

FRAUD PREVENTION POLICY

Child Care Subsidy (CCS) is intended to support families to meet the genuine cost of care provided for children. Most services and families adhere to their legal obligations; however, some individuals choose to engage in non-compliant, fraudulent or criminal behaviour. Family Assistance Law contains offence and civil penalty provisions for breaches of conditions of service approval. This policy is to be read in conjunction with the *Fraud and/or Corruption Prevention Procedure*.

NATIONAL QUALITY STANDARD (NQS)

| QUALITY AREA 7: GOVERNANCE AND LEADERSHIP | | |
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| 7.1 | Governance | Governance supports the operation of a quality service |
| 7.1.2 | Management Systems | Systems are in place to manage risk and enable the effective management and operation of a quality service |
| 7.1.3 | Roles and responsibilities | Roles and responsibilities are clearly defined, and understood, and support effective decision-making and operation of the service. |

| EDUCATION AND CARE SERVICES NATIONAL REGULATIONS | |
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| 197 | Modifications about financial matters |
| 206 | Modifications about financial matters |
| 220 | Modifications about financial matters |

RELATED LEGISLATION

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| Child Care Subsidy Secretary's Rules 2017 | Family Law Act 1975 |
| A New Tax System (Family Assistance) Act 1999 | Family Assistance Law – Incorporating all related legislation for Child Care Provider Handbook in Appendix G https://www.dese.gov.au/resources-child-care-providers/resources/child-care-provider-handbook |

RELATED POLICIES AND PROCEDURES

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| Enrolment Policy Governance Policy Payment of Fees Policy | |
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PURPOSE

Our Service aims to comply with the Child Care Subsidy obligations outlined under Family Assistance Law and National Law to prevent fraud and corruption from occurring within the Service.

SCOPE

This policy applies to families, staff, educators, management and Approved Provider of the Service.

DEFINITIONS

Corruption and fraud can be distinguished as unethical behaviour. The following definitions are based on those contained in the *Australian Standard for Fraud and Corruption Control*.

CORRUPTION

Dishonest activity in which a director, executive, manager, employee, contractor, volunteer or work experience student acts contrary to the interests of the service and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

FRAUD

An intentional act by one or more individuals involved in deception to obtain an unjust or illegal advantage.

IMPLEMENTATION

Our Service is approved to administer Child Care Subsidy (CCS) on behalf of eligible families. We take compliance with the law seriously and aim to meet the required conditions for continued approval to administer child care funding. We will work in collaboration with staff and educators to maintain compliance with our legal obligations and conditions for continued approval.

MANAGEMENT WILL:

- ensure there is an effective fraud and corruption risk management procedure
- ensure a clear understanding of the ramifications for fraudulent activity
- reinforce the commitment shared with the Department of Education, Skills and Employment to adhere to the Child Care Subsidy requirements
- ensure the appropriate administration of CCS

- provide parents access to their Statement of Entitlement found on Xplor anytime including details for the sessions of care provided and the resulting fee reduction amounts
- articulate clear standards and procedures to encourage the prevention of fraud and corruption within the Service
- reinforce the requirements for all employees to refrain from corrupt and fraudulent conduct
- at all times act honestly with integrity
- report any individual or service that is not operating in a law-abiding way
- adhere to the correct procedure to ensure that all suspected fraudulent and corrupt activity is handled appropriately
- ensure staff and educators are not placed in a potentially difficult or compromising position
- provide notification to the Department of Education, Skills and Employment within seven days that
 - information in an enrolment notice has become incorrect, or
 - information has become available that should have been included in the enrolment notice
- ensure variations to a Complying Written Arrangement (CWA) are in writing if that information becomes incorrect
- ensure the Department of Education, Skills and Employment is notified within the correct time frames when an enrolment for care at the Service ends.

FAMILIES WILL

- provide accurate documentation about their child upon enrolment at the Service including:
 - current immunisation statement from the Australian Immunisation Register
 - details of any court orders, parenting orders or parenting plans
- not provide false or misleading information related to claiming Additional Child Care Subsidy through Centrelink
- inform Centrelink of any changes to their or their partner's personal circumstances and check their information is up to date
- check their Statement of Entitlement provided by the Service to ensure correct information has been submitted on the sessions of care provided for their child, absence days, fees charged and how their CCS has offset those charges
- ensure invoices and receipts issued by the Service for payment of fees are correct
- check their notice of determinations of entitlement each quarter as provided by Centrelink

FRAUD PREVENTION AND DETECTION IN RELATION TO CCS DATA

Management will ensure all employees who administer CCS as a fee reduction to families are aware of Fraud Prevention strategies as outlined in the *Fraud Prevention and Corruption Procedure*. Our Service accepts the legal responsibilities associated with claiming Child Care Subsidy within the Family Assistance Law.

An internal audit regarding CCS payments will be completed by the Approved Provider/ Finance Officer each month to ensure payments received by the Australian Government recorded in the service bank account reconciles with the payments recorded in the CCS Software system.

Any Fraudulent activity relating to CCS is to be reported to the Approved Provider or directly to CCS via the CCS Tip-Off Line. The *Fraud Prevention and Corruption Procedure* outlines the details required when submitting concerns around the fraudulent use of CCS payments within our service. Our Service will follow the guidelines within the CCS handbook to ensure compliance of CCS payments and to ensure funding is processed and administered correctly.

INTERNAL CONTROLS TO PREVENT FRAUD

Our Service use Xplor to ensure compliance of CCS payments to families.

