NDIS Success Governance webinar 2 script

Slide 1

Welcome to the second and final webinar as part of the NDIS Success Roadmap Governance Series. Today's topic is Strategy, Risk and Impact.

My name is Andrew Ellis and on behalf of the Community Business Bureau business consulting team I would like to thank you for joining us.

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Community Business Bureau acknowledges the traditional owners of country throughout Australia. We recognise their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to elders past, present and emerging.

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The National Disability Insurance Scheme (NDIS) is on its way to supporting 460,000 Australians living with disability. It's important that all Australians have the confidence in the quality and safety of supports provided to people with disability – and to that end, it is important for providers to have an appropriate strategy and risk management processes in place, as well as know how they are having an impact.

The NDIS Quality and Safeguarding Scheme plays a role and the Disability Royal Commission is expected to highlight the fact that the sector needs to offer solutions and measures to ensure supports are safe and of high quality. However, Boards also have to play a proactive role and take responsibility for effective oversight of NDIS service providers.

We are running two webinar series – one focused on management and the other on governance.

The management series for leaders, managers, operational staff and sole traders looks at

- the fundamentals of the NDIS to help you understand what it means to provide services under the NDIS.
- the importance of understanding the market you want to operate in. Who are your potential customers? What do they need and want from their NDIS provider and who else is already providing NDIS services in your area?
- how to develop an NDIS service model.
- compliance requirements.
- strategic and marketing planning
- understanding and analysing your potential revenue and associated costs. Financial viability is critical for long term sustainability in the NDIS.

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Today's webinar is the second in a series of **two webinars focused on GOVERNANCE** that will provide a roadmap for NDIS success.

In the **first** webinar we gave you insights into the fundamentals of the NDIS to help you understand what it means to provide services under the NDIS. In our ***second** webinar today, we'll speak about strategy, risk and impact in the NDIS. Given our topic of governance – we will primarily focus in this webinar on the role and responsibility of the Board.

Our aim is to build board member understanding of the impacts and opportunities of the NDIS, so that you can make more informed strategic decisions and provide effective support to the executive leadership.

Each of our webinars will be followed by a Q&A session to give you the opportunity to ask questions. We encourage you to submit questions at any time prior to the Q&A session via the Linkedin Group or Email.

Please join our NDIS success Linkedin Group if you haven't had a chance yet. The group offers a forum to network, share ideas or problems and offer answers outside of the Q&A sessions.

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Today's session looks at a number of key elements in the effective governance of an NDIS focussed business. As part of this, we will discuss a number of more generic business tools with an NDIS focus.

Firstly, we will speak about the Board's role in strategy and managing risk. We will look at how to measure impact – and not just outputs or outcomes – impact, social impact, is the goal of what most not for profit organisations and those working under the NDIS are aiming for. Finally, we will consider some relevant Governance processes within the NDIS.

Throughout the webinar, we want to present some practical applications and key elements of the NDIS that you need to address at a Board level as part of the governance responsibilities for the organisation.

Through today's session, we aim to build board members' understanding of the importance of balancing the social impact of the organisation with a market orientation; and monitoring risks in a constantly changing sector. There are both challenges and opportunities in the NDIS market that need to be managed, and these have implications for your strategy, risk management and impact measurement.

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The Board and Management each have a role to play in working on strategy. Ultimately, the Board is responsible for strategy, but that doesn't mean the Board needs to do all the work on the strategic plan.

The starting point of the strategy though is the vision, mission and values.

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Many not for profits and disability providers have a rich history of being around 10, 20, 50 or more years in providing important supports and services to vulnerable people. Over the history of the organisation things change though: delivery models change, funding models certainly have changed, customer profiles have changed and membership models sometimes change.

It's critical that organisations stay true to their core purpose. Funding models like grants, commercial models and the NDIS can change, but great organisations know how to stay true to their core – and don't just chase funding where it is available. Purpose and strategy come before the funding model. Organisations that purely chase after whatever funding is available can sometimes find that they have mission drift and lose sight of the people they were setup to serve originally.

