

Payments to ARIC Independent Members Policy 2024

POL162



Policy No:	POL162
Policy Title:	Payments to ARIC Independent Members Policy
Section Responsible:	Governance
Minute No/Ref:	23/213
Doc ID:	692979

1. INTENT

This policy enables payment of a meeting fee and reasonable reimbursement of expenses to independent Audit, Risk and Improvement Committee (ARIC) members. The policy details the support made available to ARIC members to enable the Committee to function effectively and efficiently.

The aim of the policy ensures accountability, transparency and seeks to align ARIC expenses and facilities with community expectations.

Payment of a meeting fee and the reimbursement of expenses to independent members should be at a level to attract suitably qualified and experienced independent committee members, but at a level that is affordable by Council.

The policy has been prepared in accordance with the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2021* (the Regulation).

Reference has been made to the Office of Local Government's Guidelines for the payment of expenses and provision of facilities to Mayors and Members in NSW and the draft Risk Management & Internal Audit Guidelines issued by the Office of Local Government in December 2022.

ARIC Independent Members have the option to receive remuneration and the reimbursement of expenses, or members can decline to receive payment. Should an independent member not wish to receive remuneration or the reimbursement of expenses, the independent member should advise the Governance and Engagement Manager of this decision in writing.

2. SCOPE

The purpose of this policy is to detail the amounts payable to independent members and expenditure to be reimbursed to independent members of ARIC.

In accordance with the guidelines issued by the Office of Local Government in December 2022, the Narrandera Shire Council ARIC comprises:

- Three independent voting members
- One Councillor non-voting member

3. OBJECTIVE

The objectives of this policy are to:

- ensure that fair remuneration is provided for independent ARIC members, recognising the increased responsibility of the position of Chairperson in the operations of the Committee.
- ensure that accountability and transparency applies to the reimbursement of expenses.

4. PROVISIONS

4.1 PRIVATE BENEFIT

Committee members must not obtain private benefit from any expense or facility provided under this policy.

Incidental private use of Council equipment and facilities by the members may occur from time to time such as photocopying or making a telephone call. Such incidental private use does not require a compensatory payment back to Council.

The Committee should avoid obtaining any greater private benefit 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.

4.2 REMUNERATION

4.2.1 Meeting Fee Payment

Meeting fees are payable to independent members of the ARIC only.

Fees payable for Narrandera Shire Council elected members (Councillors) are determined by a Council resolution. It is this resolution of Council that will determine the meeting fee payable to the individual independent members of ARIC.

4.2.2 Meeting Fee for ARIC Chairperson

At the ARIC meeting of 5 July 2023, it was recommended to Council that the ARIC Chairperson be remunerated at the amount equivalent to the standard monthly payment for a Narrandera Shire Councillor for each ARIC meeting attended by the ARIC Chairperson.

5.3 UPDATE ON THE RECRUITMENT OF MR STEWART TODD ALSO REMUNERATION ISSUES RAISED BY THE CHAIRPERSON**COMMITTEE RESOLUTION [**

Moved: Mrs Gayle Murphy

Seconded: Cr Narelle Payne

That the Audit, Risk and Improvement Committee:

1. Recommends to Council that a policy be developed for travelling and accommodation expenses for ARIC Committee members considering WHS requirements and the reimbursement of any travelling expenses.
2. Recommends to Council that due to the new Office of Local Government guidelines for Council ARIC Committees, also the increased role and responsibilities of the ARIC Chairperson, that Council approve payment to the ARIC Chairperson of the amount equivalent to the monthly payment for a Councillor for each ARIC meeting attended by the ARIC Chairperson.

CARRIED

Council endorsed this recommendation at its 15 August 2023 meeting.

