

GUIDELINES FOR ANNUAL AUDIT ON CHILD CARE SUBSIDY CLAIMS

Important Notes

- (a) All child care centres which administer the Child Care Subsidy scheme are required to engage a qualified auditor to conduct checks on children who received subsidies paid by the Government for each financial year.
- (b) The auditor is required to certify the following:
- i) The audit check had been conducted in accordance with the procedures listed in the Annex.
 - ii) Based on the checks conducted, establish whether:
 - All subsidy claims were made in respect of Singapore Citizen children.
 - All subsidy claims were substantiated with the corresponding application forms and supporting documents.
 - All subsidies disbursed correspond with the working status of the applicant.
- (c) The auditor must use the template for the “Certification by Centre’s Appointed Auditor” (enclosed) to indicate the conclusion of their checks based on the listed procedures.
- (d) The template and the procedures are for compliance and no amendment is allowed to be made to both the template and procedures.
- (e) All centres will need to submit a return in the Child Care Link System (CCLS) based on the “Certification by Centre’s Appointed Auditor”, indicating the following information:
- Details of the centre’s appointed auditor
 - Whether there are discrepancies highlighted in the “Certification by Centre’s Appointed Auditor
- (f) If there are no discrepancies identified by the auditor, no further action is required after the submission of the returns.
- (g) If there are reported discrepancies, in addition to the submission of the returns in CCLS with details of the discrepancies, the centre personnel is required to submit the hardcopy of the certification together with the relevant documents to ECDA.
- (h) Discrepancies to be reported should be categorised into any of the 3 types stated below. Reference should be made to the specific paragraph(s) in the Annex when listing the details of discrepancies.

S/N	Type of discrepancy	Remarks
1	Absence or inadequacy of supporting documents	Depending on the nature of the discrepancy, centres may be required to refund the subsidies paid and/or be issued with a reminder/warning letter.
2	Possible overpayment cases	These refer to instances when the child received subsidies even when he/she is not eligible e.g. when the child is already withdrawn physically from the centre but the record is still under the centre’s enrolment. ECDA may exercise the discretion to recover the subsidies for such cases.

3	Possible underpayment cases	These refer to instances when the child did not receive subsidies even though he/she is eligible e.g. late application of subsidies. Centres will need to submit the requisite documentation and justifications for ECDA's consideration.
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- (i) The return based on the "Certification by Centre's Appointed Auditor" to be made in the CCLS should be completed within 3 months after the end of each financial year of the centre.
- (j) The "Certification by Centre's Appointed Auditor" must be retained for 5 years by all centres to facilitate checks conducted by ECDA-appointed auditor.
- (k) If the return is not submitted within 3 months after the end of the centre's financial year, ECDA reserves the right to stop the subsidy payments until the return is submitted in the system.
- (l) For centres which cease operation in the course of a financial year, the requirements below will apply:
 - The "Certification by Centre's Appointed Auditor" should be prepared for the period from the start of financial year till the last day of operation.
 - The return in CCLS, based on the "Certification by Centre's Appointed Auditor" should be submitted within 3 months after the last day of operation.
 - The subsidy payment for 1 month will be withheld until the centre submits the "Certification by Centre's Appointed Auditor" in the system together with the provision of the hardcopy version.

Issued by : Early Childhood Development Agency (Sector Planning)

CERTIFICATION BY CENTRE'S APPOINTED AUDITOR

Date

Deputy Director (Sector Planning)
Early Childhood Development Agency

Dear Sir/Mdm

AUDITOR'S CERTIFICATION ON CHILD CARE SUBSIDIES CLAIMED BY <<Name of child care centre and Centre code>>

We have performed the procedures agreed with <<Name of child care centre and centre code>> with respect to the child care subsidies claimed by the centre (including Basic Subsidy, Additional Subsidy, Financial Assistance Subsidy and Start Up Grant Subsidy) in the period from _____ to _____. The agreed-upon procedures are listed in the Annex to this certification.