If you haven't looked at the Constitution recently, then start by looking at the Objects that are embedded there and look how relevant they are now. More than that, if your Constitution hasn't been updated for a few years, then it would be worth reviewing and updating – and getting some legal advice on that since things like requirements around tax status can change.

The Mission statement defines the company's business, its objectives and its approach to reach those objectives. The Vision statement describes the desired future position of the company. The Vision of a not for profit should be about the organisation's beneficiaries and what the organisation is trying to achieve in the long term 'picture of the future'.

Elements of the Mission and Vision are often combined to provide a statement of the company's purposes and goals.

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It has been said that "the fish rots from the head", and whilst that may be a negative way to think about it, it is so important that the Board lead by values and set the tone for ethical conduct and the right behaviours in living out the Values of the organisation.

It is not just enough for the organisation to have "Values" which are on the website or hung up on the wall. The organisation needs to live the Values out – and this is especially the case through the governance leadership provided by the Board. The Values should be discussed in the Boardroom, and be the basis of how and what decisions get made.

We have seen the emphasis on Culture – and therefore Values – coming through company director discussions in the past few years since the Banking Royal Commission. It is also for the Board and executive management to communicate what are acceptable and unacceptable behaviours in the organisation. The terrible examples of neglect and abuse within the disability sector recently also point to the importance of the Board leading the example on the importance of having and living the right Values throughout an organisation.

One famous example is the case where pain medication Tylenol had to recall millions of packages of medication. Seven people died after ingesting Tylenol capsules which had been laced with cyanide. Johnson & Johnson recalled 31 million capsules valued at $100M from every store around the world and destroyed them. Though the culprit was never found, this case became known as the gold standard of how to manage crises and the benchmark of why values matter. Decisions made to recall the product had a significant impact on profitability in the short term but led to greater trust in the brand over time, and greater sales within a few years because of how the organisation responded.

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Both the Board and Management have a role in overseeing and managing strategy on behalf of the organisation.

Put another way, the strategic plan comes together through the combination of top-down input from the Board, and bottom up input from Management.

It's really up to each organisation to determine how exactly this works with the level of input from each, and that is likely to vary depending on the size, complexity and skillsets that you have at management and Board levels.

The Board represent members/stakeholders/shareholders and are in place to govern the organisation from a place of aligning the purpose, vision, values and strategic priorities to the interests of those members/stakeholders/shareholders.

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The Board's role includes:

- Leading the strategic planning process
- Providing some top down direction to management in terms of the priorities and focus
- Ensuring the organisation stays true to its purpose (its mission and vision).

And the most important thing is that the board needs to set the tone for the culture through living out the Values.

Management's role includes:

- Developing the strategic plan in conjunction with the Board
- Implementing the strategic plan
- Providing regular reports to the Board on performance against the strategy.

Importantly, management need to put the values in to action and develop a culture amongst staff and volunteers of living out the Values.

After the strategic plan is developed, the Board play a role in reviewing and approving the budget, receive/review management reports on progress against strategy and monitor changing market dynamics in the environment which may result in the need to adjust strategy.

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This slide shows a model for the strategic planning process.

The first step is a Multi-year Strategic Plan – often this is written over something like a 3 year period.

Next is to develop a one-year Business Plan (Annual Plan) which is (as the name suggests!) over 1 year and matched to the organisation's financial year.

The Business Plan is written in conjunction with and matches to the Budget.

Each of these documents are developed by the Board and management together. Often it goes through an iterative process, and there may well be a workshop of Board and CEO or management as part of developing particularly the strategic plan.

Ultimately, the strategic plan, business plan and Budget would be recommended by the CEO and approved by the Board.

Once these key documents are in place, the CEO can work with other staff or managers to develop Operational Plans. These would be more detailed documents over 1 year, matched to the financial year, flowing from the Business Plan and Strategic Plan. These are prepared by the direct report of CEO and approved by the CEO. Progress against these plans would be reported to the CEO but not usually to the Board.

Within a model like this, many organisations need a document which can be used to communicate with stakeholders, such as members and be available on the website. You could summarise the Multi-year Strategic Plan down to a plan on a page or a glossier version that can be used for this purpose, while keeping more of the detail confidential to the Board and management.

