

## Board Effectiveness Review 2021

For decision:  For noting:

### Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Note that the Institute of Directors (IoD) has been requested to undertake a board effectiveness review for Auckland Transport (AT) in November and December 2021, as part of a broader separate evaluation of effective governance across the organisation.

### Te whakarāpopototanga matua / Executive summary

1. The IoD has been approached and requested to undertake a board effectiveness review for AT. If appointed, the IoD will undertake the review in November and December 2021.
2. The last board effectiveness review was undertaken in October and November 2018 by Propero Consulting and a review is now due in line with best practice (and Auckland Council requirements) for reviews to be undertaken on a tri-annual basis.
3. The review will be comprised of an online evaluation and a three-hour workshop with a facilitated report back to directors with recommendations for improvement.
4. The findings from the review will inform tactical measures to be actioned by management whilst also feeding into a broader evaluation of governance effectiveness at AT. This separate review is currently at the scoping stage and a request for proposal will be issued to two to three third party providers, with the intention of selecting a provider in late 2021 and work commencing in early 2022.

### Ngā tuhinga ō mua / Previous deliberations

5. This matter has not previously been discussed with the board.

### Te horopaki me te tīaroaro rautaki / Context and strategic alignment

6. Board effectiveness reviews are a key tool for evaluating and assisting with delivery of a best practice governance model.
7. With the last review being completed in 2018, it is now timely to undertake a further evaluation of board effectiveness. This is particularly true given that the majority of the board did not participate in the last review, having joined AT since that time.

8. The review will inform a broader evaluation of governance effectiveness at AT, which is currently at the scoping stage in consultation with the Chair, Deputy Chair and Dr Jim Mather. This broad ranging evaluation will seek to determine best practice governance for AT, current gaps and recommendations for lifting the organisation's capability to a level that is best practice for a public service transport agency. It will include a review of strategy and planning and interactions with other agencies as well as the financial and non-financial delegation framework and the investment decision making architecture of the organisation.

## Ngā matapakinga me ngā tātaritanga / Discussion and analysis

9. An online review and workshop will be undertaken with:
- Eight board members;
  - Five members of the Executive Leadership Team;
  - Two Waka Kotahi New Zealand Transport Agency representatives; and
  - Two Council Controlled Organisation Liaison Councillors.
10. Activities undertaken as part of the review will likely be focussed on:
- Board and Committee meeting effectiveness;
  - Board skillset and composition. Does the board have the right balance of skills, knowledge and experience to govern the organisation effectively?
  - A review of individual director effectiveness and potential director development needs;
  - A review of boardroom culture and dynamics. Do board members operate effectively as a team, striking the right balance between trust and challenge?
  - An assessment of the board and CEO relationship; and
  - An assessment of board and Executive Leadership Team relationships.

## Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
The review fails to deliver meaningful insights into governance practices.	The IoD is well versed in undertaking reviews of this type and is the industry body in New Zealand for best practice governance.

## Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

11. The review will be funded from existing Governance function budgets.

## Ngā whaiwhakaaro ō te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

12. N/A.

## Ngā whakaaweawe me ngā whakaaro / Impacts and perspectives

### Mana whenua

13. N/A.

### Ngā mema pōti / Elected members

14. A copy of the recommendations from the review will be provided to Auckland Council.

### Ngā rōpū kei raro i te Kaunihera / Council Controlled Organisations

15. N/A.

### Ngā kiritaki / Customers

16. N/A.

## Ngā whaiwhakaaro haumaruru me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

17. N/A.

## Ā muri ake nei / Next steps

18. Following confirmation of appointment of the IoD to conduct the review, the Governance support team will coordinate a process of engagement with board members in November 2021. A final report will be delivered to the board at its February 2022 meeting.

## Te whakapiringa / Attachment

19. N/A

## Te pou whenua tuhinga / Document ownership

<b>Recommended by</b>	Andrew Downie <b>Governance Lead</b> 
<b>Approved for submission</b>	Shane Ellison <b>Chief Executive</b> 