2021 to 2024 Rural Financial Counselling Service (RFCS) Program—Monitoring, evaluation and assurance framework summary

Introduction

The Department of Agriculture, Water and the Environment (the department) will implement a monitoring, evaluation and assurance (MEA) framework to provide clarity to service providers, program managers and evaluators on how the program is expected to operate and how we will use data and information to drive continual program improvement over the grant period and beyond.

The MEA framework will also outline the performance expectations of service providers, and the activities undertaken by the department to assess performance, manage risks and ensure compliance.

Ultimately, the key objective of MEA activities is to understand whether the program is effectively and efficiently driving the behaviour change in clients needed to achieve financial self-sufficiency. The MEA framework will help identify which elements of program design, service delivery and provider performance (including case management and client engagement) are working well and what needs to change or be improved.

This summary is provided to give potential applicants for the 2021 to 2024 RFCS Program grant round insight into monitoring, evaluation and assurance requirements under the new program.

The information contained within the summary should be considered DRAFT and may be subject to change. Consultation with successful grantees will occur after the assessment of grant applications is finalised.

A new approach

The new approach to monitoring and evaluation aims to enable behavioural change in clients to become financially self-reliant and be better prepared to deal with shocks to their business. This is done via a two-pronged approach.

Revising and better communicating how we expect the program to work by:

- identifying transactional clients as separate from case managed clients, but clarifying the limitations of transactional clients in achieving the full benefits of the program

- reconsidering the client outcomes expected from each client type based on our understanding of the behavioural change process and the activities each client would engage in

- clarifying the ultimate outcomes we seek clients to achieve and how each client type can move through the program to achieve these outcomes

- refocusing the objectives of the program towards outcomes, rather than focusing on the activities we seek to be delivered.

Clarifying our expectations of service provider performance based on how we expect the program to work by:

- identifying two key activities that we consider are vital to achieving the program's objectives: case management and client engagement

- fully describing our expectations around these two key activities

- assessing how effectively service providers perform these two key activities

- establishing expectations around activities that support the effectiveness of case management and client engagement, such as training and development for counsellors.

We have also reduced reporting requirements for service providers, particularly for enabling functions (i.e. finance and governance). An assurance approach will replace the need for ongoing reporting in some areas.

The principles guiding this MEA framework stem from realist evaluation theory, which is generally applied to the monitoring and evaluation of social programs, and focuses heavily on establishing a program logic. Rather than only focusing on whether a program is effective or not, this approach seeks to identify what works, in which circumstances and for whom. If the program has not been effective, our MEA framework will help identify future improvements to the program settings and to service provider performance.

Theory of change

Our theory of change, as outlined in our program logic, guides the MEA approach and refocussing of the RFCS program. It outlines our expectations for how the program should work to support clients to become financially self-sufficient and be better prepared to deal with shocks to their business. We intend to monitor and evaluate each aspect of the program in order to test our assumptions around how behavioural change is to be delivered.

The RFCS program has three objectives. They reflect outcomes that clients would achieve chronologically as they progress through the program.

To transition clients out of financial crisis—this objective acknowledges the need for a client's immediate financial concerns to be addressed. Sometimes, these may be critical and a longer term focus may not be possible until the issue is resolved. These clients require support to transition out of a financial crisis. It is important that once the immediate financial concerns of these clients are addressed, efforts are made to transition the client into a case managed counselling arrangement to support a holistic assessment of their longer-term goals.

To improve clients' business profitability or facilitate a dignified exit from the business—this objective reflects the three pathways we expect clients to go down through a case managed approach. By the end of the third year, clients should either be on a trajectory to improving their business's profitability and viability (succeed), or they should be making arrangements to pass the business onto a successor (succession) or taking steps to sell the business (sell). This is where we see counsellors' skills being best utilised.

To improve clients' financial wellbeing and resilience—this objective is the ultimate outcome we are seeking to achieve through the program. Regardless of the pathway taken by case managed clients—succeed, succession or sell—we expect that the client is in a better position financially at the end. We expect clients who have completed case management to be more financially capable and to have set themselves up to be resilient to shocks to their financial position in the future—both from a business perspective and from a personal perspective (if they have chosen to exit from their business). These clients are less likely to need government financial support in the future.

Program monitoring

Program monitoring provides real-time information on what is happening in the program and supports regular reporting on key program data to departmental program managers and executive, ministers, and the public.

