MEDIA RELEASE

CHARITY COUNCIL SEEKS PUBLIC FEEDBACK ON PROPOSED REFINEMENTS TO THE CODE OF GOVERNANCE FOR CHARITIES AND INSTITUTIONS OF A PUBLIC CHARACTER

The Charity Council invites the public to provide feedback on the proposed refinements to the Code of Governance for Charities and Institutions of a Public Character (IPCs). The public can send their feedback to the Charity Council via e-mail to charity_council_sec@mccy.gov.sg between 20 September and 18 October 2016.

Refinement of the Code of Governance for Charities and IPCs

2   In November 2007, the Charity Council introduced the Code of Governance for the charity sector. The Code serves as a best practices guide for charities and IPCs to improve their effectiveness, transparency and public accountability. All charities and IPCs are strongly encouraged to apply the principles and practices in the Code.

3   The Code was first refined in 2010. In August 2015, the Charity Council embarked on a second refinement of the Code. The objective was to enhance the Code's relevance and clarity, taking into consideration developments in other jurisdictions and increased global focus on good governance, transparency and accountability to enable informed giving decisions. The refined Code is expected to be launched in early 2017. Charities and IPCs will need to apply the Code's new reporting requirements, where applicable, for financial years beginning on or after 1 January 2018.

Key Proposed Refinements

4   Some key features of the proposed refinements to the Code of Governance are highlighted below.
- **Introduction of a maximum term limit of 10 years**, for at least two-thirds of the charity's governing board members;
- **Emphasis on the importance of Risk Management** as part of Internal Controls, to ensure that there is a process to identify, monitor and review the charity's key risks; and
- **Promotion of disclosure and transparency on information of Board members** such as their attendance at meetings and remuneration; and information of staff total annual remuneration, among others.

Stakeholders' Feedback

5   From May to June 2016, the Charity Council organised four dialogue sessions to seek feedback from selected charities and IPCs from all sectors. In general, the participants expressed support for the refinement process, and acknowledged that good governance is a continuous work in progress.

Public Feedback

6   Charities, as community organisations working for public benefit, are accountable to the public and other stakeholders. For this reason, the Charity Council is seeking public feedback on the proposed amendments to the Code. Similar to the earlier feedback gathered at the dialogue sessions, public feedback on the proposed refinements will be taken into consideration where necessary.

7   The consultation period for public feedback will open for four weeks, from 20 September 2016 to 18 October 2016. The Consultation Paper is available on:

i)   Charity portal at http://www.charities.gov.sg
ii)   REACH portal at http://www.reach.gov.sg

8   Feedback can be sent via e-mail to: charity_council_sec@mccy.gov.sg.

Enclosed:
Annex A – About the Code of Governance
Annex B – About the Charity Council

The Charity Council

19 September 2016

For media queries, please contact:

Mr Sam Khoo

Senior Manager, Corporate Communications Division

Ministry of Culture, Community and Youth

Contact Number: (65) 6837 9859

Email: sam_khoo@mccy.gov.sg

ABOUT THE CODE OF GOVERNANCE

Governance in the charity sector refers to the framework and processes concerned with managing the overall direction, effectiveness, supervision and accountability of an organisation.

2   Charities, as community organisations working for public benefit, are accountable to the public and other stakeholders. All charities are strongly encouraged to apply the principles and practices of governance and management listed in the Code of Governance.

<u>For Charities</u>

3   Governance is important because it affects how a charity is run and the services that the organisation provides. The Board of a charity is responsible for putting in place the principles and practices of good governance in the organisation. The Code also helps charities to be more effective, transparent and accountable to their stakeholders. Charities should read this Code in conjunction with the Charities Act and Regulations.

<u>For The Public</u>

4   Members of the public donate and volunteer services to charities. This Code aims to help the public understand what are the fundamental good governance practices and also to aid the public to make an informed decision on which charity to support.

5   The objectives of the Code of Governance are 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 (representatives entrusted to act in the interests of the charity);
- ***Boost public confidence*** in the charity sector by setting the standards of good governance for charities to aspire towards.

6   For more information on the Code of Governance, please visit the Charity Council website (www.charitycouncil.org.sg).

ABOUT THE CHARITY COUNCIL

The Charity Council was legally appointed on 1 March 2007 after the new Charities Act was brought into operation.

2   The Charity Council aims to fulfil the following roles:

- Promoter – promote and encourage the adoption of good governance standards and best practices, to enhance public confidence in the charity sector.

- Enabler – help build the governance capabilities of charities to enable them to comply with regulatory requirements and be more accountable to the public.

- Advisor – advise the Commissioner of Charities on key regulatory issues where there may be broad-ranging impact on the charity sector.

Composition of Charity Council

3   The 5th Council, appointed from 1 March 2015 to 28 February 2017, comprises 14 members, including the Chairman.

4   Nine members are from the people sector, chosen for their expertise in accountancy, corporate governance, entrepreneurship and law. They are also involved in volunteer and charity work in varied fields such as arts and heritage, community, education, health and social services. The other five members are representatives from the Sector Administrators, namely that of Ministry of Education, Ministry of Health, Ministry of Social and Family Development, Sport Singapore and People's Association.

5   For more information on the Charity Council, please visit the Charity Council website (www.charitycouncil.org.sg).