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16 May 2021

Dr Peta Derham
Assistant Secretary
Healthy Rivers Branch
Water Division
Department of Agriculture, Water and the Environment

Dear Dr Derham

**Probity Certificate—GO 2021-5038—
Murray-Darling Healthy Rivers Program—Small Grants (Round 1)**

Thank you for engaging OCM to provide independent probity advice in relation to the above grant program, administered by the Department of Agriculture, Water and the Environment.

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

Summary—Probity risk assessment

OCM confirms that the Selection Advisory Panel selection process was undertaken in accordance with the published Grant Opportunity Guidelines (GOGs), and in a manner consistent with the *Commonwealth Grant Rules and Guidelines 2017* (CGRGs).

On the basis of the work performed to date, OCM identified no material probity risks that have not been effectively managed throughout the selection process. Similarly, no probity issues have since been brought to OCM's attention by officials.

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:

- discussed and advised on risks for various selection strategy options for this grant round (25/3/2021; 6/4/2021)
- commented on selection plan, justifications template and related documentation in line with GOGs (9/4 and 11/4/2021)
- provided specific probity training to the Selection Advisory Panel (SAP) members and key departmental officials involved in the selection process (7/5/2021)
- attended the SAP meetings, held on 12, 14 and 16 May 2021, and provided advice as required throughout the meeting
- advised SAP members and Secretariat on processes for mitigating risk through approval conditions, guidance and Activity Work Plans
- advised SAP members on conflict of interest instances, materiality and handling strategies, and
- kept records of SAP deliberations relevant to our role.

Limitations

This certification relates to our observations of the conduct of the SAP meeting and selection process, having regard to the published Grant Opportunity Guidelines. 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 or activities proposed by applicants.

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.

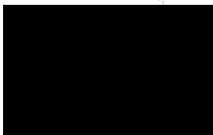
We draw the decision-maker’s attention to the specific requirements of section 71 of the PGPA Act (*Approval of proposed expenditure by a Minister*). We further note that the CGRGs establish additional responsibilities for departments (and Ministers) when a Minister is the Authorising Officer for a grant. 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).

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



Partner