

FRAUD AND/OR CORRUPTION PREVENTION PROCEDURE

Working in conjunction with the *Fraud Prevention Policy*, this procedure aims to help guide the steps taken for preventing, controlling and investigating fraudulent activity within the Service. All employees have a responsibility for the mitigation of fraud and/or corruption within the Service.

Education and Care Services National Law or Regulations (R.197, 206 and 220) NQS QA 7: Element 7.1.2 and 7.1.3

Governance practices and procedures

Related Policy: Fraud Prevention Policy

STEP 1: PREVENTING FRAUDULENT ACTIVITY AND/OR CORRUPTION		
1	The approved provider is responsible for satisfying obligations under the National Law and Regulations and compliance with Family Assistance Law for continued approval to administer child care funding.	
2	<p>The approved provider must ensure that all staff and educators comply with their legal obligations and conditions for continued approval which includes:</p> <ul style="list-style-type: none"> ensuring the approved provider and relevant personnel are fit and proper persons to have a role in the receiving and passing on of Child Care Subsidy payments ensuring background checks, including Working With Children Checks (WWCC) are carried out for all staff and educators ensuring relevant key personnel who are involved in administering Child Care Subsidy to families are registered with PRODA ensuring notification of any changes to relevant key personnel are submitted to the department within 7 days 	
3	<p>The approved provider will ensure the Department of Education, Skills and Employment (DESE) has current details of the Service including:</p> <ul style="list-style-type: none"> full legal name and trading name street and postal address Australian Business Number (ABN) service approval to provide child care in the state or territory in which each of its child care services operate name and contact details for each person with management or control of the provider weeks the service will be operating throughout the year approved software provider to interact with Child Care Subsidy System (if applicable) 	

STEP 2: PREVENTING FRAUDULENT ACTIVITY AND/OR CORRUPTION		
The approved provider will ensure:		
1	Accurate enrolment records are kept for each child as per enrolment record policy	
2	<p>Accurate Complying Written Arrangements (CWA) are recorded and signed by the parent/guardian for each child claiming CCS. The CWA will include:</p> <ul style="list-style-type: none"> • name and contact details of the Provider • start date of arrangement • name and date of birth of child • whether the sessions of care provided will be routine or casual fees charged 	
3	Accurate session reports are submitted within 14 days of the child's attendance indicating the session start and finish times, child's actual in and out attendance times, actual fees charged and amount the parent was liable to pay for the session of care	
4	Notification of absences	
5	A reason for any additional absence	
6	An attendance statement- <i>Statement of Entitlement</i> - is issued for families once a fortnight, outlining the child's days of attendance, hours in care, total fee amount and the childcare subsidy fee received	
7	Any variations to session reports must be made up until 28 days after the start of the week to which the report relates	
8	Anticipated vacancy information is submitted for the following week	
9	Any changes to operating hours or service closure periods	
10	<p>They keep and maintain records including:</p> <ul style="list-style-type: none"> • complaints made to the provider, or to any of the services of the provider, relating to compliance with Family Assistance Law • a record of attendance for each child • statements or documents demonstrating additional absence days • copies of invoices and receipts issued for payment of childcare fees • copies of all statements of entitlement issued and any statements issued to advise there was a charge of entitlement • notifications, including statements or documents, about a child at risk of abuse or neglect • evidence and information provided with an application for approval about persons with management or control of a provider or persons responsible for the day-to-day operation of a service • evidence or information produced to obtain police checks and Working With Children Checks (WWCC) 	

11	That all employees refer to the Fraud Prevention Policy to ensure there is a clear understanding of their legal requirements	
12	Management and staff attend training to ensure a clear understanding of what constitutes fraud and the repercussions if fraudulent activity has occurred.	

STEP 3: CONTROLLING AND INVESTING FRAUDULENT ACTIVITY AND/OR CORRUPTION

The approved provider will:

1	Treat any allegation as serious	
2	Refer to the Service's <i>Code of Conduct Policy</i> and <i>Code of Ethics</i> if an employee is involved	
3	Ensure privacy and confidentiality and safeguard any person reporting suspected fraud	
4	Gather supporting documents and/or evidence	
5	Conduct an internal audit to assist in identifying where the fraudulent activity has taken place considering if the fraud allegation appears to be without foundation or to be incidental	
6	Conduct a risk assessment to establish the Service's risk profile and the nature of the operating environment so that cost-effective practices can be established to contain or minimise each risk <ul style="list-style-type: none"> • if a risk has been assessed as low, it will be managed by the approved provider • a risk that has been assessed as moderate will require the approved provider to develop and implement a risk action plan with specific monitoring procedures • a high or extreme risk will be reported to the department 	

STEP 4: FRAUD PREVENTION AND DETECTION IN RELATION TO CCS DATA

1	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 Policy. Our Service accepts the legal responsibilities associated with claiming Child Care Subsidy within the Family Assistance Law.	
2	Our Service will follow the guidelines within the Child Care Provider handbook to ensure compliance of CCS payments and to ensure funding is processed and administered correctly.	
3	Any allegation of fraud and/or corruption will be actioned in accordance to legislation outlined in Family Assistance Law as outlined in the <i>Fraud Prevention Policy</i> .	

STEP 5: INTERNAL CONTROLS TO PREVENT FRAUD

1	Our Service will use Xplor to ensure compliance of CCS payments to families.	
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2	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 used as a tool to facilitate fraud prevention and detection within our Service. Any irregularities or early warning signals are identified for investigation and monitoring.	
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STEP 6: REPORTING FRAUDULENT ACTIVITY AND/OR CORRUPTION

1	The approved provider will report fraudulent activity by emailing or contacting the Child Care Tip-Off Line. Phone: 1800 664 231 Email: tipoffline@dese.gov.au	
2	The approved provider will provide the following information: <ul style="list-style-type: none"> Who is involved? Include as much detail as possible, including name of the person or organisation, addresses and phone numbers What fraud you think has occurred? Provide details of your concerns, including how, when and where the fraudulent activity occurred <ul style="list-style-type: none"> How did you come across this information? Do you believe the behaviour is continuing? Your contact details The department will assess each allegation of suspected fraud and where appropriate, investigate the matter for potential referral to the Commonwealth Director of Public Prosecution. 	
3	<p>DISCIPLINARY SYSTEMS</p> <p>Where allegations of fraud are substantiated, the approved provider may be subject to penalties including recovering overpaid funds, cancelling the service approval, or pursuing a criminal fraud prosecution.</p> <p>Educators may also be held responsible for certain breaches of the law including deception or by giving false or misleading information.</p> <p>Consequences for committing or attempting fraud and/or corruption include:</p> <ul style="list-style-type: none"> dismissal warnings repayment of misappropriation of funds referral to prosecution agencies 	

Review of procedure

Date procedure created		To be reviewed	
Approved by	[name]	Signature	