



Alpine Resorts
Victoria

Fraud and corruption control framework

Prevention, reporting and
investigation plan



alpineresorts.vic.gov.au

Approved by:

Finance, Risk and Audit Committee

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Head of Governance & Risk

Acknowledgement

Alpine Resorts Victoria does not tolerate any level of fraud or corruption, and views fraud and corruption as serious offences. The Board is committed to the integrity of the organisation and a comprehensive and systematic approach to the effective management of fraud and corruption risks and vulnerabilities.



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1. Report misconduct – it's our responsibility

To management

- Your Team Leader, Manager or Head of Department
- Any General Manager
- CEO

To ARV Head of Governance & Risk

- Email: geoff.fallon@alpineresorts.vic.gov.au
- Phone: 0499 111 403

To the Independent Broad-based Anti-corruption Commission (IBAC)

- Email/online form:
<https://www.ibac.vic.gov.au/report>
- Phone: 1300 735 135
- In person: Level 1, North Tower, 459 Collins Street Melbourne

Note: whilst ARV will prioritise the confidentiality of those who report misconduct protected disclosure, as enshrined in the Protected Disclosure Act 2012 can only apply to reports made to an authorised agency. ARV is not an authorised agency for protected disclosure. Authorised agencies can be located here: [What is a public interest disclosure? | IBAC](#)



2. Executive summary

2.1. Purpose

This framework:

- describes what fraud and corruption is and how it can impact on the functions and service delivery by Alpine Resorts Victoria
- describes roles and responsibilities of individuals and business areas within Alpine Resorts Victoria regarding the management of fraud and corruption
- describes the process of reporting fraud and corruption, including escalation paths
- illustrates how the principles in *AS 8001:2008 Fraud and Corruption Control* translate to action within Alpine Resorts Victoria
- describes how reports of fraud and corruption are investigated or referred to investigating agencies
- sets out Alpine Resorts Victoria fraud, corruption and other losses prevention and management policy as required by the *Standing Directions of the Minister for Finance*.

2.2. Introduction

Alpine Resorts Victoria is committed to promoting a culture of trust, integrity and honesty in the services it provides to the Victorian alpine community, and in the administration of those services. The Board needs to be able to provide support and services without fraud or corruption reducing the ability or resources to achieve this goal.

This plan is applicable to all ARV Board members, staff, executive officers, contractors, service providers, consultants, and volunteers.

2.3. Definitions

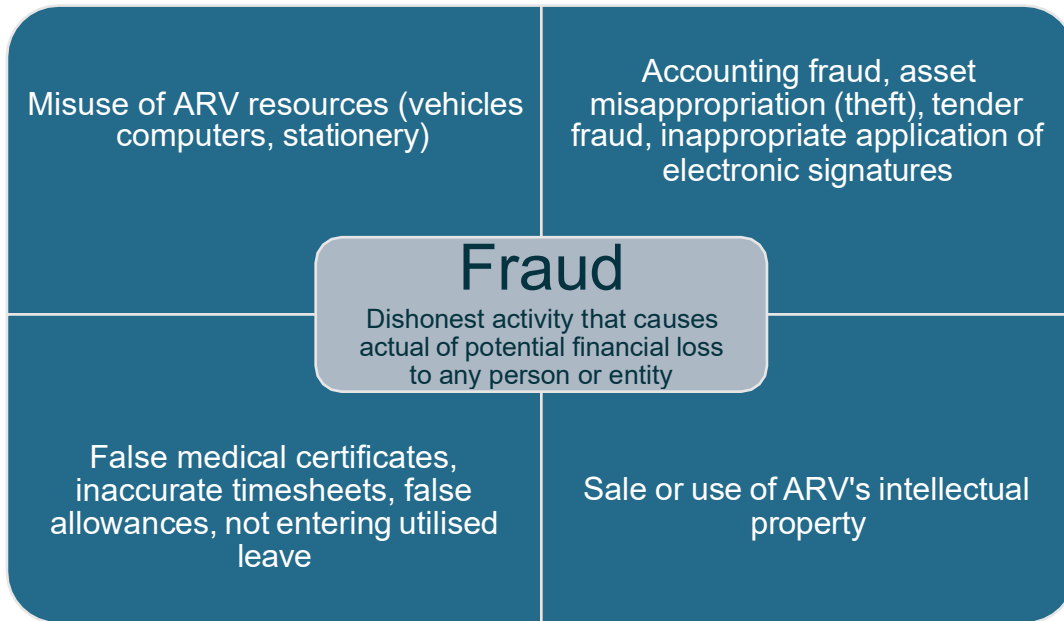
2.3.1. Fraud

The Board has adopted the following definition of fraud, contained in the Australian Standard: Fraud and Corruption Control AS 8001-2008 as:

'Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a non-business purpose or the improper use of information or position for financial benefit.'



