

Western Australian Auditor General's Report



Grants Administration



Report 12: 2020-21
28 January 2021

**Office of the Auditor General
Western Australia**

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The Office of the Auditor General acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

Grants Administration

Report 12: 2020-21
January 2021



**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

GRANTS ADMINISTRATION

This report has been prepared for submission to Parliament under the provisions of sections 24 and 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of my Office's overall program of audit and assurance for Parliament. They seek to provide Parliament and the people of WA with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed if State government entities had sound grant administrative practices for various stages of the grant process, including awarding and approval of grants, monitoring of grant milestones, acquittal of grants and assessing the effectiveness of their grant programs.

I wish to acknowledge the entities' staff for their cooperation with this audit.

A handwritten signature in black ink, appearing to read 'Caroline Spencer'.

CAROLINE SPENCER
AUDITOR GENERAL
28 January 2021

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Auditor General's overview

Grants are a means by which governments offer targeted financial assistance to individuals and organisations to help facilitate policy outcomes.

This audit examined whether key financial and probity controls were implemented in 8 State government entities responsible for administering grants. The audit tested some \$30 million of grants across more than a dozen granting programs worth almost \$300 million over 2 financial years to 30 June 2019.



It is critical that government entities administer grants in a way that ensures funds are allocated in accordance with eligibility requirements via a transparent process, and are spent in accordance with the stated purpose of the grant program and parliamentary appropriation.

Unlike the Commonwealth public service, Western Australia (WA) currently operates without an agreed grants framework, including for election commitments. As such, it is unfortunate, but not entirely surprising, that the quality of grants administration in WA is variable.

The findings in this audit and observations from our other audit work indicate that, while some entities and officers are adept in their practices, grant administration across the WA public sector generally needs improvement. Establishing a framework similar to the *Commonwealth Grants Rules and Guidelines 2017* should help put grants administration in this State on a trajectory towards consistently better practice. I have included this as one of the key recommendations of this report.

The Government has noted a similar recommendation from the Legislative Council's Standing Committee on Estimates and Financial Operations June 2020 report on *The Local Projects Local Jobs program and the establishment of a Parliamentary Budget Office*. I trust the findings of my Office's latest audit reinforce the merit of developing standardised guidance to promote excellence in the administration of WA's many and varied grant programs.

Regrettably, this audit was substantially delayed due to a range of factors including a diversion of staff resources from report finalisation to increase efforts on financial auditing during the height of the COVID-19 response, and prolonged discussions with an audited entity around accessing information (legal advice) necessary to complete our audit enquiries.

Executive summary

Introduction

State government entities (entities) provide hundreds of millions of dollars in grant funding each year. A grant is a financial assistance arrangement provided to a non-government organisation, a public sector entity or an individual, for a discrete purpose and period, either by instalment or lump sum.

Good grant administration helps to ensure that grants are awarded fairly, used for the intended purposes and achieve intended program outcomes. Entities need to demonstrate that assessment and approval of applications is in accordance with approved policies and processes, grant programs are monitored and results evaluated.

This report contains the results of our assessment of whether the sampled entities had sound administrative practices largely aligned with the *Commonwealth Grant Rules and Guidelines 2017* for the various stages of the grant process. A better practice guide outlining key principles for sound grant administration is at Appendix 2.

We have included a brief case study of the Department of Primary Industries and Regional Development's (DPIRD) oversight and administration of the Albany Wave Energy Technology Development Project, which was one of the grants included in our sample following a request from a member of Parliament. This case study (on pages 9 and 10) demonstrates the difficulties entities face with administering election commitment grants in the absence of clearly established rules, requirements or guidelines.

Background

Grants are payments of public money to individuals or entities for a particular stated purpose often linked to a government's policy objective. They can also be linked to election commitments. Grants can arise out of an open merit-based competitive process or a closed non-competitive process where the preferred applicant is assessed against a specific set of criteria. Whichever process is used, it is important that a policy framework is in place to guide the manner in which grants are awarded and subsequently administered.

In the absence of an agreed framework, including rules, requirements or guidelines for grants and election commitments in WA, our audit assessed whether entities were applying sound grant administrative practices.

Our last report on the administration of grants¹ examined 8 entities. That report found that 3 entities needed to better demonstrate that grant application assessments were transparent and equitable.

