO performance information is standardised across agencies.
- Information is provided in a timely manner and is shared and stored securely.
- The sector is informed and consulted prior to implementation of the Protocol.

In the longer term it is anticipated that formal assessments, such as accreditation, licensing or registration, obtained from other official bodies may also be mutually recognised.

## 5 Privacy and Confidentiality

This Protocol does not alter existing statutory information collection, storage, use and dissemination requirements, such as requirements under the *Privacy and Personal Information Act 1998* and *Government Information (Public Access) Act 2009*.

Information that identifies individual clients, NGO staff or other persons will not be shared under this Protocol. If non aggregated information is to be shared between agencies, documents will be de-identified before they are shared.

NGOs will be informed about the types of information that is proposed to be shared between agencies, and the purpose for which it will be shared. Where possible joint approaches will be made by agencies.

Any information received under this Protocol will be treated as confidential and not disclosed to third parties (non agencies).

## 6 Information Sharing Arrangement

This section identifies the phased approach that will be used to implement the Information Sharing Protocol. It also outlines *when* information can be shared, *what* information is or is not appropriate to be shared and the process of *how* NGO information will be shared between agencies.

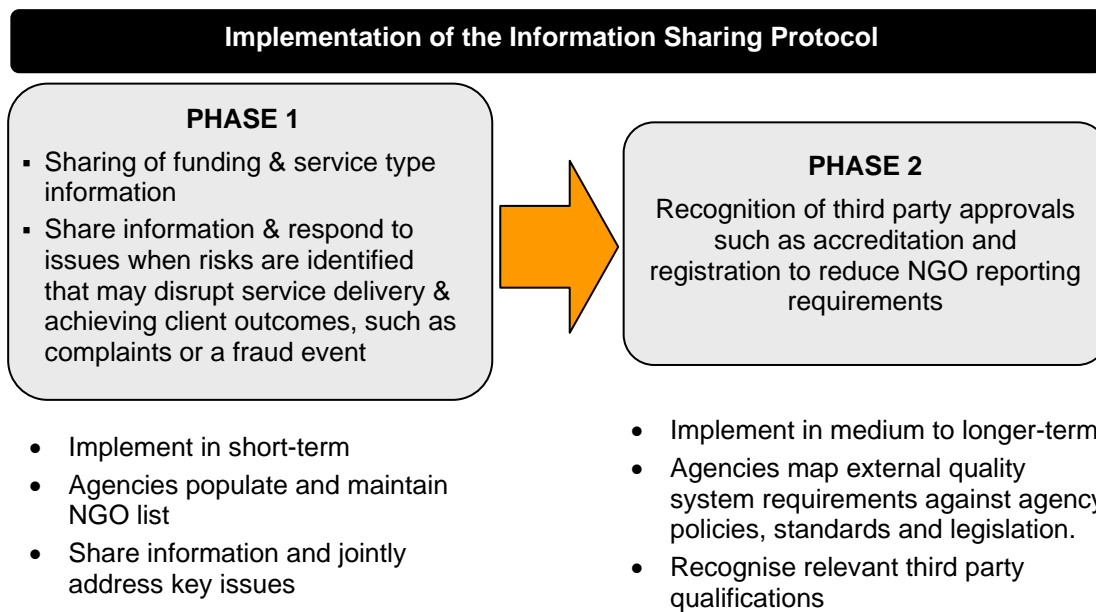
The processes described below aim to enhance the way that NGO information is used and reduce the administrative burden, while maintaining NGO accountability.

The phased implementation of the Protocol will ensure short-term gains can be realised without being delayed due to the requirements and implementation of the medium-term actions. It will also result in agencies experiencing the benefits of sharing information about NGOs sooner. A summary of the two phased approach is provided in Diagram 1.

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<sup>1</sup> Funding Agreement refers to the formal agreement between an NGO & the FACS funder. It is also referred to as a Service Agreement by some FACS agencies.

**Diagram 1 – Information Sharing Protocol implementation overview.**



## 6.1 Implementation of Phase 1

Phase 1 of the Information Sharing Protocol involves the sharing of funding information of ADHC and C[ { { ~ } } ] jointly funded NGOs.

