



Eastern & Central  
**COMMUNITY  
TRUST**

Helping fund a better community

# **GOVERNANCE CHARTER**

**March 2014**

## **THE BOARD GOVERNANCE CHARTER**

### **EASTERN AND CENTRAL COMMUNITY TRUST INC.**

#### **MAIN OBJECTIVE OF THE TRUST**

The Trustees shall stand possessed of the Trust UPON TRUST to be applied for charitable, cultural, philanthropic, recreational and other purposes being beneficial to the community principally in the specified area. (Trust Deed clause 4).

#### **TRUST MISSION STATEMENT**

*Helping fund a better community.*

#### **TERMS OF REFERENCE FOR THE BOARD OF TRUSTEES**

The Trustees of the Eastern and Central Community Trust have been appointed by the Minister of Finance to govern the Trust. Governance of the Trust focuses on the major strategies for achieving its objectives and purpose. The Trustees set the policies and monitor the performance of management.

The Board of Trustees (hereinafter referred to as The Board) works in close partnership with the General Manager and Donations Manager to ensure that the objectives are achieved. The Board delegates the day to day management of the Trust to the General Manager.

### **Section 1 DEFINING THE ROLES OF GOVERNANCE**

#### **1.1 The Role of the Board**

The Trustees of the Eastern and Central Community Trust Inc. have been appointed by the Minister of Finance to govern the Trust. The Board establishes the Trust's objectives, major strategies for achieving these objectives, the overall policy framework within which the business of the Trust is conducted, and monitors managements' performance with respect to these matters. The Board has delegated day to day management to the General Manager.

Key activities of the Board are as follows:

- Appoint the General Manager and monitor his/her performance.
- Approve and monitor budgets.
- Approve expenditure outside approved budgets.
- Comply with the legislative and Trust Deed requirements.
- Consider and make decisions on donation applications.
- Act in the best interest of the Trust and recognise the importance and understanding of the community.
- Monitor investments and ensure that the Trust's capital base is protected.

- Maintain the Trust and Board's professional development and quality assurance.
- Participate in the Strategic Planning Process.
- Provide a community perspective into Trust decision making.
- Review the Corporate Governance Charter annually.
- Review the Donation and Investment policies annually.
- Review the Trust and Board's performance, biennially.
- Seek and consider professional advice.
- Set and monitor strategic goals, objectives and policies.

To assist in the process of Board governance, the Trustees have currently established three Board Committees:

The Executive Committee  
The Special Programmes Committee  
The Audit and Risk Committee

Terms of reference for these Committees are found in Appendix 1, Appendix 2 and Appendix 3.

## **1.2 The Role of Individual Trustees**

Each Trustee must understand the specific legal requirements of his or her position since this will form the basis of the duties and responsibilities of the individual Trustee. Each Trustee must be familiar with the Trust Deed.

Key activities of individual Trustees are as follows:

- Assist the General Manager and staff as required.
- Attend an annual retreat as required.
- Attend two-day Trust Meetings every second month.
- Attend Committee meetings as required. (Executive, Special Programmes and Audit and Risk).
- Be available to confer with the Chair, other Trustees and the General Manager as required.
- Be receptive to learning about the community's concerns, needs and aspirations.
- Have knowledge and understanding of the community and bring that knowledge to Board discussions.
- Represent the Trust at events, where appropriate.
- Devote sufficient time to the Trust and participate fully in the decision-making processes.
- Encourage community groups to contact the staff about the application process.
- Prepare for and follow up on the agenda material for meetings.

There are three types of duties imposed on Trustees of the Eastern and Central Community Trust Inc.:

### **Fiduciary Duty**

- Act honestly.
- Act in the best interests of the Trust and the beneficiaries.
- Avoid conflicts of interest.

### **Duty of Care and Diligence**

Care and Diligence refers to the skills, ability and application to the position of being a Trustee that each individual must apply. Each Trustee must exercise the care, diligence and skill that a reasonable person would exercise in the same circumstances, taking into account the nature of the Trust, the position of the Trustee and the nature of the responsibilities undertaken by her or him and any other relevant matters.

A Trustee must also be aware that he or she can be liable for the common law action of negligence.

### **Statutory Duties**

These are duties imposed upon Trustees by statute.

In accordance with statutory requirements, and in keeping with developments of common law, the Eastern and Central Community Trust Trustees will:

- Act for the benefit of the organisation.
- Act in accordance with the Trust Deed and the law relating to Trusts.
- Act with required care, diligence and skill, demonstrating reasonableness in their decisions.
- Avoid conflicts of interest by managing them as well as is reasonably possible.
- Discharge their duties in good faith and honesty in what they believe to be the best interests of the organisation and the community and with the level of skill and care of a well informed Trustee of a major philanthropic trust.
- Inform the beneficiaries of their rights and their entitlement to apply for funding.
- Make reasonable inquiries to ensure that the organisation is operating efficiently, effectively and legally towards achieving its goals.
- Not agree to the Trust incurring an obligation unless the Trustees believe at the time, on reasonable grounds, that the organisation will be able to perform the obligations when it is required to do so.
- Not allow personal interests, or the interest of any associated person, to conflict with the interests of the organisation.
- Not make improper use of information gained through their position as Trustees.
- Not take improper advantage of the position of a Trustee.
- Owe a fiduciary duty to the organisation using the powers of office only for a proper purpose, in the best interests of the organisation as a whole.
- Undertake diligent analysis of all proposals placed before the Board.

