

AGENDA ITEM 22 BOARD DECISION PAPER	
To:	Board
From:	Ryan Marshall, Manager Compliance
Reviewed:	Rodger Murphy, Head of Risk & Legal Dean Kimpton, Chief Executive Officer
Date:	21 February 2024
Title:	Tier 1 Policies

Aronga / Purpose

1. To seek approval of three Tier 1 policies – the Climate Change (CC) Policy, the Delegations Policy (and Register), and Conflicts of Interest (COI) Policy

Tuku mana / Delegation

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

Ngā tūtohunga / Recommendations

That the Auckland Transport Board (board):

- a) approves the Climate Change Policy (Attachment 1) for adoption at Auckland Transport.
- b) approves the Delegations Policy (Attachment 2) for adoption at Auckland Transport.
- c) approves the Conflicts of Interest Policy (Attachment 3) for adoption at Auckland Transport.
- d) approves the retirement of the COVID-19 Response Policy.
- e) notes that the Auckland Transport Pandemic Plan will be updated and refreshed, with final review to be completed by the Chief Executive.

- f) approves Risk and Legal’s proposal to update all current or recently expired Tier 1 policies with updated role references, now that the organisational redesign process is complete.

Te whakarāpopototanga matua / Executive summary

3. The Climate Change Adaptation Policy has been renamed the Climate Change Policy. It has been updated to clarify AT’s greenhouse gas emissions inventory calculation.
4. 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 and the unbudgeted emergency works limit has been increased from \$3m to \$5m.
5. The COI Policy has had a complete re-write and has been developed based on the guidance provided by the Officer of the Auditor-General. It has been written in plain language and is designed to be a single reference document for conflicts of interest.
6. We are proposing to retire AT’s COVID-19 Response Policy. Instead of changing it into a Pandemic Policy, we propose to refer to AT’s Pandemic Plan, which the board approved in March 2022. We are also intending to update the Pandemic Plan to ensure it remains aligned to best practice prior to retiring the COVID-19 Response Policy.
7. With the completion of the organisational redesign in December 2023, some of AT’s policies currently reference business areas and roles which no longer exist. We are requesting approval to update references to roles and titles in Tier 1 policies to reflect the new structure without seeking board approval for each Tier 1 policy that is updated.

Ngā tuinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
February 2024 Finance and Assurance Committee (committee)	Tier 1 Policies	The committee endorsed and recommended that the board approve the Delegations Policy and COI Policy.
November 2023 Committee	Tier 1 Policies	The committee endorsed and recommended that the Auckland Transport Board approve the Climate Change Policy subject to confirmation from the Executive General Manager Finance and Audit New Zealand that the Climate Change Policy does not cause any issues for Auckland Transport's emissions reporting. The committee endorsed and recommended the board approve the retirement of the COVID-19 Response Policy, and endorsed and recommended the board approve the proposal to update Tier 1 policies with new role references.
August 2023 Board	Tier 1 Policies Approval	The board suggested that the COVID-19 Response Policy should be changed to a 'Pandemic Policy'.

8. The board last approved the Climate Change Adaptation Policy in December 2022, the Delegations Policy in August 2022, and approved the AT Pandemic Plan in March 2022. The Declarations of Interest Policy (which the COI Policy will replace) was approved by the Board in July 2018.

Te horopaki / Background

9. 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

10. 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

Climate Change Policy (previously Climate Change Adaptation Policy)

11. In June 2022, Audit New Zealand (Audit NZ) recommended the development of a policy clarifying AT's greenhouse gas emissions inventory calculation methodology and disclosure to remove a technical confusion.
12. This confusion was caused by the release of Ministry for the Environment (MoE) greenhouse gas emissions factor guidance falling after the AT emissions inventory had been audited by Toitū Envirocare, but before the Auckland Council Climate Financial Disclosure was audited by Audit NZ. This confusion required the emissions inventory to be re-calculated between audits. The MoE has since indicated emissions factors will be released in May 2024, reducing the risk of this issue reoccurring.

13. The policy has been updated to clarify that the emissions factors to be used for emission inventory audits will be the most recent factors available as at the 30 June of the relevant financial year. The policy also sets a threshold of 5% as AT's policy for any necessary recalculation of the historical emissions (including base year emissions) due to the update of emissions guidance by the Ministry for the Environment or the other reasons stated in the proposed policy document.
14. Following the committee meeting in November 2023, and after discussions with the Chief Financial Officer and Audit NZ, more minor clarifying amendments were made. These are highlighted in yellow in the attached tracked changes version of the proposed policy.
15. The name of the Policy is proposed to be changed from 'Climate Change Adaptation Policy' to 'Climate Change Policy' as the new content relates to mitigation measures, and it would no longer be appropriate to have a policy solely referencing adaption.
16. The roles and responsibilities section has been updated to reflect the draft organisational structure.

