

AGENDA ITEM 17 BOARD DECISION PAPER	
To:	Board
From:	Ryan Marshall, Manager Compliance
Reviewed:	Rodger Murphy, Head of Risk & Legal Dean Kimpton, Chief Executive Officer
Date:	19 March 2024
Title:	Tier 1 Delegations Policy

Aronga / Purpose

- To seek approval for the Delegations Policy (Policy)

Tuku mana / Delegation

- Board approval is required for changes to Auckland Transport's (AT's) Tier 1 policies.

Ngā tūtohunga / Recommendations

That the Auckland Transport Board (board):

- Approves the Delegations Policy (Attachment 1) for adoption at Auckland Transport;
- Approves the signing of the Board Delegation to the Chief Executive at pages 12-14 of the Delegations Register (Attachment 1).

Te whakarāpopototanga matua / Executive summary

- The Delegations Policy has been amended to allow sub-delegation to one tier down (i.e. a direct report, when following an approved process). The upper limit delegated by the board to the Chief Executive has also been amended from \$20m to \$50m, the unbudgeted emergency works limit has been increased from \$3m to \$5m, and the limit for feasibility studies has been increased from \$3m to \$5m.

- The delegation from the board to the Chief Executive now also specifies that board approval is required for AT's Annual plan, annual report, Statement of Intent, remuneration of direct reports to the Chief Executive, and changes to Tier 1 policies.

Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
February 2024 Board	Tier 1 Policies	The board deferred approval of the Delegations Policy, pending updates and clarifications.
February 2024 Finance & Assurance Committee	Tier 1 Policies	The committee endorsed and recommended that the board approve the Delegations Policy.
August 2022 Board	Delegations Manual – refresh and update	The board approved current version of the AT Delegations Policy.

Te horopaki / Background

- Management regularly reviews and updates AT's policies to ensure that they are fit-for-purpose, reflect leading practice, address key risk areas in the organisation and align to Auckland Council direction. Policies that are strategic in nature, have reputational impact or provide direction on important operational activities have been classified as Tier 1 policies. Tier 1 policies are approved by the board.

Te hononga ki te “Statement of Intent 2023 - 2026”/ Alignment to Statement of Intent 2023 - 2026

- While AT's policies do not align to specific principles in the Statement of Intent, they help to address strategic and operational risks across the organisation and

provide guidance on what, why and how we do our work. This enables the business to carry out its activities which align to the Statement of Intent.

Me mōhio koe / What you need to know

Delegations Policy (and Register)

7. The update to the Delegations Policy contains specific proposed changes, as follows:
 - a. An allowance for sub-delegation by AT employees to one tier down (i.e. to a direct report), provided an approved process is followed. This is to accommodate situations such as managers on leave who wish to delegate their powers to a direct report in their team.
 - b. The upper limit from the board to the Chief Executive is proposed to change:
 - i. from \$20m to \$50m, for any project approval; and
 - ii. from \$3m to \$5m in respect of approving unbudgeted emergency works.
 - iii. from \$3m to \$5m in respect of approving expenditure to complete the feasibility stage.
 - c. The temporary delegation that was included in the existing Delegations Policy lapsed on 30 June 2023 and has therefore been removed from the Delegations Policy.
 - d. The delegation now specifies that board approval is required for AT's key planning and reporting documents, namely the Annual Plan, Annual Report, and Statement of Intent.
 - e. It also specifies that board approval is required for the remuneration of any direct report of the Chief Executive (for fixed term and permanent employment positions), and for material changes to AT's tier 1 policies.
8. Wording in the Policy has also been updated to be consistent with the above changes, and to reflect the new job titles.
9. Attachment 1 includes tracked changes to show the board the amendments that have been made to the Policy and the board delegations to the Chief Executive.