Our *Audit Results Report – Annual 2017-18 Financial Audits of State Government Entities* (Report 7: November 2018) included our findings and recommendations on the Local Projects, Local Jobs program. We noted there was no formal State policy on how election commitments should be administered.

The Estimates and Financial Operations Committee, in its report *The Local Projects Local Jobs program and the establishment of a Parliamentary Budget Office* (Report 82, June 2020), made a similar observation and recommended that the Government:

- inquire into and consider a formal State policy for administering election commitments

¹ Office of the Auditor General WA, [Grant Administration](#), 7 July 2016.

- inquire into and develop rules and guidelines such as the Commonwealth Grants Rules and Guidelines for implementation in WA.²

The findings of this audit confirm the value and necessity of such initiatives at a statewide framework level.

Conclusion

Grant administration in the WA public sector needs improvement. Only 2 of the 8 entities we audited had good grant administration practices across all of our audit criteria.

For the other entities, the results were variable:

- most entities had policies and procedures for managing grant expenditure, but some were not comprehensive or applied a mix of policies. Two entities had some grants which were not governed by a relevant business unit or entity-wide grant policies or procedures
- 4 entities needed to better demonstrate probity in grant application assessments and better manage conflicts of interest
- 5 entities needed to improve monitoring and acquittal of projects to ensure grants were used for agreed purposes
- 5 entities needed to improve their periodic assessment of the effectiveness of grant programs
- 2 entities had election commitment grants which were not clearly governed by any framework, including rules, requirements or guidelines to assess and fund the grants. This made it difficult for the entities to consistently demonstrate better practice when administering the grants and shortcomings in processes were evident.

What we did

The focus of our audit was to assess whether the sampled entities had sound grant administrative practices for various stages of the grant process, including awarding and approval of grants, monitoring of grant milestones, acquittal of grants and assessing the effectiveness of grant programs. We used the principles in the *Commonwealth Grant Rules and Guidelines 2017* as a broad benchmark for sound practice.

We assessed practices at 8 entities over a 2 year period from 1 July 2017 to 30 June 2019 using the following criteria:

1. Do entities have suitable policies and procedures for managing grant expenditure?
2. Are applications assessed and approved in a transparent and equitable manner?
3. Are funded projects and activities appropriately monitored and acquitted to confirm that grant moneys were used in accordance with agreed terms for agreed purposes?
4. Has management assessed the effectiveness of the entity's grants programs?

² In its response to the Committee, the Government advised that it 'notes' both recommendations. Hon Mark McGowan MLA, Premier, [Letter to Standing Committee on Estimates and Financial Operations](#), 18 August 2020, p. 2.

We tested 74 grant agreements across the 8 entities. At 7 of the entities the tested grants totalled \$31.3 million. For the other entity, DPIRD, we only tested 1 grant that resulted in a payment of \$2.6 million in 2018-19. This is the focus of our case study on page 9.

We have reported detailed findings to the entities and encouraged them to ensure our audit findings and recommendations are appropriately addressed by management in a timely manner.

We conducted this audit under section 18 of the *Auditor General Act 2006* and in accordance with Australian Auditing and Assurance Standards.

The following 8 entities were included in this audit:

Entities
Department of Education (Education)
Department of Fire and Emergency Services (DFES)
Department of Mines, Industry Regulation and Safety (DMIRS)
Department of Planning, Lands and Heritage (DPLH)
Department of Primary Industries and Regional Development (DPIRD)
Department of Water and Environmental Regulation (DWER)
Minerals Research Institute of Western Australia (MRIWA)
Racing and Wagering Western Australia (RWVA)

Source: OAG

Table 1: Entities included in our audit

Findings

The MRIWA and RWWA displayed sound policies, practices and controls for grant administration. The other 6 entities need to improve various aspects of their policies and practices, in particular management and monitoring of their grants.

Entities	Policies and procedures	Controls over assessment of grant applications	Monitoring and acquittal of grants	Assessment of the effectiveness of grant programs
Education	Needs improvement	Needs improvement	Needs improvement	Needs improvement
DFES	Needs improvement	Needs improvement	Needs improvement	Needs improvement
DMIRS	Needs improvement	Good	Good	Needs improvement
DPLH	Needs improvement	Good	Needs improvement	Needs improvement
DPIRD*	Needs improvement	Needs improvement	Needs improvement	Not assessed
DWER	Needs improvement	Needs improvement	Needs improvement	Needs improvement
MRIWA	Good	Good	Good	Good
RWWA	Good	Good	Good	Good

Source: OAG

* Ratings for DPIRD based on an assessment of its administration of the Albany Wave Energy Technology Development Project only. The project did not proceed to finalisation – see case study on page 9.

