



NATIONAL CENTER ON
Subsidy Innovation and Accountability



CCDF Fraud Toolkit

Introduction and Training 2020

Agenda



- Overview of the CCDF Fraud Toolkit
- Review of the five sections of the CCDF Fraud Toolkit:
 - Overall Fraud Risk Assessment
 - Fraud Prevention Assessment
 - Fraud Detection Assessment
 - Enforcement and Recovery Assessment
 - Coming Soon – Monitoring Assessment
- Instructions for using the CCDF Fraud Toolkit
- Questions/Open Discussion



CCDF Fraud Toolkit

Overview – CCDF Fraud Toolkit

The CCDF Fraud Toolkit is a resource designed to assist Lead Agencies in increasing program integrity and accountability and decreasing fraud within the child care program.



The toolkit encompasses five separate evaluation sections:

- Fraud Risk Assessment
- Prevention Assessment
- Detection Assessment
- Enforcement & Recovery Assessment
- Monitoring (Coming Soon!)



A Lead Agency may request any one or all sections of the CCDF Fraud Toolkit by emailing ncsia@ecetta.info.

Overview – CCDF Fraud Toolkit

Each assessment section of the toolkit is divided into categories.

The categories in each section of the toolkit were selected based on established areas of risk in administration of CCDF.

For each category within a section, questions were developed to highlight potential risk with focus on:

- Federal regulatory compliance areas.
- General program integrity, accountability, and fraud areas.

The toolkit will continue to evolve and become more robust, providing links to resources to help with fraud prevention, detection, enforcement, and recovery.

Benefits of Using the CCDF Fraud Toolkit



The CCDF Fraud Toolkit is designed to be utilized by Lead Agencies for self-evaluation of internal controls and program integrity strategies.



The toolkit highlights important program integrity and fraud-fighting strategies and requirements within CCDF.



By utilizing the toolkit, Lead Agencies have an opportunity to identify and mitigate potential gaps in subsidy administration prior to monitoring or performance audits.

How does the CCDF Fraud Toolkit work?



Once the agency receives the toolkit, a designated individual or group will answer questions listed within the toolkit on the tab titled *“Questions.”*



When a question is answered, an automated response text is displayed, which may include recommended next steps.



After answering all questions appropriately, the tool will automatically provide a summary of risk levels on the tab titled *“Results Summary.”*



The Lead Agency should pay close attention to medium- and high-risk areas of the results and begin exploring ways to reduce risk and seek technical assistance.



Fraud Risk Assessment

Fraud Risk Assessment Categories

There are six assessment categories within the overall Fraud Risk assessment section:

Systems/Software

Staff Training

Provider Training

Management/
Communication

Collections

Procedures for
Suspected Fraud

Fraud Risk Assessment – Risk Areas

Lead Agencies will evaluate program risk areas throughout the Fraud Risk Assessment by answering 20 questions related to the assessment categories. Some questions surround areas of:





Fraud Prevention Assessment

Fraud Prevention Assessment Categories

There are four assessment categories within the Fraud Prevention section:

Program
Administration

Case Management
Training and Support

Information Technology
(IT) Related

Verification

Fraud Prevention Assessment – Risk Areas

Lead Agencies will evaluate program risk areas throughout the Fraud Prevention Assessment by answering 28 questions related to the assessment categories. Examples of risk assessment areas are:





Fraud Detection Assessment

Fraud Detection Assessment Categories

There are six assessment categories within the Fraud Detection section:

Fraud Hotline

Data Usage

Public
Websites

Provider
Audits

Fiscal
Management

Fraud
Investigations

Fraud Detection Assessment – Risk Areas

Lead Agencies will evaluate program risk areas throughout the Fraud Detection Assessment by answering 23 questions related to assessment categories. Examples of risk assessment areas are:





Enforcement and Recovery Assessment

Enforcement & Recovery Assessment Categories

There are five assessment categories and 25 questions within the Enforcement and Recovery section:

Regulations,
Procedures,
and
Coordination

Appeals and
Adjudicating

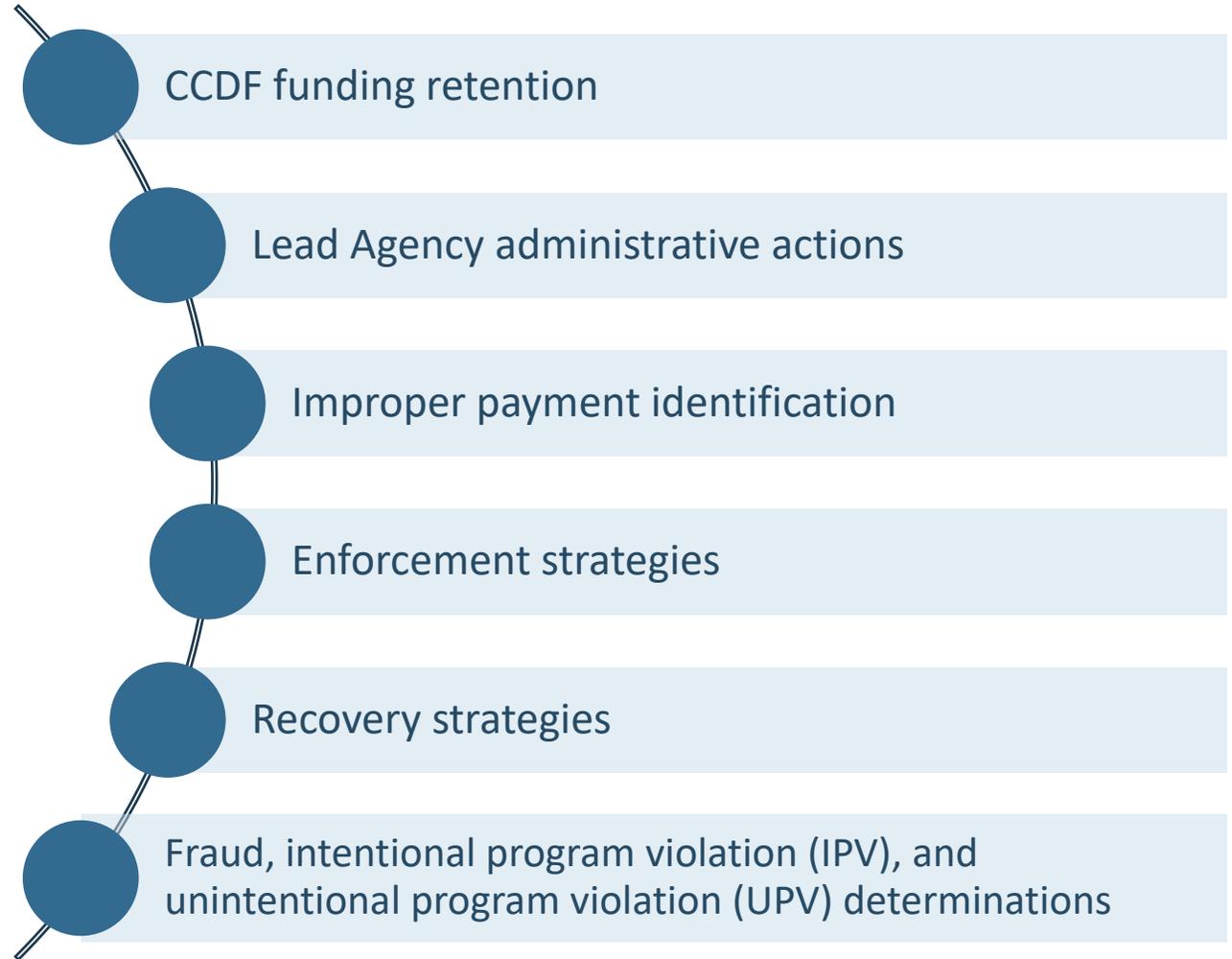
Improper
Payments

Sanctions and
Penalties

Recovery

Enforcement & Recovery Assessment – Risk Areas

Lead Agencies will evaluate program risk areas throughout the Enforcement & Recovery Assessment by answering 20 questions related to related to the assessment categories. Examples of risk assessment areas are:





Monitoring Assessment

Monitoring Assessment Categories

There are four assessment categories within the Monitoring section. The categories include:



Coming Soon!
Fiscal Year 2020

Sub-recipient/
Subgrantee

Contractors

Lead Agency
(Grantee)
Administrative Staff

Child Care
Providers

Monitoring Assessment – Risk Areas

Lead Agencies will evaluate program risk areas throughout the Monitoring Assessment by answering 20 questions related to the assessment categories. Examples of risk assessment areas are:





CCDF Fraud Toolkit Instructions

Instructions



Each of the CCDF Fraud Toolkit sections has two tabs for the user: *“Questions”* and *“Results Summary.”*



The *“Questions”* tab is interactive and used to respond to a series of questions from the section’s multiple categories.



The *“Results Summary”* tab is updated based on the answers provided and displays a summary based on the completion of the *“Questions”* tab.

*Note: Lead Agencies are not required to complete all sections of the tool and may focus in on assessment areas that are most relevant to the program.

Answering Questions

When answering the section questions there are three possible answers for each question: “Yes,” “No,” and “I Don’t Know.”

The answer may be typed in or selected from a drop-down list.