The next stage of Phase 1 provides specific opportunities for agencies to share information when issues are identified that may disrupt funded service delivery, such as fraudulent activity of the Board or complaints received regarding jointly funded NGOs.

### 6.1.1 NGO list and maintenance

ADHC has prepared a list of jointly funded providers by ABN, funding amount, percentage of total funding and service types (ADHC only). Service providers are also grouped by regions – metropolitan (combined), Southern, Western, Hunter and Northern as this presents a closer alignment of regions in both agencies.

The information contained in the NGO list will guide ADHC and C[ { { ~ } } ] as to what information could be shared. ADHC and C[ { { ~ } } ] should consider their:

- financial investment in the provider including each agency’s proportional contribution of total funding
- existing levels of interest or concern that agencies may have regarding the provider
- what information could assist in developing a profile or health check of the provider

Rules of engagement in the utilisation of the list of NGOs are described in Section 6.1.5.

The NGO list will assist agencies through enabling a joint approach to addressing issues, providing a more coordinated response to NGOs and reducing current duplication in addressing issues.

Each agency will maintain the NGO list including updating funding and service type information or expanded regional coverage. This information could be shared on a structured annual basis or more frequently should one agency require current information about an NGO.

### **6.1.2 What information can be shared?**

Information shared between relevant agencies includes:

- Compliance of NGOs' performance against the Funding Agreement that is systematically assessed and documented,
- Information about the procurement and/or growth of NGOs
- Issues that may disrupt funded service delivery and achievement of client outcomes.

Performance information that may be shared relates to significant concerns about NGO operations that demonstrate compliance or risk of non-compliance with a relevant Funding Agreement. The information may be at an organisational level or program level, for example relating to organisational governance, financial management or service delivery where appropriate.

The purpose of sharing this information is to inform agencies' understanding of NGOs' ability to provide funded services and to prevent duplicated requests for information.

Examples of information that may be suitable to be shared between agencies include:

- Annual NGO compliance reporting against Funding Agreements.
- Significant performance issues related to funded activities that may be relevant to other funding agencies.
- Participation in a quality performance improvement program, through agencies or another recognised organisation.
- Loss of a relevant approval or certification, such as accreditation with the International Standards Organisation (ISO) 9001 or registration with the Registrar of Community Housing.
- Notification of involvement or investigations into NGO performance by a regulatory body (subject to other MOUs or protocols that may exist with the relevant body).

### **6.1.3 What information is not to be shared under this agreement?**

- Information that identifies individual clients, NGO staff or other persons.
- Information regarding allegations or investigations of alleged fraud or corruption, whilst being conducted by the NSW Ombudsman. (The management of such serious matters across FACS are being considered by the FACS Legal Senior Officers' Group).

### **6.1.4 When should information be shared?**

Information should be shared as close as possible to the time that the information is available.

Information should be shared under the following circumstances:

1. Significant risk has been identified that may disrupt delivery of funded services,
2. Risk has been identified that the agency considers would warrant suspension of funding.

When an agency realises that an issue regarding the performance of an NGO may impact services funded by other agencies, this information should be assessed to consider whether it is appropriate to be shared with agencies that also fund the NGO. This issue could indicate that a NGO is at risk of breaching the Funding Agreement.

NGO information may be shared between agencies on a regular basis, such as sharing annual compliance reporting information. Information may also be shared on an irregular basis as the information arises, such as knowledge that a NGO Board is being investigated by the NSW Ombudsman.

The flow chart in Appendix 1 identifies issues that may trigger an information sharing response and actions that could be used to address NGO issues.

