POLICY

# DRAFT Community Funding Policy

Version 2.0

## City of Port Phillip

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## Document Governance

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## Document History

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# 1. Purpose

The purpose of this Community Funding Policy is to establish the City of Port Phillip's consistent and transparent approach to the governance, administration, allocation and evaluation of community funding, including grants, sponsorships, and core / strategic funding. The Policy provides a clear framework for Council staff, Councillors and funding recipients, ensuring funding decisions are fair, accountable and aligned with Council priorities, while supporting initiatives that deliver positive outcomes for the City of Port Phillip community.

# 2. Scope

This Policy applies to all City of Port Phillip community funding programs, including grants, subsidies, and core or strategic funding. It applies to all stages of the funding lifecycle, including program design, promotion, application, assessment, approval, allocation, management, monitoring, acquittal, evaluation and reporting.

The Policy applies to Councillors, Council employees, contractors and consultants involved in the administration, assessment or oversight of community funding programs. It also applies to all organisations, groups and individuals applying for or receiving funding from the City of Port Phillip.

This Policy does not apply to Council procurement activities, commercial purchasing arrangements, community access and allocation processes, or infrastructure funding and investment decisions, which are governed by separate Council policies and procedures.

In exceptional circumstances, Council may approve funding outside the requirements of this Policy where it is satisfied that doing so is in the public interest and aligns with Council's strategic priorities and legislative obligations.

# 3.Policy Context and Strategic Alignment

## 3.1. Council Plan Alignment

This policy supports Strategic Direction 1: *a healthy and connected community from the Plan for Port Phillip 2025–35.*

## 3.2. Policy Background

The Local Government Act 2020 (Vic) establishes Council's role in supporting the economic, social and environmental sustainability of its municipal district and achieving the best outcomes for the community through transparent, accountable and evidence-informed decision-making. Community funding programs support Council to fulfil these responsibilities by enabling partnerships with community organisations and supporting initiatives that contribute to community wellbeing and inclusion. Council funding is intended to complement, rather than replace, the responsibilities and investment of Commonwealth and Victorian governments, while addressing local priorities and community needs that align with Council's strategic objectives.

The City of Port Phillip has a long history of providing community grants and funding to support local initiatives and services. The existing Community Funding Policy, adopted in 2018, established guiding principles and a funding management framework for grants, subsidies, donations and funding agreements.

A review of Council's community funding arrangements identified the need for a contemporary policy that provides a consistent governance framework across all forms of community funding. This Policy also responds to the Victorian Auditor-General's Office report, Fraud Control Over Local Government Grants, tabled in May 2022, which found that Victorian councils' fraud controls for grant programs were not always well designed or consistently applied. The report highlighted risks relating to conflicts of interest, assessment against criteria, decision documentation, checking how funds are used and evaluating grant program outcomes. Council has implemented a range of improvements to strengthen governance and address these risks. This Policy formalises these changes by strengthening transparency, accountability, equity, fraud control, consistency in decision-making, and alignment between funding investments and Council priorities.

# 4. Policy Statement

## 4.1. Principles

- **Maximising outcomes:** Council will use community funding to support initiatives that align with strategic priorities and deliver meaningful and measurable community outcomes.
- **Public value and stewardship**: Council will invest public funds responsibly and transparently to maximise public value. Funding decisions will consider the anticipated community benefit, value for money, efficient use of resources, and contribution to Council's strategic objectives
- **Responsiveness:** Council will design funding programs that respond to community needs, strengths and opportunities.
- **Transparency and accountability:** Council will apply clear criteria and documented processes that strengthen public accountability and support consistent decision-making and compliance.
- **Sustainability:** Council will support environmentally sustainable practices in the way community funding is designed, administered and delivered.
- **Partnerships:** Council will use funding to build effective partnerships with and between community organisations to achieve shared goals.
- **Access and equity:** Council will support fair and accessible funding opportunities that enable broad participation and help address barriers experienced by diverse communities while supporting social inclusion and social cohesion.
- **Efficiency and proportionality:** Council will keep application, assessment, reporting and acquittal requirements proportionate to the value, complexity and risk of the funding.

