

**CPIT FOUNDATION TRUST**  
**GOVERNANCE CHARTER**

INVESTING IN EDUCATIONAL ENTERPRISE



# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Index

1. Role of the Foundation .....	pg. 3
2. Strategic focus .....	pg. 3
3. History.....	pg. 4
4. Board Structure .....	pg. 5
5. Role of the Board.....	pg. 5
6. Role of the Chair.....	pg. 5
7. Trustee appointments .....	pg. 6
7.1. Council appointees .....	pg. 6
7.2. Independent appointees .....	pg. 6
8. Board sub-committees.....	pg. 7
8.1. Finance.....	pg. 7
8.2. Marketing.....	pg. 7
9. Role of Patron .....	pg. 7
10. Grants .....	pg. 8
11. Meeting cycle.....	pg. 9
12. Legislative requirements .....	pg. 9

## Appendix

1. Current Trustees .....	pg. 11
2. Finance committee terms of reference .....	pg. 12
3. Marketing committee terms of reference.....	pg. 14
4. Grant Policy .....	pg. 16
5. Grant guidelines and conditions .....	pg. 17
6. Legislative Compliance policy.....	pg. 18
7. Sensitive Expenditure policy .....	pg. 19
8. Fraud policy.....	pg. 21

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## 1. Role of the Foundation

The Foundation was established :

- To promote and support the general educational purposes and activities of the Polytechnic.
- To improve the educational facilities of the Polytechnic.
- To provide financial assistance (including the provision of scholarships and bursaries) to students of the Polytechnic on such conditions (if any) as they deem appropriate.
- To support student educational activities of the Polytechnic.
- To support staff education and development projects of the Polytechnic.
- To support innovative educational projects undertaken by staff of the Polytechnic.
- To support any other educational or charitable enterprise.

*Refer to Trust Deed Clause 3 for further detail.*

## 2. Strategic focus

The trustees have determined the following strategic focus through its vision, mission and statements of intent.

### Vision

To be recognized by the tertiary sector and the wider community as a significant strategic partner to CPIT in the educational development and thereby the wellbeing of the region.

### Mission

To provide financial support for innovative and transformational projects of CPIT and its internal stakeholders.

### Statements of Intent

- To provide independent support and reinforcement to the strategic direction of CPIT.
- To increase its strategic value to CPIT by targeting projects that have the potential to effect transformational change.
- To grow and actively manage its capital base to significantly increase the quantum of its contribution to CPIT activities.
- To initiate projects that can contribute high levels of “added value” to CPIT’s vision.
- To use its commitment, diligence and strategic focus to set the New Zealand benchmark for Trusts of its genre.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## 3. History

The concept of a Foundation to support staff and students of Christchurch Polytechnic was first mooted in 1983 and in August 1984 the Polytechnic Council passed the required resolution to establish the Foundation as a charitable trust.

In its first year of operation it received donations from Jean Herbison, Ian Hall, Peter Mills, Department of Building & Construction, P Downing, Armstrong & Springhall, Baron Computers, and Archdiocese of Wellington.

In the ensuing years the Foundation received interest on its invested capital, donations and the net proceeds from the Polytechnic's summer schools. In 1989 the Foundation secured the a UHF Broadcasting license from the NZBC and later donated this to the CPIT School of Broadcasting.

In the same year the Foundation invested \$90,000 in the establishment of an International Language School. Its increased income enabled the trust to assist staff, and very rarely students, and it provided loans to help launch the Media Studies Department, Child Care Centre and International Teacher exchanges.

In the early 1990's the Foundation's funding activities ceased pending a major review of its future direction. In 1993 the Foundation agreed to sell the Language School to the Polytechnic. Around this time the Allen Street building, which was purchased in 1988 was renovated and leased back to the Polytechnic.

In the same year the Foundation's modus operandi and constitution were reviewed and a new constitution took effect in November 1993. Several new initiatives emerged at this time: post-Polytechnic scholarship, job exchange scheme, post-graduate study awards for staff and a business development award for students.

In 1994 the Foundation appointed a part time secretary and appointed Spicers to invest and manage a portion of its capital funds. The Dame Jean Herbison Prestigious Award was also created in 1994 to recognize her contribution to tertiary education in Christchurch and specifically to the establishment of the CPIT Foundation.

