

Sharing of the Revised Charity Transparency Framework (CTF)

Background

Launched in 2015

The CTF aimed to improve transparency and accountability in the charity sector.

Awards in 2016

The Charity Transparency Awards was held to recognise charities with good disclosure practices.

Review in 2019

The Charity Council review the CTF's relevance and applicability.

Revised CTF published in 2020



Download Revised CTF:



Download CTF Accompanying Guide:



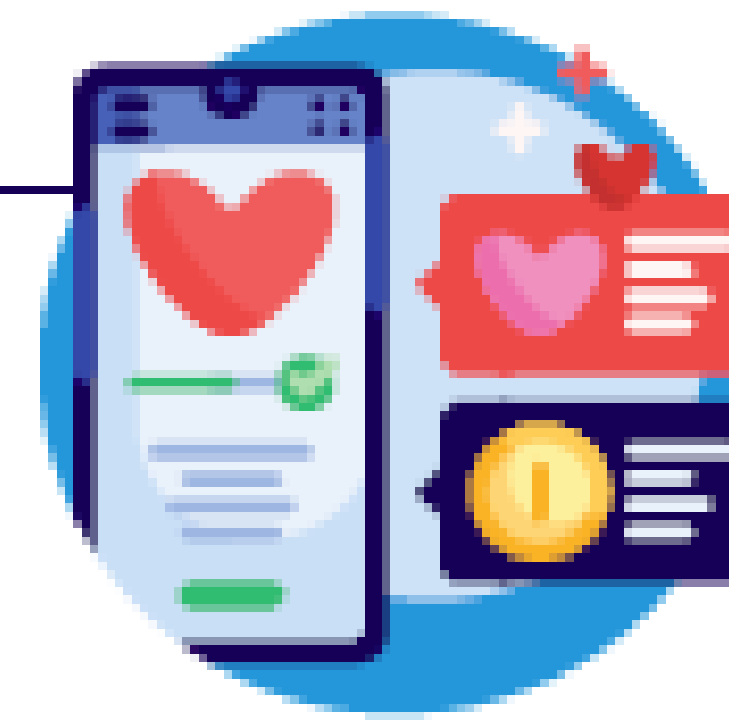
Objectives of the CTF



Serves as a self diagnostic tool for charities to assess themselves against identified good disclosures standards.



Serves as a public education tool for charities and the public by highlighting key areas of disclosure that will aid in safer giving.



Boost public confidence in the charity sector by setting standards of transparency for charities.

Key Areas of Disclosures

In alignment with the Code of Governance for Charities and Institutions of Public Character (IPCs), the key areas of disclosure have been refined to **9** key areas.

Sources of Information

- Charity's Annual Report, Financial Statement and Governance Evaluation Checklist;
- Charity's official website; and
- Charity's official Facebook page or other official Social Media platforms



Tiered Charity Disclosure Scorecard

In alignment with the Code of Governance, the Charity Disclosure Scorecard is tiered into three categories:

APPLICABLE TIER	CHARITIES	IPCs
Basic (Small Category)	✓ Gross annual receipts or total expenditure from \$50,000 to less than \$500,000	✓ Not applicable
Intermediate (Medium Category)	✓ Gross annual receipts or total expenditure from \$500,000 to less than \$10 million	✓ IPCs with gross annual receipts or total expenditure of less than \$500,000
Enhanced + Advanced (Large Category)	✓ Gross annual receipts or total expenditure from \$10 million or more	✓ IPCs with gross annual receipts or total expenditure from \$500,000 to \$10 million or more

Self Assessment

1

Identify the tier the charity belongs to

2

Use the applicable Scorecard to complete the questions

3

Apply the following formula to compute the scoring

$$(\text{SCORE OF CHARITY} / \text{MAX SCORE}) \times 100\% = \text{XX}\%$$

	Basic (Small Category)	Intermediate (Medium Category)	Enhanced + Advanced (Large Category)
Key Area(s) of Disclosures	Max Points for each Disclosure Area	Max Points for each Disclosure Area	Max Points for each Disclosure Area
A. Timeliness of Submissions	1	1	1
B. Board Governance and Executive Management	5	13	15
C. Conflict of Interest	3	4	4
D. Strategic Planning	3	3	3
E. Programme Management	2	2	2
F. Human Resource and Volunteer Management	1	1	5
G. Financial Management and Internal Controls	4	6	6
H. Fund-raising Practices	3	3	3
I. Auditor/Independent Examiner's Report	1	1	1
Maximum points for each tier	23	34	40