Table 2: Entities ratings against criteria

Most entities need to improve their policies and procedures for managing grants

Comprehensive policies and procedures provide clarity and consistency for those approving and managing grants. This helps ensure that grant allocations are fair and equitable, and used for intended purposes. Without clear guidance for staff, grants may not be allocated in a consistent and equitable way.

Policies and procedures at 3 entities were either not comprehensive or consistent with the entities' practices. We noted a lack of comprehensive guidance in the assessment and monitoring of grants in the areas of:

- who performs the assessment or monitoring
- documentation requirements on assessment or monitoring activity
- criteria or guidelines for assessment
- time frames for assessment
- conflict of interest management
- incentive and sanction mechanism

- independent review of assessor's decision
- variation to agreements.

One entity, in the absence of clear guidance, applied a mix of policies (see case study).

Delegation information in 1 entity's grant and funding agreement process guide was inconsistent with its overall delegation schedule. The process guide authorised the head of a cost centre to approve grants to not-for profit organisations for up to \$100,000, but the overall delegation schedule only allowed the executive director or regional executive director this level of authorisation. The entity has now addressed this inconsistency. Contradictory information for staff may lead to grants being approved inappropriately.

Most of the 8 entities had proper internal control and accountability arrangements that dictated no single person appraised an application from end-to-end. However, 3 entities displayed inconsistent practices:

- their procedures did not require an independent review of the assessor's recommendation to award or not award a grant prior to approval
- for 9 of the grants in our sample no independent review was performed.

Most of the grants we tested were subject to either entity-wide grant policies or procedures, or those of a business unit. Neither DMIRS nor DPLH had entity-wide policies and procedures. Further, 2 of the sampled grants issued by DMIRS, and 3 issued by DPLH, were not subject to any business unit grant policy or procedure. At a minimum, entities should have business unit level grant policies and procedures to ensure consistent decision-making.

Some entities need to better manage conflicts of interest and demonstrate probity in grant application assessments

All entities need to have strong processes for assessing eligibility for and prioritising funding. Staff making decisions should be suitably skilled and free from any conflicts of interest. The decision-making process should also be documented to make it transparent.

The MRIWA, DMIRS, DPLH and RWWA demonstrated good controls over their assessment of grant applications. At the other entities we found:

- deficiencies in recordkeeping at 3 entities, including missing applications, assessments, recommendations, reviews and approvals records
- non-compliance with policies and procedures such as no evidence of verifying application information. At 1 entity, 2 of the 10 grant agreements we tested had been signed by officers who did not have the required delegation
- in 1 of the grant agreements sampled at Education, we noted a letter informing the successful applicant of the result of the assessment for a one-off grant of \$150,000 was issued on 14 June 2018. This was 6 days prior to the Program Governance Group's out-of-session decision sign-off and the Director General's approval of the decision on 20 June 2018
- 3 entities failed to document whether their grant assessors had any conflicts of interest in all or some of the sampled grants. One of these did not require or have any declarations of conflicts of interest for grant assessments. At another entity, 4 of the 11 grants tested did not have any declarations and for another grant only 2 of the 4 panel members completed the conflict of interest declaration form. Another entity did not have completed forms in 6 of the 12 grants tested

- 1 entity did not consistently adhere to the highest level of probity and accountability in all aspects of the funding of a project (see case study).

Entities need to improve monitoring and acquittal of projects to ensure grants are used for agreed purposes

Entities should require acquittal from grant recipients to gain assurance that the moneys were used for the approved purposes. The level of information and assurance required in the acquittal should depend mainly on the dollar value and the nature of the grant. Without acquittal, grants may not be used for agreed purposes.

