



Aged Care Financial Report (ACFR) User Guide

Purpose of this guide

This guide is designed to help you complete your Aged Care Financial Report (ACFR) for approved providers (providers) of Residential Aged Care, Multi-Purpose Service, Home Care and Short-Term Restorative Care. In case of any inconsistencies between this guide and the portal, the portal should be the source relied on for setting out provider responsibilities.

Completing your reporting responsibilities

- You must lodge all required sections of the ACFR with the Department, via the online ACFR portal: <https://health.formsadministration.com.au> four months after the end of your financial year.
- Your ACFR cannot be lodged until all sections relevant to your organisation are completed and all necessary documents have been uploaded at the ACFR portal.
- Your cover letter outlines all required sections of the ACFR to be completed.
- The ACFR portal can only be accessed through your myGovID login.
- We encourage early lodgement, as this gives you time to address any identified problems.

Due Date for Lodgement

For providers who have a financial year ending 30 June, you must complete and lodge your ACFR by **31 October 2020**, which if required must also be accompanied by your audited General Purpose Financial Statement (GPFS) and Annual Prudential Compliance Statement (APCS) Compliance Audit. Providers, who have a non-standard financial year, please refer to the Section on Different Financial Year.

There are no provisions within the legislation to grant extensions. Please lodge your ACFR early to provide adequate time to address any issues and finalise all components of the ACFR as it relates to your organisation.

The Department of Health understands that COVID-19 may make it difficult for some providers to meet this reporting date. Providers should contact the Department if they are experiencing challenges meeting this date.

Questions and Feedback

If you have any questions concerning the processing of your audited GPFS, APCS Compliance Audit or the ACFR portal please contact Forms Administration on **(02) 4403 0640** (or via email health@formsadministration.com.au).

If you have any feedback on the financial reporting arrangements for residential and home care providers please email FFBConsultation@health.gov.au.

Online ACFR portal

Please note the online ACFR portal will be customised for each approved provider and only the sections relevant to each provider will be accessible.

1. Financial Statements (GPFS)
2. Home Care Income and Expenses
3. Short-Term Restorative Care
4. Residential Aged Care Income & Expenses
5. Residential Aged Care Balance Sheet
6. Approved Provider Income & Expenses
7. Approved Provider Balance Sheet
8. Approved Provider Cash Flow Statement
9. Notes to the Financial Statements
10. Annual Prudential Compliance Statement (APCS) – Compliance with Prudential Standards
11. APCS - Compliance with Refundable Accommodation Payments
12. APCS - Compliance with the Provision of Other Care and Services Fees
13. APCS - Compliance with Refunding Responsibilities
14. APCS - Compliance with Permitted Uses for Accommodation Payments
15. APCS - Refundable Deposits, Bonds and Entry Contribution Balances
16. APCS – Prudential Audit Declaration
17. Survey of Aged Care Homes (SACH) Section A - Non-Supported and Partially-Supported Accommodation Payments
18. SACH Section B - Accommodation Payments & Contributions
19. SACH Residential Building Activity
20. ACFR Declaration

2019-20 Changes to the ACFR Portal

There have been a number of data item changes and additions to the 2019-20 ACFR including:

Approved Provider and Residential Aged Care Financial Statements: In response to COVID-19, new COVID revenue and expense items have been added to both the residential aged care and approved provider statement of income and expenses. A new item has also been added to the approved provider Notes section for providers to supply a statement on significant COVID related revenue and/or expense items.

In response to the introduction of AASB 16 on Leases, a new revenue and expense item for the adoption of AASB16 has been added to both the residential aged care and approved provider statement of income and expenses. In addition, Leases has been added as a current and non-current liability and Right of Use Assets added as a non-current asset to both the residential aged care and approved provider balance sheet.

In response to AASB 9 on Financial Instruments, a new revenue and expense item for fair value adjustments to financial assets has been added to both the residential aged care and approved provider statement of income and expenses.

A new section on external lines of credit (split between for RAD refunds and other) has been added to the Additional Information on Loans/Borrowings section of the approved provider balance sheet.