## 4.2. Community Funding Approaches

Council uses a range of funding and investment approaches to achieve community outcomes and respond to identified needs. The funding approach selected will depend on the nature of the outcome sought, the level of Council influence required, legislative obligations, market conditions, and value for money considerations.

Council will use community funding as a strategic investment tool to deliver public value and community benefit. In determining the most appropriate funding approach, Council will consider strategic alignment, community need, value for money, the availability of alternative funding sources, the role of other levels of government, and whether the proposed investment complements rather than duplicates existing programs or services.

| Funding approach | Purpose | Typical use | Allocation method |
|---|---|---|---|
| Community Grants | To support community-led initiatives that align with Council priorities and respond to local needs. | One-off projects, events, community development initiatives, capacity building activities and pilot projects. | Open and competitive funding rounds with published eligibility and assessment criteria. |
| Strategic Partnerships / Core Funding | To support ongoing activities or critical services that deliver significant community benefit and shared strategic outcomes. | Priority services, critical community infrastructure, and arrangements that form part of the municipality's broader service system and, for some municipalities may be delivered directly by the council itself. | Council-approved funding arrangements, which may include competitive, targeted or negotiated processes where the rationale is documented. |
| Contracted Service Delivery | To purchase defined services, programs or deliverables where Council is engaging a provider to deliver specified requirements. | Service delivery, consultancy services, specialist expertise and contracted programs. | Procurement processes in accordance with Council's Procurement Policy, financial delegations, probity requirements and legislative obligations. |

## 4.3. Governance, Transparency and Accountability

Council will administer community funding through clear, consistent and documented processes across the funding lifecycle. Each funding program must have a defined purpose, eligibility requirements and approval pathway, funding conditions and reporting requirements that are proportionate to the value, complexity and risk of the funding.

## Conflict of Interest

Councillors, Council officers and any other person involved in community funding assessment, recommendation or approval processes must identify, disclose and manage actual, potential and perceived conflicts of interest in accordance with the Local Government Act 2020, *Local Government (Governance and Integrity) Regulations 2020,* City of Port Phillip Governance Rules, and Staff Conflicts of Interest (including gifts and hospitality) Policy.

Declared conflicts of interest must be documented and managed before the person participates in any funding-related decision-making process. Council will maintain records of conflict-of-interest declarations, assessment outcomes, approval decisions, funding amounts and reasons for decisions in a consistent and accessible way to support transparency, probity and accountability.

## Separation of Roles

Councillors must not assess grant applications or make recommendations regarding the merits of individual applications. Councillors may only perform their decision-making role where Council is the approving authority.

Staff involved in assessing grant applications must not approve the same applications.

These requirements are further detailed in Appendix 1: Community Grants Governance Framework.

## Approvals and Decision-Making

Council will approve community funding in accordance with the approved decision-making pathway for each program, relevant financial delegations, legislative requirements and Council governance requirements. Decision-making pathways must be documented before a program opens and must identify the authorised decision-maker, such as Council or a delegated officer. The decision-making pathway must be proportionate to the value, complexity, risk and strategic significance of the funding.

## Applicant Communication

All applicants will be advised of the outcome of their application. Unsuccessful applicants will be offered information about the reasons for the decision and any available feedback process, where appropriate.

## Monitoring and Verification

Council will verify that community funding has been used for its approved purpose through acquittal, reporting, monitoring or audit processes that are proportionate to the value and risk of the funding provided.

Additional requirements relating to grant program design, administration, assessment, approval, monitoring, evaluation, conflicts of interest, record keeping and reporting are set out in *Appendix 1: Community Grants Governance Framework*.

## Fraud and Risk Management

Council will identify, document and manage grant-related fraud, corruption and probity risks through its risk management framework, fraud and corruption control arrangements, and community funding governance processes.

Community funding programs must apply controls that are proportionate to the value, complexity and risk profile of the funding. Program design, assessment, approval, monitoring, acquittal and evaluation processes must consider fraud, corruption, conflict of interest and probity risks and implement appropriate mitigation measures.

## Eligibility

The Local Government Act 2020 (Vic) governs how Council can provide public money to the community.

The relevant Grants Guidelines set out the eligibility requirements for each grant funding category and/or stream.

All funding recipients must align with the following minimum requirements.

