



Use this tool to choose and organise your documents and records for a prudential audit



# Prudential audit: documentation template and checklist

Supporting prudential compliance

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**We follow the privacy and ‘protected information’ requirements in aged care and privacy laws.**  
See <https://www.agedcarequality.gov.au/privacy> for details.

## Prudential audit purpose

A prudential audit is an engagement activity that helps the Aged Care Quality and Safety Commission (the Commission) understand your prudential and financial practices. The Commission works with you and measures your compliance against the Prudential Standards. This helps you identify and manage risk and gives the Commission the opportunity to give you targeted support.

**For more information on prudential audits and the Prudential Standards, go to the [Prudential Standards webpage](#).**

## Legislation

### Prudential Standards

- 52M-1, the [Aged Care Act 1997](#)
- Parts 5, the [Fees and Payments Principles 2014](#) (No.2)

### Permitted uses

- 52N, the Aged Care Act
- Part 6, the Fees and Payments Principles

### Refunding refundable deposits

- 52P, the Aged Care Act
- Part 7, the Fees and Payments Principles

## Instructions

1. Read each section carefully.
2. Consider the document types listed in the 'requirement' column and what you can give to the Commission to show how you meet your responsibilities. You may need several documents for one requirement.
3. Locate, name and save your documents and records. Make sure the name describes the document.
4. Write the name of the document(s) you give for each requirement in the 'Document(s) uploaded' column.
5. Note in the 'complete' column when you finish each requirement.
6. Upload your completed template, documents and records to the SharePoint link the Commission gives you.



## Governance Standard: governance system

If you hold one or more refundable deposits, you have to develop, maintain, write down and communicate your governance system.

The documents and records listed in the ‘Governance Standard support’ column show the Commission how you comply with the [Governance Standard](#).



Governance Standard support	Document(s) uploaded	Comments (optional)	Complete
Copy of your procedures and processes explaining how you manage refundable deposits. Include your processes to: <ul style="list-style-type: none"> <li>• set room prices and publish amounts (including any approvals for room prices over \$550,000)</li> <li>• explain and negotiate RAD balances</li> <li>• agree to and sign consumer agreements</li> <li>• report RAD balances</li> <li>• maintain your Accommodation Bond Register</li> <li>• set and maintain liquidity</li> <li>• invest refundable deposits for permitted uses.</li> </ul>			<input type="checkbox"/>
Document(s) that show how you monitor refundable deposits			<input type="checkbox"/>
Minutes of board meetings that include decisions about the use and management of refundable deposits			<input type="checkbox"/>
Job role descriptions for key personnel who control and manage refundable deposits			<input type="checkbox"/>
Training key personnel have completed to manage and refund refundable deposits			<input type="checkbox"/>
Financial delegations that show who can authorise refunds and investment of refundable deposits			<input type="checkbox"/>
Other support linked to your governance system (optional)			<input type="checkbox"/>

## Governance Standard: investment management strategy

You can use refundable deposits to invest in approved financial products. If you do, you have to set up and maintain an investment management strategy (IMS).

The documents and records listed in the 'Governance Standard support' column show the Commission how you comply with the [Governance Standard](#).



Governance Standard support	Document(s) uploaded	Comments (optional)	Complete
Copy of your IMS			<input type="checkbox"/>
Document(s) showing executives and the governing body of your organisation have approved the IMS			<input type="checkbox"/>
Document(s) to show when the IMS was last reviewed and updated			<input type="checkbox"/>
Summary of your investment portfolio divided into asset types			<input type="checkbox"/>
Evidence key personnel who implement the IMS are suitable/qualified (e.g. training records or qualifications)			<input type="checkbox"/>
Document(s) showing your processes to make sure refundable deposits are only used for approved purposes and only in the amount stated in your IMS			<input type="checkbox"/>
Other support linked to your IMS (optional)			<input type="checkbox"/>

## Liquidity Standard

If you hold one or more refundable deposits, you need enough liquidity to refund all refundable deposits due in the next 12 months. You must also start, maintain and document a liquidity management strategy (LMS).

The documents and records listed in the ‘Liquidity Standard support’ column show the Commission how you comply with the [Liquidity Standard](#).



Liquidity Standard support	Document(s) uploaded	Comments (optional)	Complete
Copy of your liquidity management strategy (dated and signed), including minimum liquidity level (MML) in whole dollars			<input type="checkbox"/>
Minutes of board meetings that include decisions or reporting on liquidity management			<input type="checkbox"/>
Document(s) that detail your liquid assets and their amounts for the past 12 months (e.g. bank statements, lines of credit and/or investment reports)			<input type="checkbox"/>
List of bank accounts and lines of credit stating the liquidity amount for each one			<input type="checkbox"/>
Other support linked to the Liquidity Standard (optional)			<input type="checkbox"/>

## Records Standard

If you hold one or more refundable deposits, you must start and maintain a refundable deposit register (register). The register can be at a service or provider level. The register needs to record consumers' information and payment details including deductions and refunds. You need to keep these records for a minimum of 3 years. This begins after 30 June of the year you created the record.

The documents and records listed in the 'Records Standard support' column show the Commission how you comply with the [Records Standard](#).



Records Standard support	Document(s) uploaded	Comments (optional)	Complete
Refundable deposit register extracts (a copy of a complete entry) for 5 former consumers			<input type="checkbox"/>
Residential accommodation agreements for 5 former consumers			<input type="checkbox"/>
Relevant communications with consumers and their representatives			<input type="checkbox"/>
Letters of probate or letters of administration (if applicable)			<input type="checkbox"/>
Notifications of intent to leave from consumers, or dates consumers left if notice not provided (if applicable)			<input type="checkbox"/>
Evidence of refund of refundable deposit to former consumers (e.g. copies of refund cheques, EFT evidence or written correspondence)			<input type="checkbox"/>
Records that show you update your register monthly			<input type="checkbox"/>
Evidence you keep a register of refundable deposit entries for a minimum of 3 years			<input type="checkbox"/>
Other support linked to the Records Standard (optional)			<input type="checkbox"/>

## Disclosure Standard

If you hold one or more refundable deposits, you need to give information about your finances and your compliance with the Liquidity, Governance, Records and Disclosure Standards to the Commission and Department of Health and Aged Care, consumers and their representatives and potential consumers and their representatives.

