



Fraud Prevention Policy

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A. Overview

- i. The Lead Institute of Higher Education ('LIHE' or the 'Institute') Fraud Prevention Policy ('the Policy') outlines mechanisms to safeguard the Institute's finances and resources against fraudulent or corrupt acts and to comply with the law and relevant regulations. This Policy sets out the Institute's procedures for preventing and reporting the risk of fraud or corruption.
- ii. To minimise the risk and impact of fraud or corruption, the Institute's objectives are:
 - a. to develop and maintain a culture that deters fraudulent and corrupt activity, encourages its prevention and promotes its detection and reporting;
 - b. ascertain and document its response to suspected and actual cases of fraud and corrupt practices.
- iii. Definitions
For definitions, please refer to the '*Dictionary of Terms*'.

B. Scope

This Policy applies to all members of the Governing Council, the Academic Board, and sub-committees, and all staff of LIHE while acting in their official institutional capacity. For matters related to students, please refer to the *Academic Integrity Policy*, *Student Code of Conduct Policy* and associated policies.

C. Policy Principles

- i. LIHE is committed to establishing and maintaining an organisational culture that upholds the highest standards of legal, ethical and moral behaviour in its stewardship of public and private funds for the pursuit of its objects in teaching and learning.
- ii. LIHE requires all staff members acting on its behalf to conduct business honestly, ethically and professionally and does not tolerate fraud, corruption or any form of dishonesty in its transactions. This requires staff members to not only be responsible for their behaviour but to support others in adopting ethical practices.

D. Types of Common Fraud at Higher Education Institutions

The types of common fraud encountered at higher education institutions, include but are not limited to:

- i. fraud involving cash, physical assets or confidential information;
- ii. misuse of accounts and account-related information;
- iii. procurement fraud;
- iv. payroll fraud;
- v. financial accounting fraud, including misuse of tuition fees;
- vi. fraudulent expense claims;
- vii. reference, qualification and related employment fraud;
- viii. recruitment and appointment fraud;
- ix. bribery and corruption fraud;
- x. academic fraud including immigration, admissions, assessments, examinations and awards.

E. Fraud and Corruption Prevention

- i. The regular review of policies and procedures, and subsequent approval by delegated authorities, will be undertaken in consideration of risks of fraud and corruption.
- ii. The Institute's internal control structures to prevent fraud and corruption include:

- a. strong and ethical leadership and governance from the Governing Council, Academic Board, Risk & Compliance Committee, Dean and staff members in managerial positions;
 - b. operationalisation of comprehensive policies and procedures in key areas of governance, finance, human resources, facilities, information technology and teaching and learning;
 - c. regularly assess and enhance internal controls to adapt to changing risks, ensuring a systematic approach to protect financial resources as per the *Financial Management Policy*;
 - d. dedicated resources with accountabilities/responsibilities for the control of fraud and corruption within the organisational structure including the authority of Risk & Compliance Committee and the Executive Management Committee;
 - e. LIHE's *Staff Code of Conduct* that encourages the reporting of corrupt conduct, and any fraudulent activities;
 - f. investigation procedures to deal with the suspected corrupt or fraudulent conduct and/or activity.
- iii. The Institute will implement and maintain a range of awareness strategies, including but not limited to:
- a. staff induction programs;
 - b. promotion of key internal controls used to manage the risk of fraudulent activities;
 - c. seminars and presentations on relevant topics;
 - d. staff compliance training programs; and
 - e. awareness initiatives associated with the implementation of relevant policies, such as the *Staff Code of Conduct*.
- iv. The Institute will ensure the integrity and security of its qualifications. To mitigate fraud relating to academic matters, including the awarding of its qualifications, the Institute will:
- a. provide graduates with testamurs and award documents that incorporate advanced security features such as digital certification, embossed seals, watermark paper and a secure, recorded system to guarantee authenticity and security;
 - b. ensure the testamurs and award documents issued by LIHE include a unique serial number that corresponds to the respective student number reinforcing the commitment to authenticity and safeguarding against fraudulent activities;
 - c. only issue the testamur and award document once for each graduating student;
 - d. ensure that graduates applying for reissuance of their originally issued testamur provide the required documentation;
 - e. ensure the digital version of the testamurs and award documents issued by LIHE will be retained by the Institute as a record for at least 30 years and maintained according to the *Records Management Policy*.