Dr Joe Dobinson of the Computer Science Department became the first recipient for his research into multi-media uses across a wide range of disciplines.

A further innovation was the establishment of the Colin Russell lecture series to bring leading experts to share their insights with staff, students and the wider community

Since its modest beginnings in 1984 the Foundation has grown its capital base and has awarded grants of over \$2 million.

The Trust Deed was amended in 1999 to clarify the matter of its structure in terms of trustee numbers and appointment processes.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## 4. Board structure

The Board may have between 8 and 12 trustees appointed as below:

- The Chair of CPIT Council (ex officio)
- 3 trustees appointed by the CPIT Council – the Council’s current policy is to appoint the CEO and two other Council members to the Board
- Up to 8 persons from the general community

*Refer to Trust Deed Clause 12 for further detail.*

## 5. Role of the Board

The Board of trustees is responsible for the Trusts overall performance in accordance with the relevant sections of its Trust Deed (dated 30th April 1999) and in accordance with the Charitable Trusts Act 1957 and the Trustee Act 1957.

As such, it has the following responsibilities:

- Setting strategic direction and policy.
- Appointing Chair and Deputy (if agreed).
- Ensuring compliance to the Charitable Trusts Act 1957, the Trustee Act 1957, the Law and any accountability documents that may exist.
- Maintaining proper relationships with the CPIT Council, sponsors and the general public
- Recruiting the Executive Director
- Monitoring performance including asset management

*The Board has wide ranging powers and these are contained within Clause 28 of the Trust Deed.*

## 6. Role of Chair

- The principal role of the Chair is to ensure the effective management of the Trusts governance process.
- The Chair presides at meetings of the Foundation but does not have a casting vote in the instances of equality of a vote.
- The Chair is the authorised spokesperson of the Foundation at public meetings, this authority may be delegated.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## 7. Trustee appointments

Trustees are elected for a term of four (4) years and may serve a further term of four (4) years but the maximum term of office is eight (8) years, extended only in situations when a replacement trustee is yet to be appointed. The Foundation carries Trustee and Officer Liability Insurance at a level deemed appropriate to the level of its risk exposure.

The current Board has identified a wide range of skills and knowledge that it believes are necessary for effective governance. They are:

- Legal
- Investment
- Advertising
- General Management
- Governance
- Local/Central Government
- Charity/Not for profit
- Accounting
- Marketing
- Public Relations
- Business
- Education
- Fundraising
- Entrepreneurial

New/replacement trustees are appointed in the following manner:

### 7.1 Council appointees

The CPIT Council will appoint a trustee should its representatives drop below three (3) not including the Chair of the CPIT Council.

### 7.2 “Independent” appointees

- Nominations are sought from existing trustees of suitable and potentially interested persons in the community.
- Nominations are collated along with the skills/experience base of each nominee and are reviewed by the Board against the skill gaps of the current trustees.
- A ‘short-list’ is prepared and an information pack about the Foundation is mailed to these nominees.
- These nominees are invited to attend a Board meeting to deliver a short verbal presentation of their suitability and desire to become a trustee and to ask any questions regarding the Trust. The trustees in turn have a short period in which to question each nominee should they wish to do so.
- A short-listed nominee may be asked to provide referees who may be contacted for validation.

# CPIT FOUNDATION TRUST

# GOVERNANCE CHARTER

- The Board considers the merits of each nomination and makes its decisions “in committee”.
- Any nominee who is then invited to become a trustee receives a copy of the Trust Deed and is allowed a maximum of 30 days to accept or decline the invitation.

*Current trustees – see Appendix 1*

## 8. Role and terms of reference of Board sub-committees

There are two standing committees – Finance and Marketing.

The role of each committee is to advise the Board on any issue covered by its term of reference and to investigate any matters referred to it by the Board.

*Please refer to Appendix 2 and 3 for detailed terms of reference for each committee.*

## 9. Role of Patron

- The role of patron is to support the aims, objectives and activities of the CPIT Foundation at every opportunity.
- The patron will have attendance and speaking rights but no voting rights at meetings of the Board and its sub-committees. To this end he will receive all notices of meetings, reports and minutes as those provided to trustees.
- The patron will be expected to attend the Annual Awards Dinner and any similar promotional events, and shall be given the opportunity to open such events with a short address in support of the Foundation.
- The patron will be entitled to use the resources of the Foundation Executive Director and office to support his Foundation-based activities.
- The appointment shall be for an initial term of 3 years with the right of appointment for a further term of 3 years.
- The trustees reserve the right to terminate the appointment in the event of any inappropriate behaviour that is deemed by the trustees to be injurious to the integrity and good reputation of the Foundation.
- The appointee may resign at any stage in writing to the Executive Director and/or Chair of the Board.