14.2 AUDIT, RISK AND IMPROVEMENT S355 COMMITTEE - MINUTES - 9 AUGUST 2023**RESOLUTION [23/14]**

Moved: Cr Narelle Payne

Seconded: Cr Jenny Clarke OAM

That Council:

1. Receives and notes the Minutes of the Extraordinary Audit, Risk and Improvement S355 Committee held on Wednesday 9 August 2023.

CARRIED**4.2.3 Meeting Fee for ARIC Independent Members**

At the ARIC meeting of 8 March 2023, it was resolved to recommend to Council that independent ARIC members be remunerated at the amount of 75% of the standard monthly payment for a Narrandera Shire Councillor, for each ARIC meeting attended by the independent ARIC member.

6.4 RISK MANAGEMENT AND INTERNAL AUDIT FOR LOCAL GOVERNMENT IN NSW**COMMITTEE RESOLUTION [**

Moved: Mrs Gayle Murphy
Seconded: Cr Cameron Lande]

That the Audit, Risk and Improvement Committee:

1. Supports the attached Terms of Reference and Internal Audit Charter adopted by Council 21 February 2023; and
2. Suggests that a remuneration payment be offered to the ARIC voting members as 75% of the Councillors monthly fee for attendance at the ARIC meetings held in that month, with the option for members to opt out of payment effective from implementation.
3. Supports the implementation of the new changes as soon as convenient.

[CARRIED]

Council endorsed this recommendation at its 21 March 2023 meeting.

13.4 AUDIT, RISK AND IMPROVEMENT S355 COMMITTEE - MINUTES - 8 MARCH 2023**RESOLUTION [23/03]**

Moved: Cr Cameron Lander
Seconded: Cr Sue Ruffle]

That Council:

1. Receives and notes the Minutes of the Audit, Risk and Improvement S355 Committee held on Wednesday 8 March 2023, noting the following Committee Resolutions,

6.4 RISK MANAGEMENT AND INTERNAL AUDIT FOR LOCAL GOVERNMENT IN NSW**COMMITTEE RESOLUTION**

Moved: Mrs Gayle Murphy
Seconded: Cr Cameron Lander

That the Audit, Risk and Improvement Committee:

1. Supports the attached Terms of Reference and Internal Audit Charter adopted by Council 21 February 2023; and
2. Suggests that a remuneration payment be offered to the ARIC voting members as 75% of the Councillors monthly fee for attendance at the ARIC meetings held in that month, with the option for members to opt out of payment effective from implementation.
3. Supports the implementation of the new changes as soon as convenient.

CARRIED

6.6 PROVISION OF INTERNAL AUDIT SERVICES FROM 1 OCTOBER 2023

COMMITTEE RESOLUTION

Moved: Cr Cameron Lander

Seconded: Mrs Gayle Murphy

That the Audit, Risk and Improvement Committee:

1. Authorise the Chairperson to progress a Request for Quotation for the provision of internal audit services concluding 30 September 2026 by the 30 June 2023; and
2. Following the closing date that the Chairperson assess the submissions and make a recommendation for appointment to the ARIC extra ordinary meeting proposed for 9 August 2023.

CARRIED

[CARRIED]

4.2.4 Travel Allowance for ARIC Independent Members

A travel allowance for a personal car shall be claimable using the following formula:

If an independent member has a petrol or diesel vehicle the reimbursement will be distance divided by 100, multiplied by 8 Litres of fuel per hundred kilometres, multiplied by the weekly average for either diesel or petrol based on the NSW State Average for the week prior to the ARIC meeting www.aip.com.au/pricing .

For example - (700 kilometres divided by 100) x 8 x \$2.00 = \$112.00.

If an independent member has a hybrid vehicle or an electric vehicle, reimbursement will be by negotiation.

4.2.5 Superannuation

Councils are obliged under the *Superannuation Guarantee (Administration) Act*, 1992 to make compulsory superannuation guarantee contributions on behalf of Audit, Risk and Improvement Committee Chairpersons and independent members where they are remunerated.

Superannuation contributions will be paid at the same rate that applies to Council employees.

