

INDEPENDENT AUDITOR'S REPORT

To the members of Southern Cross Care Inc. and the Secretary of the Department of Health.
Report on Southern Cross Care Inc.'s compliance with the Aged Care Act 1997 and the *Fees and Payments Principles 2014 (No.2)*.

We have audited the compliance of Southern Cross Care Inc. with the requirements of Part 5, Part 6 and Part 7 of the *Fees and Payments Principles 2014 (No.2)* (Fees and Payments Principles) for the period 1 July 2022 to 30 June 2023.

Opinion

In our opinion, Southern Cross Care Inc. has complied, in all material respects, with the requirements of Part 5, Part 6 and Part 7 of the *Fees and Payments Principles 2014 (No.2)* for the period 1 July 2022 to 30 June 2023.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Guide, we are required to report all instances of non-compliance with the requirements of the Act and the Fees and Payments Principles by Southern Cross Care Inc. that came to our attention during the course of our audit.

Our opinion above, is not modified in respect of the following matter because, in our opinion, it has been appropriately addressed by Southern Cross Care Inc. and is not considered material, either individually, or taken as a whole, in the context of the engagement:

- a) The approved provider failed to refund six (6) refundable deposits within the legislated timeframe. These instances were identified as minor non-compliance matters by the Aged Care Quality and Safety Commission and have been outlined in the Statement for the Refundable Accommodation Deposits paid outside of the Statutory Timeframe.

The Association's Board of Management's Responsibility

The Board of Management of Southern Cross Care Inc. are responsible for compliance with the Act and the Fees and Payments Principles and for such internal control as the Board of Management determine is necessary for compliance with the Act and the Fees and Payments Principles. The responsibilities of the Board of Management include requirements under the Act and the Fees and Payments Principles for the preparation and presentation of the Annual Prudential Compliance Statement (APCS) and compliance with the Prudential Standards contained within the Fees and Payments Principles.

Auditor's Responsibility

Our responsibility is to form and express an opinion on Southern Cross Care Inc.'s compliance, in all material respects, with the prudential requirements of the Act and the Fees and Payments Principles.

Our audit has been conducted in accordance with the applicable Standards on Assurance Engagements (ASAE 3100 *Compliance Engagements*), issued by the Auditing and Assurance Standards Board and with the requirements of the Department of Health as set out in the

Guide to the Audit of the Approved Provider's Compliance with the Prudential Requirements (the Guide).

Our audit has been conducted to provide reasonable assurance that Southern Cross Care Inc. has complied with the requirements of the Fees and Payments Principles. ASAE 3100 requires that we comply with relevant ethical requirements.

Audit procedures selected depend on the auditor's judgement. The auditor designs procedures that are appropriate in the circumstances and incorporate the audit scope requirements set out in the Guide. The audit procedures have been undertaken to form an opinion on compliance of Southern Cross Care Inc. with Part 5 of the Fees and Payments Principles. Audit procedures include obtaining evidence relating to refundable deposits, accommodation bonds and entry contributions held; refunds of refundable deposits, accommodation bond balances and entry contributions; limits on charging refundable deposits, accommodation bonds; compliance with the Prudential Standards relating to liquidity, records, governance and disclosure; and use of refundable deposits and accommodation bonds.

Use of Report and Restriction on Distribution

This auditor's report has been prepared for the members of Southern Cross Care Inc. and the Secretary of the Department of Health for the purpose of fulfilling the requirements of the Disclosure Standard. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members and the Secretary of the Department of Health, or for any purpose other than that for which it was prepared. Our report is intended for the members of Southern Cross Care Inc. and the Secretary of the Department of Health and should not be distributed to other parties.

Inherent Limitations

Because of the inherent limitations of any compliance procedures, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements of the Act and Fees and Payments Principles, as the audit procedures are not performed continuously throughout the year and are undertaken on a test basis.

The auditor's opinion expressed in this report has been formed on the above basis.

Wise Lord & Ferguson

WISE LORD & FERGUSON



JOANNE DOYLE

Partner

Dated: *31 October 2023*

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