

Together we develop
a well-governed and
thriving charity sector

CHARITY GOVERNANCE REPORT 2015

Together we develop a well-governed and thriving charity sector

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BACKGROUND

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

The fourth term of the Council comprised 14 members, including the Chairman. Nine members were chosen from the people sector for their expertise in accountancy, corporate governance, law, entrepreneurship etc. The members were also involved in volunteerism and charity work in varied fields ranging from community, education, social services, health, and arts and heritage.

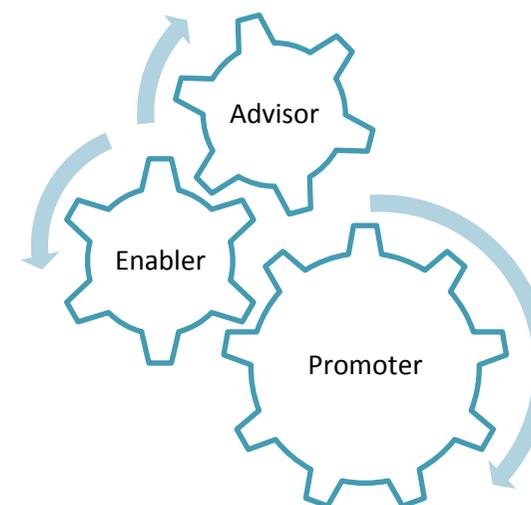
The other five members were sector administrator representatives from the respective agencies:

- Ministry of Education
- Ministry of Health
- Ministry of Social and Family Development
- Sport Singapore, and
- People's Association

Our Vision

Together, we develop a well governed and thriving charity sector with strong public support.

Our Roles



- **PROMOTE** the adoption of good governance standards and best practices, to enhance public confidence and self-regulation in the charity sector.
- **BUILD** capabilities of charities and IPCs so that they are able to comply with regulatory requirements to enhance public accountability.
- **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.

MESSAGE FROM CHAIRMAN

Time flies. It has been 8 years since I last agreed to take up the mantle to serve on the Charity Council. Inaugurated in 2007, the Charity Council was set up with the aim of promoting a culture of good governance and self-regulation in the charity sector. I am proud to say that as we strive to remain true to this purpose, we have all grown - not just from where we first started, but together as a charity sector. Indeed, the charity landscape that we see today is very different from the past. And I am extremely heartened to note how much the sector has transformed over time to meet the evolving needs of the society.

The fourth term of the Charity Council was fruitful and fulfilling as we continued to engage the sector in meaningful ways. Between 2013 and 2014, we developed a Charity Transparency Framework to help charities improve their disclosure practices. This framework will also be used to recognise charities with exemplary disclosure efforts through the new Charity Transparency Awards, which will be launched in 2016. Our inaugural Charity Governance Conference in February 2014 was well-received, with a strong attendance of more than 350 representatives from the charity



sector. It was also very encouraging to note that the religious groups took an interest in strengthening the governance standards of their member organisations. In June 2014, the Charity Council and Mendaki jointly organised a governance seminar for the Malay-Muslim Organisations (MMOs). Following the inaugural session, Mendaki went on to hold another seminar in November 2014 to continue to spread the message of good governance among the MMOs.

Since we first started in 2007, the Charity Council has placed great emphasis on partnership building. We strongly believe that partnerships provide the capacity to achieve what may not otherwise be achieved. Over the past two years, we fostered our working relations with existing partners such as the Centre for Non-Profit Leadership (CNPL), Social Services Institute (SSI), Asia Centre for Social Entrepreneurship and Philanthropy (ACSEP) and Shared Services for Charities (SSC). We also built new partnerships with organisations like the

Centre for Social Development Asia (CSDA), Institute of Singapore Chartered Accountants (ISCA), and Singapore Association of The Institute of Chartered Secretaries and Administrators (SAICSA). These partnerships will eventually lead to exciting plans that will benefit our charities.

I am very happy to see these developments, and more importantly, the good response from our charities. We have come so far in the journey of good governance, and as each year goes by, we move a step closer to our vision for the charity sector - a well-governed and thriving charity sector with strong public support. Notwithstanding, we should not rest on our laurels. There is certainly room to do more, especially as new challenges and opportunities emerge along the way. Hence, the question that we need to ask ourselves is, how can we push the envelope and bring the charity sector to the next level? And how do we turn challenges into opportunities? As the saying goes, “the best way to predict the future is to invent it” and strong leadership is extremely crucial for this to happen.

In the coming term, I will be passing on the baton to Mr Gerard Ee. Gerard is no stranger to the charity sector, given how his work as a former chairman of the National Kidney Foundation has greatly impacted the organization’s governance and accountability. I believe Gerard’s new appointment on the Council is a piece of good news for the sector. We can also anticipate other new additions to the Council, who will bring with them new perspectives, as well as invaluable skills sets and experiences. I am confident that the new team can and will drive the changes that we want to see in the charity sector.

The milestones that the Charity Council has achieved over the years would not be possible without the hard work of all parties within our ecosystem. I would like to thank my fellow Council members for their

strong support and dedication all these years, in particular, Mr Bob Tan and Mr Chia Ngiang Hong who will be retiring after serving on the Council for 6 years. Bob, who was also the Chairman of the Committee for the Charity Transparency Framework, had put in almost a year’s effort - not just providing leadership, but was also personally involved in engaging more than 200 representatives from charities and corporate donors through dialogue sessions. I am most grateful for Bob’s commitment to helping the sector enhance transparency and accountability, thereby instilling greater public confidence and support.

