



AUCKLAND COUNCIL ELECTED MEMBERS' EXPENSE POLICY

June 2016

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1. Purpose and scope

- 1.1 The purpose of this policy is to:
- identify elected members' allowances and entitlements
 - explain the approval process for reimbursement of expenses incurred by elected members whilst undertaking their duties.
- 1.2 Auckland Council's Democracy Services Department administers this policy. For queries on the policy please contact:
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- 1.3 Other Auckland Council documents containing information relevant to this policy include the:
- elected members' code of conduct
 - elected members' technology policy
 - catering policy
 - fleet vehicle policy.
- 1.4 This policy may be reviewed regularly and is current until superseded.

2. Overarching principles

- 2.1 The guiding principles for expenditures are those contained in the Office of the Controller and Auditor-General (OAG) good practice guide “Controlling sensitive expenditure: Guidelines for public entities”. The expenditure should be subject to standards of probity and financial prudence that are to be expected of a public entity and able to withstand public scrutiny, both perceived and actual.
- 2.2 Elected members may incur expenses while on council business, for which they can be reimbursed. Reimbursement and use of council-supplied resources apply only to elected members personally, and only while they are acting in their official capacity as elected members.
- 2.3 To be reimbursable, expenses must:
- have a justifiable council-related business purpose; council business means representing the council at formal council meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity or electioneering.
 - be moderate and reasonable having regard to the circumstances, i.e. able to pass the test of being prudent use of ratepayers’ money under public scrutiny.
 - be actual and justified by an original tax receipt.
 - be approved by the relevant authoriser.
 - be within relevant budget provisions.
 - be presented on the approved Auckland Council claim form, and signed as true and correct.
 - be consistent with the rules set by the Remuneration Authority, who has responsibility under the Local Government Act 2002 to determine remuneration, expense and allowance rules for local authority members.
- 2.4 Transparency and accountability guide the reimbursement of elected members’ expenses. The council’s internal audit work programme includes annual testing of expense claims and allowances paid to elected members and staff. External auditors also regularly review elected members’ expenses. To ensure transparency, Democracy Services publishes elected members’ remuneration, expenses, mobile technology and professional development costs on the council’s website on a quarterly basis. The information is located at:
<http://www.aucklandcouncil.govt.nz/EN/AboutCouncil/representativesbodies/electedrepresentatives/Pages/home.aspx>

3. Allowances and benefits

- 3.1 Each year, the Remuneration Authority sets the base remuneration and allowances for all Auckland Council elected members. The Remuneration Authority Determination can be found at:
<http://remauthority.govt.nz/clients-remuneration/remuneration-for-local-government-elected-officials/>
- 3.2 The Remuneration Authority has authorised Auckland Council to extend its flu vaccination employee benefit to elected members. Elected members can book this service through the intranet when it is made available to staff every autumn.

- 3.3 The Remuneration Authority has specified that other staff benefits cannot be provided to elected members.

Communication technology

- 3.4 Members who choose not to take council communication technology may receive the allowances set out in the Remuneration Authority Determination. These will be automatically paid pro rata in the elected members' fortnightly payment cycle.
- 3.5 The council will not pay the allowance if an elected member's private hardware and software are outdated and/or incompatible with Auckland Council's systems. This is because in this case Auckland Council cannot provide the information and support needed for the elected member to perform his/her duties.
- 3.6 Rules governing the use of council equipment are set out in the Auckland Council Elected Members Technology Policy.

4. Travel rules and processes

Booking travel

- 4.1 All travel-related bookings are arranged via Democracy Services or Local Board Services support staff.
- 4.2 Travel should be booked as far as practical in advance of the actual travel date to enable best price to be obtained.

Travelling and mixing business and private travel

- 4.3 The council will pay for the Mayor's partner to accompany the Mayor when his/her partner is also taking part in council business.
- 4.4 The council will not pay for any other elected member's partner or family member to accompany them on council-related travel.
- 4.5 Democracy Services and Local Board Services support staff will arrange bookings for an elected member family member provided a personal credit card is given for payment at the time of booking.
- 4.6 Elected members can have a stop-over or undertake private travel before, during or at the end of travel paid for by the council provided there is no additional cost to the council. They can also vary their route for private travel at their own expense. They must pay the cost of any private travel before travel is undertaken.
- 4.7 If the duration of the business trip extends over a weekend, elected members may return home for the weekend, provided the cost of doing so is less than the cost of staying.

5. Land and sea transport

- 5.1 The Mayor is provided with a vehicle for full business and private use.

