



Tasmanian
Audit Office

Tasmanian Community Fund referendum support and grant to AICR

Report of the Auditor-General

No 2 of 2024-25

Review Context

- In February 2023, the Tasmanian Community Fund (TCF) decided to publicly support the yes case for the Indigenous Voice to Parliament Referendum (Voice Referendum)
- In May 2023, the TCF requested a non-competitive joint grant application from Australians for Indigenous Constitutional Recognition (AICR) and Reconciliation Tasmania (RT) in accordance with its flexible funding approach
- In June 2023, the TCF agreed to award \$557,800 to AICR with the aim to deliver a yes vote in Tasmania.

The TCF

- Established by the *Tasmanian Community Fund Act 2005* and a State entity under the *Audit Act 2008*
- The Board comprises not more than 6 persons appointed by the Governor on the recommendation of the Minister for Community Services
- The provisions of the *State Service Act 2000* do not apply to members of the Board but do apply to support staff who are employees of DPAC
- The TCF receives a reserved-by-law annual appropriation, disbursed to it by DPAC in the form of a grant. In 2022-23, the amount was approximately \$7.95 million
- The TCF Act precludes the Board to employ staff of their own

Why we undertook the review

- In October 2023, media reporting led to the identification of the area as a potential topic of interest.
- Subsequent to the media reporting, my Office received requests to examine matters relating to this grant, which we managed in accordance with our standard referrals process
- My Office conducted a preliminary assessment of the matter, including engaging with the TCF to better understand matters relating to this grant.
- In January 2024, the Auditor-General decided, based on the results of the preliminary assessment, questions existed that warranted a review, this was communicated to the TCF and the review commenced.

Review objective

The objective of the review was to express a limited assurance opinion on the:

- TCF's processes and considerations that led to its decision to publicly support a yes vote in the Voice Referendum, and
- TCF's processes for assessing the AICR grant.

Key takeaway

- The TCF's processes and considerations leading to its decision to support the yes vote were inadequate
- The TCF's assessment of the AICR grant was not conducted in accordance with an established and documented grant management framework.

Detailed findings

Lack of documentation

We found significant gaps in record keeping processes, in that the TCF had inadequate documentation :

- setting out the reasons for its decision to support the yes vote
- supporting the awarding of the AICR grant, including lack of an objective assessment criteria to determine merit.

Inadequate due diligence

We found that the TCF had not conducted effective due diligence, in that it had not:

- identified and managed conflicts of interest in accordance with its policy
- assessed and manage risks in accordance with its risk management framework
- established clear link to the legislative basis for its decisions
- sought Ministerial approval or external advice for clarity.

Lack of documented grant management framework

We found that the TCF did not have a documented grant management framework. As such, we could not fully assess whether the AICR grant complied with TCF's framework.

Additional guidance to staff

DPAC employees supporting the TCF Board are required to abide by the State Service Principles.

No additional guidance was provided to the DPAC staff to protect them from any perception they were not complying the TSS principles to act apolitically and impartially.

We recommend the TCF

1. Conducts and documents due diligence including recording the legislative basis, key considerations, conflicts of interest, assessment of risks, and any advice relied upon in reaching its decisions
2. Adopts better practice grants management to objectively assess the relative merit of grants with clear reasons why applications are approved or denied
3. Provides regular guidance, training, and clear directions to staff to ensure they are able to comply with Tasmanian State Service principles of remaining impartial and apolitical while following the Board's directions
4. Adopts better practice records management in accordance with the Archives Act and associated guidance.

Responses

We received response from the:

- Department of Premier and Cabinet, noting our recommendation in relation to DPAC staff and provided a commitment to ensure staff receive appropriate guidance in future (managed under a SLA).
- TCF Board, strongly disagreeing and refuting the majority of my findings.

I have included a rejoinder to the Board's response in the report.