I would also like to extend my heartfelt appreciation to Associate Professor Mak Yuen Teen from the NUS Business School, who has played an important role as an advisor to the Committee for the Charity Transparency framework. Professor Mak previously served on the Council for three terms during the period between 2007 and 2013. Despite having retired from the Council, he is still very active in the charity sector. He is also a regular speaker at the governance events organized by the Charity Council.

Last but not least, I would like to thank all stakeholders and partners for the strong support given – the Commissioner of Charities, CNPL, SSI, ACSEP, CSDA and SSC. Various meaningful collaborations would not have been possible without their active involvement and support.



Fang Ai Lian
Chairman, Charity Council

FOURTH TERM OF CHARITY COUNCIL

1 March 2013 – 28 February 2015



MRS FANG AI LIAN
Chairman, Charity Council
Since 16 October 2006

Non-Executive Director
Singapore Telecommunications Ltd

People Sector Representatives



MR BOB TAN BENG HAI
Member, Charity Council
Since 1 Mar 2009

Chairman
Jurong Engineering Ltd



MR CHIA NGIANG HONG
Member, Charity Council
Since 1 Mar 2009

Group General Manager
City Developments Ltd



MR R DHINAKARAN
Member, Charity Council
Since 1 Mar 2011

Managing Director
Jay Gee Group of Companies



DR LAN LUH LUH
Member, Charity Council
Since 1 Mar 2013

Associate Professor
NUS Business School and Faculty
of Law



MR SAKTIANDI SUPAAT
Member, Charity Council
Since 1 Mar 2013

Head of FX Research Team in
Global Markets
Global Wholesale Banking,
Maybank



MR KHEW VOON KWANG
Member, Charity Council
Since 17 June 2013

Deputy Managing Director
MediaCorp

People Sector Representatives



MR SIM GIM GUAN
Member, Charity Council
Since 15 November 2013

Chief Executive Officer
National Council of Social Service



MRS MILDRED TAN
Member, Charity Council
Since 1 April 2014

Chairman
National Volunteer &
Philanthropy Centre

Sector Administrators



MR LIM TECK YIN
Member, Charity Council
Since 1 January 2011

Chief Executive Officer
Sport Singapore



MS ONG TOON HUI
Member, Charity Council
Since 1 Nov 2012

Deputy Secretary
Ministry of Social and Family
Development



MR ANG HAK SENG
Member, Charity Council
Since 1 March 2013

Chief Executive Officer
People's Association



Ms TEOH ZSIN WOON
Member, Charity Council
Since 1 April 2013

Deputy Secretary
Ministry of Health



MR LIM BOON WEE
Member, Charity Council
Since 1 May 2014

Deputy Secretary
Ministry of Education

COMMITTEE FOR CHARITY TRANSPARENCY FRAMEWORK



MR BOB TAN BENG HAI
Chairman

Chairman
Jurong Engineering Ltd



DR MAK YUEN TEEN
Advisor

Associate Professor
NUS Business School

Members



DR LAN LUH LUH

Associate Professor
NUS Business School and Faculty
of Law



MR SIM GIM GUAN

Chief Executive Officer
National Council of Social Service



MRS MILDRED TAN

Chairman
National Volunteer & Philanthropy
Centre



MR LOW WONG FOK

Board Member
Society for the Physically Disabled



MR ANSON QUEK

Executive Director
Food from the Heart



MS YAP SU-YIN

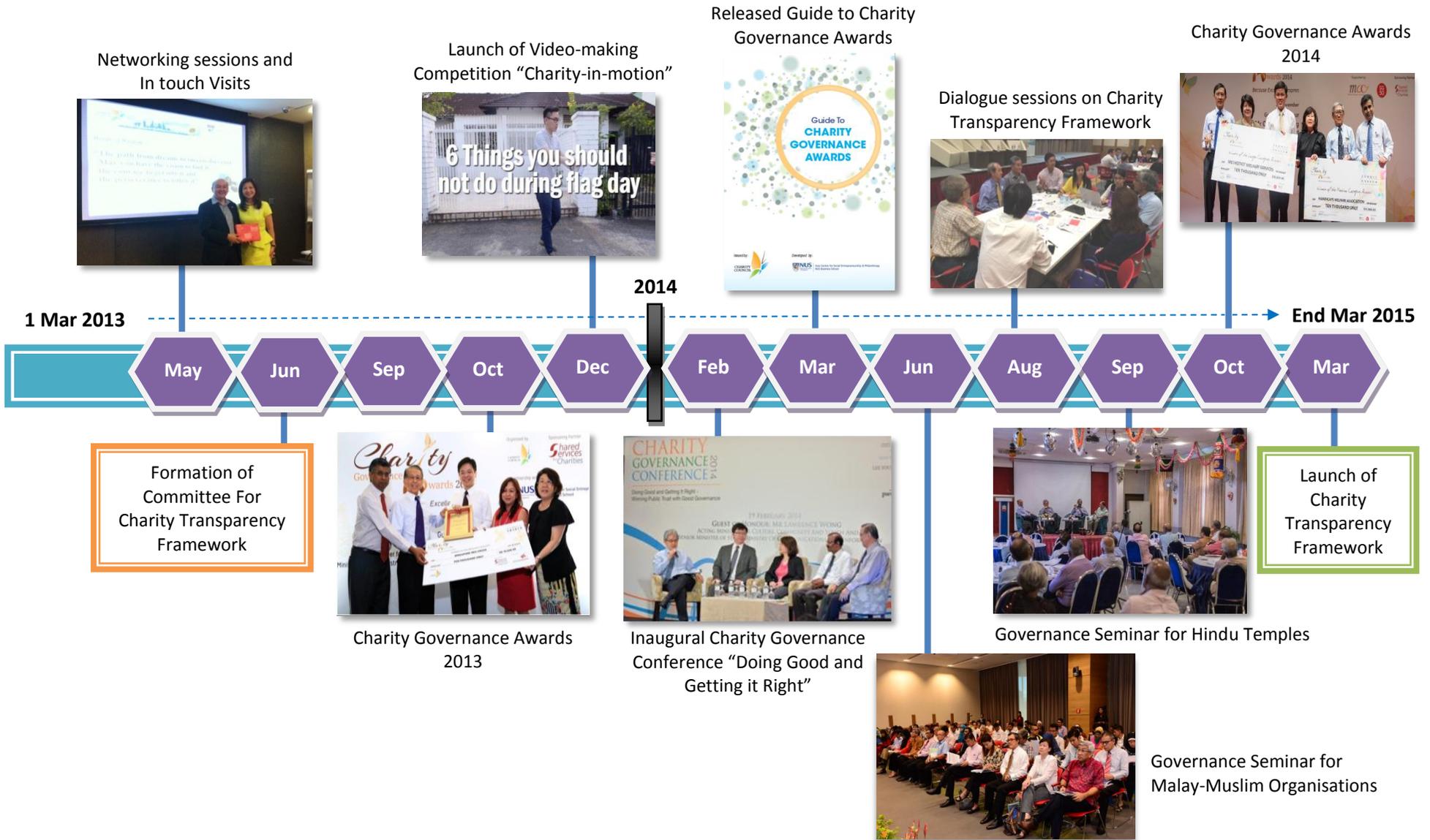
Chief Executive Officer
Tan Chin Tuan Foundation