Basic Tier

A. Timeliness of Disclosure

+ 1 Point



Disclosure Area	Disclosure Item
<p>Annual submissions (i.e. annual reports, financial statements and Governance Evaluation Checklists) are submitted to the Commissioner of Charities such that they are published on Charity Portal for public viewing</p>	<ul style="list-style-type: none"> On time submission (within 6 months from the end of the charity’s financial year) or within extension period allowed by the Commissioner of Charities

Basic Tier

B. Board Governance and Executive Management

+ 5 Points



Disclosure Area	Disclosure Item
Information of the board	<ul style="list-style-type: none"> • Name • Board appointment • Date of appointment • Frequency and attendance at board meetings to show how active the board is
Information of executive management	<ul style="list-style-type: none"> • Organisation structure

Basic Tier

C. Conflict of Interest

+ 3 Points

Disclosure Area	Disclosure Item
Remuneration and benefits of Board Member (if the governing instrument permits remuneration)	<ul style="list-style-type: none"> The exact remuneration and benefits received by each board member OR The fact that its governing instrument does not permit remuneration OR The fact that board members do not receive remuneration
The process for setting remuneration of board member	<ul style="list-style-type: none"> Board members are not involved in setting their own remuneration OR Board members do not receive remuneration
The process for setting remuneration of key staff	<ul style="list-style-type: none"> Staff are not involved in setting their own remuneration OR Staff do not receive remuneration OR Charity does not have staff

Basic Tier

D. Strategic Planning

+ 3 Points



Disclosure Area	Disclosure Item
Strategic Direction	<ul style="list-style-type: none"> • Vision/Mission • Objectives • Outline its plan and/or strategy to achieve its mission and vision (<i>at least for the next 2 years</i>)

Basic Tier

E. Programme Management

+ 2 Points



Disclosure Area	Disclosure Item
Programmes/ Activities/ Services and their Outcomes	<ul style="list-style-type: none"> Information on programmes, activities and services such as: <ul style="list-style-type: none"> ✓ List of Programmes/ Activities/ Services ✓ Purpose of the Programmes/ Activities/ Services
	<ul style="list-style-type: none"> Outcomes of the Programmes / Activities / Services

Basic Tier

F. Human Resource Management

+ 1 Point



Disclosure Area	Disclosure Item
Staff Remuneration	<ul style="list-style-type: none"> The total annual remuneration for each of its three highest paid staff, who each receives remuneration exceeding \$100,000, in incremental bands of \$100,000 OR There are no staff receiving remuneration exceeding \$100,000 OR Charity does not have staff


Basic Tier

G. Financial Management and Internal Controls

Disclosure Area	Disclosure Item + 4 Points
<p>Internal controls with documented procedures for financial matters in key areas including:</p> <ul style="list-style-type: none"> • Procurement procedures and controls • Receipt, payment procedures and controls; • System for the delegation of authority and limits of approval 	<ul style="list-style-type: none"> • Documented procedures are in place for financial matters in key areas
<p>Reserves position and policy</p>	<ul style="list-style-type: none"> • Charity discloses its reserves policy in the annual report
<p>The purpose, amount and planned timing of use for restricted funds (including endowment funds)</p>	<ul style="list-style-type: none"> • Purpose and Amount of restricted and/or endowment funds OR Charity discloses that it does not have restricted and/ or endowment funds • Planned timing of use, if the charity has a fixed timeframe to use the funds, OR The charity discloses that there is no planned timing of use for the fund

Basic Tier

H. Fund-raising Practices

Disclosure Area	Disclosure Item	+ 3 Points
Information on fund-raising	<ul style="list-style-type: none"> • Disclosure of nature, purpose and amount of funds received: <ul style="list-style-type: none"> (i) donations in cash (solicited and unsolicited); (ii) donations in kind (solicited and unsolicited); (iii) sponsorships; (iv) grants; and (v) others • Information on fund-raising events: <ul style="list-style-type: none"> (i) when it was conducted/held; (ii) who were the beneficiaries for the fund-raising event; (iii) how much funds were raised; (iv) how much fund-raising expenses were incurred (if any); and (v) where any commercial fund-raiser has been engaged, the charity should disclose the rationale of engaging commercial fund-raiser and the fee arrangements 	
	<ul style="list-style-type: none"> • Fund-raising efficiency ratio 	

