

## ECEC Policy 31

### Fraud Prevention

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Controlled Document

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|------------------------|----------------------------------------------------|--------------------------|---------------------|-----------------------------------------------------|---------------|
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| <b>Document Owner:</b> | Manager – Early Childhood Education & Care         |                          | <b>Approved by:</b> | Executive Manager – Children & Youth Services       |               |
| <b>Reviewed by:</b>    | Project Officer – Early Childhood Education & Care |                          |                     | Fees Coordinator – Early Childhood Education & Care |               |

### Statement

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 Corruption Prevention Procedure*.

### 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, nominated supervisor, approved provider and visitors of the Service.

| DEFINITIONS       |                                                                                                                                                                                                                                                                                                                   |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Corruption</b> | 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. |
| <b>Fraud</b>      | An intentional act by one or more individuals involved in deception to obtain an unjust or illegal advantage.                                                                                                                                                                                                     |

### Implementation

CatholicCare Wollongong Early Childhood and School Aged Education and Care services are 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 childcare funding. We will work in collaboration with staff and

educators to maintain compliance with our legal obligations and conditions for continued approval.

CatholicCare Wollongong is committed to maintaining a strong culture of ethical conduct, accountability, transparency and responsible stewardship of organisational resources. Fraud prevention forms part of the organisation's broader governance, risk management and compliance framework and is managed in accordance with *Governance (including CCS Governance) Policy*, Risk Management Framework, *Code of Ethics and Conduct* and related financial management procedures.

### Indicators and Risk Factors for Fraud

Fraud often occurs where one or more of the following factors are present:

**Opportunity:** inadequate controls, access to systems, records or financial resources without appropriate oversight.

**Pressure:** financial stress, personal circumstances, gambling addictions, substance misuse or workplace pressures.

**Rationalisation:** attempts to justify fraudulent behaviour as harmless, temporary or necessary.

Understanding these risk factors assists staff to identify and prevent fraudulent conduct.

### Examples of Fraud and Corruption

Fraud and corruption may occur in a variety of ways. Examples include, but are not limited to:

- submitting false enrolment notices
- submitting false attendance records or session reports
- claiming CCS or ACCS for care that did not occur
- inflating attendance hours or days
- unauthorised use of a child's or family's personal information, including Customer Reference Numbers (CRNs)
- providing false or misleading information to obtain funding, approvals or benefits
- falsification of qualifications, records or documentation
- misappropriation or misuse of CatholicCare funds, assets or resources
- failing to disclose an actual, potential or perceived conflict of interest for personal gain
- collusion between staff, families, contractors or third parties to obtain a financial or other benefit
- misuse of confidential information obtained through employment or service operations
- bribery, secret commissions or improper influence over decision making.

### Warning Signs of Potential Fraud

Warning signs that may indicate fraudulent or corrupt conduct include:

- reluctance to share responsibilities or delegate duties

- refusal to take leave
- unusually close relationships between staff and families
- repeated requests to access information unrelated to a person's role
- unusual attendance patterns or claims that appear inconsistent with service records
- defensive, evasive or intimidating behaviour when questioned about processes or records
- unexplained financial irregularities
- lifestyle or spending patterns significantly beyond apparent means

The presence of one or more warning signs does not necessarily indicate fraud has occurred; however, concerns should be reported and reviewed in accordance with this policy and the Fraud and Corruption Prevention Procedure.

**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*
- review and update the *Fraud Prevention Policy* every three years, or unless otherwise required, to ensure an awareness of fraud and corruption prevention strategies
- ensure employees and educators follow service policies and procedures including the *Fraud and Corruption Prevention Procedure*
- ensure a clear understanding of the ramifications for fraudulent activity
- maintain contemporary knowledge of Child Care Subsidy requirements, Family Assistance Law, fraud prevention obligations and emerging compliance risks through regular review of Department of Education communications
- subscribe to relevant CCS communications, newsletters and compliance updates issued by the Australian Government Department of Education
- monitor official Department of Education publications, alerts and social media channels relating to CCS compliance and fraud prevention
- ensure relevant staff complete required professional development and compliance training to maintain current knowledge and skills
- 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
- ensure staff responsible for enrolments, CCS administration, finance or compliance complete relevant GECKO training modules and other mandatory compliance training as required
- 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 third-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
- 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
- ensure personal information, CCS records, enrolment information and government identifiers are protected from theft, misuse, loss, unauthorised access, modification or disclosure in accordance with CatholicCare privacy and information security requirements.
- 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 actual, perceived and potential conflicts of interest are disclosed, documented and managed in accordance with CatholicCare Wollongong requirements
- ensure staff and educators are not placed in a potentially difficult or compromising position
- provide notification to the Department of Education within seven days if information submitted to CCS for a child's enrolment becomes incorrect or additional information becomes available that should have been included.

- 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 Service ends
- ensure CCS records, enrolments, attendance information, notifications and other required information are maintained and submitted in accordance with Family Assistance Law, Department of Education requirements and CatholicCare procedures.
- 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 in accordance with *Fees Policy*.

**Staff/Educators (who administer CCS Payments to families) will:**

- assist with the review of the *Fraud Prevention Policy* to ensure an awareness of fraud and corruption prevention strategies
- ensure service policies and procedures are followed at all times including the *Fraud and Corruption Prevention Procedure*
- at all times act honestly with integrity
- complete relevant GECKO modules, compliance training and professional development activities as directed
- maintain knowledge of current CCS requirements, fraud risks and reporting obligations through ongoing professional learning
- 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 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
- immediately report suspected fraud, corruption, theft, financial misconduct, serious criminal conduct, breaches of the Code of Ethics and Conduct, or other reportable matters to management in accordance with CatholicCare policies and procedures.

