

CHARITY GOVERNANCE REPORT 2017



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Message from Chairman



It has been a privilege and honour to be appointed as Chairman of the 5th Charity Council and to serve the sector with my fellow council members.

The Charity Council was formed to establish and promote good governance in the charity sector. Every of our past, present and future initiatives work towards this very end. In the current term, we focused on refining and reviewing these initiatives to stay relevant in a dynamic sector. We have embarked on a second refinement of the Code of Governance in consultation with our charities and the public on the proposed changes. The refinement serves towards our common goal of building a self-governing and self-sustaining charity sector. In the upcoming year, the Council will partner with professional partners and training providers to help charities better understand and implement the refinements. With the Code of Governance coming into effect from FY2018, charities would have sufficient time to adapt and implement the necessary measures to meet the requirements.

The Charity Governance Awards also undergone a review and took a year of hiatus in 2015. At the end of the review, it was deliberated that transparency is a key pillar of good governance. Hence, the inaugural Charity Transparency Awards was introduced in 2016 to recognise charities that had done well in areas of transparency and disclosure. The Awards was held together with the relaunch of the Charity Governance Awards on 28 September 2016. 35 charities were recognised for their exemplary efforts in transparency practices, out of which three charities were recognised as Charity Governance Award winners. It is my hope that more charities will qualify and be conferred the Awards in the years to come.

I would like to thank my fellow Council members who have actively contributed their time, effort and expertise in all of the Council's initiatives. In particular, Mr Dhinakaran, who has contributed significantly during his three terms in the Council and will be retiring on 28 February 2017. I also want to extend my heartfelt appreciation to our partners and stakeholders for the collaborations and support rendered, and their year-on-year commitment to uplift good governance in the sector. In particular, I applaud the charities' representatives who had stepped forward to share best practices in good governance during our outreach events. It is also encouraging to note the growing interest from charities that had attended our events, showing their continuous appetite for learning and commitment towards doing good well. The Council will continue this journey of good governance with all of you to build a well-governed and thriving charity sector with strong public support.

Gerard Ee, Chairman, Charity Council

Background of the Charity Council

The Charity Council was legally appointed on 1 March 2007 after the new Charities Act was brought into operation. Each Council term is for a duration of two years.

Formation of the 5th Charity Council

2007

2015

The fifth term of the Council comprised 14 members, including the Chairman.

ROLES

Promoter

Promote the adoption of good governance standards and best practices, to enhance public confidence and self-regulation in the charity sector.

Enabler

Build capabilities of charities and IPCs so that they are able to comply with regulatory requirements and be more accountable to the public.

Advisor

Advise the Commissioner of Charities on key regulatory issues, such as proposals on new regulations where there may be broad-ranging impact on charities and IPCs.

People Sector

9 members chosen for their expertise in accountancy, corporate governance, law, entrepreneurship etc. Members were also involved in volunteerism and charity work in fields ranging from community, education, social services.

Five Sector Administrators

Representatives from:
Ministry of Education
Ministry of Health
Ministry of Social and Family Development
People's Association
Sport Singapore

About the 5th Charity Council (1st March 2015 – 28 February 2017)



MR GERARD EE
Chairman

President
Institute of Singapore Chartered Accountants (ISCA)

PEOPLE SECTOR REPRESENTATIVES



MR ANG HAO YAO
Member

Chairman, SATA CommHealth



MR DAVID WONG
Member

Board Member
Methodist Welfare Services



MR R. DHINAKARAN
Member

Managing Director
Jay Gee Group of Companies



DR LAN LUH LUH
Member

Associate Professor
NUS Business School and
Faculty of Law



**MR SUHAIMI ZAINUL-
ABIDIN**
Member

Director
Quantedge Capital Pte Ltd



DR TAN WEE LIANG
Member

Associate Professor
Strategic Management
Singapore Management University

PEOPLE SECTOR REPRESENTATIVES



MR SIM GIM GUAN
Member

Chief Executive Officer
National Council of Social
Service



MRS MILDRED TAN
Member

Chairman
National Volunteer &
Philanthropy Centre

SECTOR ADMINISTRATORS



MR LIM TECK YIN
Member

Chief Executive Officer
Sport Singapore



DR LEE TUNG JEAN
Member

Deputy Secretary
Ministry of Social and Family
Development



BG Desmond Tan Kok Ming
Member¹

Chief Executive Director
People's Association



MS TEOH ZSIN WOON
Member

Deputy Secretary
(Development)
Ministry of Health



MR LIM BOON WEE
Member

Deputy Secretary (Services)
Ministry of Education

¹ BG Desmond Tan Kok Ming succeeded Dr Ang Hak Seng as CED of PA on 16 January 2017.

Charity Council Member	First Date of Appointment	5th Council Meetings Attendance
Mr Gerard Ee	1 March 2015	100%
Mr Ang Hao Yao	1 March 2015	100%
Mr David Wong	1 March 2015	100%
Mr R. Dhinakaran	1 March 2011	87.50%
Dr Lan Luh Luh	1 March 2013	75%
Dr Tan Wee Liang	1 March 2015	75%
Mr Suhaimi Zainul-Abidin	1 March 2015	75%
Mr Sim Gim Guan	1 November 2015	62.50%
Mrs Mildred Tan	1 April 2014	50%
Mr Lim Teck Yin	1 January 2011	100%*
Ms Teoh Zsin Woon	1 April 2013	37.50%*
BG Desmond Tan Kok Ming	16 January 2017	100%*
Dr Lee Tung Jean	1 September 2015	100%*
Mr Lim Boon Wee	1 May 2014	100%*