The more serious deficiencies or non-compliances with the terms and conditions of the grant agreements found during the audit across entities were:

- entities did not receive periodic updates from grant recipients and had not followed up incomplete or missing project reports. Grant recipients had not submitted progress reports or had submitted late or incomplete reports. In some instances, reports that had been submitted could not be located and other relevant information could not be provided when requested. Issues were found in 47% of cases tested:

Entity	Audit tested	Non-compliances	% of grants in audit sample with non-compliant elements
1	10	9	90%
2	11	4	36%
3	10	2	20%
4	12	5	42%
Total	43	20	47%

Source: OAG

Table 3: Non-compliance found in grant agreements

- for 1 grant, an entity did not follow the grant agreement's terms and conditions requiring 50% of the funding to be disbursed on commencement of project and the remaining 50% to be disbursed when the project was complete. Instead, 5 payments were made totalling \$74,970, with the final instalment paid before the project was complete
- 10 of the grant agreements at 2 entities had no clauses on recovery of grants if the grant recipient failed to comply with grant conditions or other remedies for non-compliance.

These deficiencies and non-compliances increase the risk that the entities may not fully protect taxpayer funds in the event of disputes.

Most entities need to improve their periodic assessment of the effectiveness of grant programs

Five of the entities performed a review for effectiveness, but only on 75% of the grants tested.

Entity	Audit tested	Review of effectiveness	% of grants in audit sample with effectiveness reviews
1	11	5	45%
2	12	10	83%
3	10	9	90%
4	10	8	80%
5	10	8	80%
Total	53	40	75%

Source: OAG

Table 4: Grant programs that had an effectiveness review conducted

If grant programs are not periodically assessed, entities will not know if intended outcomes are achieved or if their administrative practices can be improved.

No formal State grant administration framework exists, including rules, requirements or guidelines on how election commitment grants should be administered

Included in our sample was a grant from the Local Projects, Local Jobs program. We were advised by the relevant entity that this grant was an election commitment and it was administered under the direction of the Department of the Premier and Cabinet in accordance with commitments made. This program, as previously reported in 2018³, did not follow the usual process for grant assessment and approval, or review of the effectiveness of the grant. Consequently, our examination in this audit was limited to testing if the grant had been monitored and acquitted in accordance with the terms and conditions of the grant agreement. We did not have any adverse findings on the matters examined in this audit.

The other grant in our sample that was linked to an election commitment was the Albany Wave Energy Technology Development Project. The following case study highlights some of the difficulties DPIRD faced administering this project in the absence of a framework for election commitment grants and for projects of an uncommon nature.

Case study 1: DPIRD’s administration of the Albany Wave Energy Technology Development Project

The Albany Wave Energy Technology Development Project, with contracted funding of \$15.75 million, was unlike most other projects in our audit sample. It was based on an election commitment to develop innovative technology to establish common-user infrastructure with residual ownership by the State.

While the project received significant parliamentary and public interest around potential conflicts, we found during the audit that the Minister for Regional Development took

³ Office of the Auditor General, [Audit Results Report – Annual 2017-18 Financial Audits of State Government Entities](#), Report No. 7, 8 November 2018, pp. 25-26.

reasonable and appropriate steps to manage any actual conflict of interest that may have existed as a result of her historical involvement with companies that later became linked with the project's proponent, Carnegie Clean Energy Limited (Carnegie).

However, on the broader issue of how election commitments are best administered by entities, including those of a complex and uncommon nature, we identified some findings that are useful to highlight in a case study format so that lessons can be drawn across the WA public sector. Many of the findings for this case study are in line with broader shortcomings in grant administration identified across other entities in the audit sample, while some are unique as a result of the particular project subject to funding.

Complying with policy

In the absence of formal guidance for administering election commitment grants, we found that DPIRD, the responsible State government entity, applied a mix of policies to manage the project. DPIRD partly complied with State Supply Commission policies (for procurement) during the tender phase to identify a grant recipient, and with Royalties for Regions guidelines (for grants) during the contract management phase.

The lack of a State grant administration framework, including rules, requirements, and guidelines, creates uncertainty for entities administering such grants, thereby increasing the risk that consistent approaches and value for money outcomes will not be achieved. We note that before deciding to go to tender, DPIRD consulted with both the Department of Finance's Government Procurement Unit and the State Solicitor's Office as to whether the project should be characterised as a grant or procurement activity: a definitive position on this question was not established. DPIRD's approach in the circumstances demonstrated a commitment to upholding public sector financial management and accountability requirements.

