

NORTHERN RIVERS JOINT ORGANISATION

Draft EXPENSES AND FACILITIES POLICY June 2018

Contents

CONTENTS 2

POLICY SUMMARY	3
PART A: INTRODUCTION	4
1. Introduction	4
2. Policy objectives	4
3. Principles	4
4. Private or political benefit	5
PART B: EXPENSES	6
5. General expenses	6
6. Specific Expenses	6
7. Insurances	8
8. Legal assistance	9
PART C: FACILITIES	11
9. General facilities for all Board Members	11
PART D: PROCESSES	12
10. Approval, payment and reimbursement arrangements	12
11. Disputes	13
12. Return or retention of facilities	13
13. Publication	13
14. Reporting	13
15. Auditing	13
16. Breaches	14
PART E: APPENDIX	15
Appendix I: Related legislation, guidance and policies	15
Appendix II: Definitions	16

Policy Summary

This policy enables the reasonable and appropriate reimbursement of expenses and provision of facilities to Board Members of the Northern Rivers Joint Organisation (Joint Organisation) where they are specifically requested and required to represent the Joint Organisation outside their normal duties as a Board Member of the Joint Organisation.

Reimbursement of expenses and provision of facilities to Board Members of the Northern Rivers Joint Organisation (Joint Organisation) related to undertaking their civic duties as Board Members of the Joint Organisation are to be covered by the member Councils in accordance with their respective policies.

It ensures accountability and transparency, and seeks to align Board Member expenses and facilities with community expectations. Board Members must not obtain private or political 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), and complies with the Office of Local Government's Guidelines for the payment of expenses and provision of facilities to Mayors and Board Members in NSW.

Expenses not explicitly addressed in this policy will not be paid or reimbursed. Additional costs incurred by a Board Member in excess of these limits are considered a personal expense that is the responsibility of the Board Member.

Board Members must provide claims for reimbursement within three months of an expense being incurred. Claims made after this time cannot be approved.

Detailed reports on the provision of expenses and facilities to Board Members will be publicly tabled at a meeting of the Joint Organisation annually and published in full on the Joint Organisations website. These reports will include expenditure summarised by individual Board Member and as a total for all Board Members.

This policy is designed to cover any needs associated with the exercise by Board Members, including the Chairperson, of their Joint Organisation functions that are not otherwise covered under member Council's Expenses and Facilities policies.

Board Members and the Chairperson are not entitled to make a claim under a Joint Organisation's expenses and facilities policy where a claim has been covered under a member Council's policy, and vice versa.

PART A: Introduction

1. Introduction

- 1.1 The provision of expenses and facilities enables Board Members to fulfil their civic duties as Board Members of the Northern Rivers Joint Organisation.
- 1.2 The community is entitled to know the extent of expenses paid to Board Members, as well as the facilities provided.
- 1.3 The purpose of this policy is to clearly state the facilities and support that are available to Board Members to assist them in fulfilling their civic duties on behalf of the Joint Organisation.
- 1.4 The Executive Officer of the Joint Organisation is empowered to question or refuse a request for payment from a Board Member when it does not accord with this policy.

2. Policy objectives

- 2.1 The objectives of this policy are to:
 - enable the reasonable and appropriate reimbursement of expenses incurred by Board Members while undertaking their civic duties as Board Members of the Joint Organisation.
 - enable facilities of a reasonable and appropriate standard to be provided to Board Members to support them in undertaking their civic duties as Board Members of the Joint Organisation.
 - ensure accountability and transparency in reimbursement of expenses and provision of facilities to Board Members.
 - ensure facilities and expenses provided to Board Members meet community expectations.
 - fulfil the Joint Organisation's statutory responsibilities.

3. Principles

- 3.1 The Joint Organisation commits to the following principles:
 - **Proper conduct:** Board Members and staff of the Joint Organisation acting lawfully and honestly, exercising care and diligence in carrying out their functions.
 - **Reasonable expenses:** providing for Board Members to be reimbursed for expenses reasonably incurred as part of their role as a Board Member.
 - **Equity:** there must be equitable access to expenses and facilities for all Board Members.
 - **Appropriate use of resources:** providing clear direction on the appropriate use of Joint Organisation resources in accordance with legal requirements and community expectations.
 - **Accountability and transparency:** clearly stating and reporting on the expenses and facilities provided to Board Members.

