

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		
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	
197	Modifications about financial matters
206	Modifications about financial matters
220	Modifications about financial matters

RELATED LEGISLATION

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

CCS Notifications Policy CCS Governance Policy CCS Personnel Policy CCS Account Policy Cyber Safety Policy	Enrolment Policy Fraud and Corruption Prevention Procedure 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 department 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 with a Statement of Entitlement for CCS each fortnight 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
- provide regular training to staff and educators to assist in the identification of fraud and corruption
- 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 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:
 - birth certificate
 - 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 will 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
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
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 have been emailed directly to families each week/fortnight/monthly
A Statement of Entitlement has been emailed directly to families each fortnight
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 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
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'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

POLICY REVIEWED BY	TRACEY DAVEY	OPERATIONS MANAGER	21.1.2021
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POLICY REVIEWED	AUGUST 2021	NEXT REVIEW DATE	OCTOBER 2022
MODIFICATIONS	<ul style="list-style-type: none"> • Update of Related Legislation • Update of Related Policies • Update of links within policy 		
MODIFICATIONS	PREVIOUS MODIFICATIONS	NEXT REVIEW DATE	
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	
JANUARY 2020	<ul style="list-style-type: none"> • Update to include staff and management in scope of policy • section added for family responsibilities to prevent fraudulent behaviour • Fraud prevention and detection to CCS data added • Internal Controls to Prevent Fraud added • Tip Off information added • Update of source of references • related policies and procedure added 	OCTOBER 2020	
JANUARY 2019	New policy created to prevent fraud and corruption of Child Care Subsidy from occurring within the Service		JANUARY 2020