

MEDIA RELEASE

CHARITY COUNCIL LAUNCHES REFINED CODE TO UPHOLD GOVERNANCE PRINCIPLES

Second Charity Governance Report reveals that charities had enhanced governance and management

1. The Charity Council has launched the refined Code of Governance for Charities and Institutions of a Public Character (IPCs), which was first introduced in November 2007.

2. The refinement exercise was led by a Charity Council Sub-Committee and three workgroups comprising representatives from various charities and IPCs, grantmakers, professional bodies, academia and auditors. A dialogue session with 55 representatives from 39 charities was also held to seek their feedback. Overall, the refined Code provides greater flexibility to the diverse charity sector, although key guidelines related to the setting of staff remuneration as well as the distinction between board and operational roles have been tightened in order to uphold key good governance principles. It has also been made clearer and easier to understand.

3. The Charity Council has also released its second Charity Governance Report. The report highlights the state of governance in the charity sector, capability building initiatives and profiles good governance practices by charities.

4. The report reveals that charities have taken the responsibility to enhance their governance and management capabilities. Since the first report released in 2009, there has been an improvement in the checklist scores for all sectors, suggesting that charities are adopting more of the Code guidelines. Moreover, since April 2007, more than 700 charities have tapped on the VWO-Charities Capability Fund (VCF) grants for training, consultancy, info-communications technology projects and shared services. About 14,000 training places in courses on governance and management have also been taken up by charities.

5. Mrs Fang Ai Lian, Chairman of the Charity Council, said, "Kudos to our charity practitioners and stakeholders who were involved in the Code refinement exercise. I believe the refined Code would help more charities to appreciate the spirit of good governance and encourage greater adoption of the Code guidelines. I am heartened that charities have also made the effort to improve on their governance capabilities. I hope the public will continue to support the charity sector so that charities can continue their good work and help those in need."

THE CHARITY COUNCIL

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About the Charity Council

The Council was set up in October 2006 to promote a culture of good governance and self-regulation in the charity sector. It seeks to be a:

- i. **Promoter** - encourage adoption of good governance standards and best practices, enhance public confidence in the charity sector;
- ii. **Enabler** - help build the governance capabilities of charities to enable them to comply with regulatory requirements and enhance public accountability of charities; and
- iii. **Advisor** - advise the Commissioner of Charities (COC) on key regulatory issues where there may be broad-ranging impact on the charity sector.

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