Mr Colin Russell, an original settler of the Foundation Trust was appointed Patron of the CPIT Foundation at the Annual General Meeting held on 1 May 2009.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## 10. Grants

The Foundation makes grants to the staff, students and CPIT itself via two grant rounds each year in June and October. Out-of-cycle applications will be considered only if they are compelling cases.

The application and initial evaluation is conducted entirely online. The current criteria for evaluating grants are provided in appendix 3:

In order to preserve its capital base the Board has resolved that unless otherwise agreed the annual amount expended on grants shall not decrease the Trust's equity below the level that pertained as at 31 December 2005, namely \$4,302,865, as per the following resolution:

That unless otherwise agreed the amount available for grant allocation in any financial year be no more than the sum of "gross income from investments and rents plus realized gains on investments less total operating expenses less depreciation as per the previous year's audited accounts"

Each year a formal Awards Dinner is held to present each grant recipient with a certificate in acknowledgment of their project and associated grant.

The trustees may at any time apply any conditions they feel appropriate to all or any category of grants. Large grants may for example require a formal legal agreement with agreed milestone reports and payments by installment dependent on each milestone being achieved.

*For current guidelines and conditions see Appendix 5*

### Special Awards:

The Foundation administers 3 special awards as follows:

#### # Dame Jean Herbison Prestigious Award

This award recognizes the contribution Dame Jean Herbison has made to tertiary education in Christchurch and specifically to her role in the establishment of the CPIT Foundation.

This Award may be made at the Trustees' discretion, to an applicant (from any category) who most adequately reflects the values of service to others which characterized Dame Jean's contribution to education.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## # Alison Johnson Nursing Award

Alison Johnson is a former Head of Nursing who bequeathed a sum of money to be invested and the annual interest earned to be made available for research grants for staff of the School of Nursing.

## # Alison Robinson Mathematics Award

Alison Robinson sponsored this award to reward and encourage a type of student who gave her much pleasure to teach. It is awarded to a mature student who does well in Mathematics 2 as a result of hard work and is going on to further study. Students do not need to apply for this award. A panel of staff from the Mathematics department determine the recipient each year.

## 11. Meeting cycle

- Normal meetings of the Board follow a quarterly pattern determined by the timing of the quarterly report from ABN Amro which in turn sets the earliest time that the Finance Committee can meet to receive and review this report and make any recommendations to the Board.
- The Marketing Committee meeting normally precedes the Finance Committee by one week and the Board meeting follows the Finance Committee meeting by one week.
- The Annual General Meeting is normally held in April, back to back with the April Board meeting.
- One strategic and operational review meeting is normally held in March each year.
- Two meetings per year held to assess the grant applications in the light of the online evaluations
- Special meeting may be convened at any stage as per clause 14.8 of the Trust Deed.

## 12. Legislative requirements of the Board.

In January 2007 the Foundation acceded to the request of the Office of the Auditor General (OAG) to declare itself an entity of the CPIT for accounting purposes only. This decision was made after lengthy investigation into the legal standing of the Foundation and its association with the CPIT.

As the accounts of the CPIT were being qualified by the OAG under the requirements of IFRS, it was determined that this declaration for accounting purposes did not and does not diminish in any way the Foundations independence from the CPIT and any other body corporate.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

In 2008 the Foundation also determined to formalize certain policies with respect to good governance.

Those policies are:

Legislative Compliance policy.

Sensitive Expenditure policy.

Fraud policy.

*Please refer to Appendix 6, 7 and 8 for details.*

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Appendix 1

### Current trustees:

Trustee	Date appointed	Terms ends
Barry Pett	November 2006	November 2010 (1)
Janice Fredric	April 2007	April 2011 (1)
Vicki Blyth	February 2002	February 2010
Jeff Ah Kuoi	April 2009	April 2017
Hector Matthews	February 2002	February 2010
Neil Barns	September 2006	September 2010
Carl Pascoe	September 2006	September 2010 (1)
Karen Lewis	September 2008	September 2012 (1)
Scott Whitaker	September 2008	September 2012 (1)

*(1) -Trustees can be re-elected for a second term of 4-years but must then retire unless unable to be replaced.*

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Appendix 2

### Finance Committee – Terms of Reference

The Finance Committee is a standing committee of the CP Foundation Trust, with delegated responsibilities and authorities set out below.