When implementing a process like this, it is important to link to the organisation's annual calendar of key events. For example, for a July to June financial year, you would want to work on the Business Plan and Budget about May to be approved before the new financial year starts, and hence, the strategic plan be developed by about February.

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At CBB, we believe that the most important part of writing the strategic plan is to begin by Understanding the Market. This was the sole focus of our second webinar in the management series and you may wish to watch this to learn more about it.

The market assessment should make up a significant part of the strategic plan. It includes and analysis of customers – who they are, what they need and want, who future customers are and their needs too. It's important to know the market size and trends since this will help you to translate in to what is realistic to achieve in your strategy. Analysing your competitors can help to look for where there are opportunities, or mitigating actions that need to be addressed.

There are strategic planning tools or models like SOAR and PESTEL that you can use to analyse your market environment. SOAR stands for Strengths, Opportunities, Aspirations and Results. It's a bit like a SWOT – we recently wrote an article in the Foreword blog that you can find on the CBB website about this.

PESTEL looks at trends and issues from politics, economy, social trends, technology, environment and legal. It provides a framework to think about both the requirements and issues that are changing.

Once you get to setting goals or objectives for what you want to achieve in the years ahead, it is important to make sure you don't have too many goals, and to write them in a way that is <u>specific</u> AND will enable it to be <u>measured</u> whether you are achieving them in the future. As an example, the Board might want to see 'growth', but you need to describe what that means or how much growth you want. You need to be clear on what the strategic expectations are and why – and understand the consequences and risks of scaling too quickly – including culture, quality etc.

We note that the NDIS is just one part of the Strategic Plan! Many organisations that provide services in the NDIS also provide services to other sectors. This section has a broader application to the strategy process for the whole organisation and not just the NDIS.

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Here's an example of SOAR used with a local occupational therapist provider working with children or young people with disability.

Strengths

10+ years practice working with children and young people

Established brand name and reputation in local community

Strong referral pathway from a local area coordinator

Administration systems that ensure efficient invoicing and payments received

Opportunities

Identify local support coordinators who could be a potential source of new referrals

Hire a graduate therapist out of University to grow our team of therapists

Provide some awareness training to the local school so that teachers are better equipped to work with children with disability

Aspiration

To see children and young people with disability participating in local community

We want to operate at best practice and keep pushing to improve

To be the best known occupational therapy team in our local community

Results

NDIS participants consistently achieve the targets in their NDIS plans

Our results are recognised in the industry as leading practice

Business growth through word of mouth referrals

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Here's an example of PESTEL used with the same OT provider.

Political

- Bi-partisan support of NDIS
- Disability Royal Commission likely to lead to further changes

Environmental

- Minimal requirements and impacts on the nature of these services

Social

- Social media provides opportunity to reach potential new clients with good targeting
- Demographic trends mean a greater number of older potential clients

Technological

- Use of tablet computer and cloud based software would enable a more efficient service provision

Economic

- Economic conditions and job losses may result in less fee for service (non-NDIS) clients

Legal

- Need to ensure Service Agreement template addresses risks and requirements

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There are some specific elements to the NDIS sector that are worth discussing further in terms of leading strategy.

It is good business practice and increasingly a requirement under different quality standards to involve customers in the process of designing your strategy. This might include surveys, discussion in focus groups, separately organised or constituted groups like consumer advisory committees. Whatever your organisation’s approach, involving customers helps to ensure the services align to what is needed.

For many organisations, the NDIS and disability services are one part of the strategic plan. There might be other services including aged care, etc. How does the NDIS fit with the overall objectives of the organisation?

We have seen five revisions to the NDIS Price Guide this year and now have a Disability Royal Commission at work. The NDIS market is continually changing and it is important to stay on top of the changes to ensure you keep up with price changes, and modify your business model to adapt to changes. The NDIA release data on a quarterly basis showing how the NDIS market is evolving.