“ It is noteworthy to know that charities have progressed in their development and are adopting good governance practices. They must always remember to make good governance a cornerstone and a high priority. ”

Mrs Fang Ai Lian
Chairman, Charity Council

HIGHLIGHTS OF FY13-14 EVENTS





“ *Many charities still perceive transparency and accountability as something good to have, but not a must-have. This mindset needs to change. With more and more Singaporeans coming forward to give, charities must improve in the area of accountability and transparency.* ”

Mr Lawrence Wong
Minister for Culture, Community and Youth

CHARITY TRANSPARENCY FRAMEWORK

At the inaugural Charity Governance Conference held in February 2014, Mr Lawrence Wong, Minister for Culture, Community and Youth shared that the Charity Council is exploring the implementation of a transparency rating framework for the charity sector. The framework is intended to be an enabling tool for the charity sector, and it seeks to achieve 3 key objectives, which include:

- Helping charities enhance their disclosure and governance practices
- Recognising charities for their disclosure efforts based on an objective set of indicators
- Serving as a public education tool for charities and public by highlighting key areas of disclosure that will aid in informed giving

Close to 200 representatives from charities, professional agencies, corporate donors and grantmakers were consulted through several dialogue sessions. Having carefully considered the suggestions and feedback from various stakeholders, the Council decided to adopt a multi-pronged approach, which includes the use of the transparency framework, to improve the governance and transparency level in the charity sector.

In the first few years, the transparency framework will be rolled out in the form of a scorecard for charities' self-assessment purposes. The longer term plan is to use the transparency framework for public rating when the sector is more ready.



Launch of Charity Transparency Awards in 2016

To signal that transparency is part of good governance, a new Charity Transparency Awards will be introduced at the annual Charity Governance Awards from 2016 onwards for the purpose of recognising charities with good disclosure practices. The Charity Council will also step up outreach efforts to help weaker charities improve their disclosure and governance capabilities. Charities which need assistance would similarly be identified through the yearly assessment exercise.



More information about charities on Charity Portal

To complement the efforts of the Charity Council in promoting transparency in the sector, the office of the Commissioner of Charities will be making available 2 sets of information on the Charity Portal for the public's access, starting from 1 July 2015 :

- First, the Governance Evaluation Checklists (GEC) of all registered charities to which the Code of Governance applies. Currently, only charities with IPC status are required to disclose their GECs on the Portal;
- Second, the annual reports of all charities.

These documents, in addition to the financial information which is already available online, will help our donors and members of the public in making more informed giving decisions.

INAUGURAL CHARITY GOVERNANCE CONFERENCE

The inaugural Charity Governance Conference *“Doing Good and Getting It Right - Winning Public Trust with Good Governance”* was held on 19th February 2014. The full-day conference, which consisted of sharing sessions, panel discussions and workshops, attracted an enthusiastic turn-out of more than 350 participants from 200 charities and other organisations. It was truly a testament of our charities’ commitment towards good governance.



Attendees of the conference were not only able to learn from the winners of the Charity Governance Awards 2012 and 2013, but they were able to hear from renowned speakers such as Mr Gerard Ee (the former Chairman of the National Kidney Foundation), who shared his observations on areas of governance lapses and elaborated on various ways to avoid these lapses. Mr Tao Ze, the co-founder of China Foundation Center (CFC), spoke on how charities can be accountable beyond mandatory submissions and legal compliances. CFC is an organisation that aims to bring transparency to philanthropic organisations and markets in China. Separately, four interactive workshops were conducted concurrently by different subject experts, covering the following topics:

Leadership and Succession – Key Issues in the Charity Sector

Mr Usman Akhtar, Principal of Bain & Company SE Asia, Inc, spoke on the challenges of talent pipeline and succession in management as well as in Boards. He further shared on the potential ways charities can attract and retain management and talents.