Parking at home office

- 5.2 Parking is provided at no cost to elected members at their main place of work: for Governing Body members at the Head Office of Auckland Council, for Local Board members at their Local Board office.

Travel around Auckland

- 5.3 Elected members are expected to use public transport, their private vehicle or council vehicles when on council business, noting that Auckland Council promotes the use of public transport as the preferred way of moving around Auckland.
- 5.4 Public transport (including ferry) fares, road tolls and parking fees incurred when on council business will be reimbursed.
- 5.5 If elected members use their private vehicle, mileage allowances will be reimbursed according to the rules set out in the Remuneration Authority Determination, at the maximum rate. To satisfy the Inland Revenue Department's requirements, mileage payments are subject to deduction of tax at the appropriate rate.
- 5.6 Elected members' use of private vehicles on council business is not covered by the council's insurance.
- 5.7 For the avoidance of doubt an elected member is not required to be a member of a committee or sub-committee to claim mileage for attendance.
- 5.8 Mileage expenses for elected members conducting District Licensing Committee business are subject to the rules for District Licensing Committee members set up by Central Government.

Taxis and rental cars

- 5.9 Taxis are not the preferred mode of transport around Auckland because of cost. However, a taxi can be used for safety/security reasons or if other means of travel are more costly, impractical or an inefficient use of time. If catching a taxi elected members must pay for the fare and claim the cost, detailing the reason for use.
- 5.10 A rental car or private vehicle can be used by elected members for work-related travel outside the Auckland region if other means of travel are more costly, impractical or an inefficient use of time. The class of the car should be the most economical considering the requirements of the trip (e.g. length of journey, number of passengers).
- 5.11 Rental cars hired for council business are not to be used for personal travel.
- 5.12 The council's insurance policy provides insurance for the use of rental cars anywhere within New Zealand. It is not necessary to purchase further insurance from the rental agency.
- 5.13 Rental cars must be refilled with fuel before returning them to avoid the high refuelling charges of hire companies.

6. Air travel

- 6.1 Elected members can fly with any airline provided the flight booked is at best value for the council and scheduled to best meet the business needs of the elected member. Flight choice will not be influenced by the elected members' own airline loyalty memberships.
- 6.2 All travel is economy class. An elected member can upgrade to business class in instances when he/she will fly more than six hours continuously and will be engaged in council business within 24 hours of arrival. If upgraded, the elected member must not convert the whole, or part of, the ticket into cash or any other benefit and travel on a cheaper ticket class.
- 6.3 The council will pay one airline club membership for the Mayor and Deputy Mayor given their frequent travel needs. The council will not pay for any other airline frequent flyer or club membership.

7. Accommodation

- 7.1 Auckland Council is able to procure preferential public sector rates at many New Zealand and Australian hotels. These rates are significantly lower than standard rates offered to business customers and are often lower than rates offered through conference organisers. For this reason all accommodation, including that for conferences must be booked through Democracy Services and Local Board Services support staff.
- 7.2 Accommodation reserved should be of the standard business range. Staff will advise about options.
- 7.3 Elected members' responsibilities include:
- checking the accuracy of the accommodation account when checking out
 - signing the account to indicate it is correct
 - retaining a copy of the accommodation account for reconciliation purposes.
- 7.4 When travelling on council business an elected member may stay in private accommodation. When this occurs the elected member can be paid an allowance of NZ\$60 including GST per night to cover accommodation, breakfast and dinner expenses. This allowance is intended to be paid to the accommodation provider to cover at least a portion of the costs he/she may incur.
- 7.5 Elected members sometimes attend evening events as official representatives of Auckland Council. If the event will conclude after 10.30pm and travel back to the elected member's residence is impractical, the council will reimburse the cost of overnight accommodation at a standard business range hotel or motel.
- 7.6 Whenever practical the elected member should obtain prior written approval.

8. Travel expenses

Travel expenses reimbursed

- 8.1 The business-related travel expenses outlined in the table below will be reimbursed by Auckland Council when an elected member is away from his/her home for one night or more.
- 8.2 Expenses are only payable for days the member is on official business, including a weekend if official business requires this.
- 8.3 For overseas travel, reimbursable expenses are subject to the daily expense guideline rates for the country of travel. Guideline rates are published on the council intranet. The council uses the guideline rates of Ministry of Foreign Affairs and Trade.