Trustees decide what matters are delegated to either specific Trustees or management and what controls are in place to oversee the operation of these delegated powers.

Trustees have no individual authority to participate in the day to day management of the Trust, including making any representations or agreements with any other party including employees, unless such authority is expressly delegated by the Board, through resolution, to the Trustee either individually or as a member of a Committee.

Trustees are expected to give of their specific expertise generously to the organisation.

Trustees will keep Board discussions, published and electronic documents and deliberations confidential. Trustees will take reasonable steps to ensure that electronic files are secured under password protection and published Trust material is destroyed when discarded (shredded or burnt).

Trustees are expected to be forthright in Board meetings and have a duty to question, request information, raise any issue, fully canvas any aspects of any issue confronting the organisation and to cast their vote on any resolution according to their own decision. However, outside the Boardroom, Trustees will support the letter and spirit of Board decisions in discussions with all external parties including staff.

A Trustee present at a Board meeting will be presumed to have agreed to, and to have voted in favour of a resolution of the Board unless that Trustee expressly dissents or expressly abstains from voting on, or votes against the resolution.

Confidential information received by a Trustee in the course of the exercise of the Trustee's duties remains the property of the Trust from which it was obtained and it is improper to disclose it or to allow it to be disclosed, unless that disclosure has been authorised by the person from whom the information was obtained, or is required by law.

A Trustee shall not engage in any conduct likely to bring discredit upon the Trust. Upon appointment a Trustee will be provided with the "Code of Conduct" (Appendix 9) and requested to endorse the "Code of Conduct" by signature.

A Trustee must not agree to the business being carried out in such a way that there is substantial risk of serious loss of Trust Capital.

A Trustee has an obligation, at all times, to comply with the spirit as well as the letter of the law and with the principles of this charter.

### **Conflicts of Interest**

Trustees must:

Disclose to the Board any actual or potential conflicts of interest, which may exist or might reasonably be thought to exist between the interests of the Trust, and the interests of the Trustee and persons associated with the Trustee.

The procedure for conflicts of interests is within the Trust Deed clause 12 and within the Disclosure of Interest Policy (Appendix 4). The Register of Interest is to be made publicly available, if so required, in the Trust Office.

### **1.3 The Role of the Chair**

The role of the Chair is to lead the Board and as such he or she is expected to fulfil the following responsibilities:

- Approve appropriate change of purpose requests, as required.
- Assess and implement a balanced Board of Trustees within the confines of the appointment process.
- Assist with the training of all Trustees, especially new Trustees.
- Attend Committee meetings as required in an ex-officio capacity.
- Chair the Trust and Executive Committee Meetings.
- Direct the Board discussion to effectively use the time available to address important issues.
- Ensure that the Board has adequate and relevant information to undertake effective decision-making.
- Be the conduit between the Board and the General Manager.
- Liaise with Trustees on matters of governance.
- Maintain relationships with other stake holders regarding all matters that impact on the Community Trusts.
- Provide leadership, guidance and vision for the Trust.
- Represent the Trust on the Community Trusts' Chairs Committee.
- Provide reports and minutes of the Community Trusts' Chairs Committee Meetings.
- Manage the annual review of the performance of the General Manager.
- Set the agenda for all Trust Meetings.
- Undertake the role as the primary Trust contact and spokesperson.

### **1.4 The Role of the Deputy Chair**

- Be available for consultation with the Chair and the General Manager when required.
- Deputise for the Chair during periods of planned or unplanned absence.

### **1.5 The Role of the Committee Chairs**

- Chair the Committee Meetings.
- Provide leadership, guidance and vision for the Trust for the specific area of responsibility.
- Set the agenda for all Committee Meetings.

## Section 2 BOARD PROCESS

### 2.1 Board Meetings

Rules governing the conduct of Board Meetings are defined in the Trust Deed as follows:

CLAUSE	CONTENT
11	Delegation to Committees
12	Disclosure of Interests
13	Voting and Quorum

In addition to the requirements of the Trust Deed, Trustees have adopted the following guidelines for Board Meetings:

- Trustees will meet formally for a two-day meeting every second month (January, March etc.), generally on the first Thursday and Friday after the 20<sup>th</sup> of the month.
- Trustees wishing to have an item added to the agenda will advise the Chair at least two weeks before a Trust Meeting.
- The Donations Board Report (Volume 1) will be made available at least two weeks before the meeting.
- The Trust Meeting Agenda will be made available at least one week prior to the meeting.
- The following items will be included in the Agenda:

- Donation applications.
- Additional donation applications and change of purposes.
- Minutes of the previous Trust Meeting.
- Matters arising from the previous Trust Meeting.
- Minutes, reports and recommendations from all the Committee Meetings.
- Financial Advisor's Report from the previous month.
- Correspondence received relating to significant matters.
- Details of major policy matters requiring decisions.
- Capital expenditure proposals outside delegated authority.

Agenda items will be supported by sufficient information to allow effective decision-making.

In addition to the requirements of the Trust Deed, Trustees have adopted the following guidelines for the Executive Committee Meetings:

- The Executive Committee will meet formally every second month (February, April, etc.) generally on the first Thursday after the 20<sup>th</sup> of each month.
- The Executive Committee Agenda will be circulated at least one week prior to the meeting.
- The following items will be included in the Agenda:

Financial Reports, Financial Advisor & abbreviated Fund Managers' Reports,  
Discretionary Donations.