Basic Tier

I. Auditor/Independent Examiner's Report

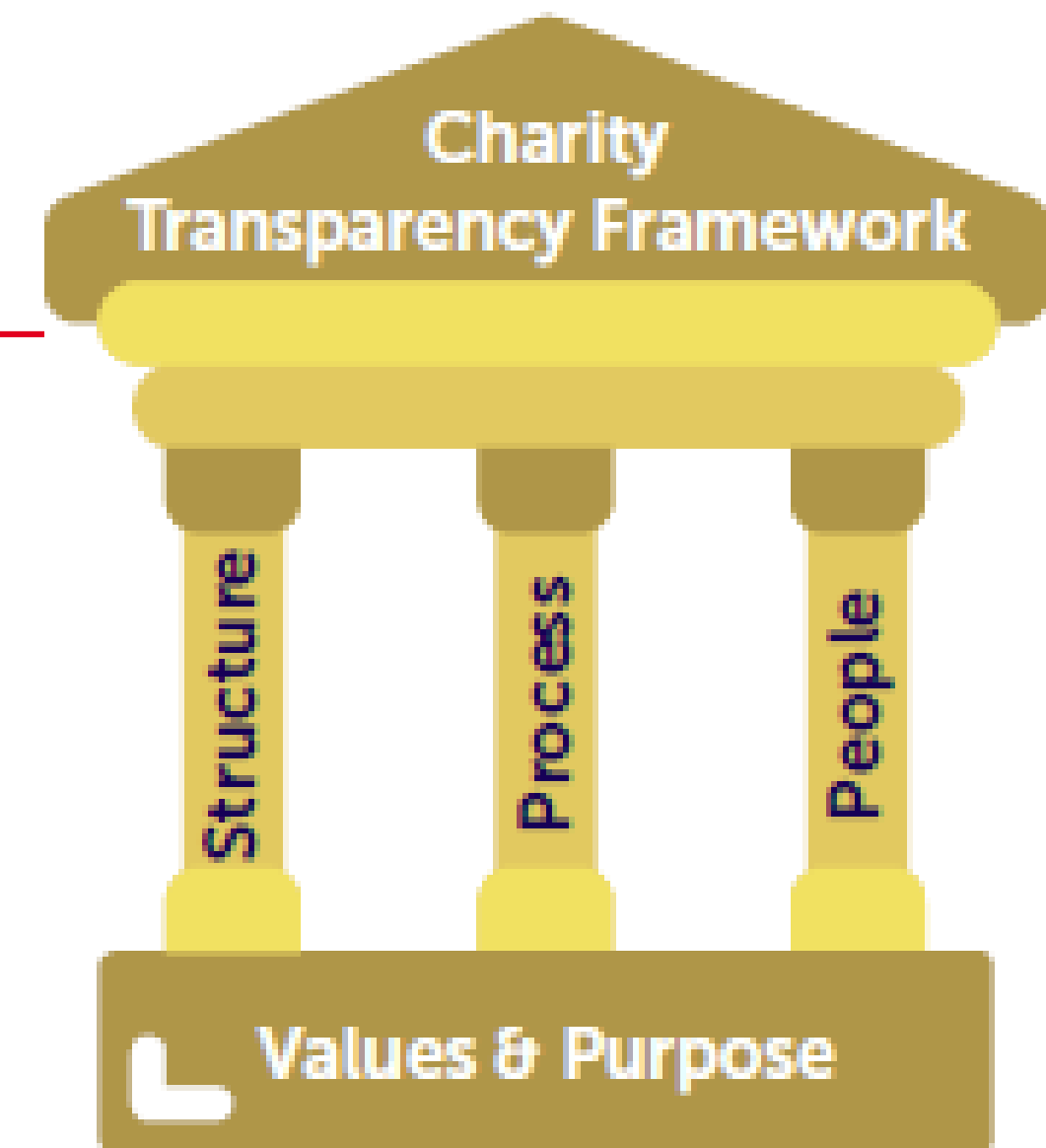
+ 1 Point



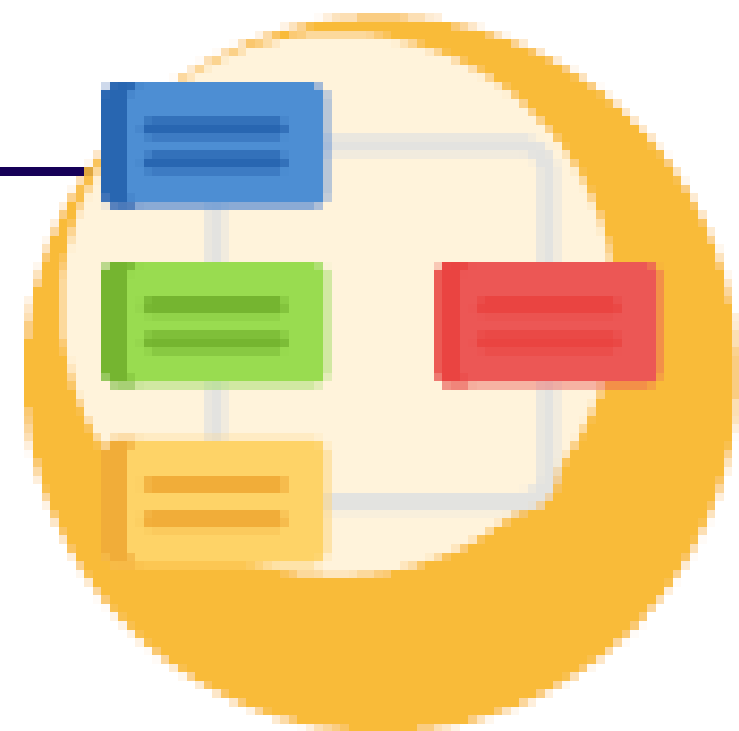
Disclosure Area	Disclosure Item
<p>Disclosure of financial statements which include:</p> <ul style="list-style-type: none"> - auditors' / independent examiners' opinion on whether the financial statements are properly drawn up in accordance with the relevant provisions 	<ul style="list-style-type: none"> • Auditor expressed an unqualified opinion in the report OR Auditor included an "Emphasis of Matter" in the report that does not have an adverse impact on the financial statements

How to get there?