One medium size disability organisation I know was running their services based on an old model and hadn’t changed for a number of years – they found that when they modernised their practices to fit the current model, their income went up by about $1m. It’s so important to stay on top of the market changes through being on the NDIA mailing list, attending conferences and events run by peak bodies.

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It is important that Boards and management committees regularly review and monitor progress against the strategic plan – and specifically the strategic goals and objectives within it.

The frequency of reviewing strategy will vary depending on the size and complexity of the organisation, and the pace of internal and external change.

Best practice organisations make strategy a part of the business as usual with regular monitoring, alerting decision makers to the need to course correct in a timely way, so that goals and objectives are met.

Reporting effectively against the strategy starts with getting the strategic goals or objectives worded right at the start of the process.

Management are often closer to the changing dynamics in the industry and market environment, so will also need to report on these changing market conditions to the Board.

Strategy monitoring should include the following:

- Utilising a template for strategy which is often a table that lists out the: goals/objectives, comments on the status against them and an indicator (e.g. traffic light).
- Including a report on changing market dynamics – making a report on market conditions a regular part of the board reporting template can help to keep the Board and management team coming back to the important strategic matters, and not get drawn to deep into operational issues.

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We are going to talk about risk management now. This section will provide a basic understanding of the Risk Management process, the role of the Board in overseeing risk and risks unique to the NDIS business model and environment.

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The international standard on risk management defines risk in terms of the effect of uncertainty on achieving objectives. Risk management is linked inextricably to your strategy and what you are aspiring to achieve.

It is important to differentiate between operational and strategic risk. Operational risks should generally be the responsibility of management to oversee and address.

Risk can also be seen as a positive thing – and an Opportunity is a positive risk. We suspect that there is a risk aversion in some parts of the NDIS market which is resulting in a lot of opportunity being lost – for not for profits, this could also mean missions remain unfulfilled.

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Both the Board and Management have a role in overseeing and managing risk on behalf of the organisation.

The Board's role is to ensure there is an appropriate risk policy and procedure in place, set the risk appetite for the organisation, lead the culture of risk management, review and approve significant risks and receive/review management reports on risk management.

Management's role includes to implement the risk policy and procedure, drive the culture of risk management throughout the organisation, develop risks register/s and provide regular reports to the Board.

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This graphic shows the process for risk management which comes from the international standard on risk management.

The first step is establishing the context of the risk management process. This includes internal as well as external elements. The internal context would include the vision, mission and values, your current strategy, business objectives, structure, functions and activities of the organisation. The external context includes the market and client base, competitors, government policy and community stakeholders.

The next step is to identify the risks. This is usually best done as a brainstorm with a variety of people and perspectives in the room across different parts of the organisation. The risk identified should include consideration of the source of the risk, what can happen and the consequence of that risk.

For example, you might have a strategic risk associated with a reliance on a key person in the organisation. For small organisations, this might be the senior practitioner in a team.

Analysing the risks involves considering the likelihood and consequence of the risks identified, so that they can be categorised and ranked. The likelihood relates to the chance or probability of the risk event occurring. The consequences can be thought about from a variety of perspectives: for example: health and safety, environmental, customer/public perception, employee perception, quality and compliance (includes legislative and regulatory compliance), and financial/profitability impacts.

Coming back to our risk example of the key person dependency – if that person left, it could have an impact on finances, client satisfaction and you could lose other staff to go with them. It would be important to have thought about what you would do if this scenario happened, and how to minimize the impact it could have on the business.

At the end of this process, you will have a risk register. Depending on the size and scale of the organisation, you might end up with anything from 20 to 200+ risks identified to manage.

After assessing the likelihood and consequence of each risk, you can evaluate them in to a category of low, medium, high or extreme.

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The table here shows the likelihood and consequence of the risks, which can be evaluated in to a category of low, medium, high or extreme.

