



# **National Disability Insurance Scheme (Approved Quality Auditors Scheme) Amendment Guidelines 2019**

---

I, Graeme Head, Commissioner of the NDIS Quality and Safeguards Commission, make the following guidelines.

Dated 8 April 2019

Graeme Head  
Commissioner of the NDIS Quality and Safeguards Commission

---



---

# Contents

1 Name.....	1
2 Commencement .....	1
3 Authority.....	1
4 Schedule.....	1
<b>Schedule 1—Amendments</b>	<b>2</b>
<i>National Disability Insurance Scheme (Approved Quality Auditors Scheme)</i> <i>Guidelines 2018</i>	2



---

## **1 Name**

This instrument is the *National Disability Insurance Scheme (Approved Quality Auditors Scheme) Amendment Guidelines 2019*.

## **2 Commencement**

This instrument commences on the day after this instrument is registered.

## **3 Authority**

This instrument is made under subsection 181D(2) of the *National Disability Insurance Scheme Act 2013*.

## **4 Schedule**

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

---

## Schedule 1—Amendments

### *National Disability Insurance Scheme (Approved Quality Auditors Scheme) Guidelines 2018*

#### **1 Section 4 (definition of Accreditation Body)**

Repeal the definition.

#### **2 Section 4**

Insert:

*Auditor* means a person employed, contracted or otherwise engaged by the approved quality auditor to conduct an audit. An auditor includes an auditor-in-training but does not include a consumer technical expert.

#### **3 Section 4 (definition of Auditor-in-training)**

Omit “Audit”, substitute “audit”.

#### **4 Section 4 (definition of Audit Team)**

Repeal the definition, substitute:

*Audit team* means a team of auditors and other personnel established by an approved quality auditor to conduct an audit.

#### **5 Section 4 (definition of Consent)**

Omit “auditor to access their”, substitute “approved quality auditor and their auditors and personnel to access the participant’s”.

#### **6 Section 4 (at the end of the definition of Consumer technical expert)**

Add “(see section 33)”.

#### **7 Section 4 (note to the definition of Initial scope of audit document)**

Omit “auditors the auditor”, substitute “auditor the approved quality auditor”.

#### **8 Section 4**

Insert:

*Inspection* means the part of the certification assessment that is the inspection of the sites, facilities, equipment and services used, or proposed to be used, in the delivery of supports or services by an NDIS provider.

#### **9 Section 4 (definition of Surveillance (monitoring) audit)**

Before “subsection”, insert “of”.

#### **10 Section 4 (at the end of the definition of technical expertise)**

Add “(see section 32)”.

#### **11 Section 4**

Insert:

---

**Technical expert** means a person, who is not an auditor, who provides specific knowledge or expertise to the audit team (see subsections 11(7), (8) and (9)).

**Virtual site** means the provision of supports or services using an on-line environment.

## **12 Paragraph 5(4)(d)**

Omit all the words from and including “use of Computer” to and including “(IAF MD4:2008)”, substitute “Use of Information and Communication Technology (ICT) for Auditing/Assessment Purposes (IAF MD4: 2018)”.

## **13 Subsection 6(1)**

Before “Part 3A”, insert “carrying out an assessment under”.

## **14 Subsection 9(3)**

Before “auditor” (second occurring), insert “approved quality”.

## **15 Paragraph 10(2)(b)**

Repeal the paragraph, substitute:

(b) surveillance (monitoring) audits in the first and second calendar years following the registration decision, except where:

- (i) the provider is registered for specialist disability accommodation only;
- (ii) the provider is an individual or partnership and registered for early intervention supports for early childhood only; or
- (iii) the provider is a body corporate and all of the provider’s registration classes require an assessment by verification; and

Note: This reflects that these registered NDIS providers are not subject to assessment against the standards in Schedule 1 to the *National Disability Insurance Scheme (Provider Registration and Practice Standards) Rules 2018*, or are only required to be assessed against a limited number of the standards in Schedule 1, or are only subject to assessment against the standards in Schedule 1 because they are bodies corporate – see sections 20 and 21 of that instrument.

## **16 Section 11 (heading)**

Omit “- NDIS Provider certification”.

## **17 Subsection 11(1)**

Repeal the subsection, substitute:

(1) Subject to (2), a certification or recertification audit shall be conducted by an audit team consisting of at least two auditors.

Note: An auditor includes an auditor-in-training.

## **18 Before subsection 11(2)**

Insert:

- 
- (1A) Provisional audits, surveillance (monitoring) audits and verification audits shall be conducted by an audit team consisting of at least one auditor.