Additional approved provider financial statement changes are the addition of asset sales and revaluations as revenue and expense items, the removal of Work in Progress as a current asset, the

addition of Unspent CHSP/Government Grants as a current liability and the addition of Lease Repayments to financing cash flows.

Home Care Financial Report: Revenue from Case Management Fees and Administration Fees has been amended to Revenue from Care Management Service Fees and Package Management Service Fees. Revenue from Provision of Care has been split into Direct Care and Sub-Contracted Services while Motor Vehicle Expenses has also been added as a data item.

Please refer to the data definitions for assistance with completing these new data items.

Lodgement date and Late Lodgement

As required under section 37 of the *Accountability Principles 2014*, an approved provider **must**, within 4 months after the end of each financial year for the approved provider, give the Secretary the required ACFR in relation to the relevant financial year.

For providers of residential care, the ACFR must be accompanied by the required GPFS and audit opinion.

There is no provision under the *Aged Care Act 1997* or *Accountability Principles 2014* to allow for a later reporting date.

No extension of time will be given for the lodgement outside of this legislated period.

The Department can take compliance action if providers fail to comply with these requirements.

Different Financial Year

You may apply for a different financial year if you do not use the standard financial year of 1 July to 30 June. Please note a different financial year can only be approved if the Secretary is satisfied, on reasonable grounds, that it would be impracticable for you to prepare a financial report for the standard financial year. In general, a determination will only be available where you do not currently have the systems or processes in place that would reasonably allow you to meet the requirement of reporting for the standard financial year. You may:

- apply for a determination to move from a non-standard financial year to a standard financial year by allowing for a financial year of less than 12 months;
- apply for a determination of a non-standard financial year where it is impracticable to comply with the standard financial year (i.e. July to June).

You can request an application form for a different financial year by calling **Forms Administration on (02) 4403 0640** (or via email health@formsadministration.com.au). Please note, the Department has 28 working days in which to process any application for alternative arrangements, therefore any request for a different financial year must be made by 30 September 2020.

Short-Term Restorative Care Financial Reporting

Short-Term Restorative Care (STRC) is a type of flexible care under the *Aged Care Act 1997* that aims to reverse and/or slow 'functional decline' in older people and improve their wellbeing. STRC places were first allocated in February 2017.

All STRC places were allocated with conditions of allocation requiring the submission of financial reports. This requirement is reflected in Section 35(8) of the *Accountability Principles 2014*. The ACFR is the approved form through which these obligations are to be met.

If you are a provider of STRC you will be required to complete all line items shown. If you operate two or more STRC services, your ACFR must cover all of those services in a single report.

Please refer to the data definitions before completing the STRC section of the ACFR.

Home Care Financial Reporting

The 2019-20 Home Care Financial Report (HCFR) will be completed online as part of the ACFR. The HCFR is to be completed at Planning Region level, with a home care service defined as an approved provider's home care operation within an aged care planning region. While some providers will have their Home Care Service IDs at the planning region level, others will have their Service IDs at the package level (ie. Level 2 packages). Where Service IDs are at the package level, providers may be required to aggregate their financial information in order to complete the 2019-20 Financial Report.

To assist providers, the 2019-20 Home Care Financial Report will list the Service ID (or IDs) that constitute services included in each planning region for the purposes of completing their report.

Wherever possible expenses should be completed at the planning region level, however in recognition that some expenses may not be allocated to a particular service (ie. head office costs), the 2019-20 Financial Report allows for these costs to be recorded in the Centrally Held or Corporate Items data section.

Only include financial information related to Home Care services in your 2019-20 Home Care Financial Report. You should not include financial information from other aged care operations such as residential care or commonwealth home support (CHSP/HACC) services or any non-aged care services (e.g. disability services) within the HCFR.

Please refer to the data definitions before completing the home care section of the ACFR.

