



Office of Hon Hekia Parata

Minister of Education

19 March 2014

Te Kōhanga Reo National Trust Board
67 Hankey Street
WELLINGTON

Tena koutou

Further to our meeting last evening.

As has been expressed by us for a number of months now, and was reiterated by us to the Board last night, we remain concerned about the Trust Board's internal management and governance processes. We are also disappointed with the Board's inability to respond with the necessary urgency to the public interest in allegations of inappropriate spending in Te Pātaka Ohanga.

We confirmed last night with the release of the report by Ernst and Young, following its independent review of the public funding arrangements and financial controls of the National Trust, that public monies are being dealt with appropriately by the Board. The report also says that no public monies are being received by Te Pātaka Ohanga and that the financial controls at the Board were effective and as expected for an organisation of this size and complexity.

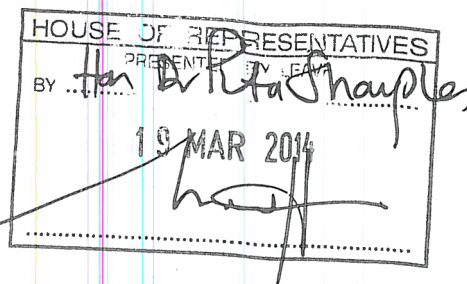
It is clear, however, that there is still a significant interest in the operations of the Trust's wholly owned subsidiary Te Pātaka Ohanga. We have been clear the issues related to Te Pātaka Ohanga are a matter for the Trust to address and that the Charities Services is undertaking an investigation into the affairs of Te Pātaka Ohanga.

While it is not within the purview of Ministers of the Crown, we continue to communicate to you our strong concern and request that you take swift action to address the allegations that have been made, and ensure that any internal organisational matters relating to the affairs of Te Pātaka Ohanga are in order.

A central concern we have is that the operating model the Te Kōhanga Reo National Trust is using to make purchasing decisions is robust and efficient and passes the benefits to kohanga reo.

We are deeply concerned about the effect these issues continue to have on the ability of the Trust Board to carry out its responsibilities for managing the network of Kohanga Reo. We are keen to ensure that the matters you have raised are resolved as soon as possible.

Last evening you gave your assurance that these matters were in hand, and that you would be available to address concerns in public today. It is not clear to us that this is occurring and we urge you to take immediate steps to restore public confidence in the governance and management by the Trust of your subsidiary, Te Pataka



Ohanga. We have also recently received a letter from one of your Trustees raising further concerns regarding Te Pātaka Ohanga and its relationship with the Trust Board. We are taking these concerns very seriously and accordingly are advising you we are referring these to the Serious Fraud Office.

As has been discussed, we have tasked the Ministry of Education to engage Ernst and Young to undertake a follow-up review within the next six months to identify progress with implementing the recommendations of the recent review.

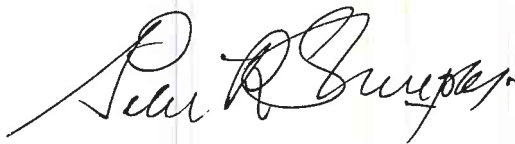
As was indicated last night, we need to be satisfied that the Trust Board's governance issues have been addressed before any discussions can resume over the issues arising from WAI 2336.

We require the Board to respond on these matters with urgency.

Heoi anō



Hon Hekia Parata
Minister of Education



Hon Dr Pita R Sharples
Associate Minister of Education