

Implementing the process of Designating Auditing Agencies for the Health and Disability Services (Safety) Bill

You are invited to provide feedback on this draft document of the proposed process to designate auditing agencies to audit against the approved Service Standards for the Health and Disability Services (Safety) Bill¹. Comments are invited by email or post by 7 December 2000.

Background:

The Health and Disability Services (Safety) Bill (the Bill) is due for its third reading. If passed this year the Bill will be implemented on 1 July 2001. The Bill replaces licensing of hospitals and rest homes and registration of residential disability care, with certification.

The Bill provides for a two-year transition phase to allow current providers to change from licensing or registration to certification. New providers will be required to become certified from the Bill implementation date.

Certification of services will be by the Director-General of Health, based on the provision of a satisfactory audit report from designated auditing agencies. Appointed auditors will be known as 'designated auditing agencies' (DAA).

This paper outlines the proposed process for designating audit agencies.

Proposed process for Designation as an Audit Agency:

The Ministry of Health will advertise in early 2001 for applications from interested audit agencies to obtain designation as an audit agency.

Prospective audit agency must:

- ?? Obtain IANZ accreditation
- ?? Apply to the Director-General of Health to become designated

The Director-General of Health, or her appointed representatives will:

- ?? Review applications in relation to the required criteria
- ?? Designate audit agencies for a 3 year period
- ?? Re-designate audit agencies thereafter on the basis of satisfactory accreditation reports and performance in auditing.

Accreditation:

The Ministry of Health has considered various methodologies for designating prospective auditors and has concluded that ISO 17020 is a suitable tool to assist in the designation process. International Accreditation New Zealand (IANZ)

¹ When passed the Health and Disability Services (Safety) Bill will be available from Bennetts, Whitcoulls and some other shops.

carries out accreditation to this Standard in New Zealand. Auditing agencies will therefore have to demonstrate in their submission that they have IANZ accreditation to ISO 17020 for the appropriate activities. Accreditation by IANZ entails “examination of an organisation’s quality system together with a detailed on-site assessment of the technical competence of key staff and the methods they use”².

New Zealand Code of Inspection Body Management Practice:

The following definitions and variations must be read in conjunction with the IANZ document “New Zealand Code of Inspection Body Management Practice”³, which is based on ISO 17020.

New Zealand Code of Inspection Body Management Practice	Ministry of Health
<i>Terms used:</i>	<i>Definitions and clarification of terms:</i>
Regulator	Director-General of Health, or designated official
2.6 Inspection Body	Designated Auditing Agency
2.5 Inspection	Inspection of a service or process including inspection and assessment of facilities, accommodation etc. as well as auditing of management system
2.2 Approved Signatory	<p>A person approved by IANZ, following technical peer assessment, to sign endorsed audit reports in specified disciplines.</p> <p>Technical experts (e.g. midwives, consumer representatives, medical specialists etc.) would be used for specialist areas or to meet Service Standards. Such technical experts would work under the supervision and accountability of an approved signatory. All work reported in an IANZ endorsed report must have been performed by, or effectively supervised by, an Approved Signatory.</p>
8.2 Inspection Qualifications	Will relate to the “appropriate qualifications, training and experience” etc. for “healthcare services of any kind” ⁴ in rest homes, hospitals and residential disability services

² International Accreditation New Zealand 1998, Procedures and Conditions of Accreditation, IANZ, Auckland, New Zealand, p.3

³ New Zealand Code of Inspection Body Management Practice 17020 available from the Ministry of Health Web Site <http://www.moh.govt.nz>, as a PDF document

