

The Commission has made 21 corruption prevention recommendations as follows:

RECOMMENDATION 1

That any whole-of-government guidelines concerning grants funding be issued pursuant to a statutory regulation.

RECOMMENDATION 2

That the *Government Sector Finance Act 2018* be amended to mirror s 71 of the *Commonwealth Public Governance, Performance and Accountability Act 2013* by including obligations that a minister must not approve expenditure of money unless satisfied that the expenditure would be an efficient, effective, economical and ethical use of the money and that the expenditure represents value for money.

RECOMMENDATION 3

That the grant funding framework, or equivalent requirements, apply to the local government sector. This should include situations where local councils are both grantees and grantors.

RECOMMENDATION 4

That the NSW Procurement Board considers the need for a direction, policy or guidance that specifically prohibits or deals with pork barrelling. If necessary, relevant guidance can be published on the buy.nsw website or reflected in relevant procurement training.

RECOMMENDATION 5

That clause 6 of the Ministerial Code be amended to read, “A Minister, in the exercise or performance of their official functions, must not act dishonestly, must act in the public interest, and must not act improperly for their private benefit or for the private benefit of any other person”.

RECOMMENDATION 6

That the proposed cross-agency Community of Practice develops templates and guidance that prompt the consideration of public interest, which may be consistent with the general approach adopted by the Legislative Council under its order 136A.

RECOMMENDATION 7

That, in addition to being documented, any input from a minister or their staff in the assessment of grants should be published on the central grants website.

RECOMMENDATION 8

That information required for publication on the central grants website should not contain any redactions for Cabinet confidentiality.

RECOMMENDATION 9

That the requirement for ministers to give reasons if they make a decision contrary to advice from public officials should be strengthened by requiring those reasons to reference the relevant selection criteria, merit and the public interest.

RECOMMENDATION 10

That the cross-agency Community of Practice identifies mechanisms for determining and managing situations where a minister is in a position to award, or influence the award of, grants in their own electorate.

RECOMMENDATION 11

That where grant schemes or opportunities seek the input of local members, the process should encompass all relevant members and not be limited to members

of the political party or parties that form government. This requirement could be reflected in the Proposed Guide or supporting materials.

RECOMMENDATION 12

That the proposed cross-agency Community of Practice:

- be led by a senior officer who is accountable for funding policy and practice across the NSW public sector
- includes at least one nominated senior officer from each cluster
- addresses pork barrelling in its proposed training materials.

RECOMMENDATION 13

That, with regard to proponent-submitted business cases and cost-benefit analyses, the assessing official or agency should consider:

- the assumptions made, whether explicit or implicit
- the reliability of the information provided, including any gaps
- the need for additional due diligence to be performed on the proponent or related parties
- overstatement of benefits or understatement of costs
- opportunity costs.

The cross-agency Community of Practice should develop standardised templates, guides and scoring mechanisms to assist proponents and public officials who assess grant applications. These should supplement but be consistent with TPP 18-6 and TPP 17-03.

RECOMMENDATION 14

That the cross-agency Community of Practice considers preparing a model contract for external consultants who are engaged to prepare business cases and cost-benefit analyses.

RECOMMENDATION 15

That the agency responsible for the central grants website undertakes audits at two yearly intervals to ensure compliance with the requirement to provide end-to-end information on all grant programs after the website has become fully operational.

RECOMMENDATION 16

That the central grants website:

- contains two main categories – one for entities providing funding and another for those seeking funding. The information should include guidance on requirements and best practice in categories
- provides information on topics such as:
 - what pork barrelling is
 - why it should be avoided
 - responsibilities of public officials in relation to pork barrelling
 - practical measures to avoid pork barrelling
 - how to report pork barrelling.

RECOMMENDATION 17

That the central grants website has search and reporting functionality that presents data in an interactive way and allows analysis across grant schemes.

RECOMMENDATION 18

That the grant funding framework requires additional information for ad hoc and one-off funding to be published on the central grants website, including:

- the document explaining why that method has been used and outlining the risk mitigation strategies
- whether the funding decision was in line with the agency's recommendation (noting that this is already proposed in the case of ministerial decision-makers)
- if the agency's recommendation was not followed, the decision-maker's reasons for not following that recommendation (noting that this is already proposed in the case of ministerial decision-makers).

In addition, any grant guidelines applying to ad hoc and one-off funding should be published on the central grants website.

RECOMMENDATION 19

That the central grants website requires information to be displayed about complaints and appeals processes in a prominent location.

RECOMMENDATION 20

That the Department of Premier and Cabinet arranges for an independent audit to be conducted to verify that the recommendations in the State Archives and Records Authority's 22 January 2021 report have been fully implemented.

RECOMMENDATION 21

That:

- the proposed funding framework encourages internal audit reports to be provided to an agency's audit and risk committee on certain categories of high-risk grants
- the NSW Government considers requiring the Auditor-General to conduct regular performance audits in relation to high-risk grants or grant schemes, including those that involve a high risk of pork barrelling
- the Audit Office of NSW be given "follow-the-dollar" powers, as previously recommended by the Public Accounts Committee of the NSW Legislative Council.