

REPORT 4
July
2009

Charitable Purposes and Tax Compliance Systems Programme

CASE STUDY REPORT
31 JULY 2009

Authors:
Kim Skelton BA/LLB
Wayne Mulligan MMgt

Reviewer:
Peter Doolin LLB

Prepared by FOMANA CAPITAL LIMITED for Te Puni Kokiri



Contents

| | |
|--|----|
| Introduction | 3 |
| Introduction | 4 |
| 1.1 Purpose | 4 |
| 1.2 Disclaimer | 4 |
| 1.3 Limitation | 4 |
| 1.4 Context and Previous Reports | 5 |
| 1.5 Objectives | 5 |
| 1.6 Definitions | 6 |
| 1.7 Acknowledgements | 7 |
| 1.8 Forward Programme and Outputs | 8 |
| Section Two: Case Study Methodology | 9 |
| Section Two: Case Study Methodology | 10 |
| 2.1 Review of relevant NZ Case Study examples | 10 |
| 2.2 Consult pilot organisations and Te Puni Kokiri | 10 |
| 2.3 Develop Objectives and Interview Questionnaire | 10 |
| 2.4 Review and analyse pilot programme data for each of the eight entities | 11 |
| 2.5 Search Charities Commission Register for listings of eight entities | 11 |
| 2.6 Conduct phone interview with individuals in each of the eight entities | 11 |
| 2.7 Analyse data and write draft case studies for each of the eight entities | 12 |
| 2.8 Review of case study by eight entities and approval of drafts | 12 |
| 2.9 Design and formatting of final case studies for publication | 12 |
| 2.10 Methodology Framework and Diagram | 13 |
| Section Three: Case Studies | 14 |
| Section Three: Case Studies | 15 |
| 3.1 Ngāti Rārua Atiawa Iwi Trust Case Study | 15 |
| 3.2 Taranaki Iwi Trust Case Study | 20 |
| 3.3 Taranaki PHO Ltd (Hauora Taranaki PHO) Case Study | 25 |
| 3.4 Te Aroha Medcare Ltd | 30 |
| 3.5 Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust Case Study | 35 |
| 3.6 Te Kaahui o Rauru Case Study | 40 |
| 3.7 Te Rau Pani Māori Mental Health Trust Case Study | 45 |
| 3.8 Tui Ora Ltd Case Study | 50 |
| Appendices | 55 |
| Appendix 1: Case Study Overview and Questionnaire Form | 55 |
| Appendix 2: Charities Commission Registration Update as at 20 July 2009 | 58 |

Case Study
Report
Section One
Introduction

Charitable Purposes and Tax Compliance Systems Programme

Section One: Introduction



Introduction

1.1 Purpose

The purpose of this Case Study report is to fulfil the requirements of Output 8 of the Investment Agreement (“Agreement”) dated 1 May 2008 between Te Puni Kokiri and FOMANA Capital Ltd. Schedule C of that Agreement sets out the reporting requirements for this Report:

| Short Term Outcome | Outputs 8 | Due Date |
|---|--|---------------------------|
| Increased knowledge by Maori pilot entities and their beneficiaries of the policy, processes and requirements of the Charities Act 2005 and tax regime. | Report of case studies completed and generic compliance and audit model developed. | 31 July 2009 ¹ |

1.2 Disclaimer

This report presents the case studies for each of the eight Maori Charitable entities participating in this pilot programme. It is prepared for Te Puni Kokiri only. It does not purport to provide specific legal advice for any entity on their legal obligations under or relating to the Charities Act 2005, the Income Tax Acts and or any other relevant legislation and or case law. It should not be relied upon by any entity accordingly.

1.3 Limitation

This report is limited to providing Te Puni Kokiri with a report on eight case studies, one for each of the participating pilot Maori charitable entities. It does not provide further detail on the generic compliance and audit model, which was covered in the previous Report 3 dated 31 March 2009. This report should be seen as one of a series of reports that are being developed over the two year term of the Agreement and should be read in conjunction with those prepared to date.

¹ Delivery date for final versions of Case Studies renegotiated to 31 July 2009 (originally 30 June 2009) to accommodate approval process by pilot entities and to allow time for professional design and formatting of case studies.

1.4 Context and Previous Reports

This report is the fourth in a series of reports for the Charitable Purposes and Tax Compliance Systems Pilot Programme. Whilst the case studies are stand-alone documents, readers are referred to the three previous reports for broader context and more detail on the programme to date.

| | |
|-------------------------------|---|
| Report 1 31 May 2008 | Preliminary research on the legal framework affecting Māori Charitable Entities under the Charities Act 2005 and the Income Tax Acts. |
| Report 2 30 September 2008 | Research Report, Charitable Purposes and Tax Compliance Systems Programme. |
| Report 3 31 March 2009 | Risk and Audit Report |

1.5 Objectives

The main objective of developing these case studies is to increase knowledge of the policy, processes and requirements of the Charities Act 2005 and the tax regime amongst the pilot Maori entities and their beneficiaries. Essentially, it is a means to share knowledge and experiences by which other participating Maori charities can learn, benefit and identify potential areas for improving their own practices.

To meet these objectives and to ensure broad accessibility to the knowledge to be shared, it was considered imperative that the case studies be presented in a brief 1-2 page, easy-to-read format which contained personal insights, learnings and comments from a key member of the organisation, either from the Governance or management teams.

In addition to meeting the above objectives, there is potential use for case studies as:

- part of the annual report to stakeholders showing how the organisation is maintaining compliance with the Charities Act and its tax exemption status;
- an educational training tool for internal organisational use;
- a general communications sheet for beneficiaries and other stakeholders that may be updated and republished from time to time².

² See Appendix One: Case Study Objectives & Interview Outline provided to all pilot organisations prior to interview.

1.6 Definitions

For the purposes of this report, the following working terms and definitions are used:

| Term | Definition |
|----------------------------------|---|
| Governance members | Includes company directors, trustees, or other governing body members. Referred to as “Officers” on Charities Commission website. |
| Charities Act 2005 | Referred to as the Charities Act 2005 or the Act |
| Charities Commission | Referred to as the Charities Commission or Commission |
| Constitution | Governing documents such as the organisation deed, constitution or charter. |
| IRD | Referred to in the report as IRD or Inland Revenue |
| Māori charitable entities | Legal entities that are registered or eligible for registration with the Charities Commission and which are majority owned by Māori or whose members or beneficiaries, the majority of which are of Māori descent. |
| Policy | A deliberate plan of action to guide decisions and achieve a rational outcome(s). |
| Procedure | A series of prescribed steps followed in a definite regular order which ensure adherence to the guidelines set forth in the Policy to which the Procedure applies. |
| Risk | The chance of something occurring that will, should the event occur, have an impact on the achievement of organisational objectives. It is measured in terms of the likelihood of something happening and the consequences if it happens. |
| Risk Management | A systematic and logical process of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable an organisation to minimise losses and maximise opportunities. |
| Stakeholders | Those individuals, groups, institutions etc (either internal or external to the organisation) who are or perceive themselves to be affected by a decision or activity. |

1.7 Acknowledgements

FOMANA would like to acknowledge the ongoing support provided by Te Puni Kokiri for the Charitable Purposes and Tax Compliance Systems Pilot Programme.

We wish to thank Ben Bradley for the application of his professional graphic design skills which have lifted normal text-based case studies into the realm of extraordinary by using photos and design embellishments to both capture and engage the readers while imparting important learnings and messages for other charities.

Thanks to Peter Doolin for providing a welcome set of fresh eyes and critical review of the report so that we maintain standards and consistency across reports.

Finally and most importantly, the case studies on which this report is based would not have been possible without the eight individuals who generously agreed to be interviewed as part of the case study process. We are profoundly appreciative of your willingness to share personal insights and organisational experiences relating to charitable purpose compliance, and to have that information and knowledge made available for the benefit of the other pilot organisations, and more broadly, to other Maori charities later in the training phase of this pilot programme. Our thanks also to staff in the pilot organisations who prepared data, obtained photos, sent logos, and responded diligently to all our follow up requests.

Kei te mihi, Kei te mihi, Kei te mihi.

| | | |
|--|---------------------------------|--------------------|
| Ngati Rarua Atiawa Iwi Trust | John Charleton | Selina Tait |
| Taranaki Iwi Trust | Kerry Walsh | Tokatumoana Walden |
| Taranaki PHO Ltd | Pauline Cruickshank | Kirsty Montgomery |
| Te Aroha Medcare Ltd | Hayden Wano | Rangimahora Reddy |
| Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust | Morrie Love | Peter Reweti |
| Te Kaahui o Rauru | Hayden Potaka | Pania Winterburn |
| Te Rau Pani Māori Mental Health Trust | Hinemoerangi Ngatai Tangirua | Terry Huntley |
| Tui Ora Ltd | Hayden Wano | Rangimahora Reddy |

1.8 Forward Programme and Outputs

The following table outlines the outputs for the next three reports.

| Short Term Outcome | Outputs 9 and 10 | Due Date |
|--|---|-------------------------|
| <p>Increased knowledge by Māori pilot entities and their beneficiaries of the policy, processes and requirements of the Charities Act 2005 and tax regime.</p> | <p>Training developed and provided to Māori entity team on application of compliance/audit model.</p> | <p>28 August 2009</p> |
| | <p>Training delivered to beneficiaries of each pilot entity on compliance and audit model.</p> | <p>15 December 2009</p> |

Case Study
Report
Section Two
Methodology

Charitable Purposes and Tax Compliance Systems Programme

Section Two: Case Study Methodology



Section Two: Case Study Methodology

The case studies were developed using the following methodology:

2.1 Review of relevant NZ Case Study examples

- a) Review structure, style and presentation format of 30 case studies of Maori organisations and their governance experiences. Published in three reports jointly by Te Puni Kokiri and the Federation of Māori Authorities in 2004-2005.³
- b) Review structure, style and presentation format of case studies about NZ businesses that have improved their workplace productivity. Published by Department of Labour.⁴
- c) Identify elements of structure, style and format appropriate for presenting case studies for this pilot programme.