Figure 2: What is fraud?

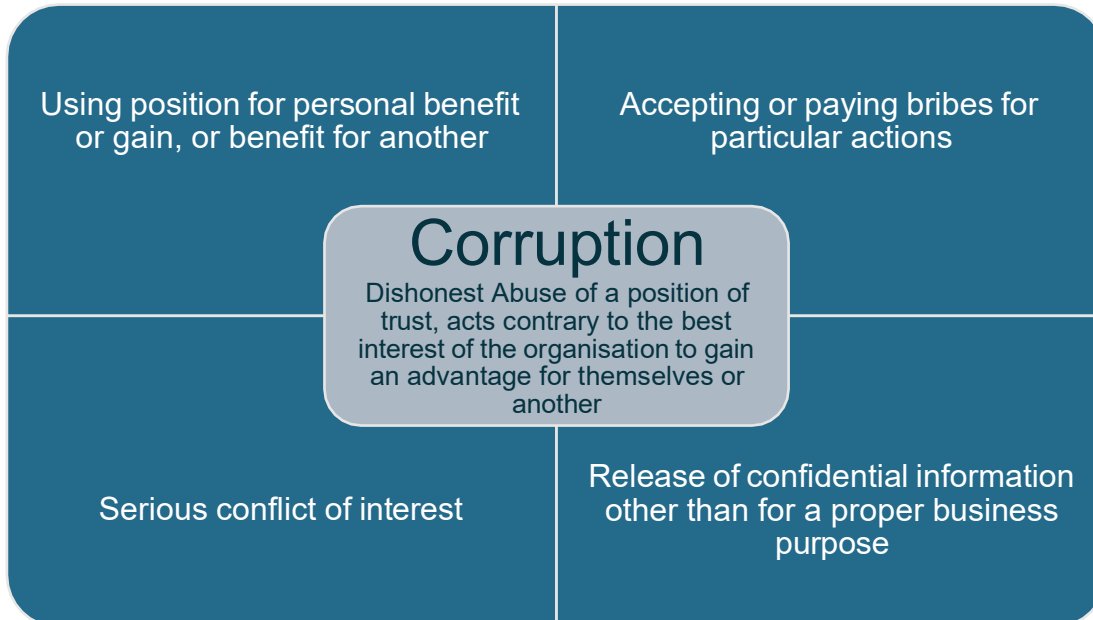


2.3.2. Corruption

The Board has adopted the following definition of corruption contained in the *Australian Standard: Fraud and Corruption Control AS 8001-2008* as:

'Dishonest activity in which a director, executive manager, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.'

Figure 3: What is corruption?



2.3.3. Misconduct.

Misconduct has the definition as per the definition in section 4 of the Public Administration Act 2004.

2.4. Statement of the Board's attitude toward fraud and corruption

The Board does not tolerate fraud and corruption. The Board is committed to the integrity of the organisation and a comprehensive and systematic approach to the effective prevention and management of opportunities for fraud and corruption.

All reports of alleged fraudulent activity will be investigated and a determination made as to the most appropriate course of action which may lead to legal, disciplinary or other action.

References made to fraud in this document should be read to also include a reference to corruption.

2.5. Code of conduct

This framework is consistent with the *Code of Conduct for Victorian Public Sector Employees 2015*.

2.6. Related plans, policies and procedures

The following plans, policies and documents regulate appropriate practices and behaviours, and should be read in conjunction with this document:

- Gifts, Benefits and Hospitality Policy
- Procurement Advice on ARV Procurement intranet page
- Code Of Conduct For Victorian Public Sector Employees
- Performance Management Policy
- Safe and Respectful Workplace Behaviours Policy
- Risk Management Guidelines
- Safety Screening Policy
- Accounts Payable Policy.
- Complaints and Grievances Resolution Policy

2.7. Related legislation and guidelines

This framework draws on, and is consistent with the following standards, legislation and guidelines:

- Financial Management Act 1994
- Standing Directions of the Minister for Finance 2018
- Public Interest Disclosures Act 2012
- Australian Standard on Fraud and Corruption Control (AS8001:2008)
- AS/NZS ISO 31000:2009 Risk Management
- Victorian Government Purchasing Board (VGPB) policies
- Victorian Government Risk Management Framework
- Public Records Act 1973.



2.8. Roles and accountability for fraud control

2.8.1. ARV staff

It is the responsibility of every ARV staff member to minimise the possibility of fraud and corruption within the organisation. This includes managing fraud and corruption related risks relevant to their role and ensuring the continued operation of controls to prevent fraud and corruption. This responsibility encompasses the immediate reporting of any known or suspected misconduct to their immediate supervisor or other identified fraud reporting point as detailed in Section One.

