

THE CHARITY TRANSPARENCY FRAMEWORK



ISSUED BY THE CHARITY COUNCIL, NOVEMBER 2020

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THE CHARITY TRANSPARENCY FRAMEWORK: PREAMBLE

PURPOSE OF THE CHARITY TRANSPARENCY FRAMEWORK (CTF)

Transparency refers to the disclosure of important information about the charity, which helps stakeholders like donors and beneficiaries better understand the charity's setup, work and processes. Transparency, as with accountability, is an important element of good governance. Charities and Institutions of a Public Character (IPCs), as community organisations working for public benefit, are expected to be well-governed, transparent and accountable to the public and their stakeholders.

The CTF with its Charity Disclosure Scorecard act as a guide for charities to define their policy and approach to transparency, and to take active steps to improve charity transparency. Charities should use this document in conjunction with the Code of Governance for Charities and IPCs (Code of Governance).

OBJECTIVES OF THE CTF

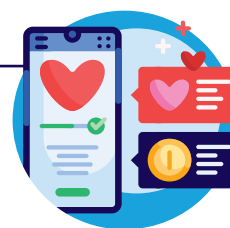
The CTF aims to achieve 3 key objectives:



Serves as a self diagnostic tool for charities to assess themselves against identified good disclosure standards.



Serves as a public education tool for charities and the public by highlighting key areas of disclosure that will aid in safer giving.



Boost public confidence in the charity sector by setting standards of transparency for charities.

TIERED CHARITY DISCLOSURE SCORECARD

Recognising that our charities differ greatly in size and needs, the CTF with its Charity Disclosure Scorecard was re-designed as a more intuitive framework for charities of different tiers. The Charity Disclosure Scorecard was tiered into three categories, similar to the Code of Governance, in accordance to the financial sizes and IPC status of charities. The three categories are, 'Basic', 'Intermediate', and 'Enhanced + Advanced'. With this change, the Charity Disclosure Scorecard will be less onerous for small charities whilst holding larger charities and IPCs to higher disclosure and governance standards.

Details of the categorisation are detailed in Table 1 as follows:

APPLICABLE TIER	CHARITIES	IPCS
Basic (Small Category)	√ Gross annual receipts or total expenditure from \$50,000 to less than \$500,000	√ Not applicable
Intermediate (Medium Category)	√ Gross annual receipts or total expenditure from \$500,000 to less than \$10 million	√ IPCs with gross annual receipts or total expenditure of less than \$500,000
Enhanced + Advanced (Large Category)	√ Gross annual receipts or total expenditure from \$10 million or more	√ IPCs with gross annual receipts or total expenditure from \$500,000 to \$10 million or more

Table 1



KEY AREAS OF DISCLOSURE

In alignment with the Code of Governance, the Charity Disclosure Scorecard covers 9 key areas of disclosure as shown in diagram here.

These 9 areas of disclosure will give the public a meaningful understanding of a charity's work and how well it is managed and governed, so that they can make informed decisions on which charities to support. More details on each area can be found in the Charity Disclosure Scorecard.

HOW TO USE THE CHARITY DISCLOSURE SCORECARD

Charities may follow the following steps to conduct a self-assessment on its current disclosure practices.



1 Refer to Table 1 and identify the tier the charity belongs to (i.e. Basic, Intermediate or Enhanced + Advanced).



2 Use the applicable Scorecard to complete the questions accordingly.



3 Apply the following formula to compute the scoring:

$$\frac{\text{Score of charity}}{\text{Max score}} \times 100\% = \text{XX}\%$$



4 For information on the Charity Transparency Awards, charities may refer to the 'Accompanying Guide to the Charity Transparency Framework.'

NOTE:

¹ The Scorecard should be completed based on each charity's information found in any of the three (3) key sources below which are available for the public, namely:

- ✓ Charity's Annual Reports, Financial Statements and Governance Evaluation Checklists (GECs) on the Charity Portal;
- ✓ Charity's official website*; and
- ✓ Charity's official Facebook page or other official Social Media platforms (if applicable)

*Official website refers to the website URL which the charity has declared in the Charity Portal.

COMPUTATION OF SCORES

The maximum score for each key area across the three tiered categories are shown in Table 2 below.