2.2 Consult pilot organisations and Te Puni Kokiri

- a) Provide samples of some of the above case studies to eight pilot organisations and obtain feedback on preferred length, style and format of case study.
- b) Discuss appropriate length, style and format of case study with Te Puni Kokiri Investment Manager.

2.3 Develop Objectives and Interview Questionnaire

- a) Draft Case Study Objectives and Interview Outline document with two parts:
 - Part One: Objective of Case Study Report
 - Part Two: Key Parts of the Case Study Report and sample interview questions⁵
- b) Distribute by email to key contacts in the eight pilot organisations.
- c) Identify interviewee within pilot organisation.
- d) Arrange date and time for 30 minute phone interview (recorded with permission).
- e) Print blank copies of interview outline for note-taking during interviews.

³ <http://governance.tpk.govt.nz/share/casestudies.aspx>

1. "Hei Whakatinana I te Turua Po: Business Success and Maori Organisational Governance Management Study";

2. "He Mahi, He Ritenga Hei Whakatinana i te Turua Po 2004";

3. Maori Business Innovation and Venture Partnerships 2005: Hei Whakatinana i te Turua Po.

⁴ <http://www.dol.govt.nz/workplaceproductivity/case-studies/index.asp>

⁵ See Appendix One: Case Study Objectives & Interview Outline

2.4 Review and analyse pilot programme data for each of the eight entities

- a) Review organisation's Constitution and extract "Charitable Purposes" statement;
- b) Review responses to Questionnaire completed during Research Phase, noting organisation's self assessed areas of strength and areas for improvement;
- c) Review responses to Policy Checklist completed during Risk & Audit Phase, noting areas where no policies existed or under development by the organisation;
- d) Review Risk Profile completed during Risk & Audit Phase.
- e) Note any questions to ask during interview.

2.5 Search Charities Commission Register for listings of eight entities

- a) Search online register www.charities.govt.nz for each of the eight pilot organisations and their affiliated marae or wholly owned subsidiaries.
- b) Record in table format for inclusion in case studies.
- c) Note any omissions and follow up during interview.

2.6 Conduct phone interview with individuals in each of the eight entities

- a) Outline rationale and objectives for the case study, and provide background to project if necessary.
- b) Seek permission to record interview for the purpose of facilitating the incorporation of quotes and comments into case study.
- c) Ask questions according to notes, using Interview Questionnaire as a guide only.
- d) Record responses in writing or by digital recording.
- e) Outline next steps, timeline for feedback on draft case study.
- f) Request photos, logo and any other additional information to complete draft.

2.7 Analyse data and write draft case studies for each of the eight entities

- a) Draft Case Study in three main parts:

Part One: Charitable Purpose statement, Background, Size and Resources of Charity;

Part Two: Interview notes with personal comments and quotes;

Part Three: Charity's listing on Charities Commission website as at 30 June 2009.

- b) Incorporate photos, logos where available.
- c) Send draft case study to interviewee for comment, correction and feedback.

2.8 Review of case study by eight entities and approval of drafts

- a) Internal review and sign-off process by each of the eight pilot organisations.
- b) Follow up communications to obtain any missing data (eg. Financial and HR figures) and to obtain photos and logos.
- c) Draft updated by FOMANA and returned to pilot organisation for sign-off.
- d) Approval of draft and agreement to distribute to Te Puni Kokiri.

2.9 Design and formatting of final case studies for publication

- a) Transformation of draft case studies to publication quality documents by FOMANA in-house graphic designer.
- b) Follow up communications to obtain any missing data (eg. Financial and HR figures) and to obtain photos and logos.
- c) Final case studies incorporated into Case Study report.

The methodology is illustrated in a Diagram on the following page.

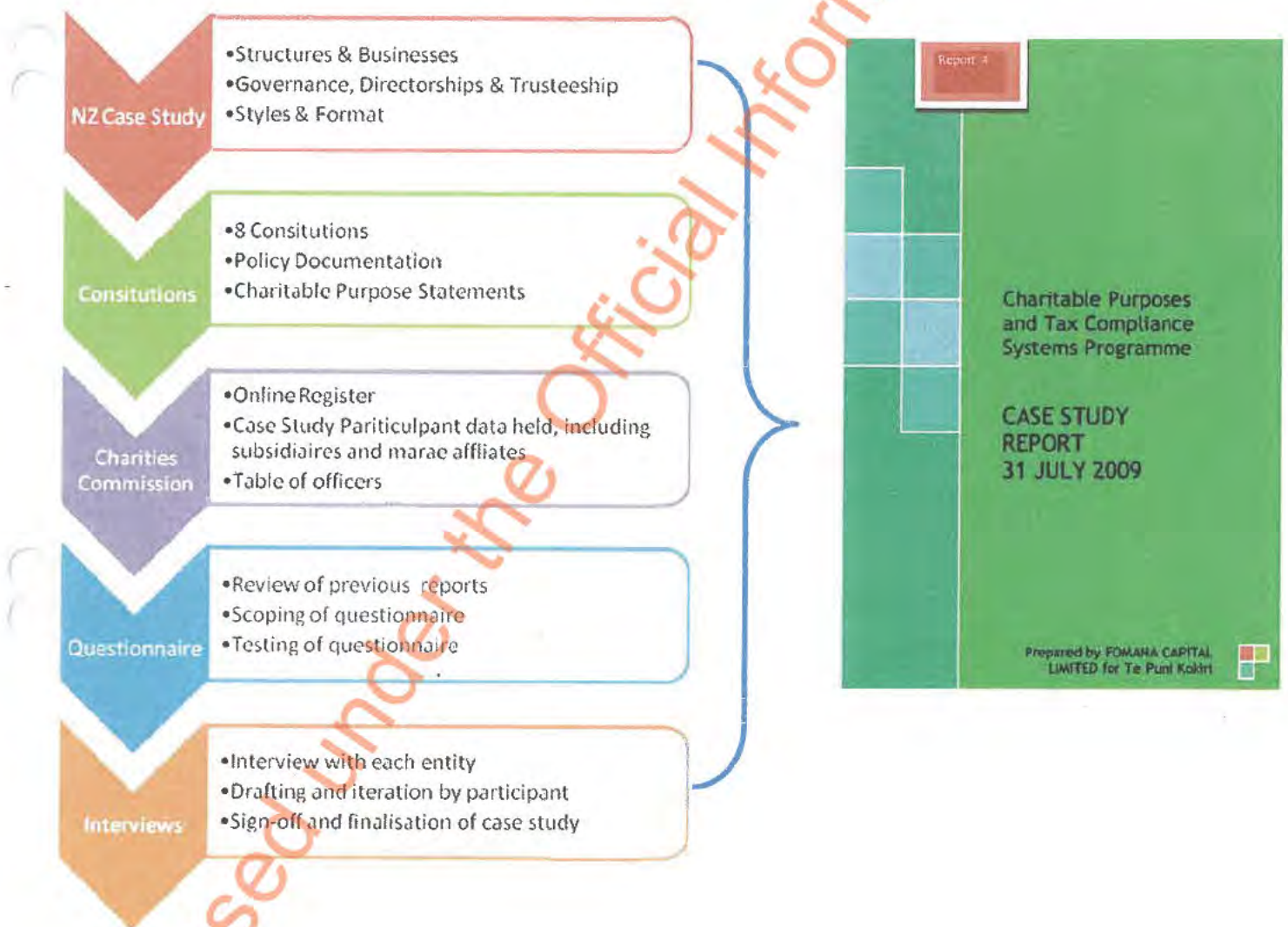
2.10 Methodology Framework and Diagram

Methodology Framework

The research and development of the case studies has been conducted in five segments:

1. A New Zealand case study review and particularly relating to Maori organisations;
2. A review of each organisation's constitution;
3. A review of the Charities Commission requirements;
4. Development of questionnaire;
5. Interviews.

The methodology is outlined in the following diagram.



Case Study
Report
Section Three
Case Studies

Charitable Purposes and Tax Compliance Systems Programme

Section Three: Case Studies

1. Ngāti Rārua Atiawa Iwi Trust
2. Taranaki Iwi Trust
3. Taranaki PHO Ltd
4. Te Aroha Medcare Ltd
5. Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust
6. Te Kaahui o Rauru
7. Te Rau Pani Māori Mental Health Trust
8. Tui Ora Ltd



Section Three: Case Studies

3.1 Ngāti Rārua Atiawa Iwi Trust Case Study

Released under the Official Information Act 1982



Ngāti Rārua Ātiawa Iwi Trust

About Ngāti Rārua Ātiawa Iwi Trust (NRAIT) The Ngāti Rārua Ātiawa Iwi Trust is a statutory Trust with charitable purposes created under the Ngāti Rārua Ātiawa (NRAIT) Empowering Act 1993. In 1853, land originally owned by two hapū of Ngāti Rārua and one hapū of Ātiawa Iwi, was subject to Crown grants made to the then Bishop of New Zealand for the purposes of establishing a school. No school was ever erected on these lands but a school operated intermittently, supported by income earned from the land. The 1993 Act was the culmination of more than 140 years of complaint and grievance by the original owners and their successors. It finally gave effect to the resolution made by the Nelson Diocesan Synod of the Anglican Church to vest the assets of the Whakarewa School Trust Board in a new Charitable Trust for the descendents of the original owners. The Deed of Trust was duly signed on 7 May 1993.

The Trust currently has 1900 registered owners who are the direct descendents of the original owners. It is a hapū-based Trust and the assets are owned communally and not with individual shareholdings like other Māori land incorporations or Trusts. The Trust's core business activity is land management and it has interests in horticulture, pastoral operations and leasing land with a landholding of over 1200 acres, including land in interests across companies and associate interests.



Charitable Purpose Statement in Charity's own Constitution

TRUST

3. The Trustees declare that they shall hold the Trust property UPON TRUST to promote the education, vocational training, economic development, health, religious and spiritual welfare (including the promotion of Māoritanga), social services, hospital and residential care of beneficiaries and the relief of poverty and provision of social support and care for indigent or impoverished beneficiaries in each case in New Zealand.

