

ACCOMPANYING GUIDE TO THE CHARITY TRANSPARENCY FRAMEWORK



ISSUED BY THE CHARITY COUNCIL, OCTOBER 2020

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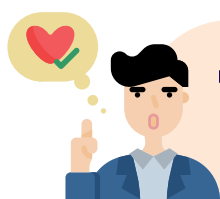
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BACKGROUND

First launched in 2015, the Charity Transparency Framework (CTF) aimed to improve transparency and accountability in the charity sector. In 2016, the inaugural Charity Transparency Awards was held to recognise charities who had performed well in their disclosure practices based on the CTF's Charity Disclosure Scorecard. In 2019, the Charity Council formed a sub-committee to review the CTF's relevance and applicability for charities, as well as to align the framework to the refined Code of Governance issued in 2017. The review was done in consultation with charities, grant-makers, and Sector Administrators. The revised CTF was published in 2020.

The revised CTF and Charity Disclosure Scorecard serve as a guide for charities to disclose key aspects of information so that public and donors could have a meaningful understanding of their work and how well managed and governed they are, and make informed giving decisions. Charities should use the CTF and its Scorecard in conjunction with the Code of Governance for Charities and Institutions of a Public Character (IPCs).

Through the CTF, charities will:



1

Understand the importance of transparency, as part of good governance.



2

Aspire to achieve the recommended areas of disclosure



3

Be aware of the network of people and skills required to implement good disclosure practices

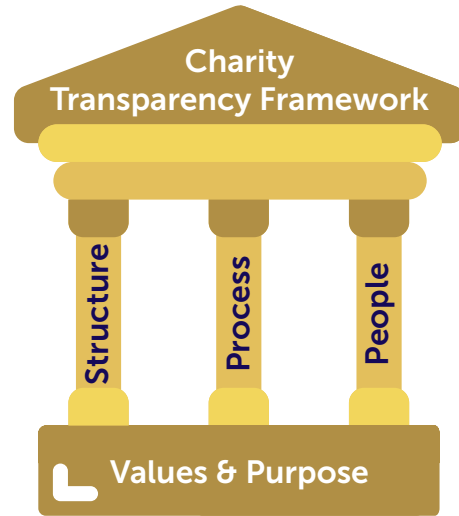


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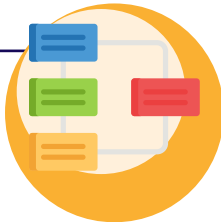
Be committed to improve transparency practices and accountability to their partners, donors, beneficiaries and the public.

PILLARS OF THE FRAMEWORK

An organisation's commitment towards Transparency is fundamental and is necessary in all steps of driving Transparency in charities. The implementation of good transparency practices should be guided by the charities' values and purposes. For charities who want to implement proper disclosure practices, they need to have in place the following pillars: (i) Structure; (ii) Process; and (iii) People.

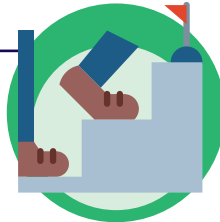


STRUCTURE



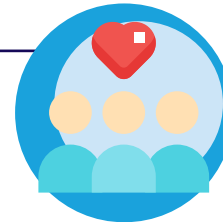
Refers to the makeup of the charity that supports the implementation of good transparency practices.

PROCESS



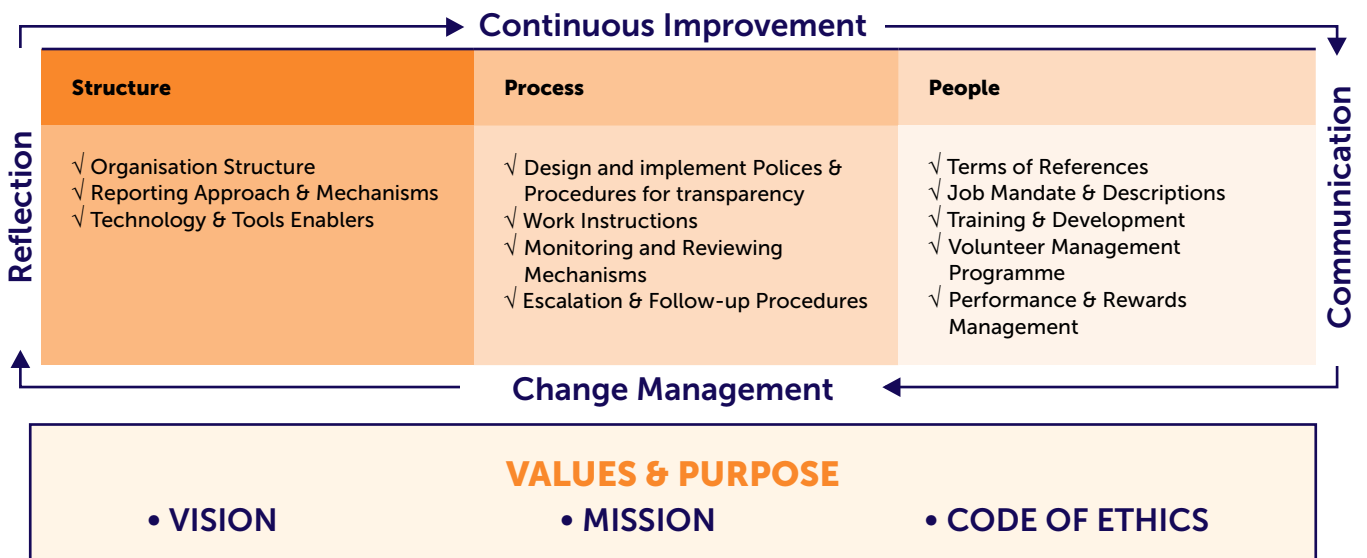
Refers to the series of actions or steps required to achieve good transparency practices.