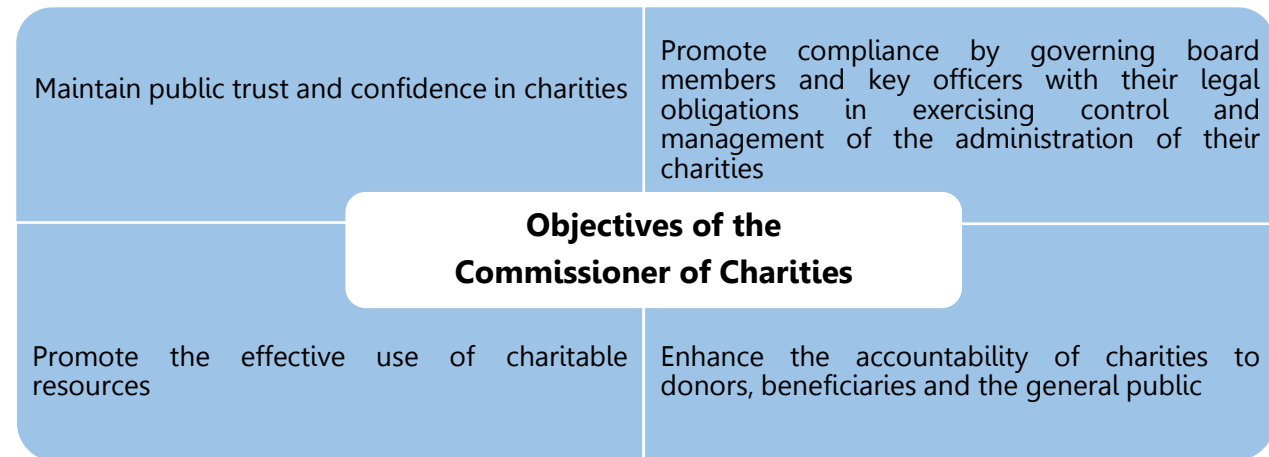
*This includes attendance by a representative.

Office of the Commissioner of the Charities



Dr Ang Hak Seng
Commissioner of Charities

The Office of the Commissioner of Charities was set up in 2006 with the vision to develop a well-governed and thriving charity sector with strong public support. Together with the Charity Council and the Sector Administrators from the respective agencies, initiatives are rolled out based on three key strategies – promoting good governance, ensuring regulatory relevance and compliance and being a proactive charity advisory so that the shared vision for the sector could eventually be achieved.



There are 5 Sector Administrators to assist COC in overseeing the charities and IPCs in their respective sectors:

- Ministry of Education – For charitable objects related to the advancement of education
- Ministry of Health – For charitable objects related to the promotion of health
- Ministry of Social and Family Development – For charitable objects related to the relief of poverty or those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantages
- People's Association – For charitable objects related to the advancement of citizenship or community development
- Sport Singapore – For charitable objects related to the advancement of sport







"Over the years, Singapore's charity sector has been evolving to meet the diverse needs of Singaporeans. This is a good sign, as a thriving charity sector not only contributes to a nationwide culture of giving, but also bridges communities, and makes our society more inclusive."









Ms Grace Fu

Minister for Culture, Community and Youth

Calendar of Charity Council's Initiatives



2015					
Q1 March (Start of 5 th Charity Council Term)	Q2 April - June	Q3 July – September		Q4 October - December	
Mar	May	July	Aug	Oct	Dec
 <p>Town Hall Meeting</p> <p>Inaugural Town Hall on "Financial Administration of Charities in Singapore"</p>	<p>Networking Lunch Seminar</p> 	<p>Audit Committee Community of Practice</p>	<p>Charity Governance Conference</p> <p>Started Code of Governance Refinement Exercise - Formation of Sub-Committee and Workgroups</p>	 <p>Town Hall Meeting</p> <p>Town Hall II on "State of Singapore's Social Service Sector – A Financial Perspective"</p>	 <p>Informed Giving Comic</p>

2016							2017	
Q1 Jan-March	Q2 April - June		Q3 July - September	Q4 October - December			Q1 Jan-March (End of 5 th Charity Council Term in Feb)	
Feb	May	June	Sept	Oct	Nov	Dec	Feb	Mar
 Town Hall III on “Best Practices in Accountability and Disclosures for Charities – what to include in Annual report”	 4 Dialogue Sessions with Charities to hear their views on the proposed refinements to the Code of Governance		 Charity Governance Conference Charity Governance Awards and Charity Transparency Awards	 Seminar on Charity Transparency Assessment Code of Governance Public Consultation	 Town Hall IV on “Fundraising Landscape in Singapore”	 Informed Giving Graphic	 Release of Charity Governance Report 2017	 Launch of refined Code of Governance



"As a promoter of good governance, the Charity Council embarked on its second refinement of the Code of Governance for Charities and IPCs in 2015. The Code is a best practice guide that charities and the public should refer to for good governance principles.

The refinement serves towards our common goal of building a self-governing and self-sustainable charity sector."

Mr Gerard Ee

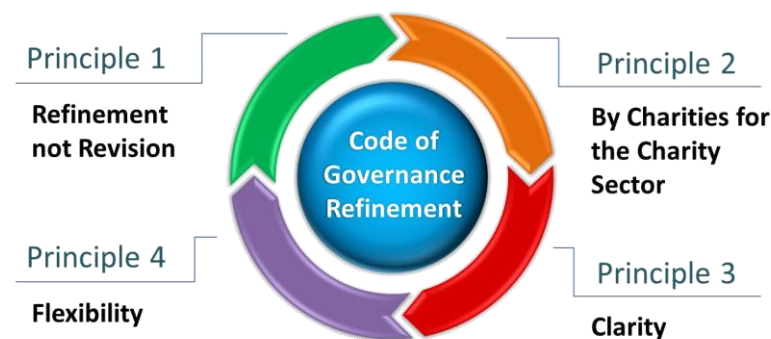
Chairman, Charity Council

Refinement of Code of Governance for Charities and Institutions of a Public Character

The Code of Governance for Charities and Institutions of a Public Character (IPCs) was introduced in 2007 and first refined in 2011 to:

- Make charities more effective by sharing recommended practices on how effective charities are governed and managed
- Provide guidance to Board members to help them carry out their duties as fiduciaries
- Boost public confidence in the charity sector by establishing the standards of good governance for charities to aspire towards

In August 2015, the Charity Council embarked on a second refinement of the Code. The objective was to enhance the Code's relevance and clarity, taking into consideration governance developments in other jurisdictions and increased global focus on good governance, transparency and accountability to enable informed giving decisions. The refined Code will be launched in March 2017. Charities and IPCs will need to apply the Code's new reporting requirement if any, from the financial year beginning on or after 1 January 2018.