The table provides for quite different extremes of risk events:

- At the bottom left is a rare but catastrophic risk event – the COVID-19 pandemic or an IT cyber attack could fit in this category
- At the top right are repeated or frequent lower cost (consequence) events – client cancellations might happen on a regular basis and comparatively cost less each time – although they are still far from ideal and do have an impact on the organisation
- To the top left are low consequence and rare events which are probably not worth worrying about
- At the bottom right are repeated/regular catastrophic events – if your risk assessment identifies any of these, then it will be critical to address them asap in the most robust manner possible

All your other risks will tend to sit somewhere in the middle, and categorising them as low/moderate/high/extreme helps to prioritise where you put resources to mitigate the risk.

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Here we have the same risk process flowchart repeated again.

After evaluating the risks, it is important to identify treatment strategies to mitigate the risks. What steps are you going to put in place that will reduce the risk? For example, this might be to:

- Avoiding risk by deciding not to start or continue with the activity that gives rise to the risk
- Removing the risk source
- Changing the consequences of an event
- Changing the likelihood
- Sharing the risk with another party or parties (e.g. insurance)
- Retaining the risk by informed decision (e.g. if you are the best to manage the risk or cost prohibitive to do otherwise)

It is not always possible to completely get rid of a risk and thus, after applying the risk treatment, you are left with the residual risk.

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It is important that Boards and management committees regularly review and monitor for new and emerging risks.

The frequency of reviewing risks and the risk register will vary depending on the complexity of the organisation, pace of internal and external change, and risk exposure. Whilst lower risk organisations in a stable environment might review risks quarterly, many organisations should look at it more frequently.

However, best practice organisations make risk a part of the business as usual with regular monitoring of the internal and external elements of the organisation for changes, and then alerting decision makers to these changes in a timely way, so that appropriate actions can be taken.

Risk management monitoring should include the following:

- Ensuring a well-constructed risk register is in place and reviewed regularly for changes.
- Undertaking broad engagement across the organisation to identify new and emerging risks, ensuring that different perspectives are taken in to account and the full range of risks have mitigation plans.
- Making a report on new/emerging risks a regular part of the board reporting template helps the Board and management team consider the risks in a timely manner.
- Monitoring of relevant internal KPIs (staff turnover, safety incidents etc) to look for emerging internal trends and risks.
- Ensuring that mitigation plans are in place to treat and mitigate the risks.

These processes should be documented – e.g. with board agendas, papers, minutes – as it may be assessed by auditors.

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The NDIS Practice Standards specify the quality standards to be met by **registered** NDIS providers to provide supports and services to NDIS participants. There are core and supplementary modules that apply to different organisations.

Amongst the Core modules is a section for “Governance and Operational Management” which includes a part on risk management.

The Outcome which the provider is required to achieve is that risks to participants, workers and the provider are identified and managed.

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The text on this page is taken from the NDIS Practice Standards as it relates to risk management.

These are the indicators to address as part of the risk management activities in your organisation. Registered NDIS providers need to comply with this including having a documented system to identify and manage risks which is relevant and proportionate to the size and scale of the provider and complexity of your work.

The risk management system needs to include addressing the following points: Incident Management (noting some incidents are reported to the NDIS), Complaints Management; Work Health and Safety; Human Resource Management; Financial Management; Information Management; and Governance.

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Board members will likely bring a general appreciation of risk management to the role, but – from our experience – there are some specific elements to the NDIS sector that are worth discussing further.

Health and safety responsibilities and requirements run across all businesses. Within the NDIS, there might be a need for visits to client homes, transportation of clients, lifting of clients, etc, and all require attention within the risk management framework.

We expect all directors to have a general knowledge of financials but yet many boards will rely on one director's clinical experience. Clinical governance and quality of care risks are critical for the Board to be across, and so experience in this area should be part of the board skills. The consequences of getting quality of care wrong can be devastating – plus, there are additional quality and safeguarding requirements in relation to more intensive supports/risks (e.g. behaviour support, medication management) so the Board really need to understand the services being provided and the risks/regulation attached.

Also, the Board needs to be on top of incidents and complaints statistics and have an oversight that they are followed through and feed into improvement initiatives.

We have spoken in previous webinars about the invoicing and payment requirements under the NDIS, but suffice to say that debtors and cashflow are risks that require management.

Certain types of business may have key person risk – where there are major dependencies on an individual as part of the work that gets done.