Nature of the project and determining relevant policy framework

DPIRD gave proper regard to how it should proceed with implementing the election commitment of the incoming government. There was not a single simple path based on established frameworks in the WA public sector. Ultimately it settled for a grant payment.

The proposed initiative was one with a research and development focus, with the proposed research data to be accessible to others. As such, it had some features to which a grant may be appropriate. However, as the project was also to deliver infrastructure with residual ownership by the State, a procurement process may have been appropriate, noting that unlike for most other government infrastructure projects there was not a mature competitive market of potential suppliers established.

Tendering

Records show that DPIRD offered sound advice to the Minister, recommending an open tender for the project even though there was evidence that the Government already viewed Carnegie as the most advanced proponent. However, aspects of the subsequent tender process fell short of good practice principles around probity including:

- opportunities to ensure equitable access to information during the pre-tender phase were missed. No pre-tender or tender briefing was held for the unsuccessful tender respondents
- minor shortcomings were noted in DPIRD's processes for managing its conflict of interest declarations.

Payments

When concerns about Carnegie's ongoing financial viability emerged, DPIRD sought legal advice and negotiated a reduced (50%) project milestone payment of \$2.625 million.⁴ Following further changes in Carnegie's circumstances, which led the Government to cancel its financial assistance agreement with Carnegie, DPIRD recouped \$1,132,000⁵ of the milestone payment from the company's administrators on 2 October 2019.

Records management

While DPIRD was mostly thorough with its recordkeeping and documentation, we noted a number of deficiencies in its processes, and there were several instances during our audit where it was unable to provide copies of documentation supporting key matters, decisions and actions. For example, no minutes were taken at a meeting between DPIRD and Carnegie where Carnegie's Chief Executive Officer was expected to provide assurance on Carnegie's viability to deliver the project. Incomplete and missing records increase the risk of inappropriate approvals and undermines the integrity of assessment and approval processes, and confidence in fair treatment of all parties.

⁴ This figure excludes GST of \$262,500.

⁵ This figure excludes GST of \$113,000.

Recommendations

1. To support open and equitable funding decisions, entities must implement robust grant administration practices, supported by staff who are properly trained and aware of their accountability and probity obligations. In particular, entities should:
 - a. ensure policies and procedures are in place, reviewed regularly, and updated to reflect current practice
 - b. maintain comprehensive assessment guidelines to assist in the selection of grants
 - c. fully document the reasons for funding decisions at all stages of the decision-making process
 - d. document any conflicts of interest as part of the grant assessment process
 - e. implement independent reviews of assessor decisions
 - f. assess and monitor grants in accordance with approved policies and procedures
 - g. document formal and informal monitoring of project performance
 - h. undertake more rigorous and timely follow-up of outstanding acquittal information and apply sanctions that correspond with the seriousness of breaches in grant conditions
 - i. periodically assess the relevance and effectiveness of grant programs.

2. To support entities in achieving value for money outcomes and consistent processes around the administration of election commitments, the Department of Primary Industries and Regional Development, in conjunction with central State government entities, such as the Department of the Premier and Cabinet and the Department of Finance, should:
 - a. establish a grant administration framework comparable to the *Commonwealth Grant Rules and Guidelines 2017*. The framework should address all types of election commitment grants including research and development grants. The Commonwealth's Resource Management Guide No.412 also provides guidance to public officials on granting procedures including how election commitments are to be administered by entities.

Response from audited entities

Entities in our sample generally accepted the recommendations and confirmed that where relevant, they have either amended policies and practices for administering grants or will improve them.

MRIWA advised that they would welcome the opportunity to be involved with the development of any State equivalent grant rules and guidelines.

DMIRS advised that the better practice principles are good.

DWER advised that this audit has been of great assistance in identifying aspects of their grants administration practices that can be improved.

DPIRD advised that they support the recommendations and are in the process of reviewing their policies and procedures accordingly. In particular, they support recommendation 2 for the Western Australian State Government to establish a grant administration framework comparable to the Commonwealth's that provides suitable guidance and standards to support the public service with implementation of all types of election commitment grants.

