



GOVERNANCE COMMITTEE MEETING (OPEN)

TUESDAY, 5 APRIL 2016

AT 5.00 PM

SUPPLEMENTARY ITEM

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SUPPLEMENTARY GOVERNANCE COMMITTEE AGENDA (OPEN PORTION OF THE MEETING) 5/4/2016

13. COUNCIL POLICY – ALDERMANIC DEVELOPMENT AND SUPPORT – IMPLEMENTATION REVIEW – FILE REF: 13-2-4

65x's

Report of the General Manager of 31 March 2016 and attachments.

DELEGATION: Council

The General Manager reports:

"In accordance with the provisions of Part 2 Regulation 8(6) of the Local Government (Meeting Procedures) Regulations 2015, this supplementary matter is submitted for the consideration of the Committee.

Pursuant to Regulation 8(6), I report that:

- (a) information in relation to the matter was provided subsequent to the distribution of the agenda;
- (b) the matter is regarded as urgent; and
- (c) advice is provided pursuant to Section 65 of the Act."

- **TO** : Governance Committee
- **FROM** : General Manager
- **DATE** : 31 March, 2016

SUBJECT : COUNCIL POLICY - ALDERMANIC DEVELOPMENT AND SUPPORT – IMPLEMENTATION REVIEW

FILE : 13-2-4 mj:J (o:\council & committee meetings reports\2016 meetings\5 april\aldermanic development and support policy - follow-up.doc)

1. INTRODUCTION

- 1.1. The purpose of this report is to review progress to date on the implementation of the policy previously known as *Aldermen Entitlements and Benefits* which was recently renamed *Aldermanic Development and Support* as part of the recent review of all Council policies.
- 1.2. A copy of the policy appears as **Attachment A** to this report, and for completeness includes notations in respect to the approval and amendment history of each topic contained within the consolidated policy document.
- 1.3. This report will also address the findings of a six-month progress audit undertaken by Council's internal auditors Wise Lord and Ferguson (WLF) which was completed in February 2016. The scope of this audit included:
 - Approval and compliance sign-off of the revised policy;
 - Public transparency reporting for Aldermen;
 - Construction of an appropriate financial ledger for capture of Aldermanic expenses;
 - Assessment of completion levels for recommendations still under progress;
 - Detailed policy and process recommendations; and
 - Compliance testing against the revised policy.
- 1.4. A copy of the WLF report is provided as Attachment B.

2. BACKGROUND

- 2.1. At its meeting held on 13 April 2015, the Council endorsed the public reporting of information pertaining to Aldermanic allowances, entitlements and expenses on the City's website on a monthly basis.
 - 2.1.1. Although the timing of the introduction of the public disclosure reporting was not part of the Council's resolution, the Acting General Manager's report on the proposal indicated that it was intended to commence the process from March 2015.
- 2.2. At that same meeting the Council also requested that its policy relating to Aldermanic induction, professional development and conference attendance be reviewed.

2.2.1. A copy of the Council's resolution appears as Attachment C.

- 2.3. Coinciding with these resolutions, the Council received a Right to Information Request from The Mercury for the disclosure of Aldermanic expenses for the three year period between January 2012 and December 2014.
- 2.4. Given the broad scope of the RTI request, WLF were engaged to assist Council with the collation of transactional details from its finance system.
- 2.5. As noted in the attached audit progress report from WLF, based on the need to rebuild the financial ledgers to accommodate public reporting, which was not known at the time the Council resolved to commence this process, the Strategic Governance Committee noted the revised timeline from the anticipated March 2015 commencement, to August 2015, disclosing expenses from 1 July 2015.
 - 2.5.1. WLF have noted in their audit report that the financial ledger which was created from 1 July 2015 was an appropriate basis from which the reporting process could commence.
- 2.6. Concurrent with the transactional reporting audit, WLF were also requested to conduct a review of the policy documentation relating to Aldermanic benefits and entitlements, as requested by the Council from its April 13 meeting, and from a good governance perspective, to make recommendations on improvements considered appropriate.
- 2.7. The findings of these audits informed the Council's review of all Aldermanic entitlements which was conducted between June and November 2015, with the current policy document being adopted on 9 November 2015 and reconfirmed on 7 March 2016, as part of the annual review of all Council policies.

- 2.7.1. At the time the new policy was introduced, a twelve month review had been programmed as part of the internal auditors' work plan, with the timing of the review meeting follow-up standards which would normally be expected with system changes and new programs/processes.
- 2.8. Subsequent to this and following consultation with the Risk and Audit Panel, it was agreed that an interim follow-up audit would be worthwhile and accordingly WLF were commissioned to undertake the audit with the understanding that the twelve month review will still be undertaken early in the new financial year.

3. PROPOSAL

- 3.1. In addition to the mid-term audit process, having had the benefit of up to six months operation of the new policy provisions, a number of aspects warrant further review and refinement, alongside the matters highlighted as part of the audit.
- 3.2. In presenting their latest report, WLF noted as key observations, the significant progress made during the six month period since their initial report in respect to implementation of the recommendations which were subsequently adopted by the Council.
 - 3.2.1. WLF have also noted that the new policy provisions have required complete process changes and that it is both expected and reasonable for some actions and processes implemented to have taken time to embed.
- 3.3. In its summary of findings WLF have rated the *process maturity* of the systems currently in place to implement the Aldermanic Development and Support Policy as *Developing*.
- 3.4. This assessment is based on the following key observations:
 - 3.4.1.1. some processes are informal and not sufficiently documented;
 - 3.4.1.2. there are some adjustments to financial records that require review and approval and, as anticipated;
 - 3.4.1.3. there is some work to do to further refine processes.
- 3.5. The Audit and Risk Panel has considered the WLF report and indicated that it would be expected that the next process maturity evaluation which will occur as part of the twelve month review, to be conducted early in the next financial year, will indicate that the systems underpinning the policy have moved from *developing* to *established*.

- 3.6. WLF have identified four major audit findings, around policy implementation, expenses reconciliations and policy interpretation.
 - 3.6.1. As policy or process related issues, they are addressed under the following relevant headings.
 - 3.6.2. Also included are a range of policy provisions which are considered as warranting review or refinement.

3.7. POLICY APPLICATION:

3.7.1. Reimbursement Claims:

In terms of expenses reimbursement, the audit noted the policy requirement that *claims are to be submitted on a monthly basis*, when in practice some Aldermen submit expenses for reimbursement outside that period.

- 3.7.2. It is suggested that the wording in the policy be amended for clarification to require that *claims for the reimbursement of expenses are to be submitted within one month of the expense being incurred.*
- 3.7.3. Where for good reason this requirement cannot be met, the approval of the Lord Mayor and General Manager would be required to reimburse a claim.

3.7.4. Local Travel Claims:

WLF also identified that the requirement within the policy for claims for all local travel, other than by private vehicle, to be accompanied by travel details, was not being adhered to, or enforced.

3.7.5. Aldermen were reminded of the need to provide date, destination and details of all Council activity being undertaken when claiming travel costs, by memo dated 5 February 2016.

3.7.6. Caps/Limits Monitoring:

The report noted that insufficient administration is in place around activities which are tied to caps or limits.

- 3.7.7. Whilst it is acknowledged that this has been the case in respect to telecommunications and community activities, there are however appropriate procedures in place in relation to the limits pertaining to fuel and professional development.
- 3.7.8. In terms of the fuel cap, Aldermen are provided with a report on their monthly fuel consumption, by volume, with the monthly expenses report providing details of the value of the fuel drawn.
 - 3.7.8.1. These two processes have now been tailored to have both volume and dollar value reported to

individual Aldermen as part of the monthly expenses report provided to them for approval, prior to publication on the website.

- 3.7.9. Where applications for professional development are received by the Lord Mayor, the General Manager is required to provide a report to the Lord Mayor on the quantum of funding available for the individual Alderman concerned, prior to consideration by the Lord Mayor.
- 3.7.10.As a means of improving the level of information provided to Aldermen in relation to the processing of expenses, reimbursement claim forms will be modified to include each category of expenditure or consumption as provided in the policy. Where caps or maximum allocations apply, these will be noted accordingly on the form.
 - 3.7.10.1. When Aldermen submit a reimbursement claim, the costs involved will be matched to the relevant expense category. Expenses previously claimed will also be included and relevant caps or maximum allocations will also be factored in, where these apply.
 - 3.7.10.2. This process would mean that the reimbursement /reconciliation documentation being presented for authorisation and approval by the Lord Mayor/Deputy Lord Mayor and the General Manager will include progressive details of expenditure and consumption for each category provided under the policy.
 - 3.7.10.3. Once signed off by the Lord Mayor/Deputy Lord Mayor and General Manager, the submitting Alderman will be provided with a copy of the authorised reimbursement/reconciliation documentation for their records.
- 3.7.11. The monthly reporting on Aldermanic expenses now includes reference to the caps and limits in place, together with details of residual balances remaining, each month.

3.7.12. Professional Development:

Aldermen are entitled to access up to \$20,000 in a four year term of office for professional development activities.

3.7.13. The policy provides that Aldermen may spend up to \$5,000 in a financial year and may also draw down an advance on funding

from the following financial year; up to a maximum total spend of \$10,000 over two financial years.

- 3.7.14. The recent resignation of Alderman Cooper has raised the question of whether or not an Alderman accessing professional training and development in a financial year, or drawing down on funding in advance, who may then resign from office prior to the expiry of that financial year, should be required to repay the amount of the annual allocation equating to the balance of the annual period remaining, as at their resignation date.
- 3.7.15. There are of course many circumstances under which an Alderman may retire, resign or leave office part-way through a financial year. It would be difficult to arrive at a repayment position which is fair and equitable to all Aldermen who for various reasons cease to be an elected representative.
- 3.7.16.On this basis, no change is recommended to the existing policy provisions.

3.7.17. Telecommunications:

The policy currently provides that:

Aldermen are entitled to claim costs incurred as part of their roles for the use of telecommunications services, including landline connection, mobile phone and internet.

Claims may only be made for Aldermanic costs incurred on a phone, fax or internet service which is available for public contact.

In respect to mobile phone services, Aldermen may make their own arrangements in terms of the selection of a call and data service provider of their own choice and claim reimbursement of costs incurred.

Alternatively, they may elect to use the Council's provider, in which case individual plans are required for individual Aldermen to enable the identification of individual usage, for transparency purposes.

An annual expenditure cap of \$2,000 per Alderman per financial year applies for Aldermanic telecommunications expenses.

3.7.18. The audit has identified an anomaly whereby the Council is paying the cost of internet services provided at the residences of several Aldermen.

- 3.7.18.1. These costs have not previously been disclosed as they had been imbedded within broader Council internet costs.
- 3.7.19. The costs have arisen from an historic approach whereby the Council would arrange and pay for a phone and or fax line at the residence of an Alderman where these facilities were not already in existence. The Council provided these services to enable appropriate communication with its Aldermen and resulted in the Council owning and paying for connections to private residences/businesses.
- 3.7.20.Whilst this practice was the means employed to suit circumstances which were in place some time ago, technology has moved on apace.
- 3.7.21. The organisation is no longer reliant upon such infrastructure to communicate with its Aldermen, and accordingly it is no longer considered appropriate for the Council to own infrastructure or services relating to private properties.
- 3.7.22.On this basis, residual connections to private properties or businesses should be transferred into the ownership of the relevant Aldermen, who may claim reimbursement of Aldermanic costs in the usual manner.
- 3.7.23.Another aspect of telecommunications which requires further consideration is the use of mobile phones by Aldermen whilst they are overseas, either on private leave or on business representing the Council.
- 3.7.24. The Auditors have suggested that the Council determine its policy position as to whether it is necessary or required for an Alderman who may be on private leave from Council business, to remain in contact regarding Council related matters whilst overseas.
 - 3.7.24.1. Where Aldermen may be on leave from Council, apart from the Lord Mayor as the Council's principal elected representative and spokesperson, there would appear to be no reason why they would need to remain in contact with the Council whilst overseas on leave from Council business.
 - 3.7.24.2. Where the Lord Mayor may be overseas on leave from Council but considers it appropriate to retain contact in respect to Council issues; with the agreement of the General Manager the Council will purchase a suitable data pack in order to minimise data and call charges.

- 3.7.25.Where any Alderman may be at work representing the City overseas as part of a Council approved delegation, it would be reasonable for them to have access to a relevant data pack to avoid excessive phone usage accounts.
- 3.7.26.In both of the circumstances outlined in clauses 3.7.25 and 3.6.24.2 above, it is proposed that the Council purchase appropriate data packs, with the cost being attributed and disclosed as an expense to individual Aldermen. The cost of the pack would not however be included as part of the annual \$2,000 telecommunications cap.

3.8. **POLICY INTERPRETATION:** Discretionary and Non-Discretionary Expenses – Lord Mayor

This matter relates specifically to the differentiation of activities undertaken within the Lord Mayor's Office as part of the civic role of the Lord Mayor and the participation of the Lord Mayor in activities which are considered to be of a discretionary nature.

- 3.8.1. The audit identified that a degree of subjectivity exists around this issue and suggested that in the interest of clarity and consistency, some further definition be provided to distinguish between these two functions.
- 3.8.2. The following definition has been prepared to assist with interpretation of discretionary and non-discretionary activities and expenses.

There are two arrangements related to funding for ticketed events where the Lord Mayor attends or where the Lord Mayor is represented by an Alderman:

1. Non-Discretionary Activities:

Where an invitation request is received for the Lord Mayor to be a special invited guest or to take on a participatory role (ie; to speak, to make a presentation, to cut a ribbon, receive an award on behalf of the Council) and the invitation contributes to the advancement of the Council's strategic activities and/or where the presence of a Council representative is deemed to be required, the costs associated with the event for either the Lord Mayor or their representative be charged to the Lord Mayor's Civic Activities Function. 2. Discretionary Activities:

Where an invitation request is received for the Lord Mayor with no participatory role, but the invitation contributes to the advancement of the Council's strategic activities, should the Lord Mayor choose to attend, the costs associated with the event will be noted against the Lord Mayor's \$5,000 Community Activities Allocation for discretionary activities, and be included in the Aldermanic expenses report and disclosed accordingly.