City of Port Phillip will not fund:

- Commonwealth or State Government departments, unless program guidelines expressly state that a specific public entity, such as a school, is eligible.
- political parties.
- activities where the primary purpose is political campaigning.
- activities intended to improperly influence government decision-making or grant assessment outcomes. This includes attempts to secure preferential treatment, influence assessment decisions outside approved processes, or undermine the integrity and impartiality of Council decision-making
- applicants with overdue acquittals or unmet funding conditions from previous Council grants or funding.
- applicants with outstanding debt to Council.
- applicants that are insolvent.
- applicants in legal conflict with Council.
- Council employees, Councillors or their immediate family members.
- applicants that have conducted themselves in a way that Council reasonably considers injurious or prejudicial to the character, interests or reputation of the City of Port Phillip.
- retrospective costs, unless expressly permitted in program guidelines.
- activities that Council reasonably considers may adversely affect public health, safety, the environment or heritage.
- activities that are inconsistent with the Victorian State Government's Victorian Values Statement and Council's commitment to social cohesion and respect for diversity, including activities that promote discrimination, exclusion, vilification or harm towards individuals or groups within the community.

- applicants that have previously had funding suspended, terminated or recovered by Council and have not demonstrated that the issues giving rise to that action have been satisfactorily resolved.

## Funding Suspension, Termination and Recovery

Council may suspend, withhold, reduce, terminate or recover community funding where a funding recipient:

- provides false, misleading or incomplete information in an application, report or acquittal;
- fails to comply with funding conditions, reporting requirements or acquittal obligations;
- uses funding for a purpose other than that approved by Council;
- commits fraud, corruption or other serious misconduct;
- fails to meet applicable legislative obligations;
- fails to comply with the Child Safe Standards where these standards apply to the funded activity;
- acts in a manner that is inconsistent with the Victorian Values Statement and Commitment to Social Cohesion, including conduct that undermines the principles of democracy, the rule of law, equality, freedom, respect and tolerance;
- engages in unlawful conduct or conduct that promotes discrimination, vilification, exclusion, hatred or harm towards individuals or groups within the community;
- becomes insolvent, ceases operations, or is otherwise unable to deliver the funded activity; or
- otherwise breaches the terms of a funding agreement.

Before taking action, Council may consider the nature and severity of the non-compliance, any risk to public funds, reputational impacts, community safety considerations, and whether the recipient has taken reasonable steps to address the issue.

Where Council determines that funding has been misused, obtained improperly, or where a serious breach has occurred, Council may require repayment of part or all of the funding provided.

Council may also determine that an individual, group or organisation is ineligible to apply for future funding opportunities for a specified period, or until identified compliance issues have been satisfactorily resolved.

Any decision to suspend, terminate, recover funding or exclude an applicant from future funding opportunities must be authorised in accordance with Council's governance and delegation requirements and be appropriately documented.

## 4.4. Community Grants

Council will only provide grant funding, which demonstrates links to the Council Plan's strategic objectives, clear program budgets, eligibility criteria, application and assessment processes.

Funding recipients can have confidence that what they have been awarded is based on the quality of their proposal to achieve the designed outcomes.

Additional grants-specific requirements are set out in the Community Grants Management Framework (Appendix 1).

## 4.5. Strategic Partnerships / Core Funding

Council may provide strategic partnership or core funding where an organisation delivers ongoing activities or services that are strongly aligned with Council priorities and contribute to long-term community outcomes. These arrangements are intended for circumstances where continuity, collaboration, specialist capability or place-based delivery is required to achieve the intended outcome. They may also be used to support organisations that form part of the municipality's critical community, cultural or environmental infrastructure, provide essential community networks, or deliver functions that may be provided directly by councils in other municipalities

Strategic partnership and core funding arrangements may be competitive, targeted or negotiated, depending on the nature of the outcome sought, the availability of suitable providers, the funding value, risk profile and strategic rationale. The basis for using a non-competitive or targeted approach must be documented and approved by the authorised decision-maker in accordance with Council's governance and financial delegation requirements.

