



Compliance Information Sheet



Inclusion Support Subsidy

The Department of Social Services conducts compliance activities across child care services receiving the Inclusion Support Subsidy (ISS) including Family Day Care and In Home Care providers. Compliance activities aim to assist services to use and correctly claim ISS and ensure they are operating in accordance with their ISS Approval, ISS Conditions of Funding and the Inclusion and Professional Support Program (IPSP) Guidelines 2013–2016.

The Department's compliance goals are:

- that all funding recipients are provided with the information they require to voluntarily comply with all of their funding obligations
- to detect cases where this is not occurring and take appropriate corrective action.

Compliance Model

The Department's compliance model consists of four strategies to ensure correct use and claiming of ISS funding. These strategies are prevention, deterrence, detection and correction.

Prevention

Prevention is the primary focus of the Department's compliance approach. Most services strive to be compliant with ISS funding obligations and the Department is committed to supporting services to comply by ensuring the Program Guidelines, Fact Sheets and communication materials are clear for services to understand their obligations.

Deterrence

Deterrence aims to increase the proportion of services that voluntarily comply with their obligations. Deterrence strategies include ensuring services understand their obligations, the Department's compliance goals, monitoring mechanisms and the risks and penalties associated with non-compliance.

Detection

Detection strategies are designed to identify potential non-compliance. Non-compliance may be identified through the Department's analysis of administrative data or complaints and feedback. In relation to ISS, triggers which may alert the Department to non-compliance include:

- an amount or frequency of claims that vary from sector norms
- intelligence about suspected fraudulent behaviour received through IPSP providers or other sources
- a past record of non-compliance and/or debt recovery activity.

Correction

If non-compliance has occurred the Department has a range of options available. Correction strategies may include one or more of the following actions:

- Recovering any payments that the service was not entitled to.
- Suspending, withholding or deferring future payments.
- Imposing additional conditions on the payment of funding.
- Referral to the Department's Fraud Investigation Branch.
- In cases of suspected criminal behaviour, referral of the matter to the Australian Federal Police.

The nature of any corrective action will be informed by the nature and level of non-compliance that is identified, the causes of the non-compliance and service's level of cooperation with any investigation.

Except in cases of significant repeated non-compliance, no sanctions other than debt recovery will be applied where services self-identify non-compliance. The more severe sanctions will apply where claims for ISS are wilfully manipulated.

Compliance Activities

The Department undertakes regular and ongoing compliance activities in relation to ISS payments. The Department conducts both targeted and random compliance activities on child care services receiving ISS.

Targeted Compliance activities

Targeted Compliance activities consist of:

- The Department will review the claims of all new ISS recipients, 8-12 weeks from the start date of the ISS approval to ensure that claims are being made in line with the number of hours approved.
- The Department will investigate all tip-offs suggesting a service may be non-compliant.
- The Department will conduct an audit of a service's claiming practices, for example where it identifies that the service will claim its full allocation of hours prior to the end of the approval period.

Random Compliance Activities

The Department will randomly select a sample of all services receiving ISS. A proportion of all service types will be selected for a compliance review.

If anyone becomes aware of suspected non-compliance relating to use of ISS, tip offs can be sent to **IPSPCompliance@dss.gov.au** with the following details included in an email:

- Name of the suspected non-compliant service.
- A date period during which the suspected non-compliance occurred.
- A description of the suspected non-compliant behaviour.

The Department will follow up tip offs with the NISSP and the service in question and will ensure the anonymity of the individual that raised initial concerns over non-compliance.

What happens when a service is compliance checked?

Services will be notified in writing if they have been selected for a compliance review. Services may be asked to verify their eligibility for claims and provide documentary evidence (including child sign in/sign out records and Educator attendance records) to support their claims. Services that are found to be non-compliant will be notified in writing of the Department's intended corrective action.

Further Information

The IPSP Guidelines and ISS Fact Sheets can be accessed from the [Department of Social Services website](#). Services should contact their Inclusion Support Facilitator for clarification and advice on eligibility and claiming for ISS.