10. Approval of AT's budget and the overall remuneration levels of the organisation have not been specifically referred to as requiring board approval. This is because the annual budget is approved through AT's Annual Plan, and it includes AT's forecasted remuneration review assumptions.
11. As noted in the February 2024 board paper, updates have also been made to the Delegations Register, relating to delegations made from the Chief Executive to AT staff. For reference, the changes include:
 - a. Invoicing approval delegations.
 - b. Human Resources delegation relating to staff relocations.
 - c. Further refund and credit delegations for other AT products.
 - d. Housekeeping changes to reflect:
 - i. Titles not confirmed or changed in December 2023.
 - ii. Clarifications to revenue delegations for additional funding sources.
12. Since the February board meeting, we have updated the financial delegations section from the Chief Executive to AT staff with links to the financial delegations categories list, so that staff can easily access the list of roles and their respective delegation categories.
13. Delegations from the Chief Executive to AT staff are made using a consultative process which invites and considers feedback from representatives of the operational areas of the business, together with input and review from the Delegations Policy Contacts (Group Manager Finance and Legal Counsel – Public Law) and Policy Owners (Chief Financial Officer and Head of Risk & Legal). Proposed changes are then discussed and reviewed with the Chief Executive.
14. We note that the delegations from the Chief Executive to AT employees were updated in December 2023. This was done to ensure that AT's delegations remained fit-for-purpose following the organisational redesign taking effect (from 4 December 2023). Key changes made were:
 - a. A shift from a 'tier-based' approach to a category-based approach, which is instead based on roles and their requirements, as opposed to the roles' hierarchy in the organisation.
 - b. Changes to the financial delegations tables, to reflect the funding source (i.e. capital expenditure or operating expenditure). This replaces the prior separation of professional services and non-professional services.

- c. Emergency works budget provisions provided to the Harbourmaster, to align with the roading team’s provisions.
 - d. Additional revenue delegations to reflect opportunities around additional funding sources.
 - e. Housekeeping changes to reflect:
 - i. Title and division names (to reflect the organisation redesign).
 - ii. Process changes for procurement-related delegations.
 - iii. Legislation changes, including new and repealed legislation.
 - iv. Consolidation of duplicated delegations.
 - v. AT HOP refund and credit processes.
 - vi. Acceptance of assets processes.
15. Attachment 1 to this paper includes Parts A, B, C, and G of the Delegations Register, as these parts relate to the sections requiring board approval and the delegations between AT and Auckland Council. Parts D-F relate to the delegations from the Chief Executive to AT staff and have therefore not been included.
16. Further detail regarding the changes made to the Delegations Register can be provided if required by the board. If directors would like to review the full Delegations Register (including Parts D-F), it can be accessed via the Resource Centre:

<https://director.diligentboards.com/s/ATNZ/d/o9gW/p/1?rc=null>

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

- 17. The proposals in this paper relate to the Delegations policy and as such do not have financial or resource impacts.

Ka whaiwhakaaro ki te Tiakanga Taiao / Climate change and sustainability considerations

- 18. Climate change and sustainability considerations are not relevant to this update of the Delegations Policy.

Ngā whakaaweawe atu anō / Other impacts

Relationship	Consulted Y/N	Views and Perspectives Received
Māori	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	We have not consulted on the matters referred to in this paper as they relate to internal AT policy.
Elected members	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	We have not consulted on the matters referred to in this paper as they relate to internal AT policy.
Council Controlled Organisations	Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	We have not consulted on the matters referred to in this paper as they relate to internal AT policy.

Ā muri ake nei / Next steps

- 19. If approved by the board, the Delegations Policy will be published on AT’s intranet and communicated to AT staff through internal communications channels.

Te whakapiringa / Attachment

Attachment #	Description
1.	AT Delegations Policy and Register (with changes to Policy tracked) – Parts A, B, C and G.

Te pou whenua tuhinga / Document ownership

Submitted by	Recommended by	Approved for submission
Ryan Marshall Compliance Manager	Rodger Murphy Head of Risk & Legal	Dean Kimpton Chief Executive
		