Strategic partnership / core funding recipients must have a formal funding agreement that sets out the purpose of the funding, funded activities, expected outputs and outcomes, reporting requirements, performance measures, payment conditions, acquittal requirements and review points. Funding agreements must be time-limited and subject to periodic review to confirm continued alignment with Council priorities, community need, value for money and commitment to social cohesion

## 4.6. Contracted Service Delivery

Where Council is seeking to purchase a defined service, program or deliverable from the market, the activity must be managed as contracted service delivery and not as a grant. Contracted service delivery is used when Council specifies the service requirements, expects a provider to deliver services on Council's behalf, and requires a contractual arrangement with defined deliverables and performance obligations.

Contracted service delivery must comply with Council's Procurement Policy, financial delegations, probity requirements and any applicable legislative obligations. Procurement processes must consider value for money, provider capability, quality, risk, compliance and the needs of the community.

# 5. Roles and Responsibilities

| Role | Responsibility |
|---|---|
| Councillors | Endorse the Community Funding Policy. Set strategic priorities through the Council Plan and annual budget, approve community funding programs or allocations where Council is the decision-maker, and comply with legislative and Council requirements for conflicts of interest. Councillors must not assess applications, participate in assessment panels, or make recommendations on the merits of individual applications. |
| Executive Leadership Team | Champion the Community Funding Policy, support consistent implementation across the organisation, and ensure appropriate resourcing, oversight and alignment with Council's strategic priorities.<br><br>Ensure grant-related fraud, corruption and probity risks are appropriately managed through Council's governance, risk management and internal control frameworks. |
| Policy Owner | Oversee implementation of the Policy, maintain the policy framework, monitor compliance, coordinate reporting and evaluation, and manage the review cycle in line with Council governance requirements. |
| Managers / Coordinators | Ensure staff understand and apply this Policy, embed funding governance requirements into relevant programs and procedures, manage operational risks, and escalate issues or non-compliance to the Policy Owner.<br><br>Identify and manage grant-related risks within funding programs and ensure appropriate controls, monitoring and escalation processes are in place. |
| All Staff | Comply with this Policy and related procedures when designing, administering, assessing, approving, monitoring or evaluating community funding. Staff must maintain accurate records, manage conflicts of interest and report any suspected non-compliance. |
| External assessors | Assess applications independently, impartially and in accordance with published assessment criteria, program guidelines and Council probity requirements. External assessors must declare actual, potential and perceived conflicts of interest, maintain confidentiality, document assessment outcomes and comply with Council requirements for record keeping and information handling. |
| Funding applicants and recipients | Provide accurate information, use funding only for the approved purpose, comply with funding agreements and program guidelines, meet reporting and acquittal requirements, and notify Council of any material changes or issues affecting funded activities. |

# 6. Related Legislation

- Local Government Act 2020 (Vic)
- Local Government (Governance and Integrity) Regulations 2020 (Vic)
- Privacy and Data Protection Act 2014 (Vic)
- Freedom of Information Act 1982 (Vic)
- Public Records Act 1973 (Vic)
- Charter of Human Rights and Responsibilities Act 2006 (Vic)

- Equal Opportunity Act 2010 (Vic)
- Gender Equality Act 2020 (Vic)
- Child Wellbeing and Safety Act 2005 (Vic)
- Public Interest Disclosures Act 2012 (Vic)
- IBAC Act 2011 (Vic)