Branding versus Reputation – Everything You Need to Know About Publicity

Ms Usha Menon, Executive Chairman of Usha Menon Management Consultancy, took charities through policies needed for effective communication, and how they are able to make better use of social media tools to engage their stakeholders.

The Fundamentals of Volunteer Management

Mr Tan Heng Yang, Assistant Director of SG Cares, National Volunteerism and Philanthropy Centre (NVPC) provided tips on becoming a non-profit organisation of choice for volunteers. He spoke on the importance of designing good volunteerism



programmes to attract and develop volunteers, and how recognition or incentive schemes could be instituted to retain volunteers.

Combating the Misuse of Charitable Organisations for Money Laundering and Terrorism Financing

Ms Chua Jia Leng, Head Branch II, Suspicious Transaction Reporting Office, Commercial Affairs Department of the Singapore Police Force, provided an overview of what suspicious transaction reporting entailed, the role of charities in this area, how to detect suspicious transactions and respond to them. She also spoke on how having a gift acceptance policy would guide charities in deciding whether they should report a suspicious transaction.

CHARITY IN MOTION

The Charity Council initiated *Charity in Motion*, a short video-making competition in Dec 2013. Themed “*How can one do good well*”, the competition was organised in collaboration with the Republic Polytechnic to raise awareness of the importance of good charitable practices within the youth sector. This was in view of the fact that many of our youth have taken up the mantle to champion charitable causes. Hence, while we applaud their efforts, we want them to be conscious that good governance is part and parcel of doing good – without one, the other is not enough.

The competition culminated in a prize-presentation ceremony at the Charity Governance Conference 2014. Many of the students’ submissions were brimmed with creative concepts. The top three winners were unanimously picked by the Charity Council from five shortlisted entries. At the same time, the competition also involved the public by providing them with the opportunity to vote their favourite videos from the shortlisted entries which were uploaded onto the Charity Council’s YouTube channel. The two videos with the most number of “likes” were subsequently screened at the Charity Governance Conference 2014 for participants to vote and determine the winner of the Audience’s Choice Award. The videos can be found on the Charity Council’s [YouTube channel](#).



Resort World Sentosa (RWS), Great Eastern Holdings Ltd, Jay Gee Melwani Group and 77th Street were our proud sponsors of *Charity in Motion*. A summary of the prizes given out to the winners is as follows:

Charity in Motion Video-making Competition



Award	Winning Entry	Prize Value
1st prize	Pay it Forward	<p>The team received \$600 worth of vouchers from Jay Gee Group and \$600 worth of SingTel vouchers from Great Eastern Holdings Ltd.</p> <p>Each team member received 2 tickets to the Marine Life Park and 2 Category 1 tickets to the musical, Lightseeker, sponsored by RWS.</p>
2nd prize	Chafinition	<p>The team received \$500 worth of vouchers from the Jay Gee Group and \$500 worth of SingTel vouchers from Great Eastern Holdings Ltd.</p> <p>Each team member received 2 tickets to S.E.A. Aquarium and 2 Category 1 tickets to the musical, Lightseeker, from RWS.</p>
3rd prize	Flag Day	<p>The team received \$400 worth of vouchers from the Jay Gee Group and \$400 worth of SingTel vouchers from Great Eastern Holdings Ltd.</p> <p>Each individual on the team received 2 Category 1 tickets to the musical, Lightseeker, from RWS.</p>
Audience Choice Award	Flag Day	<p>The team received \$500 worth of SingTel vouchers from Great Eastern Holdings Ltd.</p>



“ Weak governance drives good-hearted people away from the charity sector... when each and every one of us achieves higher standards of governance, we all inspire, we all benefit from the positive externalities. ”

Mr Chan Chun Sing
Minister for Social and Family Development

CHARITY GOVERNANCE AWARDS

The Charity Governance Awards (CGA) recognises charities with the highest standards of governance practices. Launched in 2012, CGA is organised by the Charity Council yearly, in partnership with the National University of Singapore's Asia Centre for Social Entrepreneurship and Philanthropy (ACSEP). CGA aims to promote good governance by acknowledging the excellent work of charities while inspiring others to emulate their best practices.

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. In 2013 and 2014, the judging panel of five professionals from the people sector were namely:



Associate Professor Mak Yuen Teen,
NUS Business School, National University of Singapore