4. Private or political benefit

- 4.1 Board Members must not obtain private or political benefit from any expense or facility provided under this policy.
- 4.2 Private use of Joint Organisation equipment and facilities by Board Members may occur from time to time. For example, telephoning home to advise that a Joint Organisation or Committee meeting will run later than expected.
- 4.3 Such incidental private use does not require a compensatory payment back to the Joint Organisation.
- 4.4 Board Members should avoid obtaining any greater private benefit from the Joint Organisation than an incidental benefit. Where there are unavoidable circumstances and more substantial private use of Joint Organisation facilities does occur, Board Members must reimburse the Joint Organisation.
- 4.5 Campaigns for re-election are considered to be a political benefit. The following are examples of what is considered to be a political interest during a re-election campaign:
 - production of election material
 - use of Joint Organisation resources and equipment for campaigning
 - use of official Joint Organisation letterhead, publications, websites or services for political benefit
 - fundraising activities of political parties or individuals, including political fundraising events.

PART B: Expenses

5. General expenses

- 5.1. All expenses provided under this policy will be for a purpose specific to the functions of the Joint Organisation. Allowances for general expenses are not permitted under this policy.
- 5.2. Expenses not explicitly addressed in this policy will not be paid or reimbursed.

6. Specific Expenses

General travel arrangements and expenses

- 6.1. Travel expenses incurred by Board Members attending meetings of the Joint Organisation will be reimbursed by the Board Members member Council, in accordance with the respective Council's expenses and facilities policy.
- 6.2. All travel by Board Members should be undertaken using the most direct route and the most practicable and economical mode of transport.
- 6.3. Board Members may be reimbursed for travel expenses incurred while undertaking official business, professional development, and attending approved conferences, seminars, workshops and functions in NSW **on behalf of** the Joint Organisation. This includes reimbursement:
 - for public transport fares
 - for the use of a private vehicle or hire car
 - for parking costs for Joint Organisation and associated meetings
 - for tolls
 - by Cabcharge card or equivalent
 - for documented ride-share programs, such as Uber, where tax invoices can be issued.
- 6.4. Allowances for the use of a private vehicle will be reimbursed by kilometre at the rate contained in the Local Government (State) Award.
- 6.5. Board Members seeking to be reimbursed for use of a private vehicle must keep a log book recording the date, distance and purpose of travel being claimed. Copies of the relevant log book contents must be provided with the claim.

Interstate, overseas and long distance intrastate travel expenses

- 6.6. Given the Joint Organisation's location near an interstate border, travel to South East Queensland will be considered as general travel. Arrangements and expenses for this travel will be governed by Clauses 6.2 - 6.5.
- 6.7. The Joint Organisation will scrutinise the value and need for Board Members to undertake overseas travel. The Joint Organisation should avoid interstate, overseas and long distance intrastate trips unless direct and tangible benefits can be established for the Joint Organisation and the local communities of its member Council's.
- 6.8. Total interstate, overseas and long distance intrastate travel expenses for all Board Members will be capped at a maximum amount as determined in the Joint Organisations annual budget.

- 6.9. Board Members seeking approval for any interstate, long distance intrastate or overseas travel must submit a case to, and obtain the approval of, the Joint Organisation by resolution of the Joint Organisation prior to travel.
- 6.10. The case should include:
- objectives to be achieved in travel, including an explanation of how the travel aligns with current priorities and business of the Joint Organisation, the community benefits which will accrue as a result, and its relevance to the exercise of the Board Member's civic 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.
- 6.11. For interstate and long distance intrastate journeys by air of less than three hours, the class of air travel is to be economy class.
- 6.12. For interstate journeys by air of more than three hours, the class of air travel may be premium economy.
- 6.13. For international travel, the class of air travel is to be premium economy if available. Otherwise, the class of travel is to be economy.
- 6.14. Bookings for approved air travel are to be made through the Executive Officer's office.
- 6.15. For air travel that is reimbursed as Joint Organisation business, Board Members will not accrue points from the airline's frequent flyer program. This is considered a private benefit.

Travel expenses not paid by the Joint Organisation

- 6.16. The Joint Organisation will not pay any traffic or parking fines or administrative charges for road toll accounts.

Accommodation and meals

- 6.17. In circumstances where it would introduce undue risk for a Board Member to travel to or from official business **on behalf of** the Joint Organisation in the late evening or early morning, reimbursement of costs for accommodation and meals on the night before or after the meeting may be approved by the Executive Officer.
- 6.18. The Joint Organisation will reimburse costs for accommodation and meals while Board Members are undertaking prior approved travel **on behalf of** the Joint Organisation outside the geographical boundaries of the Joint Organisations member councils.
- 6.19. The daily limits for accommodation and meal expenses within Australia are to be consistent with those set out in Part B Monetary Rates of the NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009, as adjusted annually.
- 6.20. The daily limits for accommodation and meal expenses outside Australia are to be determined in advance by the Executive Officer, being mindful of Clause 6.20.
- 6.21. Board Members will not be reimbursed for alcoholic beverages.