2.8.2. The CEO and Board

This framework is consistent with the Board's *Risk Management Framework*, and the roles and responsibilities that the CEO and Board hold. In addition to those responsibilities, the CEO and the Board will:

- maintain, model and foster the highest standards of ethical behaviour to comply with the *Code of Conduct for Victorian Public Service Employees*; and
- support staff understanding and compliance with this framework.

2.8.3. Finance, Risk and Audit Committee

The objective of the Finance, Risk and Audit Committee is to provide independent advice to the CEO on the Board's governance, risk, control and compliance frameworks, internal audit activities and its annual financial reporting responsibilities/obligations.

In regard to fraud and corruption controls, the Committee will:

- oversee the overall approach towards fraud and corruption control including the effectiveness of this framework
- receive reports of suspected fraud and review investigation reports as appropriate
- support the Head of Governance and Risk as required.

2.8.4. Head of Governance and Risk

The Head of Governance and Risk is responsible for the implementation of the fraud and corruption prevention strategies and processes for the detection and investigation of fraud and corruption.

Fraud and corruption control accountabilities include:

- prevention activities including fraud risk assessments and improvement of controls
- monitoring the handling of reports related to fraud where those reports are made to supervisors and/or other identified reporting points within ARV
- accepting reports of fraud where those reports are made to supervisors and/or other identified reporting points within ARV
- initiating investigations with regard to fraud or corruption
- reporting to the Finance, Risk and Audit Committee on matters relating to fraud and corruption
- keeping informed of current developments and issues in fraud and corruption control generally and disseminating relevant best-practice information throughout the organisation as appropriate



- sharing knowledge and facilitating the adoption of better practices on fraud and corruption related risk management across ARV
- developing training and communication initiatives to support ongoing fraud and corruption related risk awareness
- reviewing this plan and framework and considering any changes that would enhance fraud and corruption related risk management in ARV
- maintaining the following records and statistical data to support reporting purposes, and the evaluation of the effectiveness of fraud and corruption control strategies including:
 - the number of reports and/or allegations of fraud and/or corruption received; and
 - details of how the matters were progressed (review and reform of administrative processes/procedures, disciplinary action or criminal prosecution).

2.8.5. CEO, General Managers and Heads of Department

The CEO, General Managers and Heads of Department are accountable for implementing this framework across ARV. They must therefore:

- demonstrate commitment to systematic fraud and corruption related risk management and integrate it into all aspects of the business
- meet all required key performance indicators relating to the prevention and detection of fraud and corruption
- create and foster a culture that encourages open discussion about fraud and corruption related risks
- in discipline cases, ensuring that the matter is reported to the Head of People and Culture
- systematically identify, analyse, evaluate, prioritise and treat any fraud and corruption related risks that might affect achievement of government objectives or service delivery
- conduct risk assessments where fraud and corruption related risks are considered
- actively monitor key risks and associated management strategies
- report on those key risks and strategies as required by the Board's *Risk Management Guideline*
- in the case of the CEO, ensure agreed management strategies are implemented for portfolio level risks for which the CEO is responsible.



3. Planning and resourcing

3.1. Program for fraud control planning and review

This document shall be reviewed at least every two years, but a review can be triggered at any time by changes in the *Australian Standard for Fraud and Corruption Control*, the *2016 Standing Directions of the Minister for Finance*, by other legislative requirements, or by other operational requirements (as required).

All resorts and departments should apply the appropriate amount of resources to manage their own level of fraud and corruption risk.

3.2. External assistance to the Head of Governance and Risk

At times of high workload or when specialised skills are required, the Head of Governance and Risk will enlist the assistance of an external investigator to assist when conducting fraud and corruption investigations, and/or fraud risk assessments. The following services can be sourced and provided:

- forensic accounting
- computer forensic analysis
- data analytics
- fraud risk assessments
- preliminary investigation interviews
- complete investigations.

It is the responsibility of the Head of Governance and Risk to engage these services on a needs basis in conjunction with the appropriate departmental contact.

Cost associated with engaging external service providers is borne by the resort or department where the work is necessary to be undertaken. Approval by a relevant General Manager is required to engage external resources to assist the Head of Governance and Risk.

3.3. Internal audit activity in fraud and corruption control

Internal Audit operates under the *International Professional Practices Framework* (IPPF) issued by the Institute of Internal Auditors in Australia. The International Standards Practice of Internal Auditing (Standards) provides the key operating element of the IPPF, effective January 1, 2013.

