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CHARITY GOVERNANCE CONFERENCE AND WORKSHOPS 2021

RISK DISCLOSURES – HOW MUCH SHOULD A CHARITY DISCLOSE OF ITS OPERATIONS AND RISKS



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RSM



01

Disclosure Requirements

Relevant Regulations and best practices for disclosures.



02

Key risk areas

The state of current disclosure by Charity and recommendation for additional disclosures.



03

Sustainable Development Goals

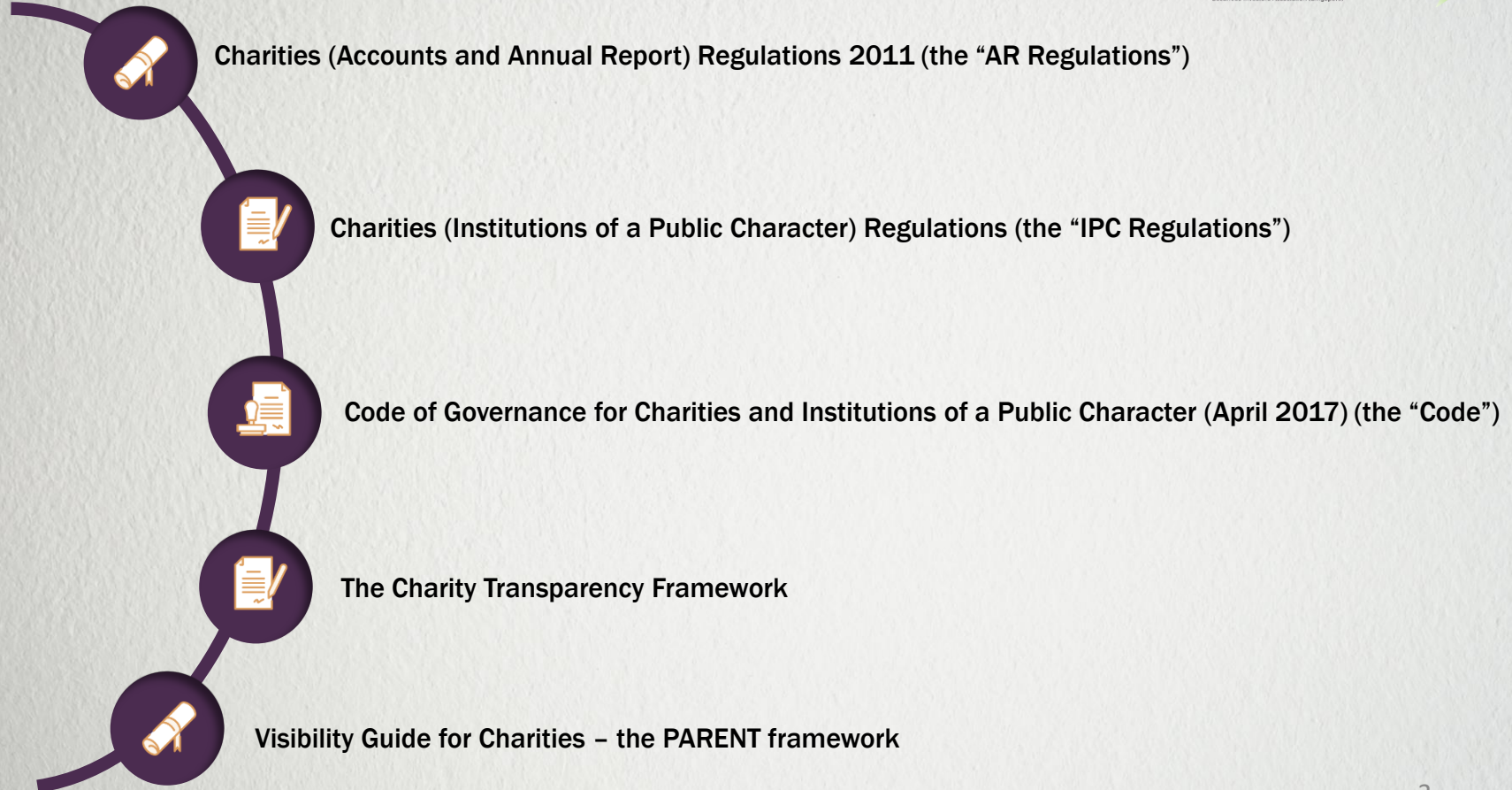
Should Charity adopt and disclose their contribution to the relevant United Nations Sustainable Development Goals?



04

Benefits

What's in it for Charities to be transparent?