5. EXPENSES

5.1 Attendance at events

Attendance at conferences, professional development, or travel for ARIC business by independent members is to be approved in advance by the Chairperson of the Committee. If the Chairperson intends to attend an event, the Chairperson should seek concurrence from the General Manager.

Approval for professional development activities is subject to a prior written request to either the Chairperson or the General Manager 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.

Councillor committee members should have ARIC matters listed in their professional development plan.

5.2 Spouse or Partner Expenses

No spouse or partner expenses are payable for ARIC members. Individual Committee members are required to meet all expenses incurred by spouse or partner in attending conferences and seminars.

5.3 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.

5.4 General travel arrangements and expenses to attend ordinary or special meetings of ARIC or attend other events

All travel by members should be undertaken using the most direct route and the most practicable and economical mode of transport – reimbursement shall be calculated by using the method described in Section 4.2.4.

ARIC members seeking to be reimbursed for use of a private vehicle must keep a record and include details of the travel on their claim form including the date, distance and purpose of travel being claimed.

Where distances or practicality prevents travel by motor vehicle and attendance by remote access such as Zoom or Teams is not available, the Chairperson or the General Manager will give consideration to paying for either a return first class travel by rail or return economy class airfare together with taxi fares to and from the closest railway station or airport.

Where road travel is required/chosen by the independent member and where the drive time is over 6 hours one way then the independent member will be provided with 1 night accommodation and a meal allowance. The provision of 1 night accommodation supports Council's duty of care to members – generally the meal allowance will be \$75 per night with accommodation being the actual cost incurred but limited to \$200.00 per night.

5.5 Overseas and interstate travel expenses

Council will not provide overseas travel for independent members of the Committee.

The Chairperson or the General Manager will make an informed decision if a member request interstate travel. The members seeking approval for any interstate travel must submit a business case to support their request.

The business case should include:

- objectives to be achieved by attending, including an explanation of how by attending the knowledge gained will assist ARIC but also align with current Council priorities and business
- 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.
- for air travel that is reimbursed, members will not accrue points from the airline's frequent flyer program as this is considered a private benefit.

5.6 Travel expenses not paid by Council

Council will not pay or reimburse the cost for any penalty notices arising from travel using either a Council vehicle or a personal vehicle the cost shall be borne by the ARIC member or the Council staff member driving the vehicle at the time.

5.7 Incidental expenses

Where independent members attend events incidental expenses may be authorised for reimbursement by the Chairperson or the General Manager.

5.8 Insurances

Section 382 of the *Local Government Act*, 1993 requires Council to arrangements for adequate insurance against public liability and professional indemnity.

Council has an annual Professional Indemnity-Public Liability insurance policy with StateWide Mutual – the definition of 'Member' means the following:

DEFINITIONS

In this Wording the following definitions shall apply:

"The Member" means

1. The Member named in the Schedule.
2. The Mayor, President, Chairman, Councillors, Board Members, Executives, Officers and Employees of the Member, members of any committee established by The Member under the Local Government Act or any other enabling legislation, and Welfare Organisations, Fire, Medical and Emergency Services and Voluntary Workers whilst acting within the scope of their duties for and on behalf of The Member.

The Narrandera Shire Council Audit, Risk and Improvement Committee has been established under the *Local Government Act, 1993*.

6. FACILITIES

6.1 Facilities

Council will provide the following facilities to the Committee to assist them to effectively perform their duties:

- administrative support for the purpose of meeting agenda preparation and distribution, Minute taking and the distribution of Minutes
- an online portal called 'Council Connect' to view documents relevant to ARIC
- a meeting room with technology allowing for members or guests to participate remotely
- access to the Governance and Engagement Manager for direct support with Committee functions.

6.2 Stationery

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

7. PROCESSES

Payment of the meeting fee and the reimbursement of expenses will be through Council's processes.

Final approval for payments made under this policy will be granted by the Director of Corporate and Community Service or the General Manager.