Driving Transparency in Charity

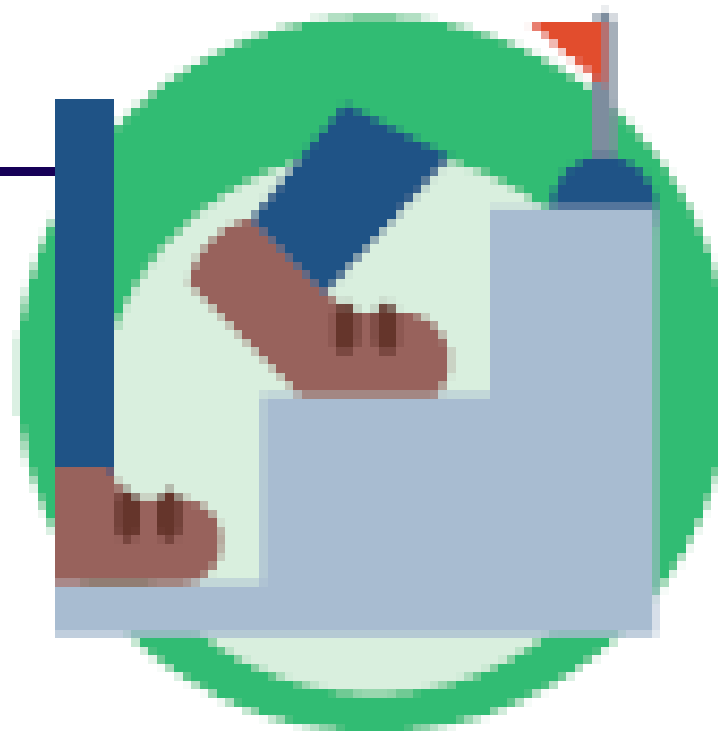


STRUCTURE



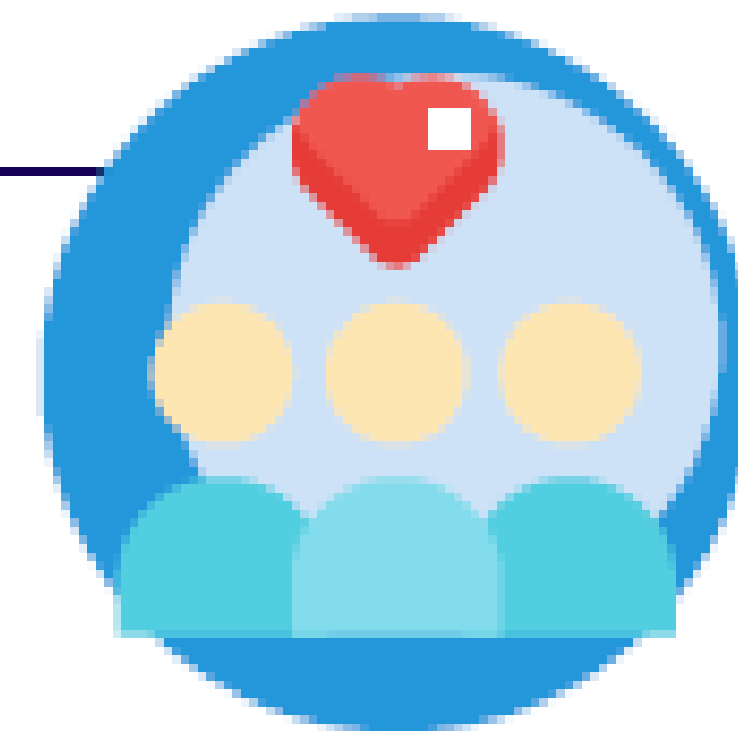
Refers to the makeup of the charity that supports the implementation of good transparency practices.

PROCESS



Refers to the series of actions or steps required to achieve good transparency practices.

PEOPLE