# 7. Definitions

| Term | Definition |
|---|---|
| Community funding | Any financial or in-kind support provided by Council to individuals, groups or organisations to support activities, services, projects or outcomes that align with Council priorities and provide community benefit. |
| Grant | A form of community funding provided to support an approved project, activity, event or initiative. Grants are usually allocated through published eligibility and assessment criteria and are subject to funding conditions, reporting and acquittal requirements. |
| Conflict of interest | A situation where a person's private, professional or personal interests could improperly influence, or be seen to influence, their Council duties or decision-making. This includes actual, potential and perceived conflicts of interest. |
| External assessor | A person who is not a Council employee and is engaged or invited to assess funding applications. External assessors must act independently, declare conflicts of interest and follow Council's confidentiality, probity and assessment requirements. |
| Political campaigning | Political campaigning means activities undertaken for the primary purpose of influencing electoral outcomes, voting behaviour, public support for a political party, candidate or elected representative, or the success of a political campaign. This includes election campaigning, candidate promotion, political advertising, campaign fundraising, distribution of campaign materials, and events organised primarily to support or oppose a political party or candidate. Political campaigning does not include non-partisan community education, public policy discussion, research, advocacy on social or community issues, or community engagement activities that do not seek to influence electoral outcomes. |
| Political party | Political party means an organisation, whether formally registered or not, whose primary purpose is to nominate, endorse, support, promote or facilitate the election of candidates to public office, or to advance the electoral success of candidates or elected representatives. This includes organisations that principally operate as campaign vehicles, fundraising bodies or advocacy organisations for a political party or candidate. However, it does not include community organisations, peak bodies, charities or advocacy organisations that undertake non-partisan policy advocacy as part of their ordinary activities. |
| Probity | The principles and practices that support fair, transparent and accountable decision-making. This includes managing conflicts of interest, applying assessment criteria consistently, keeping accurate records and ensuring decisions are made for proper purposes. |

| | |
|---|---|
| Acquittal | The process a funding recipient completes to show that funding was used for its approved purpose and that agreed activities, outputs or outcomes were delivered. Acquittal may include financial information, activity reports, evidence of delivery and other records required by Council. |
| Community benefit | The positive social, cultural, economic, environmental or wellbeing outcome that a funded activity is expected to deliver for the City of Port Phillip community. |
| Funding recipient | An individual, group or organisation that receives community funding from Council and is responsible for meeting the relevant funding conditions, reporting and acquittal requirements. |
| Strategic partnership | A funding arrangement that supports an ongoing relationship with an organisation to deliver shared strategic outcomes and significant community benefit. |
| Core funding | Funding that supports an organisation's ongoing capacity to deliver activities or services that align with Council priorities and provide community benefit. |
| Contracted service delivery | An arrangement where Council purchases defined services, programs or deliverables from a provider through a procurement or contractual process. |
| Assessment criteria | The published standards used to assess eligible applications and determine how well they meet the objectives of a funding program. |

# Appendix 1: Community Grants Governance Framework

## 1. Purpose

### 1.1 Purpose of the Community Grants Governance Framework

The Framework supports the implementation of the Community Funding Policy by ensuring grant programs are administered consistently, transparently, fairly and accountably, and that public funds are invested in ways that support Council priorities and deliver community benefit.

### 1.2 Purpose of Community Grants

Council uses grants as a strategic investment mechanism to achieve community outcomes that align with the Council Plan and other adopted Council strategies.

Grants may be used where Council seeks to:

- support community-led responses to local needs
- strengthen community capacity, participation and resilience
- encourage innovation, collaboration and partnerships
- test, pilot or scale initiatives that contribute to strategic objectives
- leverage community, philanthropic or other external investment
- achieve outcomes that cannot be effectively delivered through direct service provision or procurement arrangements.

Grant programs must have a clearly defined purpose, strategic rationale and intended outcomes that align with Council priorities.

## 2. Grant Program Lifecycle

### 2.1 Program Design

Prior to establishing a new grant program, Council must define:

- the strategic purpose and intended outcomes
- evidence of community need or opportunity
- eligibility requirements
- assessment criteria
- funding categories and available funding
- governance and approval arrangements
- monitoring and reporting requirements
- evaluation requirements proportionate to program risk and value.

Program design should consider equity, accessibility, value for money, administrative efficiency and risk.

## 2.2 Promotion and Applications

Grant opportunities will be publicly promoted unless Council has approved an alternative funding approach.

Grants categories will have individual program guidelines that include their purpose, objectives, eligibility criteria, key dates, funding categories or streams, funding amounts, application processes, assessment criteria, applicant support information, funding agreement expectations, acquittal requirements and terms and conditions.

Grants program guidelines will be approved by a relevant manager.

Programs, where possible, will be administered using the SmartyGrants grant administration system focusing on consistent implementation (round open, close, assess, approve, manage), acquittal and evaluation. Applicants who may need assistance will be supported to utilise the system, ensuring equitable access and participation.

Program guidelines must be published and include:

- program objectives
- eligibility requirements
- assessment criteria
- key dates
- funding limits
- application requirements
- funding conditions
- reporting and acquittal requirements.