Residential Aged Care Financial Reporting

Prepare a General Purpose Financial Statement (GPFS)

- You must prepare a GPFS within the meaning given by section 6 of the *Statement of Accounting Concepts SAC 1 'Definition of the Reporting Entity'*.
- The first note of the GPFS **must** specify that it is a GPFS and the auditor is to confirm that it is a GPFS that has been audited.
- All GPFSs are required by the accounting standards to include a statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes, comprising a summary of significant accounting policies and other explanatory information. They are also required to disclose comparative information in respect of the previous period – that is, to disclose as a minimum two years of each of the statements and related notes.
- The GPFS must be in accordance with the applicable accounting standards and give a true and fair view of the financial position and performance of the entity.
- A Special Purpose Financial Report is **not** acceptable.
- The GPFS and audit report must be signed and dated.
- Approved providers are to apply AASB 8 (operating segments) if relevant.
- Each GPFS should be clearly marked with the National Approved Provider System (NAPS) or Residential Aged Care Service (RACS) identification number it relates to, and include an Australian Business Number (ABN).

- **It is important that you, your accountant and your auditor become familiar with the financial reporting requirements before you lodge your GPFS and audit opinion.**
- All GPFS and accompanying audit reports must be uploaded through the ACFR portal via <https://health.formsadministration.com.au> through your myGovID login.

Report at either Provider Level or Service Level

- Reporting at the provider level means the provision of one audited GPFS covering all of your residential aged care services and all your other activities.
- **Providing one audited GPFS that covers more than one approved provider is not acceptable.** Reports submitted that are anything other than approved provider or service level will result in compliance action.
- Reporting at the service level means the provision of separate audited GPFSs for each residential aged care service or group of services (in any combination, but each service must be reported only once). The ACFR online portal will allow multiple service level GPFSs to be uploaded.

Government Providers

- If your organisation is an approved provider of residential aged care and is also: a state or territory government, an authority of a state or territory or a local government authority then you are not required to submit a GPFS or provide the mandatory approved provider line items contained in the ACFR.
- All government residential aged care providers must complete and submit a residential aged care segment note covering all of their residential services. The segment note must be in the mandatory ACFR format and include all the line items for the residential care segment level Income Statement and Balance Sheet as outlined in the ACFR.

Segment Reporting and Mandatory Information

- The ACFR includes mandatory line items in the Income Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements at the approved provider level and a mandatory format and line items for the Income Statement and Balance Sheet at the residential care segment level.
- A list of these mandatory line items and data definitions can be found on the ACFR portal at <https://health.formsadministration.com.au/dss.nsf/DSSForms.xsp>.

Approved Provider Sections of the ACFR

- When completing the approved provider sections within the ACFR, the data entered should include information for both the provider's residential care and non-residential care operations **and the information entered into the ACFR must reconcile to the GPFSs.**

Residential Care Sections of the ACFR

- When completing the residential care sections within the ACFR, the financial information entered into the ACFR will need to be consolidated for all the providers residential care services and where the provider delivers only residential care the information entered into the ACFR must reconcile with the consolidated information within the GPFSs.
- The residential care sections within the ACFR should only include financial information related to residential aged care operations as defined under the Act, financial information for other aged care operations such as home or flexible care, or independent living units for seniors is not to be included.

Approved Provider who Delivers ONLY Residential Aged Care (Type A)

- If you deliver only residential aged care services, you must:
 - complete all the ACFR mandatory approved provider line items and mandatory residential care segment line items in the format required by the ACFR; and
 - include a separate note in the GPFS attesting that:

The approved provider delivers only residential aged care services and this GPFS therefore relates only to such operations.

Approved Provider who Delivers Services IN ADDITION to Residential Aged Care (Type B)

- As residential care segment information must be supplied in the ACFR, then subject to the GPFS complying with the Australian accounting standards, there is no need to also include a Residential Aged Care segment note in your GPFS.

Have the GPFS audited by a Registered Company Auditor

- You must have your GPFS audited by a Registered Company Auditor (RCA). Section 1281 of the *Corporations Act 2001* (Cth) provides that the Auditor-General of the Commonwealth, a state or a territory is taken to be a RCA. It is your responsibility to ensure that your auditor is a RCA. One method of checking this is to perform a search on the Australian Securities and Investment Commission's website: www.asic.gov.au and click on 'Professional registers' (far right and top of screen). Company auditors will need to comply with all applicable auditor independence requirements in the *Corporations Act 2001*.