If an Alderman has agreed to represent the Lord Mayor at a discretionary event then the cost of the event will be noted against the relevant Alderman's Community Activities Allocation (\$2,500 for the Deputy Lord Mayor and \$1,000 for Aldermen).

In determining what may be discretionary or nondiscretionary in relation to specific invites, the Group Manager Executive and Economic Development will provide clarification on a case by case basis, as required.

3.8.3. For completeness and clarity, the definition will be included in the policy document.

3.9. **PROCEDURAL ISSUES** Monthly Expenses Reconciliation and Reporting:

The WLF report made a number of recommendations to improve the reconciliation/reporting process, including:

- 3.9.1.1. Preparation of an expenses reporting calendar which sets deadlines and dates around a monthly cycle for the lodgement, processing, verification and publication of reimbursements and expenses.
- 3.9.1.2. Where claims may be submitted outside the due date for submission, the approval of the Lord Mayor and General Manager will be required before they can be reimbursed.
- 3.9.2. In terms of the level of detail included in respect to transactions listed in the monthly expenses report provided to Aldermen, future reports will include more fulsome details which will enable Aldermen to more clearly identify expenditure.
- 3.9.3. With respect to the report appearing on the Councils' website, the Council will adopt the methodology used by the City of

Melbourne whereby non-local travel (international, national and intrastate) undertaken by individual Aldermen will be reported separately.

3.10. Review of caps:

- 3.10.1.Noting that the Council recently reconfirmed the Aldermanic Development and Support policy, which includes the quantum of capped services and activities, it is assumed that the Council is satisfied with the existing provisions:
 - Telecommunications maximum of \$2,000 per financial year; (not including the payment for data packs for business related international travel and Lord Mayoral international travel as agreed by the General Manager as referenced at clauses 3.6.26 of the report)
 - Professional Development a maximum expenditure of \$20,000 per Alderman in a four year Council term, allocated for use at \$5,000 per annum, with the capacity to draw funding from the year in advance, up to \$10,000
 - Community activities participation allocation \$1,000 for Aldermen, \$2,500 for the Deputy Lord Mayor and \$5,000 for the Lord Mayor, per financial year;
 - Fuel card for private vehicle travel maximum of 1,500 litres of fuel each financial year.

3.11. Aldermanic Assistance Program:

- 3.11.1.The policy currently provides for *up to three, free counselling sessions, with additional sessions being approved by the Lord Mayor and General Manager.*
- 3.11.2. The policy is currently silent in respect to whether the three sessions are available per annum or per term of office.
- 3.11.3.It is proposed to clarify that the sessions are available per annum (financial year in line with other benefits provided in the policy)
- 3.11.4.Given the confidential nature of the Program, the cost of counselling sessions will not be disclosable.

3.12. OTHER RECOMMENDATIONS:

- 3.13. In addition to the reporting of WLF's major findings, their report also provides a detailed review and progress update in respect to the recommendations contained in their original report which contributed to the current policy outcome.
- 3.14. Of the 21 recommendations noted, two of these (relating to whistleblower provisions and roles and functions of Lord Mayor, Deputy

Lord Mayor and Aldermen) involve policy decisions by the Council, which are currently on hold pending clarification of the extent of the Government's Draft Model Code of Conduct.

- 3.15. A further two of these recommendations are noted as being in progress and relate to the annual attestation of compliance with the Council's policy on Aldermanic Development and Support and acknowledgement of receipt of the policy document and Aldermanic Handbook.
 - 3.15.1.As annual processes, Aldermen will be requested to note receipt of the latest policy and version of the Aldermanic Handbook and attest compliance with the policy as part of the twelve month review which will be undertaken early in the new financial year.
- 3.16. Ten of the recommendations are noted as being complete.
- 3.17. The remaining seven recommendations noted as being *in progress* relate to the following matters:
 - 3.17.1.The requirement for the lodgement of monthly reimbursement claims (this is addressed at clause 3.7.1)
 - 3.17.2. Telecommunications, specifically, the discontinuation of Council involvement in the provision of phone lines to Aldermanic residences. (addressed at clause 3.7.17), and the absence of an appropriate mechanism to monitor the \$2,000 cap (addressed at clause 3.7.6)
 - 3.17.3.The requirement for local travel claims (other than private vehicle transport) to include trip details. (addressed at clause 3.7.4)
 - 3.17.4.Professional Development WLF note the lack of a process to monitor the cap for professional development.
 - 3.17.4.1. There is in fact a process in place which requires the General Manager to report on available funding from an individual Aldermen's allocation, where they may apply to the Lord Mayor for professional development activities. The professional development allocation now forms part of the monthly reporting on the Council's website, along with other capped expenses.
 - 3.17.5.Personal Purchases WLF recommend that the policy be varied to specifically reference the exclusion of any personal purchases. The policy currently includes reference to the exclusion of personal purchases with the Aldermanic credit card.

- 3.17.5.1. In line with the recommendation of WLF, the policy provisions will be clarified to include the prohibition of personal purchases of any kind.
- 3.17.5.2. In terms of use of the Aldermanic credit card, it is proposed to provide additional wording to the effect that where an Alderman may mistakenly make a personal transaction using their Aldermanic credit card, they should seek to have the purchase immediately reversed. If this is not possible, the Alderman should notify the Manager City Government and make arrangements for the purchase cost to be repaid to the Council.
- 3.17.6.Public transparency reporting WLF note the substantial work undertaken to restructure Council's finance ledgers to produce the required information.
 - 3.17.6.1. Work is still in progress to identify robust and definitive systems and processes and which will support reporting objectives and alleviate the need for manual adjustments.

3.18. Aldermanic Expenses Disclosure - Statewide Consistency:

- 3.18.1.Into the future, the legislation of expenses to be disclosed by elected representatives across the state would provide clarity and consistency around this important issue, which is of specific interest to the community and would benefit from a cohesive standardised approach.
- 3.18.2.The General Manager has prepared a separate report canvassing the potential listing of this matter as a motion to be discussed at the forthcoming LGAT General Meeting.
 - 3.18.2.1. The report appears on the Governance Committee agenda.

4. IMPLEMENTATION

- 4.1. The implementation of the Council's current policy, together with the development of relevant supporting procedures and processes will continue, with the aim of achieving a process maturity assessment of *established* at the twelve month review which will be conducted in the early part of next financial year.
- 4.2. Subsequent to consideration of this report by the Governance Committee, recommended changes to the current policy will be drafted into a further iteration of the policy document.

4.2.1. That draft document will then be presented back to the Governance Committee for sign-off and referral for Council's consideration and endorsement.

5. STRATEGIC PLANNING IMPLICATIONS

5.1. The review of policy provisions around Aldermanic development, support and expenditure, accords with the City of Hobart's strategic goal of ensuring good governance of our capital city.

6. FINANCIAL IMPLICATIONS

6.1. Funding Source(s)

6.1.1. There are no funding implications arising from this report.

6.2. Impact on Current Year Operating Result

6.2.1. Not applicable.

6.3. Impact on Future Years' Financial Result

6.3.1. Not applicable.

6.4. Asset Related Implications

6.4.1. Not applicable.

7. RISK MANAGEMENT IMPLICATIONS

7.1. The WLF interim follow-up audit has rated the overall risk rating around the implementation of the Aldermanic Development and Support policy as medium.

8. LEGAL IMPLICATIONS

8.1. There are no legal implications arising from this report.

9. DELEGATION

9.1. The Council is responsible for amending its policy documents.

10. CONSULTATION

10.1. Consultation has occurred with Wise Lord and Ferguson, the Deputy General Manager, Risk and Audit Panel Chairman and Manager City Government.

11. CONCLUSION

- 11.1. The purpose of this report is to review progress to date on the implementation of the Council's policy titled Aldermanic Development and Support.
- 11.2. In addition, after consultation with the Risk and Audit Committee, WLF have undertaken a mid-term a six-month progress audit which was completed in February 2016.
- 11.3. The scope of this audit included an assessment of progress on the implementation of the Council's policy.
- 11.4. The WLF report, which is attached, provides comprehensive commentary on the passage of the current provisions contained in the policy and assesses their implementation to date.
- 11.5. In presenting their latest report, WLF noted as key observations, the significant progress made during the six month period since their initial report in respect to implementation of the recommendations which were subsequently adopted by the Council.
 - 11.5.1.WLF have also noted that the new policy provisions have required complete process changes and that it is both expected and reasonable for some actions and processes implemented to have taken time to embed.
- 11.6. The audit has also focused on the effectiveness of the procedures and systems put in place to support the policy and ensure compliance.
- 11.7. The WLF report contains four major findings around the application of the policy relating to expenses reconciliations and policy interpretation.
- 11.8. A range of recommendations have arisen from the mid-term audit and administration's review of the operation of the policy.
- 11.9. As an active policy document, in addition to scheduled audits and Council policy reviews, the policy will be subject to ongoing refinements as necessary.
- 11.10. In the interest of the community and for consistency across the local government sector, there is benefit in requesting the government to consider standardising the disclosure of expenses and benefits for elected representatives.
 - 11.10.1.A separate report has been prepared in respect to this matter for consideration by the Governance Committee.

12. RECOMMENDATION

That:

- 12.1. The report mj (o:\council & committee meetings reports\gc reports\2016 meetings\5 april\aldermanic development and support policy - follow-up.doc) be received and noted.
- 12.2. The six-month progress audit undertaken by Wise Lord and Ferguson in respect to the Council's policy titled Aldermanic Development and Support, shown as attachment B to this report be received and noted.
 - 12.2.1.The Council note the advice provided within the Wise Lord and Ferguson report, that the commencement of Aldermanic expenses reporting on the City of Hobart website, commencing from 1 July 2015, was the appropriate basis for the reporting process to commence.
- 12.3. The following variations to the Council's policy in respect to Aldermanic Development and Support, be approved for incorporation into a revised policy document for submission back to the Governance Committee, prior to presentation to the Council for final approval:
 - 12.3.1.In respect to the submission of reimbursement claims, the wording in the policy be amended for clarification purposes to require that claims are to be submitted within one month of the expense being incurred.
 - 12.3.1.1. Where for good reason, this requirement cannot be met; the approval of the Lord Mayor and General Manager be required to reimburse a claim.
 - 12.3.2.In respect to the Aldermanic Support Program, wording be added to clarify that up to three free counselling sessions are available per annum (financial year in line with other benefits provided in the policy) with further free sessions being available in consultation with the Lord Mayor and General Manager,
 - 12.3.2.1. The policy also note that counselling costs associated with the Aldermanic Support Program are not to be disclosed, given the confidential nature of the service.

12.3.3.In relation to telecommunications:

12.3.3.1. The historic practice of providing telecommunications connections to Aldermen's private property cease, and any residual connections in existence be transferred *immediately into the ownership of relevant Aldermen, who may seek reimbursement of Aldermanic costs, in the usual manner.*

- 12.3.3.2. In order to avoid excessive mobile phone accounts, and where required, the Council purchase relevant mobile phone data packs, for use by Aldermen who are travelling overseas in the following circumstances:
- 12.3.3.3. Where the Lord Mayor, as the Council's principal elected representative and spokesperson, may be overseas on leave from Council, and considers it appropriate to retain contact in respect to Council issues; with the agreement of the General Manager, and
- 12.3.3.4. Where an Alderman may be representing the City as part of a Council approved delegation.
- 12.3.3.5. Under such circumstances the cost of data pack(s) be attributed and disclosed as an expense to the Lord Mayor or individual Alderman, however the cost of the pack not be included as part of the annual \$2,000 telecommunications cap.
- 12.3.4.For clarification purposes, the following definitions around the determination of discretionary and non-discretionary expenditure relating to Lord Mayoral activities be included in the policy.

"Office of the Lord Mayor - Determination of Discretionary and Non-Discretionary Funding

There are two arrangements related to funding for ticketed events where the Lord Mayor attends or where the Lord Mayor is represented by an Alderman:

1 Non-Discretionary Activities:

Where an invitation request is received for the Lord Mayor to be a special invited guest or to take on a participatory role (ie; to speak, to make a presentation, to cut a ribbon, receive an award on behalf of the Council) and the invitation contributes to the advancement of the Council's strategic activities and/or where the presence of a Council representative is deemed to be required, the costs associated with the event for either the Lord Mayor or their representative be charged to the Lord Mayor's Civic Activities Function.

2 Discretionary Activities:

Where an invitation request is received for the Lord Mayor with no participatory role, but the invitation contributes to the advancement of the Council's strategic activities, should the Lord Mayor choose to attend, the costs associated with the event will be noted against the Lord Mayor's \$5,000 Community Activities Allocation for discretionary activities, and be included in the Aldermanic expenses report and disclosed accordingly.

If an Alderman has agreed to represent the Lord Mayor at a discretionary event then the cost of the event will be noted against the relevant Alderman's Community Activities Allocation (\$2,500 for the Deputy Lord Mayor and \$1,000 for Aldermen).

In determining what may be discretionary or nondiscretionary in relation to specific invites, the Group Manager Executive and Economic Development will provide clarification on a case by case basis, as required."

- 12.3.5.In respect to personal purchases, the policy provisions be strengthened to include the prohibition of personal purchases of any kind.
 - 12.3.5.1. In terms of use of the Aldermanic credit card, additional wording be provided to the effect that where an Alderman may mistakenly make a personal transaction using their Aldermanic credit card, they should seek to have the purchase immediately reversed. If this is not possible, the Alderman should notify the Manager City Government and make arrangements for the purchase cost to be repaid to the Council.
- 12.4. No change be made to the existing policy provisions in circumstances where an Alderman may resign from Council in advance of the expiry of their term of office, having accessed Professional Development funding during the year in which they resign.
- 12.5. It be noted that the monthly website reporting on Aldermanic expenses includes reference to the caps and limits in place, together with details of residual balances remaining each month.