Mr Sim Guan Seng,
Managing Partner, Baker Tilly TFW LLP



Ms Yap Su-Yin
Chief Executive Officer, Tan Chin Tuan Foundation



Ms Joy Tan,
Partner, WongPartnership LLP

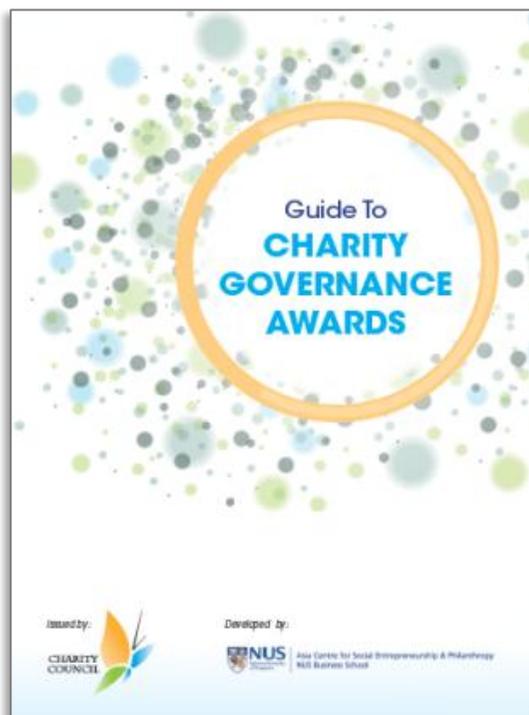


Mr Lim Chu Chong,
Managing Director & Head SME Banking, DBS Bank

Winners of each main category are presented with a plaque and a cash prize of \$10,000 at the Awards ceremony. Special Commendation Awards (SCA) were introduced in 2013 to recognise charities for excellence in particular areas of governance. Each SCA winner is presented with a certificate in 2013 and a plaque in 2014.

Guide To Charity Governance Awards

Many charities and Institutions of a Public Character (IPCs) have done well in upholding governance standards, but their success stories have not spread far. Many more could have stepped forward to participate in CGA – not just to be recognised for their exemplary standards, but to play a part in promoting good governance in the charity sector through



inspiring others to emulate their good practices.

The Charity Council noted that some charities shun competitions like CGA as they think that the process involved is complex, and takes time away from the pursuit of their charitable objects. Hence, to help our charities understand more about the CGA nomination process, scoring and judging procedures, the Charity Council released a guide to CGA in March 2014. The guide also

included our organising partner, ASCEP’s feedback on CGA 2012 and 2013 nominees’ performance in the respective areas of governance. The information provided will serve 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 *Guide To Charity Governance Awards* is available on the Charity Council’s website (<http://www.charitycouncil.gov.sg>).

Charity Governance Awards 2013

Held at Novotel Clarke Quay on 18th October 2013, the Charity Governance Awards 2013 brought together 140 guests from 70 organisations. The event was graced by then Acting Minister for Culture, Community and Youth, Mr Lawrence Wong.



Singapore Red Cross (SRC) was conferred the honour of the best governed medium-sized charity. Mr Benjamin William, Secretary General of SRC said “Good Governance is the hallmark of all successful charities. CGA is a powerful recognition of our commitment to upholding public trust through sound governance practices; and a testament to the Singapore Red Cross’ 65 years of

enduring service to humanity. We are proud, yet humbled to be trusted by diverse beneficiaries, donors, volunteers and supporters. Rest assured, we will press on to ensure the efficient delivery of critical services to the vulnerable locally and abroad. ”

Young Men’s Christian Association of Singapore (YMCA) was the winner of the large category award. Said Mr Stephen Loh, the President of YMCA, “This tribute from the Charity Council is a tremendous testimony and endorsement of YMCA’s ongoing efforts in striving towards good governance practices. The recognition and endorsement that follows the award will provide YMCA with a very good platform and position to work with the relevant parties such as the Charity Council and sector umbrella bodies such as the National



Council of Social Service to actively identify opportunities in which we can share and promote best practices with other organisations.”

Separately, the Association of Muslim Professionals was awarded the Special Commendation Award for Board Recruitment and Renewal, while the Singapore Indian Development Association received commendation for Corporate Governance Policies and Strong Management.

The Shared Services for Charities and Keppel Corporation were our proud sponsors for CGA 2013.

Charity Governance Awards 2014

Five charities were lauded for good governance at the Charity Governance Awards held on the evening of 13 November 2014 at The Joyden Hall, Bugis+. The Handicaps Welfare Association (HWA) and Methodist Welfare Services (MWS) were conferred top honours for the medium and large award category respectively. President of HWA, Mr Edmund Wan remarked that “This award will inspire and provide us with the impetus to continue adopting better practices in governance. We hope to inspire others to raise the standards of governance and ethical practices in Singapore.”

President of MWS, Mr David Wong shared that “MWS’ governance framework has evolved in response to improving

standards of governance, and to encourage committed volunteerism and greater staff professionalism in the delivery of services to the community. “



Special Commendation Awards were given to 3 other charities for making exemplary efforts in specific areas of governance. Renci Hospital was recognised for their strong improvement in corporate governance and management. RSVP Singapore – The Organisation of Senior Volunteers was commended for their strong management practices while SATA CommHealth did exceptionally well for Board renewal and strategic repositioning.

At the awards ceremony, Chairman of Charity Council, Mrs Fang Ai Lian announced that CGA will be taking a hiatus to undergo a review in 2015, and will return in the following year. The intent is to revisit CGA’s value proposition and review the publicity approach so as to gain more traction amongst charities. We will also explore new partnerships and incentive schemes to boost participation, particularly amongst the smaller players.

CGA 2014 was attended by more than 230 guests, with Minister for Social and Family Development, Mr Chan Chun Sing as the Guest-of-Honour of the event. The Shared Services for Charities was the sponsoring partner of the event.



GOVERNANCE SEMINARS FOR FAITH-BASED ORGANISATIONS

Inaugural Governance Seminar for Malay-Muslim Organisations

On 14 June 2014, the Charity Council co-organised a Malay-Muslim Organisation Seminar with Yayasan Mendaki. Titled “Road to Good Governance for Malay-Muslim Organisations (MMOs)”, the seminar aimed to strengthen MMOs’ governance capabilities. The event, which was held at the Lifelong Learning Institute, attracted a turn-out of more than 100 board members from various organisations. Minister for Communication and Information, Dr Yaacob Ibrahim was the Guest-of-honour.