The Code refinement process is guided by 4 key principles:

- 1. Refinement not revision**
 - To ensure continuity in the Code's best practices
- 2. By Charities for Charity sector**
 - The sub-committee and the three workgroups comprise representatives from the charity sector, academics, and professional agencies.
- 3. Clarity**
 - Code principles were reviewed and re-worded where necessary for clarity.
- 4. Broad-based**
 - The areas covered in the Code are general governance best practices which are applicable to all charities

A Sub-Committee was formed under the purview of the 5th Charity Council in August 2015. Headed by Mr R. Dhinakaran, the Sub-Committee comprised of 11 members. To support the Sub-Committee, three workgroups comprising of 11 to 13 representatives from professional bodies, academics, auditors, grantmakers and charity practitioners, were formed.

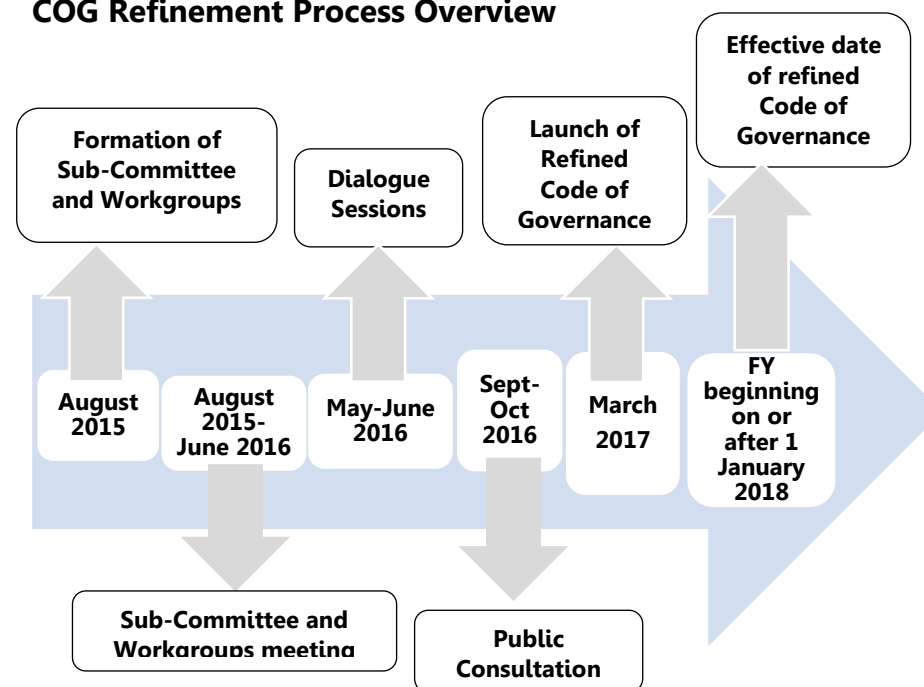
Each workgroup has a purview over certain sections of the Code, as follows:

Workgroup	Code Sections
Workgroup 1	<ul style="list-style-type: none"> - Board Governance - Strategic Planning - Conflicts of Interest
Workgroup 2	<ul style="list-style-type: none"> - Financial Management & Controls - Disclosure & Transparency
Workgroup 3	<ul style="list-style-type: none"> - Human Resource Management - Programme Management - Fund-raising - Public Image

From May to June 2016, the Charity Council organised four dialogue sessions to seek feedback from selected charities and IPCs from all sectors. The feedback from the dialogue sessions was duly noted and refinements were made where necessary. In general, the participants expressed support for the refinement process, and acknowledged that good

governance is a continuous work in progress. To seek views from the public and charities, an online public consultation exercise was subsequently conducted from 20 September 2016 to 18 October 2016.

COG Refinement Process Overview



Code of Governance Sub-Committee



Mr R. Dhinakaran
**Sub-Committee
Chairman**



Mr Ang Hao Yao
Charity Council Member



Mr David Wong
Charity Council Member



Dr Lan Luh Luh
Charity Council Member



Mr Sim Gim Guan
**Charity Council Member
NCSS representative**



**Mr Suhaimi Zainul-
Abidin**
**Charity Council
Member**



Mr Fermin Diez
**DCEO and Group Director
Social Service Institute,
Human Capital
Development Group**



Dr Arthur Chern
**Group CEO
St. Andrew's Mission Hospital
& Singapore Anglican
Community Services**



Mr Tim Oei
**CEO
AWWA Ltd**



CHARITY
TRANSPARENCY
AWARDS

&

CHARITY
GOVERNANCE
AWARDS 2016



"Good governance and accountability is essential to building public confidence in giving to charities. By recognising charities with exemplary disclosure practices and high standards of transparency, we are setting a standard that is expected of the charity sector. We hope that the other charities will be encouraged to raise the level of governance, which we believe will lead to more people contributing to causes they believe in. Collectively, these contribute to Singapore becoming a more caring and giving nation."