- 12.6. In relation to the format of the website report on Aldermanic expenses, the Council adopt the methodology used by the City of Melbourne whereby non-local travel (international, national and intrastate) is reported separately to local travel.
- 12.7. As a means of improving the quality of information provided to Aldermen in relation to the processing of expenses, reimbursement claim forms be modified to include each category of expenditure or consumption as provided in the policy. Where caps or maximum allocations apply, these also be noted on the form.

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.

1. head

(N.D Heath) GENERAL MANAGER

Attachment A – Council Policy titled *Aldermanic Development and Support* Attachment B – Wise Lord and Ferguson Follow-Up Audit Report Attachment C – Council resolution dated 13 April 2015



Title:	Aldermanic Development and Support	
Adopted By Council:	9/11/2015	
Next Review:		
Responsible Officer:	Director Corporate Services	

OBJECTIVE

This policy sets out the benefits and entitlements available to Aldermen in support of their roles as elected representatives of the City of Hobart.

They are summarised below:

- A. Certificates of service
- B. Insurance
- C. Training and Development
- D. International Relationships
- E. Allowances
- F. Sponsorships
- G. Expenses Reimbursement
- H. Claims Processing
- I. Benefits
- J. Disclosure of Expenses and Benefits
- K. Facilities
- L. Loan of Equipment
- M. Reimbursement of Legal Expenses
- N. Use of Vehicle and Chauffeur Lord Mayor
- O. Retirement Function Long Serving Aldermen

BACKGROUND

This policy provides a consolidated point of reference for the identification of benefits and entitlements for Aldermen.



POLICY

In the interest of good governance, the Council has resolved (on 9/11/2015) to formally endorse its policy in relation to Aldermen's Entitlements and Benefits, on an annual basis, in advance.

Also per that resolution, Aldermen will individually attest their compliance with the policy on an annual basis.

A. CERTIFICATES OF SERVICE

History: First Approved: Council 27 January 1987 Amalgamated from single policy document into *Aldermen - Entitlements, Travel and Conferences*: 31 October 2011 Amended: Council 17/12/2007, 9/6/2015

Upon election to the Council the Lord Mayor, Deputy Lord Mayor and each Alderman will be presented with an unframed Certificate of Election signed by the General Manager.

Upon retirement from the Council, each Alderman is to be presented by the Lord Mayor with a framed Certificate of Appreciation under the seal of the Council and the signatures of the Lord Mayor and General Manager.

Upon retirement from the role of Lord Mayor or Deputy Lord Mayor, the General Manager will present a framed Certificate of Appreciation to the retiree on behalf of the Council.

B. INSURANCE

History:

First Approved: Council 25 March 1985 Amalgamated from single policy document into *Aldermen - Entitlements, Travel and Conferences*: 31 October 2011

Aldermen will be covered, on a 24 hour a day basis by insurance taken out by the Council against the risk of death, disablement or accident whilst Aldermen hold office.

The amount of cover is to be reviewed annually as part of the organisation's review of its insurance portfolio.

C. TRAINING AND DEVELOPMENT

History:

First Approved: Council 26 September 1994 Amalgamated from single policy document into *Aldermen - Entitlements, Travel and Conferences*: 31 October 2011 Amended: Council 13/12/99; 14/6/05; 13/11/06; 9/6/09; 12/9/11; 14/7/2014; 9/6/15; 22/6/15



The City of Hobart is committed to achieving best practice governance by supporting its Aldermen in the development and enhancement of knowledge and skills necessary to support the performance of their roles and functions as elected representatives of the City of Hobart.

In supporting this commitment, this policy provides the framework for the delivery and management of Aldermanic participation in training and development activities, categorised as follows:

- (i) Induction;
- (ii) Conference attendance;
- (iii) Local government sector development activities;
- (iv) Professional development;
- (v) Study and inspection tours, and
- (vi) Local workshops and seminars.

1. Induction

Following election, Aldermen shall be supported in their roles through access to a comprehensive induction program to be offered as soon as possible after joining the Council.

Induction programs may be delivered on a group or individual basis, as required and will cover topics including, but not limited to the following:

- (i) legislative and statutory requirements of the role of Aldermen;
- (ii) roles and responsibilities of Aldermen of the City of Hobart including the provisions of the Aldermen's Handbook;
- (iii) Aldermanic Code of Conduct;
- (iv) organisational structure and operational matters;
- (v) the Council's role as the planning authority;
- (vi) community engagement;
- (vii) strategic business planning including annual plans, policy development, legislative and statutory provisions, delegations, strategic plan, financial management plans, budgetary framework and asset management;
- (viii) briefings on specific issues affecting the City of Hobart at the time; and
- (ix) team building.

2. Conference Attendance



Representation of the City either as a presenter or delegate at conferences which focus on issues of relevance to Hobart's strategic objectives provides valuable opportunities for attendees to learn of the latest trends, developments and thinking by professionals and leaders within their particular field.

Additionally, conferences provide networking and information sharing opportunities across the organisations represented.

Whilst the attendance of Aldermen at such conferences provides benefit to the individual, this is considered as secondary to the value to the organisation derived from having the Council represented and receiving a report on conference outcomes from an attending Alderman.

The Council may approve the attendance of Aldermen at relevant conferences as representatives of the City, in the capacity as a delegate or conference presenter, subject to budget availability.

Particular conferences where Council representation may be considered appropriate may be brought to the notice of the Council by the General Manager or an individual Alderman.

When such conferences are listed on the relevant committee agenda for consideration of representation, the relevance of the conference to the City's strategic objectives is to be addressed as part of the process.

3. Local Government Sector Development Activities

Aldermanic participation in local government sector activities is considered relevant and appropriate in order to benchmark activities against industry standards, maintain knowledge and relativity within the sector and to network and build relationships and capacity within the industry.

Aldermen may attend conferences, seminars, meetings or training events arranged by sector stakeholders such as:

- (i) Local government peak bodies (eg. LGAT, Think South, MAV, ALGA, ALGWA);
- (ii) State, Federal or Local Government authorities;
- (iii) Australian Institute of Company Directors; and
- (iv) The City of Hobart.

Except where clause 6 of this policy is applicable, Aldermanic attendance at these activities is to be approved by the Council.

The Lord Mayor, as the city's civic leader is by virtue of that role a member of the Council of Capital Cities Lord Mayor's. The Lord Mayor also participates on various working parties and special committees operating within the auspices of local government activities. In recognition of the Lord Mayor's specific role as the City's spokesperson and representative, the Lord Mayor's participation in such activities will not be subject to Council approval.



4. Professional Development

Professional development involves the undertaking of training and development activities which increase an Alderman's capacity to perform their role as elected representatives of the community, and to maintain and improve their skills and stay in touch with issues relevant to the Council.

Professional development may be delivered through formal and informal training such as relevant seminars, training courses, peer programs, conferences and formal education avenues.

The Council encourages the participation of Aldermen in professional development activities and accordingly Aldermen will be given the opportunity of attending relevant training programs, activities and conferences which support their individual professional development.

The Lord Mayor in his or her capacity of overseeing the performance of the Aldermen in accordance with s 27 of the Local Government Act 1993, is responsible for considering and determining applications from Aldermen for professional development.

In respect to applications from the Lord Mayor, the Deputy Lord Mayor is responsible.

As an exception to this arrangement, where international travel is involved as part of an application for professional development, the application will be referred directly to the Council for consideration and determination.

An Alderman proposing a professional development activity is to provide the following information in support of their application to the Lord Mayor, the Deputy Lord Mayor or the Council, whichever is appropriate:

- (i) Full details of the activity, including supporting documentation and costs; and
- (ii) Details of the benefit of the activity to the individual Alderman and its relevance to the Council, including contribution to the achievement of the City's strategic objectives.

Prior to final approval of a professional development application, the General Manager shall confirm the availability of funds from the individual Alderman's professional development allocation.

No arrangements are to be made in relation to participation in professional development activities until the approval has been obtained in writing.

For professional development applications other than those involving international travel, once approved by the Lord Mayor or Deputy Lord Mayor, the General Manager is to inform the Council at the first available ordinary meeting, for noting purposes only, details of the professional development application, as submitted by the attending Alderman.



Aldermanic professional development will be funded through a professional development allocation up to a maximum expenditure of \$5,000 per Alderman per financial year and \$20,000 for each Alderman in a four year Council term.

In accordance with Council's general budget practice, the individual Aldermanic professional development allocation will not be carried forward from one financial year to another.

Notwithstanding the funding arrangements above, in considering individual professional development requirements in any given year, the Lord Mayor, Deputy Lord Mayor or in the case of proposals involving international travel, the Council, may take account of expenditure over the course of an individual Alderman's term of office (having regard to the \$20,000 maximum total allowance available to individuals in a four-year term of office). In circumstances where it is deemed appropriate, expenditure up to a maximum of \$10,000 may be approved.

The total cost to the Council for individual Aldermanic professional development activities will include all expenses such as registration costs, associated meals, accommodation, travel and travel insurance, where appropriate.

As is the case with all Aldermanic expenses, the General Manager shall maintain appropriate records in respect to Aldermanic professional development activities, for the purpose of capturing details and expenses incurred through professional development.

5. Study and Inspection Tours

The Council may resolve to send one or more Aldermen on a study or inspection tour to examine a particular program or activity operating outside of the City, in order to assess its application or suitability for the City of Hobart.

6 Local workshops and Seminars

Aldermen may attend local workshops and seminars held within Tasmania, which relate to Aldermanic induction or local government sector development activities without approval by the Council in the following circumstances:

- (i) When the duration of the event is less than two days; and
- (ii) Where the total cost of attendance does not exceed \$750.

The General Manager shall approve such attendance.

7. General Training and Development Provisions

1. Upon return from any activity approved under this policy, the attending Alderman must provide a report in the following format, within thirty days:



- (i) The name, location and date of the activity, together with a summary of the activity and details of any outcomes which may be considered appropriate for application to the City of Hobart.
- (ii) The report may be presented verbally or in writing to the relevant Council committee.
- 2. The Council's administration will make all arrangements including payments, for Aldermanic travel.
- 3. In extenuating circumstances, the Lord Mayor may approve an Alderman making their own travel arrangements, in which case expenditure is to be reconciled within thirty days of the Aldermen's return, through the submission of receipts and full details in support of any costs claimed, including the presentation of airline boarding passes.
- 4. Apart from the provisions applying to professional development, there is no specific limit on individual expenditure under this policy, however, in approving Aldermanic participation in all other activities under this policy, the Council will have regard to the available budget.
- 5. Aldermanic travel within Australia is to be economy class, except where flight duration is in excess of two hours, in which case Aldermen may elect to fly business class (or equivalent).
- 6. In respect to overseas travel, Aldermen may elect to fly business class (or equivalent).
- 7. Additional costs associated with a partner accompanying an Alderman undertaking any activity covered under the training and development policy are the responsibility of the individual Alderman and are to be met personally by the Alderman.
- 8. A daily incidentals travel allowance of \$40 shall be provided to Aldermen who travel away from the City on training and development activities. This allowance is not subject to any acquittal or reconciliation process.
- 9. Upon return from any training and development activity approved under this policy, an Alderman is to provide a reconciliation of all expenditure incurred in attending the activity, within 30 days.
- 10. The submission and approval process for travel reconciliations is the same as for the reimbursement of Aldermanic expenses, as provided in section G of the policy.

D. INTERNATIONAL RELATIONSHIPS History: First Approved Council: 13 March 2000 Amended Council: 11/2/03; 14/6/05; 9/6/09; 12/9/11, 9/6/15



An Alderman may participate in an international relationship delegation once, or more if approved by the Council, in a four year term of office, as part of an official Council approved delegation within that four year term.

As part of any such visit, where appropriate, the Council may advise community representatives, business, State Government and other relevant stakeholders, in order to ascertain their interest in participating in the visit as part of the Council delegation.

In addition to Council delegations, the Council may also approve participation in appropriate delegations conducted by the State Government or other relevant agencies.

The following criteria applies to travel on international delegations:

- (a) The objectives of individual visits should be clearly defined.
- (b) Visits will be timed to coincide with or support:
 - (i) significant events in the life of the City acknowledged by the Council as a City of significance or with which the Council has a formal relationship;
 - (ii) trade missions and delegations;
 - (iii) major cultural events; or
 - (iv) strategic opportunities to build on and reinforce relationships.

In relation to international cities relationships, where the Council may send a delegation to a Sister City or international destination of significance, as resolved by the Council, with the exception of the Lord Mayor's partner, Aldermen's partners shall meet their own costs of travel and accommodation (excluding ordinary travel insurance costs).

E. ALLOWANCES

History: First Approved: Council 9/6/15 Amended: Council 13/7/15

The Local Government Act 1993 provides that councillors are entitled to prescribed allowances. Mayors and deputy mayors are entitled to additional allowances.

The Local Government (General) Regulations 2015 prescribe those amounts, which are adjusted by the CPI inflationary figure as at 1 November in each year.

Allowances are paid in arrears and Aldermen may elect to receive payments either monthly or fortnightly.

In the interest of transparency and good governance, there is no capacity to debit from Aldermanic allowances.



F. SPONSORSHIPS History: First Approved: Council 9/6/2015

Where the Council resolves to sponsor major events, free tickets are provided to the Council by the organisers as part of the Council's sponsorship package.

Where sponsorship tickets are made available to Aldermen, their value will be advised to Aldermen at the time in order to enable Aldermen to make an informed choice as to whether or not they wish to accept tickets.

Where Aldermen elect to accept free sponsorship tickets, the details of the event and the estimated value will only appear in the Aldermanic Gifts Register, to be recorded by the Manager City Government on behalf of the Alderman concerned. Confirmation of the details entered into the Register will then be provided in writing for the information of the Alderman.

