



# Tasmanian Audit Office

## Administration of two grant programs by the Department of State Growth

Report of the Auditor-General  
No. 2 of 2018-19



# Objective

To determine whether grants provided under the:

- *Regional Tourism Infrastructure and Innovation Fund (RTIIF)*
- *Regional Revival Fund Grant Program (RRFGP)*

were effectively and efficiently administered.

# Scope

The examination covered:

- Program design
- Application and assessment processes
- Monitoring of grant funding use

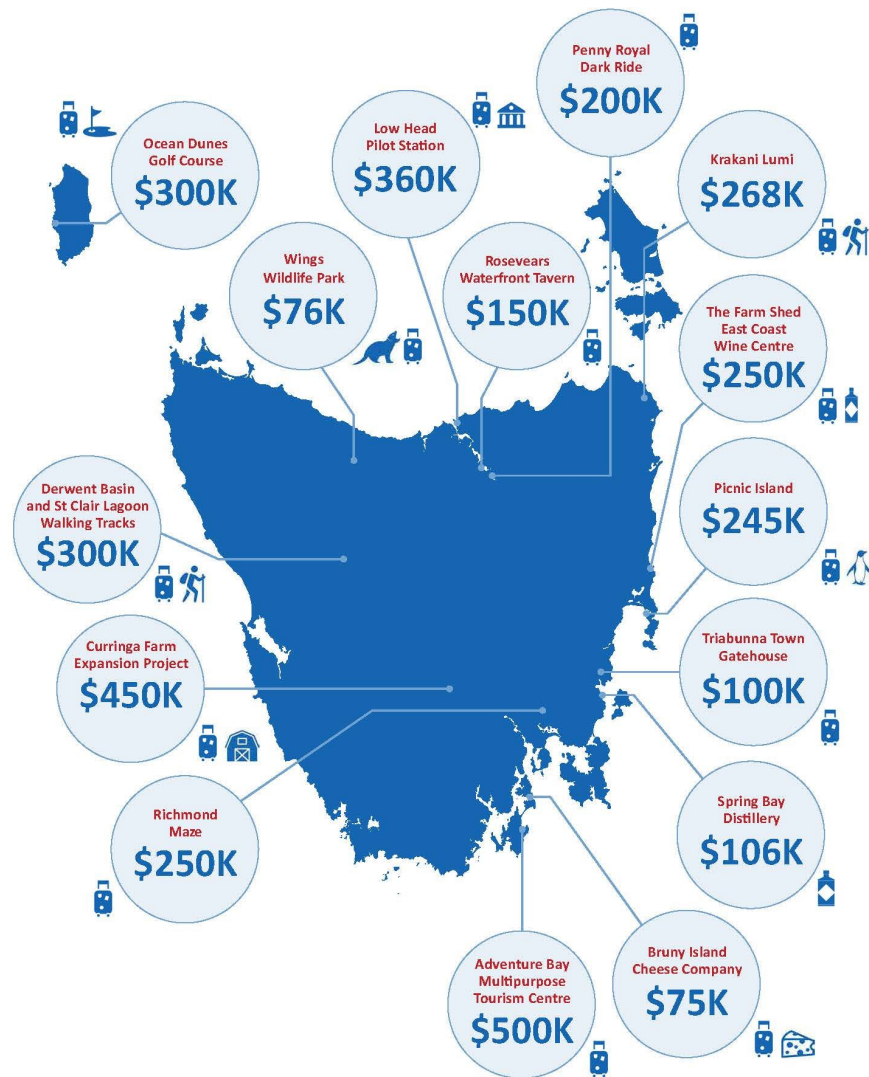
# Criteria

- Were application and assessment processes transparent and equitable?
- Were grant funds used as intended?

# Approach

- Discussed grant programs with relevant State Growth staff
- Analysed:
  - applications to the programs
  - assessment of applications against the assessment criteria
  - grant deeds
  - acquittal and evaluation reports

# Funding distribution – RTIIF



# Funding distribution – RRFGP



# Findings - RTIIF

- Expression of interest review forms could not be provided for 26 applications
- 22 business case reviews could not be provided for inspection, 11 of these were funded
- Documentation summarising the evaluation of business cases was not consistent with final funding decisions
- One grant recipient was awarded additional funding of \$25 000



# Findings - RTIIF (continued)

- The approved use of grant agreements could have been more prescriptive
- Deeds of variation had not been entered into for seven of the delayed RTIIF projects

# Findings - RRFGP

- Five unsuccessful applications scored higher during the assessment process than two successful projects
- An appropriate risk assessment and management plan was not provided for RRFGP
- Deeds of variation had been entered into for all delayed projects

# Conclusion

- Effective risk assessment and management plans were not in place for RTIIF or RRFGP
- Assessments performed were not consistent with funding decisions – this impacted on the probity of application assessment
- The RTIIF records management approach was not robust
- The preferred content of progress and acquittal reports was not determined or communicated to recipients – submitted reports did not always contain sufficient information

# Recommendations

## Recommendations for improvement:

1. document a robust risk assessment and management plan during the planning and design phase of programs
2. application forms that provide sufficient information to make a funding decision
3. application forms are completed by all persons seeking funding
4. implement a consistent records management approach

# Recommendations (continued)

5. improve transparency of assessments performed and funding decisions by ensuring assessment documentation is consistent with decisions
6. grant agreements have a sufficient detail of the project being funded and that facilitate enforcement of conditions or recoverability of funds
7. execute Deeds of Variation where there is a material risk of non-compliance with the terms of the original agreement or significant delays in project completion
8. determine and provide advice to prospective applicants on the required content of progress and acquittal reports.

# Client response

- Department advised:
  - Programs successfully facilitated infrastructure investment in regional Tasmania, especially in the area of growing demand for tourism facilities.
  - Audit was of two programs administered by the department and recommendations are not reflective of the administration and management of the numerous grant programs the department administers.

# Client response (continued)

- Generally agreed with findings.
- Department has commissioned a review by internal audit of grants administration with a focus on business improvement, and development of a common management system and processes.