	Basic (Small Category)	Intermediate (Medium Category)	Enhanced + Advanced (Large Category)
Key Area(s) of Disclosures	Max Points for each Disclosure Area	Max Points for each Disclosure Area	Max Points for each Disclosure Area
A. Timeliness of Submissions	1	1	1
B. Board Governance and Executive Management	5	13	15
C. Conflict of Interest	3	4	4
D. Strategic Planning	3	3	3
E. Programme Management	2	2	2
F. Human Resource and Volunteer Management	1	1	5
G. Financial Management and Internal Controls	4	6	6
H. Fund-raising Practices	3	3	3
I. Auditor's/Independent Examiner's Report	1	1	1
Maximum points for each tier	23	34	40

Table 2

Scores are computed based on the following formula:

$$(\text{SCORE OF CHARITY} / \text{MAX SCORE}) \times 100\% = \text{XX}\%$$

COMPUTATION OF SCORES

Example:

Charity ABC is a charity that falls in the small category and has scored the following:

Basic (Small Category)		
Area(s) of Disclosures	Points scored by Charity ABC	Max Points for each Disclosure Area
A. Timeliness of Submissions	1	1
B. Board Governance and Executive Management	3	5
C. Conflict of Interest	3	3
D. Strategic Planning	2	3
E. Programme Management	1	2
F. Human Resource and Volunteer Management	1	1
G. Financial Management and Internal Controls	2	4
H. Fund-raising Practices	1	3
I. Auditor's / Independent Examiner's Report	1	1
Raw Score	15	23

By applying the formula

$$\text{RAW SCORE OF CHARITY} / \text{MAX SCORE} \times 100\% = \text{XX}\%$$

$$15 / 23 \times 100\% = 65.2\%$$

$$\text{FINAL SCORE} = 65.2\% \text{ OUT OF } 100\%$$

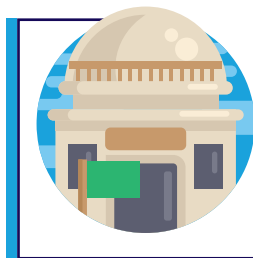


RESOURCES

For a more comprehensive understanding of the framework, charities are encouraged to reference the following resources:



Accompanying Guide to the Charity Transparency Framework to understand the background, pillars of the framework as well as the necessary skills and resources to drive transparency in a charity.



Code of Governance for Charities and Institutions of a Public Character (IPCs).

Other resources available:



The list of resources can be found on the Charity Portal (www.charities.gov.sg).



For more information, please email the Charity Council Secretariat at Charity_Council_Sec@mccy.gov.sg.

BASIC TIER



Charities with gross annual receipts or total expenditure from \$50,000 to less than \$500,000



- Charities may use this Scorecard to assess the extent of their transparency to the public.
- The Scorecard should be completed based on each charity's information found in any of the three (3) key sources below which are available for the public, namely:
 - Charity's Annual Report(s), Financial Statements and Governance Evaluation Checklists (GECs) on the Charity Portal;
 - Charity's official website*; and
 - Charity's official Facebook page or other official Social Media platforms (if applicable).
- Upon completion, add up the points to know how well your charity scored.

*Official website refers to the website URL which the charity has declared in the Charity Portal.

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
A. Timeliness of Submissions			
1	Annual submissions (i.e. annual reports, financial statements and Governance Evaluation Checklists) are submitted to the Commissioner of Charities such that they are published on Charity Portal for public viewing	<ul style="list-style-type: none"> On-time submission (within 6 months from the end of the charity's financial year) or within extension period allowed by the Commissioner of Charities 	
<p>Note: No points will be awarded to charities that have not submitted <u>OR</u> have late submissions (after 6 months from the end of the charity's financial year) as no information is provided or the information provided is outdated.</p>			
Score for Section A			/1 point