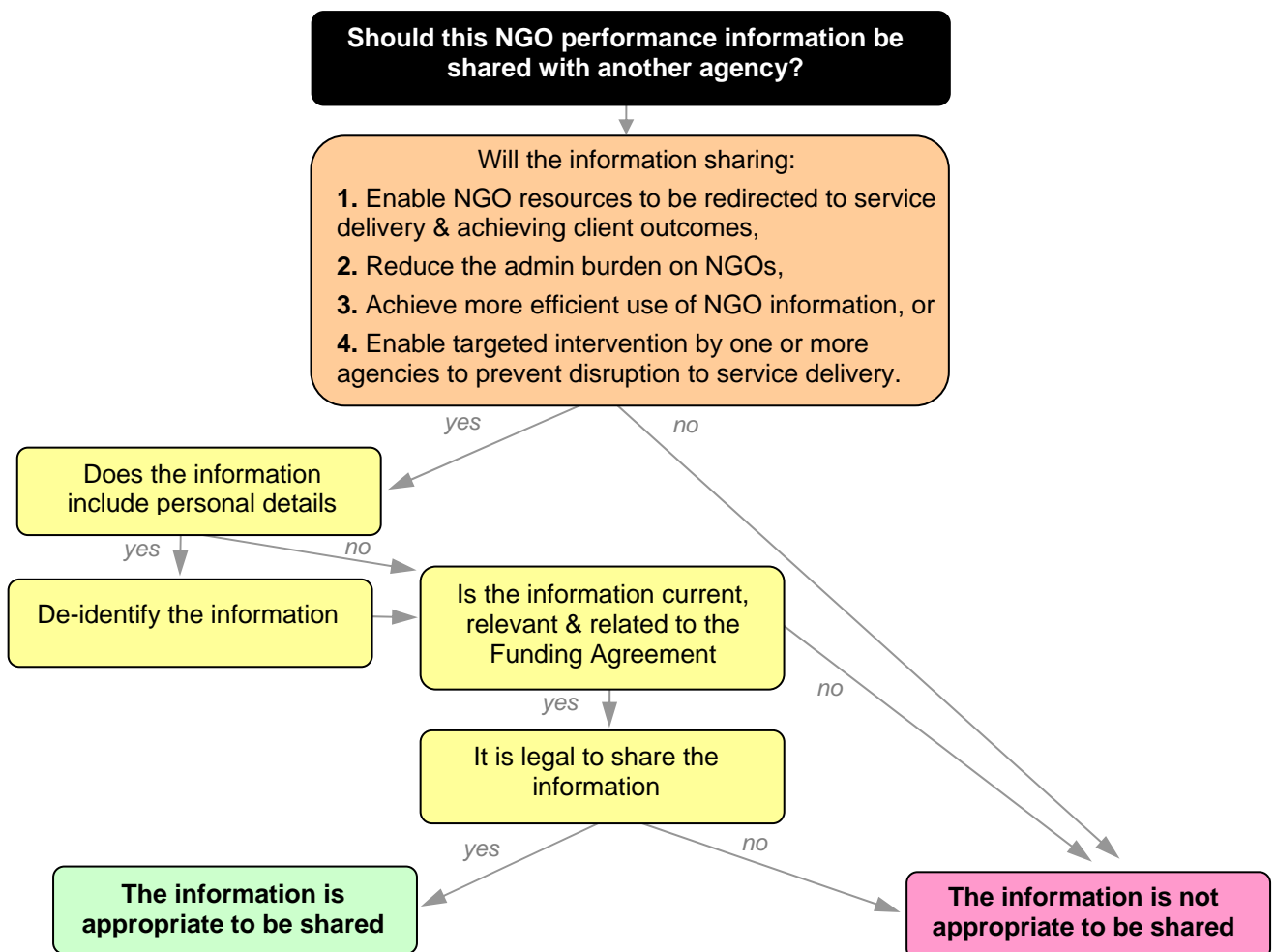
The following table outlines current NGO reporting requirements and identifies when NGOs are required to provide this information to the funding agency. The table may be useful to inform regional staff of different reporting requirements between agencies and when it could be appropriate to discuss, request or exchange certain information.

**Table 1 – NGO reporting schedule.**

	<b>ADHC</b>	<b>CS</b>	<b>DET</b>	<b>Housing</b>	<b>JJ</b>	<b>Health</b>
Funding Agreement	3 year Agreement	3 year Agreement	Varies	Annual Agreement	3 year Agreement	3 year Agreement
Data return	Quarterly MDS	Varies by program	Annual or biannual	Quarterly or annually	Quarterly	Annually
Quality monitoring	Annual Risk Assessment	Annual Self Assessment	Annual teleconference or service visit	Registration, compliance monitoring	Annual program review	Varies by program
Compliance return	Annually due in October	Annually due in October	Annually due in April or September	Varies by risk profile	Annually due in September	Annually due in September
Financial monitoring	Annually due in October	Annually due in October	Annually	Quarterly or annually	Annually due in September	Annually due in September
Program evaluation	Varies: evaluation criteria	As required	Every 5 years	Varies: evaluation criteria	As required	Varies: evaluation criteria

The process that can be used to determine when information is appropriate to be shared between agencies is outlined below.