2 The engagement was undertaken in accordance with the Singapore Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to evaluate whether:

- (a) All subsidy claims were made in respect of Singapore Citizen children.
- (b) All subsidy claims were substantiated with the corresponding application forms and supporting documents.
- (c) All subsidies disbursed correspond with the working status of the applicant.

3 We report our findings below:

S/N	Description	Conclusion [Yes/No]
A	All subsidy claims were made in respect of Singapore Citizen children	
B	All subsidy claims were substantiated with the corresponding application forms and supporting documents	
C	All subsidies disbursed correspond with the working status of the applicant	

For area(s) in which the conclusion is "No", the details of the discrepancies are provided in the table below.

Details of discrepancies highlighted by auditor				
Section A : Absence or inadequacy of supporting documents [Checks conducted according to paragraphs 3(a)(i), 3(a)(iv), 3(a)(vi), 3(b)(i) and 3(c)(iii) of the Annex]				
S/N	Name of child	Birth certificate no. of child	Reference paragraph in Annex for which discrepancy arose [3(a)(i), 3(a)(iv), 3(a)(vi), 3(b)(i) or 3(c)(iii)]	Details of discrepancies
Section B : Possible overpayment [Checks conducted according to paragraphs 3(a)(viii), 3(a)(ix) and 3(a)(x) of the Annex]				
S/N	Name of child	Birth certificate no. of child	Reference paragraph in Annex for which discrepancy arose [3(a)(viii), 3(a)(ix) or 3(a)(x)]	Details of possible overpayment

CERTIFICATION BY CENTRE'S APPOINTED AUDITOR

Section C : Possible underpayment [Checks conducted according to paragraphs 3(a)(viii), 3(a)(ix) and 3(a)(x) of the Annex]				
S/N	Name of child	Birth certificate no. of child	Reference paragraph in Annex for which discrepancy arose [3(a)(viii), 3(a)(ix) or 3(a)(x)]	Details of possible underpayment

4 Because the above procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements, we do not express any assurance on the financial accounts of the centre.

5 Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements, other matters might have come to our attention that would have been reported.

6 Our report is solely for the purpose set forth in the second paragraph of this certification and for ECDA's information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to any financial statements of <<Name of centre>>, taken as a whole.

_____ (Firm)
[Public Accountants and]
Chartered Accountants
Singapore

PROCEDURE FOR VERIFICATION OF THE AMOUNT OF SUBSIDY CLAIMS

S/N	Procedure for auditor
1	Receive the monthly Subsidy Report (GSII, GSIIA, GSIID) generated from CCLS for the financial year.
2	<p>Based on the Subsidy Reports, establish the following details for each month of the financial year:</p> <ul style="list-style-type: none"> • List of children receiving subsidies (GSII and GSIIA) and the types of subsidies that each child is receiving i.e. “Basic Subsidy”, “Additional Subsidy”, “Financial Assistance Subsidy” and “Start Up Grant Subsidy” • List of children who withdrew from the centre (GSIID) • Number of children with changes in subsidy rates (GSII) <p>Note: For “Start Up Grant Subsidy”, only the “List of children receiving subsidies” can be obtained from GSII report. The rest of the details are not applicable.</p>
3	<p>All the checks in the areas (a), (b) and (c) below must be conducted for all the months in the financial year:</p> <p>(a) List of children receiving subsidies (GSII and GSIIA)</p> <ul style="list-style-type: none"> (i) Every child receiving Basic and/or Additional Subsidy should have a Form 1 which is duly completed and endorsed by parents and centre personnel (with the correct name and Birth Certificate number of the child). Cases where Form 1 is not enclosed or duly completed must be flagged out as discrepancies. (ii) For “Financial Assistance Subsidy” and “Start Up Grant Subsidy”, each child should have a Form 1C duly completed and endorsed by parents and centre personnel (with the correct name and birth Certificate number of the child) (iii) Date that Form 1 is endorsed by parents should not be after the month that the subsidy is paid (iv) Birth certificate of the child indicates that the child is a Singapore Citizen or in the case of a child not born in Singapore, there is a Certificate of Singapore Citizenship for the child stating that the child has obtained Singapore Citizenship. Cases where the child is not a Singapore Citizen must be flagged out as discrepancies. (v) By default, the Applicant is the mother and her working status will affect the amount of subsidies that the child is eligible for (vi) Cases in which the Applicant is single/divorced/widowed or the Applicant is the father, the relevant supporting documents such as the screening result with ROM/ROMM, Court Order for finalisation of divorce, death certificate of spouse should be attached and provided. Cases where documents are not attached must be flagged out as discrepancies. (vii) Programme that the child is enrolled in (stated on Form 1) is the same as that stated in GSIIA (viii) Amount of subsidy disbursed corresponds to the working status of the Applicant (declared in Form 1) as depicted in the Tables 1 and 2 below (unless it was established by ECDA that the working status is not as per what the parents declared). Cases where the amount of subsidies disbursed does not correspond with the working status of the Applicant must be flagged out as discrepancies. (ix) For applications of Additional Subsidy through Per Capita Income, there must be documentary proof that the NRIC address of the family member(s) included in the application is the same as the NRIC address of the subsidy applicant. For child’s siblings, there must be birth certificate provided to establish the relationship.

