

# In brief

---

This information brief presents facts relating to the awarding of sports grants by the Department of Housing and Public Works, and the Minister for Housing and Public Works, Minister for Digital Technology and Minister for Sport, in the period 1 July 2017 to 29 February 2020. It focuses on whether the awarding of sports grants was in accordance with documented processes that were appropriate and resulted in the impartial awarding of grants.

We prepared this information brief after it was reported that Commonwealth sports grants were awarded to applicants who were not assessed as the most meritorious according to published program guidelines. We have not performed a full audit, but have gathered facts through our interviews, observation of processes, analysis of data, and review of grant approvals and other documentation.

## Design of sports grant processes

---

Merit-based processes should be used to award grants, and ministers should rely on these departmental processes for the delivery of grant outcomes. This is similar to good procurement or recruitment practices, which rely on an appointed panel to recommend the successful applicant. The assessment and selection processes should be transparent, demonstrating the equitable awarding of grants.

From 1 July 2017 to February 2020, departmental processes had the minister as the decision maker for the awarding of sports grants. The design of these processes lacked clarity in defining the roles of the department and the minister. Under these processes, the minister made changes to around one per cent of departmental recommendations, relating to two grant programs.

It is important that all grant documentation clearly articulates responsibility for the two outcomes—final selection and approval of grant recipients, and financial approval of expenditure. The decision-making roles must align with financial accountability obligations set by Queensland Treasury. Further clarity on roles and responsibilities in the final selection and approval of grant recipients, as well as financial accountability, could be provided by Queensland Treasury in the Financial Accountability Handbook.

## Awarding of sports grants

---

Between 1 July 2017 and 29 February 2020, the Queensland Government awarded \$197 million in sports grants.

Applications for competitive grants—those that are assessed against criteria and require judgement to determine those with merit—were successful at a mostly consistent rate across electorates for the three political parties that represent 96 per cent of state electorates.

Between 1 July 2017 and 29 February 2020, in accordance with their own procedures, the department asked the minister to approve almost all of the competitive grants. Of the 2,900 competitive grants approved by the minister, the minister made 33 changes to the department's recommendations for two grant programs—representing a change to around one per cent of all grants recommended for approval.

Additionally, the minister selected 46 recipients for consideration by the government to support the commencement of the implementation of the *Activate! Queensland* strategy.



## Improved record keeping required for interactions with the minister

Various briefing notes provided to the minister did not clearly state what was being requested and did not distinguish between approval of the grant recipient and financial approval of the grant expenditure.

In those instances where decisions have been made by the minister that were not based on the department's recommendations, the department did not produce adequate records relating to the awarding of grants. The department has not met the Queensland Government requirements for record keeping of decision-making in its interactions with the minister.

## Departmental processes have been revised

The department finalised the changes to its sports grant processes in February 2020 to reflect that the director-general is the decision maker for grants. Grants are now approved by the director-general and noted by the minister. For this reason, we have not made any specific recommendations to the department in this information brief.

## Recommendations

We have identified the following recommendations:

Financial accountability	
<u>QT1</u>	Queensland Treasury should update the Financial Accountability Handbook to provide clarity on the role of a minister in the selection and approval of grant recipients. This could include practical guidance on the provision of advice and recording of decisions.
<u>D1</u>	Departments should ensure their processes are designed to achieve compliance with the <i>Financial Accountability Act 2009</i> and the Financial Accountability Handbook—such that complete records are kept to support all decisions made in awarding grants, there is clear responsibility for approval of grant recipients, and financial authority rests with the director-general.
<u>DPC1</u>	Department of the Premier and Cabinet should support ministers and ministerial staff through training to ensure an understanding of ministerial and departmental responsibilities, including those included in the Financial Accountability Handbook.
Ongoing compliance	
<u>D2</u>	When a machinery-of-government change occurs and functions move between departments, departments should promptly conduct a review to ensure consistency of fundamental processes (such as approvals) and compliance with the <i>Financial Accountability Act 2009</i> and the Financial Accountability Handbook.

