

### 7.3.6 REVIEW OF COUNCIL'S DISCRETIONARY FUND POLICY AND PROCEDURES

<b>Responsible Manager:</b>	Amanda Sapolu, Manager Corporate Governance & Legal
<b>Responsible Director:</b>	Simone Wickes, Director Corporate Services

#### RECOMMENDATION

That Council

1. **Endorses the following amendments to the Discretionary Fund Policy**
  - a) **Title and Roles & Responsibilities - Update the policy title and clarify roles and responsibilities.**
  - b) **Acquittal Process - Strengthen the acquittal requirements by introducing a mandatory process.**
  - c) **Alignment with Council Plan – Require applicants to demonstrate how their proposal supports specific objectives within the Council Plan.**
  - d) **Eligibility of Individual Applicants- Clarify that individual applicants should generally be auspiced by an incorporated association or similar entity.**
  - e) **Policy Formatting – Update the format to align with the current Policy Template and corporate design standards.**
  - f) **Reduce Discretionary Nature - Introduce a formal officer assessment and recommendation process prior to Council consideration.**
2. **Seeks a report back to Council for formal adoption of the amended Discretionary Fund Policy at the October 2025 Council meeting.**

#### INTRODUCTION

At the August 2025 Council meeting Council requested a full review of the Discretionary Fund Policy (Attachment 1) and procedures currently in place.

This report presents findings from the review and proposes a list of amendments and improvements.

#### COUNCIL PLAN STRATEGIC OBJECTIVES

**A council with good governance, strong leadership and community involvement in decision making**

A Council that provides governance and leadership for the benefit of our community through community engagement, advocacy, decision making and action.

#### BACKGROUND

Monash City Council's Discretionary Fund Policy provides for small, one-off grants (up to \$1,000) to support local community activities and events that fall outside regular grant programs. These grants help Council respond flexibly to emerging community needs throughout the year.

Preference is given to projects that use Council-owned or managed facilities, and applicants can only receive one grant per financial year.

Applications are assessed by Governance officers for eligibility, then reviewed by the Community Services team before being presented to Councillors. Final decisions are made at formal Council meetings and are publicly recorded.

This review has been strengthened by the Local Government Inspectorate review of Councillor Discretionary Funds (2013), the Monash City Council Community Grants Report by Crowe (2020) and the Victorian Auditor-General's Report on Fraud Control over Local Government Grants (2022). These reports identified the need for stronger governance, reduced discretion, clearer assessment criteria, and mandatory acquittal processes to ensure public funds are used responsibly and transparently.

## DISCUSSION

The following amendments are proposed to the current Discretionary Fund Policy:

### a. Title and Roles & Responsibilities

- Rename the policy to 'Responsive Assistance Funding Policy' to better reflect its purpose and strategic intent.
- Clarify roles and responsibilities to ensure accountability, improve operational efficiency, and support consistent policy implementation. (Governance will oversee the policy, while the Communities Team will manage its administration).

### b. Acquittal Process

- Require applicants to provide proof of need (e.g. quotes, invoices) at the time of application to verify genuine need before funds are allocated.
- Replace the current random acquittal checks (2 per financial year) with a mandatory acquittal process for all successful applicants to improve compliance and provide for a complete audit trail of public funds.

### c. Alignment with Council Plan

- Add a requirement for applicants to demonstrate how their proposal aligns with specific objectives in the Council Plan to ensure funding initiative align with community priorities.

### d. Eligibility of Individual Applicants

- Clarify that individuals should generally be auspiced by an incorporated association or similar entity to ensure accountability through established organisations.
- Where auspicings is not practicable, individuals must provide a letter of support or documentation showing alignment with a community organisation or sporting group.

### e. Policy Formatting

- Update the policy to enhance readability, professionalism and align with the current Monash Policy Template and corporate design standards.

### f. Reduce Discretionary Nature

- Introduce a formal officer assessment and recommendation process prior to Council consideration to reduce subjectivity and ensure that proposals are evaluated consistently.
- A clause encouraging applicants to seek other funding streams first, ensuring equitable access to limited discretionary funds.

Assessments will be based on:

- Administrative checks
- Alignment with Council Plan
- Demonstrated community benefit
- Financial need and value for money
- Capacity to deliver the activity

## **FINANCIAL IMPLICATIONS**

The review and implementation of the revised Policy will be met within operational budget. Improved oversight and acquittal processes may reduce financial risk and enable recovery of unspent funds.

## **POLICY IMPLICATIONS**

The proposed amendments to the Discretionary Fund Policy are designed to assist Council to achieve better compliance with VAGO's recommendations regarding funding policies. They also aim to strengthen alignment with the Council Plan by ensuring funded initiatives directly support Council's strategic objectives.

## **CONSULTATION**

Community consultation was not required.

## **SOCIAL IMPLICATIONS**

The proposed amendments to the Discretionary Fund Policy ensure equitable access to funding, promote transparency, and ensure funds are directed to initiatives that deliver genuine community benefit.

## **HUMAN RIGHTS CONSIDERATIONS**

Council must give proper consideration to human rights when making decisions.