In its response, DPIRD also raised a matter that remained of concern in relation to the content of the report. We are not persuaded to alter the findings of our case study based on this feedback. However, in the interests of fairness, we incorporate DPIRD's comments verbatim:

Tendering

In the tendering phase, DPIRD made every effort to inform prospective tenderers of the requirements of the tender, meeting with all prospective Western Australia based tenderers. DPIRD rejects the implication that it insufficiently dealt with this aspect of the project being developed and that it should have done more in the pre-tender phase.

Appendix 1 – Entity grant and subsidy programs from which audit sample was selected

Program	Description	2017-18 Total \$	2018-19 Total \$
Department of Education Non-government schools, community services and other non-government organisations	Financial assistance arrangement to support educational, professional and operational activities and projects.	42,235,000	33,177,000
Department of Fire and Emergency Services Local Government Grants Scheme Volunteer Marine Rescue Services (VMRS) Other miscellaneous funding	Funds to support general operating costs, minor purchases and significant capital works in local governments. Funds to support significant capital works and annual operating expenses in VMRS group. Funds to build the fire management capacity and assist volunteer services.	50,552,000	44,887,000
Department of Mines, Industry Regulation and Safety Exploration Incentive Scheme - Industry Drilling Program Property industry grants Other miscellaneous grants	Funds to stimulate geoscience exploration and contribute to the economic development of regional areas of WA. Funds to deliver compulsory professional development activities to the real estate and settlement industries in face-to-face mode and reimburse some of the incidental expenses associated with purchasing a first home in WA. Funds for minerals research projects, farm safety, asbestos diseases awareness and assistance, employment-related matters, support to the operation of building governing organisations and other organisations.	15,764,000	17,248,000
Department of Planning, Lands and Heritage	Programs to support development of communities in WA and promote and deliver the conservation of cultural heritage places in WA.	11,420,000	10,823,000

Program	Description	2017-18 Total \$	2018-19 Total \$
Department of Primary Industries and Regional Development*	Albany Wave Energy Technology Development Project	-	2,625,000
Department of Water and Environmental Regulation		18,463,000	15,160,000
Water	Funds to support sustainable management of water resources.		
Environment	Funds to effectively manage contaminated sites, native vegetation, and to avoid waste and recovery of materials from landfill.		
Minerals Research Institute of Western Australia (MRIWA)		3,396,536	3,898,268
MRIWA Grants Program	Financial assistance for research projects intended to develop implemental knowledge and technology solutions for the minerals industry.		
Racing and Wagering Western Australia (RWVA)		16,697,000	15,986,000
RWVA Grants Program	Funds to provide efficient, competitive and responsible racing and wagering service.		

* For DPIRD, we examined a single grant – the Albany Wave Energy Technology Development Project.

Appendix 2 – Better practice principles

The following better practice principles on grant administration are based on the *Commonwealth Grant Rules and Guidelines 2017*⁶ and largely formed the basis of our audit. They are not intended to be an exhaustive list.

Grant administration	Focus area	What we expected to see
Policy	Policies and procedures	<ul style="list-style-type: none"> • Policies and procedures established, including for election commitments, to promote the effective and efficient use of resources and proper standards of financial management and accountability. • Policies and procedures include comprehensive guidance for employees to effectively manage the grant administration from the application, assessment, monitoring, acquittal to review phases. Comprehensive guidance should include: <ul style="list-style-type: none"> ○ who performs the assessment, monitoring or review ○ documentation requirements on assessment, monitoring or review activity ○ criteria or guidelines for assessment ○ time frames for assessment ○ conflict of interest management ○ incentive and sanction mechanism ○ independent review of assessor's decision. • Policies and procedures are regularly reviewed and updated.
Assessment of grant applications	Notice to public on availability of grant	<ul style="list-style-type: none"> • Entities advertised or made grant information publicly available. • Entities should develop clear, consistent and well-documented grant opportunity guidelines and other related documentation. They should include (as relevant): <ul style="list-style-type: none"> ○ grant objectives and purpose ○ available funding:

⁶ And 'Part 4 – Election Commitments' from the Commonwealth Department of Finance's [Resource Management Guide No. 412 Australian Government Grants – Briefing, Reporting, Evaluating and Election Commitments](#), June 2018. This document includes guidance to assist entities implementing the [Commonwealth Grants Rules and Guidelines 2017](#).