G. EXPENSES REIMBURSEMENT

History: First Approved Council: 13 November 2006 Amalgamated from single policy document into *Aldermen - Entitlements, Travel and Conferences*: 31 October 2011 Amended: Council 9/6/2015, 13/7/15, 10/8/2015

This section of the policy covers prescribed expenses in relation to travel, telecommunications and childcare, as provided in the Local Government (General) Regulations 2015.

The Council will reimburse Aldermen for reasonable out-of-pocket expenses incurred in relation to travel, telecommunications and child care, provided that such expenses are incurred whilst they are carrying out the functions of office, pursuant to Section 28 of the Local Government Act 1993.

The following arrangements will apply in respect to the prescribed expenses:

1. Local Travel

For the purposes of this policy, travel is defined as modes of transport utilised by Aldermen for local travel which attract costs, such as, fuel, taxi and bus services etc.

Aldermen may claim the cost of travel incurred by means other than private vehicle use such as taxis and other public transport by the lodgement of a reimbursement claim to be accompanied by appropriate tax invoices and receipts indicating proof of payment along with details of the travel undertaken including date, cost, destination and details of the Council activity being undertaken.



Where Aldermen utilise private vehicles, they will be requested to nominate one (only) of the following options in any financial year:

- seek the reimbursement of costs through the submission of kilometre claims, which will be paid at the relevant rate per klm, as set by the State Public Service, (as also applying to City of Hobart employees), subject to the provision of supporting information including travel date, destination, and details of the Council activity undertaken.
- (ii) as an alternative to kilometre claims, Aldermen may nominate to use a fuel card which enables a maximum of 1,500 litres of fuel to be drawn in each year. Under this option there is no requirement for Aldermen to submit travel details.

Non-Local Travel

Travel for purposes other than local transport will be approved and funded by the Council as part of its policy on Aldermanic training and development activities under section C, or as part of travel associated with international relationships under section D.

2 Telecommunications

Aldermen are entitled to claim costs incurred as part of their roles for the use of telecommunications services, including landline connection, mobile phone and internet.

Claims may only be made for Aldermanic costs incurred on a phone, fax or internet service which is available for public contact.

In respect to mobile phone services, Aldermen may make their own arrangements in terms of the selection of a call and data service provider of their own choice and claim reimbursement of costs incurred.

Alternatively, they may elect to use the Council's provider, in which case individual plans are required for individual Aldermen to enable the identification of individual usage for transparency purposes.

An annual expenditure cap of \$2,000 per Alderman per financial year applies for Aldermanic telecommunications expenses.

3 Childcare

Aldermen may claim reimbursement for child care costs associated with Council activities.

Child care claims must be accompanied by either a receipt from a licensed child care provider or, a document with dual signatures of the claiming Alderman and the service provider detailing the following:

- (i) The name, address and phone contact details of the care provider;
- (ii) The date and time of the service, including the hours involved;



(iii) The hourly rate paid; and

(iv) Details of the Council event attended by the Alderman.

A maximum hourly rate of \$20 applies for child care, unless otherwise approved by the Lord Mayor.

Council funding of child care relates only to Council meetings and Council attended events.

Aldermen may seek the Lord Mayor's approval of reimbursement for additional child care arrangements in extenuating circumstances.

H. CLAIMS PROCESSING

History: First Approved Council: 9 November 2015

Claims for the reimbursement of expenses incurred, as provided in this policy must be submitted directly to the Manager City Government together with tax invoices and receipts indicating proof of payment along with full details of the nature of the expenditure.

The Manager City Government will verify that claims are in accordance with the policy and will subsequently follow the approval/authorisation process by seeking the approval of claims by the Lord Mayor and authorisation for payment from the General Manager.

The Deputy Lord Mayor will approve claims submitted by the Lord Mayor.

In the interest of good governance claims are to be submitted on a monthly basis.

Where, in the opinion of the General Manager, a question arises as to whether a claim for reimbursement of expenses is ineligible under these policy provisions, the General Manager shall refer the matter to the Audit Panel for determination.

Forms for use for claiming reimbursement and reconciling expenditure are located on the Aldermanic Webpage.

Upon submission of the appropriate paperwork to the Manager City Government, claims will be paid within a 30 day period.

I. BENEFITS

The Council has resolved to make the following benefits available to Aldermen:

1. Parking Permits History: First Approved Council: 25 March 1985 Amended: Council 9/6/15

In order to provide parking for Aldermen in Council controlled areas whilst they are undertaking their duties of office, the following arrangements will apply.



Aldermen must provide the details (including make, model, colour and registration number) of a maximum of two vehicles to the Manager City Government for inclusion in the Council's parking database as Aldermanic vehicles. Aldermen must ensure that these details remain current at all times.

Aldermen will subsequently be provided with one transferrable parking permit (which is issued in each financial year) which must be displayed on the windscreen of their nominated vehicle(s) whilst they are on Council business.

The display of the permit will enable Aldermen to park in the following Council controlled areas only:

- (i) in the space designated for Aldermanic parking on the Town Hall parking deck, without any time limit;
- (ii) in the Council's Argyle Street, Centrepoint, and Hobart Central multistorey car parks, without any time limit; and
- (iii) in on-street metered parking spaces and in the Council's Dunn Place and Salamanca Square voucher car parks, for the maximum time allowable, without the need to pay the required fee*

*In respect to clause (iii) above, it should be noted that the permit does not cover overstaying beyond the maximum parking time allowed.

In consideration of the provisions outlined in this policy, where an Alderman believes that an infringement has been issued in error and subject to adherence to the following requirements:

- (i) the Council's records verifying that the vehicle details match the those appearing on the parking database, and
- the Aldermen's parking permit being appropriately displayed on the vehicle, thereby verifying that the Alderman was on Council business at the time of the infringement,

Aldermen may submit an application to the General Manager to have the infringement withdrawn.

The General Manager will seek the endorsement of the Lord Mayor in determining such applications.

2. Doone Kennedy Hobart Aquatic Centre Access History: First Approved Council: 9 June 2015 Amended: Council 13/7/15

In line with the Council's commitment to health and wellbeing, Aldermen are permitted access to the Doone Kennedy Hobart Aquatic Centre at no cost.

Aldermen are required to identify to the Manager City Government their preferred membership category or casual entry preference from the Centre's approved schedule of fees and charges, to enable costs associated with Aldermanic usage of the Centre to be accurately identified.



3. Community Activities Participation Allocation History:

First Approved Council: 13 July 2015

In order to facilitate the participation of Aldermen in community functions and activities which contribute to the advancement of the Council's strategic objectives, funding will be provided for such purposes subject to the following annual cap (per financial year):

The Lord Mayor \$5,000;

The Deputy Lord Mayor \$2,500; and

Aldermen \$1,000

Aldermen may elect to have their partner accompany them to an event, in which case the cost of attendance will also be allocated to their individual cap.

Arrangements for attendance at such functions, including payment, where applicable, are to be made by individual Aldermen.

Where Aldermen attend functions and activities involving a cost, they are requested to submit a reimbursement form to the Manager City Government, including the name and date of the function, the tax invoice outlining the cost of attendance and proof of payment.

4. Funded Business and Topical Issues Events History: First Approved Council: 9 November 2015

From time to time the Council receives invitations to business functions which the Lord Mayor and General Manager may deem to be of specific relevance and interest to the City of Hobart. Examples include budget briefings and forums on topical issues.

In such circumstances, all Aldermen will be invited to attend the function which will be paid for by the Council, with the cost being subsequently attributed as an expense to those Aldermen who attend.

5. Aldermanic Credit Card Facility History:

First Approved Council: 9 June 2015 Amended: Council 9/11/15

Corporate Credit cards will be made available to those Aldermen who wish to utilise them.

Aldermen electing to be issued with a credit card are required to adhere to the application process, and terms and conditions of use which are applied by the financial institution engaged by the Council to provide the credit card facility.

Where Aldermen are issued with credit cards, they will be provided with the full documentation issued with the credit card:

(i) The corporate credit card may be utilised to facilitate the purchase of services which are allowed under the policy on entitlements and benefits



for Aldermen, such as taxi travel, pre-payment of community activities registration costs, transport and un-funded meals when participating in training and development activities or international relationship delegations and child care costs.

- (ii) Personal purchases are excluded from use.
- (iii) All credit card statements must be reconciled within one month of receipt of statements, and be supported by the details of all expenditure and the provision of tax invoices and receipts. A form for credit card reconciliations is situated on the Aldermen's Webpage.
- (iv) The approval and authorisation of Aldermanic credit card expenditure is the same as all reconciliations, with the Lord Mayor approving Aldermanic expenses, and the Deputy Lord Mayor approving the Lord Mayor's expenses. The General Manager is responsible for authorising all expenditure.
- (v) The General Manager is to ensure that appropriate expenditure limits are applied to credit cards to accommodate requirements where Aldermen may participate in activities such as international travel as approved by the Council.

6. Aldermanic Assistance Program History: First Approved Council: 9 November 2015

In support of the health and wellbeing of Aldermen they are entitled to utilise the services of the Council's contracted counselling service.

The Aldermanic Assistance Program will provide up to three, free (and totally confidential) counselling sessions to assist Aldermen with personal, family or work issues that may be affecting their personal wellbeing.

Further free sessions may be approved in consultation with the Lord Mayor and General Manager.

J. DISCLOSURE OF EXPENSES AND BENEFITS

History:

First Approved Council: 13 October 2014 Amended: Council 13 April 2015

In the interests of transparency and accountability, the Council will publicly report information pertaining to allowances, gifts, entitlements and expenses for individual Aldermen, together with monthly attendance at Council and Committee meetings.

Accordingly, information is to be made available on a monthly basis on the City of Hobart's website.

The Manager City Government will provide details of the information to be published on the Website to each individual Alderman two business days prior to publication to enable any queries to be addressed.



K. FACILITIES

The Council makes a number of facilities and services available to Aldermen in support of their roles.

1. Aldermen's Lounge

History:

First Approved Council: 25/3/1985 Amalgamated from single policy document into Aldermen - Entitlements, Travel and Conferences: 31 October 2011 Amended: Council 12/9/2011, 9/6/2015

The Deputy Lord Mayor is responsible for the administration of the Aldermen's Lounge, in order to ensure that the room is adequately serviced and operational matters are satisfactorily attended to.

The use of the Aldermen's Lounge is confined to Aldermen who may, from time to time, extend an invitation to those persons who are in the Town Hall on Council business or municipal affairs to join them.

In addition to this general usage, individual Aldermen may, if they so desire, host a private function in the Aldermen's Lounge, subject to the following procedures and conditions:

- (i) Aldermen wishing to host such a function shall book the room with the Manager City Government
- (ii) All refreshments provided at functions hosted by individual Aldermen will be funded by the hosting Alderman.
- (iii) Functions are not to be conducted immediately prior, during or directly after a scheduled Council or committee meeting.
- (iv) Aldermen who host functions are to be responsible for admitting any guests arriving outside normal office hours, seeing their guests off-site and securing the premises when they leave.
- (v) No Council employee is to be involved in Town Hall security or in the serving of food or drink during such functions.

2. Office Facilities

History:

First Approved Council: 6 June 2015

As the City's civic leader, the Lord Mayor is provided with a suite of rooms in the Town Hall in which to conduct day-to-day business and host civic functions and activities.

Aldermen are provided with a furnished and equipped office space in the Town Hall for use for Council business at their convenience.

The Aldermen's office area includes a furnished communal space provisioned with standard office equipment. A kitchen facility is also provided.



L. LOAN OF EQUIPMENT

History: First Approved Council 9 June 2015

As a means of supporting the Aldermen in their roles, the Council will make the following equipment available:

- (i) Mobile phone
- (ii) Tablet (ipad)
- (iii) Notebook computer
- (iv) Printer

Equipment will be replaced in line with the Council's standard replacement schedules.

Retiring Aldermen may make application to the General Manager to purchase equipment which has been issued to them as an Alderman, subject to their agreement to pay the market/valuation price, as determined by the General Manager.

M. REIMBURSEMENT OF LEGAL EXPENSES

History:

First Approved Council: 14 August 2006 Amalgamated from single policy document into Aldermen - Entitlements, Travel and Conferences: 31 October 2011 Amended: 15/12/08, 12/7/10, 9/6/15

This section of the policy specifies the circumstances under which Aldermen are entitled to reimbursement of legal expenses in accordance with Clause 1(2)(b) of Schedule 5 of the Local Government Act 1993.

Clause 1(1) of Schedule 5 of the Local Government Act 1993, requires the Council to adopt a policy with respect of payment of expenses incurred by Aldermen in carrying out the duties of office.

Sub-clause (2) entitles an Alderman to be reimbursed for reasonable expenses in accordance with the policy adopted under Sub-clause (1) in relation to any expenses prescribed in the Local Government (General) Regulations 2015, and any other expenses the Council determines appropriate.

Pursuant to Clause 1(2)(b) of Schedule 5 of the Local Government Act 1993, an Alderman will be reimbursed their reasonable legal expenses in the following circumstances:

- (i) Where the Alderman is defending or responding to a claim, action or demand made by a third party against the Alderman;
- (ii) Where the Alderman is acting as a plaintiff in a claim, action or demand against a third party to the extent that the Alderman may obtain initial advice regarding the merits of their claim.


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Any reimbursement provided in accordance with this policy is subject to:

- (i) The Alderman acting in accordance with the functions of an Alderman as specified in Section 28 of the Local Government Act 1993;
- (ii) The Alderman acting in good faith; and
- (iii) The quantum of costs sought to be reimbursed being reasonable.

In determining whether an individual Alderman is entitled to reimbursement in accordance with this policy, the General Manager is authorised to approve initial legal consultation and to obtain professional external legal advice that the circumstances of an Alderman's claim satisfy the criteria listed above.

No reimbursement for legal expenses will be provided to an Alderman in relation to any claims, actions or demands made against another Alderman or the Council itself.

For the purposes of this policy, the term "third party" excludes another Alderman, the Council as an organisation and any single or joint authorities that the Council has established pursuant to the provisions of the Local Government Act 1993.