Charity's Distribution policy and impact on Marae

A second change still in draft and awaiting approval, is the Trust's Distribution Policy. As Chairman, Paul Morgan, noted in the 2008 Annual Report "the Trust has reviewed our distribution process under the new Charities Act regime as it is essential that all distributions of a charitable nature are made to Charities compliant organisations to ensure our status is maintained. This has required the marae we support to complete registration, also with some being registered". The four Ngāti Rārua and Te Ātiawa marae affected are: Onetahua Marae at Takaka; Te Awhina Marae at Motueka (registered charity CC37457); Whakatū Marae at Nelson (registered charity CC38862); and Waikawa Marae at Picton. In addition to being registered as a charity, the funding application from marae will need to specify how the funds will be used, that is, for which one of the four charitable purposes. For example, are the funds to be used for a purpose that:

1. relieves poverty?
2. advances education?
3. advances religion?
4. is beneficial to the community?

John says that he is also drafting a checklist which can be easily used by Trustees to test that applicants meet the charitable purpose criteria. It's another plank in their risk management framework and John notes, "if audited, the Board's completed checklist can be produced as evidence of a sound process". Once the Distributions Policy has been approved and the Education and Marae Grant application forms updated, the Trust intends to communicate the changes to its members via the website www.nrait.co.nz, the quarterly newsletter, the Annual Report, and on the Grant Application Form.

Learnings for other Maori charities

Asked about particular challenges for kin-based Māori charities, John thinks "the big one is to ensure that they operate within charitable purposes and within the auspices of the Charities Act. Where, in the past distributions might have been a lot broader, they really have to put more thought into the process of making those distributions, otherwise they could become taxpayers and with it the loss of assets".

Impact of Charities Act 2005

When the Charities Act came into force in 2005, NRAIT Trustees considered the implications for the Trust and conscientiously decided to bring some of their existing practices into strict alignment with the new legislation. John says the Trustees took this "stringent line" in order to make sure that they kept their charitable status and maintained their tax exemption. One change is to align the broader eligibility criteria for Trustees under their own legislation with the narrower criteria for Officers under the Charities Act 2005. The Trust also maintains clear separation between its charitable (non-taxable) activities and the business (taxable) activities of associated companies (as a minor shareholder). These companies were established as separate legal entities to mitigate the risk of loss of Trust assets.

Charity's involvement in Pilot programme

Ngāti Rārua Ātiawa Iwi Trust was the first of the eight Māori charities to sign up for the pilot programme in September 2007. As John Charleton, Chief Operating Officer, recalls "we wanted to be able to benchmark ourselves against other entities and try to get best practice by comparing our policies and procedures with what others are doing". John is responsible for completing and filing the compliance returns with the Charities Commission including any change of Officers after the Trust's AGM in April and filing the annual returns due in June. He has found the Charities Commission process for annual returns fairly simple. "All you have to do is fill it in and make sure the Officers' names are up to date. It wasn't overbearing and only took an hour at the most to complete".

Charity's Organisation Structure and Links to Iwi community

Under the Trust's constitution, the Board consists of eight trustees, Ngāti Rārua with 80% (6 Trustees) and Te Ātiawa with 20% (2 Trustees). Trustees are elected at the AGM on a 3 year rotation. In 1999, NRAIT decided to separate its activities into two divisions, each with its own clear objective and focus. The first (Koru Investment Group Ltd) is to manage and grow the Trust's commercial assets and opportunities, and the second (Te Whanake) is to give new momentum and focus to social and cultural aspirations. Management of the Trust is undertaken by the Chief Operating Officer, John Charleton, assisted by a small team of 0.5 full time equivalent staff, and some external contracts.



9(2)(b)(ii)

Ngāti Rārua Ātiawa Iwi Trust Board
Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered
Date: 13/12/2007
Registration number: CC20248
IRD number: Restricted
Annual Return Due Date: 30/06/2010
Charity's street address: 5 Duncan Street, Nelson 7040
Charity's postal address: Level 2, Wakatu House, 28 Montgomery Square, Nelson 7040, P O Box 13
Phone: (03)5480770
Fax: (03)5390492
Email:
Website: <http://www.nrait.co.nz>

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets
Sectors: Arts / culture / heritage
Accommodation / housing
Education / training / research
Environment / conservation
Economic development
Activities: (Makes grants / loans to individuals)
Makes grants to organisations (including schools or other charities)
Acts as an umbrella / resource body
Provides advice / information / advocacy
Provides buildings / facilities / open space
Beneficiaries: (Family / whanau)
Children / young people
General public
Areas of Operation: Nelson - Marlborough - Tasman

Officer Name & Effective Date:
Paul Morgan
13/12/2007
Russell Thomas
13/12/2007
John Morgan
13/12/2007
Robert Taylor
13/12/2007
Melanie McGregor
13/12/2007
Emma Park
26/04/2008
Rima Piggott
26/04/2008
Warren Kahukura
11/04/2009

Past Officers & Past Since:
Alan Willison 12/04/2009
Andrew Luke 26/04/2008
John Katene 26/04/2008
Robert Shore 12/04/2009

Exemptions:
This charity has been granted an exemption from filing an annual return by 30 June 2008 under Section 43 of the Charities Act 2005. The first annual return is due by 30 June 2009.
Notice of Change: Date: 29/07/2008 Reference: NOC002
Annual Returns: Due Date: 30/06/2008

FOMANA Capital Ltd acknowledge the support of Te Puni Kōkiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz



3.2 Taranaki Iwi Trust Case Study

Released under the Official Information Act 1982



Taranaki Iwi Trust

About Taranaki Iwi Trust Taranaki Iwi Trust was established by Te Rūnanga O Taranaki Iwi Incorporated as the Mandated Iwi Organisation (MIO) for Taranaki Iwi under the Māori Fisheries Act 2004. At the Rūnanga AGM in December 2007, it was agreed to disestablish Te Rūnanga and have just one governing body for the iwi, the Taranaki Iwi Trust. The Deed of Trust was adopted on 3 September 2006 and there were 15 establishment Trustees. Since 2006, Taranaki Iwi Trust has held annual elections under the terms of the Trust Deed and there are now seven Trustees, elected for a term of 3 years by registered adult members, those 18 years and over.

As the mandated body to speak on matters affecting the collective interest of people who whakapapa to Taranaki Iwi, the Trust has certain political, social, cultural and economic responsibilities in addition to the asset management and distribution responsibilities brought about by the Fisheries settlements. The current Vision of the Trust is:

To enhance the Social, Cultural, Economic and Political aspirations of those who are whakapapa to Taranaki iwi.

Charity's Organisation Structure and Links to Taranaki Iwi community

Marae of Taranaki Iwi
5 Marae

Members of Taranaki Iwi
2,600 registered members

Hapu of Taranaki Iwi

Taranaki Iwi Trust
7 elected Trustees
1 Executive Assistant (part time contract)

ASSEST HOLDING COMPANY (Registered Charity)
Taranaki Iwi Fisheries Ltd
2 Directors

Charitable Purpose Statement in Charity's own Constitution

3. Kaupapa/Purposes

3.1 The purposes for which the Trust is established are to receive, hold, manage and administer the Trust Fund for every Charitable Purpose benefiting Taranaki whether it relates to the relief of poverty, the advancement of education, or religion or any other matter beneficial to the community of Taranaki and all the Members of Taranaki irrespective of where those persons reside.

Clause 3.1 of the Deed of Trust for Taranaki Iwi Trust adopted 3 September 2006

Charity's involvement in Pilot programme

Kerry Walsh, Executive Assistant, has been with the Taranaki Iwi Trust since its establishment in 2006 and has been the mainstay for managing the operational aspects of the pilot programme for the Trust. The Trust accepted the invitation to participate in the programme in October 2007 on the understanding that the organisation would benefit by:

- (a) increasing their capability and understanding of the new charities and tax compliance regime;
- (b) protecting their tax exemption status; and
- (c) providing quality assurance systems to their organisation, their beneficiaries and stakeholders.

Charity's compliance and risk mitigation strategies

As a new entity, Taranaki Iwi Trust has had to start from scratch to develop its own operating systems, policies and procedures. While the Trust Deed sets out clear rules for some aspects of the Trust's activities (e.g. election process and annual reporting), there are few guidelines for the day to day management of the Trust. To its credit, the Trust has now drafted a substantial Operation Guidelines and Procedures Manual with key areas such as Governance, Membership, Operations (Admin, Finance, HR, and Information Management), Liaison and Advocacy and Subsidiaries. Kerry says the Trust intends also to draft specific policies for Delegation of Authority and Distributions.

To manage any risk of non-compliance with its charitable purposes while the distribution policy is being drafted, the Trust has decided not to make any distributions. Furthermore the Trust is not expecting to receive a dividend from its wholly-owned asset holding Company (Taranaki Iwi Fisheries Ltd) until the 2009-2010 year. Trustees have expressed an interest in learning more about the criteria for Marae to become registered with the Charities Commission and this will be addressed during the next pilot programme training session in August or September 2009.

Charity's distinctiveness and current or future challenges

A particular challenge for this organisation is the constitutional requirement to maintain an up to date register of Iwi members. Kerry says that this is an onerous task, as she needs to keep track of 2,600 registered members, "which can be really difficult if they don't update their addresses". To keep it manageable, she uses the Tuhono service and has recently installed a new membership database in the office. This was critical for the recent mailout to 1347 adult members as part of the Taranaki Iwi Trust's Strategic Planning process. In the words of the Chairman, Tokatumoana Walden "a draft version of the strategic plan will be presented at the next Annual General meeting later this year so our members are aware of our shared vision and future direction". (Letter dated 23 March 2009)

Charity's registration experience

Of the eight participating Māori charities in the pilot programme, Taranaki Iwi Trust has had to wait the longest for official confirmation of their registration with the Charities Commission. This was finally received on 22 June 2009 after more than 18 months in the queue. The Commission did raise one issue about the Trust's name being very similar to another Trust on the companies register but Kerry said that this issue was resolved many months ago. She's pleased that the Trust can now go forward with certainty about its charitable status. She intends to inform Taranaki Iwi members and stakeholders via the Trust's regular communication channels, that is, the quarterly newsletter, the Annual Report, and the Trust's website – www.taranakiwi.org.nz. The other task before her, Kerry says, is to complete the annual return by 30 September 2009 and to notify the Commission of changes in Officers following last year's Trust election. She is hopeful that these compliance processes will proceed smoothly, as they have for the other pilot participants.