Principle 8 of the Code

Disclosure & Transparency: The charity should be transparent and accountable in its operations. The charity should provide information about its mission, structure, programmes, activities and finances, as well as be responsive to requests for information.

Annual Report* to include the following:

1. Programmes and activities
2. Audited financial statements
3. Board meeting attendance
 - ✓ # of Board meeting and attendance on named basis
4. Disclosure of Board fee & staff remuneration
 - a) Board members:
 - ✓ Disclose the exact Board fees received by each Board member. Disclose if none.
 - b) Paid staff:
 - ✓ Total remuneration of each of the 3 highest paid staff on named basis (only for those exceeding \$100,000 and in bands of \$100,000).
 - ✓ If they also serve on the Board – disclose.
 - ✓ If none received more than \$100,000 – disclose.
 - c) Paid staff who are close family members of ED/CEO or Board members
 - ✓ Disclose # of such staff exceeding \$50,000 during the year
 - ✓ No-named basis, in the bands of \$100,000
 - ✓ But the related ED/CEO or Board members should be disclosed on a named basis
5. Disclose in the Annual Report whether there is a whistle-blowing policy

*Annual Report should also be prepared in accordance with the requirements set out in the Charities (Accounts and Annual Report) Regulations 2011 and the Charities (Institutions of a Public Character) Regulations

Disclosure of Programmes & Operations



OUR ECOSYSTEM

To achieve impact, every part of our ecosystem depends on each other. When CFS, our donors and charities work together, we enable charitable funds to reach vulnerable communities where needed most.

Advisory Service

Our community knowledge and extensive network allow us to provide a comprehensive overview of the many unmet needs in our community. Through consultations, we help donors on a cause that aligns with their passions and interests.

Fund Setup & Administration

We take on the administration and compliance of donor advised funds, ensuring donors can make the most of their giving journey.

Partnerships

We constantly strive to expand our partner network, with charities, researchers and government agencies to understand the social landscape and areas of needs through which our donors can channel their charitable gifts.

Governance Evaluation Checklists

BASIC TIER



INTERMEDIATE TIER



S/N	Board Governance
1	Induction and orientation on joining the Board.
2	Staff ¹ does not chair the Board and does not comprise more than one-third of the Board.
3	There are written job descriptions for their executive functions and operational duties which are distinct from their Board roles .
4	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).

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ENHANCED TIER



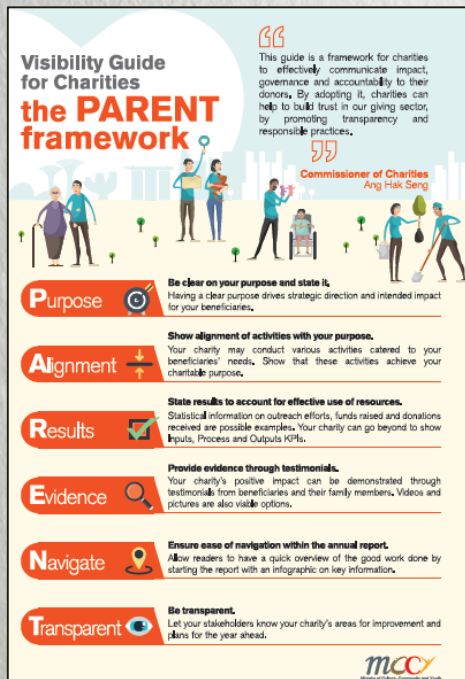
S/N	Description
1	Induction and orientation are provided to incoming Board members on joining the Board.
2	Staff ¹ does not chair the Board and does not comprise more than one-third of the Board.
3	There are written job descriptions for their executive functions and operational duties which are distinct from their Board roles .
4	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).
5	All Board members submit themselves for election/re-election annually.

ADVANCED TIER



S/N	Description	Code ID	Response (Drop list)
Board Governance			
1	Induction and orientation are provided to incoming Board members on joining the Board.	1.1.2	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
	Are there Board members holding staff¹ appointments? (Skip items 2 and 3 if "No")		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2	Staff ¹ does not chair the Board and does not comprise more than one-third of the Board.	1.1.3	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
3	There are written job descriptions for their executive functions and operational duties which are distinct from their Board roles .	1.1.5	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
4	There is a maximum limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).	1.1.7	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied

Visibility Guide for Charities



Purpose

Be clear on your purpose and state it.

Having a clear purpose drives strategic direction and intended impact for your beneficiaries.

Alignment

Show alignment of activities with your purpose.

Your charity may conduct various activities catered to your beneficiaries' needs. Show that these activities achieve your charitable purpose.