The documents and records listed in the ‘Disclosure Standard support column show the Commission how you comply with the [Disclosure Standard](#).



Disclosure Standard support	Document(s) uploaded	Comments (optional)	Complete
Copy of the written notice you give to new consumers (within 7 days of entering an accommodation agreement) stating you will provide all information listed in section 57 (1)(a)-(g)-(3) of the Fees and Payments Principles within 7 days of their request			<input type="checkbox"/>
Evidence you provide information from section 57 (1)(a)-(g)-(3) within 7 days of a consumer request (e.g. copies of dated letters and emails)			<input type="checkbox"/>
Evidence you give each consumer with a RAD, a copy of their entry in the RAD register within 4 months of the end of financial year (e.g. copies of dated letters and emails)			<input type="checkbox"/>
Copy of the written notice you give consumers at the end of financial year stating you will provide all information listed in section 57 (1)(a)-(g)-(3) of the Fees and Payments Principles within 7 days of their request			<input type="checkbox"/>
Your written information for prospective consumers showing your room prices			<input type="checkbox"/>
Other support linked to the Disclosure Standard (optional)			<input type="checkbox"/>



## Permitted use: investments

**Only complete this table if you use refundable deposits to invest in financial products (other than an authorised deposit taking facility).**



If you hold one or more refundable deposits, you can use them to invest in certain financial products.

The documents and records listed in the ‘investment support’ column show the Commission how you comply with permitted uses responsibilities.

Investment support	Document(s) uploaded	Comments (optional)	Complete
Records of refundable deposits used for investment for the last 3 years			<input type="checkbox"/>
Bank statements, transfer documents, statements of advice, authority to proceed with advice reports, monthly performance reports and copies of all cheques related to investing refundable deposits			<input type="checkbox"/>
Other support linked to permitted uses, investments (optional)			<input type="checkbox"/>

## Permitted use: capital expenditure

**Only complete this table if you use refundable deposits to invest in capital expenditure.**

If you hold one or more refundable deposits, you can use them to invest in capital expenditure.

The documents and records listed in the “capital expenditure support” column show the Commission how you comply with permitted uses responsibilities.



Capital expenditure support	Document(s) uploaded	Comments (optional)	Complete
List/schedule of capital expenditure for the last 3 years			<input type="checkbox"/>
Board minutes, emails and reports detailing decisions on refundable deposits used for investments for capital expenditure			<input type="checkbox"/>
Building proposals, invoices, receipts and bank statements detailing the use of refundable deposits for capital expenditure <ul style="list-style-type: none"> <li>• initial land purchase</li> <li>• architect and other professional fees</li> <li>• council fees</li> <li>• site remediation</li> <li>• foundation works</li> <li>• construction</li> <li>• installation and purchase of furniture, fittings and equipment</li> </ul>			<input type="checkbox"/>
Budgets of completed work including variances			<input type="checkbox"/>
Other support linked to permitted uses, capital expenditure (optional)			<input type="checkbox"/>

## Permitted use: loans and debt repayment

**Only complete this table if you use refundable deposits to repay debt or secure a loan.**

If you hold one or more refundable deposits, you can use them to repay debt or get loans that meet specific conditions.

The documents and records listed in the 'loan and debt repayment support' column show the Commission how you comply with permitted uses responsibilities.



Loan and debt repayment support	Document(s) uploaded	Comments (optional)	Complete
Loan agreement documents (provider/service not individual)			<input type="checkbox"/>
Evidence loan is for commercial purposes			<input type="checkbox"/>
Evidence loan is for permitted purposes only			<input type="checkbox"/>
Bank statements			<input type="checkbox"/>
Evidence repaid debt was for capital expenditure			<input type="checkbox"/>
Evidence repaid debt from before 1 October 2011 and that debt for providing aged care			<input type="checkbox"/>
Evidence debt is from first 12 months of operating as an aged care provider			<input type="checkbox"/>
Other support linked to permitted uses, loan and debt repayment (optional)			<input type="checkbox"/>

## Permitted use: refund of refundable deposits

**Only complete this table if you use refundable deposits to refund refundable deposits.**

If you hold one or more refundable deposits, you can use them to refund refundable deposits.

The documents and records listed in the 'refund of refundable deposits support' column show the Commission how you comply with permitted uses responsibilities.



Refund of refundable deposits support	Document(s) uploaded	Comments (optional)	Complete
Copy of your refundable deposit register			<input type="checkbox"/>
Interest calculations following the Fees and Payments Principles			<input type="checkbox"/>
Bank statements to show the refundable deposits funds used on refunding deposits to consumers			<input type="checkbox"/>
Procedures to show how you refund refundable deposits when due and apply the correct amount of interest			<input type="checkbox"/>
Other support linked to the refund of refundable deposits (optional)			<input type="checkbox"/>



## Further information

[Prudential Standards webpage](#)

[Targeted Review and Audit webpage](#)

## Contact us

[prudential@agedcarequality.gov.au](mailto:prudential@agedcarequality.gov.au)

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### Phone

1800 951 822



### Web

[agedcarequality.gov.au](http://agedcarequality.gov.au)



### Write

Aged Care Quality and Safety Commission  
GPO Box 9819, in your capital city