

## Viriya Community Services Corporate Governance Report FY2020

## SECTION A: Code of Governance for Charities and Institutions of a Public Character (Enhanced Tier)

S/N	Description	CodeID	Response
1	<b>Induction and orientation</b> are provided to incoming Board members on joining the Board.	1.1.2	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
	All new members shall be given a copy of the Board Governance Manual. Appropriate induction, including the duties as a Management Committee member and how to discharge those duties, and an orientation programme, would be provided to incoming Board members on joining the Management Committee to ensure that they are familiar with VCS' work and governance practices. Appropriate training should be provided to Management Committee members, when required.		
	<b>Are there Board members holding staff<sup>1</sup> appointments? (Skip items 2 and 3 if "No")</b>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	It is VCS' policy not to have paid staff on the Management Committee.		
2	Staff <sup>1</sup> does <b>not chair</b> the Board and does <b>not comprise more than one third</b> 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 <b>distinct from their Board roles</b> .	1.1.5	<input type="checkbox"/> Complied <input type="checkbox"/> Not Complied
	Items 2 and 3 are not applicable for VCS.		
4	There is a <b>maximum limit of four consecutive years</b> for the Treasurer position (or equivalent, e.g. Finance Committee Chairman or person on Board responsible for overseeing the finances of the charity).  Should the charity not have an appointed Board member, it will be taken that the Chairman oversees the finances.	1.1.7	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
	The Honorary Treasurer may be re-elected to the same post for a maximum consecutive term of four years. For the other committee members, their reappointment will be in accordance with the provisions of the Code of Governance for Charities and Institutions of a Public Character ("Code").		
5	All Board members submit themselves for <b>re-nomination and re-appointment</b> , at least once every three years.	1.1.8	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
	The term of office of the Board members is two years. The Management Committee would be elected at alternate Annual General Meeting (AGM).		
6	The Board conducts regular <b>self-evaluation</b> to assess its performance and effectiveness once per term or every three years, whichever is shorter.	1.1.12	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
	VCS has an annual self-evaluation system to assess the performance and effectiveness of the Management Committee. The outcomes of the evaluation, including recommendations for improvement if any, are shared with the Management Committee and key management personnel. The committee assessed its compliance with the Code for the evaluation period from 1 January 2020 to 31 December 2020. The Society had complied with all requirements for the Enhanced Tier. The Governance Evaluation Checklist was filed with the Commissioner of Charities after the AGM and made available on VCS' website ( <a href="http://www.viriya.org.sg">www.viriya.org.sg</a> ).		
	<b>Are there Board member(s) who have served for more than 10 consecutive years? (Skip item 7 if "No")</b>		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7	The charity discloses in its annual report the <b>reasons for retaining Board member(s) who have served for more than 10 consecutive years</b> .	1.1.13	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied

As at 31 December 2020, Ms. Jenny Lim and Ms. Tham Khuan Heng had served as members of the Management Committee consecutively for more than 10 years. It is part of VCS' leadership succession plan for them to continue to serve and lead VCS through the planned growth and development while ensuring a smooth leadership transition to new Management Committee members. This was disclosed in VCS Annual Report 2021.

8	There are <b>documented terms of reference</b> for the Board and each of its Board committees.	1.2.1	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
<p>The Management Committee maintain and regularly review VCS' system of internal controls, performance, policies, and procedures to ensure that:</p> <ol style="list-style-type: none"> <li>1. VCS regularly identifies and reviews the key risks to which VCS is exposed to and has in place a mechanism to mitigate these risks;</li> <li>2. VCS understands and complies with all applicable legislative and regulatory requirements;</li> <li>3. VCS has put in place up-to-date financial and management controls; including the procurement, receipt and payments procedures;</li> <li>4. Board Committees are set up with clearly defined written terms of reference to oversee areas relevant to VCS,</li> <li>5. annual budget approved are appropriate and monitored regularly;</li> <li>6. delegation of authority and approval limits for transactions via a structured authorisation matrix is properly executed;</li> <li>7. staff recruitment, supervision, training, performance appraisal and remuneration (including the Executive Director) are fair and transparent; and</li> <li>8. volunteers are supervised, motivated, and supported.</li> </ol> <p>To assist in the execution of its responsibilities, the management members were appointed into the following Board Committees in FY2020, with clearly established terms of reference setting out their authorities and duties as approved by the Management Committee:</p> <ul style="list-style-type: none"> <li>• Audit and Risk Committee</li> <li>• Finance Committee</li> <li>• Programmes and Services Committee</li> <li>• Appointment and Nomination Committee</li> <li>• Human Resources Committee</li> <li>• Fundraising Committee</li> </ul>			

