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9 December 2021

Mr Marcus Finn
Healthy Rivers Branch
Water Division
Department of Agriculture, Water and the Environment
GPO Box 858,
CANBERRA ACT 2601

Dear Mr Finn

Probity Certificate—2020-4634—Murray Darling Basin—Healthy Rivers—Large Grants

Thank you for engaging OCM to provide independent probity advice in relation to the above grant program.

The purpose of this letter is to inform the grant's Authorising Officer—in this case, the Minister for Resources and Water (or his delegate)—about probity risks relevant to the Selection Advisory Panel's deliberations on applications being considered for funding.

Summary—Probity risk assessment

On the basis of work undertaken (see scope and limitations below), OCM confirms that an appropriate competitive selection process was undertaken for this grant in accordance with the published Grant Opportunity Guidelines (GOGs), and in a manner consistent with the *Commonwealth Grants Rules and Guidelines 2017* (CGRGs). In particular, Conflicts of Interest have been managed appropriately.

On this occasion, eligibility and compliance checks have been undertaken by departmental officials, and have not been independently reviewed by OCM. No other probity issues have been brought to OCM's attention by departmental officials that have not otherwise been managed to an acceptable tolerance.

As a precautionary measure, the decision-maker should take care to ensure that any conflicts of interest are transparently declared prior to exercising a power to approve a grant.

Scope

As part of this engagement, OCM staff variously:

- provided specific probity training to the Selection Advisory Panel (SAP) members and key departmental officials involved in the selection process
- discussed and advised on risks for various selection strategy options for this grant round
- attended the SAP meetings, held 24–26 November 2021, and provided advice as required throughout the meetings
- advised SAP members on conflict of interest instances, materiality and handling strategies
- issued ad hoc probity advice, as required,
- reviewed the SAP outcomes report (to ensure recorded outcomes accorded with deliberations), and
- kept records of SAP deliberations and other matters relevant to our role.

Limitations

OCM has not independently verified or conducted quality assurance checks in relation to the department's assessment of compliance and eligibility for each grant application.

OCM has not specifically compared decision-making elements against the department's Accountable Authority Instructions, or its financial framework. Neither has OCM conducted a fraud risk assessment in relation to this engagement.

OCM has not conducted a Constitutional (Williams) review in respect of this grant opportunity generally, or for specific activities proposed by grant applicants, or in respect of applicants themselves.

OCM has not reviewed the department's decision Minute. This certification relates only to our observations of the conduct of the SAP meeting and selection process, having regard to the published Grant Opportunity Guidelines.

Approval framework

We note that this grant is administered under the requirements of the Finance Law, principally the *Public Governance, Performance and Accountability Act 2013*, with reference to the *Commonwealth Grants Rules and Guidelines (2017)*, and relevant Resource Management Guides issued from time to time by the Department of Finance.

We draw the decision-maker's attention to the specific requirements of section 71 of the PGPA Act (*Approval of proposed expenditure by a Minister*). We further note that the CGRGs establish additional responsibilities for departments (and Ministers) when a Minister is the Authorising Officer for a grant. Accordingly, care should be taken by parties to comply with those requirements, which arise from the legislative framework.

OCM also notes that the decision-maker should consider any potential conflicts of interest in a transparent manner, and manage them appropriately (having regard to both materiality and perception). The Prime Minister's *Statement of Ministerial Standards* (August 2018) provides further guidance.

Further advice

OCM's engagement provides scope that we are available to provide probity advice to the Decision Maker, upon request. Please do not hesitate to contact us, should that be the case.

Yours sincerely



Andrew Marsden
Partner