**Flowchart 1 - Process to determine whether information should be shared between agencies.**



### **6.1.5 How should information be shared?**

It is intended that government agencies utilise existing structures and relationships to coordinate information requests and provide information in relation to jointly funded services.

In cases where relationships may not exist, it is up to each agency to determine the most appropriate way for this to occur. It is anticipated that requests for information and provision of information will generally occur at the regional/operational level, however, there may be occasions where information exchange will occur at a central office/program level such as situations in which providers operate in more than one region or operate state-wide.

The method used by each agency to request and share information will vary depending on the existing processes in place within each agency and the nature of the information being shared.

Options for sharing information include:

- Verbal exchange, for example through telephone calls. (Written records may be needed of such discussions).
- Written correspondence, for example through email exchange or the optional use of templates.
- Meeting in person when required for more significant issues, to outline roles and actions to address issues.

### **6.1.6 Rules of engagement**

The following rules of engagement will be employed by agencies to guide how relevant matters regarding jointly funded NGOs will be managed:

1. An agency will make contact with the other funding agency identified in the list of jointly funded NGOs to develop a more comprehensive understanding of NGO performance and prevent duplication in addressing issues.
2. The agency that provides the largest percentage of funding may take the lead role in coordinating action required as a result of common issues identified.
3. Agencies that provide a similar percentage of funding to the same NGO will either coordinate action required to address common issues together or negotiate for a single agency to take the lead.
4. The agency that provides the smallest percentage of funding may chose to provide a supporting role to the lead agency, if required. Involvement of this agency will vary depending on their level of interest / concern in the NGO and the issue being addressed.
5. Agencies may negotiate variations to the roles identified above as appropriate, depending on the issues identified and the requirements of each agency.
6. Each agency will develop their own process for integrating the information sharing protocol into agency administration processes.

## **6.2 Implementation of Phase 2**

Phase 2 of the Information Sharing Protocol is a medium to longer-term activity. It involves formal recognition of third party NGO accreditation, certification or licensing to make better use of information that has already been provided to regulatory bodies by NGOs.

This will reduce duplication of information requested from NGOs and inform agency understanding of NGO capacity to deliver funded services.

Mutual recognition will require detailed analysis of existing systems.

Agencies must determine the quality and relevance of third party approvals through mapping the Funding Agreement or other requirements with approved standards. For example, prior to recognising financial reporting information which forms part of an accreditation process and reducing this reporting requirement for NGOs, agencies must ensure that the requirements are comparable and adequately demonstrate compliance with this aspect of the Funding Agreement.

As a principle any organisation that coordinates third party approvals which may be recognised by a funding agency must be independent and authorised to carry out the function.

Examples of possible third party approvals that may be recognised are identified in Appendix 2. The table is not exhaustive, however, provides an indication of processes that may be suitable for recognition. Further mapping would be required prior to these qualifications being recognised.

## **6.3 Opportunities to reduce red tape and the administrative burden for NGOs**

Each agency has the responsibility to utilise and consider information provided by other agencies to determine ways in which the administrative burden for NGOs could be reduced.

Examples of reduction in red tape for ADHC will include the consideration of new information in assessing the level of risk of an NGO disrupting the achievement of client outcomes. This assessment determines the level of monitoring activity required by ADHC regional staff.

It is expected that there are specific opportunities in which it may be appropriate for agencies to no longer request reporting or performance information from NGOs. Through application of this Protocol, the following opportunities would reduce the amount of information that is currently requested from NGOs.

Opportunities for agencies to forgo requesting information from NGOs include when:

- an agency provides a small percentage of funding and agrees to allow the lead agency to manage the relationship with the NGO, only getting involved in exceptional circumstances.
- the information is collected by another funding agency and is suitable to be recognised thus reducing or eliminating a reporting requirement.
- the information is collected through an approved third party process such as registration or accreditation.
- a coordinated approach is being used to address a performance issue to prevent duplicate action.
- agencies review Table 1 and streamline processes with a view to reducing duplication.

