

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.

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 https://www.education.gov.au/early-childhood/resources/child-care-provider-handbook

EDUCATION AND CARE SERVICES NATIONAL REGULATIONS

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

Victorian Child Safe Standards

Standard 1	Organisations establish a culturally safe environment in which the diverse and unique identities and experiences of Aboriginal children and young people are respected and valued
Standard 2	Child safety and wellbeing is embedded in organisational leadership, governance and culture
Standard 3	Children and young people are empowered about their rights, participate in decisions affecting them and are taken seriously
Standard 4	Families and communities are informed, and involved in promoting child safety and wellbeing
Standard 5	Equity is upheld and diverse needs respected in policy and practice
Standard 6	People working with children and young people are suitable and supported to reflect child safety and wellbeing values in practice
Standard 7	Processes for complaints and concerns are child focused
Standard 8	Staff and volunteers are equipped with the knowledge, skills and awareness to keep children and young people safe through ongoing education and training
Standard 9	Physical and online environments promote safety and wellbeing while minimising the opportunity for children and young people to be harmed
Standard 10	Implementation of the Child Safe Standards is regularly reviewed and improved
Standard 11	Implementation of the Child Safe Standards is regularly reviewed and improved

RELATED POLICIES AND PROCEDURES

CCS Governance Policy Enrolment Policy Privacy & Confidentiality Policy CCS Notifications Policy CCS Governance Policy CCS Personnel Policy CCS Account Policy Cyber Safety Policy	Fraud and Corruption Prevention Procedure Governance Policy Enrolment Policy Fraud and Corruption Prevention Procedure Governance Policy Payment of Fees Policy
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PURPOSE

Our Family Day Care 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, family day care educators, management and Approved Provider of the Family Day Care 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 FDC Service is approved to administer Child Care Subsidy 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 engaged family day care educators to maintain compliance with our legal obligations and conditions for continued approval.

APPROVED PROVIDER 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 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.
- ensure that the attendance notice submitted to department is accurate and on time
- ensure that educators and parents receive the PIN for electronic submission of attendance, timesheet and booking request
- ensure that the parents and educators follow the *Confidentiality Policy*

FAMILIES WILL

- provide accurate documentation about their child upon enrolment at the FDC 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
- let provider know if the PIN not working and ensure that all people to authorise pick up child receive their own pin and aware of not share this PIN with other people as per our Enrolment Policy
- provide information to Approved Provider about any changes in regarding of:
 - relationship of educator and children in care

- parents become Family Day Care Educator/in Home Care Educator

FRAUD PREVENTION AND DETECTION IN RELATION TO CCS DATA

The Approved Provider and Nominated Supervisor 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 and/or Corruption Prevention Procedure*. Our FDC 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 FDC 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 FDC Service will use [name of CCS software] 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 FDC Service.

A Risk Assessment will be completed to identify any risk of fraud and corruption in line with processes and procedures indicated within the Fraud Prevention Policy and the Fraud Corruption Prevention Procedure. An action plan will be developed to put into place strategies and controls to minimise risk of Fraud and Corruption.

Educators are required to submit timesheets to the FDC Service each week, through the CCS

Software. Educators must ensure that sessions reported are true and accurate records and match the attendance records. Session reports must reflect care provided.

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, 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
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 Department of Education within 14 days
The Department of Education 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 Department of Education DESE no later than 30 days
The Department of Education DESE has been notified within 24 hours if the service enters administration or liquidation

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- **ACTIONS USED TO DETECT AND IDENTIFY FRAUD**

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 FDC Service accepts the legal responsibilities associated with claiming Child Care Subsidy within the Family Assistance Law.
2	Our FDC 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> .
4	Our FDC Service will use [name of CCS software] to ensure compliance of CCS payments to families.
5	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.

ACTIONS TAKEN TO MINIMISE RISK OF FRAUDULANT ACTIVITY/CORRUPTION

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	Accurate Complying Written Arrangements (CWA) are recorded and signed by the parent/guardian for each child claiming CCS. The CWA will include: • 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 is recorded
5	A reason for any additional absence is recorded
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	They keep and maintain records including: • 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.

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 • 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 of Education.	

TIP-OFF LINE

Information about any potential breach of Child Care Subsidy can be provided a

DISCIPLINARY SYSTEMS

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.

Employees and FDC educators may also be held responsible for certain breaches of the law including deception or by giving false or misleading information.

Consequences for committing or attempting fraud and/or corruption include:

- dismissal
- warnings
- repayment of misappropriation of funds
- referral to prosecution agencies

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.education.gov.au/compliance>

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

<https://www.education.gov.au/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	[NAME]	[POSITION]	[DATE]
POLICY REVIEWED	SEPTEMBER 2022	NEXT REVIEW DATE	OCTOBER 2023
MODIFICATIONS	• Update of Department name from DESE to Department of Education • Additional information added regarding Risk Assessments and processes/procedures for detecting fraud • Additional information added regarding Action Plans to control and minimise risks and vulnerability • minor formatting edits within text • hyperlinks checked and repaired as required • link to Western Australian Education and Care Services National Regulations added in 'Sources'		
POLICY REVIEWED	PREVIOUS MODIFICATIONS		NEXT REVIEW DATE
JANUARY 2022	• updated information re: submitting time sheets to FDC Service principal office for CCS		OCTOBER 2022
NOVEMBER 2021	• Updated any reference to Department to DESE		OCTOBER 2022
AUGUST 2021	• Update of Related Legislation • Update of Related Policies		OCTOBER 2022

	Update of links within policy	
JUNE 2021	Information added and terminology amended to more closely align with CCS application recommendations (Pages 4 & 5)	OCTOBER 2021
DECEMBER 2020	- Fraud prevention and detection to CCS data added - Internal Controls to Prevent Fraud added	OCTOBER 2021
OCTOBER 2020	Fraud Prevention Policy for FDC drafted	OCTOBER 2021