B. Board Governance and Executive Management			
2	Information on the board	<ul style="list-style-type: none"> Name(s) Board appointment Date of appointment Frequency and attendance at board meetings to show how active the board is 	
3	Information on executive management	<ul style="list-style-type: none"> Organisation structure 	
Score for Section B			/5 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
C. Conflict of Interest			
4	Exact remuneration and benefits received by each board member <i>(if the governing instrument permits remuneration)</i>	<ul style="list-style-type: none"> The exact remuneration and benefits received by each board member <u>OR</u> The fact that its governing instrument does not permit remuneration <u>OR</u> The fact that board members do not receive remuneration 	
5	The process for setting remuneration of board member	<ul style="list-style-type: none"> Board members are not involved in setting their own remuneration <u>OR</u> Board members do not receive remuneration 	
<p>Note: 1. The remuneration and benefits refer to that received in their capacity as a board member. 2. Charities which disclose that board member(s) are involved in setting their own remuneration will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 2.2).</p>			
6	The process for setting remuneration of key staff	<ul style="list-style-type: none"> Staff are not involved in setting their own remuneration <u>OR</u> Staff do not receive remuneration <u>OR</u> Charity does not have staff 	
<p>Note: Charities which disclose that staff are involved in setting their own remuneration will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 2.2).</p>			
Score for Section C			/3 points
D. Strategic Planning			
7	Strategic Direction	<ul style="list-style-type: none"> Vision / Mission Objectives Outline on its plan and/or strategy to achieve its mission and vision <i>(at least for the next 2 years)</i> 	
Score for Section D			/3 points
E. Programme Management			
8	Programmes/ Activities/ Services and their Outcomes	<ul style="list-style-type: none"> Information on programmes, activities and services such as: <ul style="list-style-type: none"> ✓ List of Programmes/ Activities/ Services ✓ Purpose of the Programmes/ Activities/ Services Outcomes of the Programmes/ Activities/Services 	
<p>Note: Charities may identify which are their key programmes and outcomes for disclosure.</p>			
Score for Section E			/2 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
F. Human Resource Management			
9	Staff remuneration	<ul style="list-style-type: none"> The total annual remuneration for each of its three highest-paid staff, who each receives remuneration exceeding \$100,000, in incremental bands of \$100,000 <u>OR</u> There are no staff receiving remuneration exceeding \$100,000 <u>OR</u> Charity does not have staff 	
Score for Section F			/1 point

G. Financial Management and Internal Controls			
10	Internal controls with documented procedures for financial matters in key areas including: <ul style="list-style-type: none"> Procurement procedures and controls Receipting, payment procedures and controls; and System for the delegation of authority and limits of approval 	<ul style="list-style-type: none"> Documented procedures are in place for financial matters in key areas 	
Note: Charities which did not disclose that there are documented internal controls in place for the key areas of financial matters will not be awarded any points as this is not in line with the Code of Governance (see Code of Governance, 6.1.2).			
11	Reserves position and policy	<ul style="list-style-type: none"> Charity discloses its reserves policy in the annual report 	
Note: Charities which disclose that they do not have a reserves policy will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 6.4.1a and 6.4.1b).			
12	The purpose, amount and planned timing of use for restricted funds (including endowment funds)	<ul style="list-style-type: none"> Purpose and Amount of restricted and/or endowment funds <u>OR</u> Charity discloses that it does not have restricted and/ or endowment funds Planned timing of use, if the charity has a fixed timeframe to use the funds, <u>OR</u> The charity discloses that there is no planned timing of use for the fund 	
Score for Section G			/4 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
H. Fund-raising Practices			
13	Information on fund-raising	<ul style="list-style-type: none"> • Disclosure of nature, purpose and amount of funds received: <ul style="list-style-type: none"> (i) donations in cash (<i>solicited and unsolicited</i>); (ii) donations in kind (<i>solicited and unsolicited</i>); (iii) sponsorships; (iv) grants; and (v) others • Information on fund-raising events: <ul style="list-style-type: none"> (i) when it was conducted/held; (ii) who were the beneficiaries for the fund-raising event; (iii) how much funds were raised; (iv) how much fund-raising expenses were incurred (if any); and (v) where any commercial fund-raiser has been engaged, the charity should disclose the rationale of engaging commercial fund-raiser and the fee arrangements • Fund-raising efficiency ratio 	
Score for Section H			/3 points
I. Auditor's / Independent Examiner's Report			
14	Disclosure of financial statements which include: - auditor's / independent examiner's opinion on whether the financial statements are properly drawn up in accordance with the relevant provisions	<ul style="list-style-type: none"> • Auditor expressed an unqualified opinion in the report <u>OR</u> Auditor included an "Emphasis of Matter" in the report that <u>does not</u> have an adverse impact on the financial statements 	
Score for Section I			/1 point
Total Score			/23 points

INTERMEDIATE TIER



Charities with gross annual receipts or total expenditure from \$500,000 to less than \$10million; IPCs with gross annual receipts or total expenditure of less than \$500,000



Charities may use this Scorecard to assess the extent of their transparency to the public.

