

FRAUD AND 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. The approved provider and all employees have a responsibility for the mitigation of fraud and/or corruption within the 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 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.

NQS QA 7: Element 7.1, 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, nominated supervisor and educators will review and update the Service's <i>Fraud Prevention Policy</i> each year to ensure an awareness of fraud and corruption prevention strategies
2	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 childcare funding
3	<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 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 Check/Clearance (WWCC) and National Criminal Checks are carried out for all staff and educators where required • 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 or persons with management or control are submitted to the Department of Education within 7 days
4	<p>The approved provider will ensure the Department of Education has current details of the Service including:</p> <ul style="list-style-type: none"> • full legal name and trading name • street and postal address

	<ul style="list-style-type: none"> • 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) 	
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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.</p> <p>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 is recorded	
5	a reason for any additional absence is recorded, keep evidence of additional records on file	
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	all CCS and ACCS payments are passed onto families as a fee reduction	
11	any 3 rd party payments are administered according to the CCS Provider Handbook	
12	accurate records are kept regarding ACCS (Child Wellbeing) payments	

13	payment for gap fee payments are collected from families and receipts are issued as per <i>Payment of Fees Policy</i>	
14	ensure parents pay gap fees via electronic means	
15	they keep and maintain records including: <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/Clearances (WWCC) 	
16	that all employees refer to the <i>Fraud Prevention Policy</i> to ensure there is a clear understanding of their legal requirements	
17	management and staff attend training to ensure a clear understanding of what constitutes fraud and the repercussions if fraudulent activity has occurred.	
18	any changes regarding a person with management or control, or employee who is no longer deemed fit and proper, must be notified to the Department of Education within 7 days	
19	the Department of Education is notified with 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	

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

The approved provider will:

1	treat any allegation relating to fraudulent activity as serious	
2	refer to the <i>Service’s 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 each month 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	<p>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</p> <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 of Education 	

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

1	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 with 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 Office to ensure compliance of CCS payments to families	
2	The <i>CCS Compliance Checklist</i> will be completed each month by the approved provider together with staff who use the CCS software to administer CCS payments to families. The <i>CCS Compliance Checklist</i> 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.	

STEP 6: REPORTING FRAUDULENT ACTIVITY AND/OR CORRUPTION

1	The approved provider, or employee will report fraudulent activity or potential breaches of Family Assistance Law (CCS) anonymously through an online report to the Department of Education; for more details, visit their website: Reporting fraud via a tip-off	
2	<p>The approved provider, or employee will provide the following information:</p> <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 	

	<ul style="list-style-type: none"> • 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 of Education 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, or employees 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	27 May 2025	To be reviewed	27 May 2026
Approved by	Jason Williams	Signature	
Procedure reviewed date	Modifications/changes		