Audit Requirements and Alternative Auditor

- The only exception to a GPFS and APCS being audited by a RCA is where approval has been given for an alternative auditor.
- The Secretary will not routinely approve a person who is not a RCA to audit financial reports. The Secretary must be satisfied with the qualifications and experience of the proposed alternative auditor. An application should be used to cover exceptional circumstances only. For instance, if you are not able to readily access the services of a RCA because you are in a rural/remote location where there are no RCAs; then you may request that the Secretary approve an alternative auditor who is not a RCA. Approval of an alternative auditor is at the discretion of the Secretary.
- Any requests for such an alternative auditor should be lodged now, together with the reasons why a RCA is not available. You can request an application form for an alternative auditor by calling **Forms Administration on (02) 4403 0640** (or via email health@formsadministration.com.au). Please note, the Department has 28 working days in which to process any application for alternative arrangements, therefore any request for an alternative auditor must be made by 30 September 2020.
- Obtain from the auditor (or the approved person) an audit opinion including whether the GPFS is in accordance with the applicable accounting standards and whether the GPFS gives a true and fair view of the financial position and performance of the entity for the relevant financial year.
- The audit report must be signed and dated by the auditor before it is deemed complete and must be lodged with the financial report by the due date.

Report on all residential aged care services operated for all or part of the financial year

- Your ACFR and GPFS must report on all residential aged care services you operated for all or part of the financial year.

Annual Prudential Compliance Statement

Providers of Residential Aged Care and Multi-Purpose Facilities are required to complete the APCS component of the ACFR (Compliance with Prudential Standards, Compliance with Refundable Accommodation Payment Responsibilities, Permitted Uses for Accommodation Payments and Accommodation Payment Balances). All APCSs and accompanying audit reports must be uploaded through the ACFR portal via <https://health.formadministration.com.au> through your myGovID login. If you did not hold bonds at any time during the year you are still required to complete the APCS.

Significant legislative change occurred on 1 July 2014. As such, a reference to 'the Act' should be taken as a reference to the *Aged Care Act 1997* in force from 1 July 2014. On 1 July 2014 the Disclosure Standard moved from the *User Rights Principles 1997* (the User Rights Principles) to the *Fees and Payments Principles 2014 (No.2)* (the Principles).

Completing the APCS

Questions relating to your prudential obligations can be found on the ACFR portal. Please take care to ensure that the information you provide is complete and accurate.

A detailed user-guide to help you complete your 2019-20 APCS is available at <https://health.formadministration.com.au> and is intended to be a general guide only and does not constitute legal advice. In cases of discrepancy between the guide and the legislation, the Act and the Fees and Payments Principles are the source documents setting out provider responsibilities. A provider may be asked at any time to demonstrate its compliance as reported in the APCS.

Compliance Audit

You must have your APCS audited and upload a Compliance Audit Certificate to the ACFR portal before finalising your submission. You can print a copy of your ACFR to show your Auditor before completing and attaching a copy of their report. The auditor can keep a copy of the APCS and their audit opinion for their own records.

Audit guides are available online at <https://health.formadministration.com.au>. Please ensure your Auditor has read the instructions and completed their audit accordingly. The compliance audit is separate from your GPFS financial audit and one Audit Report that covers both the Prudential Compliance and the General Purpose Financial Statement is not acceptable.

APCS component of the ACFR online portal

Compliance with Prudential Standards questions:

- Bonds held
- Total value of refundable deposits and bond payments received in the year
- Total amount deducted from balances in the year
- Compliance with the Prudential Standards
 - Liquidity Standard

- Records Standard
- Governance Standard
- Disclosure Standard

Compliance with Refundable Accommodation Payments

- Limits on charging refundable deposits or bonds
- Compliance with rules around charging bonds
- Compliance with rules around charging accommodation payments
- Compliance with refunding responsibilities

Compliance with the Provision of Other Care and Service Fees

- Compliance with Other Care and Service Fee charging responsibilities

Compliance with Refunding Responsibilities

- Refund of refundable lump sum balances
- Refund of entry contribution balances

Compliance with Refundable Accommodation Payment Responsibilities

- Total number of Refundable Deposit and Bond Balances held
- Total \$ value of Refundable Deposit and Bond Balances held
- Total number of entry contribution (pre 1997) balances held
- Total \$ value of entry contribution (pre 1997) balances held

Compliance with Permitted uses for Accommodation Payments

- Tick relevant boxes indicating which of the permitted uses listed that you expended refundable deposits, accommodation bonds or entry contributions on for this year.
- Provide \$ value of expenditure during the financial year on uses for which refundable deposits, bonds or entry contributions would be permitted from ANY funding source.