PEOPLE



Refers to individuals or groups who are involved in implementing good transparency practices in the charity.

Charities should regularly reflect on its Structure, Process and People for continuous improvement. Changes and developments should be communicated to the relevant parties as well.



PEOPLE INVOLVED IN THE ADOPTION OF GOOD DISCLOSURE PRACTICES

Who should be involved?	Who should take the lead?
<ul style="list-style-type: none"> √ Board members √ Chief Executive Officer/ Executive Director/ Head or equivalent √ Staff and/or Volunteers whose roles include preparing/ updating the charity's publications and/or website and social media platforms, including the charity's financial statements, annual report, governance evaluation checklist, website, Facebook, etc. <p>[This list is non-exhaustive and it is up to the discretion of the charity, as long as it's fully declared.]</p>	<ul style="list-style-type: none"> √ The Board and Chief Executive Officer/ Executive Director/ Head or equivalent of the charity should spearhead and guide the charity towards: <ul style="list-style-type: none"> • Implementing good disclosure practices • Adopting policies and procedures that facilitate good disclosure

SKILLS AND KNOWLEDGE NEEDED

The CTF recommends that the following skills and knowledge are required:

- Understanding the importance of good governance and transparency, accountability and practising good disclosures.
- Understanding of:
 - › the regulatory regime applicable to charities and IPCs;
 - › the standards of good governance as set out in the Code of Governance for Charities and IPCs; and
 - › accounting standards applicable to charities and IPCs.
- Expertise to implement the disclosures recommended in the Charity Transparency Framework, including relevant skills to present information in a simple and clear manner.



AREAS OF DISCLOSURE

In alignment with the Code of Governance, the key areas of disclosure have been refined to the 9 key areas of disclosure:

A. Timeliness of Submissions
B. Board Governance and Executive Management
C. Conflict of Interest
D. Strategic Planning
E. Programme Management
F. Human Resource and Volunteer Management
G. Financial Management and Internal Controls
H. Fund-raising Practices
I. Auditor's/Independent Examiner's Report

For the full list on the disclosure items, please refer to the Charity Disclosure Scorecard.



CHARITY TRANSPARENCY AWARDS: RECOGNISING CHARITIES FOR DISCLOSURE EFFORTS

To encourage charities to be more transparent and to recognise charities for their disclosure efforts, charities will be assessed using the tiered Charity Transparency Scorecard.

To be eligible for the award selection, the organisation must:

- i. Be a registered charity and/or an Institution of a Public Character (IPC) which has been in operation in Singapore for at least three years;
- ii. Have submitted their Annual reports (AR), Financial Statements (FS) and Governance Evaluation Checklist (GEC) on time for the two immediate preceding financial years; and
- iii. Have gross annual receipts of not less than \$50,000 in the immediate preceding financial year

Exclusions

- Exempt charities and grantmakers that do not have IPC status. However, if the exempt charities would like to be assessed for the purpose of the Awards, they may put up their request to the Charity Council Secretariat via email at: Charity_Council_Sec@mccy.gov.sg.

Sources of Information

Charities are assessed based on information found in any of the three (3) key sources below which are available for the public, namely:

- › Charity's AR, FS and GEC on the Charity Portal;
- › Charity's official website; and
- › Charity's official Facebook page or other official Social Media platforms (if applicable)





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