

Mr Dick Persson
Administrator
Northern Beaches Council
Dee Why
NSW 2099

By email (per): Alison.osborne@northernbeaches.nsw.gov.au

24 November 2016

Dear Dick

PROBITY REPORT – STRONGER COMMUNITIES FUND

Procure Group Pty Ltd (**Procure**) has been engaged by Northern Beaches Council (**Council**), to provide independent probity advisory services in relation to the evaluation of submissions received for community grants available under the Stronger Communities Fund (**SCF**).

The SCF comprises \$15 million and falls into two categories, that being \$1 million in community grants and \$14 million for major projects. We note that the Community Grants Program (**Program**) was advertised to community organisations with submissions closing on 28 October, 2016. Major projects will be initiated by Council and the assessment process is currently underway.

This probity report addresses the evaluation process for the community grants submissions, within the context of the framework provided by the NSW Independent Commission Against Corruption's (**ICAC**) probity fundamentals.

Procure's scope of work involved advisory services for the internal Council staff assessment panel and the Fund Assessment Panel (**FAP**) comprised of the local State Members of Parliament (**MPs**), as required by the Stronger Communities Grants Guidelines (**Guidelines**). The FAP included a representative of the Department of Premier and Cabinet. The guidelines for the program, including the make-up of the assessment committees and the assessment criteria were established by the NSW Government. Procure's scope of work does not include these aspects of the program.

The initial assessment of community grants was an online process for both the Council staff committee and the FAP, with one face to face meeting held for the Council Staff committee and one meeting for the FAP. The committees have completed their evaluation and a report has been prepared with recommendations to be referred for final decision the Administrator of the Council. The process has been administered by the Council Grants Officer.

This report has been completed to assist Council in its decision-making relating to the submissions received. The report cannot be relied upon by any other party or for any other purpose. While the Probity Advisor may provide input into the processes followed, Council retains overall responsibility for the probity of its personnel and processes.

Vic Baueris has represented Procure at all stages of this process and has prepared this report.

Probity Fundamentals

In undertaking the probity advisory role, Procure has had regard to the "probity fundamentals" described in the ICAC publication "Probity and Probity Advising (November 2005)". These probity fundamentals are:

- + Maintaining impartiality
- + Managing conflicts of interest
- + Maintaining accountability and transparency
- + Maintaining confidentiality
- + Obtaining value for money

Our work performed to review the application of each of these probity fundamentals during the negotiation process is documented below.

Work Performed

In completing this engagement, Procure has completed the following tasks.

- + Reviewed Guidelines for the Community Grants program and noted that they included:
 - o Objectives of the Program
 - o Establishment of the internal Council staff assessment panel and an Implementation Advisory Group (**IAG**) comprising former members of Council
 - o Assessment criteria and outline of the assessment process
 - o Statement of Community Priorities and ineligible activities
 - o Details of the project completion requirements and the funding agreements to be established
- + Reviewed the online assessment process established by the Council Grants Officer which included a requirement that for each submission the assessor record if any conflict of interest arose. The online process was utilised by all assessors. Where conflicts were declared, they related to prior involvement with the organisations and were not of a measure that required assessors to withdraw from the assessment process.
- + Noted that on 18 October 2016, the members of the three assessment panels were required to sign a confidentiality undertaking and confirmed with the Grants Officer that all signed undertakings were returned prior to commencing the assessment process.
- + Attended the meeting of the staff panel held on 4 November 2016 where the individual scores of each committee member were discussed and final scores agreed. Noted that in accordance with the guidelines, the panel considered and agreed on recommendations for partial funding for some submissions.
- + Noted that at the meeting held on 4 November, potential conflicts of interest not previously declared were declared to the panel. In only one case was it necessary for a panel member to excuse himself from the discussion due to his membership of the Board of the organisation. Procure confirmed that the panel member had not has any role in the preparation of the submission.
- + Attended the meeting of the FAP (in some cases they sent representatives) held on 21 November 2016 at which the FAP reviewed the ranking and scores provided by the panel of Council staff and agreed on recommendations for funding. Noted that each member had undertaken their individual review of the submissions prior to attendance at the meeting.
- + Noted that at the meeting held on 21 November, potential conflicts of interest not previously declared were declared to the FAP. Further noted that no matters declared were of such a nature that they prevented the participation of the FAP from participating in the assessment of the relevant submission.
- + Reviewed the Report to Council on the outcome of the assessment process on 23 November 2016 and confirmed that it was consistent with the outcome of the assessment completed by the FAP. Noted that in relation to the assessment undertaken by the IAG, the report included the following statement:

- *The IAG also undertook assessments of all applications at the request of the Administrator and their assessments have informed the Administrator of their individual views on these applications via scoring and recommendations.*

Conclusion

Based upon our work performed and detailed in this report, no issues of a probity nature have come to our attention that would lead us to conclude that the process followed by Council in the conduct of the evaluation process for submissions from community organisations for funds available under the Stronger Communities Fund has not been conducted in a fair and equitable manner with due regard to probity, and in a manner consistent with the approved Stronger Communities Fund Guidelines.

Yours sincerely



Daniel McPhee
Director
Procure Group Pty Ltd