- The Scorecard should be completed based on each charity's information found in any of the three (3) key sources below which are available for the public, namely:
 - (i) Charity's Annual Report(s), Financial Statements and Governance Evaluation Checklists (GECs) on the Charity Portal;
 - (ii) Charity's official website*; and
 - (iii) Charity's official Facebook page or other official Social Media platforms (if applicable).
- Upon completion, add up the points to know how well your charity scored.

**Official website refers to the website URL which the charity has declared in the Charity Portal.*

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
A. Timeliness of Submissions			
1	Annual submissions (i.e. annual reports, financial statements and Governance Evaluation Checklists) are submitted to the Commissioner of Charities within 6 months from the end of the financial year	<ul style="list-style-type: none"> • On-time submission (within 6 months from the end of the charity's financial year) or within extension period allowed by the Commissioner of Charities 	
<p>Note: No points will be awarded to charities that have not submitted <u>OR</u> have late submissions (after 6 months from the end of the charity's financial year) as no information is provided or the information provided is outdated.</p>			
Score for Section A			/1 point

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
B. Board Governance and Executive Management			
2	Information on the board	• Name	
		• Board appointment	
		• Date of appointment	
		• Frequency and attendance at board meetings to show how active the board is	
		• Policy for (i) board selection and recruitment, and (ii) training and evaluation of board effectiveness are in place	
		• Introductory profile of board members with brief information stating their (i) current/ previous occupation, and (ii) past experiences with charities/ corporates	
3	Information on executive management	• Organisation structure	
		• Name	
		• Designation	
		• Date of appointment	
		• Brief introductory profile on past job experiences of executive heads	
4	Information on Committees (or designated board members) which oversee specific areas	• Brief description of the main terms of reference for the board and each of its board committees	
5	Board members re-nomination and re-appointment process	• Brief description of charity's board re-nomination and re-appointment process	

Score for Section B

/13 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
C. Conflict of Interest			
6	Exact remuneration and benefits received by each board member <i>(if the governing instrument permits remuneration)</i>	<ul style="list-style-type: none"> The exact remuneration and benefits received by each board member <u>OR</u> The fact that its governing instrument does not permit remuneration <u>OR</u> The fact that board members do not receive remuneration 	
7	The process for setting remuneration of board member	<ul style="list-style-type: none"> Board members are not involved in setting their own remuneration <u>OR</u> Board members do not receive remuneration 	
<p>Note: 1. The remuneration and benefits refer to that received in their capacity as a board member. 2. Charities which disclose that board member(s) are involved in setting their own remuneration will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 2.2).</p>			
8	The process for setting remuneration of key staff	<ul style="list-style-type: none"> Staff are not involved in setting their own remuneration <u>OR</u> Staff do not receive remuneration <u>OR</u> Charity does not have staff 	
<p>Note: Charities which disclose that staff are involved in setting their own remuneration will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 2.2).</p>			
9	Policy for managing conflict of interest	<ul style="list-style-type: none"> Documented procedures for board members and staff to declare actual or potential conflicts of interest to the board on a regular basis and when the need arises, such as any interest: <ul style="list-style-type: none"> ✓ in business transactions or contracts that the charity may enter into ✓ in other organisations that the charity has dealings with or is considering entering into joint ventures with ✓ as the charity's suppliers, service users, beneficiaries or staff 	
<p>Note: Charities which disclose that they do not have a policy for managing conflict of interest will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 2.1) and Charities (IPC) Regulations (Reg 18).</p>			