Results

State results to account for effective use of resources.

Statistical information on outreach efforts, funds raised and donations received are possible examples. Your charity can go beyond to show Inputs, Process and Outputs KPIs.

Evidence

Provide evidence through testimonials.

Your charity's positive impact can be demonstrated through testimonials from beneficiaries and their family members. Videos and pictures are also viable options.

Navigate

Ensure ease of navigation within the annual report.

Allow readers to have a quick overview of the good work done by starting the report with an infographic on key information.

Transparent

Be transparent.

Let your stakeholders know your charity's areas for improvement and plans for the year ahead.

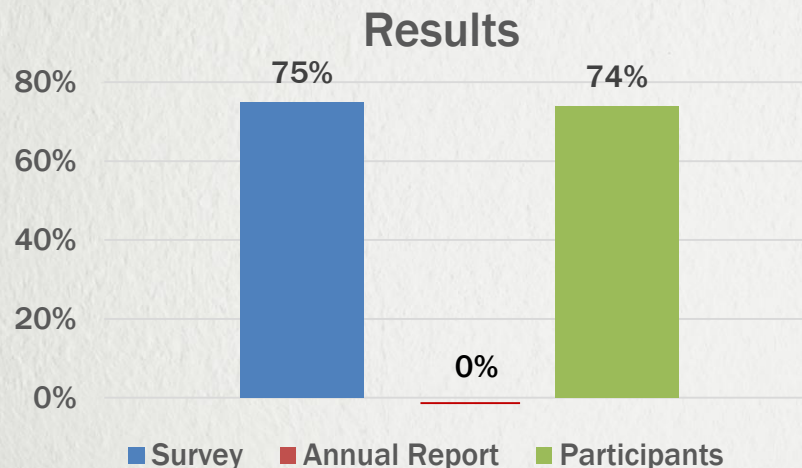
Risk areas for charities



Risk Disclosures

Suggested Disclosure for IPCs

Disclose a table of key risks (including financial, operational, compliance & information technology risk categories) facing the charity & how they are being managed or mitigated



Survey: Based on survey results of 32 individual charity board members & management

Annual Report: Based on review of 20 IPC FY2020 or FY2021 Annual Reports

Participants: Based on 105 respondents

Example of risk management disclosure



H. RISK MANAGEMENT AND INTERNAL CONTROLS

1. The Board and Audit & Risk Sub-Committee are assisted by the Management Risk Committee to evaluate the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.
2. The Management Risk Committee oversees the risk management framework and guidelines of the Company. It is responsible for, among other things, reviewing the Company's policies, risk management framework, processes and procedures for identifying, measuring, reporting and mitigating key risks in the Company's programmes and operations.

Example of risk management disclosure



In Risk Assessment, the following areas are considered:

- Strategic
- Operations and program management
- Governance and compliance
- Human resource
- Volunteer management
- Financial management
- Fundraising
- Public image
- Fraud / illegal activities

Fraud Risk Management

To promote consistent organisational behaviour in order to prevent and detect fraud, TOUCH has developed a Fraud Risk Management Plan which provides guidelines and assigns responsibility when conducting investigations. Any irregularity that is detected or suspected must be reported immediately to the Chief Operating Officer (COO), who reports the irregularity immediately to the Audit Committee.