Ms Grace Fu

Minister for Culture, Community and Youth

On 28 September 2016, the Charity Council announced that 35 charities were recognised for their exemplary disclosure and transparency practices with the inaugural Charity Transparency Awards (CTA). Among the group of 35, three charities received the Charity Governance Awards (CGA) for achieving the highest standards in governance. Graced by Guest of Honour, Minister for Culture, Community and Youth, Ms Grace Fu, both sets of awards were given out at the Charity Transparency and Governance Awards Ceremony at The Sheraton Towers Singapore Hotel. 280 guests from both charitable and non-charitable organisations joined in the night of celebrations.

The Charity Council introduced the CGA in 2012 to recognise charities with good governance and promote a culture of accountability. In 2015, the CGA took a hiatus for a review to better improve the Awards and strengthen its relevance for the sector. In early 2016, the Charity Council partnered Singapore Management University School of Accountancy as the independent assessor for the CTA. Winners of the CTA were then invited to participate in the rigorous CGA assessment, which Ernst & Young was the independent assessing body and facilitator of the entire assessment process.

The winners were determined from the pool of finalists, whom went through an interview session with a panel of judges. At the Awards Ceremony, the Nature Society (Singapore), Association of Women for Action and Research, and SPD were conferred top honours for achieving the highest standards of governance in the small, medium and large charity category respectively. Special Commendation Award (SCA) was also given to The Esplanade Co Ltd for Clarity of Strategy and the National Kidney Foundation for Risk Management.





CGA Winners and SCA Winners pictured with Minister Grace Fu, Charity Council Chairman, Commissioner of Charities, Permanent Secretary (MCCY) and Deputy Secretary (MCCY)

The CGA recognises charities that have adopted the highest standards of governance, in line with the Code of Governance for Charities and IPCs. The awards aim to promote good governance in the charity sector by acknowledging the excellent work of charities while inspiring others to emulate their best practices.

The 2016 CGA winner of each main category received a plaque and a cash prize of \$10,000 to further their charitable causes, sponsored by The Silent Foundation and Chartered Institute of Management Accountants (CIMA).



“Governance is not a process that we all have to put up with but it is a process that is integral to the good running of every organisation. It is integral to the welfare of our beneficiaries. It starts with a change in mind set which must begin at the Board level, at the Senior Management level and right down to every person who is serving in the organisation.”

SPD



“Wherever you are, the CGA process serves as a stocktake of the stage of governance you are at and you could use the findings for next year’s planning. Focus on the areas that you can achieve and move on to the next one the following year.”

AWARE



“If we, the Nature Society, a group that originally had no tradition of a particular lobby or activist structure, can come to the point where we have adopted a series of procedures that can be recognised, I think that should give encouragement to any civil society group.”

Nature Society (Singapore)

Charity Transparency Awards Judging Panel

Charities that have scored well in the Charity Transparency Framework underwent further deliberation by a judging panel and a total of 35 winners in different size categories were selected.



CTA Judges (From left): Mr Gerard Ee, Charity Council Chairman; Mr Jerry Lee, Managing Director, Ng, Lee & Associates – DFK; Minister Grace Fu; Dr Lan Luh Luh, Associate Professor, NUS Law and Business School; Dr Foo See Liang, Associate Professor, SMU School of Accountancy.

Other CTA Judges: Mr Irving Low, Partner, KPMG Advisory LLP; Mr Lee Fook Chiew, CEO, Institute of Singapore Chartered Accountants.

Charity Governance Awards Judging Panel

CGA nominees are subjected to a rigorous selection process out of which finalists are chosen. These finalists will proceed to an interview session with a panel of judges from which winners of the different size categories will emerge.



CGA Judges (From left): Mr Gerard Ee, Charity Council Chairman; Ms Joy Tan, Partner, WongPartnership LLP; Minister Grace Fu; Mr Neo Sing Hwee, Partner, Ernst & Young Advisory Pte Ltd; Ms Yap Su-Yin, CEO, Tan Chin Tuan Foundation.

Other CGA Judges: Mr Sim Guan Seng, Managing Director, Baker Tilly TFW; Mr Ajay Kanwal, former Regional CEO, Standard Chartered Bank.



SMALL CHARITIES

- 1 Help Family Service Centre
- 2 Mindset Care Limited
- 3 Muscular Dystrophy Association (Singapore)
- 4 Nature Society (Singapore)
- 5 Triathlon Association of Singapore
- 6 TOUCH International Limited
- 10 Lions Befrienders Service Association (Singapore)
- 11 New Hope Community Services
- 12 NTUC-U Care Fund
- 13 Shared Services for Charities Limited
- 14 Singapore Athletic Association
- 15 Singapore Association for the Deaf, The

MEDIUM CHARITIES

- 7 Association of Women for Action And Research
- 8 ARC Children's Centre Co Limited
- 9 Kidney Dialysis Foundation Limited
- 16 Singapore Golf Association
- 17 Singapore Bowling Federation
- 18 Singapore Repertory Theatre Ltd
- 19 TOUCH Family Services Limited

LARGE CHARITIES

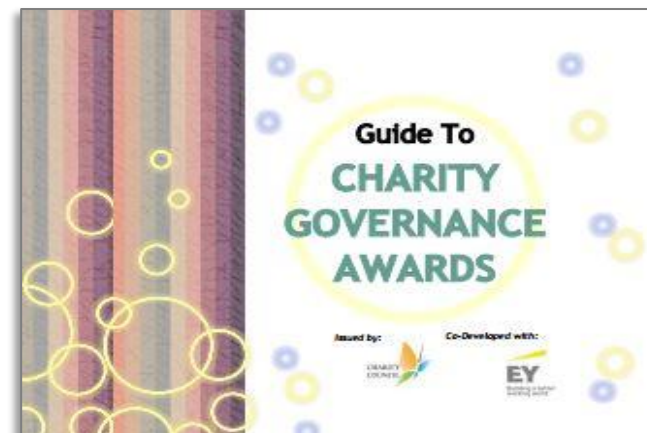
- 20 Assisi Hospice
- 21 Association of Muslim Professionals
- 22 British Council (Singapore) Limited
- 23 Caritas Singapore Community Council Limited
- 24 Football Association of Singapore
- 25 HCA Hospice Care
- 26 Movement for the Intellectually Disabled of Singapore (MINDS)
- 27 National Council of Social Service
- 28 Ren Ci Hospital
- 29 SATA CommHealth
- 30 Singapore Children's Society
- 31 Singapore Red Cross Society
- 32 SPD
- 33 The Esplanade Co Ltd
- 34 The National Kidney Foundation
- 35 TOUCH Community Services Limited