9(2)(b)(ii)

Taranaki Iwi Trust

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 30/06/2008

Registration number: CC39750

IRD number: Restricted

Annual Return Due Date: 30/09/2009

Charity's street address: 6351 Surf Highway 45
Pungarehu

Charity's postal address: P O Box 40
Pungarehu 4538

Phone: (06)7638550

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: (Economic development)
Education / training / research
Health
Environment / conservation
Marae on reservation land
Community development
Arts / culture / heritage
Sport / recreation

Activities: (Acts as an umbrella / resource body)
Makes grants / loans to individuals
Makes grants to organisations (including schools or other charities)
Provides advice / information / advocacy
Provides human resources (e.g. staff / volunteers)

Beneficiaries: (Other charities)
Children / young people
Older people
People of a certain ethnic / racial origin
Family / whanau
Hapu Iwi

Officer Name & Effective Date:

Tokatumoana Kevin Walden
23/08/2007

John Niwa
23/08/2007

Leanne Horo
23/08/2007

David Tamatea
23/08/2007

Keith Manukonga
23/08/2007

Peter Moeahu
23/08/2007

Fay Mulligan
23/08/2007

PAST OFFICERS
Note: Register has yet to be updated with new Officers following last election in 2008:

Past Officer: Peter Moeahu
Current Officer: Diane Ratahi

FOMANA Capital Ltd acknowledge the support of Te Puni Kokiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

know
ledge

3.3 Taranaki PHO Ltd (Hauora Taranaki PHO) Case Study

Released under the Official Information Act 1982



**About Hauora Taranaki
Primary Health
Organisation (PHO)**

Hauora Taranaki PHO is the trading name for the limited liability company (Taranaki PHO Ltd) that was established in April 2003 with a clear not-for-profit status. Hauora Taranaki PHO is one of three PHOs located in Taranaki, and one of 81 nationwide. PHOs vary widely in size and structure but all work to bring doctors, nurses and other health professionals together in the community to serve the needs of their enrolled populations. With an enrolled population of 45,966 as at July 2008, Hauora Taranaki PHO is serving nearly half the total 104,000 plus population in the Taranaki DHB region and is considered one of the leading health care providers within Taranaki.

**Charity's Organisation
Structure and Links to
Māori community**

Hauora Taranaki PHO has a complex and multi-layered structure. This reflects its accountability back to the community it serves, and also its unique network of primary health care services including GPs, dieticians, midwives, Kaupapa Māori services, and low cost practices with reduced patient charges.

Hauora Taranaki PHO is owned 50% by Taranaki Primary Health Provider Inc. (TPHP Inc) and 50% by Tui Ora Trust (TOT). TPHP Inc was formed early 2003 as a legal entity for a network of 18 General Practices that provide First Level health services across the Taranaki region. TOT was established in 1998 with four appointees from Te Whare Punanga Korero (representing each of the eight Iwi of Taranaki) and four appointees from Kotahitanga (representing sixteen Māori providers).

Charitable Purpose Statement in Charity's own Constitution

The charitable objects for which the Company is established are to:

(a) Improve community health outcomes in the Taranaki region in accordance with the MOH Service Specifications;

(b) Consolidate and integrate the delivery of services to more effectively to meet the needs of the population; and

(c) Pursue any other objectives which the Directors consider are consistent with the objectives set out in paragraphs (a) and (b) above.

Clause 2.2 Constitution of Taranaki PHO Ltd

Charity's involvement in Pilot programme

Pauline Cruickshank, Manager of Hauora Taranaki PHO, welcomed the opportunity to participate in the FOMANA led pilot programme and signed up her organisation in August 2008. When asked why she decided to engage in the programme, Pauline was clear that her Board directors were supportive and "from a personal point of view, she wanted to understand a little more about charitable purposes and the role of the Charities Commission".

As evidence of the PHO's commitment to increasing its capability and understanding of the new charities and tax compliance regime, both Pauline and Board Chairperson, Kura Denness, participated in the initial research phase interview, conducted late August 2008. Their responses indicated a high level of organisational and personal understanding of their charities and tax compliance obligations. For example, they readily identified these factors as important to maintaining tax exempt status:

- Activities meet requirements of constitution;
- Maintain not-for-profit status;
- Registration maintenance;
- Contractual arrangements that support or have evidence of not-for-profit status.

As part of the Risk and Audit phase of the programme (Dec 2008 – March 2009), Pauline carried out a review of the PHO's policies against a checklist of some 100 policies. Pauline said that the exercise forced them to consider the reasons why they did, or didn't, have policies in place. She says "we have changed our attitudes to why we have policies". For example, the charity's Governance Policies showed a mixed result with some areas already covered by the constitution (Board Membership and Board Meetings), one policy that was drafted but not yet approved (Board Performance Evaluation), and other policies that had never been considered but may be in future (Board Induction, Board Remuneration).

Learnings for other Māori charities

When asked what learnings there were from the pilot programme, Pauline was adamant that other charities must "make sure you've got good structures and processes". For Hauora Taranaki PHO, the challenge is to ensure we have a transparent process to stakeholders and Board. "We are a service provider so there's not the same challenge of applications from beneficiaries for distribution of funds. There is no pecuniary gain. Beneficiaries receive a health gain".

Charities Act compliance and relationship with Charities Commission

Pauline found "like everyone, registration with the Charities Commission was a slow one" but the process to submit notice of a change to Directors was "quite straightforward". The challenge will be to ensure that both the Companies office and the Charities Commission annual filing requirements are fulfilled, and not confused.

8 Risk factors relevant to Charities

1. Operating outside "charitable purposes"
2. Misappropriation of Trust funds
3. Missapplication of Trust funds
4. Penalties applied by IRD
5. De-registration by Charities Commission
6. Loss of tax exemption status
7. Loss of reputation
8. Legal action against Trustees/Directors

Hauora Taranaki PHO is well aware of the eight risk factors identified in the pilot programme. As a well-established charity with substantial infrastructure and resources, it has implemented a suite of solid risk management strategies. Overall, Pauline says "I don't think we've got a huge risk by virtue of the fact that it's not policy to pay out to any group". In addition she says "we manage risk through good governance, financial accountability, contracted services for Finance, IT and HR via service level agreements with Tui Ora, and by having a Risk Management Framework including an Audit and Risk committee".



When asked what learnings there were from the pilot programme, Pauline was adamant that other charities must "make sure you've got good structures and processes".

9(2)(b)(ii)

Taranaki PHO Limited

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 04/03/2008

Registration number: CC21526

IRD number: Restricted

Annual Return Due Date: 31/12/2009

Charity's street address: 36 Maratahu Street, Westown
New Plymouth 4310

Charity's postal address: P O Box 8119, Westown
New Plymouth 4310

Phone: 06 759 4064

Fax: 06 759 1799

Email: admin@htpho.co.nz

Website: www.htpho.co.nz

CHARITABLE PURPOSE Note: Main sectors, activities
and beneficiaries are in brackets

Sectors: (Health)

Activities: (Acts as an umbrella / resource body)
Provides advice / information / advocacy

Beneficiaries: (People of a certain ethnic / racial origin)
Children / young people
Older people
People with disabilities
Family / whanau

**Areas of
Operation:** Taranaki

Officer Name & Effective Date:

Eleanor Edwards
25/09/2008

Julie Brandt
24/09/2008

Kura Denness
04/03/2008

Diane Jones
04/03/2008

Lindsay MacLeod
04/03/2008

Wayne Mulligan
04/03/2008

Jamie Tuuta
04/03/2008

Marie Dwyer
04/03/2008

Past Officers & Past Since:

William Hurlow
27/06/2008

Patrick Leary
26/09/2008

Exemptions:

This charity has been granted an exemption from filing an annual return by 31 December 2008 under section 43 of the Charities Act 2005. The first annual return is due by 31 December 2009.

Notice of Change: Date: 01/04/2009 Reference: NOC002

Annual Returns: Due Date: 31/12/2008

Received Link to Return: Exemption

FOMANA Capital Ltd acknowledge the support of Te Puni Kōkiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz



3.4 Te Aroha Medicare Ltd

Released under the Official Information Act 1982



Te Aroha Medcare Limited

About Te Aroha Medcare Limited Te Aroha Medcare was set up in 2001-2002 by two registered nurses (Pam Ritai and Christine Nicholas) to meet an identified gap in health care services to Māori. This need was verified by an independent analysis that found there were approximately 4,000 Māori people living in the New Plymouth area who were not registered with a General practitioner. The GP practice, Te Aroha Medcare, was constituted in July 2003 as a limited liability company with a stated charitable status.

In 2005-2006, Tui Ora Ltd and Taranaki PHO Ltd became the sole shareholders of the Company but have retained its original Kaupapa, as expressed in the mission and vision statements below:

- To work cooperatively with our patients in an environment of respect, support and openness;
- To provide and deliver a high quality health service that is accessible, at low cost and works in cooperation with other health service providers to improve our patients' health and wellbeing.

Te Aroha Medcare is an access funded GP Practice. It is one of the seventeen health provider organisations affiliated to Tui Ora, the Māori Development Organisation (MDO) operating as a "Lead Contractor" to meet the specific health needs of Māori in Taranaki. Currently, Te Aroha Medcare provides GP services for 1800 registered clients, 54% of those being Māori, and 72% of those 1800 are classified as "high needs" according to recognised health definition and economic deprivation criteria. In that sense "it is unique in that it is purely a high needs practice with a focus on Māori health, but not exclusively" says Hayden Wano, Chief Executive of Te Aroha Medcare.

Charitable Purpose Statement in Charity's own Constitution

The parties to this constitution wish to establish a charitable entity under the provisions of the Charitable Trust Act 1957 for the objects/aims described in clause 4 of this constitution or to develop, manage and promote health to the best advantage for all. The name of this entity shall be known as TE AROHA MEDCARE LIMITED with CHARITABLE STATUS.