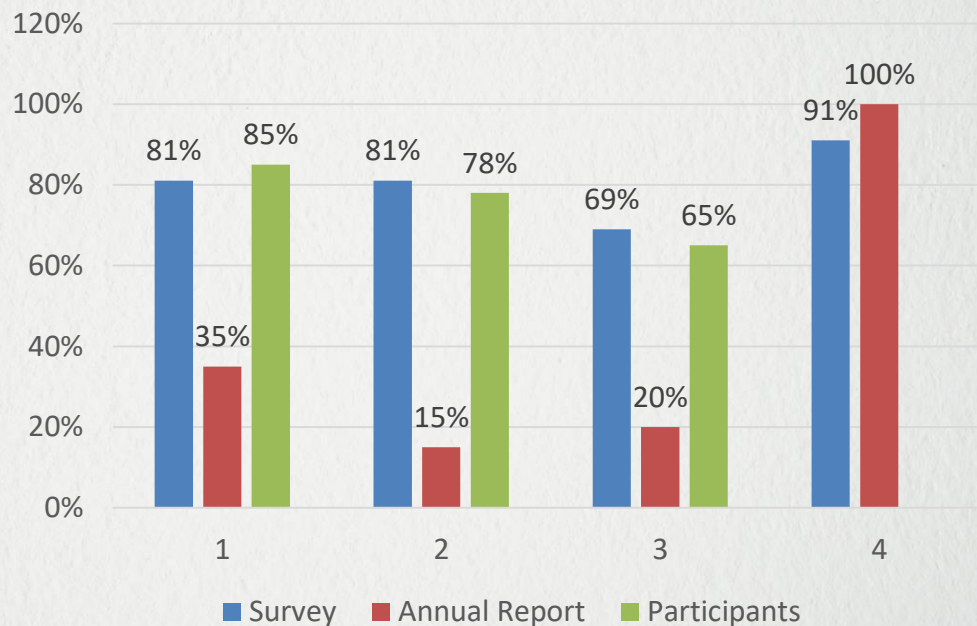
Governance & Ethics

Suggested Disclosure for IPCs

1. Process for orderly renewal of Board & Key Office Bearers
2. Process for regular review of Board composition, diversity & skillset
3. Process for performance evaluation of the Board, committees & directors
4. **Policy for management of conflicts of interest^(a)**

(a) According to Reg 18 of the IPC regulation, for non IPCs, the Code encourages the charity to have a documented procedure to declare actual or potential conflicts of interest to the Board at the earliest opportunity.

Results



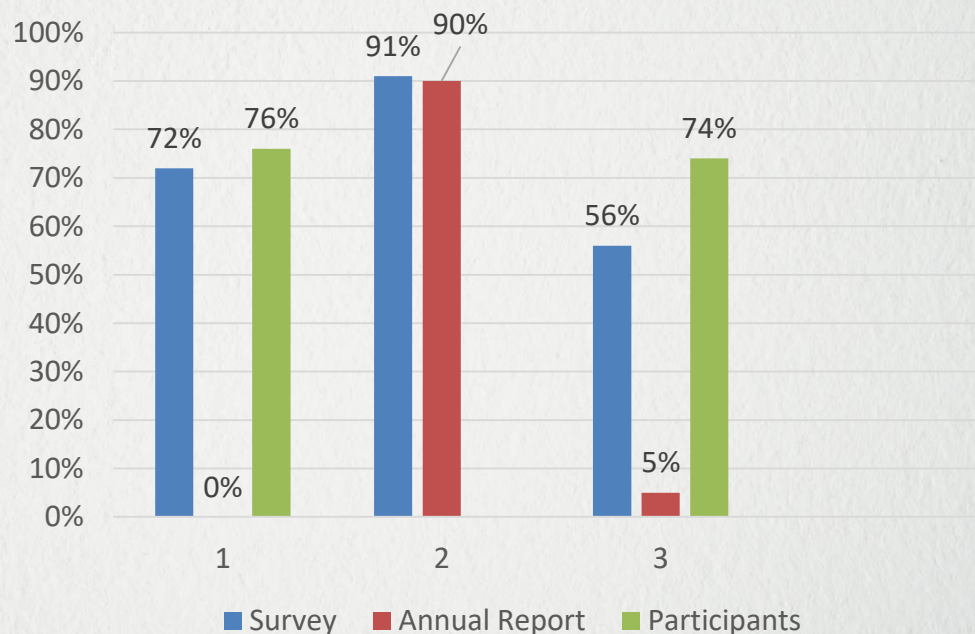
Robustness of Monitoring

Suggested Disclosure for IPCs

1. Audit Committee's comment on whether the internal audit function is independent, effective & adequately resourced
2. **Existence of independent whistleblowing channel^(a)**
3. Whether any significant matters raised through the whistleblowing channel

(a) Recommended for all registered charities and IPCs in the Enhanced and Advanced tiers as defined in the Code.

Results



Example of internal audit disclosure



TOUCH has outsourced its Internal Audit (IA) function that reports to the Audit Committee, independently. Annually, the IA function conducts a Risk Assessment to logically draft an Audit Plan that is presented to the Audit Committee for commissioning. Apart from Risk Assessment and Exposures, this audit plan also takes into consideration inputs from the Leadership Team, referring to the Audit Universe of TOUCH.

Example of internal audit disclosure



Governance Review and Internal Audit

During the FY, RSM Risk Advisory Pte Ltd was engaged to conduct charity governance and internal audit review for LLF, with co-funding from NCSS' VCF VWO Capability Fund. LLF continues to work with professional audit agencies to regularly review its internal control measures and aims to achieve standards comparable to the Charity Governance Award.

Example of receipt of whistleblowing disclosure



Whistle blowing Policy

LLF has set in place a whistle blowing policy approved by Board.
During the year, there have been no reports received pertaining to whistle blowing.