Mr Sallim Abdul Kadir, Board member of Yayasan Mendaki, delivered the keynote address on the role of corporate governance and its possible impact on volunteerism. He touched on the responsibilities of Board Members and staff, and highlighted the need to comply with relevant regulations and Code of Governance.

Ms Theresa Goh, President of Centre For Non-Profit Leadership (CNPL), and Senior Partner of DPI Asia, Mr Andrew Sng, were also invited to speak in the sharing sessions. Ms Goh spoke on how leadership and board succession planning can help in talent



management. Mr Sng touched on the importance of strategic thinking in helping charities stay distinctly relevant.

A panel discussion chaired by Charity Council member Dr Lan Luh wrapped up the MMO Seminar. The panel comprising of Mr Sallim, Ms Goh and Mr Sng talked about the challenges for MMOs to attract the right people and in adopting a sound financial management framework. The panellists also explored how these challenges could be overcome and whether there are opportunities MMOs could leverage on.

Sharing Session on Governance for Hindu Temples

A sharing session with the theme of “Good governance and Your Organisation” was conducted on 27 September 2014 to promote good governance amongst Hindu temples. Jointly organised by the Charity Council and Hindu Endowment Board (HEB), the event was graced by Mr R. Dhinakaran, Vice-Chairman of HEB. 21 Hindu temples sent representatives to attend the closed door session held at Sri Sivan Temple.



Associate Professor Mak Yuen Teen from the Business School of National University of Singapore was invited to share on the principles and practices of governance and management. He introduced the audience to the Code of Governance for Charities and Institutions of Public Character, and highlighted best practices, for instance in the area of managing conflict of interests, handling cash and making payments. Associate Professor Mak also shared case studies on charities with exemplary governance practices.

The session also included a panel discussion involving Associate Professor Mak, Mr Dhinakaran and Mr Velayuthar Kanapathy Pillai Ramachandra, the President of Sri Ruthra Kaliyamman Temple. The discussion was moderated by Mr S Ramesh, the Secretary of Hindu Advisory Board. The panellists touched on how corporate governance could be applicable to faith-based organisations. The panellists also brought up the common challenges faced by charitable organisations, and how such challenges could be turned into opportunities.

The event ended off with a networking session which allowed management committee members from the various Hindu temples to exchange their governance and management experiences.

InTouch Visits

InTouch visits were first introduced in 2011 to provide a platform for the members of Charity Council to dialogue with charities, hear their views on the Council's initiatives and understand how the charities implement good governance practices. Such visits also provide opportunities to gain an in-depth understanding of a charity's programmes and how charities are helping their beneficiaries. During the fourth term, the Council visited several charities, which included

- Football Association of Singapore
- Christian Outreach to the Handicapped
- Girl Guides Singapore

Through face to face conversations, council members are better able to advise charities on exemplary practices, as well as inform charities of suitable resources available for them to tap on and benefit from.

Networking Sessions

Since 2012, the Charity Council has been engaging charities through informal networking sessions over breakfast or lunch. These

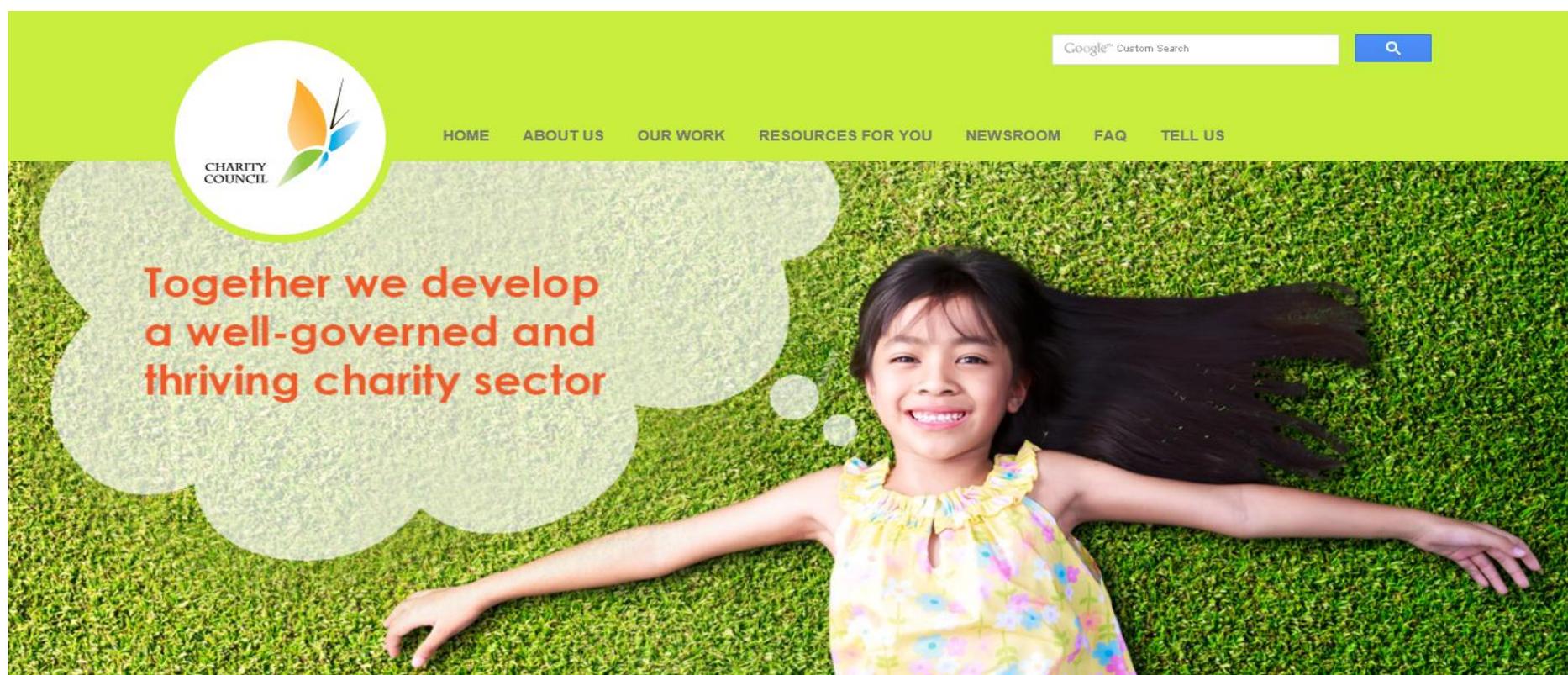
by-invitation sessions provide opportunities for sharing and learning from other board members, as well as subject experts who speak at the sessions. Between 2013 and 2014, the Charity Council and the Sector Administrators had organised five such sessions, covering topics such as marketing and branding for charities, and key areas of governance lapses and lessons to be learnt from local case studies.