⁴ Health and Disability Services (Safety) Bill

10.1 Specified Methods	In the interim the Health and Disability Services (Safety) Bill audit tools ⁵ will be used. This requirement will be reviewed to coincide with the completion of the transition period. Auditors will be required to provide relevant notes of findings, in addition to the tick box requirement, implicit in the audit tools. These notes must be included in the findings audit report.
15.1 Report/ Certificate 'the work carried out by the inspection body shall be covered by a retrievable inspection report and/or inspection certificate'	Will relate to the audit findings report. Audit reports must be IANZ endorsed ⁶ . Reports must be retained for a minimum of ten years.
15.3 Certificates 'where required by statute or by a client, an inspection certificate may be based on all the relevant inspection findings and containing all the information required by the relevant statute or by the client'	The Certificate to provide a health service of any kind, based on the audit report, has to be supplied by the Director-General of Health. Designated Auditing Agencies must not issue certificates following audits. Refer to the Health and Disability Services (Safety) Bill.
15.4 Acceptance/ Rejection Criteria	This will include immediate notification of emergency situations to the Director-General of Health or designated official, which may or may not be covered in the audit fail criteria.

Additional Director-General requirements of the audit process.

14.1 – 14.6 Reports / Records	
?? Time frame to report to provider and the regulator	20 working days from the completion of the on-site audit
?? Issues to report to regulator	Fail criteria and emergency issues to be communicated immediately
?? Corrective actions	Will be included in the report, with agreed corrective actions and timescales.
?? Notes	Notes of findings will be included in the report
Time frames for re-designation	Re-designation of DAA's will be on a

⁵ Health and Disability Services (Safety) Bill audit tools are currently available on the Standards New Zealand web site – www.standards.co.nz. The pass/fail criteria are to be decided.

⁶ IANZ "Procedures and Conditions of Accreditation", appendix 1, Rules for the Endorsement of Reports

	three yearly time-frame and will require that accreditation is up-to-date and complete
Cultural Sensitivity	The DAA and the auditors will ensure that the audit process is conducted to promote cultural safety and must take into account the particular needs of the service groups. Auditors will need to be aware of and follow cultural protocols when carrying out the audit so as not to impede communication and create cultural barriers. There must be no negative discrimination in any audit practice.
Gender Sensitivity	The DAA and the auditors will ensure that the audit processes are conducted cognisant of gender specific services and the composition of the audit team will reflect this.

Exclusions (not required criteria) from 17020	
5.3.2	Type B Inspection Body
5.3.3	Type C Inspection Body
7.9 (n)	Details of the inspection equipment
7.9 (o)	Inspection equipment management procedures
9.4–9.14 inclusive	Inventory - Deterioration
11.3	Batches and Consignments
15.6	Batches and Consignments

Service groups⁷:

Auditors may seek accreditation to audit one or more service groups. Currently these are defined in the following five categories. Please note that under these categories services include but are not limited to the following examples:

1. Medical and surgical
Cardiac surgery, dermatology, gastroenterology, HIV/AIDS, neurology, orthopaedics, renal medicine, urology, vascular surgery, geriatric etc.
Paediatric specialist medical and surgical:
Clinical haematology, infectious diseases, ophthalmology, respiratory, spinal injury etc.
2. Maternity services (secondary and tertiary):

⁷ Services may not be limited to the above and will be more specifically defined in the actual submission package when this work is completed.

- Childbearing women and their babies, antenatal, labour and birth, postnatal period, specialist neonatal services etc.
3. Age related services:
Aged care services (not acute) to meet the hotel and personal care and meets the social, cultural and recreational needs of residents etc.
 4. Intellectual disability services:
Community residential services, for people with an intellectual disability etc.
Residential Mental Health:
Community residential services for people with psychiatric disabilities including Kaupapa Maori mental health services etc.
Homes for people with disabilities:
Multiple disabilities (Intellectual/ psychiatric/ physical), dual diagnosis (intellectual/ sensory disability etc.
 5. Mental Health
Acute mental health and forensic services etc.

Fees:

The following fees will apply:

Audit agencies:

- ?? Prospective audit agency fee to obtain IANZ accreditation
- ?? Designated audited agency fee to Ministry of Health (based on administrative cost recovery) for designation and re-designation.

Providers will pay a fee to the designated audit agency when they contract with that agency to be audited against the relevant Health and Disability Service (Safety) Service Standards. Providers will pay a fee to the Ministry of Health (based on cost recovery) for certification.

Thank you for your interest. Please email or post your feedback by 7 December 2001 to:

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