The Executive Committee will provide recommendations for the full Board to consider. However, the Executive do have the right to make resolutions when prior approval has been delegated to the Executive Committee by the Board on specific matters, or to approve the specific bond purchase recommendations of the bond manager.

## **2.2 Conduct of Meetings**

The Chair will determine the degree of formality required at each meeting whilst maintaining the decorum of such meetings. The following guidelines shall apply:

- The Chair shall ensure that all members have the opportunity to be heard.
- The Chair shall maintain sufficient control to ensure that the authority of the Chair is recognised so that a degree of formality can be reintroduced when required.
- The Chair will take care that decisions are properly understood and well recorded.
- The Chair will ensure that the decisions and debate are completed with a formal resolution recording the conclusions reached.

## **2.3 Board Minutes**

- Minutes will contain the official resolution adopted by the Trustees.
- "Draft" minutes will be made available within one week of each Board Meeting.
- All decisions will be recorded by way of a formal resolution.
- Trustees who dissent or abstain may, on request, have their dissention or abstention recorded in the minutes.
- Conflicts of interest shall be recorded in the minutes.

## **2.4 Internal Appointment Process**

Clause 10 of the Trust Deed reads: "The Trustees shall appoint one of their number as Chair and may remove any such Chair from that office. Subject to the right of removal, the Trustees shall determine the term of office for which any Chair is appointed, provided that the term of office does not exceed the Chair's term of appointment as a Trustee. Subject to this clause, a Chair may hold office as a Chair on more than one occasion."

### **Term of Appointment**

- The Trust has determined that the Chair and Deputy Chair will be appointed for two-year terms on alternate years, whilst all other Trustee positions will be appointed annually.



### **Procedure for Appointment of Chair, Deputy Chair and Committee Chairs**

- The Chair shall be elected biennially for a two-year term, normally **prior** to the appointment of any new Trustee(s), or by 31st May, at the May Trust Meeting.
- The Deputy Chair shall be elected biennially for a two-year term, normally **after** the appointment of any new Trustee(s), or by 31st July, at the July Trust Meeting.
- The Committee Chairs shall be elected annually, normally **after** the appointment of any new Trustee(s), or by 31st July, at the July Trust Meeting.
- Written nomination forms will be available from the General Manager on request. Attached to the nomination forms will be an outline of the respective roles.
- The nomination form must be submitted to the General Manager no later than two weeks prior to the appropriate Trust Meeting at which the election will take place.
- Each nomination must be signed and seconded by two Trustees. The nominated Trustee must also sign that he/she is willing to accept the nomination.
- The Trustees making the nomination may provide a written statement on the nomination form supporting the nomination.
- Each nominated Trustee is entitled to also provide a written statement with regard to the position not exceeding 200 words. The nomination form and the nominated Trustees' written statement will be placed in the agenda papers.
- Where only one nomination is received that nominee shall be duly elected. Where two or more nominations are received an election shall be held at which all Trustees present shall be entitled to vote.
- Only those Trustees present at the time of the election(s) are entitled to vote.
- In the event of a casual vacancy through the year (resignation, death, vote of no-confidence, termination of appointment, etc.), the election of Chair, Deputy Chair or Committee Chair(s) will occur at the next Trust Meeting as outlined above.
- If an election is required for Chair the current Chair shall vacate the office and the General Manager or in his/her absence the Donations Manager shall become acting Chair. Voting papers will be distributed with the names of the candidates listed in alphabetical order. An independent will be appointed as a scrutineer to assist the acting Chair of the election process to collect and count the votes. The election of Chair requires **a majority** decision (i.e. if 10 votes, a minimum of 6 votes is required).
- In the situation where no candidate receives a majority of votes, the lowest polling candidate will fall from contention and a further vote will be held between the remaining candidates. This process will continue until one candidate receives a majority of the votes.
- In the event of a tie the Chair shall be declared by the toss of a coin.
- The acting Chair will advise the meeting of the successful nominee. The acting Chair, not being a Trustee, shall not be entitled to vote. The voting papers are to be destroyed.
- If an election is required for the Deputy Chair and/or the Committee Chairs the Chair shall distribute voting papers with the names of the candidates listed in alphabetical order. An independent will be appointed as a scrutineer to assist the General Manager.
- The voting process for the Deputy Chair will be the same as for the Chair.

### **Procedure for Appointment of Committees**

- All Committees will normally be appointed annually at the July Trust Meeting.
- All Trustees will be approached by the Chair to discuss their Committee preferences.
- However, it is the Chair's responsibility to determine the membership of each Committee based on the requirements of each Committee and the skills and experience that individuals bring to the Trust.
- The Chair will present the recommended membership of the Committees to the meeting for discussion. Any recommended changes must be agreed by the Chair. The membership of each Committee will need to be formally ratified by the Board.
- The Chair is an ex-officio member of all Committees.
- Each Committee should have at least three but no more than six members.
- Trustees are able to serve on a maximum of three Committees and each Trustee must be assigned to at least one Committee.

