

BOARD POLICY 1.16

BP 1.16 Integrity Framework



Falls Creek Alpine Resort Management Board ('the Board')

1. Scope

This integrity framework consolidates the key standards of conduct and accountabilities that apply to Board members, collectively and individually, into a single policy. The framework incorporates:

- integrity obligations and accountabilities in the *Public Administration Act 2004* (PAA);
- the Code of Conduct for Directors of Victorian Public Entities ('Directors' Code of Conduct'); and
- other public sector integrity obligations and good practice.

2. Key principles

The key principles are:

- a. **Obligations:** the Board acts in accordance with its obligations and good public sector governance practice.
- b. **Public interest:** the Board acts in the public interest. Board members comply with the required standards of integrity. They place the public interest above their own interests when carrying out their official duties.
- c. **Culture of integrity:** the Board models and fosters a culture of integrity. Board members, employees and external stakeholders are supported to raise integrity issues.

The Board's policy is consistent with the integrity framework model policy published by the Department of Environment, Land, Water and Planning ('DELWP').

3. Overview

Board members are appointed pursuant to the *Alpine Resorts Management Act 1997*, which contains sections prescribing integrity obligations including:

- s 35 Board acts on behalf of the Crown
- s 42(4) *Public Administration Act 2004* ('PAA' - other than Part 3 of that Act) applies to Board members
- s 52 Disclosure of interest obligations

and are to act in the **public interest** at all times, collectively and individually.

The public sector values in section 8 of the PAA are the cornerstone of the Board's integrity framework. Other integrity obligations in or issued under the PAA, such as the Directors' Code of Conduct, flow from these values. The Board's integrity framework is broader than the Directors' Code of Conduct issued by the Victorian Public Sector Commission (VPSC) as it also includes integrity obligations arising from government policy; directions, guidelines and/or statements of expectation issued by the Minister or the Secretary of DELWP; the Board's own policies; and any relevant policies and processes or other documentation of the Board.

4. Public Sector Values

All Board members have a fundamental obligation to comply with the public sector values in section 7 of the PAA and to incorporate these values into their decision making. These values are responsiveness, integrity, impartiality, accountability, respect, leadership and human rights.

5. Directors' code of conduct

Board members must comply with the Directors' Code of Conduct issued under the PAA by the VPSC, which includes integrity requirements that reinforce the public sector values and related obligations in the PAA, in particular:

- individual board members (s 79); and
- the Board collectively (s 13A, 80, 81, 82, 85).

6. 'Duties of directors' (s 79)

Board members must act consistently with the 'duties of directors' (Board members) in s 79 of the PAA. These duties expand on the public sector values, requiring Board members to:

- **Performance of duties:** act honestly; in good faith in the best interests of the agency; with integrity; in a financially responsible manner; with a reasonable degree of care, diligence and skill; and in compliance with the establishing Act and any subordinate instrument;
- **Confidentiality:** maintain confidentiality, even after their appointment expires or otherwise terminates;

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- **Use of information:** avoid improperly using their position or any information acquired in their role as a Board member to gain advantage for themselves or another person or to cause detriment to the agency; and
- **Elections:** if standing for election to parliament (federal, state or territory) or local council:
 - formally notify the Board, for recording in the minutes; and
 - avoid using any resources of the agency in connection with their candidature.

Note that further information can be found in the Terms and Conditions of Appointment support module on **On Board** (www.delwp.vic.gov.au/onboard).

7. Board's collective integrity

The Board must comply with its collective integrity obligations, including:

- **Functions and powers:** the Board must ensure that all its actions and decisions are consistent with:
 - the functions and powers in the establishing Act; and
 - the agency's strategic plans, corporate plans, business plans and related documents.
- **Accountability to the Minister:** the Board must act in accordance with its collective accountability to the Minister.
- **Major risks:** the Board must inform the Minister and the Secretary of DELWP of all known major risks, existing and emerging, to the effective operation of the agency and of the management systems that are in place to address those risks.
- **Information to the Minister and Secretary:** unless prohibited by law, the Board must provide any information relating to the agency or its operations that the Minister or Secretary of DELWP requests.
- **Loans:** the Board must **not** make loans, directly or indirectly, to any Board member or relative of a Board member, or provide a loan guarantee or security for them.

8. Establishing Act

Board members must comply with any integrity requirements specified in the *Alpine Resorts (Management) Act 1997* and/or *Alpine Resorts Management Act Regulations*.