CCS Software will be monitored by the Approved Provider to ensure data integrity and security is maintained by all staff who process CCS payments to families. The *CCS Compliance checklist* will be completed each month by the Approved Provider together with staff who use the CCS software to administer CCS payments to families. The *CCS Compliance Checklist* is an internal check used as a tool to identify incorrect data submissions and facilitate fraud prevention and detection within our Service.

The following data will be checked to monitor for any anomalies when applying CCS as a fee reduction to families (as per CCS Compliance Checklist):

| ENROLMENTS |
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| All children have a completed enrolment form |
| An appropriate enrolment type is created for each enrolment |
| A Complying Written Agreement (CWA) has been signed by the family for each child claiming CCS. |
| The CWA states whether the enrolment pattern is Routine, Casual or Routine and Casual |
| An updated CWA is signed when changes have been made to fees or days of attendance |
| CWA has been documented in the child's enrolment file (either in hard copy or electronic form) |
| Enrolment notices have been submitted within 7 days of the child starting care |
| Enrolment end dates are submitted when a child ends care |

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| A review of Enrolment Status has been conducted for each CWA enrolment and discussions held with families if applicable |
| ATTENDANCES |
| Sessions (Attendances) have been submitted within 14 days |
| Any adjustments regarding variation or withdrawal of attendances are completed within 28 days |
| A reason for any resubmits submitted after 28 days has been provided |
| Actual times of attendance has been submitted for each attendance |
| Preschool Hours have been submitted for children attending a preschool program |
| Additional absences which met the criteria have been submitted and evidence held on file |
| Vacancies are submitted by 8pm Friday for the following week |
| Attendance records report care provided where the family incurred a genuine fee liability |
| Session reports submitted to CCS are cross referenced to attendance records |
| CCS PAYMENTS |
| Any discounts have been applied to full fees before CCS has been calculated |
| Any 3 rd Party Payment agreements have been arranged between the relevant 3 rd Party and have been invoiced accordingly |
| ISS Claims have been submitted within 60 days |
| CCS Payments have been cross referenced to CCS Software and/or PEP remittance reports |
| Invoices are accessible any time by families by their Xplor account/app |
| A Statement of Entitlement is accessible any time by families by their Xplor account/app |
| All staff who are undertaking actions relating to the administration of the CCS funding are registered with PRODA, including submission of enrolment notices, attendances and vacancies |
| Provider Personnel have been nominated for the service, are registered with PRODA and linked with the service |
| Any changes to Provider Personnel have been updated in the CCS Software and PRODA, including withdrawal of Provider Personnel no longer working at the service or new Provider Personnel working at the service |
| Service Personnel have been nominated for the service, are registered with PRODA and linked with the service |
| Any changes to Service Personnel have been updated in the CCS Software and PRODA, including withdrawal of Service Personnel no longer working at the service or new Service Personnel working at the service |
| The PRODA Device is reactivated every 6 months |
| Any changes to a person's Working with Children Check status will be notified to the Department of Education, Skills and Employment within 7 days |
| A review of Provider or Service Personnel will be conducted on a regular basis to ensure the person continues to be a fit and proper person |
| RECORD KEEPING and NOTIFICATIONS |
| Records are kept for any complaints, including complaints relating to fees or CCS payments |
| Records are kept for evidence of Additional Absences |
| Records of invoices and Statement of Entitlements are kept |
| Records relating to a notice regarding a child at risk and ACCS applications are kept |
| CCS Application records are kept |

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| Records relating to Provider and Service Personnel are kept, including police checks and working with children checks |
| Register of care for FDC Educators are kept |
| Any changes to Provider or Service Personnel are communicated to the Department of Education, Skills and Employment (DESE) within 7 days |
| Any changes to service operations are communicated to the DESE within 14 days |
| The DESE has been notified of the cessation of operations no later than 42 days' notice or within 24 hours ceasing if circumstances are beyond the providers control |
| Changes to service contact information have been communicated to the DESE no later than 30 days |
| The DESE has been notified within 24 hours if the service enters administration or liquidation |

TIP-OFF LINE

Information about any potential breach of Child Care Subsidy can be provided anonymously by contacting the Department of Education, Skills and Employment's tip-off line on: 1800 664 231 or in writing through tipoffline@dese.gov.au

SOURCE

Australian Standard for Fraud and Corruption Control, AS 8001-2008

Australian Children's Education & Care Quality Authority. (2014).

Australian Government Department of Education, Skills and Employment.

<https://www.dese.gov.au/early-childhood>

Australian Government Department of Education, Skills and Employment. CCS Provider Handbook

<https://www.dese.gov.au/resources-child-care-providers/resources/child-care-provider-handbook>

Australian Government Department of Education, Skills and Employment. Child Care Financial Integrity Strategy. (2019).

[Education and Care Services National Regulations](#). (2011).

Guide to the National Quality Framework. (2017). (Amended 2020).

REVIEW

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| POLICY REVIEWED BY | Nikia Nankervis | Centre Manager | 18/02/2022 |
| POLICY REVIEWED | MARCH 2023 | NEXT REVIEW DATE | MARCH 2024 |
| MODIFICATIONS | <ul style="list-style-type: none"> No modifications or changes made. | | |
| POLICY REVIEWED | PREVIOUS MODIFICATIONS | | NEXT REVIEW DATE |
| FEBRUARY 2022 | <ul style="list-style-type: none"> Update of Department of Education and Skills (DESE) within Policy | | FEBRUARY 2023 |

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| AUGUST 2021 | <ul style="list-style-type: none"> • Update of Related Legislation • Update of Related Policies • Update of links within policy | OCTOBER 2022 |
| JUNE 2021 | <ul style="list-style-type: none"> • Information added and terminology amended to more closely align with CCS application recommendations (pages 4 & 5) | OCTOBER 2022 |