### **Families will:**

- provide accurate and current enrolment documentation for their child, including proof of identity, immunisation records and any relevant court, parenting or custody orders
- 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
- check their notice of determinations of entitlement each quarter as provided by Centrelink

### **CCS Compliance and Fraud Prevention**

The approved provider 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.

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. 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.

Our 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 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.

Financial reconciliation and monitoring of CCS payments will be completed by authorised personnel in consultation with CatholicCare Wollongong Finance department in accordance with organisational financial control processes. This may include periodic audits, reconciliations, compliance reviews and other assurance activities as determined by CatholicCare Wollongong.

### 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 Suspected Fraud, Corruption and Other Reportable Matters

Our Service aims to foster a culture of transparency, accountability and ethical conduct. Employees are encouraged and expected to report any reasonable suspicion of fraud, corruption, misconduct or other reportable matters to management as soon as practicable.

Reportable matters may include, but are not limited to:

- fraud
- corruption
- theft
- conflicts of interest
- misuse of service resources or assets

- financial irregularities
- improper or misleading financial practices
- breaches of legislation, policy or the Code of Ethics and Conduct
- serious criminal conduct
- other unethical conduct.

Employees have a responsibility to report suspected fraud, corruption, conflicts of interest, misuse of resources, financial irregularities or other unethical conduct as soon as practicable. Reports will be handled confidentially and in accordance with CatholicCare reporting procedures.

CatholicCare Wollongong will implement appropriate measures to protect the confidentiality of individuals making reports, where applicable. Documentation relating to reported matters will be stored securely and access will be restricted to authorised personnel. Reported matters may be subject to formal investigation.

Employees are not required to prove that fraudulent or corrupt conduct has occurred before making a report. Any reasonable suspicion should be reported promptly.

## 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:

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

Consequences may also include:

- cancellation or suspension of provider approval
- civil penalties
- criminal prosecution
- financial penalties
- criminal record
- loss of professional opportunities
- referral to regulatory or enforcement agencies

## Key Resources

### National Quality Standard (NQS)

#### QUALITY AREA 7: GOVERNANCE AND LEADERSHIP

|            |            |                                                        |
|------------|------------|--------------------------------------------------------|
| <b>7.1</b> | Governance | Governance supports the operation of a quality service |
|------------|------------|--------------------------------------------------------|

|              |                            |                                                                                                                                     |
|--------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>7.1.2</b> | Management Systems         | Systems are in place to manage risk and enable the effective management and operation of a quality service                          |
| <b>7.1.3</b> | 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

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

### Related Legislation

|                                                                                                                                                                                                                                                                                                                 |                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Child Care Subsidy Secretary's Rules 2017                                                                                                                                                                                                                                                                       | Family Law Act 1975                           |
| Child Care Subsidy Minister's Rules 2017                                                                                                                                                                                                                                                                        | A New Tax System (Family Assistance) Act 1999 |
| Family Assistance Law – Incorporating all related legislation as identified within the Child Care Provider Handbook in<br><a href="https://www.education.gov.au/early-childhood/resources/child-care-provider-handbook">https://www.education.gov.au/early-childhood/resources/child-care-provider-handbook</a> |                                               |

### Related Policies and Procedures

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CatholicCare Wollongong Child Safeguarding Policies<br>Client and Stakeholder Feedback (includes compliments and complaints) Policy<br>CatholicCare Wollongong Code of Ethics and Conduct<br>Enrolment Policy<br>Fees Policy<br>Fraud and Corruption Prevention Procedure | Governance (including CCS Governance) Policy<br>IT Acceptable Use and Security Policy<br>Privacy Policy<br>Record Keeping and Retention Policy<br>Safe Use of Digital Technologies and Online Environments Policy<br>Whistleblower Policy |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Sources

Australian Standard for Fraud and Corruption Control, AS 8001-2008

Australian Children's Education & Care Quality Authority. (2025).  
<https://www.acecqa.gov.au/sites/default/files/2023-03/Guide-to-the-NQF-March-2023.pdf>  
*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).

## Induction and ongoing training

Induction and ongoing training will be implemented on commencement and during staff meetings as required, focusing on this policy and related procedures. Information will be shared with relief/casual educators on induction and as relevant to the environments that they are working in, their shift responsibilities and the children in their care.

All employees will receive information regarding fraud prevention, ethical conduct, corruption risks, conflicts of interest, financial accountability and reporting obligations during induction.

Ongoing professional learning will occur through:

- GECKO compliance modules
- staff meetings
- CCS governance updates
- Department of Education newsletters and publications
- CatholicCare policy updates
- compliance alerts and social media communications issued by relevant government agencies

Training records will be maintained in accordance with CatholicCare record management requirements.

## Policy created/ Reviewed

| Date          | Major, Minor or Administrative | Description of Revision(s)                                                        |
|---------------|--------------------------------|-----------------------------------------------------------------------------------|
| February 2026 | Major                          | New policy – adapted from Childcare Centre Desktop. Merged ELC and OSHC policies. |

## Monitoring, Evaluation and Review

This policy will be reviewed periodically to ensure its effectiveness and relevance. Any necessary updates or modifications to ensure compliance with legislative and standard requirements will be communicated to all employees, contractors, and representatives of CatholicCare Wollongong.

Other situations may include:

- Following an incident, to identify gaps and strengthen data protection measures.
- adoption of new tools or systems.
- mergers, restructuring, or shifts in services that impact on current processes.
- As part of routine evaluations to ensure policies remain effective and aligned with best practices.
- If client/s provide feedback or complaints, prompting a review for improvement.
- When inefficiencies or errors are identified.

The agency will formally review this policy every three years as part of the policy's known life cycle period and notification of any change to policies will be made to families within 14 days.