7.1 Direct payment

Reimbursement will require individual ARIC members to be set up in Council's creditor payment system with a creditor number and payment will be by EFT into the ARIC members nominated bank account. Council does not pay by cheque or cash.

7.2 Reimbursement

All claims for reimbursement of expenses incurred must be made on the prescribed form, supported by valid receipts and/or tax invoices submitted to the Governance and Engagement Manager.

Claims will not be paid using EFTPOS receipts as substantiation.

7.3 Notification

If a claim is approved, payment will be made directly or reimbursed through accounts payable. An email remittance advice will issue when the payment is made.

If a claim is refused, the ARIC member will be informed in writing that the claim has been refused and the reason for the refusal.

7.4 Reimbursement to Council

If Council has incurred an expense on behalf of a member that exceeds a reasonable limit, exceeds reasonable incidental private use or is not provided for in this policy - Council will invoice the member for the expense with the member to reimburse Council for that expense within 28 days of the invoice date.

If the ARIC member is not able to reimburse Council within 28 days of the invoice date, the member should submit a written explanation to the General Manager. The General Manager may elect to deduct the amount from the member's allowance.

7.5 Disputes

If a member disputes a determination under this policy, the member should discuss the matter initially with the Governance and Engagement Manager who may need to seek a decision from the Chairperson or the General Manager.

7.6 Return of facilities

All facilities or equipment supplied under this policy are to be relinquished immediately upon an independent member ceasing to hold a position within ARIC.

7.7 Reporting

The ARIC Chairperson or Council will report on the payments made to ARIC members or any facilities provided to ARIC members as required by legislation.

7.8 Breaches

Suspected breaches of this policy or the reporting of serious wrongdoing is to be reported to the Governance and Engagement Manager. The Governance and Engagement Manager will make an assessment if the matter should be managed as a Public Interest Disclosure.

Alleged breaches of this policy shall be dealt with through Council's normal policies and procedures.

7.9 Special Circumstances

If extraordinary circumstances arise where it is impractical for the strict terms of this policy to be applied the ARIC Chairperson or the General Manager may consider and authorise a one-off variation to the policy to meet those circumstances.

7.10 Status of the Policy

This policy, once adopted, is to remain in force unless it is reviewed by the Audit, Risk and Improvement Committee and adopted by Council.

8. DEFINITIONS

- **ARIC:** Audit, Risk and Improvement Committee
- **NSC:** Narrandera Shire Council

9. RELATED LEGISLATION

- *Local Government Act, 1993*
- *Local Government (General) Regulation, 2021*
- 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
- OLG Draft Risk Management and Internal Audit Guidelines (December 2022)

10. RELATED POLICIES AND DOCUMENTS

- ARIC Terms of Reference
- Internal Audit Charter
- Narrandera Shire Council Code of Conduct
- Public Interest Disclosures Policy

11. VARIATION

Council reserves the right to review, vary or revoke this policy in accordance with legislation, regulation and award changes, where applicable. Council may also amend this

policy and the relevant procedures from time-to-time to improve the effectiveness of its operation.

12. PREVIOUS VERSIONS

This is a new policy and there are no previous versions.

POLICY HISTORY

Responsible Officer	Governance and Engagement Manager		
Approved by	General Manager		
Approval Date	9 January 2024		
GM Signature <i>(Authorised staff to insert signature)</i>			
Next Review	21 November 2026		
Version Number	Endorsed by ELT	Endorsed by Council	Date signed by GM
1 Adopted	28/09/2023	21/11/2023	9/01/2024
2 Reviewed	DD/MM/YYYY	DD/MM/YYYY	DD/MM/YYYY

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13. Acknowledgement of Training Received (if required)

I hereby acknowledge that I have received, read and understood a copy of Council's Payments to ARIC Independent Members Policy.	
Employee Name	
Position Title	
Signature	
Date	