Refreshments for Joint Organisation related meetings

- 6.22. Appropriate refreshments will be available for Joint Organisation meetings and Joint Organisation committee meetings, as approved by the Executive Officer.

- 6.23. As an indicative guide for the standard of refreshments to be provided at Joint Organisation related meetings, the Executive Officer must be mindful of Part B Monetary Rates of the NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009, as adjusted annually.
- 6.24. The Joint Organisation will cover the costs of refreshments available at meetings and committee meetings of the Joint Organisation.

Professional development

- 6.25. Professional development of Board Members through programs, training, and education courses is to be covered by the Board Members member Council.

Conferences, seminars, workshops and functions

- 6.26. Approval to attend a conference, seminar, workshop or function **on behalf of** the Joint Organisation is subject to a written request to the Executive Officer.
- 6.27. The Joint Organisation will meet the reasonable cost of registration fees, transportation and accommodation associated with attendance at conferences, seminars, workshops and functions approved by the Executive Officer. The Joint Organisation will also meet the reasonable cost of meals when they are not included in the registration fees. Reimbursement for accommodation and meals not included in the registration fees will be subject to Clauses 6.19-6.22.

Special requirement and carer expenses

- 6.28. The Joint Organisation encourages wide participation and interest in civic office. It will seek to ensure premises used by the Joint Organisation for meetings and associated facilities are accessible, including provision for sight or hearing impaired Board Members and those with other disabilities.
- 6.29. In addition to the provisions above, the Executive Officer may authorise the provision of reasonable additional facilities and expenses in order to allow a Board Member with a disability to perform their civic duties.

7. Insurances

- 7.1 In accordance with Section 382 of the Local Government Act, the Joint Organisation is insured against public liability and professional indemnity claims. Board Members are included as a named insured on this Policy.
- Professional Indemnity - insurance applies in relation to claims arising out of the Board Members (alleged) negligent performance of civic duties or exercise of their functions as Board Member, provided the performance or exercise of the relevant civic duty or function is in the opinion of the Joint Organisation bona fide and/or proper. This is subject to any limitations or conditions set out in the policy of insurance that is taken out at the direction of the Joint Organisation. No benefit, irrespective of insurance cover, is provided in relation to an action by one Board Member against another Board Member or a Board Member against an employee of the Joint Organisation.
 - Public Liability - insurance applies in relation to claims arising out of the Board Members (alleged) negligent performance of civic duties or exercise of their functions as a Board Member. This is subject to any limitations or conditions set out in the policy of insurance that is taken out at the direction of the Joint Organisation. No benefit, irrespective of insurance cover, is provided in relation to an action by one Board Member against another Board Member or a Board Member against an employee of the Joint Organisation.

- 7.2 Insurance protection is only provided if a claim arises out of or in connection with the Board Members performance of his or her civic duties, or exercise of his or her functions as a Board Member of the Joint Organisation. All insurances are subject to any limitations or conditions set out in the policies of insurance.
- 7.3 Statutory Liability- provides protection against fines or penalties arising out of breaches of Acts together with the legal costs incurred in defending the Joint Organisation as an entity, including Board Members and officers, so long as the act was not willfully committed. Cover extends to costs incurred before an individual is named in proceedings. Thereafter costs are dealt with under Board Members and Officers Liability.
- 7.5 Board Members and Officers' Liability (including Employment Practices Liability) - applies to cover expenses incurred by Board Members and Officers in respect of claims made against them for any alleged wrongful acts arising out of their official capacities.
- 7.6 The Joint Organisation shall pay the insurance policy excess in respect of any claim accepted by the Joint Organisations insurers, whether defended or not.

8. Legal assistance

- 8.1 The Joint Organisation may, if requested, indemnify or reimburse the reasonable legal expenses of:
- a Board Member defending an action arising from the performance in good faith of a function under s731 of the Local Government Act provided that the outcome of the legal proceedings is favourable to the Board Member
 - a Board Member defending an action in defamation, provided the statements complained of were made in good faith in the course of exercising a function under the Act and the outcome of the legal proceedings is favourable to the Board Member
 - a Board Member for proceedings before an appropriate investigative or review body, provided the subject of the proceedings arises from the performance in good faith of a function under the Act and the matter has proceeded past any initial assessment phase to a formal investigation or review and the investigative or review body makes a finding substantially favourable to the Board Member. Investigative or review bodies may include:
 - a) NSW Civil and Administrative Tribunal
 - b) Independent Commission Against Corruption
 - c) Office of the NSW Ombudsman
 - d) Office of Local Government
 - e) NSW Police Force
 - f) Director of Public Prosecutions
 - g) Council's Conduct Review Committee/Reviewer
 - In the case of a code of conduct complaint made against a Board Member, legal costs will only be made available where the matter has been referred by the Executive Officer to a conduct reviewer and the conduct reviewer has commenced a formal investigation of the matter and makes a finding substantially favourable to the Board Member.
 - Legal costs will not be made available to a Board Member regarding a code of conduct complaint alleging pecuniary interest or misbehaviour, unless the Office of Local Government has commenced a formal investigation and the formal investigation makes a finding favourable to the Board Member
- 8.2 Legal expenses incurred in relation to proceedings arising out of the performance by a Board Member of his or her functions under the Act are distinguished from expenses incurred in relation to proceedings arising merely from something that a Board Member

has done during his or her term in office. For example, expenses arising from an investigation as to whether a Board Member acted corruptly would not be covered by this section.

8.3 The Joint Organisation will not meet the legal costs:

- of legal proceedings initiated by a Board Member under any circumstances
- of a Board Member seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation
- for legal proceedings that do not involve a Board Member performing their role as a Board Member of the Joint Organisation.

8.4 Reimbursement of expenses for reasonable legal expenses must have Joint Organisation approval by way of a resolution at a Joint Organisation meeting prior to costs being incurred.

PART C: Facilities

9. General facilities for all Board Members

Facilities

- 9.1 The Joint Organisation will ensure the provision of the following facilities to Board Members to assist them to effectively discharge their civic duties:
- access to a shared meeting space for meetings of the Joint Organisation and its committees.
 - access to shared car parking spaces while attending meetings of the Joint Organisation.
 - personal protective equipment for use during site visits.
 - a name badge which may be worn at official functions, indicating that the wearer holds the office of a Board Member.
- 9.2 Board Members may book meeting rooms for official business of the Joint Organisation in a specified council building of a member council at no cost.
- 9.3 The provision of facilities will be of a standard deemed by the Executive Officer as appropriate for the purpose.

Stationery

- 9.4 The Joint Organisation will make the following stationery available to Board Members on request:
- letterhead, to be used only for correspondence associated with civic duties
 - business cards

Administrative support

- 9.5 The Executive Officer will ensure that adequate administrative support is provided to Board Members to assist them with their obligations to the Joint Organisation only. Administrative support may be provided by staff in the Executive Officers office or by a member council's administrative staff as arranged by the Executive Officer or their delegate.
- 9.6 Joint Organisation staff are expected to assist Board Members with civic duties relating to their role in the Joint Organisation only, and not assist with matters of personal or political interest, including campaigning.

PART D: Processes

10. Approval, payment and reimbursement arrangements

- 10.1. Expenses should only be incurred by Board Members in accordance with the provisions of this policy.
- 10.2. Approval for incurring expenses, or for the reimbursement of such expenses, should be obtained before the expense is incurred.
- 10.3. Final approval for payments made under this policy will be granted by the Executive Officer or their delegate.

Direct payment

- 10.4. The Joint Organisation may approve and directly pay expenses. Requests for direct payment must be submitted to the Executive Officer or their delegate for assessment against this policy using the prescribed form, with sufficient information and time to allow for the claim to be assessed and processed.

Reimbursement

- 10.5. All claims for reimbursement of expenses incurred must be made on the prescribed form, supported by appropriate receipts and/or tax invoices and be submitted to the Executive Officer or their delegate.

Advance payment

- 10.6. The Joint Organisation may pay a cash advance for Board Members attending approved conferences, seminars, workshops or functions **on behalf of** the Joint Organisation.
- 10.7. The maximum value of a cash advance is \$100 per day of the conference, seminar, workshop or function to a maximum of \$500.
- 10.8. Requests for advance payment must be submitted to the Executive Officer or their delegate for assessment against this policy with sufficient information and time to allow for the claim to be assessed and processed.
- 10.9. Board Members must fully reconcile all expenses against the cost of the advance within one month of incurring the cost and/or returning home. This includes providing to the Joint Organisation:
 - a full reconciliation of all expenses including appropriate receipts and/or tax invoices
 - reimbursement of any amount of the advance payment not spent in attending to official business or professional development.