### Section 3 KEY BOARD FUNCTIONS

#### 3.1 Delegation of Authority

Description	Maximum Amount	Delegated to
Budgeted administration expenses and capital expenditure	As per budget	General Manager
Donations Written Back	No maximum	General Manager or Donations Manager
Donations for Vehicles	Variable (as per policy)	General Manager
Discretionary Donations	Standard donation	Executive Committee
Adjust Hedging Contracts	As per tactical target	General Manager
Development of Proposals	\$10,000 per proposal	Special Programmes Committee

For the Donations Written Back Policy refer to Appendix 6.

#### Execution of Documents

Documents signed under the common seal require a Board resolution and shall be signed by two Trustees. All documents signed under the common seal will be recorded in the Common Seal Register. The Common Seal Register will be reviewed annually.

#### Desk banking authority and cheque signing

The Chair and up to four other Trustees will have delegated signing authority. For details of the current delegated authority refer to Appendix 8.

All current account cheques and desk banking payments must be signed or authorised by two signatories. One signatory must be one of the Trustees with signing authority or the General Manager and either the Donations Manager or the Donations Assessor.

The General Manager or the Donations Manager is authorised to operate the Trust's Imprest Account.

The General Manager, or in his absence the Donations Manager, is authorised to transfer money between the call account and the current accounts.

The General Manager, or in his absence the Donations Manager, is authorised to invest money from the specified current or call accounts into term deposits for up to 365 days to maximise interest rate returns. On maturing the term deposits are to be repaid into the specific current accounts.

Following a Trust resolution the General Manager, or in his absence the Donations Manager, is authorised to pass on the instruction to the appropriate fund manager. All such instructions are to be followed in written form by a letter, authorised by one of the Trustees with signing authority or the General Manager and either the Donations Manager or the Donations Assessor.

### **3.2 Promissory Note purchases within the bond portfolio**

The Bond Manager has the approval to purchase promissory notes so long as two of their senior staff authorise the purchase.

### **3.3 Bond Recommendations**

When making recommendations to the Executive the Bond Manager must provide:

- (a) The compliance approval of the Trust's Financial Advisor,
- (b) The financial details of the recommended transaction, and
- (c) Reinvestment options.

In addition the Trust must seek the compliance approval of the Trust's Financial Advisor.

### **3.4 General Manager Appraisal**

The General Manager's appraisal shall be undertaken annually by the Executive Committee.

## **Section 4 CONTINUING IMPROVEMENT**

### **4.1 Board Evaluation**

- Every second year the Board will conduct an evaluation of its performance.
- Prior to a Trustee retiring from the Trust, an Exit Interview will be conducted by the Board Chair (or Deputy-Chair in the case of a retiring Chair) and another Trustee. Information gathered will remain confidential but could be used in the development of governance policies.

### **4.2 Trustee Development**

- A training day will be provided for all newly appointed trustees prior to their first meeting.
- The Trust's Financial Advisor will conduct an annual trustee training day.
- Specific training will be made available if gaps are identified within the Board.

### **4.3 Trustee Remuneration and other expenses**

- Trustee remuneration is determined within the Fees Framework, from time to time, by the Minister of Finance.
- As from 1<sup>st</sup> April 2012 the Minister has set the annual remuneration fee for Trustees of the Eastern & Central Community Trust as: Chair (\$24,000), Deputy Chair (\$15,000), Committee Chair (\$13,200) and Trustee (\$12,000).
- An additional travel allowance of ten percent will be payable to Trustees normally required to travel more than one and a half hours **each way** to attend Trust Meetings.
- Trustee remuneration will be paid in arrears fortnightly.
- The Eastern and Central Community Trust will reimburse reasonable and properly incurred travel, accommodation and other costs.
- Payment of Trustee's fees may be suspended for prolonged absence at the discretion of the Chair, after a thorough investigation of the reason for the absence.
- The Eastern and Central Community Trust Inc. will ensure that there is current Directors' and Officer Liability insurance cover for all Trustees and Management.

## **APPENDIX 1**

### **TERMS OF REFERENCE**

#### **EXECUTIVE COMMITTEE**

##### **1 Membership**

- 1.1 In accordance with clause 11e of the Eastern and Central Community Trust Inc. Trust Deed the Committee shall comprise at least three Trustees and of such other persons (if any) as seen fit.
- 1.2 The Chair of the Trust shall chair the Executive Committee.
- 1.3 Members of the Executive Committee shall be appointed annually by the Trustees at the first Trust Meeting following the annual Trustee appointments.
- 1.4 A quorum of the Committee shall be at least three Trustees.

##### **2 Meetings and Voting**

- 2.1 In accordance with clause 11a of the Trust Deed voting shall be by simple majority. In the case of equality of votes the Chair of the Committee shall have the casting vote.
- 2.2 Any decisions where the Trust Deed would require a special majority shall be referred to a full meeting of the Trust.
- 2.3 The Chair or the Deputy Chair may call a Special Executive Committee Meeting. (Appendix 6).
- 2.4 Minutes shall be kept for all meetings of the Executive Committee Meetings.
- 2.5 In accordance with clause 12 of the Trust Deed all conflicts of interest shall be declared and the Chair shall decide whether the affected Trustee may vote on the issue.
- 2.6 Conflicts of interest shall be recorded in the minutes.

##### **3 Duties**

- 3.1 Monitoring Investment Performance and making recommendations to the full Trust where appropriate.
- 3.2 Considering Investment Policy and Strategy and making recommendations to the full Trust where appropriate.
- 3.3 Approving the bond purchase recommendations as supplied by the Bond Manager under the delegation given by the full Trust.

