CatholicCare
DIOCESE OF BROKEN BAY

# Finance

# Financial Control Processes – Child Care Subsidy

## Practice Guidelines

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# Purpose

This document provides a summary of the additional control procedures applied through the Central Support Finance Team to ensure accuracy and validity of Children's Services income recognition in relation to Child Care Subsidy (CCS) at CatholicCare Diocese of Broken Bay (CatholicCare).

# Scope

This Practice Guideline applies to our Finance team involved in managing income from our Children's Services programs.

# Responsibilities

## Assigned Personnel and Other Resources

| | |
|---|---|
| Chief Financial Officer | Overall responsibility for Financial Control for the Agency |
| Financial Accounting Manager | Reporting to the CFO, primary responsibility for finance processes and procedures |
| Finance Business Partner Children's Services | Reporting to the Finance Manager, dedicated responsibility for undertaking finance procedures and activities relating to Children's Services. |
| Financial Accountant | Reporting to the Financial Accounting Manager, responsible for processing receipts and reconciliations. |
| External Audit Program | Independent auditors are engaged by the agency to provide audit oversight of financial control processes and provide audit assurance reports on the financial statements of the agency. The external audit program includes reporting to management and to the agency finance and risk committee relating to the adequacy of internal control environments and processes. |

# Practices

## 1. Central Support (Finance Team) Processes

The primary preventative controls related to Children's Services income are undertaken in the various Child Care Subsidy approved services (CCSS) through the enrolment, sign in/out, and invoicing procedures. Additional review procedures for Child Care Subsidy approved services are undertaken in the Central Support Finance Team to provide further assurance as to the accuracy and validity of revenue. These are as follows:

### 1.1 Analytical review procedures

On a monthly basis the Finance Business Partner reviews each service's revenue and utilisation ensuring trends are consistent and in line with expectations and will investigate any abnormalities.

### 1.2 Review of Hubworks Attendance Submissions

On a weekly basis the Finance Business Partner reviews the attendance submissions in Hubworks, to ensure all submissions are filed and complete. The review includes an identification and follow up of any abnormal transactions or charges with the service.

### 1.3 Cash receipting, allocation and reconciliation of client statements

CCS and Gap Fee charges are included in client statements with subsequent receipts of payment from Centrelink and the client, applied against the respective charges on the statement. Client Accounts are reviewed and reconciled monthly by Central Services Financial Accountant to ensure accounts are validly charged and payments have been received.

## 2. Audit Activities

CatholicCare engage the services of a reputable audit firm, currently KPMG, to conduct an assurance audit of our annual financial statements in accordance with the requirements of *Australian Charities and Not-for Profits Commission Act 2012*.

The auditors undertake a variety of testing to arrive at their audit conclusions, including sample testing of our key control processes including existence and accuracy of revenue recognition from all business segments across the agency including revenues from the Children's Services activities.

The auditors report their findings to management as well as to the agency's independent governance and advisory councils including the Finance and Risk Committee.

## 3. Reporting Requirements

An audited financial report is submitted to the Dept of Education on an annual basis.

# Related policies

- *Children's Services Child Care Subsidy & Enrolment Policy*
- *Child Care Subsidy Practice Guidelines*
- *Children's Services – Fee Policy*
- *Code of Conduct and Ethics Framework*
- *Financial Management Policy*
- *Fraud Prevention Policy*
- *Fraud Prevention Practice Guidelines*
- *Records Management Policy*

# Legislation

- *A New Tax System (Family Assistance) (Administration) Act 1999*
- *Australian Charities and Not-for Profits Commission Act 2012.*

# Glossary

**CCS**

Child Care Subsidy

**CCSS**

Child Care Subsidy Service

# Sign off and review

| Version | Authorised by | Approved date | Review cycle | Review due |
|---|---|---|---|---|
| 1.0 | General Manager Children's Services / Chief Financial Officer | 3 August 2021 | 2 years | 3 August 2023 |
| 2.0 | Chief Financial Officer | 10 September 2024 | Review date adjusted to align with new review schedule | 1 August 2026 |

# Revision history

| Version | Description | Author | Amendment date |
|---|---|---|---|
| 1.0 | Practice Guideline | Practice Manager Children's Services | 3 August 2021 |
| 1.1 | Practice Guideline | Policy Specialist | 25 March 2024 |
| 2.0 | Practice Guideline | Finance Business Partner/Financial Accounting Manager | 27 August 2024 |
| 2.1 | Role name changes | Policy Specialist | 3 June 2025 |