### Conflict of Interest

9	There are documented procedures for Board members and staff <sup>1</sup> to declare actual or potential <b>conflicts of interest</b> to the Board at the earliest opportunity.	2.1	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
<p>The Society maintains a Conflict of Interest policy, requiring Management Committee members and staff to disclose any real, potential or perceived interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's suppliers, users of services or beneficiaries.</p>			
10	Board members <b>do not vote or participate</b> in decision-making on matters where they have a conflict of interest.	2.4	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
<p>Should there be any real, potential or perceived conflict of interest, the affected member will recuse himself or herself from the discussion and should not vote nor participate in the decision-making on the matter. The reason for how a final decision is made on the transaction or contract will be recorded in the minutes of the meeting.</p> <p>Declarations are required for related parties' transactions. Any related party transaction will be reviewed at a stipulated interval and the outcome of the review be reported to the management committee and documented.</p>			

Any appointment of staff who is a close member of the family of the current management committee members or staff should undergo the established human resource procedures for recruitment, performance evaluation and remuneration. Management committee members or staff should make a declaration of such relationships and not influence decisions made during these procedures.

During the year under review, there was no such conflict that required disclosure and action.

### Strategic Planning

11	The Board <b>periodically reviews and approves the strategic plan</b> for the charity to ensure that the activities are in line with its objectives.	3.2.2	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
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The Management Committee meet for a Strategic Planning Meeting at least once a year. In 2020, the meeting was conducted on 04 July 2020.

### Human Resource and Volunteer<sup>2</sup> Management

12	The Board approves <b>documented human resource policies</b> for staff <sup>1</sup> .	5.1	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
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VCS' HR Policies aim to attract, retain, and motivate staff who have suitable qualifications, experience and performance. The Board approves VCS documented human resource policies for staff covering:

- Recruitment;
- Remuneration;
- Benefits;
- Training and development;
- Performance management;
- Disciplinary actions; and
- Cessation of employment

13	There is a <b>documented Code of Conduct</b> for Board members, staff <sup>1</sup> and volunteers <sup>2</sup> (where applicable) which is approved by the Board.	5.3	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
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VCS' Code of Conduct for Board members outlines the behaviour expected from Board members. It underpins how Board members should behave towards one another during and outside of meetings. It helps to safeguard relationships in times of difficulty and underlies a Board member's commitment to the work of VCS.

VCS' Code of Conduct for Staff and Volunteers stipulates the values and expected behaviours, including dress code, to safeguard not only clients, but also VCS, its members, staff and volunteers.

14	There are processes for regular supervision, appraisal and professional development of staff <sup>1</sup> .	5.5	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
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VCS' Performance Management System includes an Individual Development Plan to support the professional development of staff. The system developed with reference to the SkillsFuture Skills Framework for Social Service includes processes to identify the training needs of staff to equip them with the necessary skills to perform their roles effectively. There should be a fair and transparent performance review and appraisal process in place for staff. In FY2020, VCS conducted at 2 rounds of performance management appraisals.

	<b>Are there volunteers<sup>2</sup> serving in the charity? (Skip item 15 if "No")</b>		<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
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15	There are <b>volunteer management policies</b> in place for volunteers <sup>2</sup> .	5.7	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
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VCS has established Volunteer Management Policies. Volunteers involved in the day-to-day operations of VCS shall comply with the Human Resource Policy for Staff.