Expense	Details
Meals	<ul style="list-style-type: none"> On the basis of actual and moderate expenditure, or according to the daily rates for international travel <p>Meal expenses cannot be claimed if:</p> <ul style="list-style-type: none"> a complimentary meal is provided by an airline a meal is prepaid through an accommodation package (e.g. hotel breakfast) the cost of the meal is included in the cost of a seminar or conference Elected members are entertained by their hosts
Entertainment	<ul style="list-style-type: none"> Before travel, any anticipated entertainment events must be specified on the travel booking form and must at all times be directly related to council business – see paragraph 11
Alcohol	<ul style="list-style-type: none"> The council will not pay for any alcohol, except for the approved entertainment of third parties – see paragraph 11.10. However such expenditure is regarded as sensitive expenditure and accordingly should be at a moderately priced level, to avoid any perception of lavishness
Car parking	<ul style="list-style-type: none"> Airport parking if it is more economical for the elected member to leave his/her car at the airport rather than take a taxi
International driver's licence fee	<ul style="list-style-type: none"> If a rental car is used as part of the trip
Telephone and data expenses	<ul style="list-style-type: none"> Short calls home from overseas Prudent data usage to access emails and the internet overseas Calling from overseas can be expensive from hotels or roaming cell phones and should be kept to a minimum. Democracy Services Business Hub staff will advise on the most cost effective way to call home, which may include a calling card
Laundry	<ul style="list-style-type: none"> Actual and required laundry expenses <ul style="list-style-type: none"> for trips in excess of three days if an accident necessitates it

Tips (gratuities) – International travel	<ul style="list-style-type: none"> In some countries tipping airport baggage handlers, taxi drivers, hotel porters and waiters/waitresses is expected. The council will reimburse moderate tips only where tipping is local custom. It is accepted that the elected member will not have receipts for these, but a record should be kept to accompany any claim
Visa and vaccination fees	<ul style="list-style-type: none"> If needed for travel to some international countries

Travel expenses not reimbursed

8.4 The council will not reimburse any the expenses listed in the table below.

Expense	Details
Mini-bars	<ul style="list-style-type: none"> Any alcohol items consumed from mini-bars
Movies	<ul style="list-style-type: none"> Any in-room movies
Traffic infringements	<ul style="list-style-type: none"> Any speeding fines and any other traffic infringement notices incurred while on council business
Passport application fees	<ul style="list-style-type: none"> Elected members are responsible for obtaining or renewing their passport and ensuring that it will not expire within six months following the return date of travel

Other international travel expenses

- 8.5 Elected members undertaking international travel should use their personal credit card and submit an expense claim on their return. However, in countries where credit cards are not widely accepted and cash is needed for incidental expenses (e.g. taxi fares), cash advances can be issued. Support staff from Democracy Services and Local Board Services will coordinate these requests on the traveller's behalf.
- 8.6 Cash advances are kept as low as possible to ensure compliance with Auckland Council's cash handling procedures, which aim to minimise risks of theft and loss. In any event the maximum cash advance cannot exceed the expected total cost of daily meals and incidentals.
- 8.7 On return all cash advances and foreign exchange must be reconciled within 10 working days. The reconciliation, together with all receipts and unspent cash, should be returned to Democracy Services or Local Board Services support staff.

Upgrades

- 8.8 If an elected member accepts airline, accommodation or any other upgrades while travelling on council business, he/she must declare them in accordance with the elected members' code of conduct.

9. Travel insurance

Coverage

- 9.1 The council's travel insurance policy covers all travel in New Zealand and overseas. It covers an elected member who travels to represent the council for periods not exceeding three months, and performs 'low risk' work activities such as marketing and representation functions. The insurance also covers an elected member's partner if they are approved to travel with the elected member – see paragraph 4.4. Partners accompanying the elected member in a private capacity are not covered.
- 9.2 The primary travel purpose must be council business. The travel insurance extends to provide cover for normal tourist and holiday activities that form part of or are added to the business trip, provided the council business-related portion of the travel is substantially larger than the portion allocated to personal or holiday activities.
- 9.3 The travel insurance certificate details the types of cover provided and the monetary limits of the cover. Auckland Council's insurance consultants can provide detailed information on any aspect of the insurance cover. There is no cover under this travel insurance for any loss or event or liability which is covered under any other insurance policy, Act of Parliament or reciprocal health agreement between governments.
- 9.4 The council's insurance policy does provide cover for the use of rental cars overseas.

Provisions for pre-existing medical conditions

- 9.5 The travel insurance may not provide cover for medical expenses incurred for the treatment of an injury or sickness the traveller is suffering prior to the departure date of travel. Should elected members suffer from a serious condition or be aware of a pre-existing injury or sickness that may necessitate treatment whilst overseas, specific arrangements must be made with the insurer to confirm whether or not cover for treatment will be provided.