Under this framework, program monitoring is concerned with:

- **the throughput of the program**—for example, how many clients are accessing the service, why they are accessing the service and the characteristics of the clients
- **the level and type of activity being generated**—for example, how many clients are seeking transactional assistance, how many are seeking case management and how many referrals are being made to other professional services
- **the client outcomes being achieved**—for example, whether clients are better understanding their financial position or developing business strategies to achieve medium-long term goals. This data takes a little longer to generate than the above two categories.

The final MEA framework will outline the data points collected to measure the level of activity occurring in the program and to understand who the program is assisting (program-level data). The final MEA framework will also outline the indicators used to measure each client outcome in the program logic (client outcome data).

Collection of data

The department is planning to use two main systems to collect data for the purpose of monitoring, evaluation and assurance:

- Data Exchange (DEX)—used mainly to collect program-level data
- an online survey platform—used mainly to collect client outcome data

Note—while these two systems predominately capture distinct elements of program, some non-client outcome data will be collected by the survey and vice versa. Some data collected by these two systems will also be used for performance assessment.

Grantees will need to use their own Customer Records Management (CRM) systems for internal record keeping and program monitoring purposes. Grantees will be required to collect certain de-identified client data and provide this regularly through the DEX system. Data submitted to the Data Exchange is processed by creating a [Statistical Linkage Key](#) (SLK), which de-identifies the client record and ensures client privacy is protected.

The department may also require grantees to collect additional data points that it will request directly from time to time.

Data Exchange (DEX)

DEX is a program performance reporting solution developed by the Department of Social Services in consultation with organisations and clients.

DEX provides a two-way partnership of information sharing between funding agencies and service providers, which enables both to find smarter and more efficient ways of improving service delivery and understanding the overall outcomes being achieved for clients.

The Data Exchange Framework consists of two data sets: the priority requirements—a core set of mandatory data items, and the partnership approach—an extended set of items relating to a client's needs, circumstances and outcomes. Service providers can choose from three flexible ways to submit their data:

- a web-based portal
- bulk uploads
- system-to-system transfers.

More information on DEX is available on the [DEX website](). Final implementation arrangements will be settled following the completion of the grant round. In partnership with the Department of Social Services, we will work with successful grantees to ensure a smooth on-boarding experience.

Client surveys

Clients will be expected to complete surveys on a periodic basis throughout their participation in the program to assess whether client outcomes are being met, and to determine their satisfaction with the service. Grantees are expected to facilitate the completion of the client surveys.

Client surveys are conducted on entry, at the end of the client's first year, second year, on exit and, where possible, post exit. Surveys will correspond to each stage of the client outcomes as outlined in the program logic. Some clients may realise outcomes more quickly than others, but largely we expect the majority of clients to have achieved these by the time they complete the surveys.

Transactional clients will be expected to complete an entry survey and a portion of an exit survey.

The requirement to complete surveys will be outlined in the Client Services Agreement and should be encouraged by counsellors and service provider staff.

Assurance

The department will also implement a robust, fit-for-purpose assurance approach to ensure program resources are used appropriately.

The objectives of the assurance approach are to:

- support the department in identifying risks to program delivery and outcomes, and take actions to remediate risks and issues in a timely manner
- allow for qualitative analysis of service provider performance
- provide the Australian Parliament and other stakeholders with confidence that the program is administered effectively, efficiently, and ethically.

Under the MEA framework, the proposed schedule of assurance activities allows for a graduated response to identified compliance issues.

Assurance activity	Level of assurance and applicability	Purpose	Timing
1. Health checks Desktop review of controls, processes, and documentation.	Low level of assurance. Applicable for grantees that demonstrate mature organisational capability, and low compliance risks for the program.	To check whether service providers have addressed feedback from the application process (required as a condition of funding). To check systems, policies and processes are in place to support consistent application of case management and client engagement approaches. This will identify areas of high risk/non-compliance, which will provide a focus for reviews and potential audits.	All providers, around 6 months into Year 1.
2. Reviews Walkthrough of key controls, processes, and documentation.	Moderate level of assurance. Applicable for grantees that demonstrate good organisational capability, and medium compliance risks for the program.	To check that issues identified in health checks have been addressed. Where there are remaining concerns, review of case files to check case management and client engagement approaches are being applied consistently.	All providers, end of Year 1.
3. Audits Substantive audit of procedures, controls and processes.	High level of assurance. Applicable where risks to program objectives is assessed as high, or grantees do not demonstrate effective operational processes and controls.	To check that issues identified in health checks and reviews have been addressed.	Only service providers with outstanding concerns following a review activity. Mid-way through Year 2.
4. Tailored response Blended approach to address risks	Low to High level of assurance, depending on risks being addressed. To be undertaken where other assurance activities do not deliver intended outcomes.	Where information alerts the department to potential issues in the consistent application of case management or client engagement, or another compliance issue, a health check, review or audit will be conducted to check this. The activity may either look at case files, check systems, policies or processes or request interviews with key personnel. The focus will depend on the concerns identified.	Any time, only for service providers where concerns are identified.