Revised Guide to Charity Governance Awards

The Charity Council released the first guide to CGA in March 2014 to help charities understand more about the CGA nomination process, scoring and judging procedures. This is in view that some charities do not participate in competitions such as CGA as they perceive the process as complex and takes time away from pursuing their charity's mission and goals. The information provided in the guide served as useful tips for charities to improve their governance practices. Sample responses to the questions in the nomination form were provided to allow charities to better understand how nominees are graded.

The Charity Council introduced a revised Assessment Questionnaire following the hiatus in 2015 whereby the CGA underwent a review. The CGA is no longer a self-nomination process. Instead, winners of the CTA are invited to participate in the assessment process for the CGA. The revised guide encouraged charities to self-analyse their governance processes based on the Code of Governance for Charities and IPCs. This would serve as a benchmark for comparison with best practices for the sector.

The CGA Assessment guide is co-developed with EY and issued by the Charity Council. The revised *Guide To Charity Governance Awards* is available on the Charity Council's website (<http://www.charitycouncil.gov.sg>).





"I am heartened to see that the Council's governance events often receive overwhelming interest from charities. This demonstrates that charities are committed to doing good well and take the effort to constantly upgrade and be equipped with the necessary skills and capabilities to overcome challenges in the changing landscape of the sector. My Office will continue to work hand in hand with them on this journey of good governance."

Dr Ang Hak Seng

Commissioner of Charities

Town Hall Meetings

The Town Hall Meeting provides a platform for Board and Management staff of Charities to discuss and explore practical solutions to address common challenges faced by the sector. On 17 March 2015, the Charity Council co-organised the inaugural Town Hall Meeting with the Centre for Social Development Asia (CSDA), a research centre under the purview of Department of Social Work, National University of Singapore. This series of Town Halls are jointly supported by Chartered Institute of Management Accountants (CIMA), Institute of Singapore Chartered Accountants (ISCA) and National Council of Social Service (NCSS).

Town Hall I

The theme for Town Hall I was **'Financial Administration of Charities in Singapore'**. Ms Woo E-sah, Audit Partner of RSM Chio Lim LLP presented on 'Bridging the Gap' from the perspectives of both charities and auditors and offered advice and managed expectations for both entities. A/P Corrine Ghoh, Director of CSDA also presented on 'Financial Administration of Charities in Singapore' and how Management, Board and Management Committee and External Auditors play a part in ensuring that appropriate governance structures and internal controls are established within the charity.

Town Hall II

The theme for Town Hall II was **'State of Singapore's Social Service Sector – A Financial Perspective'**. Mr Tony Manwaring, Executive Director of External Affairs, CIMA, shared his perspective on management accounting practices from the United Kingdom. This was followed by Dr Isabel Sim, Director (Projects) of CSDA who presented on CSDA's research on the 'Financial Characteristics of Singapore VWOs with IPCs status.'



Town Hall III

The third Town Hall Meeting continued the conversation on best practices for charities in Singapore, in particular on disclosure practices and accountability and reporting for charities' annual reports. The programme included an engaging and insightful sharing on Integrated Reporting by Head of Strategic Business, CIMA, Mr Venkkat Ramanan. Dr K Thomas Abraham, CEO, SATA CommHealth, also spoke on his charity's experience in preparing their annual reports.



Town Hall IV

The fourth Town Hall Meeting focused on the fundraising practices of charities in Singapore. The programme included a sharing by Mr Tony Manwaring on Charity Fundraising Best Practices and Challenges in the United Kingdom.



Dr Isabel Sim shared on research findings of the fundraising landscape in Singapore and challenges that charities face. The panel had a robust discussion on the importance of creativity in fundraising to ensure that charities constantly evolve to prevent donors' and volunteers' fatigue. The need for charities to articulate their causes and impact of fundraising to their beneficiaries, potential stakeholders and partners, were also key points raised during the discussion.