Cases where documents are not attached or do not meet the above conditions must be flagged out as discrepancies.

- (x) From the attendance record, each child must have a minimum 1-day attendance for each month. Otherwise, the subsidies will need to be recovered by ECDA. **Cases where subsidies are disbursed with no attendance from children must be flagged out as discrepancies.**

Table 1: Subsidy rates for Infant Care Programme

Infant Care Subsidy Rates				
Programme	Working Mother		Non-Working Mother	
	Basic Subsidy	Additional Subsidy	Basic Subsidy	Additional Subsidy
Full-day Care	\$600	\$200 - \$540	\$150	Non-working mothers are not eligible for Additional Subsidy
Half-day Care	\$300	\$100 - \$270	\$150	
Flexicare 1 (12 hours to 24 hours)	\$220	\$75 - \$200	\$55	
Flexicare 3 (36 hours to 48 hours)	\$440	\$145 - \$400	\$150	

Table 2: Subsidy rates for Child Care Programme

Child Care Subsidy Rates				
Programme	Working Mother		Non-Working Mother	
	Basic Subsidy	Additional Subsidy#	Basic Subsidy	Additional Subsidy
Full-day Care	\$300	\$100 - \$440	\$150	Non-working mothers [^] are not eligible for Additional Subsidy
Half-day Care	\$150	\$50 - \$220	\$150	
Flexicare 1 (12 hours to 24 hours)	\$110	\$35 - \$160	\$55	
Flexicare 3 (36 hours to 48 hours)	\$220	\$70 - \$320	\$150	

Additional Subsidy is not applicable for all working mothers as it is dependent on the assessed household/ per capita income

[^]Non-working mothers may receive Additional Subsidy through Special Appeal approved by ECDA

(b) List of children who withdrew from the centre (GSIID)

- (i) Every child who withdrew from the centre (listed in GSIID report) should have a Form 4 which is duly completed and endorsed by parents and centre personnel (with the correct name and Birth Certificate number of the child). **Cases where Form 4 is not enclosed or duly completed must be flagged out as discrepancies.**

(c) Number of children with changes in subsidy rates (GSII)

- (i) Under the column "Changes in Subsidy Rate" in GSII report, identify the number of cases stated. For each case, there will be a double entry e.g. -1 in \$150 and balanced with a (+)1 for \$300
- (ii) Centre has to provide the Form 3: Notification of Change for each case of "Changes in Subsidy Rate" and supporting documents must be provided to substantiate the change. For example, if the mother claims to have found a new job, the letter of employment should be provided.

	<p>(iii) Cases which meet any one of the following conditions must be flagged out as discrepancies:</p> <ul style="list-style-type: none">• Form 3 is not enclosed or duly completed• Supporting documents are not provided to substantiate the change• Supporting documents provided are not able to substantiate the change
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