Internal auditors must exercise professional care (Standard 1220.A1) to consider potential fraud risk and have sufficient knowledge to evaluate the risk of fraud and the manner in which this is managed by the organisation (Standard 1210.A2). They are obligated to look out for or consider potential fraud risks to the organisation. To achieve this, internal auditors must consider the probability of fraud when developing the engagement objectives (Standard 22.10.A2). If an internal auditor locates a fraud or identifies a potential fraud risk or exposure, they must then report this and other matters needed or requested by senior management and the Finance, Risk and Audit Committee (Standard 2060).



4. Fraud and corruption prevention

4.1. Implementing and maintaining an integrity framework

This plan is part of the Board's commitment to maintaining a fraud and corruption integrity framework. The approach outlined in this document forms an integral part of ARV's corporate, strategic and operational planning processes and objectives.

4.2. Ensuring senior management commitment to controlling the risk of fraud and corruption

The CEO and General Managers of ARV are committed to ensuring an ethical and high-integrity workplace at every opportunity. The Board does not tolerate any level of fraud or corruption, and senior management are responsible for conveying and promoting this message to staff.

4.3. Fraud and corruption related risk assessment

Fraud and corruption related risks should be assessed in the bi-annual general risk assessment like any other risk by following the Board's *Risk Management Guideline*.

A risk assessment that addresses fraud and corruption related risk will establish the level, nature, form and likelihood of fraud and corruption related risk exposures. Like any risk assessment process, assessments of fraud and corruption related risk must be conducted as an ongoing, iterative process. This will maximise the opportunity to identify and treat all fraud and corruption related risks. Consideration of risk factors should include both internal and external environments and should address all business processes.

ARV must apply the Board's *Risk Management Guideline* to assess their fraud risks as part of its business risk management process and must fully document the outcomes from the risk assessment process.

Risk assessment is a process of continuous improvement. When the risk assessment process begins, ARV must attempt to gain an understanding of the various fraud and corruption scenarios that may occur.

Core areas that a risk assessment deals with fraud and corruption related risk must consider include:

- information technology and information security
- electronic commerce, electronic service delivery and the internet
- outsourced functions and funded service delivery programs
- grants, funding agreements, and other payments or benefits programs
- tendering processes, purchasing and contract management
- services provided to the community
- revenue collection
- use of Government purchasing cards
- travel allowance and other common allowances
- salaries
- property (including intellectual property) and other physical assets including physical security.



The outcome of the risk assessment process will be the development of action items designed to mitigate and manage identified fraud and corruption related risks.

Refer to the Board's *Risk Management Framework* for full details of the risk management processes.

4.4. Position rotation

The CEO, General Managers and Heads of Department should give due consideration during risk assessments to the possibility of rotating the positions of persons performing high risk, or critical roles within ARV. Business requirements will play a large part in determining if this is feasible, however this measure should be considered when performing risk assessments.

In some cases temporary rotation to perform a short term project or a similar role on a short term basis in another public agency may be suitable as a risk measure when a position requires an occupant with mandatory qualifications or practice requirements. Ensuring positions are backfilled during periods of annual leave is also a useful tool for addressing position rotation.

4.5. Communication and awareness of fraud and corruption

The Board recognises that the primary purpose of education and training in the area of fraud and corruption is to raise the general awareness amongst staff about what fraudulent practices are, identify potential fraud, how to report these practices and to make it very clear that fraudulent practices within ARV will not be tolerated.

An awareness and training framework for managers and staff will:

- create and maintain awareness of fraud and corruption related risks
- enable staff to identify fraud risks or red flags pertaining to fraudulent activity
- educate staff as to how to report fraud and corruption
- provide periodic reinforcement of fraud control principles.

It is the responsibility of all General Managers and Heads of Department of ARV to promote an ethical culture in everything we do and to encourage staff to speak out against fraudulent acts against ARV, whether committed by staff or others.

The Head of Governance and Risk is responsible for promoting fraud and corruption awareness throughout ARV including scheduled and ad hoc presentations.

4.6. Employment screening

ARV is committed to recruiting and retaining the best employees. ARV's recruitment process, which integrates safety screening tasks, is designed to ensure ARV selects people that are able to provide quality services and uphold ARV's organisational values.

Safety screening information collected, with the applicant's informed consent, includes the following:

- information on employment history and eligibility for work, including whether the applicant has previously worked in ARV
- information to establish the identity of the applicant
- referee comment on the applicant's conduct and behaviours in the workplace
- a national police records check
- a medical assessment, for roles involving physical demands, such as in direct care.



ARV checks past employment through referee checks by the relevant program area. Where an advertised role requires a mandatory qualification, People and Culture require evidence of the qualification to be provided with 'new starter' documentation.

