Australian Government
Aged Care Quality and Safety Commission

Governance and financial viability

Rural, remote and First Nations aged care service development assistance panel (SDAP) workshops

Date: September - November 2026



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Acknowledgement of Country

Aged Care Quality and Safety Commission's Journey

by Chern'ee Sutton



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About the Financial Supervision team

- We gather and assess financial information to identify registered providers with liquidity or solvency risks.
- We engage providers to lower financial risks.
- We work with the Department of Health, Disability and Ageing on policy guidance, program assurance, and grant funding opportunities.

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Overview of financial governance

What is financial governance

Planning & strategy

Policies, frameworks & rules

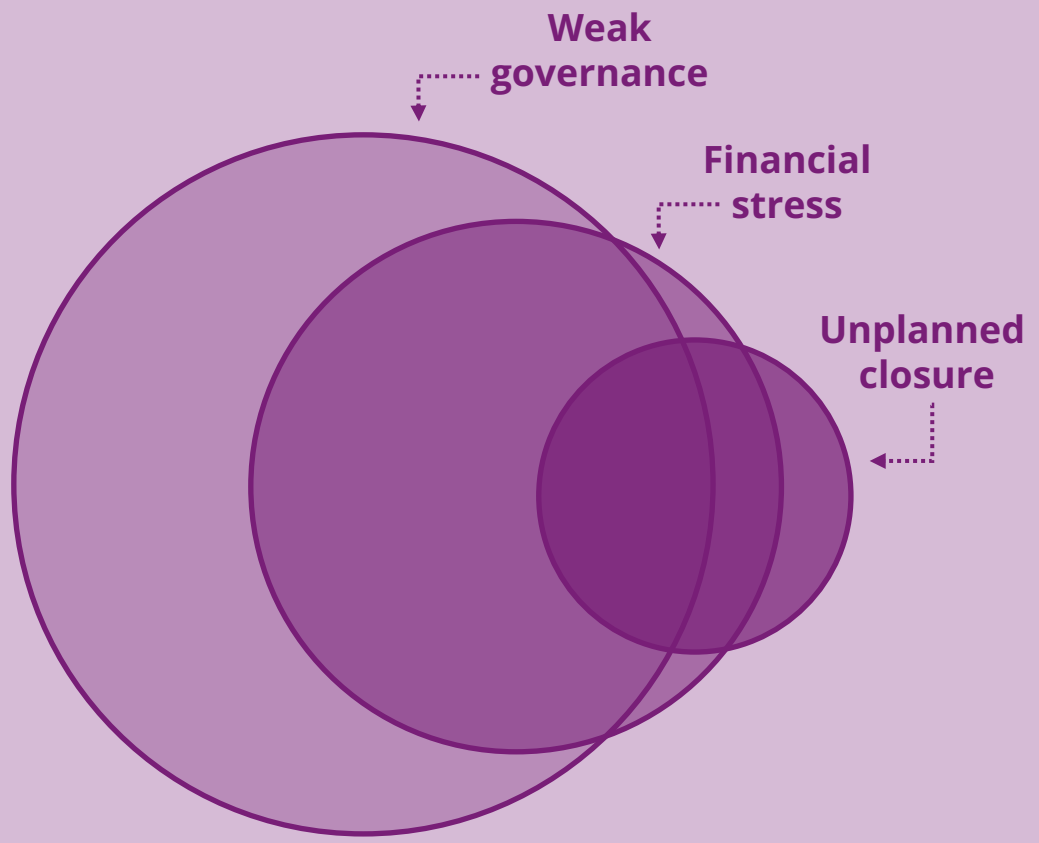
Internal controls

Forecasting & reporting

Assurance & board oversight

Financial viability & stakeholder trust

Why it matters



Provider administration case study

Administrator's findings	Area of financial governance the finding relates to				
	Planning and Strategy	Policies, frame-works and rules	Internal controls	Forecasting and accounting	Assurance and board oversight
Failure to plan for change (unspent Home Care funds)	■			■	
Lack of financial forecasting				■	
Lack of strategic direction due to poor financial reporting	■				■
Omissions and reconciliation issues with financial information		■	■	■	■
Poor management of trade receivables and collection of revenue		■	■		

A case study on liquidity management

Liquidity management is part of financial governance

All businesses carry some liquidity risk

Liquidity Standard – compliance and better practice

Risk management in practice – understand minimum liquidity,
monitor actual liquidity and execute action plan if a trigger is breached

Health check questions for financial governance

- Do Board reports, ACFR / QFR, management account and audited statements reconcile to each other, and to cash at bank?
- Does your internal financial reporting include key risk metrics (such as minimum liquidity) or performance benchmarks (such as profit per bed / consumer)?
- Do you have processes to identify and escalate financial or compliance issues?
- Do you have a process for updating your financial forecast and Liquidity Management Strategy as circumstances change?
- Do you have a financial and prudential management system?
- Is there a clear allocation of responsibility for tasks such as bank reconciliations?

Thank you