

Audit, Risk and Improvement Committee

Fees, Reasonable Expenses and Facilities Policy

Lachlan Shire Council
February 2022







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Policy Summary

This policy enables the reasonable reimbursement of expenses and provision of facilities for Audit, Risk and Improvement Committee (ARIC) members as well as the payment of fees for attendance at meetings and Council approved workshops.

It ensures accountability and transparency, and seeks to align committee expenses and facilities with community expectations. The payment of fees should be at a level to attract suitably qualified and experienced independent committee members. Committee members must not obtain private benefit from any expense or facility provided under this policy.

The policy has been prepared in accordance with the Local Government Act 1993 (the Act) and Local Government (General) Regulation 2005 (the Regulation). Reference was made to the Office of Local Government's Guidelines for the payment of expenses and provision of facilities to Mayors and Members in NSW.

Claims will only be paid upon receipt of claim form with valid tax invoices where required. EFTPOS receipts may not be utilised as substantiating documents.

Part A – Introduction

1. Introduction

The purpose of this policy is to clearly state the fees payable and the facilities and support that are available to the committee to assist them in fulfilling their duties as ARIC members. Council will not approve any expenses or provision of facilities outside of this policy.



The LSC ARIC Committee consists of:

- 2 independent voting members
- 2 Councillor voting members
- General Manager (LSC staff) – nonvoting observer
- Director Corporate and Community Services (LSC staff) – nonvoting observer

2. Policy objectives

2.1. The objectives of this policy are to:

- enable the reasonable and appropriate reimbursement of expenses incurred by the committee while undertaking their duties;
- enable facilities of a reasonable and appropriate standard to be provided to the committee to support them in undertaking their duties;
- ensure accountability and transparency in reimbursement of expenses and provision of facilities to the committee;
- ensure facilities provided and fees and expenses paid meet community expectations; and
- fulfil the council's statutory responsibilities.

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3. Principles

- 3.1. Council commits to the following principles:
- Proper conduct: members and staff acting lawfully and honestly, exercising care and diligence in carrying out their functions
 - Reasonable expenses: providing for members to be reimbursed for expenses reasonably incurred as part of their role on the committee
 - Participation and access: enabling people from diverse backgrounds, underrepresented groups, those in carer roles and those with special needs to serve as committee members
 - Equity: there must be equitable access to expenses and facilities for the committee
 - Appropriate use of resources: providing clear direction on the appropriate use of council resources in accordance with legal requirements and community expectations
 - Accountability and transparency: clearly stating and reporting on the expenses and facilities provided to members.

4. Private benefit

- 4.1. The committee must not obtain private benefit from any expense or facility provided under this policy.
- 4.2. Incidental private use of council equipment and facilities by the committee may occur from time to time. For example, telephoning home to advise that a committee meeting will run later than expected.
- 4.3. Such incidental private use does not require a compensatory payment back to council.
- 4.4. The committee should avoid obtaining any greater private benefit from Council than an incidental benefit. Where there are unavoidable circumstances and more substantial private use of council facilities does occur, the committee member must reimburse the council.

Part B – Fees

Fees are not paid to LSC Councillor ARIC members or to any LSC staff.

Fees are determined as per council resolution.

Fees will only be paid upon receipt of a claim form with documentation and/or receipts/tax invoices as required.

Chair and independent member meeting fees as outlined below are subject to review on 1st July each year. The percentage rate increase (if any) will be the same as each year's Determination of the Local Government Remuneration Tribunal for mayoral and councillor fees.

5. Fee for ARIC Chair

- 5.1. The fee to pay for the ARIC chair is as per LSC Resolution 2021/252 adopted on 27/10/2021.
- 5.2. The fee will be up to \$1,200 per meeting. This will depend on the qualifications and experience of the Chair and will become effective on the appointment of a new ARIC Chair in 2022.
- 5.3. The exact fee will be recommended by the selection panel for the preferred candidate at the time of appointment and will be determined by Council at that time when ratifying the appointment of a new ARIC Chair.

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- 5.4. Fees include an allowance for meeting preparation and will be paid for the duration of any meeting or Council approved workshop. Travel time is not paid.
- 5.5. In addition travel expenses may be claimed on a per kilometre basis (currently 78c per km) as adopted by Council. This covers travel from the usual private place of residence and return only.
- 5.6. No other fees for the Chair will be payable.

6. Fee for ARIC Independent Members

- 6.1. The fee to be paid to any ARIC independent member is as per LSC Resolution 2020/334 adopted on 25/11/2020 and effective 1/12/2020.
- 6.2. The fee payable is \$175 per hour or part thereof.
- 6.3. Fees include an allowance for meeting preparation and will be paid for the duration of any meeting or Council approved workshop. Travel time is not paid.
- 6.4. In addition travel expenses may be claimed on a per kilometre basis (currently 78c per km) as adopted by Council. This covers travel from the usual private place of residence and return only.
- 6.5. No other fees for Independent members will be payable.

