

**SPEECH BY MR DESMOND CHIN, COMMISSIONER OF CHARITIES
“IN CONVERSATION WITH COMMR OF CHARITIES & CHARITY
COUNCIL” ON THUR, 17 APR 2025, 9.00AM TO 1.30PM @
SINGAPORE MARRIOTT TANG PLAZA HOTEL**

WELCOME

1. Good morning, everyone.
2. It is my pleasure to see all of you here today, physically and virtually.
Thank you for joining us.
3. You play a critical role in building a stronger, more compassionate society. Your commitment to making a difference in our community always inspires us.
4. I would like to acknowledge the presence of the Charity Council who are here with us today. Some have feedback that they do not know the difference between the Council and the COC's Office. Reality is that we work in close collaboration, and distinct but complementary roles. Let me explain:
 - a. While the COC is responsible for the regulation and oversight of charities; the Charity Council supports this role by promoting best practices and enhancing public confidence in the charity sector.
 - b. The Charity Council serves as a Promoter of good governance practices and an Enabler by building the governance capabilities of charities.

- c. The Council also advises the COC on emerging trends and issues relevant to charities; it enables the COC to make more informed and robust decisions.
 - d. The Council meets quarterly, and the discussions are open and frank.
5. So, I really want to extend special thanks to Ms Theresa Goh, the Chairperson of the Council, as well as our Council members for their ongoing contributions. Would you join me in thanking them.

(A) WORK DONE IN 2024

6. Please allow me to give a quick recap of key initiatives rolled out in 2024. It will help us know and tap on the resources made available the past year.

7. Enterprise Risk Management Toolkit. In Apr 2024, the **Enterprise Risk Management Toolkit** was launched, in partnership with KPMG and the Singapore Institute of Technology to help charities manage both foreseeable and unforeseen risks.

8. Environmental, Social & Governance (ESG) Principles

- a. We made progressive strides in integrating ESG principles into our sector since it was introduced in the Code of Governance for Charities and IPCs in Apr 2023. We know this because we have

since been getting many requests for further guidance on how to implement these practices.

- b. To address this, the Council worked with KPMG to produce the **ESG Playbook**. The playbook provides practical, actionable steps for charities to adopt ESG practices and embed them into their operations. Please have a look at it @ the Charity Portal.
- c. Following up from the ESG Playbook, we are also organising an ESG Workshop with KPMG on 28 Apr to share insights on integrating sustainability practices. I would encourage all who are keen to learn more to attend.

9. Anti-Money Laundering (AML) & Countering Financing of Terrorism (CFT)

- a. We stepped up efforts to raise awareness of the risks of abuse for TF and ML among charities and the need to implement measures to mitigate the potential risks of abuse.
- b. Most recently in Jan this year, over 300 charities attended the **“Charities Lean Forward” webinar on strengthening charities against TF and ML**, organised in collaboration with Pro Bono SG, and with the support of the MHA and the Suspicious Transaction Reporting Office.
- c. In 2024, we also conducted 3 training sessions on the **Terrorist Financing Risk Mitigation Toolkit**, where over 100 charities that

conduct activities in high-risk countries and near conflict zones attended the sessions.

- d. Last October, we worked with WongPartnership to develop a **Guidance Template** to help charities establish policies and procedures based on their risk profiles.
- e. We also partnered with the Institute of Singapore Chartered Accountants (ISCA) and Temasek Trust Foundation Advisors (TTFA) to offer name screening services to support the charities in their due diligence processes.
- f. We have **identified 200+ charities that support charitable causes in high-risk jurisdictions** and near conflict zones.
 - i. In Jan this year, we engaged these charities through a hypothetical case study and questionnaire, designed to enhance understanding of the risks of TF abuse and red flag indicators of suspicious activities and transactions.
 - ii. We received over 80 responses. About 80% of these charities indicated that they have implemented their AML/CFT policies and procedures, or similar policies to maintain proper accountability of charitable funds.
 - iii. We would strongly encourage those who have not, to do so quickly, as establishing your AML/CFT policies and procedures creates a culture of awareness and accountability within your organisation.

- iv. One case of a charity being abused for TF is one case too many. This will be detrimental to the entire sector. We do not want one bad apple to spoil the entire barrel.

10. Resources

- a. We understand that charities sometimes require guidance but don't know where to find them.
- b. To make it easier for charities, we created a **Shared Services Blueprint** that gives an overview of resources available, which are mapped according to the Code of Governance's principles and functional needs.
- c. The **Enterprise Risk Management Toolkit, ESG Playbook and AML/CFT resources** are also all available on the Charity Portal. Please download them for your use.

11. Charities Life Cycle Survey

- a. We rolled out a Charities Life Cycle Survey in partnership with Ernst and Young.
- b. More than 400 responses were gathered. It has given us useful insights into the challenges charities face at different stages of their development.
- c. This year, we will focus on addressing the areas where charities have requested more help in, including providing targeted training to meet these needs.