#### Purpose

The purpose of the Finance Committee is to monitor the finances and investments of the Foundation and to make recommendations to the Trustees.

#### Responsibilities

The Finance Committee is responsible for monitoring the financial and investment welfare of the Foundation.

Specific responsibilities include:

- Monitor financial operations and results
- Oversee preparation and accuracy of budget
- Ensure timely, accurate and useful financial information is presented to Trustees
- Receive annual accounts and make recommendations to the Trustees regarding their content and presentation
- Receive reports from the investment manager and monitor performance of the investment portfolio
- Recommend budgets, financial and investment decisions to the Trustees for approval or other required action
- Develop and recommend to the Trustees appropriate policies to guide the financial and investment affairs of the Foundation.
- Act as the Foundation's representative in relation to the audit process as conducted by Audit New Zealand
- Arrange for and maintain adequate insurance cover for the Foundation.

#### Membership

- The Finance Committee shall comprise not less than three trustees appointed by the board.
- The Chairman of the Finance Committee shall be elected by the members of the Finance Committee.
- The Trust Chair is an ex officio member of the Finance Committee.
- The Executive Secretary will attend Finance Committee meetings.

# CPIT FOUNDATION TRUST

# GOVERNANCE CHARTER

## Meetings

- The Finance Committee shall meet at least four times each year.
- A quorum shall be two members of the committee.
- Reasonable notice of meetings and business to be conducted shall be given to all Trustees.
- Any Trustee is entitled to attend meetings of the Finance Committee.
- The committee may invite such persons as it considers necessary to provide appropriate information and advice.
- Any member of the Finance Committee or the Executive Secretary may request a meeting.
- Minutes of all meetings shall be kept, and shall be circulated to all Trustees.

## Reporting

Agendas and minutes of all Finance Committee meetings shall be circulated to all Trustees and shall be retained by the Foundation. Minutes will be included in the next set of Board papers for noting. After each meeting the Committee Chair shall report the Committee's recommendations to the Board.

## Authority

- The Finance Committee has no delegated authority.
- Approval of the Board must be obtained before committing to any expenditure.
- The Board may delegate to the Finance Committee such matters as it sees fit.
- Recommendations of the Finance Committee must take into account the impact on all other aspects of the Foundations' activities.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Appendix 3

### Marketing Committee – Terms of Reference

#### Constitution

The Marketing Committee is a committee of the CP Foundation Trust Board established by the Board.

#### Objectives

The objectives of the Committee are to:

- Assist and advise the Executive Secretary to promote and market the trust and its activities to stakeholders and potential funders and partners
- Assist the Executive Secretary to develop annual marketing and fundraising plans as appropriate and monitor progress against targets on behalf of and reporting to the Trust board

#### Membership

The committee shall comprise no less than three trustees appointed by the board. The Executive Secretary will attend the meetings. The Chairman may attend ex officio.

#### Meetings

- A quorum shall be two members of the committee.
- The Committee may have in attendance such other persons including external advisors as it considers necessary to provide appropriate information and advice.
- All trustees shall be entitled to attend Committee meetings after giving prior notice to the Committee Chair.
- Reasonable notice of meetings and business to be conducted shall be given to the members of the Committee and other members of the board.
- The committee shall hold at least three meetings each year.
- Any member of the Committee or the Executive Secretary may request a meeting if they consider it necessary.
- Minutes of all meetings shall be kept by the Trust.

#### Responsibilities

The responsibilities of the Committee are to:

- Review strategy for marketing, promotion, fundraising and stakeholder engagement and make recommendations for approval to the Board.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

- Monitor progress against marketing, promotion, fundraising and stakeholder engagement strategies
- Advise and assist the Executive Secretary, as appropriate, in the development and delivery of such strategies.

## Authorities

- The Committee must seek the approval of the Board before committing to any expenditure or engaging the service or advice of any external advisors.
- The Board may delegate to the Committee such matters as it sees fit.

