

Business Viability Standards

For non-government organisation audit and review

April 2019

The Business Viability Standards are a set of standards the Ministry of Health (the Ministry) uses to audit non-government organisations that the Ministry funds to deliver services.

(Note: for the purpose of these Business Viability Standards, 'organisation' means the provider.)

1 Financial management and systems

The organisation is financially viable and manages its finances competently.

- 1.1 The organisation is solvent.
- 1.2 The organisation has a financial management system appropriate to the size and complexity of the organisation.
- 1.3 The organisation has an appropriate accounting system in use that produces accurate and timely financial statements.
- 1.4 The organisation has arrangements for the regular independent audit/review of financial accounts in accordance with legislative and regulatory requirements and the organisation's constitutional requirements.
- 1.5 The organisation undertakes forward financial planning (forecasting) to show that the organisation will remain financially viable.

2 Resolution of complaints related to service provision

The organisation uses a process to resolve complaints regarding service provision.

- 2.1 The organisation has a formal process for receiving, considering and resolving complaints that is soundly based in law and consistent with the principles of natural justice.
- 2.2 The organisation ensures that its clients (this refers to people, their family, whānau, guardians and carers) and staff are aware of the formal complaints process.
- 2.3 The organisation maintains records of all complaints and the formal application of the complaints process.

3 Staffing

The organisation has a sufficient body of qualified and competent staff both to deliver and to support the delivery of its services.

- 3.1 The organisation's staffing and staff relations policy and procedures comply with the relevant legislation.
- 3.2 The organisation includes in its definition of staff anyone the organisation relies on to deliver its services. This includes caregivers, volunteers and contractors as well as paid staff members.
- 3.3 The organisation has a clear, transparent and open process for recruiting and vetting staff. Vetting of staff should include a Ministry of Justice check for offences and a police check for vulnerable children vetting (when applicable).
- 3.4 The organisation does not employ any person in a paid or voluntary capacity, including management committees, who has a conviction for sexual crimes or for any offence involving the harm or exploitation of children.
- 3.5 Unless there are exceptional circumstances that have been notified in writing to the Ministry, the organisation does not employ any person in a paid or voluntary capacity, including management committees, who has a conviction for crimes of violence against the person or dishonesty.
- 3.6 The organisation has a written agreement of service with all staff, including volunteers, contractors and caregivers.
- 3.7 The organisation provides adequate training, professional development and support for all staff.
- 3.8 The organisation uses an effective performance management system for all staff.

4 Health and safety

The organisation ensures that people, staff and visitors are protected from risk.

- 4.1 The organisation ensures that its premises comply with all legal requirements.
- 4.2 The organisation provides and maintains a safe physical and emotional environment for all who enter its premises and any other premises that it uses for service delivery.
- 4.3 The organisation ensures the safety of any children being supervised on the premises while their parents or caregivers receive services.
- 4.4 The organisation has safety and emergency plans for the evacuation of its premises and any other premises that it uses for service delivery.
- 4.5 The organisation maintains a register of accidents and incidents and occasions of serious harm to staff, visitors and others in the workplace.

- 4.6 The organisation notifies WorkSafe as soon as possible of any incident that falls within the definition of serious harm, as defined in the Health and Safety in Employment Act 1992, and provides written confirmation of the incident within seven days. (Note: the obligation to notify the purchasing agency of such incidents of serious harm is via the Critical Incident Reporting form).
- 4.7 The organisation ensures that its staff and caregivers do not use methods of discipline or control that involve physical or emotional punishment.

5 Management structures and systems

The organisation has a clearly defined management structure and effective management systems.

- 5.1 The organisation has a defined and current legal status.
- 5.2 The organisation has an appropriate and clearly defined governance and management structure, the written record of which shows authorities, responsibilities and accountabilities.
- 5.3 The organisation has a process for identifying and managing potential conflicts of interest, including but not limited to:
- a. any member with a governance or management role (or their family or friends) having a personal or financial interest that may be in conflict with the interests of the organisation, or
 - b. between governance and management roles that ensure that each of those roles is carried out appropriately.
- 5.4 The organisation is governed by people with appropriate skills, qualifications and personal qualities.
- 5.5 The organisation's management systems, policies and procedures are consistent with:
- a. its legal status, constitution, rules, charter or Act of Parliament
 - b. the aims, philosophy and scope of its activities
 - c. its management structure
 - d. relevant legislation
 - e. contractual obligations.



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