Score for Section C

/4 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
D. Strategic Planning			
10	Strategic Direction	<ul style="list-style-type: none"> • Vision / Mission • Objectives • Outline on its plan and/or strategy to achieve its mission and vision (at least for the next 2 years) 	
Score for Section D			/3 points
E. Programme Management			
11	Programmes/ Activities/ Services and their Outcomes	<ul style="list-style-type: none"> • Information on programmes, activities and services such as: <ul style="list-style-type: none"> ✓ List of Programmes/ Activities/ Services ✓ Purpose of the Programmes/ Activities/ Services • Outcomes of the Programmes/ Activities/ Services 	
Note: Charities may identify which are their key programmes and outcomes for disclosure.			
Score for Section E			/2 points
F. Human Resource Management			
12	Staff remuneration	<ul style="list-style-type: none"> • The total annual remuneration for each of its three highest-paid staff, who each receives remuneration exceeding \$100,000, in incremental bands of \$100,000 <u>OR</u> There are no staff receiving remuneration exceeding \$100,000 <u>OR</u> Charity does not have staff 	
Score for Section F			/1 point

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
G. Financial Management and Internal Controls			
13	Internal controls with documented procedures for financial matters in key areas including: <ul style="list-style-type: none"> • Procurement procedures and controls • Receipting, payment procedures and controls; and • System for the delegation of authority and limits of approval 	<ul style="list-style-type: none"> • Documented procedures are in place for financial matters in key areas 	
<p>Note: Charities which did not disclose that there are documented internal controls in place for the key areas of financial matters will not be awarded any points as this is not in line with the Code of Governance (see Code of Governance, 6.1.2).</p>			
14	Reserves position and policy	<ul style="list-style-type: none"> • Level and Purpose of Reserves • Level and purposes of funds that have been designated for a certain use • Reserves Ratio 	
<p>Note: Charities which disclose that they do not have a reserves policy will not be awarded any points as the practice is not in line with the Charities (Accounts and Annual Report) Regulations 2011 (Reg 8 (2)(e)).</p>			
15	The purpose, amount and planned timing of use for restricted funds (including endowment funds)	<ul style="list-style-type: none"> • Purpose and Amount of restricted and/or endowment funds <u>OR</u> Charity discloses that it does not have restricted and/or endowment funds • Planned timing of use, if the charity has a fixed timeframe to use the funds, <u>OR</u> The charity discloses that there is no planned timing of use for the fund 	
Score for Section G			/6 points

S/N	Disclosure Area	Disclosure Items	√ Tick if there is disclosure (1 point per Tick)
H. Fund-raising Practices			
16	Information on fund-raising	<ul style="list-style-type: none"> • Disclosure of nature, purpose and amount of funds received: <ul style="list-style-type: none"> (i) donations in cash (<i>solicited and unsolicited</i>); (ii) donations in kind (<i>solicited and unsolicited</i>); (iii) sponsorships; (iv) grants; and (v) others • Information on fund-raising events: <ul style="list-style-type: none"> (i) when it was conducted/held; (ii) who were the beneficiaries for the fund-raising event; (iii) how much funds were raised; (iv) how much fund-raising expenses were incurred (if any); and (v) where any commercial fund-raiser has been engaged, the charity should disclose the rationale of engaging commercial fund-raiser and the fee arrangements. • Fund-raising efficiency ratio 	
Score for Section H			/3 points
I. Auditor's / Independent Examiner's Report			
17	Financial statements which include: - auditor's / independent examiner's opinion on whether the financial statements are properly drawn up in accordance with the relevant provisions	<ul style="list-style-type: none"> • Auditor expressed an unqualified opinion in the report <u>OR</u> Auditor included an "Emphasis of Matter" in the report that <u>does not</u> have an adverse impact on the financial statements 	
Score for Section I			/1 point
Total Score			/34 points

ENHANCED + ADVANCED TIER

Charities with gross annual receipts or total expenditure from \$10 million or more; IPCs with gross annual receipts or total expenditure from \$500,000 to \$10million or more



- Charities may use this Scorecard to assess the extent of their transparency to the public.
- The Scorecard should be completed based on each charity's information found in any of the three (3) key sources below which are available for the public, namely:
 - Charity's Annual Report(s), Financial Statements and Governance Evaluation Checklists (GECs) on the Charity Portal;
 - Charity's official website*; and
 - Charity's official Facebook page or other official Social Media platforms (if applicable).
- Upon completion, add up the points to know how well your charity scored.

*Official website refers to the website URL which the charity has declared in the Charity Portal.