## **7 Information Integrity**

To ensure that information recognised is of an appropriate quality, the information must comply with the following requirements:

- Processes and information recognised must closely align with relevant aspects of the Funding Agreement.
- Organisations that govern external quality processes must be independent and certified to carry out the function.

Each agency is responsible for ensuring that the information recognised is relevant to their needs.

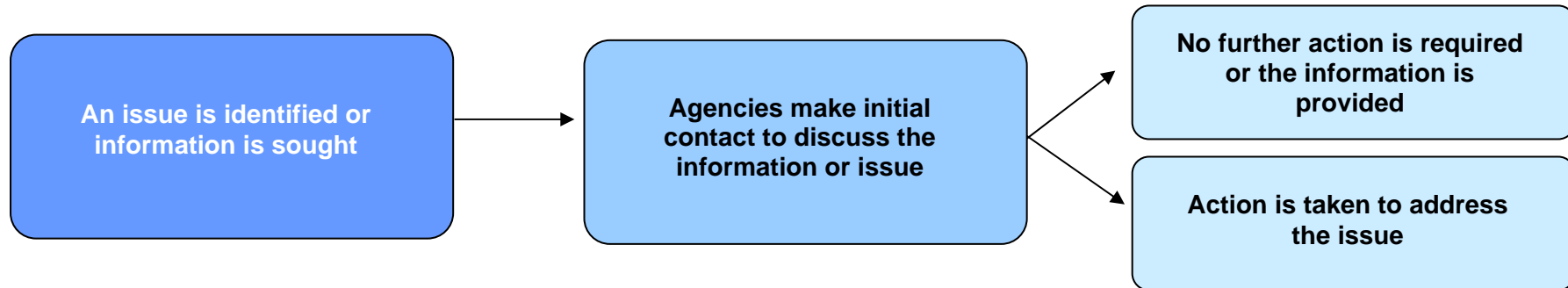
## 8 Review of Protocol

It is acknowledged that at the time of developing this Information Sharing Protocol significant policy and service system changes are taking place as a result of the FACS reform, *NGO Red Tape Reduction Report* and reviews specific to individual FACS agencies. This Protocol will be amended as necessitated by these changes.

# Appendix 1

## PHASE 1

**Information is shared when issues are identified that may disrupt funded service delivery and achievement of client outcomes and/ or assist agencies when growing services**



Issues could include but are not limited to:

- Registration status changes
- Financial/viability issue
- Conflict of interest
- Insurance issues
- Non-compliance with Funding Agreement
- Formal breach of registration or accreditation

Information could include but is not limited to:

- Procurement - financial and capacity growth
- Supplementary funding

Actions could include but are not limited to:

- Agency discussion of relevant approach
- Build joint NGO health profile
- Letter to NGO CEO and Board
- Request evidence from NGO
- Coordinate monitoring visit

## Appendix 2

### Processes and areas of performance that may be recognised

This table provides examples of processes that may be suitable to be recognised to reduce FACS reporting requirements on NGOs. Individual agencies are responsible for identifying appropriate processes and ensuring that these processes are suitable for their needs.

Process	Governance	Financial	Service Delivery
Incorporated under the <i>Association Incorporations Act 2009</i>	✓	✓	✗
Registered public or proprietary company under the <i>Corporations Act 2001</i>	✓	✓	✗
Registered corporation under the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i>	✓	✓	✗
Registration with the Registrar of Community Housing	✓	✓	✓
Accreditation with the Office for Children – Children’s Guardian	✓	✓	✓
Accreditation with the International Standards Organisation (ISO) 9001	✓	✗	✓
Accreditation with the Quality Improvement Council	✓	✓	✓
<b>KEY</b>	✓ Agencies could consider whether FACS reporting requirements are met through the identified process.	✓ Agencies could consider whether FACS reporting requirements are met through the identified process. ✗ FACS reporting requirements are not covered by this process.	✓ Agencies could consider whether elements of FACS reporting requirements are met through the identified process. ✗ FACS reporting requirements are not covered by this process.