Claims procedure

- 9.6 If an event gives rise to a claim, the traveller must immediately follow these steps:
 - Do as much as they can to prevent any further loss or expense.
 - If the traveller is to be hospitalised, evacuated or repatriated, or has lost their luggage or money, they must contact the "Overseas Emergency Assistance" number provided on their itinerary, advising they are on Auckland Council business.
 - As soon as possible after suffering injury or sickness, obtain and follow proper medical advice from a legally-qualified medical practitioner.
 - Lodge a claim with the insurance company providing all medical certificates, accounts, receipts and information required by the insurance company to support the claim (original documents must be produced).
 - Forward a written claim against any person, party, hotel or transporter who may be legally liable for the loss, injury or sickness.
 - Provide full particulars of any claim made against the traveller or Auckland Council by any other person and all legal documents served on the traveller or the council.

10. Professional development programmes and conferences

Principles

- 10.1 Auckland Council recognises the need for elected members to broaden their knowledge and experience through specialised development programmes. Any professional development activity paid for by Auckland Council must be relevant to council business. It can include conferences, internal and external courses or workshops. Because related travel and expenditure such as accommodation and meals are classified as sensitive expenditure, the policy aims to balance elected members' development needs with prudent use of rate payer funds and to provide transparency and confidence to the public through publication of expenses.
- 10.2 Auckland Council has developed a professional development programme for its elected members, for which the budget is set annually. The purpose of this programme is to support elected members in the delivery of their governance role. Bookings to attend the activities included in this programme can be arranged via Democracy Services and Local Boards Services support staff without the need for additional approval.
- 10.3 If an elected member wants to undertake domestic professional development activities outside the council professional development programme for elected members, he/she must make a written request to the Manager Democracy Services or Manager Local Board Services for funding from the elected members' professional development discretionary budget. The request must detail the business benefit, cost and location of the activities, and confirm that the activities comply with the principles of this policy outlined in section 2.
- 10.4 Once approved, Democracy Services and Local Board Services support staff will organise the necessary registrations, bookings and payments.
- 10.5 If the professional development activity requires international travel a business case must be prepared and approved as outlined in paragraph 12.5.

11. Catering, hospitality and entertainment

Principles

- 11.1 These rules cover expenditure incurred by all elected members on council business while entertaining members of the public, official visitors to Auckland Council, attendance at conferences, workshops, meetings and functions. Entertainment and hospitality can cover a range of items including, but not limited to, tea, coffee and biscuits, catering such as meals and alcohol, and gifts.
- 11.2 There may be occasions where the proposed expenditure is not specifically covered by these rules. If this situation arises, elected members must discuss the proposed expenditure with either the Manager Democracy Services, the Manager Local Board Services, the Governance Director or the Chief Executive, and obtain written approval prior to entering into any arrangement or incurring expenditure.

Catering

- 11.3 If there is a justifiable business purpose catering may be provided for a meeting or event. Catering includes tea and coffee for morning and afternoon tea, and meals if the event or meeting must take place over usual meal times.

- 11.4 The Auckland Council Catering Policy applies when catering is required for a meeting or event. The policy specifies that all catering within any council premise must be provided by Auckland Council Catering Services, unless it is not practical for them to do so.
- 11.5 Elected members are welcome to use the council cafes at their personal cost. Catering may be provided in these venues from time to time to support formal meetings and events.

Civic receptions/functions and official delegations

- 11.6 To minimise costs it is likely most civic events and hosting of official delegations will be held at council premises. Use of the council's committee and meeting rooms for such events are subject to the approval of either the Manager Democracy Services, Manager Local Board Services, Governance Director or Chief Executive.
- 11.7 Relevant staff will make the arrangements in accordance with these rules on behalf of elected members.
- 11.8 Serving alcohol may be permissible at some council events. The expenditure on alcohol must be approved by the Manager Democracy Services or Manager Local Board Services, after they are satisfied that:
- the costs relating to alcohol are moderate and conservative
 - the ratio of alcohol to food is sensible
 - the event meets the requirements of the Sale and Supply of Alcohol Act 2012
 - the purpose of serving refreshments at the event is to extend hospitality.
- 11.9 Only the Catering Manager has the authority to purchase alcohol. Alcohol will be supplied at functions and events in accordance with the provisions of the Sale and Supply of Alcohol Act 2012.