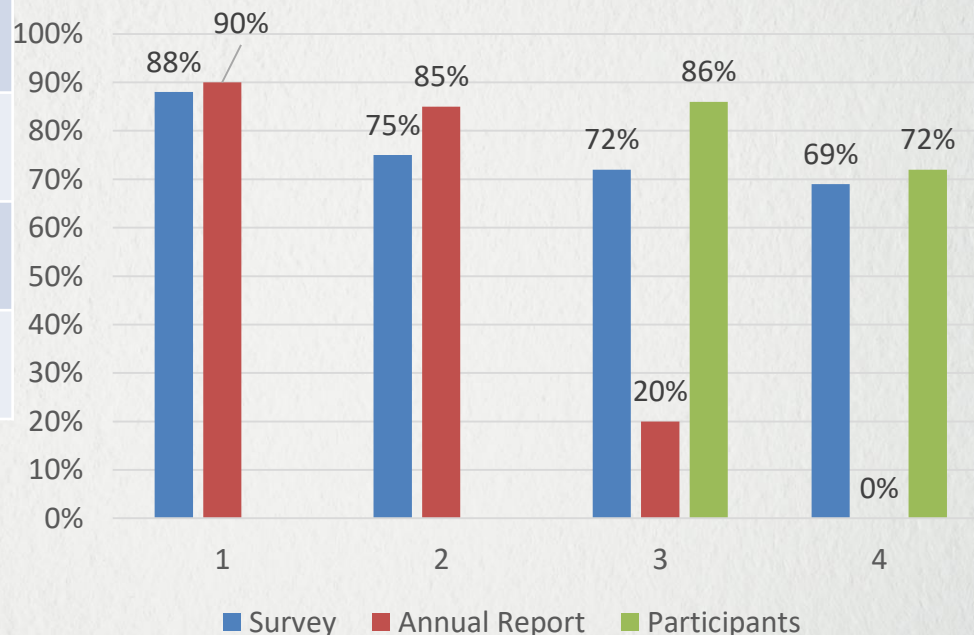
Financial Sustainability

Suggested Disclosure for IPCs

1. **Reserve Policy** ^(a)
2. **Basis of calculating the reserve requirement** ^(a)
3. Whether the reserve requirement has been met
4. Negative assurance on material non-compliance with funding conditions

(a) According to Reg 8 (2)(e) of the AR Regulations, Charities with income / expense of more than \$500,000 is required to disclose its reserves policy; Reg 8 (2)(f) of the AR Regulations, should there be any funds of the Charity be in deficit, the charity must disclose the (1) the purpose of the fund, reason for deficit, plans to address the deficit and any other details in relation to deficit fund.

Results



Example of reserve policy disclosure



RESERVES POLICY

The reserves that HealthServe has set aside provide financial stability and the means for the development of the organisation's work. In FY 2020, HealthServe met its reserves policy target of a minimum of two years of operating expenditure.

Example of reserve policy disclosure



太和观 THK

Thye Hua Kwan Nursing Home Limited

COMPANY'S RESERVES POSITION:

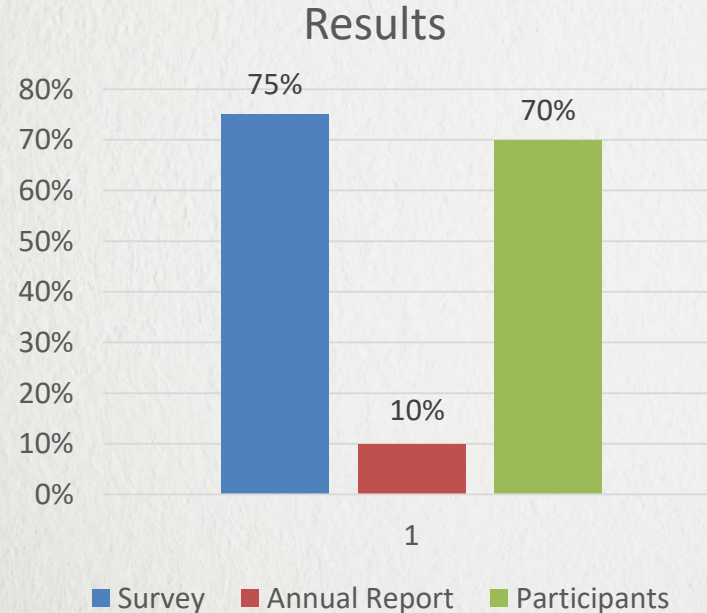
	Current Year	Previous Year
(A) General /unrestricted funds (Reserves)	S\$11,082,822	S\$7,354,215
(B) Annual Operating Expenditure	S\$11,185,098	S\$11,475,528
Ratio of Reserves (A)/(B)	0.99:1	0.64:1

Reserves have been set aside to provide financial stability and means for development of the Company's principal activity. The Company targets to maintain its reserves minimally equivalent to 3 years of its budgeted expenses.

