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 (FAL) 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 LAW AND NATIONAL REGULATIONS	
S. 12	Applicant must be fit and proper person
S. 13	Matters to be taken into account in assessing whether fit and proper person
S. 21	Reassessment of fitness and propriety
168	Education and care service must have policies and procedures
170	Policies and procedures to be followed
171	Policies and procedures to be kept available
175	Prescribed information to be notified to Regulatory Authority
176	Time to notify certain information to Regulatory Authority
181	Confidentiality of records kept by approved provider
183	Storage of records and other documents
184	Storage of records after service approval transferred

RELATED LEGISLATION

Child Care Subsidy Secretary's Rules 2017	Family Law Act 1975
A New Tax System (Family Assistance) Act 1999	Child Care Subsidy Minister's Rules 2017
Family Assistance Law – Incorporating all related legislation as identified within the Child Care Provider Handbook	

RELATED POLICIES

CCS Account Policy CCS Data Security Policy CCS Notifications Policy CCS Governance Policy CCS Personnel Policy	Enrolment Policy Governance Policy Payment of Fees Policy Safe Use of Digital Technologies and Online Environments Policy

PURPOSE

Our Out of School Hours Care (OSHC) 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, nominated supervisor and visitors of the OSHC 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 OSHC 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.

THE APPROVED PROVIDER/ NOMINATED SUPERVISOR/ MANAGEMENT WILL:

- ensure that obligations under the *Education and Care Services National Law and Regulations* are met
- ensure educators, staff, students, visitors and volunteers have knowledge of and adhere to this policy
- ensure families are aware of this *Fraud Prevention Policy*
- ensure there is an effective fraud and corruption risk management procedure
- review and update the Service's *Fraud Prevention Policy* each year to ensure an awareness of fraud and corruption prevention strategies
- ensure employees and educators follow service policies and procedures including the *Fraud and/or Corruption Prevention Procedure*
- ensure a clear understanding of the ramifications for fraudulent activity
- reinforce the commitment shared with the Department of Education to adhere to the Child Care Subsidy requirements
- ensure the appropriate administration of CCS payments
- 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
- ensure all CCS and ACCS payments are passed onto families as a fee reduction
- ensure any 3rd party payments are administered according to the CCS Provider Handbook
- ensure accurate records are kept regarding ACCS (Child Wellbeing) payments

- ensure anyone with responsibility for the day-to-day operation of the service are 'fit and proper', and remain fit and proper, regarding matters involved in fraud, dishonesty, financial management and compliance with Family Assistance Law
- notify the Department of Education within 7 days regarding changes Persons with Management or Control or employees who are not deemed fit and proper to be involved in the administration of Child Care Subsidy (see *CCS Notification Policy*)
- notify the Department of Education within 7 days if a Person with Management or Control obtains an interest or where a conflict of interest might be reasonably be perceived to exist
- at all times act honestly with integrity
- report any individual or service that is not operating in a law-abiding way to the Department of Education (see details below)
- 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 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 is notified within the correct time frames when an enrolment for care at the OSHC Service ends
- keep and maintain records and submit information relating to the administration of CCS via CCS Software, including:
    - accurate enrolment records as per the *Enrolment Policy*
    - accurate session reports and attendance records to the Department of Education via CCS Software, 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
    - any variations to session reports up until 28 days after the start of the week to which the report relates to
    - notification of absences
    - records for additional absences, including keeping evidence of additional absences

- vacancy information for the following week to the Department of Education through the CCS Software
- payment of gap fee payments as collected by families electronically
- any changes to service operating hours or closure periods
- complaints relating to compliance with Family Assistance Law

- ensure that all staff comply with their legal obligations and conditions for continued approval which includes:
  - ensuring the approved provider and relevant personnel are fit and proper, and remain 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/Clearances (WWCC) and National Criminal Checks are carried out for each person who has management or control of the provider and each person who has responsibility of the day-to-day operation of the service
  - ensuring relevant key personnel and educators who are involved in administering Child Care Subsidy to families are registered with PRODA
  - ensuring notification of any changes to relevant key personnel or Persons with Management or Control are submitted to the Department of Education within 7 days
- ensure the Department of Education has current and up to date details of the service
- payments made by families are recorded promptly and receipts issued as per *Payment of Fees Policy*