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
A. Timeliness of Submissions			
1	Annual submissions (i.e. annual reports, financial statements and Governance Evaluation Checklists) are submitted to the Commissioner of Charities within 6 months from the end of the financial year	<ul style="list-style-type: none"> On-time submission (within 6 months from the end of the charity's financial year) or within extension period allowed by the Commissioner of Charities 	
<p>Note: No points will be awarded to charities that have not submitted <u>OR</u> have late submissions (after 6 months from the end of the charity's financial year) as no information is provided or the information provided is outdated.</p>			
Score for Section A			/1 point

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
B. Board Governance and Executive Management			
2	Information on the board	• Name	
		• Board appointment	
		• Date of appointment	
		• Frequency and attendance at board meetings to show how active the board is	
		• Policy for (i) board selection and recruitment, and (ii) training and evaluation of board effectiveness are in place	
		• Introductory profile of board members with brief information stating their (i) current/ previous occupation, and (ii) past experiences with charities/ corporates	
		• Brief description of the process which board's performance and effectiveness are evaluated	
		• Reasons for retaining board member(s) who have served on the board for more than 10 consecutive years <u>OR</u> Disclosed that no board member(s) have served on the board	
3	Information on executive management	• Name	
		• Designation	
		• Date of appointment	
		• Organisation structure	
		• Brief introductory profile on past job experiences of executive heads	
4	Information on Committees (or designated board members) which oversee specific areas	• Brief description of the main terms of reference for the board and each of its board committees	
5	Board members re-nomination and re-appointment process	• Brief description of charity's board re-nomination and re-appointment process	

Score for Section B

/15 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
C. Conflict of Interest			
6	Exact remuneration and benefits received by each board member <i>(if the governing instrument permits remuneration)</i>	<ul style="list-style-type: none"> The exact remuneration and benefits received by each board member <u>OR</u> The fact that its governing instrument does not permit remuneration <u>OR</u> The fact that board members do not receive remuneration 	
7	The process for setting remuneration of board member	<ul style="list-style-type: none"> Board members are not involved in setting their own remuneration <u>OR</u> Board members do not receive remuneration 	
<p>Note: 1. The remuneration and benefits refer to that received in their capacity as a board member. 2. Charities which disclose that board member(s) are involved in setting their own remuneration will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 2.2).</p>			
8	The process for setting remuneration of key staff	<ul style="list-style-type: none"> Staff are not involved in setting their own remuneration <u>OR</u> Staff do not receive remuneration <u>OR</u> Charity does not have staff 	
<p>Note: Charities which disclose that staff are involved in setting their own remuneration will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 2.2).</p>			
9	Policy for managing conflict of interest	<ul style="list-style-type: none"> Documented procedures for board members and staff to declare actual or potential conflicts of interest to the board on a regular basis and when the need arises, such as any interest: <ul style="list-style-type: none"> ✓ in business transactions or contracts that the charity may enter into ✓ in other organisations that the charity has dealings with or is considering entering into joint ventures with ✓ as the charity's suppliers, service users, beneficiaries or staff 	
<p>Note: Charities which disclose that they do not have a policy for managing conflict of interest will not be awarded any points as the practice is not in line with the Code of Governance (see Code of Governance, 2.1) and Charities (IPC) Regulations (Reg 18).</p>			

Score for Section C

/4 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
D. Strategic Planning			
10	Strategic Direction	• Vision / Mission	
		• Objectives	
		• Outline on its plan and/or strategy to achieve its mission and vision (at least for the next 2 years)	
Score for Section D			/3 points