Service Quality

Suggested Disclosure for IPCs

1. Negative assurance on material non-compliance with relevant & applicable service standards & regulations



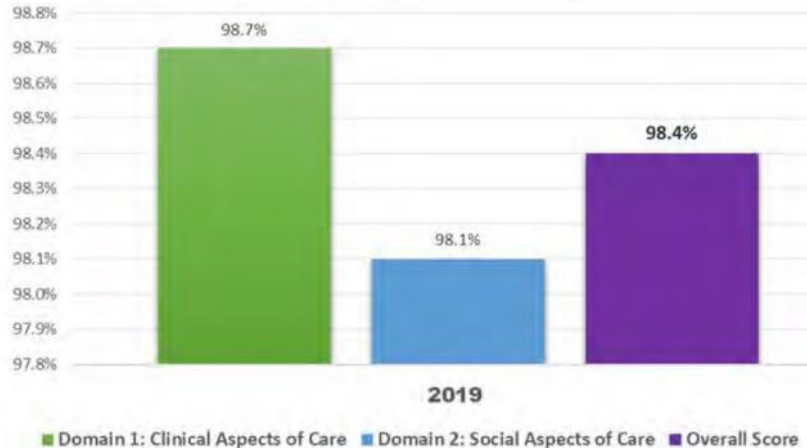
Example of service quality risk disclosure

Clinical Indicators

Internal Quality Assurance (IQA)

Under the Enhanced Nursing Home Standards (ENHS), it is mandated that conducts an Internal Quality Audit (IQA) once every 6 months. The audit was Assurance (QA) Committee which comprise of Nursing and Operations staff.

2019 Internal Quality Audits Average Scores



Emergency Preparedness – Mask Fitting

NHELP Medication Module Project

Influenza Vaccination for Residents / Staff

Contenance Management Project

Wound Management Project

Fall Prevention Project

Total Falls Incident in Year



Average achievement in Audits

99%

Quality Improvement Initiatives

Infection Control Committee – Hand Hygiene Audit

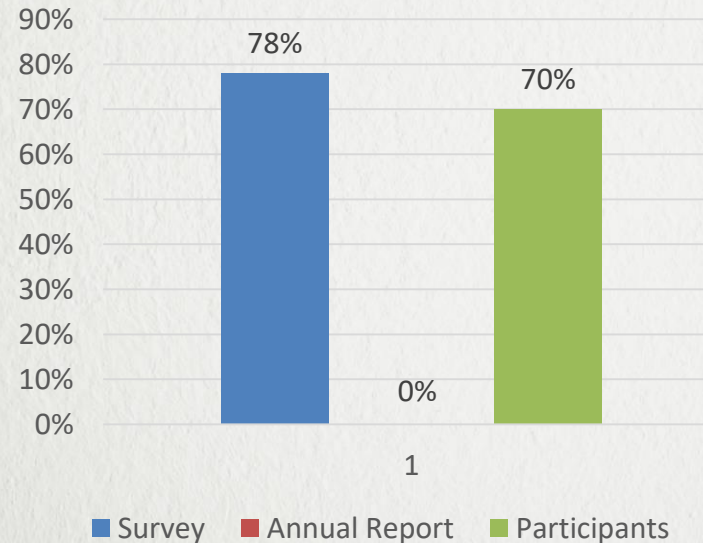


Cyber Security

Suggested Disclosure for IPCs

1. Steps taken to protect against cyber security

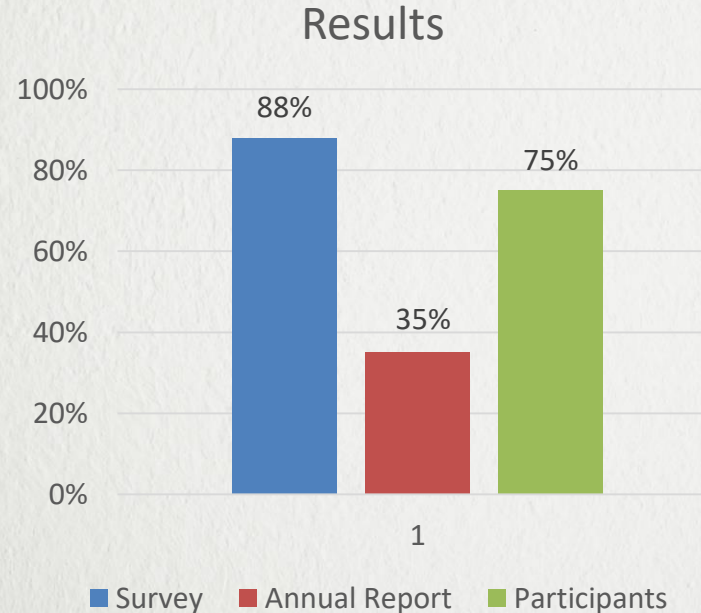
Results



Personal Data Protection Act (PDPA)