Legal and compliance – includes accreditation to the NDIS quality and safeguarding, but also managing legal risks such as contractual relationships through service agreements. The Board needs to be aware of and ensure insurances are appropriate for the organisation. It might be that you need to have a person responsible for quality and accreditation.

A number of compliance requirements from the NDIS quality and safeguarding standards also apply to the Board. This can include complying with the NDIS code of conduct and screenings (police checks).

Many businesses operating under the NDIS have also found that some of their existing pre-NDIS clients are aged 65+ and were transitioned in to the Commonwealth Home Support Program instead of the NDIS, meaning that they need to comply with CHSP quality safeguarding requirements as well at the NDIS.

This environment continues to change – and the Board should keep an eye on progress of the Disability Royal Commission for their own learning and improvement, and also to learn what questions to ask.

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Deloitte produced The Risk Intelligent Enterprise Maturity Model about a decade ago and I think it provides a great perspective to look at your risk management activities, no matter the size or focus of your organisation.

Level 1 Tribal and Heroic is about ad hoc risk management which might be done well by one person or group within the organisation.

Level 2 Specialist Silos is where there are some risk mitigations in place and steps taken to reduce risk. You might have insurance in place and a few simple policies, but risk is only thought about by a few people.

Level 3 Top-down is where the tone of risk management is set at the top and policies/procedures are in place, but risk management is still somewhat reactive. Many disability and aged care organisations are at this point now – the quality and safeguarding standards that we operate under have ensured that most organisations get to this point. However, accreditations are about setting minimum standards, and best practice requires doing more than the minimum.

Level 4 Systematic is where risk management is getting more sophisticated. By this point, risk is a factor in every business decision being made, staff take ownership bottom up in the organisation, and a cultural transformation has taken place where all staff view their decisions and actions through a lens of risk management.

Level 5 Risk Intelligent is the highest aspiration, and it is difficult to get an entire organisation to this level. I've seen some teams operate at this level, and when you do, you can make amazing decisions which boost profitability and remove the downside risks when things go wrong, as they sometimes do.

There is a big difference between being Risk Intelligent and Risk Averse. Being Risk Intelligent is about knowing what risks your organisation is better than anyone else at taking on, rather than avoiding risk altogether.

I've been in workshops where this model has been shown and it is fascinating to see people look at it and calibrate the risk practices against all the different parts of their organisation.

We all want to be level five. It's only human when you put up a model like this to think that you are doing well. However, more often than not, I have heard people reflect that there are functions or parts of the organisation which operate at different levels.

Maybe some of the clinical elements of the work are at about a level three or four, but other back office administration functions are more like a level two. If your goal is to put in place the minimum standards of quality and safeguarding for your industry sector, then you are likely only operating at level three at best. Achieving a higher level requires leadership modelling and an organisation commitment to resource it appropriately.

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As a final suggestion on risk management, remember… it costs less to proactively manage risk today, than it will to reactively respond to risk consequences tomorrow.

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The NDIS is about helping participants to achieve their goals, which will be part of their NDIS Plan and your Service Agreement, so services should be built around participant goals and ultimately providers will be expected to report participant outcomes.

Not for profit organisations exist to have an impact in people's lives. This is especially true for disability focused organisations as well.

BUT…. It can be really hard to measure IMPACT.

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There are many different measurements that we can use to look at an organisation's success.

Too often, we fall in to looking at financial measurements because they are easier to see and for most directors to understand. However, there are other different measures to look at in ensuring you have a successful organisation.

The reason you got involved with this organisation as a director probably had something to do with its social purpose. But then we get stuck attending Finance Committee meetings and Board meetings and end up talking about every measurement possible, other than the impact that the organisation is having on its social and community objectives!

We measure organisations based on a range of key performance indicators. But the best organisations go beyond KPIs and measuring outputs to measure outcomes and impact. Impact is hard to measure but it is important!

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Boards tend to look at KPIs or key performance indicators at each of their meetings.

A KPI is a measurable value that demonstrates how effectively a company is achieving key business objectives.