## Reporting

Agendas and minutes for all Committee meetings shall be circulated to Trustees and retained by the Trust. Minutes will be included in the next set of Board papers for noting. After each meeting the Committee Chair shall report the Committee's recommendations to the Board.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Appendix 4

### Current Grant Policy

Applicant/Purpose	Criteria	Process
1. Large scale – CPIT-supported project, typically in excess of \$100k	<ul style="list-style-type: none"> <li>• Educational benefits (20%)</li> <li>• Strategic benefit to CPIT (20%)</li> <li>• Innovation potential (30%)</li> <li>• Transformational potential (30%)</li> </ul>	Submitted through CPIT “Executive” to be peer reviewed, ranked and presented to Foundation by project “champion(s)”
2. Medium scale – Faculty, School or Division up to a \$100k maximum	<ul style="list-style-type: none"> <li>• Educational benefits (20%)</li> <li>• Strategic benefit to CPIT (20%)</li> <li>• Innovation potential (30%)</li> <li>• Transformational potential (30%)</li> </ul>	Via current online process, referee reviewed etc
3. Individual or groups of tutors	<ul style="list-style-type: none"> <li>• Educational benefits (40%)</li> <li>• Strategic benefit to CPIT (30%)</li> <li>• Innovation potential (30%)</li> </ul>	Via current online process, referee reviewed etc
4. Individual or groups of students (mixed groups of students and tutors can apply under either category 3 or 4)	<ul style="list-style-type: none"> <li>• Educational benefits (50%)</li> <li>• Potential benefits to others (50%)</li> </ul>	Via current online process, referee reviewed etc

Applicants in categories 2-4 must nominate referees whose views are sought, also online, using the same evaluation criteria. Trustees use a 1-5 Likert scale to score each application and a weighted score across the criteria and across the trustees is generated. Low scoring applications are eliminated and referees’ input is then sought for each remaining application. Trustees may reassess each application in the light of the referees’ comments and scores.

The ranked scores are then used as a basis for determining the successful applications.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Appendix 5

### Grant Guidelines and Conditions

2. No grant approved for tertiary study or similar purposes will be paid until written evidence is provided showing that the applicant has been accepted to the course of study.
2. Where considered appropriate, grants may be paid in installments and may be discontinued if the applicant's project has not progressed to a satisfactory level. Extenuating circumstances such as ill health or temporary incapacity will be taken into account.
3. Approved "single payment" grants must be uplifted by 31 July of the following year; otherwise the grant offer shall lapse.
4. Applications from CPIT staff for research project grants must have received the approval of the CPIT Research Committee for their research project.
5. Grant recipients are expected to attend the formal Awards Dinner, to receive their Award Certificate. This function is an important aspect of the Foundation's public profile.
6. Grant recipients must submit a brief report within two months of the completion of their project or activity outlining how the objectives of the project were met, and identifying any unexpected benefits to them or any other body. As this report may be used for publicity purposes it should be provided in both hard copy and electronic format with supporting visuals (e.g. photographs) in a high definition format.
7. Public Recognition of Foundation
  - The Foundation will have recognition as a supporter of the project for the term of this agreement (will vary as to what is appropriate) and will receive the benefits set out in Appendix A (to be further developed for each grant if appropriate).
  - The Foundation will be entitled to promote its support for the project in whatever manner it considers reasonable and appropriate including, but not limited to, reference to its support in Foundation publications, presentations and advertisements.
  - Prior to the release of any material about the project that uses the CPIT Foundation logo, or the CPIT Foundation name, the material must be approved by the Foundation
  - The project will use its best endeavours to mention the CPIT Foundation in speaking in public forums or when communicating with television, radio and print media about its support for the project. Such media also to include internal CPIT publications and broadcast media and other non-commercial publications including but not limited to company or in-house publications.
  - The Foundation will be invited to attend any events held in relation to the project and must be given adequate notification (at least one week) of such events

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Appendix 6

### Legislative Compliance Policy

The Trustees of the Foundation are beholden to keep aware of changes in legislation that may/will have an impact upon any aspect of the functions/governance/management of the Foundation's affairs and act accordingly to ensure compliance at all times.