12. All these initiatives were developed to equip our charities to be better prepared now and for the future.

(B) STRENGTHENING OUR CHARITIES FOR A CHANGING FUTURE

13. Let me now share what I think are the 5 critical realities shaping the future of our charities in Singapore.

(I) Public's Trust is Everything; and It's Harder to Keep

14. Public scrutiny of charities is increasing (*actually, public scrutiny of everything is increasing*). Your donors, volunteers, and regulators will expect greater transparency, accountability, and measurable impact from you. A gross governance failure can easily erode public trust, affecting not just one charity but the entire sector.
15. What does this mean for charities and how do we prepare for this?
- a. Charities must prioritise strong governance and ethical leadership. *We need to “do the right things” and “do things right”.*
 - b. We also need to go beyond just reporting on where funds go – ideally, we need to show the real-world impact we create for our beneficiaries and our society.

- c. We also need to be proactive and transparent in our communications to all – not just in the day-to-day work we do, but even more so in crisis. We should address issues openly and honestly before they escalate further.

(II) Fundraising is Tougher; Diversification is the Solution.

- 16. Charities relying heavily on traditional donations will eventually face donor fatigue. At the same time, rising costs are making operations more expensive. While government funding offers some relief, they should not be relied upon as a long-term solution.
- 17. What can charities do?
 - a. We should move beyond just soliciting donations and grants, but explore alternatives like Corporate Partnerships, Impact Investing, and Social Enterprises.
 - b. Our next generation will be even more tech-savvy, as they have grown up familiar with technology. Charities should therefore strengthen your digital fundraising efforts as tech-savvy donors expect seamless and engaging experiences.

(III) Digital Transformation is No Longer Optional

- 18. Unfortunately, quite a few charities are still lagging in digital adoption, but the future is undeniably digital. Charities that fail to modernise their operations and engagement strategies risk losing donors, volunteers and efficiencies.

19. How can charities stay ahead?

- a. Use digital platforms to engage your donors, tell compelling stories, and showcase your impact.
- b. Adopt a data-driven approach to fundraising - understand donor behaviour, tailor your engagement strategies accordingly.
- c. Automate repetitive tasks to free up manpower for more meaningful work.
- d. Invest in cybersecurity to protect donor and beneficiary data.
- e. The **Charities Capability Fund** offers an Info-Communications Technology grant to co-fund charities' digitalisation efforts. Do check out the grants available to kickstart your charities' digitalisation journey.

(IV) Social Needs of S'pore are Changing; Charities Must Adapt

20. The challenges Singapore faces today will not be the same tomorrow. An aging population, rising mental health issues, climate change concerns and economic uncertainty are reshaping our social landscape. We need to adapt accordingly.

21. What charities need to do:

- a. Stay Agile - Constantly reassess whether our programs meet current and future needs. Evaluate the services we run to check that they remain relevant and needful.

- b. Collaborate across sectors - I know it's hard to work with others who are unfamiliar to you. Partnerships can be tricky. But tackling today's complex social issues requires diverse expertise. Therefore, collaboration and teamwork will be increasingly required to resolve some of these multi-faceted wicked problems.

(V) Sustainability is More Than Just Funding

- 22. Many charities tend to focus only on financial sustainability. I can understand why. But organisational resilience is just as important. Even well-funded charities can fail if they lack critical elements like leadership succession, strong governance, and a future-ready strategy.
- 23. What charities need to do:
 - a. Develop proper Succession Plans to ensure long-term leadership stability and sustainability.
 - b. Strengthen Board Engagement. Providing clear policy direction and guidance helps your Executive Team do their work effectively.
 - c. Cultivate a Culture of Innovation - Embrace new ways of doing things rather than sticking to outdated models.
- 24. **The Bottom Line.** Charities in Singapore must evolve or risk becoming obsolete. Trust, financial sustainability, digital transformation, adaptability, and long-term resilience are no longer "good-to-have". They are non-negotiables. Charities that thrive will be those that embrace change, build trust, and deliver measurable, meaningful impact. We need to start moving in these directions, if you are not already doing so.

MOVING FORWARD: 2025 FOCUS

25. The third, and final part of my address, is to share with you the 3 important areas we will focus on this year.

(I) GovernWell: Excellence in Charity Leadership

26. One of the key areas is **Training** for our charities' leaders. Why are we doing this? At last year's 'In Conversation with COC and Charity Council', ***Madam Chair asked the audience if Board Training would be useful. 82% of you responded with a resounding "Yes"! So, we worked on it. So, you see... we take you very seriously!***

27. Our charity sector is diverse. Board members' and staff' competencies also vary across charities. But we know that when a Charity Board and Staff are well trained and equipped, they will provide strategic leadership, make informed decisions, and run their charity well.