The proposed amendments to the Discretionary Fund Policy will ensure all applications are considered fairly and equitably by Council Officers during assessment. All decisions will be transparent and fairly heard by Council at public meetings.

## GENDER IMPACT ASSESSMENT

An abridged Gender Impact Assessment (GIA) has been completed as part of this work because this policy/program/service is considered to have a direct and significant impact on the Monash community.

To address this, the proposed amendments introduce:

- A formal evaluation criterion including alignment to Council's Strategic Objectives outlined in the Council Plan to assess applications objectively.
- Emphasis on officer-led recommendations to reduce discretionary influence.
- Mandatory documentation of decisions and acquittals.
- A clause encouraging applicants to seek other funding streams first, ensuring equitable access to limited discretionary funds.

These changes aim to reduce the risk of bias and ensure that funding decisions are fair, transparent, and inclusive of all genders. Council officers will monitor application trends and outcomes to identify any disparities and recommend adjustments as needed.

## CONCLUSION

The proposed amendments to the Discretionary Fund Policy improve transparency, accountability, and alignment with strategic objectives. They respond to legislative changes and audit findings, ensuring Council funds are distributed fairly and responsibly.

## ATTACHMENT LIST

1. Council's Discretionary Fund Policy [**7.3.6.1** - 4 pages]

Council Meeting, 27 November 2018

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**COUNCIL'S DISCRETIONARY FUNDS POLICY AND PROCEDURES**

This Policy was amended by resolution of the Monash City Council on 27 November 2018

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Review of Council's Discretionary Fund Policy and Procedures

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## **INTRODUCTION**

The Council's Discretionary Fund (CDF) provides Council with the ability to approve small miscellaneous discretionary grants to community members or groups in response to requests which are received from time to time.

This fund differs from the Community Grants Program in that it recognises that small activities, events, etc., deserving of support from Council, come up in an ad hoc way throughout the year and would not otherwise be eligible for funding or would not coincide with the timing of the annual Community Grants Program.

Any funding or support provided is approved by Council through a formal and transparent process, ie a formal resolution at a Council meeting.

## **A. ELIGIBILITY CRITERIA**

1. Applicants for funding must be individuals or groups with a substantial connection to the City of Monash.
2. Applicants will only be eligible to receive funding once per financial year, unless exceptional circumstances apply.
3. Groups making an application for funding must be incorporated associations and submit evidence of that incorporation with their application.
4. Applications for funding from groups which are already funded under the Council's Community Grants Program, will not be considered, for the same activity or activity type that the applicant already receives under the Community Grants Program, unless exceptional circumstances apply.
5. Applications for services, activities or events that are considered the funding responsibility of another tier of government will be considered for funding, where the Council deems such support to be appropriate.

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**B. EVALUATION CRITERIA**

1. The activity or project being funded must clearly target City of Monash residents and provide a direct service/function to local groups or individuals.
2. Preference for funding will be given to applicants seeking to meet the costs of hiring Council-owned or managed facilities.
3. Applications must identify the dollar amount of funding sought (if known) and the purpose for which the funding is to be used.

**C. FUNDING LIMITS**

Applications of up to a maximum of \$1,000, each, are encouraged.

**D. PROCESS**

*Applications*

1. Applications for Discretionary Funding must be received in writing by the Council and submitted either directly to the Council or through a Councillor.
2. Applications for funding may be made by using the form available on Council's website or contacting Council's Civic and Governance Unit on 9518 3509.
3. Applications for funding may be initiated by a Councillor.
4. Discretionary Fund applications must be received at least 3 weeks prior to a Council meeting.

*Decision-making*

1. All discretionary funding applications will be discussed by Councillors at an assembly of councillors (Councillors' briefing meeting).
2. Where the majority of Councillors in attendance at that meeting support an application and agree on the level of funding, that recommendation will be made to a formal meeting of Council.
3. All discretionary fund applications will be submitted to Council for a formal Council decision.
4. Applications for funding will be considered at least 11 times per year, at a formal meeting of the Council.
5. Decisions on funding allocations will only be made at a formal meeting of the Council.
6. The funding allocation will be made public at the Council meeting.
7. Details of the funding recipient will be made public at the Council meeting at which approval for that funding is given.
8. Applicants will be advised, in writing, of the outcome of their application.

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9. Council Officers will randomly acquit a minimum of two successful funding applications per annum to ensure the funds provided have been used in accordance with the application.

#### **E. PLANNING AN APPLICATION**

Before applying for funding, it would be helpful for applicants to ensure that:

1. They are /their organisation is eligible for funding.
2. Their project/activity is eligible for funding.
3. They have identified the need for the project/activity.
4. They have identified the purpose of the project/activity.
5. They have carefully considered the budget for the project/activity.

#### **F. TERMS AND CONDITIONS OF FUNDING**

1. Applicants may be required to provide additional information to Council to enable a full assessment of their application.
2. Applicants may be asked to provide an acquittal of their funding.
3. Successful applicants must use the funds for the stated purpose for which the funding was awarded unless written permission has been obtained from Council.