Refers to individuals or groups who are involved in implementing good transparency practices in the charity.

People



Skills



Understand

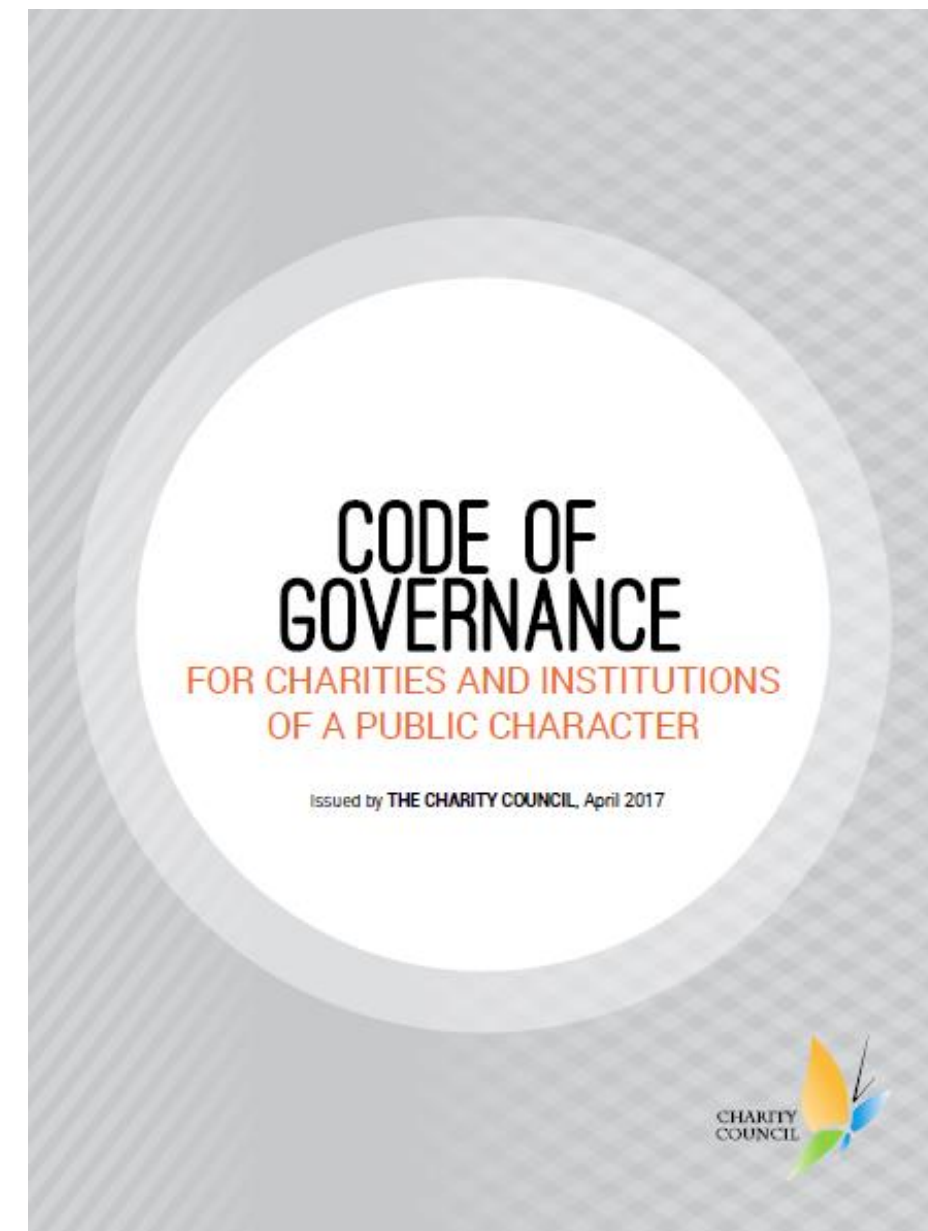
- ✓ Regulatory regime applicable to charities/IPC's;
- ✓ Standards set out in the Code of Governance;
- ✓ Accounting standards applicable to charities/IPC's.