Suggested Disclosure for IPCs

1. Steps taken to comply with PDPA

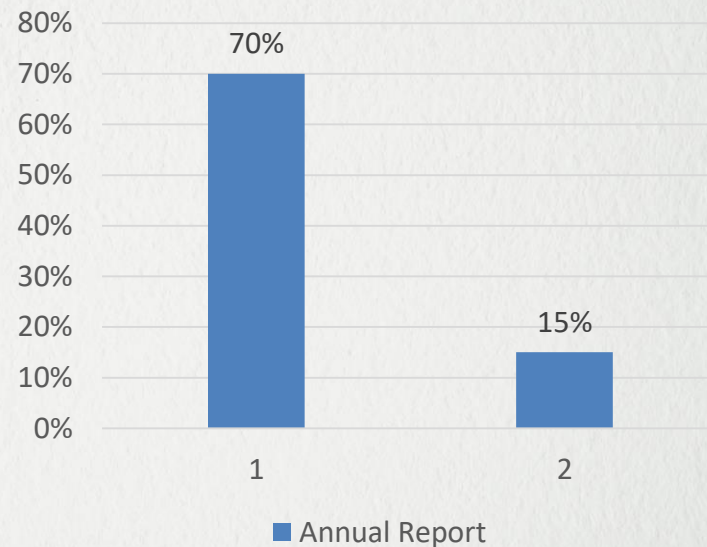


Covid-19 Disclosure

Disclosure for IPCs

1. Impact on beneficiaries/operations
2. Financial impact on the charity

Results



Example of Covid-19 Disclosure

2020 Was No Ordinary Year

BUILDING NEW STAFF CAPABILITIES IN RESPONSE TO COVID-19

To guard the health and safety of staff and residents against Covid-19, staff underwent training on the proper use of personal protective

ADAPTING TO SPLIT TEAM AND ZONING WORK ARRANGEMENTS

Our staff continued with regular department and supervisory meetings by holding them on online platforms such as Zoom. Contract service staff were employed to assist with ground operation.

HOW COVID-19 CHANGED THE WAY WE WORK

KEEPING OUR RESIDENTS SAFE

New measures taken up by staff include daily temperature taking and monitoring of respiratory infection symptoms in our residents.

UNIT BONDING ACTIVITIES FOR RESIDENTS DURING CIRCUIT BREAKER

To minimise contact with the general public, our staff planned unit bonding activities which would take place away from crowded high-density public spaces.

MAINTAINING STRUCTURE

Our staff worked closely with our teachers to support their learning at home-based learning when schools were closed. As home-based learning relied on the usage of electronic devices such as laptops and tablets.

Example of Covid-19 Disclosure



List of suggested additional disclosures

1

Table of key risks & how they are being managed or mitigated

2

Process for orderly renewal of Board & Key Office Bearers

3

Process for regular review of Board composition, diversity & skillset

4

Process for performance evaluation of the Board, committees & directors

5

AC's comment on IA function is independent, effective & adequately resourced

List of suggested additional disclosures

6

Whether any significant matters raised through the whistleblowing channel

7

Whether the reserve requirement has been met

8

Negative assurance on material non-compliance with funding conditions

9

Negative assurance on material non-compliance with standards & regulations

10

Steps taken to protect against cyber security, comply with PDPA and COVID-19

United Nation Sustainable Development Goals (UNSDG)



Example of UNSDG disclosure

Chen Su Lan Methodist Children's Home provides shelter, care and protection to boys and girls between the ages of 5 and 21 years old who come from low income, broken, dysfunctional or abusive families in Singapore.