Presentation and Clause 1 of Constitution dated 11 July 2003

Charity's road to registration with the Charities Commission

Te Aroha Medicare had submitted its constitution and application for registration as a charity to the Charities Commission well before the 1 July 2008 closing date. However, the Charities Commission was not completely satisfied with the constitution as submitted, and asked Te Aroha Medicare to strengthen the rules, in particular those relating to payment of dividends and restrictions on private pecuniary profit. Te Aroha Medicare duly sought legal advice and the following written resolution was adopted by the shareholders of the company, satisfying the Commission's registration requirements.

Clause 23A Payment of Distributions (Dividends)

None of the capital or income of Te Aroha Medicare Limited shall be paid or transferred directly or indirectly by way of dividend, distribution or otherwise for the private pecuniary profit of any individual. Provided however that nothing in this clause shall prevent:

- The payment in good faith of reasonable remuneration to any directors, shareholders or employees of Te Aroha Medicare Limited or to any other person for services rendered to Te Aroha Medicare Limited,
- The payment of interest to any person at a rate not exceeding the commercial rate of interest for the time being.

If approved by shareholders, the proposed alteration will affect the rights attaching to the shares held by Tui Ora Limited and Taranaki PHO Limited, being all the shareholders in the Company, in that payment of distributions (dividends) will not be made for the private pecuniary profit of any individual. Payment of distributions (dividends) will therefore be made only to shareholders with charitable status.

Alteration to Constitution by way of written resolution of shareholders of Company dated 26 Sept 2008



Risks facing this Charity and other Māori charities

Hayden was pleased to note that this financial year Te Aroha Medicare "will turn a profit for the first time in its life". It is still vulnerable however and he says the greatest challenge is retention of staff. He also noted that the organisation could suffer from changes in health funding policy that led to a shortening of planning and funding horizons. To manage these risks, Hayden says that they must be clear about what they're trying to achieve, to be able to demonstrate that they're making a difference and getting good results with public funds. And if they had to start paying tax? "We'd have to take a really good look at ourselves. We couldn't continue to do things the way we do them now".

Charity's involvement in Pilot programme

Te Aroha Medicare agreed to participate in the pilot programme in August 2008 as part of the collective with Tui Ora Limited and Hauora Taranaki PHO. According to Chief Executive, Hayden Wano, there was also the incentive to ensure that Te Aroha Medicare achieved registration with the Charities Commission.

Charity's Governance and compliance policies and practices

Responsibility for compliance with charitable purposes and the Charities Act falls with Governance, which is a common Board of Directors shared with Tui Ora and Hauora Taranaki PHO. Although Te Aroha Medicare is run as a separate legal entity with a separate balance sheet, reports are made to the Board and Hayden provides management support. Financial and HR policies are shared with Tui Ora, however Te Aroha Medicare has its own policies, for example, related to clinical safety practices.

Having said that, Te Aroha Medicare is looking at ways to improve its General Practice and is about to go through an independent Cornerstone accreditation process which, Hayden says, "will show areas where further development is required. It's a voluntary process but will identify how this practice stands up against best practice". Ultimately, it is planned to set Te Aroha Medicare on its feet and place it back into the community, within selected hands to ensure the right outcomes. Hayden recognises that it's not core business for an MDO like Tui Ora but it is one of the elements needed for a good Māori health programme.

the Charities Commission was not completely satisfied with the constitution as submitted, and asked Te Aroha Medicare to strengthen the rules, in particular those relating to payment of dividends and restrictions on private pecuniary profit. Te Aroha Medicare duly sought legal advice and a written resolution was adopted by the shareholders of the company, satisfying the Commission's registration requirements.



9(2)(b)(ii)

Te Aroha Medicare Limited

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 30/06/2008

Registration number: CC32243

IRD number: Restricted

Annual Return Due Date: 31/12/2009

Charity's street address: 36 Maratahu Street
New Plymouth 4310

Charity's postal address: P O Box 8119
New Plymouth 4310

Phone: 06 759 4064

Fax: 06 759 1799

Email:

Website: <http://www.nrait.co.nz>

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: (Health)

Activities: (Provides advice / information / advocacy)

Beneficiaries: (General public)

Children / young people

Older people

People with disabilities

People of a certain ethnic / racial origin

Family / whanau

Areas of Operation: Taranaki

Officer Name & Effective Date:

Kura Denness
20/06/2005

Marie Dwyer
04/09/2007

William Hurlow
26/05/2006

Diane Jones
26/05/2006

Patrick Leary
23/06/2006

Lindsay Macleod
26/05/2006

Wayne Mulligan
01/03/2007

Jamie Tuuta
24/11/2006

Exemptions:

This charity has been granted an exemption from filing an annual return by the 31 December 2008 under Section 43 of the Charities Act 2005. The first annual return is due by the 31 December 2009.

FOMANA Capital Ltd acknowledge the support of Te Puni Kōkiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

know
ledge

3.5 Te Atiawa Ki Te Upoko O Te Ika A Maui Potiki Trust Case Study

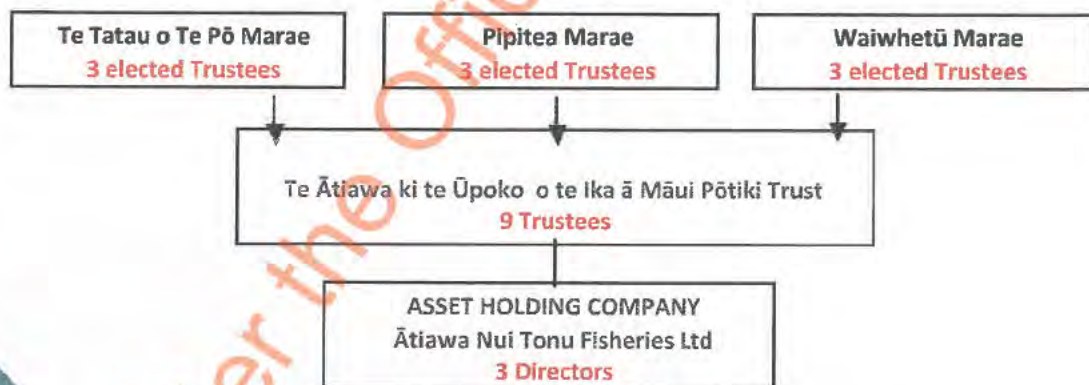
Released under the Official Information Act 1982



Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki Trust

About Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki Trust Te Ātiawa ki te Ūpoko o te Ika Trust was born out of the Māori fisheries claims settlement process and is the legal entity or Mandated Iwi Organisation (MIO) for the purposes of the Māori Fisheries Act 2004. Broadly, it is a charitable trust with an interest in both commercial and customary fisheries including the management of fisheries stock and access to fisheries for the iwi of Te Ātiawa ki te Ūpoko o te Ika (Wellington).

Charity's Organisation Structure and Links to Iwi community In essence, the Trust is structured around three constituent Marae, Pipitea Marae located in Wellington city and Te Tatau o te Pō Marae and Waiwhetū Marae located in Lower Hutt. Three Trustees for each marae are elected on a three year term by registered adult members of the iwi. Currently there are 2000 registered individuals, 1000 adults (18yrs and over) and 1000 children.



Charitable Purpose Statement in Charity's own Constitution

3. Kaupapa/Purposes

3.1 The purposes for which Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki Trust is established are to receive, hold, manage and administer the Trust Fund for every charitable purpose benefiting Te Ātiawa ki te Ūpoko o te Ika ā Māui whether it relates to the relief poverty, the advancement of education, or religion or any other matter beneficial to the community of Te Ātiawa ki te Ūpoko o te Ika ā Māui and all the members of Te Ātiawa ki te Ūpoko o te Ika ā Māui irrespective of where those members reside and for every Charitable Purpose benefiting:

- (a) Māori who are not members of Te Ātiawa ki te Ūpoko o te Ika ā Māui; and
- (b) Members of the community generally.

Clause 3.1 of the Deed of Trust for Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki, dated 2006

Charity's involvement in Pilot programme

Morrie Love, Trustee and Manager for Te Ātiawa ki te Ūpoko o te Ika Trust, said that the Trustees agreed in October 2007 to participate in the pilot programme as they saw that it could assist them in thinking through policies, to identify any gaps, and to check that their accountability processes were sufficient. "We were still in an early development phase and were hopeful that the experience of the other participating charities would be useful".

The initial part of the pilot programme involved a research interview with Morrie Love and fellow Trustee, Peter Reweti. The objective was to identify the level of organisational understanding and practice with regard to the Trust's obligations under the charitable purposes and tax compliance framework (Charities Act 2005). From these interviews, and additional research on the role and authority of the Charities Commission and IRD, a substantial report was produced by FOMANA and distributed for the information of all eight participating pilot charities. Te Ātiawa ki te Ūpoko o te Ika Trust has since completed a policy audit and received a risk profile based around the 8 identified risk factors for Charities:

1. Operating outside "charitable purposes"
2. Misappropriation of Trust funds
3. Misapplication of Trust funds
4. Penalties applied by IRD
5. De-registration by Charities Commission
6. Loss of tax exemption status
7. Loss of reputation
8. Legal action against Trustees/Directors

Risks to Charity and mitigation strategies

Morrie thinks that the greatest risk facing the Trust is related more to its size and capacity and that "it's inefficient to operate at this level and income generating capacity – it's too small". The way around this he thinks could be to look at other models, for example, working with other iwi and sharing the management of fishing quota. There is also a reasonable degree of commercial risk in the fishing industry and this is managed by both the Trust and its wholly owned Asset Holding Company through wise, strategic decision making. The Trust is also considering a reduction in the number of Trustees to six Trustees. Te Ātiawa ki te Ūpoko o te Ika Trust is not alone in facing these challenges, which apply to other MIOs and smaller Māori charities. If there are learnings from this pilot programme, Morrie suggests that others "look carefully at the implications for charitable purposes and develop a distribution policy".



Communications with Charity's beneficiaries and stakeholders

The Trust issues an occasional news sheet "Te Iti me te Rahi" to keep its stakeholders informed of strategies and events. An Annual Report and audited Financial Reports are produced in accordance with the rules of the Trust Deed and these are presented to the iwi members who attend the Annual General meeting. For transparency and accountability, the amount available annually for distribution is decided upon at the AGM.