Refreshed Charity Council website

It has been some time since the Charity Council last launched our website in 2010. The Council recognises the importance of keeping up with times, and ensuring that we provide better and up-to-date content in a user-friendly format. The new website, which will be launched by the first half of 2015, aims to be a one-stop

portal for our charities to retrieve resources on practices of good governance and other useful information relevant to the sector. Through the website, we also want to raise the awareness of good governance amongst the members of the public to help them make informed giving decisions.



STATISTICS



VWOS-CHARITIES CAPABILITY FUND (VCF)

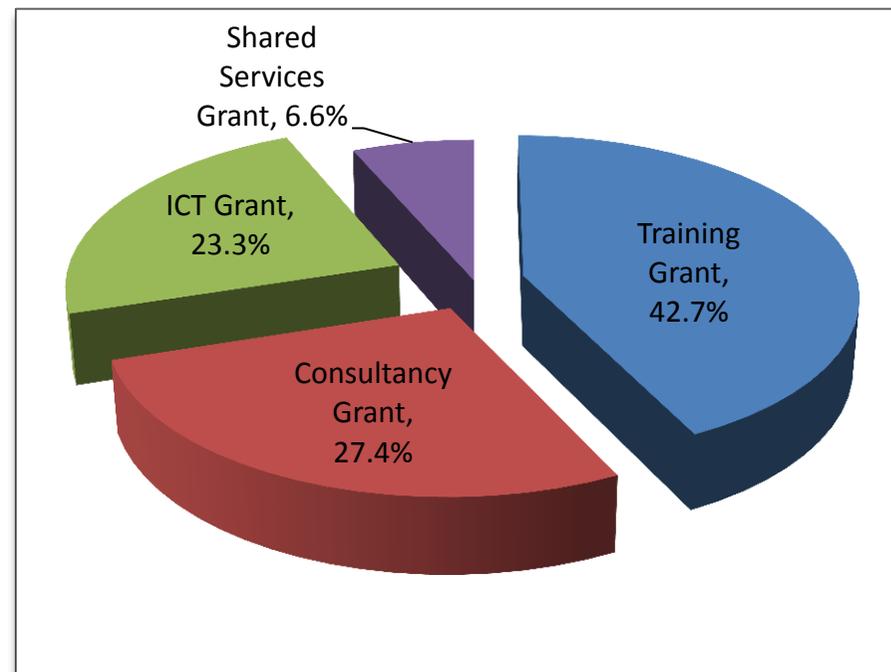
The VWOs-Charities Capability Fund (VCF) was introduced to all charities and Institutions of Public Character since April 2007. The intent is to enhance governance and management capabilities of the charity sector through four grants, namely

- Training Grant
- Consultancy Services Grant
- Info-Communications Technology Grant
- Shared Services Grant

So far, 895 charities have tapped on VCF at least once since 2007 and approximately \$14.8 million of the fund has been approved (as at end December 2014). Close to half (42.7%) of the funds were disbursed for local training in areas such as board governance, conflict of interest, strategic planning, financial management and controls, human resource management, fundraising management and volunteer management.

Consultancy services also made up a significant share (27.4%) of the disbursed funds, as the consultancy projects to improve governance and management areas (e.g. governance reviews, internal controls) typically involve huge costs. On the other hand, shared services have comparatively lower take-ups as some charities

Chart 1: Distribution of VCF by Types of Grants



might prefer to engage the help of volunteers to handle their payroll, finance and accounting matters. In the new term, the Charity Council will explore ways to encourage more charities to tap on VCF for governance capability development.

COMPLIANCE WITH CODE OF GOVERNANCE

The Code of Governance was first introduced by the Charity Council in November 2007 but was refined 2010 to provide greater clarity and relevance about good governance to the charity sector. The objectives of the Code were 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

Operating on the principle of ‘comply or explain’, the Code guidelines are non-mandatory, and tiered according to the size of the charity and whether the charity is conferred status of an Institution of a Public Character (IPC). All registered charities (excluding self-funded grantmakers) and IPCs are required to submit their GECs via Charity Portal within 6 months after each financial year end.