4.7. Supplier screening

Those engaged in contracting to external suppliers/vendors should take steps to ensure the bona fides of new suppliers and periodically confirm the bona fides of continuing suppliers. Checking the bona fides of a supplier should include the following:

- searching open source locations such as the Internet for any adverse news on the supplier and the supplier's key controllers such as the company's owner/s, the CEO and/or its senior manager/s
- consulting with other public departments or private companies who use the supplier to identify any concerns
- evaluating any suspicious activity observed by ARV during the life of the relationship, such as presentation of incomplete, incorrect or inflated invoices.

ARV should consider its ongoing commercial relationship with the other party if an inquiry finds a heightened risk of fraud or corruption in continuing to deal with that party. Consideration should also be given to whether new suppliers may have a conflict of interest in their engagement with ARV.

4.8. Excess annual leave

Staff holding excess annual leave can be an indicator of an area where fraudulent activity may be taking place. Excess annual leave is managed under ARV's Enterprise Agreement and the Victorian Public Service Executive Handbook. Specifically:

- annual leave entitlements must be taken by the end of the calendar year following the calendar
- year in which they were accrued; Note that on 1 January this equates to 152 hours of annual leave managers must monitor annual leave balances and negotiate with employees on a six-month plan to take any excess annual leave
- note that the plan may be extended to twelve months if there is excessive annual leave and the work unit's organisational needs indicate the need for the presence of the employee
- if mutual agreement cannot be reached, the manager must direct employees to take the excess annual leave taking into account the employee's personal and family responsibilities.

4.9. Employee awareness and training

Employee awareness about fraud is important for the prevention and control of both internal and external fraud. To ensure ARV's fraud awareness program is effective initial training on fraud and corruption, including how to report misconduct will be delivered to all staff through ARV's induction program.

ARV will provide regular and ongoing fraud and corruption awareness program to staff include information and training about fraud prevention, detection and reporting of fraud or corruption. Training will be offered on both a scheduled and adhoc basis. Managers wishing to schedule fraud and corruption prevention training for their teams should contact the Head of Governance and Risk.



Fraud and corruption detection

4.10. Fraud and corruption detection program

ARV is committed to identifying, investigating and deterring fraud and corruption in the workplace, and runs a multi-faceted detection program.

Historically, a high number of reports of fraud and corruption are made by an internal 'tip off' or 'whistleblower'.

The Head of Governance and Risk provides input to the General Manager, Corporate Services in regard to planned audits of systems or processes that may have a higher risk of potential fraud and corruption.

4.11. Defining the external auditor's role in detection of fraud

The Office of the Victorian Auditor General conducts financial, information technology, performance and special audits, which evaluate the efficiency and effectiveness of Victorian public sector entities, including an examination of corporate governance issues, such as risk management and other control structures, resource use, information systems, performance measures, reporting and monitoring systems, and legal compliance.

Audits may from time to time be undertaken to examine ARVs' fraud control arrangements. All external audits will be conducted in accordance with *Australian Audit Standards* and will incorporate the requirements of ASA 240 to consider fraud and error in an audit of a financial report.

4.12. Managing a report of fraud or corruption

When a report or allegation of fraud or corruption is received, every effort must be made to deal with such reports quickly and decisively.

All reports of fraud or corruption should be treated in confidence and referred to the Head of Governance and Risk.

The Head of Governance and Risk or nominee will record all reports of actual and suspected Fraud, Corruption and Other Losses, noting the nature of the report, the time received and remedial actions planned and taken. A copy of these records shall be provided to the Responsible Minister, Portfolio Department or Finance, Risk and Audit Committee upon their request.

In examining cases of suspected fraud, management and staff must ensure that their inquiries do not prejudice any subsequent investigation. If in doubt, do not pursue any further investigations and contact the General Manager, Corporate Services.

Confidentiality is a key consideration and all cases should be treated on a need-to-know basis. False rumours and innuendo must be avoided to protect reputations of innocent people. It is also important to avoid alerting any person who may be suspected of fraud, or who is under investigation. This is necessary to minimise the chance of a cover up or of vital evidence being destroyed.



4.13. Mechanisms for reporting suspected fraud and corruption incidents

4.13.1. Reporting suspected frauds or corruption

When an instance of suspected misconduct is identified, an initial report must be made by any member of staff, the public, clients, to any of the following persons:

- immediate supervisor/Head of Department/General Manager of a staff member who is alleged to have engaged in conduct that constitutes or may constitute fraud or corruption (unless that person may be implicated in said instance)
- the Head of Governance and Risk
- any General Manager
- the CEO
- IBAC.

Any reports of misconduct that are made to ARV (whether to a supervisor, Head of Department, General Manager or the CEO) are to be referred to the Head of Governance and Risk. This is irrespective of whether the matter has also been reported to the police for action or not.

The Head of Governance and Risk may:

- determine if the suspected fraud is a possible criminal offence, or a possible misconduct matter
- if the matter is determined to unlikely be a possible criminal offence, refer the matter to a divisional representative, or to the General Manager, Corporate Services for investigation
- if the matter relates to alleged criminal conduct by a department employee, report the matter to Victoria Police and manage ARV's involvement in any subsequent criminal investigation
- if the matter meets the mandatory reporting threshold under the *Independent Broad-based Anti-corruption Commission Act 2011*, facilitate via the CEO the reporting of the matter to IBAC
- perform a liaison role with IBAC and/or the Victoria Police in relation to matters that are reported to them or referred to them.

Note: If the matter is determined not to be a criminal matter, the Head of Governance and Risk will not manage ARV's involvement in the investigation and will refer the matter through the appropriate internal channels for resolution. Misconduct investigations are managed in accordance with the Complaints and Grievances Resolution Policy and the External Complaints and Grievances Resolution Policy.

Reports of fraud, corruption or suspected fraud and corruption can be made as detailed in section 1.

4.13.2. Obligations of reporting fraud and/or corruption by funded organisations or portfolio agencies

As a portfolio agency external to DEECA, ARV are required to notify DEECA upon notification of a suspected fraud or corruption within or concerning its organisation.

Where a requirement exists in accordance with requirements of the *Standing Directions of the Minister for Finance*, it is also the responsibility of ARV to notify the Responsible Minister, Audit Committee, Auditor-General and IBAC in certain circumstances, of any suspected or actual loss. (See: *Reporting fraud, theft and losses*)



4.13.3. Reporting suspected fraud and corruption to Victoria Police

ARV requires all allegations of criminal conduct to be promptly reported to the Victoria Police.

If there are questions as to the identity of a person who may have committed a criminal offence (for example, the release of confidential information where it is not apparent who has released the information) or if a General Manager, Head of Department or staff member is unsure if a set of circumstances or incident is a criminal offence, the Head of Governance and Risk should be contacted for advice.

For all fraud and corruption related matters, the Head of Governance and Risk must be notified as soon as practicable if the matter has been reported to Victoria Police, or if disciplinary action is considered or taken.

4.13.4. Reporting suspected fraud and corruption to the Independent Broad-based Anti-corruption Commission (IBAC)

IBAC investigate allegations of corrupt conduct as defined by the *Independent Broad-based Anti-corruption Commission Act 2011*. Commencing December 2016 there is a legislative requirement for mandatory reporting of identified or suspected corrupt conduct to IBAC.

ARV recognises the need to assist IBAC where possible and potentially utilise the skills and legislative powers that IBAC possesses when conducting investigations into potential corruption in the public service.

Any staff member can make a report of corruption or misconduct directly to IBAC via their established Protected Disclosure Process. IBAC assess these reports to determine if they will conduct an investigation or refer to another investigative body.

The Head of Governance and Risk is the current day to day contact with IBAC. The Head of Governance and Risk is responsible for assessing and referring any matters reported under this Framework to IBAC for assessment or investigation, as appropriate.

4.13.5. Reporting fraud, theft and losses

In addition to other reporting requirements already detailed above, is the responsibility of the Head of department or General Manager who is the local contact for any specific fraud or theft occurrence to ensure that the appropriate notifications are made in relation to monetary or non-cash losses associated with fraud and corruption.

Standing Direction 3.5.3 provides that where ARV becomes aware of an actual or suspected, significant or systemic fraud, corruption or other loss, it must:

- notify, as soon as is practicable, the responsible Minister, Audit Committee, Portfolio Department, Auditor-General and IBAC in certain circumstances, of the incident and remedial action to be taken
- ensure that the persons notified under the Direction are kept informed about the incident, including the outcome of investigations
- ensure that ARV takes appropriate action to mitigate against future fraud, corruption and other losses.

'Significant or systemic' means an incident, or a pattern or recurrence of incidences that a reasonable person would consider has a significant impact on ARV or the State's reputation, financial position or financial management.



For the purpose of reporting under Direction 3.5.3 the defined value threshold, above which an actual or suspected fraud, corruption or other loss is considered 'Significant' is \$1 000 in relation to purchasing and prepaid debit cards, \$5 000 in money or \$50 000 in other property.

An incident report must state, in addition to any other information that it appears appropriate:

- whether internal controls and systems have been reviewed
- whether any weaknesses in internal controls and systems have been identified and have or will be rectified
- the status of any proceedings, investigations or disciplinary actions
- what has been recovered, whether by way of money, stores, other property or insurance.

In accordance with Standing Direction 3.5.2(a), ARV must provide the responsible Minister or Audit Committee with copies of any documents relating to a suspected fraud, corruption or other loss on request.



5. Responding to fraud and corruption incidents

5.1. Procedures for the investigation of detected or suspected fraud or corruption

ARV will investigate instances of suspected fraud or corruption followed by appropriate action including referral to Victoria Police, IBAC and/or disciplinary action.

ARV will assess each matter on its own merits. This is a two-stage process.

A preliminary stage, where enquiries are made in order to identify the persons involved in the conduct that has been reported, and determine whether the matter should be referred to Victoria Police and/or IBAC, and/or how the matter should be investigated. The Head of Governance and Risk and the local Head of Department and/or General Manager (dependant on the situation) will decide whether a preliminary enquiry needs to be conducted by management, the Head of Governance and Risk, or an external firm/contractor; or if enough evidence exists for an investigation to be conducted.

The secondary stage involves the conduct of an investigation to establish whether a fraud or corruption may have occurred and if so, what action ARV can/should take. This stage should be conducted by or managed by the Head of Governance and Risk in conjunction with the relevant local Head of Department or General Manager.

For any potentially criminal matter, an investigation should be managed by the Head of Governance and Risk. This is to ensure the investigation is conducted in a manner consistent with a criminal investigation process, can apply measures to make sure all evidence is collected in an admissible manner, and that procedures are followed to ensure any subsequent law enforcement investigation is not compromised.

It is also important to conduct an investigation in a manner that affords all parties involved in the matter their basic human rights, natural justice and to not circumvent or compromise the established misconduct process.

The object of an investigation in this context is to:

- identify evidence that is material in determining an allegation of improper conduct
- establish the identity of the alleged person engaging in improper conduct
- establish a nexus between the individual and the alleged conduct.

It is also important when conducting or managing an investigation to:

- gather relevant information in a timely and legally admissible manner
- protect the privacy of those making an allegation and other witnesses.

All incidents that may lead to police referral or disciplinary action must be investigated by an appropriately skilled and experienced investigator appointed only by the Head of Governance and General Manager, Corporate Services.

Reports of potential criminal activity must be made to the Victoria Police.

All investigations involving criminality or potential criminality will be subject to an appropriate level of supervision by the General Manager, Corporate Services, with the Finance, Risk and Audit Committee to be advised of serious cases.

Investigation of improper conduct may involve the following core activities:



- interviewing of relevant witnesses including obtaining statements where appropriate from witnesses internal and external to the entity
- reviewing and collating documentary evidence
- forensic examination of computer systems
- forensic accounting
- examination of telephone records and department issued mobile telephones
- enquiries with banks and other financial institutions (subject to being able to obtain appropriate court orders if necessary)
- enquiries with other third parties
- data search and seizure
- data analytics
- expert witness and specialist testimony
- tracing funds/assets/goods
- preparing briefs of evidence
- liaison with the police or other law enforcement or regulatory agencies
- report preparation.

5.2. Internal reporting and escalation

It is the responsibility of the Head of Governance and Risk to report on all fraud and corruption matters within ARV. The CEO, General Managers and Heads of Department must notify the Head of Governance and Risk of any fraud or corruption that they are aware of for inclusion in any internal reporting.

Any report of fraud or corruption received by any staff member must be relayed to the Head of Governance and Risk. If the matter is urgent, and the matter needs attention by law enforcement, a report should be made to police as soon as possible.

Matters involving material loss, media attention, potential political notice, or potential for criminal charges against a staff member should immediately be reported to the Head of Governance and Risk, appropriate General Manager or the CEO depending on the seriousness and urgency of the situation.

5.3. Disciplinary procedures

All discipline or misconduct investigations relating to an internal staff member will be conducted in accordance with the Performance Management Policy.

If during the course of a disciplinary investigation it is determined that criminal offences may have been committed, a report is to be made to Victoria Police. To ensure that a criminal investigation is not compromised, clearance may need to be sought from Victoria Police for ARV to:

- > commence a disciplinary investigation;
- > notify the employee of misconduct allegations;
- > interview witnesses to inform a disciplinary investigation; and
- > release information to the employee or their representative for procedural fairness purposes.

For further information on disciplinary procedures, contact ARV's Head of People and Culture.



5.4. Policy for civil proceedings to recover the proceeds of fraud or corruption

If any legal proceedings are to be considered to recover funds or value of assets lost due to fraud, corruption or misappropriation, the General Manager, Corporate Services should be contacted in the first instance for advice.

Avenues may exist for ARV to take immediate civil recovery procedures, or through the criminal court system by way of an application for restitution upon sentencing of a convicted individual.

Where there is clear evidence of fraud or corruption and where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action, then recovery action will be undertaken.

5.5. Internal control review following discovery of fraud

To ensure that any control weaknesses are rectified, a review of the internal control environment should be performed by operational management after an incident of fraud has occurred.

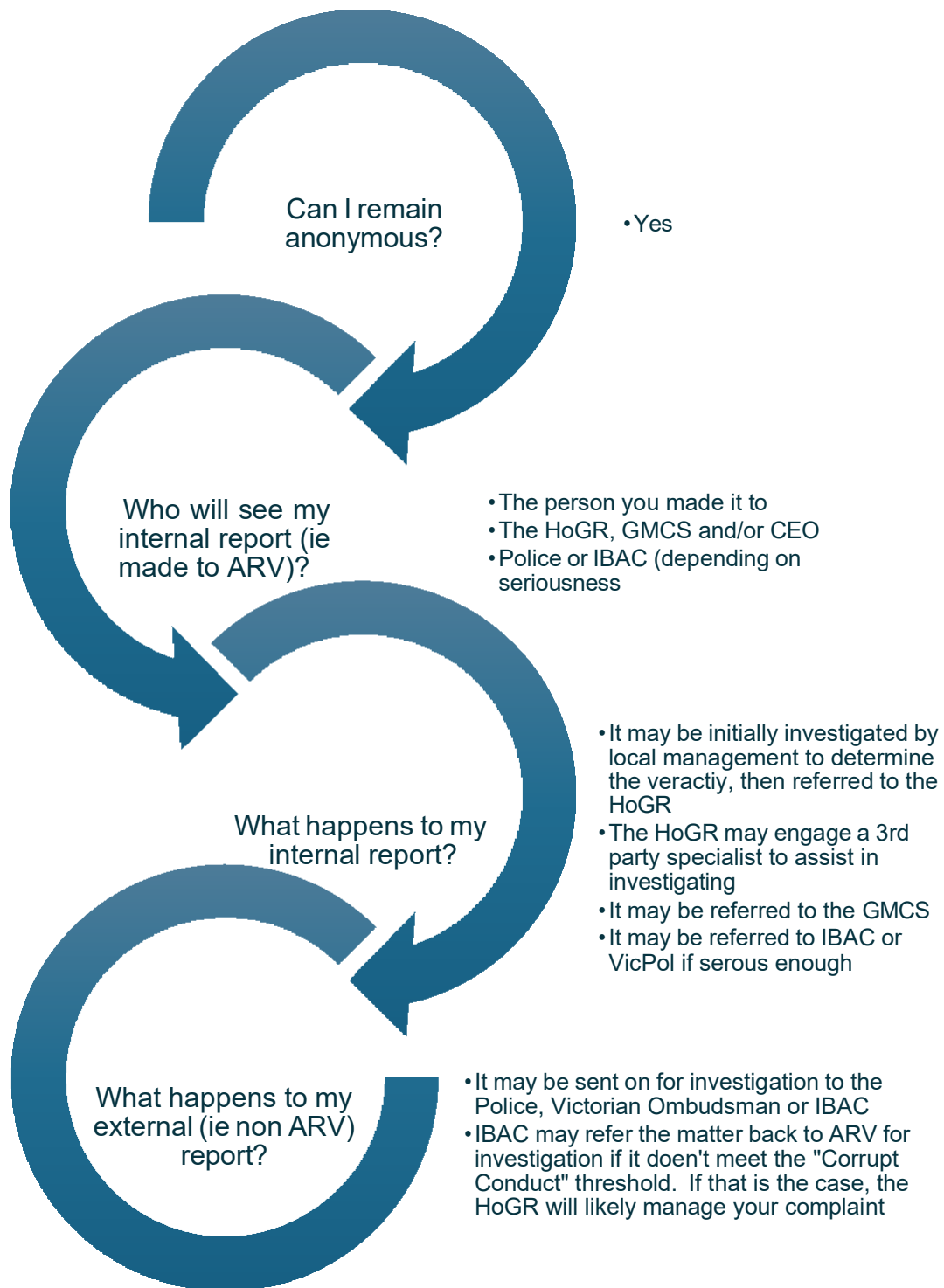
In cases of material fraud, Internal Audit may conduct an internal control review to evaluate the effectiveness of the internal controls in preventing further such incidences. Review outcomes may include the need for:

- new or strengthened controls
- revised policy or procedure
- additional staff training
- increased frequency of Internal Audit review.



6. Commonly asked questions

Figure 2: Questions and answers





Alpine Resorts
Victoria