- 3.4 Reviewing Fund Managers' performance and making recommendations to the full Trust where appropriate.
- 3.5 Recommending the termination and appointment of Fund Managers to the full Trust.
- 3.6 Monitoring Compliance with the Trust Deed and the Statutory Financial Reporting requirements as set in clause 15 of the Trust Deed.
- 3.7 Appraising the General Manager and providing guidance for staff remuneration.
- 3.8 Ensuring that the Trust has the appropriate policies in place and these policies are reviewed and monitored on a regular basis and reported to the Trust Board.
- 3.9 Other such duties as shall be referred to the Committee from time to time by a full Trust Meeting.

## **APPENDIX 2**

### **TERMS OF REFERENCE**

#### **SPECIAL PROGRAMMES COMMITTEE**

##### **1. Membership**

- 1.1 In accordance with clause 11e of the Eastern and Central Community Trust Inc. Trust Deed the Committee shall comprise at least three Trustees and of such other persons (if any) as seen fit.
- 1.2 The Chair of the Trust shall be an ex-officio member of the Special Programmes Committee with no voting rights.
- 1.3 Members of the Special Programmes Committee shall be appointed annually by the Trustees at the first Trust Meeting following the annual Trustee appointments.
- 1.4 The Chair of the Special Programmes Committee shall be elected by the Board annually and must be a Trustee of the Trust.
- 1.5 A quorum of the Special Programmes Committee shall be at least three Trustees.

##### **2 Meetings and Voting**

- 2.1 Deed voting shall be by simple majority. In the case of equality of votes the Chair of the Special Programmes Committee shall have the casting vote.
- 2.2 Any decisions where the Trust Deed would require a special majority shall be referred to a full meeting of the Trust.
- 2.3 Minutes shall be kept for all meetings of the Special Programmes Committee.
- 2.4 In accordance with clause 12 of the Trust Deed all conflicts of interest shall be declared and the Chair shall decide whether the affected Trustee may vote on the issue.
- 2.5 Conflicts of interest shall be recorded in the minutes.

##### **3 Duties**

- 3.1 Such duties as shall be referred to the Special Programmes Committee from time to time by a full Trust Meeting.
- 3.2 Monitoring, reviewing and reporting the performance of the Regional Sports Trusts, the Summer Reading Programme, the Maths is Fun Programme and any other Special Programmes to the full Trust on a regular basis.



- 3.3 Consulting with the sports, education and other sectors as appropriate and reporting on the changes within the policy environment for the Trust.

## **APPENDIX 3**

### **TERMS OF REFERENCE**

#### **AUDIT AND RISK COMMITTEE**

##### **1. Membership**

- 1.1 In accordance with clause 11e of the Eastern and Central Community Trust Inc. Trust Deed the Committee shall comprise at least three Trustees and such other persons (if any) as seen fit.
- 1.2 The Chair of the Trust shall be an ex-officio member of the Audit and Risk Committee with no voting rights.
- 1.3 Members of the Audit and Risk Committee shall be appointed annually by the Trustees at the first Trust Meeting following the annual Trustee appointments.
- 1.4 The Chair of the Audit and Risk Committee shall be elected by the Board annually and must be a Trustee of the Trust. The Chair of the Trust should not be the Chair of the Audit and Risk Committee.
- 1.5 A quorum of the Audit and Risk Committee shall be at least three Trustees.

##### **2. Meetings and Voting**

- 2.1 Voting shall be by simple majority. In the case of equality of votes the Chair of the Audit and Risk Committee shall have the casting vote.
- 2.2 Minutes shall be kept for all meetings of the Audit and Risk Committee and circulated to the full Trust Board.
- 2.3 The Audit and Risk Committee shall have no executive powers with/in regard to its findings and recommendations. All recommendations must be presented to the full Trust Board.
- 2.4 The external auditors shall be given notice of all meetings and shall have the right to attend and speak.

##### **3 Responsibilities**

- 3.1 The Audit and Risk Committee provides a formal forum for free and open communication between the Trust Board, the external auditors and management.
- 3.2 The primary objective of the Audit and Risk Committee is to assist the Trust in discharging the responsibilities relative to financial reporting, treasury management and risk management.

- 3.3 The Audit and Risk Committee shall have unlimited access to the Trust's external auditors and the General Manager. The Audit and Risk Committee is authorised to consult with independent experts when considered necessary.
- 3.4 The Audit and Risk Committee shall have such duties as shall be referred to it from time to time by the full Trust Board and will include:
- reviewing, considering and monitoring the risks for the Trust.
  - the annual production of the financial statements and related reports which are compliant with generally accepted accounting practices (NZ GAAP and NZ IFRS),
  - liaising with the external auditors,
  - reviewing the annual audit plan with the external auditors,
  - reviewing audit findings in relation to the annual audit and matters relating to the financial statements,
  - reviewing compliance to relevant statutory requirements,
  - recommending the appointment and review of the external auditors,
  - determining the audit fees,
  - monitoring the Trust's internal control environment to assess its adequacy,
  - receiving and reviewing the detailed summary on audit findings and the status of corrective actions required, and
- 3.5 The Audit and Risk Committee shall evaluate the effectiveness of the Trust's risk management policies, practices and procedures.