Hosting official visitors

- 11.10 Elected members may occasionally host official visitors. In most circumstances this will be managed via the Global Partnerships or Civic Events teams.
- 11.11 If an elected member is required to host a guest at a dinner or purchase a gift in recognition of an event, this expenditure can be claimed back and reimbursed provided prior approval has been obtained.. For Councillors prior approval is to be obtained from the Manager Democracy Services. For Local Board Members prior approval is to be obtained from the Manager Local Board Services or the relevant Relationship Manager.

Flowers and gifts

- 11.12 Generally council will not contribute to flowers, gifts, gift vouchers or cards for birthdays, weddings, bereavements, births and farewells. The Mayor, Deputy Mayor, Chief Executive, Governance Director, Manager Democracy Services or Manager Local Board Services may give prior approval for an elected member's contribution in specific circumstances.
- 11.13 When approved, the gifts and expenditure should be moderate and conservative. Whenever possible, the purchase of gifts should reflect sustainable procurement.

12. Approval process

Approval for domestic travel and domestic expense claims

- 12.1 A business case is not required for routine domestic travel undertaken for council business. Travel is booked as described under section 4.
- 12.2 Pre-approval may be given for a schedule of travel arrangements on an annual basis. An example is a commitment to attend scheduled Local Government New Zealand meetings in Wellington due to the member's appointment to the National Council.
- 12.3 The list of authorised approvers is as follows:

Elected member	Approver
Mayor	<ul style="list-style-type: none"> The Chair of the Audit and Risk Committee or the Chair of the Finance and Performance Committee
Deputy Mayor	<ul style="list-style-type: none"> The Mayor or the Chair of the Audit and Risk Committee or the Chair of the Finance and Performance Committee
Councillors	<ul style="list-style-type: none"> The Governance Director or the Manager Democracy Services
Local Board Members	<ul style="list-style-type: none"> The Governance Director or the Manager Local Board Services

- 12.4 The relevant staff from the Mayor's Office, Democracy Services or Local Board Services will check the documentation for completeness and adherence to the policy and then forward it to the relevant approver for sign off.

Approval for international travel

- 12.5 Activities involving international travel require a business case. Staff can prepare the business case on behalf of the elected member. The business case must outline:
- the purpose of the trip
 - who wishes to attend
 - why the elected member is an appropriate attendee
 - expected benefits
 - demonstrated prudent use of ratepayer's money
 - itinerary
 - all anticipated costs
 - which budgets will meet the costs
 - whether, and if so how, the outcomes of the trip should be reported back on return (for instance a written summary or a presentation at a political meeting).

12.6 The list of authorised approvers is as follows:

Elected member	Approver
Mayor	<ul style="list-style-type: none"> The Chair of the Audit and Risk Committee or the Chair of the Finance and Performance Committee and the Chief Executive
Deputy Mayor	<ul style="list-style-type: none"> The Mayor or the Chair of the Audit and Risk Committee or the Chair of the Finance and Performance Committee and the Chief Executive
Councillors and local board members	<ul style="list-style-type: none"> The Mayor or Deputy Mayor or the Chair of the Audit and Risk Committee or the Chair of the Finance and Performance Committee and the Chief Executive or Governance Director

Approval of expense claims post international travel

12.7 If expenses are in line with current policy and the approved business case, the list of authorised approvers is as follows:

Elected member	Approver
Mayor and Deputy Mayor	<ul style="list-style-type: none"> The Chief Executive or the Governance Director
Councillors	<ul style="list-style-type: none"> The Governance Director or the Manager Democracy Services
Local board members	<ul style="list-style-type: none"> The Governance Director or the Manager Local Board Services

12.8 If expenses are outside of these parameters, they need to be approved by the business case approvers - see paragraph 12.7.

Claiming expenses

12.9 All reimbursements to elected members are made via the payroll system. To be reimbursed, elected members must submit their expense claims monthly. Before the end of each financial year Democracy Services will inform all elected members of the cut-off date to submit claims for that financial year.

12.10 On election years, at the end of the electoral term, Democracy Services will inform all elected members of the final cut-off date by which expense claims must be submitted.

12.11 Democracy Services will not accept claims after the cut-off date. If elected members miss the cut-off date they can claim relevant expenses through their tax returns.

13. Breach of expense and reimbursement rules

13.1 If an elected member breaches this policy he/she must reimburse the council for any costs the council may have wrongfully incurred.

13.2 A breach of the policy may lead to an investigation pursuant to the Elected Members' Code of Conduct.