Part C – Expenses

7. Approval Arrangements

Attendance at conferences, professional development, travel on ARIC business and the like is to be approved in advance by the Director Corporate and Community Services or the General Manager. All approvals must be within the budget.

Professional development, Conferences and seminars

- 7.1. Approval for professional development activities is subject to a prior written request to Council outlining:
 - details of the proposed professional development;
 - relevance of the topics and presenters to current council and ARIC priorities and business and the exercise of committee duties;
 - cost of the conference or seminar; and
 - available budget.



In addition, Councillor committee members should have this listed on their professional development plan.

Spouse or Partner Expenses

No spouse or partner expenses are payable for ARIC. The individual committee member is required to meet all expenses incurred by spouse/ partners in attending conferences and seminars.

8. General expenses

All expenses provided under this policy will be for a purpose specific to the functions of the ARIC. Allowances for general expenses are not permitted under this policy.

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9. Specific expenses

General travel arrangements and expenses

- 9.1. All travel by members should be undertaken using the most direct route and the most practicable and economical mode of transport.
- 9.2. Where Council Officers are attending any meeting, conference, seminar or function and are travelling by motor vehicle ARIC members will, where practical, travel to and from the meeting, conference, seminar or function with the Officers, or utilise a Council pool vehicle (if available).
- 9.3. Should travel with an Officer be impractical, then the member is authorised to travel by the most direct route to and from the meeting, conference, seminar or function in the member's private vehicle.
- 9.4. Allowances for the use of a private vehicle will be reimbursed by kilometre at the rate adopted by Council (currently 78c per km).
- 9.5. Individuals on the committee seeking to be reimbursed for use of a private vehicle must keep include on their claim form the date, distance and purpose of travel being claimed.
- 9.6. Where distances or practicality prevent travel by motor vehicle, and remote access is not the preferred option, Council will meet the cost of either the return first class travel by rail or return economy class airfare together with taxi fares to and from the railway stations or airports for members attending meetings, conferences, seminars or functions.
- 9.7. Where road travel is required over a time period greater than 3 hours each way then Council approved economy class air travel may be utilised.

Overseas and interstate travel expenses



- 9.8. Council will not provide overseas travel for the committee.
- 9.9. Council will scrutinise the value and need for members to undertake interstate travel.
- 9.10. Members seeking approval for any interstate travel must submit a case to, and obtain approval with a Council resolution, prior to travel.
- 9.11. The case should include:
 - objectives to be achieved in travel, including an explanation of how the travel aligns with current council priorities and business, the community benefits which will accrue as a result, and its relevance to the exercise of the member's duties
 - who is to take part in the travel
 - duration and itinerary of travel
 - a detailed budget including a statement of any amounts expected to be reimbursed by the participant/s.
- 9.12. For interstate journeys by air the class of air travel is to be economy class.
- 9.13. For air travel that is reimbursed, members will not accrue points from the airline's frequent flyer program. This is considered a private benefit.

Travel expenses not paid by Council

Council will not pay any traffic or parking fines.

Accommodation and meals

- 9.14. Council will reimburse costs for accommodation and meals while members are undertaking prior approved travel or professional development

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9.15. Where meals are not provided Council will meet the cost of reasonable sustenance. Sustenance will be paid on an actual cost basis or reimbursed following the receipt of an appropriate claim and supported by valid tax invoices or receipts. EFTPOS receipts are not substantiation.

9.16. ARIC members will not be reimbursed for alcoholic beverages in any circumstances.

Incidental expenses

9.17. Incidental expenses whilst on Council business within Australia - Council will meet reasonable incidental expenses for councillors associated with conferences and seminars, or such other forums as the Council approves, on an actual cost basis upon the production of receipts and duly authorised claims.

Refreshments for meetings

9.18. For official ARIC meetings and Council approved workshops, refreshments will be provided for morning/afternoon tea and a light lunch, breakfast or supper as appropriate given the time of day.

Training, conferences and seminars

9.19. Council will meet the reasonable cost of registration fees, transportation and accommodation associated with attendance at training, conferences and seminars preapproved by Council. Council will also meet the reasonable cost of meals when they are not included in the conference fees subject to this policy.

9.20. Where such costs are paid by Council and the individual committee member does not attend the conference or seminar, then the individual shall be personally liable to repay all amounts paid by Council. Where the individual believes there are extenuating circumstances for non-attendance the individual may apply to the General Manager to have such repayment waived.

Functions

9.21. In instances where members may be invited to official council functions, council will meet the cost of the ticket and/or meal only. If the member's spouse or partner is invited as well that ticket and/or meal cost will also be paid for. No other peripheral expenses will be paid/reimbursed.