Fraud Risk Assessment Tool

CATEGORY ▾	QUESTION ▾	ANSWER ▾	RISK ▾	RECOMMENDATION ▾
Systems / Software	Does your agency have security roles in place to limit data access to only those who need it? (for example, provider data, financial data, client data, etc.)			
Systems / Software	Does your eligibility/provider system have controls in place that would enforce adherence to policy? (for example, alerts, management reports, or system edits that prevent a worker from proceeding if required information is missing)	YES NO I DON'T KNOW		

Risk and Recommendation

Based on the answer selected, the “Risk” column will auto-populate either “Low,” “Medium,” or “High.”

Risk levels are determined based primarily on compliance with CCDF requirements.

A recommendation to the Lead Agency will also populate based on the risk level.

Fraud Risk Assessment Tool				
CATEGORY	QUESTION	ANSWER	RISK	RECOMMENDATION
Systems / Software	Does your agency have security roles in place to limit data access to only those who need it? (for example, provider data, financial data, client data, etc.)	NO	Medium	User-specific security roles protect your program data from falling into the wrong hands or being used in a fraudulent way. Consider requesting technical assistance to help identify best practices in this area.
Systems / Software	Does your eligibility/provider system have controls in place that would enforce adherence to policy? (for example, alerts, management reports, or system edits that prevent a worker from proceeding if required information is missing)			

Assessment Results

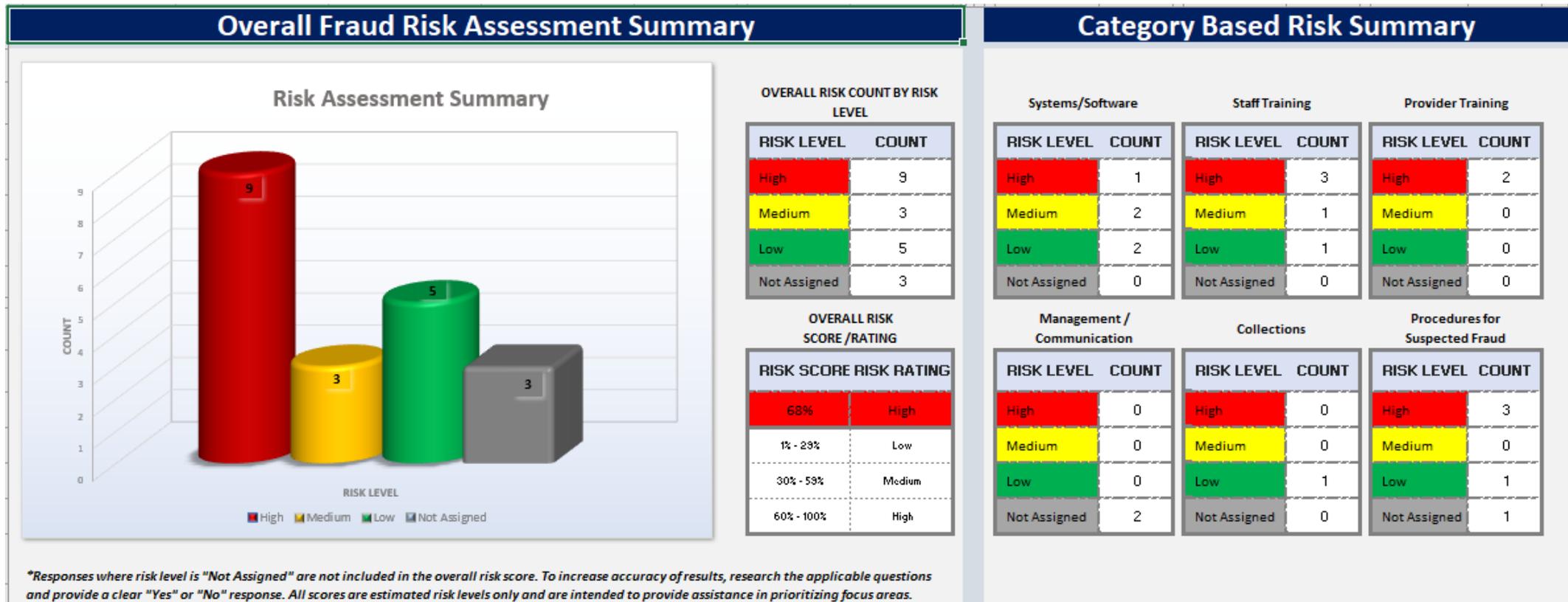
After all assessment questions are answered, the user should click on the “*Results Summary*” tab at the bottom left of the workbook.

Recovery	Does the Lead Agency have in place a method for tracking and documenting overpayment recoveries? (45 CFR 98.68(b)(2) Lead Agencies are required to describe in their Plan the processes that are in place to investigate and recover fraudulent payments ...)
Recovery	Does the Lead Agency utilize additional collection methods when a provider or client is delinquent on repayment obligations?

Navigation tabs: < | **QUESTIONS** | RESULTS SUMMARY | +

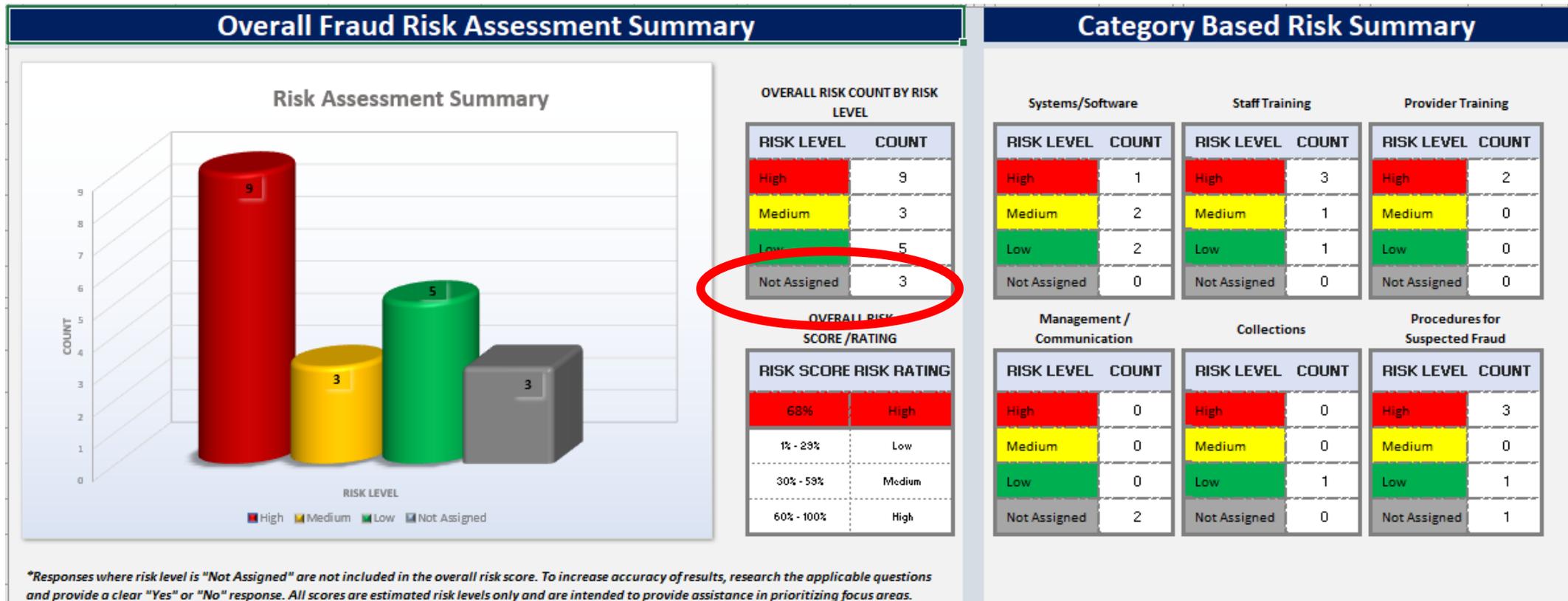
Assessment Results

The “Results Summary” tab will show risk levels by category and the overall program risk level.



Assessment Results

The Lead Agency will receive a count for all risk levels. When questions are not answered, the tool will automatically allocate the risk level to “Not Assigned.”



Filter Questions

After review of the “Results Summary,” the user may return to the “Questions” tab to closely review the specific areas of risk or category.

The assessments are designed to include auto-filters to allow the user to focus on a specific risk or category area.

Utilizing the dropdown feature within the “Risk” or “Category” column the user may select their appropriate area of focus.

Lead Agencies have the option of saving each section after completion and reusing as needed to conduct risk assessments periodically or as needed.

Fraud Risk Assessment Tool

CATEGORY ▾	QUESTION ▾	ANSWER ▾	RISK ▾	RECOMMENDATION ▾
Systems / Software	Does your agency have security roles in place to limit data access to only those who need it? (for example, provider data, financial data, client data, etc.)	NO	Medium	User-specific security roles protect your program data from falling into the wrong hands or being used in a fraudulent way. Consider requesting technical assistance to help identify best practices in this area.
Systems / Software	Does your eligibility/provider system have controls in place that would enforce adherence to policy? (for example, alerts, management reports, or system edits that prevent a worker from proceeding if required information is missing)	NO	High	System restrictions are a critical way to prevent intentional and unintentional errors. Consider requesting technical assistance to help identify best practices in this area.

Technical Assistance

Lead Agencies may contact the regional office to request technical assistance in any area of risk.



Technical Assistance may include:

A review of current policies and procedures of the Lead Agency

Policy and procedure comparison to ensure state/federal compliance and to provide additional recommendations where appropriate

Assistance in developing additional strategies

Peer-to-Peer discussion recommendations

Additional resources on program strategies

Questions and Open Discussion





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Thank you!