Where:

- (i) an Alderman is entitled to reimbursement of legal expenses in accordance with this policy;
- (ii) that Alderman is successful in the proceedings; and
- (iii) in those proceedings that Alderman receives an award of costs and/or damages;

any reimbursement in accordance with this policy is to be discounted by the value of any sum awarded as part of the proceedings.

The Council is to provide final approval of any reimbursement.

N. USE OF VEHICLE AND CHAUFFEUR – LORD MAYOR

History:

First Approved Council: 12 June 2001 Amalgamated from single policy document into *Aldermen - Entitlements, Travel and Conferences*: 31 October 2011

A Council vehicle and chauffeur will be made available for use by the Lord Mayor and their partner in the following circumstances:

- (i) For civic and ceremonial occasions where the Lord Mayor and their partner are representing the City. The vehicle will be available for pickup and delivery from the Town Hall or the Lord Mayor's principal place of residence, or from their place of employment when time constraints would otherwise preclude their attendance at a civic or ceremonial function.
- (ii) This policy does not preclude the Lord Mayor or their partner being accompanied by other dignitaries or staff or other persons and family members



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on those occasions when the Lord Mayor and their partner have attended a civic function and family members may be picked up if he or she is between the function location and the home address; and

- (iii) When the Lord Mayor is representing the Council on matters involving the Council (e.g. Think South and LGAT meetings).
- (iv) This policy also applies to any other Alderman and their partner who may be representing the Lord Mayor on civic and ceremonial occasions.

The vehicle will not be available for the following use:

- (i) Attending to normal duties at the Town Hall including Council or Committee meetings or for use in the role as an Alderman, other than on those occasions when the Lord Mayor or their partner has had civic responsibilities to attend to immediately prior to or after Council and Committee meetings; and
- (ii) Personal or family use.

O. RETIREMENT FUNCTION - LONGSERVING ALDERMEN

History:

First Approved Council: 15 December 1986 Amalgamated from single policy document into Aldermen - Entitlements, Travel and Conferences: 31 October 2011 Amended Council: 9/11/15

The Lord Mayor is to extend an invitation to arrange a farewell dinner on behalf of the Council, to honour any retiring Alderman who has given three (3) terms of service to the Council

Where the retiring Alderman accepts the Lord Mayor's offer, invitations to this function are to be extended to serving Aldermen and their partners, together with the General Manager, Divisional Directors and their partners.

Any retiring Alderman may invite four other persons to attend the dinner as their personal guests, should they so wish.

The Certificate of Appreciation of their service as an Alderman, Lord Mayor or Deputy Lord Mayor, as appropriate and as provided under clause A of this Policy will be presented at the farewell function, wherever possible.

Legislation, Terminology and References

Local Government Act 1993 Local Government (General) Regulations 2015

History

Council Policies are reviewed annually with amendments to a Policy listed below



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Date Policy first adopted:26/9/1994Annual Attestation:4Amendments4Adopted by Council14/7/2014

Details of Policy Amendments are located on the Council Business Centre

sildated

31 October 2011

(Amalgamated Into Policy "ALDERMEN - ENTITLEMENTS, TRAVEL AND CONFERENCES"



Hobart City Council Aldermanic Benefits and Expenses Recommendations Follow-up Final Report



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1 Executive Summary

1.1 Overall Report Rating and Summary

Overall Risk Rating – Medium. Gap in procedures and controls in place to mitigate key risks or compliance exception(s) which require improvement to ensure effectiveness of established controls. Deficiencies should be corrected promptly to ensure the internal control system is functioning adequately. Issue that could have, or is having, a significant adverse effect on the ability to achieve organisational / process objectives.

What we did

The aim of this project was to review the progress of the implementation of revised policies and procedures for Aldermanic expenses and entitlements against the Council decisions made from the review completed in 2014/15. In addition, we reviewed Alderman expenses incurred from the implementation of the new policies to 31 December 2015 against the revised policies and procedures.

Specifically the scope of this project included review against the following themes as detailed in our finalised report issued in May 2015:

- Overarching governance process recommendations including approval and compliance sign-off of the overall policy, public transparency reporting for Alderman, and construction of an appropriate financial ledger.
- Detailed policy and process recommendations:
 - Policy and process;
 - Telecommunications;
 - Travel;
 - Childcare;
 - Conferences, functions, events and professional education;
 - Parking;
 - Gold pass;
 - Credit cards;
 - Reimbursements from Alderman to Council;
 - Code of Conduct;
 - Other fines; and
 - Post service privileges.

To confirm our understanding we performed compliance testing of Aldermanic expenses and benefits against the revised policies and procedures. To complete this review, the following audit approach was undertaken:

- We met with key staff including the General Manager and Deputy General Manager;
- We reviewed Council decisions in response to the recommendations raised;
- We documented action and decisions taken against each of the recommendations raised and level of progress made;
- If some recommendations remained in progress we outlined the assessed level of completion or alternative action approved by the Council;
- We performed compliance testing against the revised policies and procedures from the 1st July 31 December 2015; and



	• We documented and reported our findings.
What's working well	Overall, there has been significant progress made in responding to the recommendations raised over the six month period following Council acceptance of the initial report. The following has been noted in respect of positive progress to date:
	• From an overall governance perspective the establishment and acceptance of a revised Policy Manual has been a positive improvement to arrangements. The policy revisions have provided clarity in relation to the expenses and benefits of Aldermen.
	Public disclosure has commenced, with expenses reported on the Council's website on a monthly basis.
	The finance system had been modified to include task codes to enable public disclosure.
	• Through our review of expenses reimbursed by the Council we noted no exceptions in the provision of tax invoices/receipts to substantiate claims.
	• We noted full compliance with claim forms being duly authorised and approved by the Lord Mayor and General Manager in line with Council policy.
	• Conference attendance and professional development, within our sample selected, was being approved by Council prior to attendance in line with Council policy.
	• Credit card use has been clarified in the Policy Manual and forms part of the authorisation and approval process by the Lord Mayor and the General Manager.
	• All post-service privileges have ceased except for farewell dinners for retiring Alderman that have given three terms of service.
What we found	• We noted considerable change in processes to enable compliance with the revised Alderman – Entitlements and Benefits Policy Manual however there were some policy requirements that were either not enforced, or processes were not in place to ensure compliance.
	• At the end of each month a report is run from the Council's finance system and reconciled for the purposes of publishing individual Alderman Entitlements and Benefits. During our review we noted some issues with the monthly reconciliation process.
	• There are informal processes for adjusting general ledger records to those published on-line for individual Alderman. As part of our review we investigated the reasons for differences between data as held in the Finance system relating to individual Alderman and those that were reported over a six month period (July – December 2015). From the work performed we are satisfied that the adjustments are either reasonable or have corrected previous errors – with the exception of \$519 of expenses excluded from the report in error which will be corrected in the March 2016 report.
	• We found that there are a number of Alderman whereby the Council still provides accounts for phone, internet and data services for home locations. These costs have not been allocated to individual Alderman task codes or included in the published data as they are embedded with the broader Council costs and unable to be accurately separated for disclosure purposes.
	• There is currently some subjectivity in relation to the policy guidance relating to the allocation of costs between discretionary and non-discretionary costs associated with the Lord Mayor and the Office of the Lord Mayor. In order to assist this process to ensure clarity and consistency over time, the General Manager has issued a formal memo which provides further guidance on the allocation between discretionary and non-discretionary activities.
	• We noted in our testing of the Lord Mayor's office expenditure one expenditure item was incorrectly added as non-discretionary of the Lord Mayor's Office however it was a discretionary activity which was passed down to another Alderman when the Lord Mayor could not attend. The item should have appeared as part of the Alderman's community activities participation allocation but did not.
What we recommend	• We recommend that processes be implemented to support Aldermanic compliance with policy. To assist the Council we suggest the following:



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- A calendar be prepared which outlines a monthly cycle for submitting expenses for reimbursement, processing of the expenses, checking by the Aldermen and publishing on-line. This will assist with the discipline required to support the public disclosure processes to ensure they are accurate and timely. If a breach of the calendar occurs by an Alderman, the claim should not be reimbursed unless approved by the Lord Mayor and General Manager.
- The spreadsheet prepared on monthly expenditure for Alderman should include a cumulative total for each line of expenditure as set out in the Policy Manual with the applicable caps in place. An additional column should also highlight the residual amount remaining for each cap. For the fuel cap, Alderman should be sent their monthly use in litres alongside their monthly expenditure information.
- We understand that that the Council is reviewing the adequacy of the caps in relation to the Lord Mayor. We are supportive of an annual review of caps to determine appropriateness. We would however recommend that the Council investigates cost effective options for overseas travel where it is necessary for any Alderman to remain in contact with the Council while away on Council related business. These costs should be approved in advance to the travel being undertaken. Where an Alderman is on leave, we recommend that the Council policy address whether it is necessary or required for that Alderman to remain in contact with Council related matters.
- We recommend that the reconciliation process be improved through the following:
 - A detailed procedure note should be drafted to detail the reconciliation process, including documenting the authorisation and approval both internally within the City Governance Team and with Aldermen for their individual expenses.
 - For each month a reconciliation should be performed between the general ledger task codes and the final reported Aldermanic expenses and benefits, explaining differences and amendments made that are referenced back to source documents. The overall reconciliation should be reviewed prior to publication as approval of the appropriateness of the changes made.
 - Aldermen should be provided with a sufficient transactional data to enable them to scrutinise their own expenses and a timetable be provided for the calendar year for the receiving and providing confirmation of expenditure.
 - Previous Aldermanic Expenses Reports should remain as published and any current monthly reconciliation uploaded on a monthly basis. Any amendments made after publication date should be separately published.
- We recommend that the \$519 identified in the reconciliation process be corrected in the March published expense report.
- In our view the entitlements for phone, mobile devices and data services is sufficient for Alderman use and given the complexities over transparency we would recommend no longer providing the services to Alderman and using the reimbursement process in line with other Alderman.
- The separation of costs between the Lord Mayor and the Lord Mayor's office has been a decision of Council and reflects the nature of the activities of the Lord Mayor and the office. To support clarity and the consistent reporting of costs overtime we recommend the advice of the General Manager defining discretionary and non-discretionary activities be formalised within the Policy Manual for Alderman Entitlements and Benefits. Where possible detailed examples should be included to remove as much subjectivity as possible.
- An independent review of non-discretionary cost codes of the Lord Mayor's Office should be performed by the General Manager to ensure completeness of reported discretionary activities on a monthly basis.

2 Context and Background

2.1 Introduction

In April 2015, we were commissioned to perform an audit and review of Aldermanic credit card transactions and reimbursements. In May 2015, the scope of that review was further extended to consider the policies and processes of Council for all Aldermanic expenses and benefits. As a result, a series of recommendations were made to the Council and they are in the process of being implemented in accordance with Council decisions.

Also during April 2015 Council made a decision to be more transparent in respect to Aldermanic benefits and expenses through monthly reporting of expenses on the Council's website. The Council made a decision to report benefits and expenses from March 2015, however through the Council's Strategic Governance Committee in August 2015 it revised that decision to commence reporting from August 2015 for the period 1st – 31st July 2015. We noted during our initial report that the Council did not have the appropriate financial ledgers in place to enable reporting for public disclosure. Task codes have since been added to the financial ledgers to allocate costs to individual Alderman and as a result produce a monthly report for review. Prior to the current financial year Aldermanic benefits and costs were allocated to a number of cost codes and required significant work to prepare accurate and timely data for public disclosure. We consider the financial ledger created from July 2015 was an appropriate basis for the reporting process to commence.

This report summarises the progress towards the implementation of Council decisions, as they relate to Aldermanic expenses and benefits. A number of the initial recommendations made required complete process change and changes in relation to the behaviour of those who interacted with the revised Policy Manual. It is therefore expected and reasonable that a number of the actions and processes implemented have taken time to embed. This report outlines our findings from the work performed and provides further recommendations to enhance current processes.

3 Summary of Findings

3.1 Process Maturity Assessment

Based on our review of the processes, systems and documentation we have assessed the maturity of the Aldermanic expenses and benefits system as follows:

Basic	Developing	Established	Advanced	Leading
Significant control gaps, process inefficiencies and bottlenecks exist. Processes are largely manual, applied inconsistently and subject to frequent error. Data is not collected or managed appropriately and Management do not have visibility of performance.	 there is basic process governance that exists either informally or is partially documented. Roles are clearly structured and understood. Key process requirements are known but sometimes applied inconsistently. IT Systems are disparate and spreadsheets are used frequently to collect and manage data. Performance is monitored on an informal basis by management. 	 Most processes and controls are designed correctly and are effective. IT systems are used to automate key processes. Additional work is required to improve operating effectiveness and reliability of processes and controls. Processes are governed appropriately with key oversight responsibilities defined and understood. KPIs are defined and reported on a routine basis. 	Processes and controls are well designed, effective and reliable at all times. Nothing more to be done except review and monitor existing controls. Administrative tasks are automated, so Management focus on building capability in value-adding activities. Governance and reporting requirements are well defined and understood. Management have access to real-time performance data and have a focus on continuous improvement.	 Routine processes are fully automated with integrated IT systems. The majority of controls are streamlined and embedded in systems. Processes are seamlessly integrated across organization boundaries. Internal and external data is combined seamlessly to give a fully integrated detail of the context.

Key Observations:

Overall the Aldermanic benefits and expenses processes and procedures are developing. Significant progress has been made in implementing the changes outlined in the revised Policy Manual, however we note:

- Some processes are informal and not documented;
- There are some adjustments to financial records that require review and approval; and
- There is some work to do to further refine processes.

3.2 Summary of Findings

The following table summarises the findings of this internal audit with management response. Further detail in relation to these findings in included in section 4 below. The findings in this report are rated in accordance with the risk criteria outlined in the appendices.