Charitable Purpose Policy development

Te Ātiawa ki te Ūpoko o te Ika Trust has taken the initiative to draft a policy designed to keep the Trust compliant with the charitable purpose Kaupapa of its Trust Deed. Morrie says that the policy is 'a work in progress' but will contain rules around distribution of Trust funds with strict requirements for application of funds for charitable purposes only.

One way they intend to manage a potential risk of 'misapplication' is to require that applicants are registered charities, or in the case of individuals, that funds are applied for the advancement of education or other charitable purposes.

Morrie has indicated that the policy will look at different classes of beneficiary,. For example, the three constituent marae, iwi organisations for the enhancement of customary fisheries in the rohe, and individual members for educational advancement. At this stage, Pipitea Marae is the only constituent marae that has confirmed registration with the Charities Commission.



9(2)(b)(ii)

Te Ātiawa ki te Ūpoko o te Ika ā Māui Pōtiki Trust

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Date: 30/06/2008

Registration number: CC38312

IRD number: Restricted

Annual Return Due Date: 31/03/2010

Charity's street address: 15 Balmoral Terrace
Wellington 6021

Charity's postal address: P O Box 16147
Wellington 6242

Phone: 64 4 9709841

Fax: 64 4 9709841

Email: morrie@rauakura.co.nz

Website:

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: (Customary Fisheries)
Environment / conservation
Community development
Economic development

Activities: (Makes grants to organisations (including schools or other charities))
Sponsors / undertakes research

Beneficiaries: (Marae)
Children / young people
People of a certain ethnic / racial origin
Family / whanau

Areas of Operation: Wellington - Wairarapa

Officer Name & Effective Date:

John Warren
22/03/2006

Anania Randall
22/03/2006

Wayne Mulligan
22/03/2006

Te Rira Puketapu
22/03/2006

Joanne Korent
19/11/2006

Ihaia Puketapu
19/11/2006

Peter Reweti
10/11/2007

Morris Love
22/03/2006

Exemptions:

This charity has been granted an exemption from filing an annual return by 31 March 2010 under Section 43 of the Charities Act 2005. The first annual return is due by 31 March 2010.

FOMANA Capital Ltd acknowledge the support of Te Puni Kōkiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

know ledge

3.6 Te Kaahui o Rauru Case Study

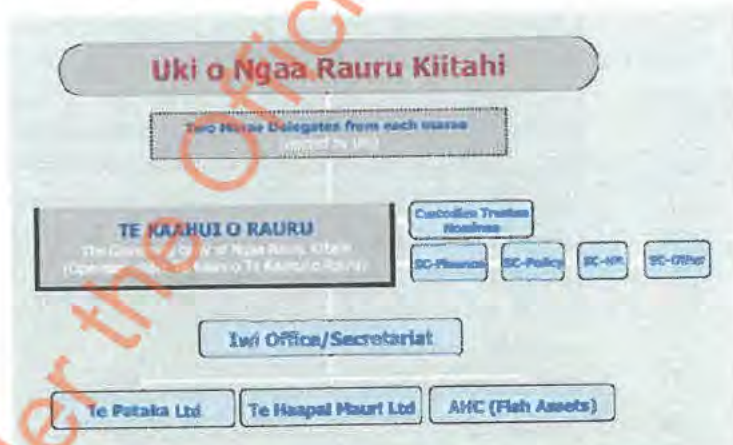
Released under the Official Information Act 1982



Te Kaahui o Rauru Nga Rauru Kiitahi Iwi

About Te Kaahui o Rauru Te Kaahui o Rauru is the iwi representative organisation for Nga Rauru Kiitahi Iwi located in South Taranaki with its office in Whanganui. Te Kaahui o Rauru was established on 27 November 2003 with the signing of the Deed of Settlement with the Crown, culminating four years hard work by the Iwi Authority, Nga Rauru tupuna, and uki to secure redress for wrongs committed by the Crown. The Constitution document (Te Kawa o Te Kaahui o Rauru) sets out the guiding principles of Te Kaahui o Rauru: *Kia rangatira te tuu a Te Kaahui o Rauru hei roopu whakatiinanai i nga rau wawata o te iwi Maaori, o te motu hoki.*

Charity's Organisation Structure and Links to iwi community Te Kaahui o Rauru is a marae based organisation with 12 constituent marae each electing 2 Marae Delegates (Trustees) to the Governance Board. Currently there are 2,600 registered adults (18yrs and over).



Charitable Purpose Statement in Charity's own Constitution

3. Objects of Te Kaahui o Rauru – specific objects set out in clause 3.1(a) – 3.1(o)

3.1 (p) any such charitable programmes and facilities that the Marae Delegates may at their discretion determine as being necessary for the promotion of any or all of the above objects.

4. Powers of Marae Delegates

4.1. Furtherance of the Objects

The Te Kaahui o Rauru Fund must be applied and used exclusively by the Marae Delegates for the Objects, and any other matters that benefit Uki, as the Marae Delegates from time to time decide upon their absolute discretion, subject to the need to maintain one or more charitable purposes.

Clauses 3 and 4 of Te Kawa o Te Kaahui o Rauru v.4, dated June 2007

Clause 4.1 amended to meet Charitable Tax Status by addition of words underlined (TKoR resolution #05/0240)

Charitable Purpose compliance and generic Distribution Policy

It is clear from the review of their policies and practices during the pilot that Te Kaahui o Rauru has a sound framework for maintaining compliance with charitable purposes and retaining tax exemption. Following advice from their lawyers, the organisation has adopted a comprehensive, coherent, and practical Distribution policy which requires Marae Delegates to take the following steps in relation to decisions on Distributions:

1. Charitable Objectives – satisfy themselves that Distribution furthers TKOR's charitable objectives;
2. Distribution Register – record specific charitable objectives of TKOR;
3. Resolution – approval and authorisation of Marae Delegates of Distribution to intended recipient;
4. Paper Trail and Audit – TKOR letter to intended recipient setting out conditions of Distribution;
5. Indemnity – Deed of undertaking and indemnity from intended recipient that it will apply Distribution for charitable purposes.

For ease of application, the Policy contains appendices with Key Definitions of TKOR Charitable Objectives, definition of Major Transactions, and useful Template forms for the Register, Marae Delegate Resolution, TKOR letter to recipient, and Deed of Indemnity from Recipient.

To date, Hayden says that the policy has only been applied to distributions to marae. Funds available for that distribution are limited to retained earnings from Fisheries income and are applied equally across 12 marae. There has been discussion on education grants and Hayden notes "at the moment we don't have an Education Grants policy but we are working on that in future. We are developing an iwi education profile and looking at education attainment as part of our 12 year Education Strategy (2008 – 2020)... the vision is to excel in education, to revitalize Ngaa Raurutanga through education". Investing in their tribal development and Te Reo is also a key priority and Hayden was justly proud of the recent achievement that saw 45 tauira graduate as fluent reo speakers after a one year full-time programme, designed by Ngaa Rauru and delivered on Ngaa Rauru marae. This fits well with the organisation's vision, its strategic objectives, and its charitable purposes.

Risks to Charity

According to Hayden, the greatest risk facing Te Kaahui o Rauru at present is the recession, which has meant the organisation has had to "put on hold" some of the projects it had planned to deliver this year. "We need to know how our people are faring in terms of jobs and what assistance we might be able to provide, to help them through these times...to see what we can do in our role as Kaitiaki". Te Kaahui o Rauru will hold a summit in August 2009 to discuss those specific issues. This hui is in addition to the annual hui-a-iwi in July and the annual survey where Iwi members are asked "Are we headed in the right direction?"

Charity's involvement in Pilot programme and registration of Marae with Charities Commission

Te Kaahui o Rauru joined the pilot programme in September 2007 at the initiation of former Kaiwhakahaere, Marty Davis. At the time Marty was developing a generic constitution, compliant with the Charities Act, which could be used by the 12 constituent marae for the purposes of becoming registered charities. Two years on, the Chairperson, Hayden Potaka, is pleased to note that most of the 12 marae have now been registered with the Charities Commission, or are in the backlog, awaiting registration. Hayden says that the Commission has been particularly interested in the "winding up" clauses, asking what will happen to the Trust funds or Marae assets if the marae ceases to exist. This caused some concern because "you can't really wind up a marae" Hayden recalls their initial reaction. However, these issues have been sorted to the satisfaction of the Commission and the marae. Te Kaahui o Rauru is keenly aware of "doing things in line with the Charities Commission" says Hayden and in terms of participating in this pilot programme, "if we're able to do things better, more efficient and effective for us, that would be great".

Learnings for other kin-based Maori charities

Hayden was adamant that "following the process in terms of legal compliance is quite crucial". He also advocated practical support for places like marae. For example, Te Kaahui o Rauru offered a generic constitution to its marae to facilitate registration, it provides templates for marae to use to access charitable funds, and it is working on a programme to provide marae with accounting and financial management assistance. Support services like these make it easier for marae to comply and to safeguard all parties.