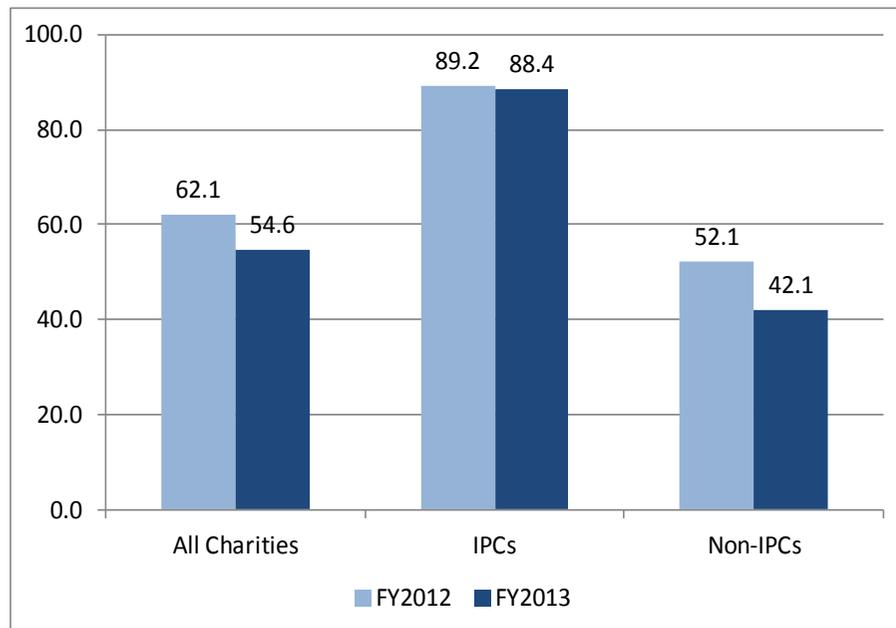
Chart 2 : Tiered Code Guidelines For Charities and IPCs

Basic I	<ul style="list-style-type: none"> • Charities with gross annual receipts of less than \$50,000
Basic II	<ul style="list-style-type: none"> • Charities with gross annual receipts of \$50,000 and up to \$10 million • IPCs with gross annual receipts of less than \$200,000
Enhanced	<ul style="list-style-type: none"> • Large charities with gross annual receipts of \$10 million or more • IPCs with gross annual receipts of \$200,000 and up to \$10 million
Advanced	<ul style="list-style-type: none"> • Large IPCs with gross annual receipts of \$10 million or more

In 2013, more than half (55%) of the charities submitted their GECs to the regulator ([Chart 3](#)). This was lower than the 62% in 2012, mainly due to a significant drop in the submission rates of non-IPCs in 2013. Given that IPCs are held to higher standards of

governance, their GEC submission rates were significantly higher than the non-IPCs in both years. The Charity Council will be working with the office of Commissioner of Charities to improve the submission rates.

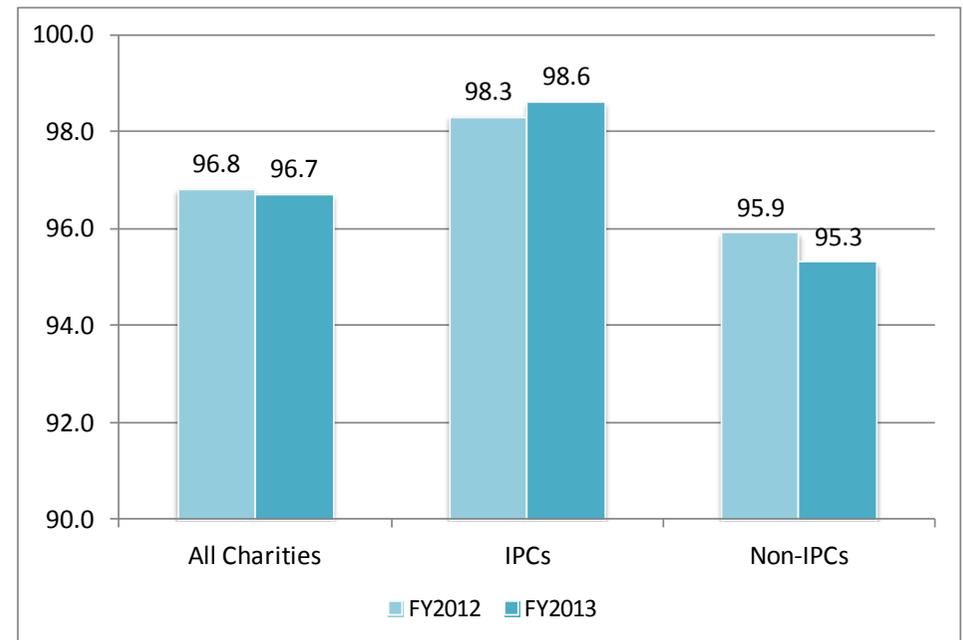
**Chart 3 : GEC Submission Rates, 2012 and 2013
(All Charities, IPCs & Non IPCs)**



Among the charities and IPCs which submitted their GECs, the extent of compliance with the GEC guidelines was relatively high, with an average score of 97% reported in 2012 and 2013 (Chart 4).

IPCs saw higher GEC scores at around 98% in 2012 and 2013, as compared to the non-IPCs that attained an average score of 95%.

**Chart 4 : GEC Scores, 2012 and 2013
(All Charities, IPCs & Non IPCs)**



CHARITY COUNCIL SECRETARIAT

c/o Charities Unit

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