Note: Each audit team, with the exception of an audit team for a verification audit, needs to include an audit team leader (see subsection 11(5)).

## **19 After subsection 11(3)**

Insert

- (3A) Except as otherwise provided in this instrument, the approved quality auditor may determine the responsibilities of auditors within the audit team for an audit, including the number of auditors that attend the inspection and interviews. Those responsibilities, and that number, shall be proportionate to the size and scale of the NDIS provider and the scope and complexity of the services being or to be delivered.

## **20 Subsection 11(5)**

Repeal the subsection, substitute:

- (5) Each audit team shall include an audit team leader who satisfies the requirements for an audit team leader as described in sections 30 and 31 of this instrument. However, an audit team for a verification audit need not have an audit team leader.

## **21 Subsection 11(7)**

After “required”, insert “technical”.

## **22 Subsection 14(6)**

Before “shall”, insert “or approved quality auditor”.

## **23 Subsection 15(1)**

Repeal the subsection, substitute:

- (1) In conducting a stage two audit, the approved quality auditor shall evaluate the effectiveness and implementation of the NDIS provider’s systems in addressing all relevant modules or parts of the NDIS Practice Standards.

## **24 Subsection 15(2)**

Omit “going on-site”, substitute “commencing the inspection and interviews”.

## **25 Subsection 15(6)**

Repeal the subsection, substitute:

- (6) The approved quality auditor processes for the stage two audit meet the minimum requirements for sampling outlined in Annex B of this instrument, except where it is a provisional audit or where the provider is delivering one of the registered group/classes outlined in Annex D in which case no minimum sampling requirements apply.

## **26 Subsection 15(7)**

Before “include”, insert “be proportionate to the size and scale of the provider and the scope and complexity of the supports being or to be delivered and”.



---

**27 Paragraph 15(7)(a)**

Repeal the paragraph, substitute:

- (a) minimum audit duration of half a day (equating to 4 hours of work);

**28 Paragraph 15(7)(g)**

Omit “time on site”, substitute “the audit duration”.

**29 At the end of section 15**

Add:

(10) Subject to subsection 15(11), a stage two audit shall be conducted on-site.

(11) An approved quality auditor may conduct a stage two audit of an NDIS provider remotely where:

- (a) remote auditing is appropriate having regard to the size and scale of the NDIS provider and the scope and complexity of the supports being or to be delivered; and
- (b) at least one of the following applies to the NDIS provider:
  - (i) the NDIS provider operates in remote or regional areas (as defined within the Accessibility/Remoteness Index of Australia);
  - (ii) the NDIS provider operates from virtual sites;
  - (iii) the NDIS provider provides classes of supports involving limited interaction with participants; and
- (c) the approved quality auditor is accredited to IAF MD4.

**30 Paragraph 16(2)(a)**

Omit “an on-site audit for”, substitute “a stage two audit for any”.

**31 Subsection 16(3)**

Omit “clause 12”, substitute “clause B.12”.

**32 Subsection 16(8)**

Omit “of” (second occurring), substitute “or”.

**33 Paragraph 17(5)(a)**

Omit “on-site”, substitute “certification”.

**34 Subsection 20(2)**

Omit “73SZ”, substitute “73ZS”.

**35 Subsection 21(1) (note)**

Omit “10(2)(b), substitute “paragraph 10(2)(b) of this instrument”.

**36 At the end of subsection 21(3)**

Add:

---

Note: The audit team for a surveillance (monitoring) audit shall consist of at least one auditor, who is an audit team leader (see subsections 11(1A) and (5)).

**37 Paragraph 27(2)(b)**

Omit “(on-site)”.

**38 Before subsection 27(3)**

Insert:

(2A) Despite subsection 27(2), the activities referred to in that subsection may be undertaken as a single on-site audit.

**39 Section 28 (heading)**

Omit “Auditor Personnel”, substitute “Auditor’s Auditors and Personnel”.

**40 Subsection 28(1)**

Omit “certification body’s”, substitute “approved quality auditor’s auditors or”.

**41 Subsection 28(2)**

Omit “, including contractors, prior to”, substitute “prior to their”.

**42 Subsection 28(4)**

Omit all the words after “disseminate”, substitute “to their auditors in a timely manner all relevant information from the Commission”.

