

The 20 Critical Questions Series

What Directors should ask about Grant Management

Grant – An arrangement for provision of financial assistance to an organisation or individual:

- › Under which money is paid to a recipient.
- › Which is generally part of a social program of the awarding organisation.
- › Which is intended to assist a recipient achieve their objective.
- › Under which a recipient may be required to act in accordance with specified conditions including providing evidence the grant was used for the purpose intended.
- › Where a recipient does not need to repay the money if the conditions are fulfilled.

Grants can be provided by the public sector or corporate organisations.

Governing body – The body of persons or officer having ultimate control of an organisation. In the corporate sector, for-purpose sector or government trading enterprise the governing body would usually be a board of directors. In the public sector it would usually be secretary, director general or chief executive officer. Also known as governing authority, accountable authority.

Objectives, Planning and Reporting

1. Are there clearly defined and documented objectives for the overall portfolio of grants? Are there clearly defined and documented objectives for each individual grant program? Have the grant objectives been approved?
2. Are benefits of proposed grant programs clearly defined and independently validated to ensure they 'stack up'? Is there independent assessment of benefit realisation some time after grants were awarded to evaluate whether the approved program objectives were achieved? Is this information publicly reported?
3. Are results of grant programs publicly published so it is transparent who received grants and how much? Does this apply to the (a) overall portfolio of grants (b) each individual grant program? Is this done in a timely way?
4. Are there performance measures to assess effectiveness of the (a) overall portfolio of grants (b) each individual grant program? Are performance measures reported to the governing body and stakeholders? Is this done in a timely way?
5. Are periodic integrated grant reports prepared for the governing body? Does this include visibility of risks and probity activities over significant grant programs? Does reporting occur in a timely way?

Governance

6. Is there a formal governance framework for grant management? Does this include formal business rules governing grant programs including requirement for detailed grant program risk assessments? Does this include accountabilities for (a) those responsible for the overall portfolio of grants (b) those responsible for each individual grant program (c) grant applicants (d) successful grant applicants?
7. Have grant program policy and business rules been disseminated throughout the organisation so people know what the policy and rules are? Does this include awareness activities to both internal and external stakeholders involved with grant programs?
8. Is there a formal approach to identify significant (large / complex / sensitive / risky) grant programs? Does this include a tiered system that becomes more rigorous according to significance of grant programs?
9. Does the governing body ensure it receives adequate risk information in relation to significant grant programs, including early indicators of emerging risks to support constructive debate and challenge?
10. Are grant programs assessed for cost-effectiveness to ensure administration costs are minimised and maximum grant funds are distributed?

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Grant Process

11. Is there a detailed and approved plan prepared for every significant grant program? Is the plan supported by a robust business case and benefit analysis? Is the grant process and portfolio of grants actively monitored by senior management, audit committee and governing body?
12. Are grant programs widely advertised and accessible to ensure equal opportunity for potential applicants? Does advertising allow adequate time for applicants to prepare informed applications? Are there defined evaluation criteria for assessing grant applications? Is this provided to applicants at the time grant programs are advertised?
13. Is there a robust conflict of interest process to ensure integrity and transparency of the grant process? Does this apply to the (a) overall portfolio of grants (b) each individual grant program?
14. Do grant program evaluation panel members have subject matter expertise of the grant topic they are evaluating? Are they supported by a robust and approved evaluation methodology?
15. Is an independent non-voting probity advisor or probity auditor appointed to provide oversight of evaluation and evaluation panel deliberations for significant grant programs? Does this include components of the grant program rather than just evaluation panel deliberations (a) planning including grant documents (b) grant lodgement and opening (c) grant application evaluation (d) awarding grants including grant documents and contracts (e) debriefing unsuccessful applicants? Does the probity advisor or probity auditor report independently of the grant management function and evaluation panel? Do probity advisor or probity auditor reports go to the audit committee and governing body?
16. Is politics and pork barrelling kept out of the grant process including (a) grant program design (b) lobbying (c) selection of successful grant applications (d) presentation of successful grants?
17. Are successful grant applicants required to provide evidence funds allocated have been used for the purpose intended? For significant grants, is the evidence independently validated? For large grants, are multiple payments made in tranches based on verified progress rather than one payment at the time a grant is awarded?
18. Is there a debriefing process for unsuccessful grant applicants to understand why they were unsuccessful? Is information provided on what an unsuccessful applicant could do to be more competitive in future grant applications?

Assurance

19. Is a proportion of every grant program quarantined for assurance activities? Does this include independent assurance activities? Are the assurance activities adequate and 'arm's length' from the grant program itself? Is independent probity appointed to oversight significant grant programs? Are independent assurance activities reported to the audit committee and governing body?
20. Are independent reviews or audits periodically performed to assure the grant process maintains integrity and is operating as intended?

The Big Question

How does management, the audit committee and governing body clearly know there is sound, transparent and ethical process around grant programs?