Major F	Major Findings				
Ref	Description of Issue	IA Risk Rating			
4.1.1	Application of Revised Policy – We noted considerable change in processes to enable compliance with the revised Alderman – Entitlements and Benefits Policy Manual however there were some policy requirements that were either not enforced, or processes were not in place to ensure compliance.	Medium Compliance 			
4.1.2	Monthly Reconciliation of Individual Aldermen Entitlements and Benefits – At the end of each month a report is run from the Council's finance system and reconciled for the purposes of publishing individual Alderman Entitlements and Benefits. During our review we noted some issues with the monthly reconciliation process.	Medium Operational 			
4.1.3	Monthly Reconciliation Adjustments - There are informal processes for adjusting general ledger records to those published on-line for individual Alderman. As part of our review we investigated the reasons for differences between data as held in the Finance system relating to individual Aldermen and those that were reported over a six month period (July – December 2015). From the work performed we are satisfied that the adjustments are either reasonable or have corrected previous errors – with the exception of \$519 of expenses excluded from the report in error which will be corrected in the March 2016 report.	Medium Finance Governance 			
	In addition, we found that there are a number of Alderman whereby the Council still provides accounts for phone, internet and data services for home locations. These costs have not been allocated to individual Alderman task codes or included in the published data as they are embedded with the broader Council costs and unable to be accurately separated for disclosure purposes.				
4.1.4	Policy Interpretation - There is currently some subjectivity in relation to the policy guidance relating to the allocation of costs between discretionary and non-discretionary costs associated with the Lord Mayor and the Office of the Lord Mayor. In order to assist this process to ensure clarity and consistency over time, the General Manager has issued a formal memo which provides further guidance on the allocation between discretionary and non-discretionary activities.	Medium Classification 			
	In addition, we noted in our testing of the Lord Mayor's office expenditure one expenditure item was incorrectly added as non-discretionary of the Lord Mayor's Office however it was a discretionary activity which was passed down to another Alderman when the Lord Mayor could not attend. The item should have appeared as part of the Alderman's community activities participation allocation but did not.				



4 Appendices – Detailed Findings



4.1 Detailed Findings and Recommendations

.1.1 Application of Revised Policy		
 Description of Issue: We noted considerable change in processes to enable compliance with the revised Alderman – Entitlements and Benefits Policy Manual however there were some policy requirements that were either not enforced, or processes were not in place to ensure compliance. Discussion: The following observations were noted during the review: The Policy Manual requires all local travel submitted for reimbursement to be accompanied with details of the travel undertaken including date, destination and details of the Council activity being undertaken. We noted in our compliance testing that this requirement was not complied with by Alderman, nor was it enforced during the authorisation and approval process. The Policy Manual states that 'in the interest of good governance claims are to be submitted on a monthly basis'. 	Risk Rating:	Medium - Issue that could have, or is having, a significant adverse effect on the ability to achieve organisational / process objectives.
 In practice, there are a number of Alderman who submit their expenses for reimbursement sometime after the expense was incurred. The requirement to submit within a calendar month has not been enforced through the authorisation and approval process. There are a number of caps identified in the Policy Manual: Professional development – is capped at \$5,000 per Alderman per year and \$20,000 over the four year term, Fuel card – a maximum 1,500 litres of fuel are to be drawn each year, Telecommunications – a cap of \$2,000 per Alderman per year applies, and Community Activities Participation Allocation (CAPA) – annual cap applies for the Lord Mayor (\$5,000), Deputy Lord Mayor (\$2,500) and individual Alderman (\$1,000). These caps however do not have processes in place to identify where these are approaching the limit or procedures to inform Alderman of residual amounts or cumulative totals. We note that the Lord Mayor breached her telecommunications cap in January through use of her mobile device whilst overseas. The breach was identified and the amount was subsequently reimbursed by the Lord Mayor to Council. 	Risk Type:	Compliance

Where claims are not submitted in time it distorts the reporting in any given month and does not allow for proper matching of resources. It can result in an erosion of public trust and confidence in the administration of the Council.

Where there are no processes in place to monitor caps as set out in the Policy Manual it is possible that the caps could be breached.



Recommendation:

We recommend that processes be implemented to support Aldermanic compliance with policy. To assist the Council we suggest the following:

- A calendar be prepared which outlines a monthly cycle for submitting expenses for reimbursement, processing of the expenses, checking by the Aldermen and publishing on-line. This will assist with the discipline required to support the public disclosure processes to ensure they are accurate and timely. If a breach of the calendar occurs by an Alderman, the claim should not be reimbursed unless approved by the Lord Mayor and General Manager.
- The spreadsheet prepared on monthly expenditure for Alderman should include a cumulative total for each line of expenditure as set out in the Policy Manual with the applicable caps in place. An additional column should also highlight the residual amount remaining for each cap. For the fuel cap, Alderman should be sent their monthly use in litres alongside their monthly expenditure information.

We understand that that the Council is reviewing the adequacy of the caps in relation to the Lord Mayor. We are supportive of an annual review of caps to determine appropriateness. We would however recommend that the Council investigates cost effective options for overseas travel where it is necessary for any Alderman to remain in contact with the Council while away on Council related business. These costs should be approved in advance to the travel being undertaken. Where an Alderman is on leave, we recommend that the Council policy address whether it is necessary or required for that Alderman to remain in contact with Council related matters.



Major Finding

4.1.2 Monthly Reconciliation of Individual Aldermen Entitlements and Benefits			
 Description of Issue: At the end of each month a report is run from the Council's finance system and reconciled for the purposes of publishing individual Alderman Entitlements and Benefits. During our review we noted some issues with the monthly reconciliation process. Discussion: We noted the following observations in relation to the reconciliation process: The monthly reconciliation is completed by one staff member within the City Governance Team. During our visit the staff member was absent and therefore the Council was unable unable to provide working papers and provide an audit trail for the differences noted from the finance report to the information published on-line. The reconciliation process and differences were subsequently explained once the staff member returned from leave. Each month the final overall monthly reconciliation of the Alderman Expenses Report for publishing is not formally signed off as accurate and authorised prior to publication. 	Risk Rating:	Medium - Issue that could have, or is having, a significant adverse effect on the ability to achieve organisational / process objectives.	
 Alderman are sent each month their list of expenditure in summary detail in order to confirm back to the City Governance Team regarding its accuracy prior to publication. They are given two days to turnaround responses. No response is taken as approval for publication. The report Aldermen receive is at the summary level and does not enable them to drill down to sufficient detail. There is not a formal timetable of reporting of the monthly reporting of Alderman expenses. The month end timetable corresponds to the finance timetable however there can be delays in publication due to staff taking leave. Data published online does not have an audit trail. The spreadsheet prepared and uploaded each month is then removed for republishing with the next month's data. There is a potential for previous months data to be adjusted. 	Risk Type:	Operational	
Risk: Where there is single person dependency and a lack of policies and procedures for the monthly reconciliation process there is a risk that the task could not be performed, or there could be delays in undertaking the task in key staff absence.			
Where the reconciliation process is not reviewed by management and formally authorised for publication there is a reputational risk of publishing inaccurate information that has ramifications for both the individual Aldermen and the Council.			
Without a sufficient level of detail at a transactional level of all expenditure incurred during a period, and cumulatively, Alderman are not able to sufficiently scrutinise their expenditure. In addition, if the timetable for the review process is not communicated and there is not a positive confirmation of accuracy it is possible that the published data contains errors.			
Where data is able to be adjusted post publication, and an audit trail is not retained, there is potential for the public and other users of that information to lose trust and confidence in the Council's ability to be transparent.			



Recommendation:

We recommend that the reconciliation process be improved through the following:

- A detailed procedure note should be drafted to detail the reconciliation process, including documenting the authorisation and approval both internally within the City Governance Team and with Aldermen for their individual expenses.
- For each month a reconciliation should be performed between the general ledger task codes and the final reported Aldermanic expenses and benefits, explaining differences and amendments made that are referenced back to source documents. The overall reconciliation should be reviewed prior to publication as approval of the appropriateness of the changes made.
- Aldermen should be provided with a sufficient transactional data to enable them to scrutinise their own expenses and a timetable be provided for the calendar year for the receiving and providing confirmation of expenditure.
- Previous Aldermanic Expenses Reports should remain as published and any current monthly reconciliation uploaded on a monthly basis. Any amendments made after publication date should be separately published.



Major Finding

4.1.3 Monthly Reconciliation Adjustments

derman. As part of individual Alderma e are satisfied that cpenses excluded fr addition, we found ata services for hor ublished data as th urposes.	There are informal processes for adjusting general ledger records to those published on-line from review we investigated the reasons for differences between data as held in the Finance system and those that were reported over a six month period (July – December 2015). From the wort the adjustments are either reasonable or have corrected previous errors – with the exception on the report in error which will be corrected in the March 2016 report. If that there are a number of Alderman whereby the Council still provides accounts for phone, ne locations. These costs have not been allocated to individual Alderman task codes or inclusively are embedded with the broader Council costs and unable to be accurately separated for the timents over the six month period are represented as follows:	tem relating c performed n of \$519 of nternet and uded in the	Risk Rating:	Medium - Issue that could have, or is having, a significant adverse effect on the ability to achieve organisational / process objectives.	
Category	Description	Amount			
Reallocated into the published report.	Aquatic Centre access not recorded in the general ledger included from monthly report received from Aquatic Centre. Reimbursements of personal contributions whereby the Alderman may pay in advance (only report Council expense).	\$317 \$331			
	Mis-coding of China trip for the Lord Mayor that was coded to the Lord Mayor's office in November and then relocated to the Lord Mayor's individual expenses. Expenses paid prior Lord Mayor's attendance at the CCCLM and Asia Pacific Conference in May 2015 however added to the month of August 2015.	\$12,786 \$3,412	Risk Type:	Financial Governance	
Allocations removed from the general ledger	Incorrect allocations to individual Alderman task codes. Amounts related to reimbursement for activities carried out prior to July 2015 however not reimbursed until the revised Policy Manual was in place. Relates to delay in seeking reimbursement by a number of Aldermen.	(\$1,648) (\$2,490)			
reported amounts.	Relates to General Managers memo to all Aldermen that the cost of IPad use for the purpose of the Council Dashboard is to be Council cost.	(\$1,073)			
Errors identified.	These amounts should have been disclosed in the reported figures however were excluded by error.	(\$519)			
Total		\$11,116			

Recommendation:

We recommend that the \$519 identified in the reconciliation process be corrected in the March published expense report.

In our view the entitlements for phone, mobile devices and data services is sufficient for Alderman use and given the complexities over transparency we would recommend no longer providing the services to Alderman and using the reimbursement process in line with other Alderman.



Major Finding

4.1.4 Policy Interpretation

 Description of Issue: There is currently some subjectivity in relation to the policy guidance relating to the allocation of costs between discretionary and non-discretionary costs associated with the Lord Mayor and the Office of the Lord Mayor. In order to assist this process to ensure clarity and consistency over time, the General Manager has issued a formal memo which provides further guidance on the allocation between discretionary and non-discretionary activities. In addition, we noted in our testing of the Lord Mayor's office expenditure one expenditure item was incorrectly added as non-discretionary of the Lord Mayor's Office however it was a discretionary activity which was passed down to another Alderman when the Lord Mayor could not attend. The item should have appeared as part of the Alderman's community activities participation allocation but did not. Discussion and Risk: Historically the Lord Mayor has had an annual budget allocation of \$27,000 to cover expenses incurred in 	Risk Rating:	Medium - Issue that could have, or is having, a significant adverse effect on the ability to achieve organisational / process objectives.	
the capacity of the Lord Mayor. This recognises the fact that the position of Lord Mayor is invited to a number of functions and that these may have a cost associated with them. It is also recognised that there are additional costs involved in hosting civic events for the community on behalf of the Council. The Policy Manual allocates \$5,000 to the Lord Mayor to facilitate participation in community activities, as part of the overall \$27,000. It has been decided by the Council the \$5,000 be used to attend discretionary activities and \$22,000 for non-discretionary activities and all other costs of running the Lord Mayor's office. Currently, the \$5,000 discretionary activities forms part of the data published monthly by the Council however the non-discretionary activities do not.	Risk Type:	Classification	
The Policy Manual contains some subjectivity as to how costs should be coded between the two budget items. This has resulted in reviews of initial coding and discussion between Council management and the Lord Mayor's office as to the appropriateness of the coding.			

Recommendation:

The separation of costs between the Lord Mayor and the Lord Mayor's office has been a decision of Council and reflects the nature of the activities of the Lord Mayor and the office. To support clarity and the consistent reporting of costs overtime we recommend the advice of the General Manager defining discretionary and non-discretionary activities be formalised within the Policy Manual for Alderman – Entitlements and Benefits. Where possible detailed examples should be included to remove as much subjectivity as possible.

An independent review of non-discretionary cost codes of the Lord Mayor's Office should be performed by the General Manager to ensure completeness of reported discretionary activities on a monthly basis.

5 Appendices

5.1 Detailed Review of Progress of Previous Recommendations

The following table represents the recommendations raised in our previous report and the progress the Council has made in responding to the risks identified.

Recom	mendations	Updated Position	Status					
Overar	Overarching Governance Recommendations							
1.	Formal Council approval of Aldermanic expenses and benefits policy annually – We recommend that Council formally approve the policy and list of benefits to be provided each year in advance.	On the 9 th November 2015 the Council approved the "Aldermanic Entitlements and Benefits Policy" which had been drafted in response to decisions of the Council made on 13 April 2015, 9 June 2015, 22 June 2015, 13 July 2015 and 10 August 2015. The Policy is due to be reviewed in June 2016.	Implemented					
2.	Aldermen sign as evidence of receipt of policy and Aldermanic Handbook – We recommend that annually each Alderman sign to acknowledge receipt of the Aldermanic expenses and benefits policy and the Aldermanic Handbook as evidence that they have received and understood the policies and procedures required and will comply with them in the year coming.	The Council approved the policy in November; inherent in approval is receipt and acceptance of the policy. However at the next formal review (June 2016) it is expected that each Alderman will be requested to acknowledge receipt of the policy.	In progress.					
3.	Annual positive attestation of compliance with policy – We recommend that a positive sign-off regime be implemented for Aldermen on an annual basis where each Alderman is required to personally attest to their compliance with policies and procedures in writing.	It is intended that Alderman attest to compliance after a full year of operation of the policy.	In progress.					