Grant administration	Focus area	What we expected to see
		<ul style="list-style-type: none"> ▪ program guidelines should be updated if additional program funding becomes available ▪ extent (if any) to which grant payments could be made on signing the grant agreement ○ partner funding (if applicable) ○ clear eligibility criteria and examples of eligible/ineligible entities and projects ○ application and decision-making process (as relevant) including the: <ul style="list-style-type: none"> ▪ opening and closing date for applications ▪ likely decision date ▪ project completion date ▪ outline of selection process ▪ final recommendations ▪ decision-maker ○ clear assessment criteria ○ weighting of assessment criteria ○ expected terms and conditions of the grant agreement ○ indicative reporting and acquittal requirements ○ a description of complaint handling, review and/or FOI mechanisms ○ providing a link to a standard grant agreement for the program.
	Conflict of interest	<ul style="list-style-type: none"> • Employees, advisers and decision-makers declare any actual, potential or perceived conflict of interest, and the declarations are retained. • Declaration of conflicts of interest should not be limited to employees involved in the evaluation phase of a grant project but should extend to all employees and senior officials involved in the design, oversight and evaluation phases of a grant project. • Declarations are assessed and conflicts of interest are appropriately addressed. This should include:

Grant administration	Focus area	What we expected to see
		<ul style="list-style-type: none"> ○ details of how the conflict was resolved ○ where no conflicts are present this should be documented. ● Employees with conflict of interest abstain from the assessment or approval process of the applications.
	Adequate assessment procedures	<ul style="list-style-type: none"> ● The identification and selection of recipients should be clear, transparent and capable of withstanding public scrutiny, with potential recipients selected on merit against established criteria. ● When designing competitive, applications-based grant programs, identify strategies to manage the expected level of demand for the amount of funding that is being made available. ● Entities use a structured and comprehensive process to assess the applications. including: <ul style="list-style-type: none"> ○ clearly identifying who will be deciding which applicants will receive a grant and ensuring that this person has the necessary legal authority to make those decisions ○ the reasons for decisions to award or not award grant funding should be recorded in a manner that promotes transparency and accountability. ● Entities perform timely assessments.
	Recordkeeping	<ul style="list-style-type: none"> ● Documentation is retained for all assessments, recommendations and decisions. ● Concisely recording the reasons for the assessment scores that are awarded (in addition to recording the scores). ● If, in exceptional/urgent circumstances, there is departure from policies, these should be appropriately approved by senior management and explanations retained.
	Independent review	<ul style="list-style-type: none"> ● Implement independent review on application assessment procedures. ● Performed by persons independent of the assessment.

Grant administration	Focus area	What we expected to see
	Approval	<ul style="list-style-type: none"> • Clear separation of duties between the assessment of applications and approval of offers. • Approver has appropriate delegation. • Timely advice provided to grant applicants on the decisions to award the grant.
Monitoring of grant funding	Procedures and reporting	<ul style="list-style-type: none"> • Entities have clear and comprehensive documented procedures to monitor individual grants. • Monitoring officers have access to all relevant information and expertise. • Timely review and follow-up of grant recipient's compliance with reporting requirements of the grant. • Acquittal of grant funding is timely, complete and meets the grant objectives. • Payments should be approved by an appropriately delegated officer. • Seek advice from appropriate stakeholders on complex grant agreement variations.
Review of grant funding	Grant program evaluation	<ul style="list-style-type: none"> • Entities undertake periodic review of overall effectiveness of grant programs as a means of achieving entities' objectives. • Review is performed by persons independent of the immediate line management of the grant program.

Auditor General's 2021-22 reports

Number	Title	Date tabled
11	COVID-19 Relief Fund	21 December 2020
10	COVID-19: Status of WA Public Testing Systems	9 December 2020
9	Western Australian Registry System – Application Controls Audit	26 November 2020
8	Regulating Minor Pollutants	26 November 2020
7	Audit Results Report – Annual 2019-20 Financial Audits of State Government Entities	11 November 2020
6	Transparency Report: Major Projects	29 October 2020
5	Transparency Report: Current Status of WA Health's COVID-19 Response Preparedness	24 September 2020
4	Managing the Impact of Plant and Animal Pests: Follow-up	31 August 2020
3	Waste Management – Service Delivery	20 August 2020
2	Opinion on Ministerial Notification – Agriculture Digital Connectivity Report	30 July 2020
1	Working with Children Checks – Managing Compliance	15 July 2020

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