Charity Transparency Framework Self Assessment Excel Form

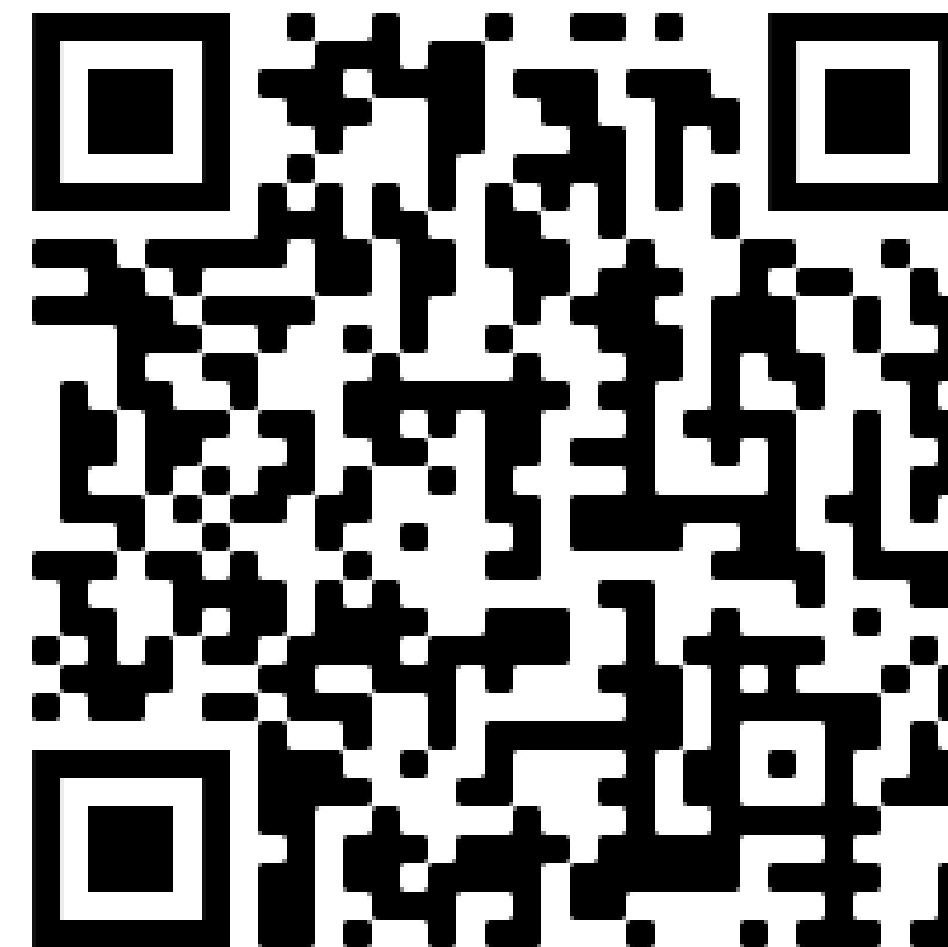


<https://www.charities.gov.sg/Documents/Charity%20Transparency%20Framework%20Self-assessment%20Form.xlsx>

For a more comprehensive understanding of the framework, charities are encouraged to also reference the Code of Governance for Charities and IPCs:



Download here:



For more information on the VWOs-Charities Capability Fund:
<https://www.charities.gov.sg/Grants/VWOs-Charities-Capabilities-Fund/Pages/Overview.aspx>

Thank You



@MCCYsg



mccy.gov.sg