Recommendations	Updated Position	Status
Recommendations 4. Public transparency reporting – We support the recent decision of Council to publically disclose Aldermanic expenses and benefits on a monthly basis. We would also recommend that the policies and personal attestations provided by Aldermen are also disclosed annually via the Council's website.	In March 2015 Council made the decision to introduce monthly reporting of Aldermanic allowances, entitlements and expenses, represented on an individual basis for each Alderman. Following the formal review of Aldermanic expenses and	Status In progress.
	to amounts posted in the general ledger. Reasons cited include incorrect reporting period due to delay in presenting invoices, or where Alderman attendance at events	
	is non-discretionary.	

Recommendations	Updated Position	Status
5. Construction of Council financial ledgers to capture financial information as required for reporting – We recommend that Council review the construction of the financial ledger accounts for Aldermanic expenses to provide accurate and timely reporting for public disclosure. If the reporting is to be made by individual Alderman, the ledger structure should be reflective of this requirement. We would also recommend that the ledger structure clearly separate official Council functions and receptions for both the Council and the Lord Mayor. These costs should be clearly segregated from expenses incurred by individual Aldermen or the Lord Mayor personally.	Discussions were held between City Governance Team and Finance with the outcome of task numbers being implemented for coding in the general ledger to identify expenditure for each Alderman. This has made more detailed reporting possible and enabled information to be extracted for the purposes of reporting monthly on the Councils website. Cost centres align to the policy with respect of expense types. All costing of Aldermanic expenses is the responsibility of the City Governance Team. Extracting data from Finance One for the purposes of transparency reporting has improved since its introduction in July 2015 with the majority of reporting being automated.	Complete.
Detailed Policy and Process Recommendations		
We recommend that HCC clarify the role expected of Alderman, which may then require the HCC reimbursement policy to be adjusted. Subsequent to this decision the HCC existing policy needs to be changed to provide appropriate clarity on the expenses and benefits to be provided to HCC Aldermen. Specifically, Council need to determine if events, entertainment costs, memberships or other expenses are appropriate aldermanic expenses. It may be appropriate for Council to specify annual limits for these additional categories, in particular for hospitality/entertainment and events.	On the 9 th June 2015 Council agreed to consider the role of the Lord Mayor, Deputy Lord Mayor and Alderman at a workshop to coincide with the review of the Aldermanic Code of Conduct, with a view to determining a Statement of Purpose to complement the definitions contained in sections 27 and 28 of the Local Government Act 1993. A workshop was held however the Code of Conduct was not revised given that LGAT was rolling out a model Code of Conduct and therefore a final review would coincide with its release.	In progress.
We recommend that all claims for reimbursements have appropriate receipts/tax invoices attached; otherwise the claim should not be passed for payment. This requirement should be specified in policy.	On 9 June 2015 Council agreed the requirement for all reimbursement claims or expenditure incurred by Aldermen in accordance with any Council policy on Aldermanic entitlements, to be accompanied by appropriate receipts/tax invoices and sufficient narrative explaining the expenditure. We found reimbursement claims had receipts and tax invoices attached for proof of expenditure.	In place.
Alderman should continue to be encouraged to seek reimbursement on a monthly basis. If there is risk of the receipt not lasting Alderman should be encouraged to photocopy the receipt and attach the original. Where the receipt is not readable it should not be reimbursed.	The policy refers to the receipts being submitted on a monthly basis. However in practice there are differences in the approach by individual Aldermen to claiming expenses. Within our testing we observed a delay in a number of Alderman claiming expenditure.	In progress.



Recommendations	Updated Position	Status
The Lord Mayor's duties include to 'oversee the councillors in the performance of their functions and in the exercise of their powers.' It is appropriate that the Lord Mayor reviews the reimbursement to ensure that it accords with Council decisions and strategic directions, and then the General Manager reviews and exercises his delegation to approve the expense in line with Council policy. Both authorisations should be present on the Reimbursement Claim Form, prior to the finance department processing the claim. The Lord Mayor's reimbursements should be reviewed by the Deputy Lord Mayor. Where any concerns are identified, these should be raised through the Audit Panel.	On the 9 June 2015 Council made the following decisions: The requirement for all Aldermanic claims for reimbursement to be approved in the first instance by the Lord Mayor, and then authorised for payment by the General Manager, or in respect of the Lord Mayor, the Deputy Lord Mayor and General Manager. The results of our testing conclude that all reimbursements have been duly authorised and approved in line with policy.	Complete.
We recommend that Aldermen nominate annually what telecommunication plan they are going to utilise; either the Council's plan or a personal plan requiring reimbursement. Council may wish to nominate limits for individual Alderman as they relate to number of devices or connections, and whether Alderman are able to claim for multiple plans or connections.	Per the Policy the following options are available for Alderman: Telecommunications: (i) Aldermen select the call and data service provider of their choice; either to utilise the Council's provider, or their own private plan; (ii) Where an Alderman may elect to use the Council's provider, a dedicated plan be arranged by the Council, separate to the Council's corporate plan so that individual usage may be identified for transparency purposes; and (iii) Consideration be given to applying a cap on expenditure to apply in either scenario, and to this end, further advice be provided as to what may constitute an appropriate value. A \$2,000 cap per annum is applied for each telecommunication plan. Our testing found that there is no process in place to monitor the cap within the City Governance Team and in January the telecommunications cap was breached for the Lord Mayor and the amount subsequently reimbursed to Council. There are a number of Alderman whereby the Council still provides accounts for phone, internet and data services for home locations. These costs have not been allocated to individual Alderman task codes or included in the published data.	In progress



Recommendations	Updated Position	Status
 We recommend that all taxi costs be supported by a tax invoice. Where the tax invoice does not specify the pickup location and destination, we recommend the following be noted on the reimbursement form: Date of taxi fare; Description of the Council event; Where transport was delivered to and from. In relation to fuel costs, we recommend that either a flat travel entitlement be given to each Alderman annually which covers all travel costs (this may be delivered via a fuel card), or the Council transitions to a cents-per-kilometre claim basis. 	Invoices are received for taxi travel. However, reasons for taxi travel not receiving from individual Alderman. We noted during our testing that none of the Alderman expenses we tested noted the description of the council event and where the transport was delivered to and from. The fuel card arrangement was retained by the Council and capped at 1,500 litres per year and under this requirement there is no obligation for Alderman to submit destination details. Through discussions with officers it was ascertained that there is no process in place to monitor the fuel use and to advise Aldermen where the cap is approaching the limit.	In progress.
 For reimbursement for childcare, we recommend that the following information needs to be provided: Either a registered childcares' tax invoice/receipt or, if not a registered childcarer a dual signed document from both the Alderman and the childcarer; Council event and date; Carer's details including name, and contact details; hours for which child care is provided; hourly rate. The claim for childcare should be approved by the General Manager to ensure that the claim accords with policy and subsequently by the Lord Mayor to ensure the claim accords with Council approvals. 	 The policy requires any child care claim be accompanied by either a receipt from a licensed child care provider or, a dual signed document by the Alderman and the service provider, including the following details: The name and address and phone contact details for the care provider The date and time of the service including the hours involved, The hourly rate paid, and The Council event being attended by the Alderman, and submitted for approval and authorisation for payment in the same manner as all other Aldermanic expenses and reimbursements, firstly by the Lord Mayor and then the General Manager; A maximum hourly rate of \$20 apply for child care, unless otherwise approved by the Lord Mayor; and Council funding of child care only relate to Council attended events or Council meetings. 	Complete.



Recommendations	Updated Position	Status
 Recommendations relating to conferences, functions, events and professional education include: Functions and events should be included within Council policy if deemed appropriate. All conferences, functions, events and professional education should be pre-approved prior to Alderman incurring any costs. It would be appropriate for policy to specify whether this approval is required from the full Council or the Lord Mayor with reference to the General Manager as regards to Council budget. It would be appropriate for the Council to consider optimising the outcome for the Council by identifying a maximum number of delegates for each conference or event. 	The policy has been updated and clarified. Council determines whether Aldermanic representation at a conference is appropriate. Representation or professional development must contribute towards the achievement of the Council's strategic objectives. The policy outlines "In the interests of good governance, transparency and recordkeeping, an Alderman proposing professional development to the Lord Mayor, should submit full details of the activity, including total costs and benefits to the individual Alderman and the Council. Alderman cannot book attendance without prior approval. Subsequent to approval of a professional development application by the Lord Mayor, the documentation is to accompany the General Manager's advice to the Council, at the first available Council meeting immediately after approval." There is a cap of \$5,000 per Alderman per financial year and \$20,000 over the four year Council term. Our testing of individual Alderman expenses confirmed compliance with the policy. We noted however that there were no processes in place to monitor the overall cap annually or over the course of the four year Council term.	In progress.
We recommend that the professional development policy be further refined. We would recommend that the clause state that no arrangements should be made in relation to professional development prior to written Lord Mayor approval and the General Manager confirming that the Alderman has an allowance available under the current policy. The policy should ensure that there is a benefit to the Council from the professional development and be aligned with the strategic objectives of the Council. The current policy is silent in relation to professional education, or other events or conferences where there is an element of non-council pursuits. It is important that the policy makes it clear that only costs directly associated with direct attendance will be paid. Where additional time is added due to personal pursuits or extra costs are incurred if an Alderman's partner attends, that incremental cost should be incurred personally or reimbursed by the Alderman.	The policy has been updated to state that all professional development requires prior approval of the Lord Mayor and a recommendation of the General Manager to full Council. The policy has been amended to include a paragraph regarding associated costs for non-council pursuits being the responsibility of the Alderman and do not fall under the policy. Within our testing we had found that all professional development had received Council approval.	Complete.

Recommendations	Updated Position	Status
We would recommend that, if this benefit remains (parking permits), all Alderman are able to list a maximum of two cars as a vehicle exempt from metered costs. To be entitled to this benefit, Aldermen must give their car registration numbers to Council. There should also be clarity in policy that the parking is a benefit to the individual Alderman only and not a benefit to another family member or friend. Where a fine is incurred, we recommend for that fine to be waived the Alderman is required to provide the required details to the Lord Mayor for approval. We recommend that the benefit apply only to metered parking spaces and Council owned carparks and therefore any fines incurred outside of these car parks are the responsibility of the individual Alderman.	In relation to parking permits the policy has been updated to specify the following: (i) The following revised procedure be adopted: (a) Aldermen be issued with one transferable parking permit for display on up to two vehicles only, which are to be nominated for inclusion on the Parking and Information Unit's database, and it be the responsibility of individual Aldermen to ensure that this information remains current at all times; (b) Where an Alderman believes that an infringement has been erroneously issued on a vehicle which has been nominated to the Parking and Information Unit; and where their Parking Permit is on display thereby verifying that the Alderman is on Council related business, they be required to submit an application to have the infringement withdrawn; (c) The Lord Mayor be responsible for approving such withdrawals, and the General Manager provide criteria which would apply to the Lord Mayor's approval of the withdrawal of a ticket; and (d) The policy specify that the parking permit applies only to on-street metered spaces and off-street car parks, under Council's control and not to any other parking or traffic infringements. There had been no instances of Alderman applying for traffic infringements to be removed during the period from July – December 2015.	Complete.
We would recommend that the admission powers of the Gold Pass be more clearly defined in policy. We recommend that the definition of 'admission or entry' be defined in policy and policy should specify whether this includes utilisation of the facilities and/or access to the facility during an event in which the public pay for admission.	The policy has been updated to specify the following: (i) The Gold Pass be discontinued and deleted from the policy; (ii) Aldermen continue to be issued with a pass to the Hobart Aquatic Centre enabling standard public admission, but excluding any ticketed event; and (iii) The provision apply to Aldermen only and reference to spouse or other nominated person be deleted. This has been adopted by Council.	Complete.



Supplementary Item No. 13

Recommendations	Updated Position	Status
 In relation to Aldermanic credit cards, we recommend the following: That credit cards continue to be assigned to individuals only. That a policy regarding credit cards be documented. This policy may consider which transaction types are appropriate for utilising the credit card. The policy should also address the processes in the event that the Alderman is unable to provide third party evidence. That each Alderman who accepts a credit card signs a 'declaration of use' to ensure they have been informed and acknowledge the requirements for the appropriate use of the card. That each month, the individual Alderman be required to provide third party supporting documentation in the form of a tax invoice for every transaction on the credit card. This reconciliation should be performed by the individual Alderman and then submitted to the Lord Mayor and General Manager for review. Consistent with the processes for reimbursements, the Alderman should be required to notate each transaction with sufficient detail in order for the Lord Mayor and Council Officers to adequately review and approve the transaction. The Alderman should also be required to sign each credit card statement and attest that each transaction was incurred by them for the purposes of performing their role as Alderman. Appropriate governance around organisational credit card use generally excludes the utilisation of credit cards for personal purposes. We recommend that the HCC policy strictly prohibit the utilisation of HCC credit cards for personal purposes. If an Alderman accidently utilises the credit card then the Lord Mayor and General Manager should be informed and repayment should occur immediately. We would also recommend investigating with the Bank provider of the credit cards as to any additional control mechanisms which can support the use of the card; for example the blocking of certain transaction types. 	Credit cards are issued to those Aldermen who wish to utilise them. There is not a separate policy on the use of credit cards but one incorporated into the Aldermanic Expenses and Benefits Policy Manual. There is no procedure documented for when an Alderman is unable to provide third party evidence. We are aware that each Alderman is required to provide a declaration of use statement and it is made clear in the policy that personal purchases are excluded from use. The policy outlines the requirement for submission of reconciled statements, together with supporting documentation (receipts), within one month of the statement date. The approval and authorisation of Aldermanic credit card expenditure requires the Lord Mayor approving and the General Manager authorising expenditure. The General Manager is required to ensure that appropriate limits be placed on Aldermen's credit cards to accommodate requirements. Our review noted compliance with these matters.	Complete.