Delegations Policy (and Register)

17. 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.
 - 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.
18. Wording in the Policy has also been updated to be consistent with the above changes, and to reflect the new job titles.

19. The attached Delegations Policy (and Register) (Attachment 1) includes tracked changes to show the board the amendments that have been made to the Policy.
20. Updates have also been made to the Delegations Register, relating to delegations made from the Chief Executive to AT staff. These have not been tracked in Attachment 1 for ease of reading, and do not require board approval. 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.
21. We note that the delegations from the Chief Executive to AT employees (contained in the Delegations Register) 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.
22. Further detail regarding the changes made to the Delegations Register can be provided if required by the board.

COI Policy (currently the Declarations of Interest Policy)

23. The COI Policy is currently known as the Declarations of Interest Policy. AT also has a Declarations of Interest Guidelines document.
24. The COI Policy has been completely re-written to be a stand-alone policy and resource document for AT staff, for all matters related to conflicts of interest. This means that if the new COI Policy is approved, AT will replace the existing Declarations of Interest Policy and remove the Declarations of Interest Guidelines.
25. The COI Policy has been written in a more informal or plain language style. It also uses more examples throughout the document to help with understanding.

Retirement of COVID-19 Policy and update of AT's Pandemic Plan

26. The COVID-19 Response Policy was considered by the Finance and Assurance Committee and the board in August 2023. It was suggested that this policy did not need to be specific to COVID-19 and could instead be a 'Pandemic Policy'.
27. AT has a Pandemic Plan (Plan), which was approved by the board in March 2022.
28. Given that AT already has a Plan, we are proposing to retire the COVID-19 Response Policy and to publish the Plan instead. We therefore ask the board to approve the retirement of the COVID-19 Response Policy.
29. The Plan will require an update to align with AT's new roles and titles following AT's organisational redesign in December 2023. We will also review the Plan to ensure that it remains fit-for-purpose and aligned to leading practice.
30. While the Plan was originally approved by the board, we do not intend to resubmit the updated version for approval. Instead, we propose that the Chief Executive approves the updated Plan for publication.

31. We intend to retire the COVID-19 Response Policy once the Pandemic Plan has been updated and approved.

Updating policies to reflect changes to AT's organisational structure

32. The organisational redesign was completed in early December 2023 and a new organisational structure is now in effect. This means that some of AT's policies currently refer to titles and roles which no longer exist. The policies need to be updated to reflect the new roles and titles in the organisation.
33. Risk & Legal is proposing to update the new roles and titles within AT's policies.
34. Approval is sought to change AT's Tier 1 Policies to reflect the changes in roles and titles arising from AT's restructure including:
- a. Changes to job titles or references to roles and business units within policies, to reflect the new structure; and
 - b. Updates or addition of hyperlinks to relevant supporting and referenced documents, where applicable.
35. The functional content of the policies will not be changed as part of this proposal.
36. We will not change the signatures or relevant dates of the policies (such as approval dates or next review dates).
37. The proposal is to update all Tier 1 (and Tier 2) policies which are either current or have recently fallen due for review (i.e. within the last six months).

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

38. The proposals in this paper relate to policy updates and as such do not have financial or resource impacts.

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

39. The focus of the proposed changes to the Climate Change (Adaptation) Policy are around improvements to monitoring and reporting of AT's operational emissions, supporting the organisation to deliver our operational greenhouse

gas emissions target of a 50 per cent reduction by 2030 and improve our ability to assess the likely impact on transport system emissions. The changes are in alignment with the Transport Emissions Reduction Pathway (TERP) and Emissions Reduction Plan (ERP).

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 policies.
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 policies.
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 policies.

Ā muri ake nei / Next steps

40. If approved by the board:

- a. the Climate Change Policy, Delegations Policy and COI Policy will be published on AT's intranet and communicated to AT staff through internal communications channels.
- b. the COVID-19 Policy will be retired (once the AT Pandemic Plan has been updated).
- c. AT's current or recently expired Tier 1 policies will be updated (and republished) to reflect the recent restructure changes.

Ngā whakapiringa / Attachments

Attachment #	Description
1.	Climate Change Policy (with changes tracked)
2.	Delegations Policy and Register (with changes to Policy tracked)
3.	Conflicts of Interest Policy

Te pou whenua tuinga / Document ownership

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