E. Programme Management			
11	Programmes/ Activities/ Services and their Outcomes	• Information on programmes, activities and services such as: ✓ List of Programmes/ Activities/ Services ✓ Purpose of the Programmes/ Activities/ Services	
		• Outcomes of the Programmes/ Activities/ Services	
Note: Charities may identify which are their key programmes and outcomes for disclosure.			
Score for Section E			/2 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
F. Human Resource Management			
12	Staff remuneration	<ul style="list-style-type: none"> <li data-bbox="734 459 1212 728">• The total annual remuneration for each of its three highest-paid staff, who each receives remuneration exceeding \$100,000, in incremental bands of \$100,000 <u>OR</u> There are no staff receiving remuneration exceeding \$100,000 <u>OR</u> Charity does not have staff <li data-bbox="734 728 1212 1086">• Number of paid staff(s) who are close members of the family of the executive head or board members, and whose remuneration each exceeds \$50,000 during the year. <u>OR</u> There are no paid staff(s) who are close members of the family of the executive head or board members, and whose remuneration each exceeds \$50,000 during the year <u>OR</u> Charity does not have staff <li data-bbox="734 1086 1212 1478">• Disclosure of the staff's remuneration should be in incremental bands of \$100,000 on a no-named basis. However, the related executive head or board members(s) should be disclosed on a named basis <u>OR</u> There are no paid staff who are close members of the family of the executive head or board members, who receive more than \$50,000 during the year <u>OR</u> Charity does not have staff 	
13	Volunteer management policies	<ul style="list-style-type: none"> <li data-bbox="734 1500 1212 1601">• Brief description of the charity's volunteer management policies or processes 	
14	Whistle-blowing policy	<ul style="list-style-type: none"> <li data-bbox="734 1624 1212 1691">• The charity has a whistle-blowing policy 	

Score for Section F

/5 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
G. Financial Management and Internal Controls			
15	Internal controls with documented procedures for financial matters in key areas including: <ul style="list-style-type: none"> • Procurement procedures and controls • Receipting, payment procedures and controls; and • System for the delegation of authority and limits of approval 	<ul style="list-style-type: none"> • Documented procedures are in place for financial matters in key areas 	
Note: Charities which did not disclose that there are documented internal controls in place for the key areas of financial matters will not be awarded any points as this is not in line with the Code of Governance (see Code of Governance, 6.1.2).			
16	Reserves position and policy	<ul style="list-style-type: none"> • Level and Purpose of Reserves • Level and purposes of funds that have been designated for a certain use • Reserves Ratio 	
Note: Charities which disclose that they do not have a reserves policy will not be awarded any points as the practice is not in line with the Charities (Accounts and Annual Report) Regulations 2011 (Reg 8 (2)(e)).			
17	The purpose, amount and planned timing of use for restricted funds (including endowment funds)	<ul style="list-style-type: none"> • Purpose and Amount of restricted and/or endowment funds <u>OR</u> Charity discloses that it does not have restricted and/or endowment funds • Planned timing of use, if the charity has a fixed timeframe to use the funds, <u>OR</u> The charity discloses that there is no planned timing of use for the fund 	
Score for Section G			/6 points

S/N	Disclosure Area	Disclosure Items	✓ Tick if there is disclosure (1 point per Tick)
H. Fund-raising Practices			
18	Information on fund-raising	<ul style="list-style-type: none"> • Disclosure of nature, purpose and amount of funds received: <ul style="list-style-type: none"> (i) donations in cash (<i>solicited and unsolicited</i>); (ii) donations in kind (<i>solicited and unsolicited</i>); (iii) sponsorships; (iv) grants; and (v) others • Information on fund-raising events: <ul style="list-style-type: none"> (i) when it was conducted/held; (ii) who were the beneficiaries for the fund-raising event; (iii) how much funds were raised; (iv) how much fund-raising expenses were incurred (if any); and (v) where any commercial fund-raiser has been engaged, the charity should disclose the rationale of engaging commercial fund-raiser and the fee arrangements • Fund-raising efficiency ratio 	
Score for Section H			/3 points
I. Auditor's / Independent Examiner's Report			
19	Disclosure of financial statements which include: - auditor's / independent examiner's opinion on whether the financial statements are properly drawn up in accordance with the relevant provisions	<ul style="list-style-type: none"> • Auditor expressed an unqualified opinion in the report <u>OR</u> Auditor included an "Emphasis of Matter" in the report that <u>does not</u> have an adverse impact on the financial statements 	
Score for Section I			/1 point
Total Score			/40 points

GLOSSARY



In this framework, arranged in alphabetical order, we refer to:

Starting Alphabet	Term	Definition
B	Board	The governing body responsible for overseeing and managing a charity. It is also sometimes known as council or management committee.
C	Charities	All registered charities and Institutions of a Public Character (IPCs).
C	Close members of the family	Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the charity. In most cases, they would include: <ul style="list-style-type: none"> • That person's children and spouse; • Children of that person's spouse; and • Dependants of that person or that person's spouse.
C	Commercial Fund-raiser	Any person or organisation who for reward solicits or otherwise procures money or other property for, or purportedly for, the benefit of a charity or any charitable, benevolent or philanthropic purpose.
C	Conflict of Interest	A situation where a board member, staff, or other person with an existing or potential financial or other material interest that might impair his or her independence or objectivity in the discharge of responsibilities and duties to the charity.
E	Endowment Funds	Endowment fund is a capital fund that is to be retained for the benefit of the charity. Endowment funds generally comprise permanent and expendable endowment funds.
E	Executive Head	The most senior staff member in charge of the charity's staff personnel. There is a range of job titles that charities use for this position (e.g. <i>Executive Director, Chief Executive Officer</i>).
E	Executive Management	The key management staff responsible for the day-to-day operations of the charity such as the Executive Director and Chief Financial Officer (or equivalent).
F	Fund-raising Appeal	An appeal by any person, whether made expressly or impliedly, for money or other property (whether as consideration or otherwise) that is made in association with a representation that the whole or any part of the money or property, or proceeds or returns from the money or property, will be applied for any charitable, benevolent or philanthropic purpose; or the receipt by any person of any money or other property (whether as consideration or otherwise) that is given in whole or in part for any charitable, benevolent or philanthropic purpose.
F	Fund-raising Efficiency Ratio	The total fund-raising expenses of a charity should not exceed 30% of the total receipts from fund-raising and sponsorships for a financial year.

Starting Alphabet	Term	Definition
G	Governing Instrument	The charity's main constitutional document or instrument. It may be its Constitution, Charter, Memorandum and Articles of Association, Trust Deed or any rules or regulations governing the purposes and Administration of the charity.
G	Gross Annual Receipts	Gross annual receipts include all income, grants, donations, sponsorships and all other receipts of any kind. Any donations received from the public, even if it is held in trust by the charity, should be included as part of the gross annual receipts.
M	Modified Opinion in Auditor's / Independent Examiner's Report	<p>An auditor shall modify the opinion in the auditor's report when</p> <p>a) The auditor concludes that based on the audit evidence obtained, the financial statements as a whole, are not free from material misstatement; or</p> <p>b) The auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement.</p> <p>Modified opinion refers to a qualified opinion, an adverse opinion or a disclaimer of opinion.</p> <p><u>Qualified opinion</u></p> <p>a) The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in aggregate, are material but not pervasive to the financial statements, or</p> <p>b) The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, concludes that the possible effects on the financial statements and undetected misstatements, if any, could be material but not pervasive.</p> <p><u>Adverse opinion</u></p> <p>The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in aggregate, are both material and pervasive to the financial statements.</p> <p><u>Disclaimer of opinion</u></p> <p>a) The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, concludes the possible effects on the financial statements and undetected misstatements, if any, could be both material and pervasive.</p> <p>b) In extremely rare circumstances involving multiple uncertainties, the auditor concludes that notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.</p>

Starting Alphabet	Term	Definition
R	Reserves	The part of the charity's income funds that is freely available for its operating purposes. "Reserves" excludes endowment funds and restricted funds. An endowment fund is a capital fund that is held on trust to be retained for the benefit of the charity. Restricted funds are donated funds to be used only for specific purposes according to the donor's expressed wishes or the terms of an appeal.
R	Reserves Policy	A policy that states the level of reserves held and why they are held. For material funds that have been designated for a certain use, the reserves policy statement should state the amount and purpose of the fund, as well as the likely timing of that expenditure (if set aside for future use).
R	Reserves Ratio	Reserves ratio refers to the amount of unrestricted reserves to Annual Operating Expenditure which includes charitable activities and other operating and administration expenses.
S	Staff	Paid or unpaid individuals who are involved in the day-to-day operations of the charity, e.g. Executive Director or Administrative personnel.
V	Volunteers	Persons who willingly give up time to serve a charity, without expectation of any remuneration. For volunteers who are involved in the day-to-day operations of the charity, they should also abide by the best practices set out in the Code applicable to 'staff'.



CHARITY COUNCIL SECRETARIAT

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