



**EXECUTIVE MINUTE**  
on  
**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT**  
*[No. 464: Commonwealth Grants Administration]*

**Response to JCPAA Report No.464 – Recommendations No. 1, No. 2 and No. 3 to Attorney-General's Department**

I refer to your letter dated 6 September 2017 notifying of the tabling of the Joint Committee of Public Accounts and Audit *Report No. 464: Commonwealth Grants Administration*. Progress on the Attorney-General's Department implementation of the recommendation of the ANAO's audit report of the Living Safe Together (LST) Grants Programme is included in this response.

The objective of the ANAO audit was to assess the effectiveness of the design of, and award of funding under, the LST Grants Programme. It also considered whether the award of the funding was undertaken in a manner consistent with sound grants administration practices and whether the department had applied the lessons it advised the Joint Committee of Public Accounts and Audit that it had learned in response to the ANAO's audit of the Safer Streets Programme.

In response to the recommendations in the JCPAA Report No 464, the department provides the following.

**Recommendation No: 1:**

The Committee recommends that the Department of the Environment and Energy, the Attorney-General's Department and the Department of the Prime Minister and Cabinet establish partnership agreements with their respective Grants Hubs, where they have not already done so, and ensure that new or existing agreements:

- outline individual and shared responsibilities and corresponding expectations of each party
- provide for joint risk identification and complementary risk management arrangements, including where applicable, for programme design. These risks may be considered either in the agreements or subsidiary risk management plans, with the risks appropriately informed by the different level of service agreement; and
- clearly articulate overarching assurance processes that support the balance between better practice administration and the achievement of policy outcomes.

**Summary of response: agreed.**

**Supporting rationale:**

While noting that the Living Safe Together Grants Programme was administered by the Attorney-General's Department prior to the establishment of the Grants Administration Hubs, the department has executed a partnership agreement and service schedule with the Department of Social Services representing the

Community Grants Hub for all grant programs within the scope of the Streamlining Government Grants Administration Transition Plan. These documents include an outline of the roles and responsibilities of the Attorney-General's Department and the Community Grants Hub parties along with details of related performance measures.

Joint determination of key program risks and associated risk management arrangements will be settled and documented for each program as they are on-boarded into the hub. The grants administration hubs have developed broad-reaching assurance documents including an Assurance Map and Assurance Framework Services Schedule that support the balance between better practice grant administration and the achievement of policy outcomes. The Map and Schedule provide assurance of compliance with the Commonwealth Financial Framework and the Commonwealth Grants Rules and Guidelines.

#### **Recommendation No 2:**

The Committee recommends that the Department of the Environment and Energy, the Attorney-General's Department and the Department of the Prime Minister and Cabinet, ensure that they:

- measure the number of staff formally trained with regard to the Commonwealth Grants Rules and Guidelines, including implementing where necessary, arrangements to conduct this activity; and
- quickly rectify skills gaps so that sufficient expertise is retained so as to ensure compliance with the Commonwealth Grants Rules and Guidelines, including but not limited to record keeping requirements within the guidelines.

**Summary of response: agreed.**

#### **Supporting rationale:**

In September 2017 the Attorney-General's Department implemented a Grant Administration Knowledge Test eLearning module covering all elements of grant life cycle administration. The module is based on the content of the Commonwealth Grants Rules and Guidelines.

Successful completion of the Test is mandatory for all staff working in grant administration areas and new starters are required to complete the Test upon commencement of any role related to grants administration. The department monitors completions by recording the names of all officers who successfully complete the module and the date of completion, and they are required to complete the test biannually.

The eLearning module is complimented by a range of programs designed to address any skills gaps in grant administration. These include:

- Mandatory use of checklists and templates to support a brief or submission to a decision-maker must be signed by an officer evidencing the applicable aspects of the Commonwealth Grant Rules have received due consideration. The Checklists are designed to address skill gaps and develop grant administration expertise while promoting effective record keeping by requiring that a file record number be noted for each response to every item on the checklist.
- The establishment of a Grants Community of Practice that meets in February, June and October every year and more often if required. This knowledge sharing forum provides a platform for staff to

share their experiences and also receive range of ideas from experts in their respective fields including representatives of the Department of Finance and the department's internal auditors.

- Specific training modules provided to program areas on request. Training modules were developed and delivered to the Criminal Justice Division and the Legal Assistance Branch upon request.
- Secondment of AGD staff to the Community Grants Hub to ensure no knowledge or information gaps arise in the transfer of functions to the grant hubs.

### **Recommendation 3:**

The Committee recommends that the Department of the Environment and Energy, the Attorney-General's Department and the Department of the Prime Minister and Cabinet respectively, report back to the Committee on progress against the Auditor-General's recommendations from each of the following individual audit reports: *Award of Funding under the 20 Million Trees Programme* (No. 4 of 2016–17); *The Design of, and Award of Funding under, the Living Safe Together Grants Programme* (No. 12 of 2016–17); and *Indigenous Advancement Strategy* (No. 35 of 2016–17). The advice to the Committee should clearly indicate whether full implementation of the respective recommendations has been achieved or provide a plan of activities and date of expected achievement, and where applicable, any barriers to implementation.

**Summary of response: agreed.**

### **Supporting rationale:**

The Auditor-General made one recommendation in the report published on 1 September 2016 on *The Design of, and Award of Funding under, the Living Safe Together Grants Programme* (No. 12 of 2016–17). The recommendation states:

The ANAO recommends that the Attorney-General's Department take effective steps to provide greater accountability for, and effectively address, continuing deficiencies in its approach to assessing the eligibility and merit of grant applications and advising decision-makers about those applications that should be funded and those that should be rejected.

Applicant eligibility requirements and merit assessment of grant applications have been addressed by a range of initiatives introduced since the publication of the ANAO Report. These Initiatives, also designed to promote best practice grants' administration and support strong internal governance, include:


- The development and distribution of mandatory Best Practice Checklists and guidance material for the use of grant program staff. This material includes specific mandatory requirements to be followed when briefing decision makers and is permanently available on the department's intranet site.
- A new grant administration tool kit comprising help cards, a suite of assessment templates and model guidelines to assist grant officers. These are a valuable assistance in establishing grant programs, assessing applications, preparing briefings to advise decision makers, maintaining and reviewing the program and acquitting the grant.
- The development of an eLearning module, The Grant Administration Knowledge Test questionnaire, to educate program officers about the department's Grants

Administration Guide and the Commonwealth Grants Rules and Guidelines. All staff working in grant program areas are required to undertake the Knowledge Test on a biannual basis. New starters are required to do so immediately upon commencing work in a grant program area.

- The establishment of a Grants Community of Practice consisting of all staff working in grant program areas and committed to the cultivation of best practice, knowledge sharing and the fostering of innovation. The Community of Practice meets regularly with a range of specialist presenters, including officers from the Department of Finance, providing detailed grant related briefings and senior officers sharing the benefits of lessons learned from their respective grant programs.

The department's Audit and Risk Management Committee has been briefed on the actions taken as a result of the findings of the ANAO report. The Committee agreed that the department has satisfactorily addressed the recommendation of the audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Moraitis', with a long horizontal line extending to the right.

Chris Moraitis PSM