28. So, we want to help facilitate this by doing the following:

a. **Structured Training.** To make training more structured, the Council worked with several partners to curate a **Pilot** training curriculum called '**GovernWell: Excellence in Charity Leadership**'. This will be launched in Jul 2025.

b. **Who to attend?** While training is not mandatory, we do strongly encourage individuals in leadership positions, viz. Governing

Board Members, Sub-Committee Members, C-Suite and D-Suite leaders to attend this tailored training programme put together by our 5 partners.

c. **Partners.** Our 5 partners are:

- i. Institute of Singapore Chartered Accountants (ISCA)
- ii. National Council of Social Service (NCSS)
- iii. Pro Bono SG
- iv. Singapore Institute of Directors (SID)
- v. The Majurity Trust

d. **Partners' sharing.** Later today, the 5 partners will share more on the courses they are providing. I am deeply grateful to them for the time, resources, and expertise they have contributed to make this initiative possible.

e. **Topics.** The Training will cover 4 key areas, viz. Ethics, Financial Stewardship, Governance, and Measuring and Communicating Impact.

f. **1/3 in 3 Years.** As I said, training is **voluntary.** But we hope to see at least 1/3 of Board Members and key officers complete the training in the next 3 years. The benefits will extend beyond individual board members - when a charity is well-governed and run well, it creates positive changes for its staff, beneficiaries and the larger community.

g. **User & Cost-friendly.** We recognise that you are busy people, with many volunteering your time to charities whilst managing full-

time jobs. To accommodate your demanding schedules, our partners have done their best to design these training courses to be as user-friendly as possible.

- Most courses are delivered through e-learning, so you can learn at your own pace and convenience. We hope to make it easy for you to complete it, whether you're at home, in office, or on the go.
- Course fees will be significantly subsidised through the Charities Capability Fund. Eligible charities will be given up to 80% of CCF Funding, bringing the cost down to @ \$840 per participant. We hope this support will ensure that cost is not a barrier to strengthening your charity's capabilities.

h. **Certificate**. Upon completion of each training programme, participants will receive a certificate from the Training Providers.

i. **Count towards CTA/CGA**. We hope to recognise your commitment to learning. Charities that have attended the GovernWell training courses may receive bonus points when they participate in the Charity Transparency Awards and Charity Governance Awards in 2027.

29. Training not only equips board members with essential knowledge and skills, but also establishes a “**common language**”, and “**shared foundation**” for the entire board. This alignment enables members to develop a unified understanding, establish collective

purpose and provide clear direction to the Executive Team and staff in pursuit of the charity's vision and mission. We strongly encourage all of you to dedicate time for these training courses.

(II) New Framework to Evaluate Transparency & Governance Standards of Charities

30. Currently, charities are evaluated based on the existing Charity Transparency Framework and the Charity Governance Awards Questionnaire.

- a. With the implementation of the revised Code of Governance in 2023, there is a need to review the relevance of the current awards evaluation standards.
- b. We are working with Singapore University of Social Sciences (SUSS) to develop a new, consolidated Framework to better evaluate the charities.
- c. Development is ongoing. We hope to share this Framework with you by year-end.

(III) Charity Conciliation Service [Pilot Programme with Pro Bono SG]

31. As announced by Minister Edwin Tong at last year's Charity Governance Conference, COC and Pro Bono SG are looking at launching a Charity Conciliation Service to support smaller charities

to resolve disputes effectively and cost-efficiently, instead of going to court.

32. Mediation services are incredibly valuable for charities because mediation fosters understanding, protects relations and preserves the charity's reputation. The pilot programme will commence in the 2nd half of this year. For a start, it will run for one year. Interested charities can approach the Charities Unit or Pro Bono SG to find out more information.

CLOSING

33. Before I close, I want to express my deepest gratitude to:

- a. The Charity Council & all our Partners. Your dedication and efforts have contributed significantly to the capability development of our charity sector.
- b. Our Charities. Your work continues to make a profound difference and impact on the lives of our beneficiaries. We are all very proud of you.

34. Finally, I would like to end with 4 limericks (by ChatGPT) that summarises the key points I had been trying to make on being prepared for the future:

On the importance of “Good Governance”

“A charity, steadfast and true,
With governance clear in its view.
No misdeeds concealed,
All funds well revealed,
A beacon of trust shining through.”

On the challenge of “Fundraising”

“Fundraising's a challenge today,
But new ways are lighting the way.
From corporate ties,
To digital skies,
Innovation will help us to stay.”

On the criticalness of “Digital Transformation”

"A charity once lagging behind,
Now embraces tech to help us find,
With data and tools,
We're breaking old rules,
Donors now engaged and aligned."

On the need for “Adaptability”

“Needs shift, and the world's on the move,
Charities must constantly improve.
With agility bright,

And collaboration in sight,
They'll tackle each challenge, and groove.”

35. Thank you, and I look forward to our continued collaboration with the
Charity Council, partners and our charities.

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