#### **4. Reporting and Accountability**

- 4.1 Monitoring, reviewing and reporting the performance and recommendations of the auditor to the full Trust Board.
- 4.2 Advising the full Trust Board of the Committee's activities and any related significant results and findings on a regular basis.
- 4.3 Providing an annual report to the full Trust Board summarising the Committee's activities, any related significant results and findings and any recommended changes to the Committee's objectives and responsibilities.

## **APPENDIX 4**

### **DISCLOSURE OF INTEREST POLICY**

#### **BACKGROUND**

As per Clauses 12 and 13 of the Trust Deed.

#### **12. Disclosure of Interests**

A Trustee who is in any way, whether directly or indirectly:

- (a) interested in a contract or proposed contract or arrangement or dealing with the Trust; or,
- (b) associated as a member, officer or otherwise howsoever with any organisation to or for the benefit of which the Trustees are currently considering making any application of the Trust fund;

shall disclose the nature of that interest at a meeting of the Trustees and such disclosure shall be recorded in the minutes of the meeting.

#### **13. Voting and Quorum**

- (a) A Trustee required to disclose an interest by clause 12 shall, subject to sub clauses (b) and (c), not be counted in the quorum present at the meeting and shall not vote in respect of the matter in which that Trustee is interested, and if the Trustee does so the vote shall not be counted.
- (b) Sub clause (a) shall not apply in the case of a matter in which so many of the Trustees have an interest that the remaining Trustees could not, if they were all present at a meeting of the Trustees, make up a quorum.
- (c) When sub clause (b) applies, then:
  - (i) all Trustees who vote in favour of the matter must sign a certificate for entry in the minutes of the meeting that the matter is in the best interests of the Trust; and
  - (ii) the Trustees must cause to be included in the next financial statements prepared under clause 16 particulars of the matter and of the nature of the Trustees' interest in it.

## TRUSTEES DISCLOSURE OF INTEREST POLICY

Any decision, which a Trustee makes, must be based solely on considerations for the best interests of the Trust. If a Trustee has an association or position, which means they take into account the interest of any other person or body, then they are in a position of a conflict of interest.

A **direct** conflict of interest arises where a Trustee is a director, patron, officer or member of an organisation receiving a donation from the Trust or providing any form of service to the Trust.

An **indirect** conflict of interest may arise where a Trustee, by virtue of any other association or position means that they are unable to make a decision based solely on their position as a Trustee. A Trustee is an “associated person” to someone who derives a benefit as described above which could include family members.

If in doubt, Trustees are strongly encouraged to declare all associations that may be considered a conflict. The Chair will then determine if the nominated association is a conflict.

Trustees are not required to disclose their personal financial interests unless the Trust is considering an investment decision in which a Trustee has a material financial interest. (\* Gifford Devine legal opinion – J:drive>Trustee>Interest Register>Trustees Register of Interest legal opinion.)

## PROCEDURE

- Where a Trustee considers that they have a conflict of interest, whether direct or indirect, then the Trustee must declare that interest at the meeting, which will be recorded in the actual minutes.
- The declaration of all conflicts of interest for donation considerations will be made at the commencement of each meeting. Trustees are to advise any updates to the Register of Interest at this time. The Register of Interest will be published in the beginning section of the bi-monthly Board Papers.
- Once an “interest” is declared a Trustee must take no further part in discussion unless requested by other Trustees to provide specific information. The Trustee is not entitled to vote.
- At each Trust Meeting Trustees are to be provided with their Register of Interests. Each Trustee is then required to update their register. At the July Trust Meeting each Trustee is to sign their personal Register of Interest.
- The signed Register of Interests of all Trustees, and this policy, will be held in the Trust Office and be available for public inspection.

## **APPENDIX 5**

### **SPECIAL MEETING POLICY**

#### **THE OBJECTIVE**

This policy has been developed to accommodate for any unexpected event, which necessitates a special meeting of trustees to be held, at any other time to the programmed monthly Executive Committee Meetings and the Trust Meetings held every second month.

#### **PROCEDURE**

- The Chair or the Deputy Chair may call a Special Executive Committee Meeting.
- The Chair may, after consultation with members of the Executive Committee and the General Manager, call a special meeting of the Executive Committee to discuss the cause of concern.
- The Deputy Chair may, after consultation with members of the Executive Committee and the General Manager, call a special meeting of the Executive Committee to discuss the cause of concern.
- If the Executive Committee recommended immediate action, then a full Special Trust Meeting would be called as soon as possible.

## **APPENDIX 6**

### **DONATIONS WRITTEN BACK POLICY**

All “Donations Written Back” will be reported to the Trustees and either ratified or approved at a Trust Meeting.

#### **DELEGATED AUTHORITY**

Management is given delegated authority to determine that a donation be written back under the following circumstances (ratified at the next Trust Meeting):

- Payment has exceeded the two-year time frame and no correspondence has been received or an extension requested.
- An unprompted cash return from an applicant will be immediately banked and entered through the cashbook.
- An applicant advises the Trust that they do not wish to uplift an approved donation.

#### **APPROVAL OF UNPAID DONATIONS TO BE WRITTEN BACK**

Unpaid donations that the Management or Trustees believe should be written back are to be placed on the Trust Agenda for approval with the related information provided.

At the time of approval an unpaid donation will be considered written back for accounting purposes.

At the time a return is requested of a paid donation, the donation will be entered as a debtor until such time as it is paid.