9(2)(b)(ii)

Te Kaahui o Rauru

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered
Date: 30/06/2008
Registration number: CC34302
IRD number: Restricted
Annual Return Due Date: 30/09/2009

Charity's street address: Suite 17
Wicksteed Terrace
Whanganui 5001
Charity's postal address: P O Box 4322
Whanganui 5015

Phone: 06 3484894
Fax: 06 3484087
Email:
Website: <http://www.ngarauru.org.nz/>

Officer Name & Effective Date:

Kelvin Luke 09/12/2004
Te Pokiatua Ashford 09/02/2004
Perry Soloman 09/12/2004
William Gawler 09/12/2004
Bop Ngataierua 09/12/2004
Karen Mcgregor 09/12/2004
Watene Davis 09/12/2004
Mihipepene Davis 09/12/2004
Ngapari Nui 09/12/2004
Te Ringa Te Awhe 09/12/2004
Gloria Ashford 26/06/2005
Darryn Ratana 30/07/2006
Valencia Soloman 30/07/2006
Te Hula Hamilton 30/07/2006
Carolyn Young 30/07/2006
Jason Hina 30/07/2006
Toko Tutahione 30/07/2006
Desmond Canterbury 24/09/2006
Yvette Mcgregor 24/09/2006
Nan Pirikahu-Smith 17/01/2007
Sharlene Tapa-Mosen 03/02/2007
Tame Rangihaeata 31/03/2007
Hayden Potaka 30/07/2006
Te Aroha Waitai 09/02/2004

CHARITABLE PURPOSE Note: Main sectors, activities and beneficiaries are in brackets

Sectors: (Iwi development)
Education / training / research
Environment / conservation
Social services
Arts / culture / heritage
Economic development
Fund-raising

Activities: (Iwi Development)
Makes grants to organisations
(including schools or other charities)
Provides advice / information / advocacy

Beneficiaries: (Nga Rauru uri)
Children / young people
Other charities
Older people
People with disabilities
People of a certain ethnic / racial origin

Areas of Operation: Family / whanau
Manawatu - Wanganui

Registered status of Marae

As at 30 June 2009, a search of the online Charities Register showed that seven marae of Nga Rauru Kaitahi have been registered. It is understood that the other five marae are in the process of registration

FOMANA Capital Ltd acknowledge the support of Te Puni Kokiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

knowVedge

3.7 Te Rau Pani Māori Mental Health Trust Case Study

Released under the Official Information Act 1982



About Te Rau Pani Māori Mental Health Trust (Te Rau Pani)

Te Rau Pani traces its origins to a 2001 joint venture between three parties, Te Whare Puawai o te Tangata Trust, Taranaki District Health Board (TDHB), and Raumano Mental Health Trust, followed in 2002 by a joint agreement with the latter two parties only. By 2004, it was decided to establish a Charitable Trust and the Te Rau Pani Māori Mental Health Trust was constituted by Deed of Trust signed by five Original Trustees on 18 June 2004.

Te Rau Pani provides two distinct services to the Taranaki community:

1. Māori mental health service

A specialist Māori Mental Health Service based upon an integrated delivery model of Kaupapa Māori and Best Practice Principles.

2. Employment Service

A case managed programme designed to get paid employment for Taranaki people with experience of mental illness, that best suits the person's needs.



Charitable Purpose Statement in Charity's own Constitution

4. Objects of Trust (specific to the provision of Maori mental health services within the rohe of Taranaki).

5. General Objects:

(a) Those of a "Charitable Trust" (as those words are understood under the law applicable to New Zealand); in particular to provide financial and other assistance to and for the provision of Maori mental health services for the Taranaki Maori community.

(b) Recreational and similar purposes set forth in Section 61A of the Charitable Trusts Act 1957 or any Act of amendment passed in substitution therefore.

(c) "Charitable purposes" as those words are defined according to the general law of New Zealand.

(d) To perform all such other acts, matters or things as are incidental or conducive to the attainment of the foregoing objects.

Clauses 4 and 5 Deed of Trust Te Rau Pani Maori Mental Health Trust

Charity's involvement in Pilot programme

When Te Rau Pani joined the pilot programme in August 2008, it was Warren Nicholls, as Acting General Manager, who agreed to participation. He had just completed an internal review of the policy compliance position of Te Rau Pani and his initial assessment was that some work was needed in this area. The FOMANA programme was seen as a timely opportunity for external review and support for Te Rau Pani. Warren's completion of the research phase questionnaire and interview was the first step in that external review process.

In early 2009, Hinemoerangi Ngatai Tangirua was appointed to the position of General Manager and consequently took on the management of the pilot programme. One of her immediate tasks was to complete the Policy checklist requiring her to become quickly and intimately acquainted with the extent and status of Te Rau Pani's policies across six areas (Legal Compliance, Governance, Financial Management, Information Management Systems, Operations and Personnel). Following that policy review exercise and driven strongly by the Quality Health NZ accreditation process, Hinemoerangi says that "there's been some changes in the organisation and Te Rau Pani has made a commitment to make improvements". For example:

- Board membership has been changed;
- A lot of policies have been reviewed and updated;
- We have put in good systems in terms of quality improvement;
- We have made changes to our financial management.

Participating in the pilot programme meant that Te Rau Pani didn't have an internalised focus only. Using the Risk and Audit Report and Risk Profile for her organisation, Hinemoerangi was able to highlight for her Board of Trustees the policy areas covered by the Trust Deed, policy areas where improvements had been made in the last 18 months, and areas that required further policy development. As a result, she says that the Board has decided to look at drafting a policy for Investments. There is a growing sense of satisfaction in the lifting of standards and Te Rau Pani can be justly proud of not only retaining the Quality Health accreditation it has held since 2004 but also achieving a "5" rating, the highest being "7".

Learnings for other Māori charities

Understanding the risk and impacts of misapplication of Trust funds was a big learning for individuals in Te Rau Pani and also to know that failure to operate within your charitable purposes could mean, not only loss of tax exemption, but also a hefty tax bill that might go back for years, possibly with penalties being applied. Hinemoerangi was of the opinion that "there's a lot of work to be done" to raise awareness and educate Maori charities about these issues. For Te Rau Pani, she would like to see in 12 months "that we have credibility and a profile of compliance to account for and support delivery of service, not only to adults, but also that we are ready to engage and cater to children and adolescents affected by mental illness and/or addiction".

8 Risk factors relevant to Charities

1. Operating outside "charitable purposes"
2. Misappropriation of Trust funds
3. Misapplication of Trust funds
4. Penalties applied by IRD
5. De-registration by Charities Commission
6. Loss of tax exemption status
7. Loss of reputation
8. Legal action against Trustees/Directors

Hinemoerangi and her team set aside time to look at each of the 8 risk areas, the potential impacts of those risks on their organisation, and what risk management strategies were appropriate for Te Rau Pani. Where they found gaps or grey areas in their policies or compliance practices, they are working towards addressing these and in her opinion, "we're confident that we are on the journey for mitigating risk". Asked what would happen to the organisation if it had to start paying tax, Hinemoerangi suggested that it would negatively impact on the services that Te Rau Pani could provide and would undoubtedly increase costs, meaning people would miss out as "our consumers wouldn't be able to afford to pay".



Charity's distinctiveness and unique features

Te Rau Pani provides services right across the Taranaki region, has a strong relationship with other Kaupapa Māori providers, and has direct access to the inpatient service of the TDHB. Hinemoerangi notes also that "we have kaumatua who keep us realistically connected to Taranaki iwi". While she says "the service is primarily focussed on Māori, we do not exclude anyone who needs our mental health services". Te Rau Pani's key beneficiaries are the top 9 percent of those with acute mental health needs in Taranaki. With a Maori population of around 15,000 in Taranaki, there are potentially 1350 Tangata Whaiora in that highest threshold of need. Hinemoerangi pointed out that "over the last year we've supported 104 people", so it would seem that there may be many who are missing out on services.

9(2)(b)(ii)

Te Rau Pani Maori Mental Health Trust

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Officer Name & Effective Date:

Date: 30/07/2007

Mihi Kahu
25/07/2007

Registration number: CC10717

Warren John Nicholls
25/07/2007

IRD number: Restricted

Annual Return Due Date: 31/12/2008

Christine Henare
25/07/2007

Charity's street address: 36 Maratahu Street
New Plymouth 4310

Paula Hakesley
25/07/2007

Charity's postal address: PO Box 5131, Westown
New Plymouth 4343

Raukawa Rangihuia Mamaeroa Simon
25/07/2007

Phone:

Fax:

Email: terry@teraupani.co.nz

Website:

Sectors: (Maori Mental Health)
Education / training / research
Community development
Health
Social services
Employment

Activities: (Provides services (e.g. care / counselling))
Acts as an umbrella / resource body
Provides advice / information / advocacy

Beneficiaries: (Other charities)
Children / young people
Older people
People with disabilities
People of a certain ethnic / racial origin
General public
Family / whanau
People of Maori origin

Current Officers not yet listed on Charities Register:

Moira Irving (Chairperson) - Appointed
Ngawai Henare - TDHB nominee
Peter Moeahu - Tui Ora nominee
Will Edwards - Appointed
Paula Hakesley - Appointed

Annual Returns: Due Date:31/12/2008

Areas of Operation: Taranaki

FOMANA Capital Ltd acknowledge the support of Te Puni Kokiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz



3.8 Tui Ora Ltd Case Study

Released under the Official Information Act 1982



About Tui Ora Limited Tui Ora Ltd was officially launched 1 July 1998 following extensive consultation involving Iwi health representatives from Te Whare Punanga Korero and provider organisations. The Company was set up as a **not-for-profit** business and its ownership has been a hotly contested debate for many years. It is currently owned by the Tui Ora Trust, which is made up of 4 Māori Provider representatives and 4 Iwi representatives, each individually bound by the Trust constitution to act in the interests of Tui Ora.



Tui Ora Ltd is a Māori Development Organisation (MDO) operating as a “Lead Contractor” with a ‘for Māori by Māori’ focus, on the specific needs of Māori in Taranaki. There are a total of seventeen health provider organisations currently affiliated to Tui Ora. Tui Ora has also developed working relationships with non-affiliated Māori health provider organisations as well as non-Māori health care providers. It is an umbrella organisation for:

- Māori Health and Social Service Providers, providing support in contract negotiations with funders
- Māori workforce development.

Hayden is clear that the programme offers a really good business opportunity for other charities. He says that “one can see that it’s providing a good discipline in the organisation by promoting best practice and the use of a policy checklist to identify areas for improvement”.



Charity's involvement in Pilot programme

Hayden Wano, Chief Executive, says that Tui Ora was compelled to join the pilot programme as early as September 2007, partly due to Board support and encouragement, and mostly because it was critical that we had certainty about our charitable status and secured our registration. "We had some policy learnings during the registration process but it was pretty smooth".

We are distinctive from other participants in that, while we have a focus on health, in broader terms we work across agencies and have an interest in providing infrastructure support to iwi. As evidence of the depth and quality of its infrastructure resources, Tui Ora Ltd has provided contracted services to the programme in the form of tax and charities research, policy audits, risk profile development, and Information Technology applications.