Reasonable support will be provided to enable equitable access to grant opportunities.

## 2.3 Assessment

All applications must be assessed against published eligibility requirements and assessment criteria.

Assessment processes must:

- be fair, consistent and evidence-based
- be undertaken by suitably skilled officers and/or external assessors
- include documented assessment outcomes
- include conflicts of interest declarations from all assessors.

Applications that do not meet eligibility requirements will not proceed to assessment unless otherwise approved under an authorised exemption process.

## 2.4 Approval and Recommendations

Program guidelines must state the approval pathway for the relevant grant program. This includes whether funding recommendations will be approved by Council, a delegated officer or another authorised decision-maker. In determining whether Council approval or endorsement is required, officers must consider the total program value, maximum grant amount, strategic significance, public interest, risk profile, whether funding is competitive or

targeted, whether funding is recurrent, and whether the proposed decision departs from published criteria or assessment recommendations.

## 2.5 Funding Agreement

Successful applicants must enter into a funding agreement or accept funding conditions before funding is provided.

Funding agreements must specify:

- the funded activity
- payment arrangements
- reporting requirements
- acquittal requirements
- variation processes
- performance expectations
- circumstances under which funding may be withheld, reduced or recovered including where a recipient fails to comply with funding conditions, relevant legislation, child safety requirements, or the Victorian Values Statement

## 2.6 Monitoring and Acquittal

Council will monitor funded activities using measures proportionate to the value, complexity and risk of the funding.

Funding recipients must provide acquittal information demonstrating that:

- funding was used for its approved purpose
- funded activities were delivered
- agreed outcomes were pursued
- funding conditions were met.

Council may request additional documentation or undertake audits where considered necessary.

Funding recipients must comply with all applicable laws, funding conditions, Council policies and requirements specified in the funding agreement.

Where relevant, funding recipients must comply with the Child Safe Standards and maintain appropriate policies, procedures and practices to support the safety and wellbeing of children and young people.

Funding recipients must also uphold the Victorian Values Statement, including the principles of democracy, the rule of law, equality, freedom, respect and tolerance.

Council may withhold, reduce, suspend, terminate or recover funding where a recipient:

- provides false, misleading or incomplete information;

- fails to comply with funding conditions or reporting requirements;
- uses funding for a purpose other than that approved;
- commits fraud, corruption or serious misconduct;
- fails to meet applicable Child Safe Standards or other legislative obligations;
- acts in a manner that is inconsistent with the Victorian Values Statement;
- engages in conduct that is unlawful, discriminatory, promotes hatred or vilification, or is otherwise inconsistent with Council's commitment to social inclusion, community cohesion and community safety;
- becomes insolvent or ceases to operate; or
- otherwise breaches the funding agreement.

Depending on the nature and severity of the non-compliance, Council may require repayment of part or all of the funding provided and may determine that the recipient is ineligible to apply for future funding opportunities for a specified period or until identified issues have been satisfactorily addressed.

## 2.7 Evaluation

Council will evaluate grant programs to understand whether intended outcomes have been achieved and to inform future program design and investment decisions.

## 2.8 Risk-Based Evaluation Approach

Evaluation requirements will be proportionate to the level of risk, value and strategic significance of the grants program.

In determining the level of evaluation required, Council may consider:

- total program value
- strategic importance
- community impact
- program complexity
- level of innovation
- reputational risk
- financial risk
- previous program performance.

Evaluation approaches may include:

**Low Risk Programs**

- output reporting
- acquittal review
- basic program monitoring.

**Medium Risk Programs**

- outcome reporting
- stakeholder feedback
- assessment of program effectiveness.

**High Risk or Strategic Programs**

- formal program acquittal
- impact assessment
- independent review where appropriate
- reporting to senior management and/or Council.

## 3. Roles and Responsibilities

### 3.1 Councillors

Councillors are responsible for:

- setting strategic priorities through the Council Plan and annual budget
- approving grant programs and funding allocations where required
- complying with legislative and Council requirements regarding conflicts of interest.

Councillors must not:

- assess grant applications
- participate in assessment panels
- make recommendations regarding the merits of individual applications.