Town Halls Panel Discussion Sessions

Town Hall	Panel Discussion Session	Town Hall	Panel Discussion Session
<p>Town Hall I</p> <p>Financial Administration of Charities in Singapore</p> <p>17 March 2015</p> <p>(120 participants)</p>	<p>Moderator: Ms Chan Chia Lin, <i>Board Member of NCSS</i></p> <p>Panellists:</p> <ul style="list-style-type: none"> • Mr Gerard Ee, <i>Chairman, Charity Council</i> • Ms Quek Boon Kien, <i>Director for Funds Allocation and VWO Benefits</i> • Ms Tan Li li, <i>Executive Director of Singapore Association for Mental Health (SAMH)</i> 	<p>Town Hall III</p> <p>Best Practices in Accountability and Disclosures for Charities – What to include in Annual Reports</p> <p>24 February 2016</p> <p>(130 participants)</p>	<p>Moderator: Mr Mark Laudi, <i>Managing Director, Hong Bao Media</i></p> <p>Panellists:</p> <ul style="list-style-type: none"> • Mr Ang Hao Yao, <i>Chairman, SATA CommHealth</i> • Mr Edmund Song, <i>former Executive Director, RSVP Singapore</i> • Mr John Lim, <i>Immediate Past Chairman, Singapore Institute of Directors</i> • Ms Esther An, <i>Chief Sustainability Office, City Developments Limited</i> • Ms Quek Boon Kien, <i>Director of Funding and Corporate Functions Group, NCSS</i>
<p>Town Hall II</p> <p>State of Singapore’s Social Service Sector – A Financial Perspective</p> <p>28 October 2015</p> <p>(130 participants)</p>	<p>Moderator: Ms Usha Menon, <i>Executive Chairman, Usha Menon Management Consultancy Asia Pte Ltd.</i></p> <p>Panellists:</p> <ul style="list-style-type: none"> • Mr Gerard Ee, <i>Chairman, Charity Council</i> • Mr Tim Oei, <i>CEO, AWWA Ltd</i> • Ms Catherine Loh, <i>CEO, Community Foundation of Singapore</i> • Mr David Fong, <i>COO, Singapore Cancer Society</i> 	<p>Town Hall IV</p> <p>Fundraising Landscape in Singapore</p> <p>2 November 2016</p> <p>(168 participants)</p>	<p>Moderator: Ms Usha Menon, <i>Executive Chairman, Usha Menon Management Consultancy Asia Pte Ltd.</i></p> <p>Panellists:</p> <ul style="list-style-type: none"> • Mr Gerard Ee, <i>Chairman, Charity Council</i> • Mr Edmund Wan, <i>President, Handicaps Welfare Association</i> • Ms Ng Ling Ling, <i>Managing Director, Community Chest</i> • Ms Schutz Lee, <i>Board Member, Treasurer and Co-Chair of Fundraising Committee, Society for Wings</i>

Seminar on the Charity Transparency Awards Assessment

On 5 October 2016, the Charity Council and the School of Accountancy, Singapore Management University co-organised a Seminar on the Charity Transparency Awards Assessment. 76 charities representatives and 12 guests attended the session.

To encourage charities to be more transparent and to recognise charities for their disclosure efforts, the Charity Transparency Awards was introduced in 2016. SMU's role as an independent assessor for the Charity Transparency Awards assessment has helped the Council to identify and recognise charities which have performed well in its disclosure practices based on the Charity Transparency Framework. To enhance charities' understanding on the Charity Transparency Framework and to improve the transparency standards of charities, Mr Rajat Powal, Student Leader of the SMU-CTA Project shared on the good and weak disclosure practices of the charities. Moderated by Dr Lan Luh Luh, Charity Council Member, the following panellists were also invited to share their experiences and views at the Panel Discussion. The panel discussed some of the challenges faced by charities in

disclosure and how can charities improve on its disclosure practices.

- Mr Foo See Liang, Associate Professor of Accounting, Singapore Management University
- Mr Jeffery Tan, Company Secretary, Mindset Care Limited
- Ms Lilian Tay, Chief Executive Officer, Shared Services for Charities Limited

This project is a step towards enhancing the landscape of good disclosure and governance practices in the charity sector. The pro bono project was also featured online on SMU News.²



² The pro bono project online feature can be found on:
<http://www.smu.edu.sg/news/2016/12/20/school-accountancys-pro-bono-project-help-assess-transparency-local-charities>.



"The primary objective of this pro bono project is to provide an avenue to raise awareness, among our students and charities alike on the importance of transparency to sound corporate governance in charities."

Associate Professor Foo See Liang

*Associate Professor of Accounting
(Practice), School of Accountancy,
Singapore Management University*

Charity Governance Conference 2015

In line with the Council's objectives, the Council supported the Charity Governance Conference organised by Singapore Association of the Institute of Chartered Secretaries and Administrators (SAICSA) on 17 August 2015. The full day conference was attended by 230 participants from the charity sector. The theme of the conference was **"Taking ownership through governance"**. The conference brought together speakers to share their insights on key governance areas which charities may face difficulties in, and how the needs of charities, donors and grant makers could be aligned.

There were three expert sharing sessions. The first was by Dr Tan Wee Liang, Council member and Chairman of SAICSA, who spoke on strategic planning for Non-profit Organisations. The second sharing was by Mr Dennis Lee, Director of RSM Ethos who spoke on Risk Management for Non-Profit Organisations and the third sharing was by Mr Wong Lin Hong, Managing Director, Wingz Capital Pte Ltd who spoke on Outcome based Social Programs.

The sharing sessions were accompanied by three panel sessions which saw robust discussions and active participation from the participants who raised their queries via the interactive web application, Pigeonhole. The conference was also a networking platform for charities to build strategic partnerships with one another.





Dr Tan Wee Liang, Mr Dennis Lee and Mr Wong Lin Hong presenting on their respective topics.



Panel Discussion (II): Transparency, Disclosure and Reporting



Panel Discussion (I): Strategic Planning and Risk Management for the Charities



Panel Discussion (III): For Profit and Non-Profit Organisations Partnerships

Charity Governance Conference 2016

For 2016, the Conference looked into the future and sustainability of charities with the theme “**Governance for Charities in the 21st Century**”. Organised by the Securities Investors Association (Singapore) (SIAS), as part of their Corporate Governance Week, the Conference brought together both charities and corporates aspiring to uplift their governance practices. It also provided an opportunity for charities to engage corporates on their cause and for corporates to help the community to do good well.

The Conference, held at Mandarin Orchard Singapore’s Grand Ballroom on 28 September 2016, saw an overwhelming attendance of 345 participants, of which 290 were from charity organisations. The two main topics highlighted during the Conference were important and relevant to charities, with the aim to help them strengthen governance and to enable sustainability of charities in a dynamic and ever-changing environment.

There were two presentations followed by a panel session. The first presentation was by Mr Tay Woon Teck, Managing Director of RSM Risk Advisory who shared case studies from corporates and relevant lapses which might also occur in charitable organisations. The second presentation of the conference was by Dr Ho Yew Kee, Head, Department of Accounting, NUS Business School, who shared on Investment of Surplus Funds. The second panel session spoke about the ‘must-haves’ of the organisation before considering whether to invest their reserves.