10. Insurances

10.1. In accordance with Section 382 of the *Local Government Act*, Council is insured against public liability and professional indemnity claims.

10.2. Insurance protection is only provided if a claim arises out of or in connection with the member's performance of his or her ARIC duties, or exercise of his or her functions as a member. All insurances are subject to any limitations or conditions set out in the policies of insurance.

Part D – Facilities

11. General facilities for all members

Facilities

11.1. Council will provide the following facilities to the committee to assist them to effectively discharge their duties:

- Secretariat support including meeting agenda, minute taking and minutes, and business papers as required;
- personal protective equipment for use as required; and

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- a meeting room to conduct meetings in with suitable IT services including remote access
- 11.2. The provision of facilities will be of a standard deemed as appropriate for the purpose by the Director Corporate and Community Services.

Stationery

- 11.3. Council will provide stationery and writing materials for meetings and workshops as required.

Administrative support

- 10.1. Council will provide administrative support to members to assist them with their member duties only. Administrative support may be provided by staff as arranged by the General Manager or the Director Corporate and Community Services.

Part E – Processes

11. Approval, payment and reimbursement arrangements

- 11.1. Expenses should only be incurred by members in accordance with the provisions of this policy.
- 11.2. Approval for incurring expenses, or for the reimbursement of such expenses, should be obtained before the expense is incurred.
- 11.3. Reimbursement will require ARIC members to be set up in Council’s payment system with a creditor number and payment will be by EFT. Council does not pay by cheque or cash.
- 11.4. Final approval for payments made under this policy will be granted by the Director Corporate and Community Services or General Manager.

Direct payment

- 11.5. Council may approve and directly pay expenses. Requests for direct payment must be submitted to the Director Corporate and Community Services for assessment against this policy with sufficient information and time to allow for the claim to be assessed and processed.

Reimbursement



- 11.6. All claims for reimbursement of expenses incurred must be made on the prescribed form (see attached forms), supported by appropriate receipts and/or tax invoices, and be submitted to the Director Corporate and Community Services.
- 11.7. A valid tax invoice or receipt must be submitted for all claims. Claims will not be paid using EFTPOS receipts as substantiation.

Notification

- 11.8. If a claim is approved, council will make payment directly or reimburse the member through accounts payable. An email remittance advice will issue when the payment is made.
- 11.9. If a claim is refused, council will inform the member in writing that the claim has been refused and the reason for the refusal.

Reimbursement to council

- 11.10. If council has incurred an expense on behalf of a member that exceeds a maximum limit, exceeds reasonable incidental private use or is not provided for in this policy:
- council will invoice the member for the expense; and
 - the member will reimburse council for that expense within 14 days of the invoice date.

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11.11. If the member cannot reimburse council within 14 days of the invoice date, they are to submit a written explanation to the general manager. The general manager may elect to deduct the amount from the member's allowance.

12. Disputes

12.1. If a member disputes a determination under this policy, the member should discuss the matter with the general manager, whose decision is final and binding.

13. Return of facilities

13.1. All unexpended facilities or equipment supplied under this policy are to be relinquished immediately upon a member ceasing to hold office or at the cessation of their duties.

14. Reporting

14.1. Council will report on the provision of expenses and facilities to members as required in the Act and Regulations.

15. Breaches

15.1. Suspected breaches of this policy are to be reported to the general manager.

15.2. Alleged breaches of this policy shall be dealt with by following the processes outlined for breaches of the Code of Conduct, as detailed in the Code and in the Procedures for the Administration of the Code.

16. Special Circumstances

16.1. If special circumstances arise where it is impractical for the strict terms of this policy to be applied the general manager may authorise a one-off variation to the policy to meet those special circumstances.

17. Status of the Policy

17.1. This policy, once adopted, is to remain in force unless it is reviewed by the Council or changed as per legislative requirements as and when they occur.

18. Related Documents

ARIC Terms of Reference

Lachlan Shire Council Code of Conduct for Councillors & Committee members Policy

Lachlan Shire Council Corporate Credit Card Policy

Local Government Act 1993

Local Government (General) Regulation 2005

Model Code of Conduct for Local Councils in NSW 2020

OLG Guidelines for the payment of expenses and provision of facilities for mayors and councillors in NSW

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Information to Establish New Creditor Form

ACCOUNT NAME:

ADDRESS:

POSTAL ADDRESS

EMAIL ADDRESS

ABN

NATURE OF BUSINESS

TELEPHONE

BUSINESS

MOBILE

FAX

<input type="text"/>
<input type="text"/>
<input type="text"/>

BANK ACCOUNT DETAILS

BSB:

ACCOUNT NUMBER

Name:

Signature:

Date:
