



BOARD EXPENSES AND FACILITIES POLICY



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PART 1

POLICY SUMMARY

- 1.1. This policy enables the reasonable and appropriate reimbursement of expenses and provision of facilities to Board Members to help them undertake their Joint Organisation (JO) Board duties.
- 1.2. It ensures accountability and transparency, and seeks to align expenses and facilities with good governance expectations.
- 1.3. 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 elected officials in NSW.
- 1.4. The policy sets out the maximum amounts the JO will pay for specific expenses and facilities. Expenses not explicitly addressed in this policy will not be paid or reimbursed.
- 1.5. The main expenses and facilities are summarised in the table below. All monetary amounts are exclusive of GST.

| Expense or facility | Maximum amount | Frequency |
|--|-----------------------------|------------------|
| Travel, accommodation and meals directly associated with an approved representation on behalf of the JO Board. | \$320 – Room \$100 a day | Per meal/night |

- 1.6. Board Members must provide claims for reimbursement within three months of an expense being incurred. Claims made after this time may not be approved.
- 1.7. Detailed reports on the provision of expenses and facilities to Board Members will be publicly tabled at a JO Board meeting every six months and published in full on the JO’s website. These reports will include expenditure summarised by individual Board Member and as a total for all Board Members.



PART 2

INTRODUCTION

- 2.1. The provision of expenses and facilities enables Board Members to fulfil their duties as the elected representatives of the JO Board.
- 2.2. 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 duties.
- 2.3. This policy recognises that Board Members are in receipt of expenses and facilities from the Member Council in their role as a councillor.

Policy objectives

- 2.4. The objectives of this policy are to:
 - 2.4.1. enable the reasonable and appropriate reimbursement of expenses incurred by Board Members while undertaking their Board duties
 - 2.4.2. enable facilities of a reasonable and appropriate standard to be provided to Board Member to support them in undertaking their Board duties
 - 2.4.3. ensure accountability and transparency in reimbursement of expenses and provision of facilities to Board Members
 - 2.4.4. fulfil the JO's statutory responsibilities.

Principles

- 2.5. The JO Board commits to the following principles:
 - 2.5.1. **Proper conduct** – the Board and staff acting lawfully and honestly, exercising care and diligence in carrying out their functions
 - 2.5.2. **Reasonable expenses** - providing for Board Members to be reimbursed for expenses reasonably incurred as part of their role in representing the JO Board
 - 2.5.3. **Equity** - there must be equitable access to expenses and facilities for all Board Members



- 2.5.4. **Appropriate use of resources** - providing clear direction on the appropriate use of JO resources in accordance with legal requirements
- 2.5.5. **Accountability and transparency** - clearly stating and reporting on the expenses and facilities provided to Board Members.

Private or political benefit

- 2.6. Board Members must not obtain private or political benefit from any expense or facility provided under this policy.
- 2.7. Board Members should avoid obtaining any greater private benefit from the JO than an incidental benefit. Where there are unavoidable circumstances and more substantial private use of the JO facilities does occur, Board Members must reimburse the JO.



PART 3

EXPENSES

General expenses

- 3.1. All expenses provided under this policy will be for a purpose specific to the functions of holding a Board position. Allowances for general expenses are not permitted under this policy.
- 3.2. Expenses not explicitly addressed in this policy will not be paid or reimbursed.

Specific Expenses

- 3.3. General travel arrangements and expenses will only be paid by the JO where the expense is incurred while undertaking approved representative duties on behalf of the JO.
 - 3.3.1. All travel by Board Members should be undertaken using the most direct route and the most practicable and economical mode of transport.
 - 3.3.2. Allowances for the use of a private vehicle will be reimbursed by kilometre at the rate contained in the *Local Government (State) Award*.
 - 3.3.3. 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.
- 3.4. Travel expenses
 - 3.4.1. For interstate and long distance intrastate journeys by air of less than three hours, the class of air travel is to be economy class.
 - 3.4.2. For interstate journeys by air of more than three hours, the class of air travel may be premium economy.
 - 3.4.3. Bookings for approved air travel are to be made through the Executive Officer's office.
 - 3.4.4. For air travel that is reimbursed as JO 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 JO

3.5. The JO will not pay any traffic or parking fines or administrative charges for road toll accounts.

Accommodation and meals

- 3.6. In circumstances where it would introduce undue risk for a Board Member to travel to or from official business 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 (EO). This includes where a meeting finishes later than 9.00pm or starts earlier than 7.00am and the Board Member lives more than 50 kilometres from the meeting location.
- 3.7. The JO will reimburse costs for accommodation and meals while Board Members are undertaking prior approved travel outside the Eastern Riverina.
- 3.8. 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.
- 3.9. Board Members will not be reimbursed for alcoholic beverages.

Refreshments for JO related meetings

- 3.10. Appropriate refreshments will be available for Board meetings, committee meetings, briefings, approved meetings and engagements, and official functions as approved by the EO.
- 3.11. As an indicative guide for the standard of refreshments to be provided at Board related meetings, the EO must be mindful of Part B Monetary Rates of the *NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009*, as adjusted annually.

Insurances

- 3.12. In accordance with Section 382 of the *Local Government Act*, the JO is insured against public liability and professional indemnity claims. Board Members are included as a named insured on this Policy.
- 3.13. Insurance protection is only provided if a claim arises out of or in connection with the Board Member's performance of his or her Board duties, or exercise of his or her functions as a Board Member. All insurances are subject to any limitations or conditions set out in the policies of insurance.
- 3.14. The JO shall pay the insurance policy excess in respect of any claim accepted by the JO's insurers, whether defended or not.
- 3.15. Appropriate travel insurances will be provided for any Board Member travelling on approved interstate travel on Board business.



Legal assistance

- 3.16. The JO may, if requested, indemnify or reimburse the reasonable legal expenses of:
- 3.16.1. a Board Member - defending an action arising from the performance in good faith of a function under the Act provided that the outcome of the legal proceedings is favourable to the Board Member
 - 3.16.2. 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
 - 3.16.3. 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.
- 3.17. 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 EO 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.
- 3.18. 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.
- 3.19. The JO will not meet the legal costs:
- 3.19.1. of legal proceedings initiated by a Board Member under any circumstances;
 - 3.19.2. of a Board Member seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation;
 - 3.19.3. for legal proceedings that do not involve a Board Member performing their role as a Board Member.
- 3.20. Reimbursement for reasonable legal expenses must have Board approval by way of a resolution at a Board meeting prior to costs being incurred.

PART 4

FACILITIES

General facilities for Board Members

Facilities

4.1. The JO will not provide facilities to Board Members

Stationery

4.2. The JO will provide the following stationery to the Board Chairperson each year:

4.2.1. Letterhead and envelopes, to be used only for correspondence associated with the JO Board

4.2.2. business cards

4.2.3. up to 100 ordinary postage stamps. Stamps shall only be used to support the Chairperson's duties.

Administrative support

4.3. The JO will provide administrative support to the Chairperson to assist the Chair with their duties only.

PART 5

PROCESSES

Approval, payment and reimbursement arrangements

- 5.1. Expenses should only be incurred by Board Members in accordance with the provisions of this policy.
- 5.2. Approval for incurring expenses, or for the reimbursement of such expenses, should be obtained before the expense is incurred.
- 5.3. Up to the maximum limits specified in this policy, approval for the following may be sought after the expense is incurred:
 - 5.3.1. local travel relating to the conduct of official business
- 5.4. Final approval for payments made under this policy will be granted by the EO or their delegate.

Direct Payment

- 5.5. The JO may approve and directly pay expenses. Requests for direct payment must be submitted to the EO 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

- 5.6. 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 EO.

Advance payment

- 5.7. The JO will not make cash advances to Board Members for any activity.



Notification

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

Reimbursement to the JO

- 5.10. If the JO has incurred an expense on behalf of a Board Member that exceeds a maximum limit, exceeds reasonable incidental private use or is not provided for in this policy:
 - 5.10.1. the JO will invoice the Board Member for the expense
 - 5.10.2. the Board Member will reimburse the JO for that expense within 14 days of the invoice date.
- 5.11. If the Board Member cannot reimburse the JO within 14 days of the invoice date, the Board Member is to submit a written explanation to the EO.

Timeframe for reimbursement

- 5.12. 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.

Disputes

- 5.13. If a Board Member disputes a determination under this policy, the Board Member should discuss the matter with the EO.
- 5.14. If the Board Member and the EO cannot resolve the dispute, the Board Member may submit a notice of motion to a Board meeting seeking to have the dispute resolved.



Return or retention of facilities

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

Publication

- 5.16. This policy will be published on JO's website.

Reporting

- 5.17. The JO will report on the provision of expenses and facilities to the Board as required in the Act and Regulations.
- 5.18. Detailed reports on the provision of expenses and facilities to Board Members will be publicly tabled at a Board meeting every six months and published in full on the JO's website. These reports will include expenditure summarised by individual Board Member and as a total for all Board Members.

Auditing

- 5.19. The operation of this policy, including claims made under the policy, will be included in the JO's audit program and an audit undertaken at least every two years.

Breaches

- 5.20. Suspected breaches of this policy are to be reported to the EO.
- 5.21. 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 6

APPENDICES

Appendix I: Related legislation, guidance and policies

Relevant legislation and guidance:

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

Related JO policies:

- 6.6. Code of Conduct
- 6.7. Code of Meeting Practice
- 6.8.

Appendix II: Definitions

The following definitions apply throughout this policy.

| Term | Definition |
|---------------------------------|--|
| accompanying person | Means a spouse, partner or de facto or other person who has a close personal relationship with or provides carer support to a councillor |
| appropriate refreshments | Means food and beverages, excluding alcohol, provided by council to support councillors undertaking official business |
| Act | Means the <i>Local Government Act 1993</i> (NSW) |
| Board | Means the Joint Organisation board, consisting of the mayors of each member council, any additional co-opting representatives of these member councils appointed under section 400T of the Act and any other non-voting representatives who may attend, but are not entitled to vote at, a |



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| | meeting. |
| Chair | Means the person, who is a mayor, elected to the office of chairperson by the voting representatives on the board from among the voting representatives who are mayor |
| 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 Council or the Model Code if none is adopted |
| Executive Officer | Means the person employed by the Joint Organisation to conduct the day-to-day management of the joint organisation in accordance with strategic regional priorities and other plans, programs, strategies and policies of the joint organisation and to implement without delay the lawful decisions of the joint organisation |
| incidental personal use | Means use that is infrequent and brief and use that does not breach this policy or the Code of Conduct |
| Joint Organisation | Means the organisation established under Part 7 Chapter 12 of the <i>Local Government Act 1993</i> , that represents the Member Councils. |
| 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 in the text and summarised in Appendix 1 |
| Member Council | Means those councils proclaimed under the Act to be part of the Riverina Joint Organisation |
| NSW | New South Wales |
| official business | Means functions that the Board are required or invited to attend to fulfil their legislated role and responsibilities for the JO or result in a direct benefit to the JO, and includes: <ul style="list-style-type: none"> • meetings of council and committees of the whole • meetings of committees facilitated by the JO • receptions hosted or sponsored by the JO • meetings, functions, workshops and other events to which attendance by a Board Member has been requested or approved by the Board |
| Regulation | Means the Local Government (General) Regulation 2005 (NSW) |
| year | Means the financial year, that is the 12 month period commencing on 1 July each year |