STAFF/ EDUCATORS (who administer CCS Payments to families) WILL:

- assist with the review of the Service's *Fraud Prevention Policy* each year to ensure an awareness of fraud and corruption prevention strategies
- ensure service policies and procedures are followed at all times including the *Fraud and/or Corruption Prevention Procedure*
- at all times act honestly with integrity
- attend regular training to assist in the identification of fraud and corruption
- report any individual or service that is not operating in a law-abiding way or any suspicious activity relating to fraudulent activity to the Approved provider and/or Department of Education (see details below)
- ensure correct procedures are adhered to, to ensure that all suspected fraudulent and corrupt activity is reported appropriately

- keep accurate attendance records, including:
    - accurate session reports including session start and finish times and children's actual in and out attendance times
    - absences, including evidence of additional absences provided by families
    - any changes or variations to session reports
    - anticipated vacancy reports
    - any changes to operational hours or service closure periods
    - any complaints related to compliance with Family Assistance Law
- record all payments received from families, provide receipts for payments and reconcile payments within the CCS Software
- ensure a Working with Children Check/Clearance is maintained and advise the Approved Provider of any changes which may affect their WWCC status.

FAMILIES WILL:

- provide accurate documentation about their child upon enrolment at the Service including:
    - birth certificate/identity document
    - 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 OSHC 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 OSHC 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

The approved provider and nominated supervisor 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 OSHC 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 Child Care Subsidy (CSS) tip-off form. The *Fraud Prevention and Corruption Procedure* outlines the details required when submitting concerns around the fraudulent use of CCS payments within our service. Payment for gap fee payments are collected from families and receipts are issued as per *Payment of Fees Policy.* Our OSHC Service will follow the guidelines within the CCS handbook to ensure compliance of CCS payments and to ensure funding is processed and administered correctly.

Our OSHC Service will ensure all obligations under the *Family Assistance Law* and *A New Tax System (Family Assistance) (Administration) Act 1999* are met regarding setting of fees, ensuring the following:

- an individual is not charged more than the usual CCS hourly session fee, when the individual may be eligible for ACCS or who receives a prescribed payment
- families are not charged additional fees during a particular event or circumstance (for example during Covid or a service closure).

INTERNAL CONTROLS TO PREVENT FRAUD

Our OSHC Service will use Qikkids and Kidsoft 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.

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 and/or Corruption Prevention Procedure*. An action plan will be developed to put into place strategies and controls to minimise risk of Fraud and Corruption.

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 approved provider will submit any changes or variations to session reports within 28 days after the start of the week to which the report relates.

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
Session reports (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
Families confirm absences through CCS Software
Additional absences which met the criteria have been submitted and evidence held on file
Vacancies are submitted by 8 pm 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 3rd Party Payment agreements have been arranged between the relevant 3rd 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
A Statement of Entitlement has been emailed directly to families each weekly
PERSONNEL
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
Specified Personnel have been nominated for the service, are registered with PRODA and linked with the service
Any changes to Specified 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
The PRODA Device is reactivated every 6 months
Any changes to a person's Working with Children Check/ Clearance status will be notified to the Department of Education within 7 days
A review of Specified 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
Any changes to Provider or Service Personnel are communicated to the Department of Education, within 7 days
Any changes to service operations are communicated to the Department of Education within 14 days
The Department of Education 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 no later than 30 days

The Department of Education has been notified within 24 hours if the service enters administration or liquidation
THIRD PARTY SOFTWARE SECURITY
Each staff member who is submitting data to CCS through CCMS Software has their own username and password linked to their PRODA account.
Usernames and Passwords used for CCMS Software have not been shared or compromised
Users Log out of CCMS Software each time to ensure security of information
Users of the CCMS Software are encouraged to change their password every 6 months
The approved provider will review staff log ins on a monthly basis and ensure this procedure is followed by all staff who access CCS software to submit data to CCS.
The approved provider will review the privacy policy of the ccs software on a yearly basis or as required
The approved provider will review any potential threats to software security on a monthly basis.

ACTIONS USED TO DETECT AND IDENTIFY FRAUD

The approved provider will ensure the nominated supervisor, employees and educators follow the *Fraud and/or Corruption Prevention Procedure*. The procedure will be used in conjunction with this policy to prevent, control and investigate any fraudulent activity which is in breach of this policy and Family Assistance Law. The approved provider and all employees and educators have a responsibility for the mitigation of fraud and/or corruption within the Service.

COMPLAINTS RELATING TO THE ADMINISTRATION OF CHILD CARE SUBSIDY

Families can raise concerns regarding management of the Child Care Subsidy to the Department of Education via their Online contact form. Additionally, information about any potential breach of Child Care Subsidy can be reported anonymously by submitting an online report directly to the Department of Education. For more information visit the Department of Education website: Reporting fraud via a tip-off

REPORTING A BREACH OF REPORTABLE MATTER

Our Service aims to foster a culture of transparency and accountability while supporting employees to report any reasonable suspicion of reportable matters of improper, illegal or misconduct within the service to management including, but not limited to:

- breaches of the service code of conduct or service policies

- breaches of Education and Care Services National Law or Regulations
- breaches of legislation or law
- criminal activity
- corruption
- improper or misleading financial practices

Our OSHC Service will implement protective practices to ensure employees identity is not compromised or disclosed, where applicable, following a report of a reportable matter including storage of documents in a secure and confidential manner and ensuring access to confidential documents is restricted to authorised personnel only. Once a report has been made the matter may be investigated through a formal investigation.

- if employees become aware of a serious crime committed by another employee, they are required to report it to management (Reportable Conduct Scheme)
- as mandatory reporters, all employees must report possible risk of harm to children or young persons to the approved provider/management and Child Protection Helpline

The Child Protection Helpline (13 21 11) is a 24/7 telephone service that receives information from reporters and undertakes assessment of information on child protection concerns.

Child Protection & Reporting (Immediate Concerns) Victoria

- **Emergency:** 000 (Police)
- **Crisis Line (24/7):** 131 278
- **Regional Intake (Mon-Fri 8:45am-5pm):**
  - North Division: 1300 598 521
  - South Division: 1300 555 526
  - East Division: 1300 360 452
  - West Division: 1300 360 462

- employees will report any concerns they may have about inappropriate actions of any other employee that involves children or young people to management (Reportable Conduct Scheme)
- management will report any allegations or child related misconduct as per their legislative requirements (this may include reporting the matter to the Police, Child Protection DFFH Services.

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. 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

CONTINUOUS IMPROVEMENT/REFLECTION

Our *Fraud Prevention Policy* will be updated and reviewed annually or earlier if there are changes to legislation, ACECQA guidance or any incident related to our policy. Feedback will be requested from children, families, staff, educators and management and notification of any change to policies will be made to families within 14 days.

CHILDCARE CENTRE DESKTOP- RELATED RESOURCES

Fraud and/or Corruption and Prevention Procedure

SOURCES

Australian Standard for Fraud and Corruption Control, AS 8001-2008
Australian Children's Education & Care Quality Authority. (2025). *Guide to the National Quality Framework*
Australian Government Department of Education https://www.education.gov.au/early-childhood
Australian Government Department of Education. CCS Provider Handbook
Australian Government Department of Education Child Care Financial Integrity Strategy. (2019).
Education and Care Services National Law Act 2010. (Amended 2023).
Education and Care Services National Regulations. (Amended 2023).

REVIEW

POLICY REVIEWED BY	RITA STRACHAN	YLV DIRECTOR	
POLICY REVIEWED	OCTOBER 2025	NEXT REVIEW DATE	OCTOBER 2026
VERSION NUMBER	V11.10.25		
MODIFICATIONS	• annual policy review • added related law and regulations • no major edits to policy • sources updated as required		
MODIFICATIONS	PREVIOUS MODIFICATIONS		NEXT REVIEW DATE

OCTOBER 2024	MARCH • Update of how to report fraud concerns to the Department OCTOBER • annual policy review • no major edits to policy • sources updated as required	OCTOBER 2025