This is designed to capture all expenditure on anything allowable as a permitted use and is the only place in the APCS where the questions are not based purely on refundable deposits or bonds.

Providers are required to report expenditure from all sources of funding. The information is about your expenditure on uses for which refundable accommodation payments are permitted by the Act. **Providers are not expected to reconcile their refundable accommodation payment income against their permitted use expenditure.**

Survey of Aged Care Homes – Residential Aged Care

The Survey of Aged Care Homes (SACH) Part A is completed on the ACFR portal via a downloadable excel spreadsheet containing three parts: the cover page, non-supported tab and partially-supported tab. The excel spreadsheet is available to download once you have logged into the portal and begun to complete the form online. Once you have finished entering the data into the spreadsheet, check for errors by scrolling to the right on each tab (each line should say “Complete” or “In Progress”). When all data has been entered into the spreadsheet and there are no errors (check cover page for completeness), the complete file can be uploaded back into the portal on the same page that you downloaded it from.

Refundable Accommodation Deposits (RAD) and Daily Accommodation Payments (DAP) of new permanent residents – Non-Supported

Relates to payments for accommodation received from **all non-supported permanent residents who entered your service during the 2019-20 year**, including residents transferring from another aged care service. For residents that receive a Government accommodation supplement please complete the “Partially Supported” tab relating to accommodation payments for partially supported residents.

Information entered is for each new permanent resident admitted to this service between 1 July 2019 and 30 June 2020 that paid, or agreed to pay, a Refundable Accommodation Deposit (RAD), Daily Accommodation Payment (DAP), or a combination of the two (regardless of whether or not that amount has been paid).

Please do not enter any DAP information where a resident has agreed to pay for their accommodation wholly by a RAD and is being charged a DAP pending payment of the RAD. DAP information should only be entered for residents who have agreed to pay by a RAD/DAP combination or wholly by a DAP.

Refundable Accommodation Contributions (RAC) and Daily Accommodation Contributions (DAC) of new permanent residents – Partially Supported

Relates to contributions for accommodation received from **all partially supported permanent residents who entered your service during the 2019-20 year**, including by transferring from another aged care service. There is no need to report on new fully supported residents. For non-supported residents please complete the “Non-Supported” tab relating to accommodation payments for non-supported residents.

Information entered is for each new partially supported permanent resident admitted to the service between 1 July 2019 and 30 June 2020 that paid a refundable accommodation contribution (RAC) or daily accommodation contribution (DAC), or a combination of the two (regardless of whether or not that amount has been paid). Where resident had multiple DAC amounts advised by Services Australia (formerly the Department of Human Services (DHS)) during the year please enter the average DAC amount.

Accommodation Payments and Contributions

Relates to refundable accommodation deposits and contributions, accommodation bonds, entry contributions and daily accommodation payments and contributions for **all permanent residents in 2019-2020**.

Information entered must cover **all permanent residential aged care residents during 2019-20** who were eligible for Australian Government subsidy, not just new residents.

Building Activity by Residential Aged Care Service

Part A: Completed Building Activity

Complete this part of the ACFR for any service for which you completed any building or upgrading work in the year ending 30 June 2020.

Part B: Building Activity in Progress

Complete this part of the ACFR for any service for which building or upgrading work was in progress at 30 June 2020.

Part C: Planned Building Activity

Complete this part of the ACFR for any service for which building or upgrading work was planned at 30 June 2020.

Please refer to the data definitions before completing the Survey of Aged Care Homes sections of the ACFR.