I hereby give notice that an extraordinary meeting of the Appointments, Performance Review and Value for Money Committee will be held on:

Date: Thursday, 26 September 2019
Time: 8.30am
Meeting Room: Boardroom, Ground Floor,
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Komiti Tohu me te Arotake Tūranga Mahi, me te Rite o te Whiwhi ki Tā Tērā i Utu Ai / Appointments, Performance Review and Value for Money Committee

OPEN AGENDA

MEMBERSHIP

Chairperson
Hon Phil Goff, CNZM, JP
Deputy Chairperson
Cr Hon Christine Fletcher, QSO
Members
Cr Josephine Bartley
Cr Ross Clow
Cr Chris Darby
Cr Richard Hills
Cr Penny Hulse
Cr Desley Simpson, JP
Ex-officio
Deputy Mayor Cr Bill Cashmore
IMSB Chair David Taipari

(Quorum 4 members)

Sandra Gordon
Senior Governance Advisor
20 September 2019

Contact Telephone: (09) 890 8150
Email: sandra.gordon@aucklandcouncil.govt.nz
Website: www.aucklandcouncil.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Terms of Reference

Responsibilities

The Appointments and Performance Review Committee is established to:

1. Review the chief executive’s performance and to recommend to the Governing Body the terms and conditions of the CE’s employment including any performance agreement measures and annual remuneration.

2. Make appointments to Council-Controlled Organisations (CCOs), Council Organisations (COs) and exempt CCOs and COs.

3. Approve policies relating to the appointment of directors and trustees to CCOs and COs.

Powers

All powers necessary to perform the committee’s responsibilities.

Except:

(a) powers that the Governing Body cannot delegate or has retained to itself (section 2)
(b) where the committee’s responsibility is limited to making a recommendation only
(c) the power to establish sub-committees
Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.
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PUBLIC EXCLUDED

| 9    | Procedural Motion to Exclude the Public                                           | 13   |
| C1   | CONFIDENTIAL : Board appointments to Auckland Transport                           | 13   |
1 Apologies

At the close of the agenda no apologies had been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Petitions

There will be no petitions section.

4 Public Input

There will be no public input section.

5 Local Board Input

There will be no local board input section.

6 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a) The local authority by resolution so decides; and

(b) The presiding member explains at the meeting, at a time when it is open to the public,-

(i) The reason why the item is not on the agenda; and

(ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

(a) That item may be discussed at that meeting if-

(i) That item is a minor matter relating to the general business of the local authority; and

(ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”
Process for the appointment of directors to Auckland's council-controlled organisations

File No.: CP2019/15080

Te take mō te pūrongo
Purpose of the report

1. To provide an update on the programme of appointments to the board of Auckland Transport. This entity is an Auckland council-controlled organisation (CCO).

Whakarāpopototanga matua
Executive summary

2. Auckland Council appoints directors to the boards of its council-controlled organisations.

3. On 14 February 2019, this committee approved the annual board appointment programme for 2019. The programme included reappointing directors who were eligible for a second three-year term of appointment and agreeing the relevant skills required to fill any vacancies requiring to be filled as a result of directors’ terms coming to an end (APP/2019/7).

4. Whilst most of the 2019 appointments were made at the 4 July 2019 meeting, council is yet to appoint one Auckland Transport director, and the new chair of the Auckland Transport board.

5. The process for identifying and interviewing candidates for these roles continues, and a confidential report on this agenda provides the committee with information regarding the interview process for both the chair and director roles.

Ngā tūtohunga
Recommendation/s

That the Appointments, Performance Review and Value for Money Committee:

a) note there is a confidential report on this meeting agenda requesting the committee make decisions regarding the appointment of a director and chair to the Auckland Transport board

b) note that these reports are confidential due to the personal information contained in them and the final appointment decisions will be made publicly available at the conclusion of the appointment process.

Horopaki
Context

6. The board appointment process for appointing directors to any CCO and external partnership board is outlined in the following table.

7. The confidential reports on this agenda provide advice and options to assist the committee to make decisions regarding the candidates that were shortlisted for interviews.
Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

8. There is no significant impact on other parts of the council group as a result of this appointment.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

9. Board appointments to CCOs are the role of the Governing Body. Local boards can participate in the nomination process for each director vacancy. The nomination of a candidate requires the consent of that candidate.

Tauākī whakaaweawe Māori
Māori impact statement

10. Auckland Council’s appointment and remuneration policy for board members of council organisations (the policy) states that council “values and supports the benefits that diversity of thought, experience and skills bring to our CCO Boards. We recognise that increasing diversity and fostering inclusive Board culture is an essential element in supporting high performing Boards, driving long-term success and delivering better outcomes for the communities of Auckland”.

11. Council’s policy also states that “The Selection Panel will interview and assess candidates against the required skills, knowledge and experience and may take into account other factors such as:
   - the council’s board diversity and inclusion policy (see section 4)
   - candidates with knowledge of Te Ao Māori and established Māori networks

12. The policy therefore encourages the identification of appropriately experienced Māori directors for consideration for appointment to CCO boards.

13. In addition, an Independent Māori Statutory Board member is involved in the appointment process by being a member of the selection panel. This ensures that a Māori perspective informs the recommendations of the selection panel during the shortlisting, interviewing and appointment processes.

14. The Independent Māori Statutory Board is also represented on this committee. This ensures a Māori perspective is brought to the decision-making process, and that the Independent Māori Statutory Board’s views are considered by the committee.
Ngā ritenga ā-pūtea
Financial implications
15. The costs associated with these appointments will be managed from existing budgets in council.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
16. There are risks associated with all board appointments including:

(i) Reputational: all candidates are appropriately screened to meet the skill requirements for directors of a board such as this and have appropriate governance experience especially within public-facing entities. To mitigate any potential risks of disqualified directors or under-qualified candidates:

(a) a thorough due diligence process will be completed on all candidate applications in line with the council’s appointment policy

(b) short-listed candidates have completed the council’s director consent form prior to interview which requires directors to confirm that there is nothing that would disqualify them from being a director

(c) thorough reference checks of candidates who are approved for appointment to the CCOs are being conducted by Kerridge and Partners.

(ii) Reputational: breach of privacy if confidential candidate information is provided to media outlets prior to final decisions being made by the committee. The risk is fewer and potentially less qualified candidates being attracted into future board appointment programmes. To mitigate the risk staff will continue to highlight the need for maintaining confidentiality during the board appointment programme.

(iii) Governance: the risk of an unbalanced board where a loss of institutional knowledge impacts decision-making. Conversely, retaining board members for too long can mean the board lack innovation and fresh thinking.

Ngā koringa ā-muri
Next steps
17. Following approval from this committee, staff from the CCO Governance and External Partnerships department and Kerridge will make the liaise and notify, where appropriate the decisions.

18. Kerridge staff will notify the unsuccessful candidates who participated in the shortlist interviews.

Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Josie Meuli - Senior Advisor</th>
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<tbody>
<tr>
<td>Authorisers</td>
<td>Alastair Cameron - Manager - CCO Governance and External Partnerships</td>
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<td>Phil Wilson - Governance Director</td>
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Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Appointments, Performance Review and Value for Money Committee

a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

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<th>CONFIDENTIAL : Board appointments to Auckland Transport</th>
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<td>Reason for passing this resolution in relation to each matter</td>
<td>Particular interest(s) protected (where applicable)</td>
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<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains private information about individuals who have applied for vacancies on Auckland’s council-controlled organisations.</td>
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