F. Whistle-blower Protection

- i. LIHE will comply with the Whistleblower Protection Act and strive to meet and exceed best-practice standards on whistleblower protection (including the laws administered and enforced by the Australian Securities and Investments Commission - ASIC, Fairwork Australia, and the Corporations Act) and will do the following:
 - a. require staff to act in good faith and make required reports under whistleblower protection;
 - b. recognise and respect the confidentiality of the identity of a bona fide informant; and
 - c. ensure support and protection are provided to an informant against any form of recrimination or reprisal or any threat of detriment.
- ii. If an informant uncovers and reports fraud, improper state of affairs or circumstances about LIHE, such as a business practice that causes financial harm, the informant will be covered by the whistleblower protection laws.

G. Responsibilities

- i. The Governing Council oversees, and receives reports in respect of, any corruption and fraud matters through the Risk & Compliance Committee.
- ii. The Risk & Compliance Committee is responsible for:
 - a. maintenance, review and coordination of the implementation of this Policy and associated guidance, determining how suspected fraud or corruption is to be handled;
 - b. proper conduct of investigations for breaches of this Policy;
 - c. internal and external mandatory reporting, as required;
 - d. monitoring compliance of trends, risk profiles and improvement opportunities.
- iii. The Dean is responsible for:
 - a. ensuring diligent operationalisation of LIHE policies, demonstrating a high-level commitment to the prevention of fraud and corruption;
 - b. assessing the risk of fraud and corruption in accordance with this Policy and consistent with the Institute's *Risk Management Framework*.
- iv. It is the responsibility of LIHE managers to promote the efficient and ethical use of the Institute's resources. This includes ensuring that in areas of their responsibility:
 - a. fraud and corruption risks are identified, evaluated and are prioritised appropriately for treatment;
 - b. appropriate mechanisms are established and maintained in order to detect and control incidents of suspected fraud and corruption;
 - c. suspected fraudulent or corrupt behaviour or incidents are reported and investigated promptly; and
 - d. staff have appropriate training in the management of fraud and corruption risk.
- v. All staff are responsible for:
 - a. acting with propriety in the use of LIHE resources and the handling and use of funds, whether they are involved with cash or other forms of payment systems or receipts and in their dealing with contractors and suppliers;
 - b. being alert to the possibility that unusual events or transactions could be indicators of fraud;
 - c. reporting details immediately to their manager or where appropriate to the Dean or to the Chair of the Governing Council if they suspect that a fraud or irregularity has been committed or if they see any suspicious acts or events;
 - d. cooperating fully with the Institute in conducting internal checks, reviews or fraud investigations.
- vi. Staff are encouraged to bring to the Dean's attention areas of weakness they have identified in the procedures they use and to suggest improvements to these procedures to reduce the possibility of fraud.

H. Notifying the Risk & Compliance Committee

- i. All incidents of fraud or irregularity must be reported to the Risk & Compliance Committee.
- ii. The Risk & Compliance Committee will assign a delegated officer to investigate any case of fraud.
- iii. On completion of the investigation, a written report must be submitted by the assigned officer

to the Executive Management Committee, the Risk & Compliance Committee and the Chair of the Governing Council.

iv. The report should contain:

- a. a description of the incident including the value of any loss, the person/s involved and the means of perpetuating the fraud;
- b. measures taken to seek repayment of losses where a case of fraud has been proven;
- c. the measures taken to prevent a recurrence; and
- d. actions needed to strengthen future responses to fraud.

I. Compliance

Non-compliance with this Policy may result in disciplinary action, including termination of employment or engagement, and referral to law enforcement agencies. Breach of the law may also lead to personal liability, such as fines or imprisonment.

Version	Approved by	Approval Date
2	Governing Council	20 February 2024
Next Review	Custodian	Effective Date
Refer to the <i>Policy Documents Review Schedule</i>	Dean	20 February 2024
Related Documents	Dictionary of Terms Staff Code of Conduct Risk Management Plan Governance Charter	
References and Legislations	National Code of Practice for Providers of Education and Training to Overseas Students 2018 Higher Education Standards Framework (Threshold Standards) 2021 Corporations Act 2001 (Corporations Act)	