For example:

- Financial: revenue, margin, ratios

- Marketing: leads generated
- Sales: new customers
- Safety: incident rate
- Quality: successful internal and external audits, and customer satisfaction (complaints)
- HR: staff turnover, satisfaction
- Operations: repeat business

The KPIs will give you a good idea of issues and opportunities within the business. e.g. high staff turnover is a red flag. High incident rates could indicate an issue.

However, not much of this really gets to the impact of how lives are being transformed in the social purpose of the organisation though….

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There are three different things that you can measure…

1/Outputs:

This is what you can count. Numerical counts of a program's actions or products that were created or delivered, the number of people served, and the activities or services provided. For example, an occupational therapist provides therapy to 100 people.

Outputs are measurable and readily determined.

It's tempting just to measure outputs because they are easy to produce. You just count. How many people did you serve? How many programs did you run? But, your organisation should try to get to the next level of outcomes and impact.

2/ Outcomes:

What your product or services or program wish to achieve. Outcomes are meaningful changes for the population served, such as anticipated changes in knowledge, skills, attitudes, behaviour, condition, or status. Changes should be measured and monitored and link directly to the product/service/program. An outcome is an effect your product/service/program produces on the people or issues you serve or address. For example, the result of your occupational therapy services to someone might be that they are now more independent in their activities at home.

An outcome is a change that occurred **because** of your services. It is measurable and time-limited, although it may take a while to determine its full effect. Measuring outcomes requires a more significant commitment of time and resources. Plus, you may have to track performance over time.

It's also at this point that we should consider how the organisation is helping to achieve the goals which an individual has in their NDIS Plan.

3/ Impact:

What effect took place because of your services. Impact consists of the results that are directly due to the outcomes of your services. Results are determined by evaluations that factor out other explanations for these results. Impacts are the **long-term or indirect effects** of your outcomes.

Impacts are hard to measure since they may or may not happen. They are what one **hopes** to accomplish.

For example, your occupational therapy services may eventually lead to a better quality of life for the individual NDIS participant. But how do you know? What are the indicators of a better quality of life? How long will it take to see the impact?

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The last section for today is to turn our thinking to governance processes.

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For body corporates:

The Board is responsible for the governance of the organisation, and some requirements of good governance that are espoused by organisations like the Australian Institute of Company Directors have found their way in to NDIS quality standards.

Good practice governance includes many different aspects including:

- Having a skills based board
- Board induction and training

Board members need to be prepared to engage in ongoing learning to be able to set the strategic direction for the organisation, ask the right questions, support management effectively, manage risk and protect the vulnerable people that are accessing their services.

Additionally:

- Holding effective meetings
- Appropriate agendas and meeting minutes
- Annual board calendar
- That the Constitution is reviewed regularly and is up to date with contemporary governance expectations

The Board also needs to be clear and regularly review its reporting requirements – ensuring that what they need to see from CEO/senior leadership to acquit the governance responsibilities.

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This is just a reminder about the NDIS Practice Standards as they relate to Governance. We spoke about these in the first governance webinar.

The NDIS Practice Standards specify the quality standards to be met by **registered** NDIS providers to provide supports and services to NDIS participants. There are core and supplementary modules that apply to different organisations.

Amongst the Core modules is a section for “Governance and Operational Management”.

The Outcome which the provider is required to achieve is that each participant’s support is overseen by robust governance and operational management systems relevant (proportionate) to the size, and scale of the provider and the scope and complexity of supports delivered.

Sitting under this Outcome are a number of Indicators which directors need to understand and follow. Please consider going back to watch or re-watch the first Governance webinar if you want to learn more about this.

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What’s next.

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Each of our webinars is followed by a Q&A session to give you the opportunity to ask questions. We encourage you to submit questions at any time prior to the Q&A session via the Linkedin Group or Email.

Please join our NDIS success Linkedin Group if you haven’t had a chance yet. The group offers a forum to network, share ideas or problems and offer answers outside of the Q&A sessions.

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Thanks for watching our second Governance webinar ‘Strategy, Risk and Impact’.

Bye for now.