#### **PROCESS**

The Donations Manager is to be advised when an unpaid donation is to be placed on the agenda for “Donation Written Back” ratification or approval by the Trustees.

At the time a Donation is to be written back, as deemed by management or approved by the Trustees, all necessary information is recorded in the DMS and FMIS systems. The General Manager will ensure that all staff are advised of this at Weekly meetings.

The “Donations Written Back” will be reconciled at the end of each month and reported to Trustees in the Monthly Management Report.

## **APPENDIX 7**

### **PROTECTED DISCLOSURE POLICY**

#### **THE OBJECTIVE**

To promote responsibility and integrity within the Trust, by implementing an effective policy to address serious wrongdoing.

#### **DEFINITION OF SERIOUS WRONGDOING**

Serious wrongdoing includes:

- An unlawful, corrupt or irregular use of public funds or public resources;
- An act, omission, or course of conduct that constitutes a serious risk to public health or public safety;
- An act, omission or course of conduct that constitutes a serious risk to the maintenance of law, including the prevention, investigation, and detection of offences and the right to a fair trial;
- An act, omission, or course of conduct that constitutes a criminal offence;
- An act, omission, or course of conduct by a public official that is oppressive, improperly discriminatory, or grossly negligent, or that constitutes gross mismanagement.

#### **PROCEDURE**

Anyone who has reason to believe serious wrongdoing has occurred within the Trust can first approach the General Manager about the matter.

Any such disclosure shall be in writing and in the form prescribed by Appendix 7A.

Any discussions will be strictly confidential and the discloser's identity will only be revealed if consented to in writing or if the person to whom the disclosure is made reasonably believes that it:

- Is essential to the effective investigation of the allegation; or
- Is essential to prevent serious risk to public health, public safety, or the environment;  
or
- Is essential having regard to the principles of natural justice.

The General Manager will keep the discloser informed as to the result of the investigation.



If after 20 working days, the incident has not been investigated or if, in the reasonable opinion of the discloser, it has not been dealt with to the discloser's satisfaction, and the discloser wishes to pursue it further, the next step is to take the matter to the Chair of the Trust.

The discloser may also take the complaint to the Chair of the Trust if the discloser believes, on reasonable grounds, that the General Manager may be involved in the wrongdoing or that the General Manager is not appropriate on account of a relationship with a person who may be involved in the wrongdoing.

If the discloser believes that the Chair of the Trust may be involved in the wrongdoing, or, after 20 working days the Chair of the Trust has not investigated the matter to the discloser's satisfaction, the discloser may take the matter further to authorities such as:

- The Controller and Auditor-General;
- The Director of the Serious Fraud Office;
- The Solicitor-General
- The State Services Commissioner; or
- The Health and Disability Commissioner.

The discloser may also take the complaint straight to the appropriate authorities if the discloser reasonably believes that disclosure is a matter of urgency or for other exceptional circumstances.

As a last resort only, if the discloser reasonably believes that no satisfaction and timely investigation or action has been carried out by any of the appropriate authorities, but the discloser still believes the matter to be likely to be true, the discloser may make a disclosure to a Minister of the Crown.

**Note:** These procedures have been established in accordance with sections 8-10 of the Protected Disclosures Act 2000, and have been put in place to provide a simple procedure to facilitate the disclosure and investigation of matters of wrongdoing within the Trust, while at the same time protecting employees who disclose the wrongdoing.

Ideally it would be preferable to resolve the matter within the Trust. However, if there is a need to make a disclosure outside the Trust, the discloser will be protected from civil or criminal proceedings and from disciplinary action being taken. The exception to this is where the discloser has knowingly made a false allegation or has otherwise acted in bad faith.

**APPENDIX 7A**

**PROTECTED DISCLOSURES FORM**

Full name .....

Position within the Trust .....

Type of complaint .....

Who was involved? .....

Where did the incident take place? .....

What date(s) and time(s) did it happen? .....

Describe what happened (Be as specific as possible) .....

.....

.....

.....

.....

Were there any witnesses? .....

Name the witness(es) .....

Do you consent to the disclosure of your identity? .....

Have you disclosed the information to anyone else? (If so, give details) .....

.....

I believe that the above fully and accurately describes my complaint.

Signature .....

Date .....

## **APPENDIX 8**

### **AUTHORISED SIGNATORIES:**

The following are authorised signatories for letters of instruction, banking transactions and signing of cheques under the terms of Section 3.1.

Geoff Milner  
Mark Kilmister  
Caren Rangi  
Anna Hansen  
Jonathan Bell

#### **and**

Jonathan Bell  
Bev Watkins  
Jill Wolland

### **WESTPAC DESKBANKING**

The following combinations are authorisers for deskbanking:

Jonathan Bell and Bev Watkins  
Bev Watkins (only in the absence of General Manager) and Jill Wolland  
Jonathan Bell and Jill Wolland

The following are authorised to transmit payment batches and download bank statements:

Jonathan Bell or Bev Watkins

## **APPENDIX 9**

### **CODE OF CONDUCT**

The Trustees of the Eastern and Central Community Trust recognise their obligation to the community and have accepted this Code of Conduct.

The Board is responsible for moral leadership and setting the ethical and legal framework for the Trust, defining and nurturing the Trust's fundamental values.