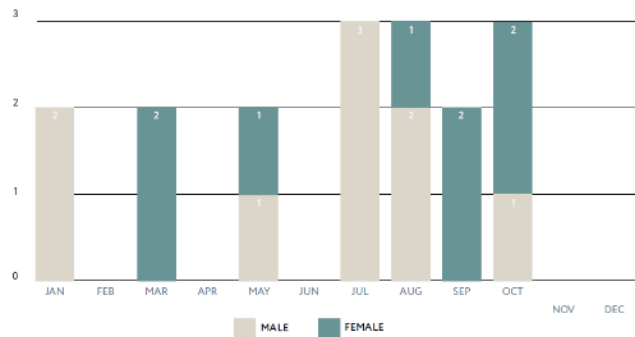


Example of UNSDG disclosure

Maintaining education standards

We take a strong interest in the academic performance of our children as we want them to be able to progress to further education and have better prospects in life.

TOTAL NUMBER OF RESIDENTS DISCHARGED



Healing through therapy

All our residents arrive with a need for therapy. Our therapy department consists of a team of professionals who provide a range of services to help them into happy and responsible lives.

The Family Care Team

The Family Care Team was initiated on 16 November 2020 in order to help residents to do family work for existing residents and to consolidate family work in the Home.

Pilot Small Group Care

Established in June 2017 and supported by the Department of Child Development, the Pilot Small Group Care programme provides trauma-informed care in a safe and nurturing environment. Most of our activities are designed to support the development of our residents. Our two main programmes for 2020 were the reading programme and the drama programme. These took place in the Home.

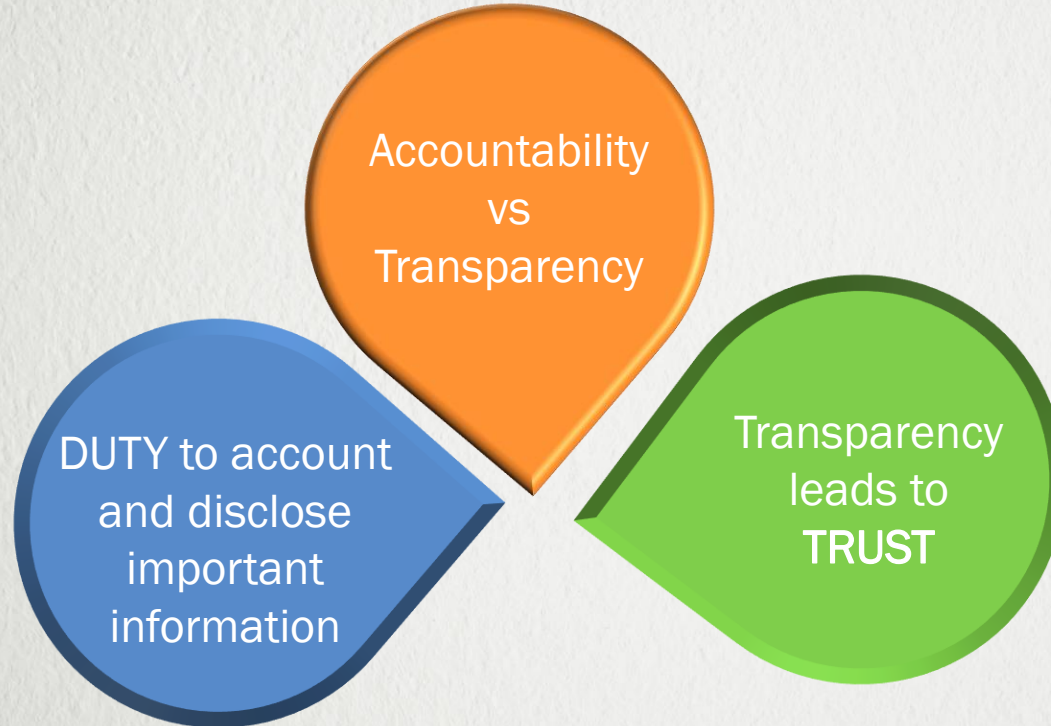
Enrichment Programmes

Programmes conducted outside the Home

Three runs of the learning journey were conducted during the November-December school holidays for Houses of Peace, Truth and Love.

These programmes provide residents with new experiences to broaden their horizons and develop their interests, while ensuring the safe management measures, such as the use of face masks, are followed. The programme as each run could only accommodate a limited number of residents.

Benefits of more transparency



Benefits of more transparency

VOLUNTEERS

Aligns the charity's mission and goals and creates a positive workplace culture.



DONORS

Increase public trust and confidence and improve donor stewardship



BENEFICIARIES

Allow beneficiaries to know they are cared for and their well being are protected.



REGULATORS

Allows regulators (funding agencies) to make the right decision and benefit those in need.



EMPLOYEES

Aligns the charity's mission and goals; earns employees' trust and creates a positive workplace culture.



*Thank
you*