Recommendations	Updated Position	Status
We recommend that as a general principle, Council funds should not be utilised by Aldermen to fund personal expenditure for a period of time. Where this may be appropriate needs to be specified in policy – for example, the booking of flights to enable appropriate seating arrangements for Aldermen and their partners. Where any personal expenditure is paid for by Council, the payment timeframe should be specified in policy and we recommend that this is no longer that the standard Council debtor terms. The method by which the Aldermen repay the amounts is a matter for Council however to facilitate the easy identification and tracking of such transactions we would suggest that the debtor invoice method is the most appropriate.	The policy has specifically noted that personal purchases are excluded from use in respect of credit cards however not generally. We would recommend the extension of this exclusion clause to all Aldermen expenses and reimbursements.	In progress.
We recommend that a whistle-blower policy for Aldermanic conduct be added to the Code of Conduct. This may be considered in the new model code of conduct under the new legislation.	On the 9 June 2015 the Council agreed to consider the inclusion of a whistleblower policy within the Aldermanic Code of Conduct. This matter was to be included in the workshop to be conducted to review the Code of Conduct. The LGAT model is pending and therefore the workshop has been postponed.	In progress.
We recommend that policy specifically includes the Council's position in relation to the reimbursement of fines incurred by Aldermen while on Council business. In our view, fines incurred are a personal expense of an Alderman and should not be reimbursed as they relate to a personal decision or failure to act by the individual.	The policy manual is silent on the payment of fines however, by its exclusion, it is not an allowable expense. Whilst it is not specifically mentioned it is clear that personal expenses are not be made out of council funds.	Complete.
We recommend that post service privileges be reviewed by Council. We would recommend the Council consider the trend to move away from post-service or retirement benefits and therefore consider the appropriateness of providing any post-service benefits to Aldermen.	Post service payments to Aldermen have ceased except for a farewell dinner for any retiring Alderman who has given three (3) terms of service to the Council.	Complete.



5.2 Risk Rating Criteria

Each finding has been rated according to the residual risk and impact on the operations of your organisation.







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Open Council 13/4/2015

GOVERNANCE COMMITTEE

28. ALDERMANIC ALLOWANCES AND ENTITLEMENTS – PUBLICATION –FILE REF: 13-2-4

Ref. Open GC Supp 13, 31/3/2015

- That: 1. The Council endorse the public reporting of Aldermanic information pertaining to Aldermanic allowances, entitlements and expenses, utilising the reporting format shown as Attachment A to supplementary item 13 of the Open Governance Committee agenda of 31 March 2015.
 - 2. The information be made publicly available on a monthly basis on the Hobart City Council's website.
 - 3. The Council also report on monthly Aldermanic attendance at Council and Committee meetings.
 - 4. Information to be published on the Council's website be distributed to Aldermen in advance to allow sufficient time for any queries to be resolved.

COUNCIL RESOLUTION:

That the recommendation be adopted, as amended by the inclusion of the following clauses:

- 5. The Aldermanic Gifts Register be published on the website, on a monthly basis.
- 6. Council Policy 1.01 titled *Aldermanic Induction, Professional Development and Conference Attendance* be reviewed with the subsequent report to be tabled to the Governance Committee.

APPROVED 13/4/2015

SUPPLEMENTARY GOVERNANCE COMMITTEE AGENDA (OPEN PORTION OF THE MEETING) 5/4/2016

14. TIMELINESS OF RESPONSES TO QUESTIONS WITHOUT NOTICE – FILE REF: 13-1-10

4x's

Report of the Deputy General Manager of 1 April 2016 and attachment.

DELEGATION: Council

The General Manager reports:

"In accordance with the provisions of Part 2 Regulation 8(6) of the Local Government (Meeting Procedures) Regulations 2015, this supplementary matter is submitted for the consideration of the Committee.

Pursuant to Regulation 8(6), I report that:

- (a) information in relation to the matter was provided subsequent to the distribution of the agenda;
- (b) the matter is regarded as urgent; and
- (c) advice is provided pursuant to Section 65 of the Act."



1 April, 2016

MEMORANDUM: GOVERNANCE COMMITTEE

TIMELINESS OF RESPONSES TO QUESTIONS WITHOUT NOTICE

Both open and closed agendas for all Council committee meetings provide for Questions without Notice.

An Alderman has raised a concern about the timeliness of responses provided to Questions without Notice.

The current procedures, as outlined on the committee agenda, do not contain any reference to timing for the receipt of responses.

If the purpose of a Question without Notice is to obtain information of a factual nature which requires minimal research or investigation, there should be no reason why a response cannot be provided within the normal monthly meeting cycle.

This would mean that for all committees, except City Planning, which meets twice a month, responses to questions raised would be included on the next ordinary meeting of the committee at which the question was asked. In the case of City Planning, a response would be provided within two meetings.

The procedures for questions with notice have been amended to reflect this timeframe (Attachment A).

It is expected that any matter which requires detailed research or investigation, interpretation and analysis, and/or officer advice for Council consideration should be dealt with as a notice of motion.

The definition of a question without notice has also been articulated in the proposed amendments to the procedures. The support of Committee chairmen will be sought in not accepting questions without notice that do not meet this definition. Where necessary, the General Manager or relevant Director can provide advice to the Chairman in this regard.

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Page 2 of 2

A list of all questions without notice is regularly updated and appears on Council Dashboard under 'General Aldermanic Information'.

RECOMMENDATION

That:

The Council endorse amendments to procedures for Questions without Notice at Council Committee meetings as outlined in Attachment A to this memorandum.

(Heather Salisbury) DEPUTY GENERAL MANAGER

Attachment A Amended questions without notice procedure

QUESTIONS WITHOUT NOTICE – FILE REF: 13-1-10

Pursuant to Section 29 of the Local Government (Meeting Procedures) Regulations 2015, an Alderman may ask a question without notice of the Chairman, another Alderman or the General Manager or the General Manager's representative in accordance with the following procedures endorsed by the Council on 10 December 2012:

- 1. The chairman will refuse to accept a question without notice if it does not relate to the Terms of Reference of the Council committee at which it is asked.
- 2. The purpose of a question without notice is to obtain information of a factual nature which requires minimal research/investigation. Any matter which requires detailed research or investigation, interpretation and analysis and/or officer advice for Council consideration should be dealt with as a Notice of Motion and will not be accepted by the Chairman as a question without notice.
- 3. In putting a question without notice, an Alderman must not:
 - (i) offer an argument or opinion; or
 - (ii) draw any inferences or make any imputations except so far as may be necessary to explain the question.
- 4. The chairman must not permit any debate of a question without notice or its answer.
- 5. The chairman, Aldermen, General Manager or General Manager's representative who is asked a question without notice may decline to answer the question, if in the opinion of the intended respondent it is considered inappropriate due to its being unclear, insulting or improper.
- 6. The chairman may require an Alderman to put a question without notice, to be put in writing.
- 7. Where a question without notice is asked at a meeting, both the question and the response will be recorded in the minutes of the meeting.
- 8. Where a response is not able to be provided at the meeting in relation to a question without notice, the question will be taken on notice and
 - (i) the minutes of the meeting at which the question is put will record the question and the fact that it has been taken on notice.

- (ii) a written response will be provided to all Aldermen, as expeditiously as possible and at the latest within the monthly committee cycle for the committee at which it was asked.
- (iii) upon the answer to the question being circulated to Aldermen, both the Question and the Answer will be listed on the agenda for the next ordinary meeting of the committee at which it was asked (except in the case of the City Planning Committee where it will be within two meetings), whereat it be listed for noting purposes only, with no debate or further questions permitted, as prescribed in Section 29(3) of the Local Government (Meeting Procedures) Regulations 2015.

SUPPLEMENTARY GOVERNANCE COMMITTEE AGENDA (OPEN PORTION OF THE MEETING) 5/4/2016

15. MACQUARIE POINT DEVELOPMENT CORPORATION BOARD NOMINATION – FILE REF: 30-1-68

4x's

Report of the General Manager of 30 March 2016 and attachment.

DELEGATION: Council

The General Manager reports:

"In accordance with the provisions of Part 2 Regulation 8(6) of the Local Government (Meeting Procedures) Regulations 2015, this supplementary matter is submitted for the consideration of the Committee.

Pursuant to Regulation 8(6), I report that:

- (a) information in relation to the matter was provided subsequent to the distribution of the agenda;
- (b) the matter is regarded as urgent; and
- (c) advice is provided pursuant to Section 65 of the Act."

- **TO** : Governance Committee
- **FROM** : General Manager
- **DATE** : 30 March, 2016

SUBJECT : MACQUARIE POINT DEVELOPMENT CORPORATION BOARD NOMINATION

FILE : 30-1-68 NH:FC (o:\council & committee meetings reports\2016 meetings\5 april\report - macquarie point development corporation - nomination to the board.docx)

1. INTRODUCTION

1.1. The purpose of this report is to request the Council's consideration of correspondence from the Macquarie Point Development Corporation in relation to a seat on the Macquarie Point Development Corporation Board.

2. BACKGROUND

- 2.1. Aldermen may recall that at the 7 December 2015 Council meeting a report was considered in relation to a proposed MOU with the MPDC.
- 2.2. The Council resolved inter alia that the Lord Mayor and General Manager meet with Minister Groom to discuss representation on the Macquarie Point Development Corporation Board, prior to any further action being taken.
- 2.3. A meeting has been set up with Minister Groom for 11 May 2016, however, in the meantime the attached correspondence has been received from the Chair of the Macquarie Point Development Corporation *(attachment A).*
- 2.4. The correspondence invites the Council to nominate a suitable representative for inclusion on the Board.
- 2.5. The offer is extended on the basis that the Council nominates a representative who is neither an elected representative nor an existing Council officer.
- 2.6. In accordance with the *Macquarie Point Development Corporation Act* 2012, the nomination would require the Minister's acceptance prior to the appointment being made by the Governor-in-Council.

3. PROPOSAL

3.1. The Council consider whether it wishes to accept the offer from the Chair of the Macquarie Point Development Corporation Board to nominate a person to be a member of the Board, noting that the nominee cannot be an elected representative nor an existing Council officer.

4. STRATEGIC PLANNING IMPLICATIONS

- 4.1. The Macquarie Point site is of significant strategic importance to Hobart and compliments the Council's overall strategic development plans for the City, including the Economic Development Strategy, the Inner City Action Plan and the Council's overarching 2015 – 2025 Strategic Plan.
- 4.2. The resolution of the Board appointment issue would allow further discussion with MPDC in relation to the proposed MOU.

5. FINANCIAL IMPLICATIONS

- 5.1. Funding Source(s)
 - 5.1.1. Not applicable.
- 5.2. Impact on Current Year Operating Result
 - 5.2.1. Not applicable.
- 5.3. Impact on Future Years' Financial Result
 - 5.3.1. Not applicable.
- 5.4. Asset Related Implications
 - 5.4.1. Not applicable.

6. **DELEGATION**

6.1. This matter is delegated to the Council.

7. CONCLUSION

- 7.1. The Council considered a report in relation to a proposed MOU with the MPDC in December 2015 and resolved inter alia that the Lord Mayor and General Manager meet with the Minister for State Growth to discuss membership to the MPDC Board.
- 7.2. The MPDC has since written to the Council and has invited the Council to nominate a suitably qualified representative to the MPDC Board for the Minister's consideration.

8. **RECOMMENDATION**

That:

- 8.1. The report NH:fc(o:\council & committee meetings reports\gc reports\2016 meetings\5 april\report - macquarie point development corporation - nomination to the board.docx) be received and noted.
- 8.2 The Council determine whether it wishes to accept the offer from the Chair of the Macquarie Point Development Corporation Board to nominate a suitable representative for inclusion on the Macquarie Point Development Corporation Board.

As signatory to this report, I certify that, pursuant to Section 55(1) of the Local Government Act 1993, I hold no interest, as referred to in Section 49 of the Local Government Act 1993, in matters contained in this report.

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(N.D. Heath) GENERAL MANAGER

Attachment A - Correspondence from the Macquarie Point Development Corporation

Attachment A



Macquarie Point Development Corporation

GPO Box 251 Hobart Tasmania 7001 macquariepoint.com

ABN 92 657 409 841

Ald Sue Hickey Lord Mayor of Hobart Town Hall Macquarie Street HOBART TAS 700

Email: lord.mayor@hobartcity.com.au

Dear Lord Mayor

I am writing in relation to the Hobart City Council's (council) desire to be offered a position on the Macquarie Point Development Corporation (corporation) board and the council's recent correspondence to the Minister for State Growth (minister) to that effect.

I am writing to advise that following further discussion with the minister, I am pleased to offer the council the opportunity to nominate a representative for inclusion on the corporation board.

With the Tasmanian Planning Commission expected to shortly finalise insertion of the Macquarie Point Site Development Plan into the Sullivans Cove Planning Scheme 1997, and given the strong working relationship between the council and the corporation to date, the inclusion of a council nominee on the corporation board is something we would support at this time.

In order to avoid any conflicts of interest—either real or perceived—this offer is extended on the basis that the council nominates a representative who is neither an elected representative nor an existing council officer. In accordance with the *Macquarie Point Development Corporation Act 2012*, the nomination would require the minister's acceptance prior to the appointment being made by the Governor-in-Council.

Should you be willing to accept this offer I would be grateful if your written approval could be provided to me at your earliest convenience. In the meantime, if you have any questions in relation to the above, please contact the corporation's CEO, Ms Elizabeth Jack by telephone on 6166 4001 or by email at <u>liz@macquariepoint.com</u>

Warm regards

Mark

Chair

30 March 2016