The Conference segment in the morning concluded with a networking lunch and continued in the afternoon with three concurrent Governance Workshops:

- Workshop 1: Effective Communication and Crisis Management
- Workshop 2: Staying on Track with Robust Governance / Governance and Sustainability for Non-Profit Organisations
- Workshop 3: Enterprise Resilience in the Age of Disruptive Technologies



Dr Ho Yew Kee and Mr Tay Woon Teck presenting on their respective topics



Panel Discussion (I): Lessons on Corporate Governance Applicable to Charities



Panel Discussion (II): Investing Surplus Funds

Revamp of Charity Council Website

The Charity Council website was revamped in November 2015 and included a new blog section that publishes articles that aid charities in strengthening their governance.

The Charity Council collaborated with Centre for Social Development (Asia) and Institute of Singapore Chartered Accountants (ISCA) for a series of six articles themed 'Accounting for Good'. The articles are written by CSDA and published in ISCA's journal. These articles will be consolidated into an e-book titled 'Accounting for Good' and is targeted to be launched at Town Hall V in the second quarter of 2017.

The first article provides an introduction to accountants on the local charity landscape and provides an introduction to accountants on the local charity landscape. It also highlights the importance of financial accountability as well as challenges that charities face. NVPC is also on board so that charities which might require volunteers for accounting related matters can register their interest with NVPC. ISCA will collate the interest from their accountants, and the volunteers will be matched to the charities accordingly.

The second article covers legislations and Code of Governance pertaining to Charities and Institutions of a Public Character (IPCs). The third article extends the discussion to examine the importance of adopting the Charity Accounting Standard (CAS), which is tailored for the sector.

To enhance the public's trust, charities could also look into improving their organisational governance, specifically on how they manage risks. Thus, the fourth article of the series "Helping Charities Do Good Better" explains the need for charities to manage risks, and explores how charities can build an effective risk management model to aid in the effective implementation of internal framework of charities controls. Article 5 and 6 will be published in ISCA journal in the first quarter of 2017.



Informed Giving Initiatives

The Charity Council also embarked on initiatives to promote public education on informed giving. A comic was released in December 2015 to educate the public on how to conduct checks when encountering charity representatives or volunteers soliciting for donations. The comic was also disseminated to Community Centres.



An informed giving graphic was also published to tie in with the festive season in December 2016.



Statistics



VWOs-Charities Capability Fund (VCF)

VCF has been one of the key funding sources for charities and IPCs to tap on to enhance their governance and management capabilities. From April 2012 to November 2016, 486 charities/IPC's have tapped on VCF at least once and approximately \$8.85 million of the fund has been approved.

Training Grant

More than half (51%) of the funds was for local training courses such as Board Governance, Strategic Planning, Financial Management & Controls, Human Resource Management, Fundraising Management, Volunteer Management, etc.

Some examples of training courses include Risk Management Workshop for Not-for-Profit Organisations (NPOs) by Singapore Association of the Institute of Chartered Secretaries and Administrators, Non-Profit Directors Programme by Singapore Institute of Directors, as well as Board Members Network Session by Social Service Institute.

Consultancy Grant

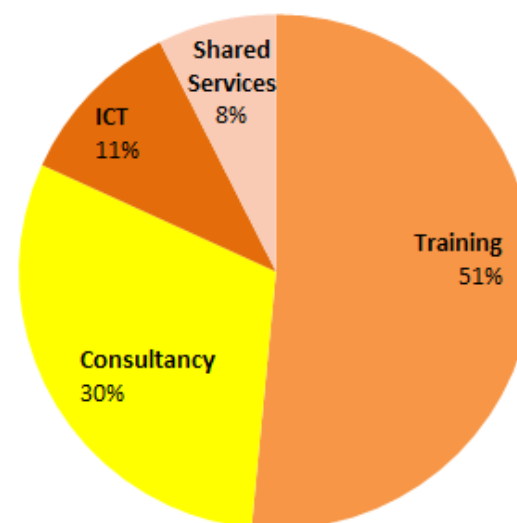
A significant share (30%) of funds was used to support charities/IPC's who wish to engage external consultants for the review of governance and management related policies.

Info-Communications Grant and Shared Services Grant

11% of the funds were used to co-fund charities/IPC's in their purchase of basic ICT equipment and software to ease its

operation. 8% of the funds were spend on Shared Services to help defray charities/IPC's' cost of outsourcing their finance and accounting functions to professional service provider.

Distribution of funds by the Types of VCF Grants



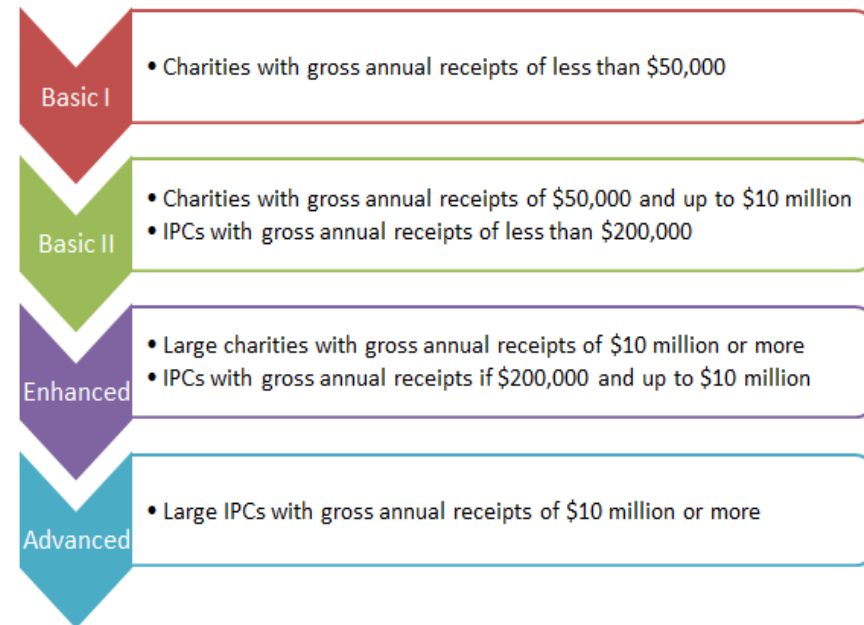
For the next VCF tranche in FY2017 – FY2021, some refinements to the grants would be made to better support the needs of the sector.