Notification

- 10.10. If a claim is approved, the Joint Organisation will make payment directly or reimburse the Board Member through accounts payable.
- 10.11. If a claim is refused, the Joint Organisation will inform the Board Member in writing that the claim has been refused and the reason for the refusal.

Reimbursement to the Joint Organisation

- 10.12. If the Joint Organisation has incurred an expense on behalf of a Board Member that exceeds a budgetary limit, exceeds reasonable incidental private use or is not provided for in this policy:
- The Joint Organisation will invoice the Board Member for the expense
 - the Board Member will reimburse the Joint Organisation for that expense within 14 days of the invoice date.
- 10.13. If the Board Member cannot reimburse the Joint Organisation within 14 days of the invoice date, they are to submit a written explanation to the Executive Officer. The Executive Officer may elect to deduct the amount from the Board Member's allowance.

Timeframe for reimbursement

- 10.14. Unless otherwise specified in this policy, Board Members must provide all claims for reimbursement within three months of an expense being incurred. Claims made after this time cannot be approved.

11. Disputes

- 11.1 If a Board Member disputes a determination under this policy, the Board Member should discuss the matter with the Executive Officer.
- 11.2 If the Board Member and the Executive Officer cannot resolve the dispute, the Board Member may submit a notice of motion to a meeting of the Joint Organisation seeking to have the dispute resolved.

12. Return or retention of facilities

- 12.1 All unexpended facilities or stationery supplied under this policy are to be relinquished immediately upon a Board Member ceasing to hold office or at the cessation of their civic duties.

13. Publication

- 13.1 This policy will be published on the Joint Organisations website.

14. Reporting

- 14.1 The Joint Organisation will report on the provision of expenses and facilities to Board Members as required in the Act and Regulations.
- 14.2 Detailed reports on the provision of expenses and facilities to Board Members will be publicly tabled at a Joint Organisation meetings annually and published in full on the Joint Organisations website. These reports will include expenditure summarised by individual Board Member and as a total for all Board Members.

15. Auditing

- 15.1 The operation of this policy, including claims made under the policy, will be included in the Joint Organisations audit program and an audit undertaken at least every two years.

16. Breaches

- 16.1 Suspected breaches of this policy are to be reported to the Executive Officer.
- 16.2 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.

PART E: Appendix

Appendix I: Related legislation, guidance and policies

Relevant legislation and guidance:

- Local Government Act 1993, Sections 252 and 253
- Local Government (General) Regulation 2005, Clauses 217 and 403
- Guidelines for the payment of expenses and the provision of facilities for Mayors and Board Members in NSW, 2009
- Local Government Circular 09-36 Guidelines for Payment of Expenses and Facilities
- Local Government Circular 05-08 legal assistance for Board Members and Council Employees.

Related Joint Organisation policies:

- Code of Conduct

Appendix II: Definitions

The following definitions apply throughout this policy.

Term	Definition
appropriate refreshments	Means food and beverages, excluding alcohol, provided by the Joint Organisation to support Board Members undertaking official business
Act	Means the <i>Local Government Act 1993</i> (NSW)
clause	Unless stated otherwise, a reference to a clause is a reference to a clause of this policy
Code of Conduct	Means the Code of Conduct adopted by the Joint Organisation or the Model Code if none is adopted
Board Member	Means a person elected or appointed to be member of the governing body of the Joint Organisation who is not suspended
Executive Officer	Means the Executive Officer of the Joint Organisation and includes their delegate or authorised representative
incidental personal use	Means use that is infrequent and brief and use that does not breach this policy or the Code of Conduct
long distance intrastate travel	Means travel to other parts of NSW of more than three hours duration by private vehicle
maximum limit	Means the maximum limit for an expense or facility provided under this policy
Nominated representative	A representative of an organisation or body invited by the Board to attend a meeting of the Joint Organisation.
NSW	New South Wales
official business	Means functions that Board Members are required or invited to attend to fulfil their legislated role and responsibilities for the Joint Organisation or result in a direct benefit for the Joint Organisation and/or for the local government areas of its member councils, including: <ul style="list-style-type: none"> • meetings of the Joint Organisation and committees of the whole • meetings of committees facilitated by the Joint Organisation • civic receptions hosted or sponsored by the Joint Organisation • meetings, functions, workshops and other events to which attendance by a Board Member has been requested or approved by the Joint Organisation
professional development	Means a seminar, conference, training course or other development opportunity relevant to the role of a Board Member
Regulation	Means the <i>Local Government (General) Regulation 2005</i> (NSW)
year	Means the financial year, that is the 12 month period commencing on 1 July each year