9. Board policies

Board members must comply with the Board's charter, policies and procedures. Refer to:

- Governance Charter BP 1.07

Of particular relevance are the Board's integrity policies on:

- Gifts, Benefits and Hospitality BP 1.11
- Board Meetings and Decision Making BP 1.08
- Board Conflict of Interest BP 1.19
- Procurement (FA 3.1)
- Fraud and Corruption Control BP 1.21, BP1.21a

The Chair will ensure that up to date copies of all Board policies (and other policies of the agency) are provided to, or readily accessible to, each Board member. This includes ensuring that each new Board member is aware of the Board's policies and the importance of complying with them.

10. Employees and integrity

Public Sector Employment Principles

The Board must treat the Chief Executive Officer ('CEO') and other employees of the agency in accordance with the public sector employment principles in section 8 of the PAA and related employment standards and must ensure that the CEO has mechanisms in place to apply and promote the principles and standards throughout the agency.

The applicable principles are:

- (a) employment decisions must be based on merit;
- (b) employees must be treated fairly and reasonably;
- (c) there must be equal opportunity employment;
- (ca) Victoria's Charter of Human Rights and Responsibilities must be upheld; and

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- (d) employees must have a reasonable avenue of redress against unfair or unreasonable treatment.

Code of Conduct for Victorian Public Sector Employees

The Board must ensure that the CEO complies with the public sector values, the Code of Conduct for Victorian Public Sector Employees and related employee integrity obligations (e.g. in the Board's policies) and has mechanisms in place to:

- assist executives and other employees to understand that the agency is part of the Victorian public sector and that, as public sector employees, they must also comply with those obligations;
- promote compliance with employee integrity obligations, including providing each new employee with access to the Code of Conduct for Victorian public sector Employees as part of their induction; and
- ensure that employees understand that a breach of their integrity obligations may constitute misconduct.

Contracts for 'in house' contractors and consultants

Contracts for 'in house' contractors and consultants, including those engaged through an employment firm, must explicitly state that the person is bound by the Code of Conduct for Victorian Public Sector Employees and by the integrity (e.g. conflict of interest) and other relevant policies that apply to the agency's employees.

'In house' contractors and consultants are those who:

- supervise employees of the agency; or
- undertake work similar in nature to that undertaken by employees of the agency at premises or locations generally regarded as workplaces of the agency; or
- use or have access to the agency's resources or information not normally accessible or available to the public.

11. Culture of integrity

Integrity processes and reporting

The Board must ensure that the CEO has suitable processes in place to meet the agency's integrity and related reporting obligations, including the CEO's own obligation to report to the Independent Broad-based Anti-corruption Commission ('IBAC') any conduct that he or she suspects on reasonable grounds is corrupt.

Speaking up

It is essential that Board members, employees and external stakeholders are supported to raise integrity issues, including queries and issues relating to their own conduct or that of others. The Board will ensure that the CEO has processes in place to support this occurring. Decisive action will be taken against any person who discriminates against or victimises a person who speaks up in good faith about a possible breach of this policy.

Advice

A Board member who is unsure of the application of this policy, or any integrity matter, should seek advice from the Chair. The Secretary of DELWP can provide advice on integrity matters to the Chair, or, if the Chair's conduct is the subject of the query, to a Board member.

12. Breach of this policy

A breach of a Board member's integrity obligations may constitute misconduct and may result in the Board member being removed from the Board.

13. Further information

Further information can be sourced from the integrity framework support module on DELWP's governance website, **On Board** (www.delwp.vic.gov.au/onboard).

14. Regular review of this policy

The Board will review this policy on an annual basis or more frequently, if required, to keep up-to-date with changes to laws, government policy, etc.

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Authorisations and Document Parameters

Document Title:	BP 1.16 Integrity Framework		
Document File Path:	T:\14. Policies & Work Practices\14.02 Board Policies\14.02.01 Approved\BP 1.16 Integrity Framework.docx		
Author:	DELWP model policy	Owner (Title):	FCARMB
Contributors:	CEO & DCS	Authorised by:	FCARMB
First Adopted:	26 February 2018	Status:	Approved
Last Amended:	October 2020	Next Review:	October 2021
Last Amendment approved by:	FCARMB	To be approved by:	FCARMB
Revision No:	2	Replaces:	1
Amendment summary:	<p>Version 2 (Oct 2020) – clarification provided to Board around ‘in house’ contractors.</p> <p>(Aug 2020) – Insertion of ‘in house’ contractors and consultants paragraph (per model policy) and other minor amendments</p> <p>Version 1 (Feb 2018) – Broadening of scope to cover additional integrity requirements and changed title from ‘Board Code of Conduct’ to ‘Integrity Framework’ (per DELWP model policy and integrity framework revisions).</p>		