Compliance with Code of Governance

Aimed at setting out principles and best practices in key areas of governance and management that charities are encouraged to adopt, the Code of Governance was first introduced by the Charity Council in 2007 and refined in 2011 to provide greater clarity and relevance. All registered charities (IPCs and Non-IPCs), excluding self-funded grantmakers, are required to submit their Governance Evaluation Checklists via the Charity Portal within 6 months after the end of its financial year. The GEC is designed to help charities and IPCs to self-evaluate the extent they have complied with essential guidelines in the Code. The Code operates on the principle of 'comply or explain', and is not mandatory. It is organised into 9 sections and the guidelines are tiered according to the charity or IPC status and size:

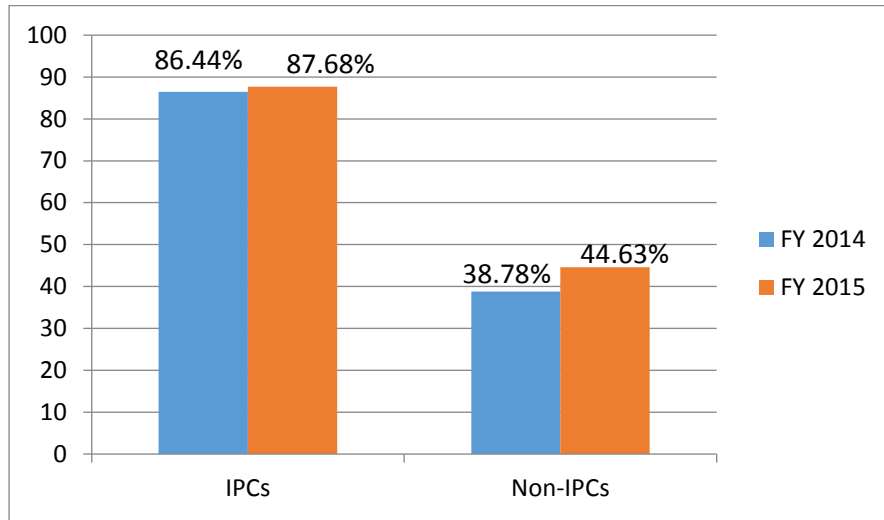
1. Board Governance
2. Conflict of Interest
3. Strategic Planning
4. Programme Management
5. Human Resource Management
6. Financial Management and Controls
7. Fundraising Practices
8. Disclosure and Transparency
9. Public Image

Tiered Code Guidelines for Charities and IPCs³



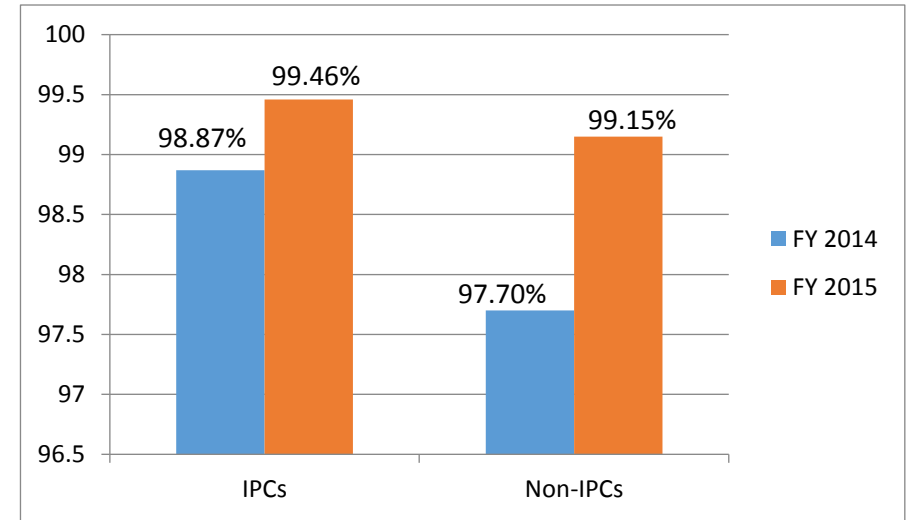
³ This tier is part of the Code of Governance 2011. The refined Code of Governance with new tier will be published on the Charity Council website in March 2017.

Chart 1: Percentage of IPCs and Non- IPCs which submitted their GEC in 2014 and 2015



IPCs are exempt or registered charities which are able to issue tax deductible receipts for qualifying donations to donors. Donors are able to claim tax relief from their assessable income based on the amount donated, at prevailing deduction rate. As this makes IPCs generally more appealing to donors in attracting donations, these organisations are held to a higher standard, both in terms of regulatory compliance as well as governance. Hence, GEC submission rates were significantly higher than the non-IPCs in both 2014 and 2015. More than 85% of the IPCs submitted their GECs to their Sector Administrators ([Chart 1](#)).

Chart 2: Percentage of IPCs and Non- IPCs which met the minimum 80% benchmark for GEC in 2014 and 2015



Out of the IPCs and Non-IPCs which submitted their GECs, the extent of compliance with the GEC guidelines was high. More than 95% of them met the minimum 80% benchmark for the Code of Governance ([Chart 2](#)). The Charity Council will continue to work with the Office of Commissioner of Charities to improve the charities' GEC submission rates.

CHARITY COUNCIL SECRETARIAT

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