Risks to Charity and risk management strategies

The greatest risk to Tui Ora is the ongoing uncertainty and debate over ownership because it's so volatile. That risk has been managed by a number of strategies, one being having a robust protocol for appointment of Directors (not representation based). As Hayden observes "we've managed to take tension out of the AGMs based on protocols of communication and strong planning processes".

There are also the regular reporting processes that provide accountability and transparency to stakeholders. Tui Ora produces quarterly and annual reports and Hayden also attends hui with Te Whare Punanga Korero, the iwi health forum with representatives from each of the eight Taranaki iwi.

Tui Ora Ltd works hard to maintain alignment with the constitution which is often pulled out and referred to especially during annual and strategic planning sessions and when questions are raised, often as a result of changes in the shareholding structure.



Learnings for other Māori Charities Hayden is clear that the programme offers a really good business opportunity for other charities. He says that "one can see that it's providing a good discipline in the organisation by promoting best practice and the use of a policy checklist to identify areas for improvement".

The major learning for Tui Ora Ltd and other Māori charities is in "realising that there's a real incentive, the monetary one, to retain tax exemption". He acknowledges this FOMANA led initiative as a positive one, it's an area that could easily be overlooked and left to drift.

Looking forward 12 months, Hayden has two goals, one being better performance and to reduce the variability in staffing. "When one person goes it can stop business in its tracks". The other is to drive different models of care, principally "to develop a continuity model of care rather than one-offs".

Charitable Purpose Statement in Charity's own Constitution

4. Objects of Company (related to improvement of health status of Maori and others in the Taranaki community.

4.1 (b) To act at all times in the interests of its shareholder for so long as the shareholders are entities which have been approved as having charitable status in terms of Revenue Acts administered by the Inland Revenue Department.

6. General Objectives (in addition to prime objects in clause 4)

(a) Those of a "Charitable Trust" (as those words are understood under the law applicable to New Zealand); in particular to provide financial and other assistance to and for the provision of Maori Health services in the Taranaki Maori community.

(b) Provision of facilities for public recreation and similar purposes set forth in Section 61A of the Charitable Trusts Act 1957 or any Act or Amendment passed in substitution therefore.

(c) "Charitable purposes" as those words are defined in both section 2 and section 38 of the of the Charitable Trusts Act 1957 or any Act or Amendment passed in substitution therefore so far as those terms are not inconsistent with what is charitable according to the general law of New Zealand and so far as those purposes are also acceptable to the Inland Revenue Department for the purposes of exemption from the Revenue Acts.

(d) To perform all such other acts, matters or things as are incidental or conducive to the attainment of the foregoing objects PROVIDED HOWEVER that if by reason of any alteration in the law relating to income tax it is at any time necessary to amend such purposes in order to preserve the right to exemption from income tax of the kind referred to in Sections CB4(1)9c) and CB4(1) (e) of the Income Tax Act 1994 such purposes shall thereupon be deemed to be amended to the extent necessary.

Clauses 4 and 6 Constitution of Tui Ora Limited

9(2)(b)(ii)

Tui Ora Limited

Listing on Charities Register as at 30 June 2009
www.register.charities.govt.nz/CharitiesRegister

Status: Registered

Officer Name & Effective Date:

Date: 30/07/2007

Mihi Kahu
25/07/2007

Registration number: CC10717

Warren John Nicholls
25/07/2007

IRD number: Restricted

Annual Return Due Date: 31/12/2008

Christine Henare
25/07/2007

Charity's street address: 36 Maratahu Street
New Plymouth 4310

Paula Hakesley
25/07/2007

Charity's postal address: PO Box 5131, Westown
New Plymouth 4343

Raukawa Rangihua Mamaeroa Simon
25/07/2007

Phone:

Fax:

Email: terry@teraupani.co.nz

Website:

Sectors: (Maori Mental Health)
Education / training / research
Community development
Health
Social services
Employment

Activities: (Provides services (e.g. care / counselling))
Acts as an umbrella / resource body
Provides advice / information / advocacy

Beneficiaries: (Other charities)
Children / young people
Older people
People with disabilities
People of a certain ethnic / racial origin
General public
Family / whanau
People of Maori origin

Current Officers not yet listed on Charities Register:

Moira Irving (Chairperson) - Appointed
Ngawai Henare - TDHB nominee
Peter Moeahu - Tui Ora nominee
Will Edwards - Appointed
Paula Hakesley - Appointed

Exemptions:

This charity has been granted an exemption from filing an annual return by 30 December 2008 under Section 43 of the Charities Act 2005. The first annual return is due by 30 December 2009.

Areas of Operation: Taranaki

FOMANA Capital Ltd acknowledge the support of Te Puni Kokiri for this pilot programme. For more information, contact Wayne Mulligan (CEO) or Kim Skelton (Project Manager)

Level 5 | 108 The Terrace | PO Box 10 758 | Wellington 6143 | New Zealand
Tel +64 4 474 1482 | Fax +64 4 931 9202 |
Email kim@fomana.co.nz | Web www.fomana.co.nz

knowVedge

Appendices

Appendix 1: Case Study Overview and Questionnaire Form

Charitable Purposes and
Tax Compliance Systems Programme

CASE STUDY Objectives & Interview Outline

Insert Logo

1. Hauora Taranaki PHO
2. Tui Ora Limited
3. Te Aroha Medicare Ltd
4. Te Kaahui o Rauru
5. Te Rau Pani Maori Mental Health Trust
6. Taranaki Iwi Trust
7. Ngati Rarua Atiawa Iwi Trust
8. Te Atiawa ki te Upoko o te Ika a Maui Potiki Trust

Objective of Case Study Report

This case study report is intended as a brief 1-2 page, easy to read report with personal insights, learnings and comments from a key member of the organisation (Governance or management or both).

May be used for following purposes:

- As part of the annual report to stakeholders showing how the organisation is maintaining compliance with the Charities Act and its tax exemption status;
- As an educational training tool for internal organisational use;
- As a training tool for other Maori charitable entities as part of the pilot programme;
- As a general communications sheet for beneficiaries and other stakeholders that may be updated and republished from time to time.

Key Parts of the Case Study Report and sample of interview questions

1. About us

- Name of organisation?
- Brief background to establishment (Date? Why?, Who, How?)
- Size of organisation and any subsidiaries (Charitable status of subsidiaries?)

2. Who are we?

- Members and/or Beneficiaries (Who? How many?)
- Governance Members (Who? Elected/appointed?)
- Management and Staff (Who? How many? paid/unpaid?)

Ref: Charities Register info

3. How do we maintain compliance with the Charities Act 2005 and ensure that we retain our tax exemption status

- What is role of Governance members re charitable compliance?
- What is role of Management and Staff re charitable compliance?
- What systems or policies do we use to maintain charitable compliance?
- How do we communicate these systems and policies to our members and stakeholders?

4. Participation in FOMANA Charities & Tax compliance Pilot Programme

- Why did we agree to participate in this 2 year programme?
- What benefits did we expect for our organisation?
- What new information have we learnt so far as a participant?
- Have we changed any of our policies or practices as a result of programme?
- What information would most assist us going forward?
- What makes us distinctive from other pilot programme participants?

5. Risk Factors

The first report in the pilot program identified 8 generic risk factors.

1. Operating outside “charitable purposes”
2. Misappropriation of Trust funds
3. Misapplication of Trust funds
4. Penalties applied by IRD
5. De-registration by Charities Commission
6. Loss of tax exemption status
7. Loss of reputation
8. Legal action against Trustees/Directors

What is the greatest risk to our organisation at this point in time? Why?

6. Risk Mitigations

The third report in the pilot program identified a range of ways to mitigate risk of non-compliance with charitable purposes

Have the reports been widely read within our organisation?
Have we adopted any of the identified mitigations in the report?

What measures do we currently take to reduce or manage our risk of non-compliance with charitable purposes?

In 12months time, what improvements do we want to have in place?

7. Relationship with compliance Agencies (Charities Commission & IRD)

How easy or difficult has it been to:

- a) get registered by Charities Commission?
- b) meet compliance obligations?
- c) get information when we needed it?

What advantages or costs are there to being a “registered” charity?
What information or assistance should be provided by Charities Commission/IRD/Office of Community & Voluntary sector? Best way to communicate with our organisation?

8. Learnings for other Maori Charitable Organisations

What are the particular challenges for Maori charities? eg. Dynamics of kin-based group
What have we learnt in this pilot that could be useful for other Maori charitable entities?

9. Acknowledgements

Te Puni Kokiri and any others we would like to mention

10. Our listing on the Charities Register

See attached for example – information has been taken directly from Commission website

DRAFT back page for Case Study
 Provides transparency and accountability to stakeholders and beneficiaries

| | |
|---|--|
| Legal name of the charity: | |
| REGISTRATION DETAILS: as listed on Charities Register as at 30 June 2009 www.register.charities.govt.nz/CharitiesRegister | |
| Status: | |
| Date: | |
| Registration number: | |
| IRD Number: | |
| Annual Return Due Date: | |
| Charity's street address | |
| Charity's postal address: | |
| CHARITY'S OTHER DETAILS | |
| Phone (day): | |
| Fax: | |
| Email: | |
| Website: | |
| CHARITABLE PURPOSE | |
| Note: Main sectors, activities and beneficiaries are in brackets | |
| Sectors: | |
| Activities: | |
| Beneficiaries: | |
| Areas of Operation: | |
| OFFICERS: | |
| Officer Name Effective Date | |
| Exemptions: | |

Released under the Official Information Act 1982

Appendix 2: Charities Commission Registration Update as at 20 July 2009

<http://www.charities.govt.nz/>

How many charities have we registered?

As at 20 July 2009 we have registered 22,755 charities.

As well as providing searchable information about individual charities, the Charities Register can give a “snapshot” of the charitable sector in New Zealand.

[Take a look](#), to see where charities are operating, their main activities, who they are helping, and the sectors they are operating in.

Annual Returns

Registered charities must file an Annual Return with the Commission, within six months of their balance date.

Annual Return information helps the Commission monitor registered charities to ensure they continue to qualify for registration and provides information to the public about how charities carry out their charitable purpose.

Annual Returns and accompanying financial information are published on the [Charities Register](#). View the [Annual Return info sheet](#) for more information about filing a return.



Released under the Official Information Act 1982