### 3.2 Council Officers

Council officers are responsible for:

- designing and administering grant programs
- assessing applications
- maintaining accurate records
- managing conflicts of interest
- providing advice and recommendations
- monitoring funded activities
- undertaking program evaluation.

### 3.3 External Assessors

External assessors must:

- act independently and impartially
- declare all relevant interests before participating
- comply with Council confidentiality and probity requirements.

### 3.4 Delegated Officers

Delegated officers are responsible for making decisions in accordance with approved delegations and ensuring decisions are appropriately documented.

## 4. Conflicts of Interest and Probity

All participants involved in grant administration, assessment, recommendation or approval processes must act with integrity, impartiality and transparency.

Councillors and Council officers must manage conflicts of interest in accordance with:

- the Local Government Act 2020
- Council Governance Rules
- Council's Conflict of Interest Policy and Procedures
- any other applicable Council requirements.

### 4.1 Declarations

Staff, Councillors and external assessors must declare any actual, potential or perceived conflict of interest before participating in the assessment, recommendation or approval of grant applications.

Conflict of interest declarations must be completed for each funding round and recorded within Council's grant management records.

### 4.2 Management of Conflicts

Where a conflict exists, Council will document the management approach, which may include:

- restricting access to information
- removing the person from assessment discussions
- removing the person from decision-making
- excluding the person from the relevant process entirely.
- Individuals with a declared conflict must not participate in any aspect of the matter unless authorised under applicable requirements.

### 4.3 Lobbying

Applicants must not seek to improperly influence grant assessments or decisions.

Any attempt to influence assessment outcomes outside approved processes may result in an application being deemed ineligible.

### 4.4 Transparency and Record Keeping

Council will maintain complete and accurate records for all grant programs within a centralised system.

Records must include:

- program guidelines
- eligibility assessments
- conflict of interest declarations
- assessment scores and comments
- funding recommendations

- approval decisions
- funding amounts
- funding agreements
- acquittal and evaluation records.

The system must also record:

- the individuals involved in assessing applications
- the individuals involved in approving applications
- whether eligibility requirements were met
- how applications were assessed against published criteria
- reasons supporting funding decisions
- reasons for any decisions that differ from assessment recommendations.

## 4.5 Applicant Communication

Council will communicate funding outcomes to all applicants.

Unsuccessful applicants will be advised of the outcome of their application. Information regarding the reasons for the decision and any available feedback process may be provided upon request, in accordance with the relevant program guidelines

## 4.6 Verification of Grant Expenditure

Council will verify grant expenditure through acquittal, reporting, monitoring or audit processes that are proportionate to the value, complexity and risk of the funding provided. Verification requirements must be stated in program guidelines and funding agreements so applicants understand their obligations before accepting funding.

Funding recipients must provide evidence that the grant was used for the approved purpose and that funded activities were delivered. Evidence may include financial acquittal statements, receipts or invoices, activity reports, participant or attendance data, photographs, project outputs, evaluation findings or other records requested by Council.

Council may request further information, undertake spot checks or audit a funding recipient where there are concerns about eligibility, expenditure, delivery, reporting, fraud, conflicts of interest or compliance with funding conditions.

## 4.7 Decision-Making and Record Keeping

Assessment documentation must show how each eligible application was assessed against the published criteria and program objectives.

Funding recommendations must be supported by clear reasons, including the basis for the recommended amount and any relevant eligibility, risk, value for money or strategic alignment considerations.

Approval decisions must identify the decision-maker, decision date, approved amount, funding conditions and reasons for the decision.

Where a decision departs from an assessment recommendation, the reasons for the departure must be documented and approved in accordance with Council delegations and governance requirements.

Competitive grant programs above $3,000 must be assessed by more than one suitably qualified assessor, unless an authorised exemption is documented.

Competitive grant programs of $3,000 or less may be assessed by one or more suitably qualified assessors, provided the assessment is documented and conflicts of interest are declared and managed.

All assessment and decision records must be stored in Council's approved grants management system or other approved recordkeeping system.

## 5. Related Policies and Procedures

- Public Transparency Policy
- Procurement Policy
- Staff Conflicts of Interest (including Gifts and Hospitality) Policy 2024
- Councillor Code of Conduct
- Employee Code of Conduct