Key performance expectations

To ensure service providers are accountable for their program outputs and, ultimately, client outcomes, the MEA framework will assess RFCS providers against the following qualitative key performance expectations.

Service providers operate within grant agreement requirements

This expectation is about meeting RFCS-specific program requirements as contained in the contractual funding documents. For example, ensuring:

- Service providers' expenditure of RFCS funding aligns with the parameters set by the grant agreement.
- Clients meet program eligibility requirements.
- Minimum qualification requirements for counsellors are met.

Service providers display organisational capability

This performance expectation relates ton how the organisation functions effectively and efficiently. For example, ensuring:

- Service providers have systems and processes in place to monitor their own performance and continuously improve their operations.
- A client-centric approach is applied to service delivery.
- Policies and processes are in place to support good governance, financial and staff management, and building strong relationships with key stakeholders.

Client engagement supports the efficient and effective management of client demand

This reflects the importance of client engagement as a core activity that *supports* the delivery of specific client outcomes. For example, ensuring service providers have strategies, processes and systems in place to:

- Manage peaks in demand and triage clients according to the severity of their situation.
- Promote the service strategically to balance demand with service capacity.
- Encourage transactional clients to enter case management.
- Promote mutual obligations to ensure clients understand what is expected of them in return for accessing the service.

Case management enables the behaviour changes needed to achieve long-term client outcomes

This reflects the importance of case managed counselling as a core activity that *drives* the delivery of specific client outcomes. For example, ensuring case management:

- helps clients achieve the outcomes in the program logic
- encourages counsellors to engage in techniques that enable behavioural change
- encourages clients to take a longer-term perspective of their financial position
- encourages monitoring of clients' progress.

We will assess grantee performance against these expectations by reviewing information provided in reports, analysing program data and client surveys, and evaluating results from assurance activities.

We will hold annual performance discussions with key executive personnel of grantee organisations and will document successful outcomes and areas for improvement.

Future program evaluation

Program evaluation helps to answer fundamental questions around whether the program has been effective, the impact of the program more broadly in the sector and the extent to which it has helped to address the identified need. It allows program managers to make evidenced-based decisions on

how to improve the program settings and the MEA framework for future grant funding rounds. More broadly, it is about demonstrating accountability for the spending of public money.

Typically, evaluation focuses on issues of effectiveness, efficiency and appropriateness.

- **Effectiveness** refers to the extent to which a program's intended results have been achieved.
- **Efficiency** refers to the extent to which activities, outputs and the desired results are achieved with the lowest possible use of resources/inputs.
- **Appropriateness** refers to the extent to which the program addresses the identified need and how well it aligns with government and agency priorities.

The following questions provide an example of how these issues could be approached in future program evaluation.

Effectiveness

- To what extent has the program helped clients to become more financially self-sufficient and resilient to shocks in the future?
- Are better client outcomes achieved by service providers who more consistently apply their case management and client engagement strategies?
- What reduced the effectiveness of the program? For example, excessive transactional client loads, client attitudes to change, service providers continuing to service clients who are not willing to engage or returning for the same reasons.
- How effective was the MEA framework in measuring and influencing behaviour change? Did the performance monitoring framework help to improve service provider performance?

Efficiency

- What characteristics of service provider performance maximised client engagement and counsellor reach?
- What changes could be made to the program settings, the performance monitoring or to the program monitoring to improve the effectiveness of the program?
- Did the MEA framework reduce the burden on the department and service providers?
- Did the service structure promote cost-effective service delivery?

Appropriateness

- Did the program produce unintended/adverse outcomes? For example, increasing reliance on government financial support programs.
- Who did the program help, in what ways and in what circumstances?
- Could similar or improved outcomes be achieved though alternative program design?

Next steps

The full MEA framework will be refined and made available prior to the program commencing on 1 July 2021. Stakeholder feedback will be sought on key elements of the framework, and its implementation, as required.