Sound Board systems provide protection for the Trust, its stakeholders, the Board and its members against fraud, illegal practices and poor performance

#### **1. Compliance**

This Code has been developed and agreed to by all trustees. The Code sets out key principles by which they wish to conduct themselves.

The principles in the Code endeavour to address potential differences in attitudes and behaviours of Trustees. Trustees acknowledge they are ultimately accountable for the successful performance of the Trust, and their actions, both public and private, should support the decisions and activities of the Trust.

#### **2. Conduct**

Trustees will conduct themselves in a manner consistent with custodial responsibilities of a trustee in any position of fiduciary trust. Trustees will be aware of statutory and other obligations as Trustees and should exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

Trustees will declare all interests that could result in a conflict between personal and organisational priorities or create an appearance of conflict which could bring the Eastern and Central Community Trust into disrepute.

Trustees will be open and honest.

Trustees will ensure scrupulous avoidance of deception, unethical practice or any other behaviour that is, or might be construed as, less than honourable in the pursuits of the Eastern and Central Community Trust.

Trustees will not do anything that in any way denigrates the Eastern and Central Community Trust or harms its public image.

Trustees will at all times act honestly and with integrity and not place themselves in situations where their honesty, integrity and good faith may be questioned.

Trustees should take account of the views of others, but should reach their own, independent, conclusions on the matters before them.

Trustees will respect and value the distinction and complementary nature of the relationship between governance and management roles and responsibilities.

Trustees will ensure that the Trust always acts lawfully and in accordance with its Trust Deed and behaves in a manner consistent with the spirit as well as the letter of the law.

#### **4. Commitment**

Trustees, having made a commitment to the Trust, undertake to commit the time required to perform their responsibilities and will make every effort to attend scheduled meetings. It is recognised that there will be occasions when trustees are unable to attend meetings in which case they will submit their apology to the Chair prior to the meeting.

#### **5. Collective Responsibility**

Trustees recognise there may be tension at times between the collective accountability of a trustee and individual views.

Therefore Trustees agree to the following principles:

- to clearly express their views at Trust meetings, and endeavour to achieve a particular decision and course of action.
- to support the collective formal decisions of the Trust.
- to not re-litigate previous decisions at subsequent meetings of the Trust, unless the majority of trustees agree to re-open the debate.
- to be mindful that personal actions should not bring the Trust into disrepute or cause a loss of confidence in the activities and decisions of the Trust, and where appropriate make a full disclosure to the Board.

#### **6. Process for dealing with Breaches of these Guidelines**

If any Trustee becomes concerned that the conduct of a fellow Trustee (including the Trust Chair or Deputy Chair), is in breach of these guidelines, she/he should:

- Firstly, discuss the concern with the Trustee involved. If the matter of concern persists, the matter should be raised with the Trust Chair or Deputy Chair.
- Secondly, the Trust Chair or Deputy Chair should then discuss the concern with the Trustee involved. If the matter persists, the matter should be raised at a meeting of all Trustees. The Trustee whose conduct is causing concern should be given adequate notice of such a meeting and the concerns raised and the opportunity to respond.
- Finally, at the Chair's or Deputy Chair's discretion, other Trustees may have the opportunity to discuss the matter of concern without the presence of the Trustee involved. The Chair or Deputy Chair would make the Trustee involved aware of the meeting and give them an opportunity to respond.

Outcomes of the Trustees' deliberations may include:

- Cessation of the matter or situation causing concern.
- Retraction of the expression of concern.
- A facilitated resolution of the matter or situation causing concern.
- A motion of censure of the Trustee.
- The matter being raised with the Minister of Finance.
- Such other actions as the Trustees are legally able to undertake.

## **APPENDIX 10**

### **GRIEVANCE POLICY**

#### **THE OBJECTIVE**

The Grievance Policy and associated procedures are intended to ensure that there is a mechanism for a complainant to lodge a grievance and that the grievance is handled in a prompt and professional manner by the Trust, resulting in a fair resolution.

#### **PROCEDURE**

It is recognised that the quickest and most satisfactory method of dealing with a complaint is for the complainant to deal directly with the staff member or Trustee who provided the service which has given rise to the complaint. This allows the staff member or the Trustee and the complainant the opportunity to discuss the matter and resolve the complaint or refer to the General Manager, if appropriate. It also enables both parties to understand the issues and assists in ensuring that mistakes are not repeated.

If the complainant is not satisfied with the initial steps taken to resolve the complaint, then the complainant should be requested to send a letter or e-mail to the General Manager outlining the complaint.

On receipt of the complaint the Chair will be notified. The General Manager will evaluate the complaint and will respond in writing after consultation with appropriate parties, including the Chair.

If the complainant is not satisfied with the General Manager's response to the complaint then the complainant may make a written request for the matter to be referred to the Trust Board for its formal consideration. The Trust may undertake its own investigations and the Chair and/or a delegation of Trustees may ask to meet with the complainant.

The Trust's decision in relation to the complainant will be final, and the complainant will be notified of this decision.

At all stages of the process the complainant is to be treated respectfully and staff and Trustees will adhere to the Privacy Act 1993. All steps will be taken by the Trust and its staff to expedite resolution of any complaints.

The staff will keep a record of all complaints. The General Manager will report complaints to the Board as they occur.

## **REVIEW**

This Board Governance Charter is to be reviewed annually.

Adopted 27<sup>th</sup> March 2014