**43 Section 30**

Repeal the section (not including the heading), substitute:

- (1) The approved quality auditor shall ensure that all of their auditors (other than consumer technical experts) have:
  - (a1) provided evidence of successful completion of an auditor or lead auditor’s course. As a minimum these courses should meet the requirements of competency standards BSBAUD501 Initiate a quality audit; BSBAUD504 Report on a quality audit; and BSBAUD402 Participate in a quality audit (audit team members) or BSBAUD503 Lead a quality audit (audit team leaders) or NZQA Audit quality management systems for compliance with quality standards (Unit Standard 8084) or equivalent coursework (as documented and justified by the approved quality auditor);
  - (a) the appropriate disability and cultural awareness, as required by their engagement, and an understanding of disability from a participant perspective. This includes an understanding and awareness of how Culturally and Linguistically Diverse (CALD), Indigenous, and Lesbian, Gay, Bisexual, Trans, Intersex and Queer differences may impact on the Participant’s perspective of disability; and
  - (b) appropriate knowledge of the operations of the NDIS Practice Standards and this instrument by successfully completing all relevant training offered by the Commission, including auditor training.

---

**44 Subsection 31(3)**

Omit “may be”, substitute “is”.

**45 Subsection 31(4)**

Omit “comprising at least eight on site days”, substitute “totalling at least eight days audit duration”.

**46 Subsection 31(6) note**

Omit “audit” (last occurring), substitute “auditor”.

**47 Subsection 32(1)**

Repeal the subsection, substitute:

(1) An auditor with technical expertise shall audit specified components or modules of the NDIS Practice Standards that require a level of technical expertise in the service area being audited, as detailed in subsection 11(7) of this instrument”.

**48 Paragraph 34(1)(a)**

Repeal the paragraph, substitute:

(a) ensure all of their auditors and personnel, including consumer technical experts and technical experts, comply with the Code of Conduct as outlined in Annex A; and

**49 Paragraph 34(1)(b)**

Omit “employed or contracted”, substitute “their”.

**50 Subsection 34(4)**

Omit “employed and contracted”, substitute “their”.

**51 Paragraph 35(1)(d) note**

Repeal the note, substitute:

Note: A gap analysis for the purposes of paragraph 35(1)(d) of this instrument is where an NDIS provider engages an audit team member (either individually or through another entity) to evaluate their operations in the NDIS market giving consideration to the applicable standards, or education services for an NDIS provider.

**52 Annex B, subclause B.3(b)**

Repeal the subclause, substitute:

(b) In the event that a participant does not want to participate in this audit process, the provider needs to document and respect that decision, and communicate it to the approved quality auditor. The approved quality auditor should document the number of participants that opted out of the sampling, including in the report for the relevant audit.

**53 Annex B, clause B.4, Example 1**

Before “auditor X” (wherever occurring), insert “approved quality”.

**54 Annex B, clause B.4**

Omit:

---

Where an auditor finds non-conformity within the minimum sample sizes the sample size shall be increased by the number of non-conformities to verify whether the case is a system or process failure or a one-off anomaly.

Substitute:

Where an approved quality auditor finds non-conformity within the minimum sample sizes the sample size shall be increased by the number of non-conformities to verify whether the case is a system or process failure or a one-off anomaly.

**55 Annex B, clause B.6 (heading)**

Omit “on”, substitute “at”.

**56 Annex B, clause B.6**

Omit “physically” (wherever occurring).

**57 Annex B, clause B.6, Example 2**

Before “auditor L” (wherever occurring), insert “approved quality”.

**58 Annex B, clause B.6, Example 2**

Omit “physically”.

**59 Annex B, clause B.6, Example 2**

Omit “on-site”, substitute “site”.

**60 Annex B, clause B.9**

Before “auditors” (first and second occurring), insert “approved quality”.

**61 Annex B, clause B.10**

Before “auditors” (last occurring), insert “approved quality”.

**62 Amendments of listed provisions - repeals**

Repeal the following provisions:

- (a) subsections 15(3) and (4);
- (b) subsection 21(4).

**63 Amendments of listed provisions – approved quality auditor**

Omit “audit team” and substitute “approved quality auditor” in the following provisions:

- (a) subsection 16(3);
- (b) subsection 16(6).

**64 Amendments of listed provisions – on-site**

Omit “on-site” in the following provisions:

- (a) section 4 (definition of *Audit duration*);
- (b) section 4 (definition of *Stage two audit*);
- (c) subsection 21(8);

- 
- (d) subsection 35(2);
  - (e) Annex B, clause B.7.

#### **65 Amendment of listed provisions – approved quality**

Before “auditor” (wherever occurring), insert “approved quality” in the following provisions:

- (a) subsection 8(5);
- (b) Annex B, clause B.8;
- (c) Annex B, clause B.11.

#### **66 Amendment of listed provisions – approved quality**

Before “auditors”, insert “approved quality” in the following provisions:

- (a) section 4 (definition of *Commission system*);
- (b) Annex B, clause B.8.