The known Acts of parliament that impact upon the Foundation are as follows:

- The Trustees Act 1957
- The Employment Relations Act 2000
- Charities Act 2005
- Health and Safety in Employment Act 1992
- Property Law Act 2007
- Holidays Act 2003

In order to remain abreast of actual changes to any of these pieces of legislation, the Trustees have arranged to receive regular briefings from Duncan Cotterill, Solicitors.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Appendix 7

### Sensitive Expenditure Policy

#### Definition:

We understand “sensitive expenditure” to be any expenditure that confers some private benefit to an individual staff member that is additional to the business benefit of the expenditure.

#### Basis of policy

This policy is based on the principles approach, and recognizes the trustees’ original decision to allow the Executive Director - the sole and part-time employee - to use the Foundation office, phone and computer for personal and business reasons subject to a zero marginal cost regime, i.e. all such usage should not incur additional costs for the Foundation over that incurred in the normal operation of the Foundation.

It also recognises that many common areas of sensitive expenditure, e.g. travel, accommodation and hospitality do not occur in the normal operation of the Foundation.

#### Principles-based

The Executive Director has authority to spend up to \$1000 on any capital purchase, and no limit for payments to suppliers and for professional services providing these are within budget. Grant payments are entirely at the direction of the Board.

Where some discretion is possible we expect any spending decision to be made subject to the following principles:

- Has a justifiable business purpose
- Preserve impartiality
- Are made with integrity
- Are moderate and conservative, having regard to the circumstances
- Are made transparently; and
- Are appropriate in all respects

Subject to the authority levels specified above it is expected that the Executive Director will observe these principles in all areas of sensitive expenditure.

#### Policy

The following table sets out the policy for each category of sensitive expenditure.

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

Sensitive Expenditure Policy continued ...

Area of Expenditure	Relevance	Policy
<b>Travel and Accommodation</b>		
Air Travel	NR	Requires prior Board approval
Meals & Accommodation	NR	Requires prior Board approval
Motor Vehicles	NR	Requires prior Board approval
Tipping	NR	Requires prior Board approval
Other travel	NR	Requires prior Board approval
<b>Entertainment &amp; Hospitality</b>		
Entertainment and Hospitality	R	Actual and reasonable costs reimbursed
<b>Goods &amp; Services</b>		
Sale of surplus assets	NR	Requires prior Board approval
Loyalty reward scheme benefits	NR	Requires prior Board approval
Private use of entity assets	R	Approved as per 6.2.2
Entity use of private assets	NR	Requires prior Board approval
Private use of entity's suppliers	R	Approved as per 6.2.2
<b>Staff support &amp; welfare expenditure</b>		
Clothes & Grooming	NR	Requires prior Board approval
Care of dependants	NR	Requires prior Board approval
Farewells & retirements	R	Requires prior Chairman approval
Sponsorship of staff or others	R*	Requires formal Board approval as per grants process
<b>Other types of expenditure</b>		
Donations	NR	Requires prior Board approval
KOHA	NR	Requires prior Board approval
Communications technology	R	Approved as per 6.2.2
Gifts	NR	Requires prior Board approval

\* (grants can be considered as sponsorships)

# CPIT FOUNDATION TRUST GOVERNANCE CHARTER

## Appendix 8

### Fraud Policy

The operating environment of the Foundation with a single, part-time employee reporting directly to the Board of Trustees is a low-risk one with respect to fraud.

The current “controls” are in place to mitigate the risk of fraud:

- Assigned authority of two trustees to countersign cheques and authorise internet banking payments with a maximum daily limit on the latter of \$100k
- Requirement for counter-signatory or authoriser to sight relevant statements or tax invoices prior to payment approval
- Regular reporting to the Finance Committee of income and expenditure reconciled against the bank statements

In the event that the Finance Committee detects or suspects that fraudulent activity may have or be taking place it will report directly to the Chair of the Board of Trustees setting out the evidence and this will be discussed at a Special Meeting of Trustees to be called by the Chair within 14 days of receiving the report.

In assessing the evidence provided by the Finance Committee, the Board of Trustees will observe the following principles:

1. Every individual suspected of committing fraud will be treated in the same manner and if this includes one or more trustees they will be excluded from the Special Meeting.
2. Every effort will be made to gather sufficient and reliable evidence to support a prosecution and every case of suspected fraud, supported by evidence, will be referred to the appropriate law enforcement agency with a view to prosecution.
3. Recovery of lost money or other property will be pursued wherever possible and practicable.
4. All employees and trustees will be made aware of their responsibilities under this policy.