Financial Management and Internal Controls			
16	There is a documented policy to seek Board's approval for any loans, donations, grants or financial assistance provided by the charity which are not part of its core charitable programmes.	6.1.1	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
Any loan or donation to external third parties and grants or financial assistance which are not part of VCS' core charitable programmes must be approved by the Board.			
17	The Board ensures <b>internal controls for financial matters</b> in key areas are in place with <b>documented procedures</b> .	6.1.2	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
The Board has established the VCS Financial Policies in respect of day-to-day operational and financial controls over the following key areas:			
<ul style="list-style-type: none"> <li>▪ Purchases/Supplies;</li> <li>▪ Cheque and on-line Payments including donations;</li> <li>▪ Payroll;</li> <li>▪ Petty cash payments/Cash advance;</li> <li>▪ Monies received;</li> <li>▪ Cash book and bank reconciliation;</li> <li>▪ Maintenance of accounting records, including donation records;</li> <li>▪ Preparation of financial statements, financial budget and review of variances; and</li> <li>▪ System for the delegation of authority and approval limits.</li> </ul>			
18	The Board ensures reviews on the charity's internal controls, processes, key programmes and events are regularly conducted.	6.1.3	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
VCS management staff update the Board on the progress of its programmes and services on a quarterly basis and key issues identified by the management staff will be discussed at each Board meeting.			
The Audit and Risk Committee conducts periodic internal checks on key processes to ensure compliance with established procedures and to report to the management committee on the findings and recommendations for improvement.			
19	The Board ensures that there is a process to <b>identify, regularly monitor and review</b> the charity's <b>key risks</b> .	6.1.4	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
VCS updated our risk management framework following guidance from the Enterprise Risk Management Toolkit for Charities and IPCs developed by the Charity Council, KPMG and NUS Business School.			
VCS has identified 7 key risks, namely:			
<ol style="list-style-type: none"> <li>1. Legal and Regulatory Compliance Risk</li> <li>2. Funding Risk</li> <li>3. Human Capital Risk</li> <li>4. Financial Risk</li> <li>5. Service Delivery Risk</li> <li>6. Adverse Events Risk</li> <li>7. Information and Cybersecurity Risk</li> </ol>			
The risks are monitored and reported to the Management Committee on a quarterly basis. Key updates and issues are also shared with staff on a quarterly basis during staff meeting. Channels of communication for urgent dissemination of information and action plans have been established.			
20	The Board approves an <b>annual budget</b> for the charity's plans and regularly monitors its expenditure.	6.2.1	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
The Board approved an annual financial budget covering VCS' planned activities for FY2020. A mid-year review of the annual budget was conducted and significant variances from budget were accounted for with explanations provided.			

	<b>Does the charity invest its reserves, including fixed deposits? (Skip item 21 if “No”)</b>		<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
21	The charity has a <b>documented investment policy</b> approved by the Board.	6.4.3	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied

The Management Committee adopts a very prudent approach in respect of investment of its reserves, in accordance with VCS Investment Policy and Guidelines approved by the Management Committee.

#### Fundraising Practices

	<b>Did the charity receive cash donations (solicited or unsolicited) during the year? (Skip item 22 if “No”)</b>		<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
22	All collections received (solicited or unsolicited) are <b>properly accounted for</b> and <b>promptly deposited</b> by the charity.	7.2.2	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied

VCS' Financial Policies informs of day-to-day operational and financial controls over all collections received (i.e., monies received). All collections should be properly recorded, promptly deposited, and accounted for.

	<b>Did the charity receive donations-in-kind during the year? (Skip item 23 if “No”)</b>		<input type="checkbox"/> <b>Yes</b> <input checked="" type="checkbox"/> <b>No</b>
23	All donations-in-kind received are <b>properly recorded</b> and <b>accounted for</b> by the charity.	7.2.3	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied

All donations-in-kind received should be properly recorded and accounted for except for recycled items of short lifespan of less than 2 years or items with actual or estimated market value of less than \$2,000. No donations-in-kind meeting the mentioned requirements were received in FY2020.

#### Disclosure and Transparency

24	The charity discloses in its annual report: i) Number of Board meetings in the year; and ii) Individual Board member's attendance.	8.2	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
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In 2020, the Management Committee met 4 times, including a strategic planning meeting. The attendance of the Management Committee members at the meetings are as below:

Lim Yin Nee, Jenny	4 out of 4
Tay Hong Beng	4 out of 4
Koh Wei Peng, Alex	3 out of 4
Tan Yee Peng	3 out of 4
Abner Koh Ming Feng	4 out of 4
Gilbert Fan Kam Tong	3 out of 4
Tan Yan Song	4 out of 4
Teoh Eong Kow	3 out of 4
Tham Khuan Heng	3 out of 4

The above were reported in VCS Annual Report 2021.

	<b>Are Board members remunerated for their Board services? (Skip items 25 and 26 if “No”)</b>		<input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>
	No Management Committee member was remunerated for his/her Board services.		
25	<b>No</b> Board member is involved in setting his or her own remuneration.	2.2	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
26	The charity discloses the <b>exact</b> remuneration and benefits received by each Board member in its annual report. OR The charity discloses that <b>no</b> Board members are remunerated.	8.3	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied

No management committee member is remunerated. This was reported in VCS Annual Report 2021.

Does the charity employ paid staff <sup>1</sup> ? (Skip items 27, 28 and 29 if "No")			<input type="checkbox"/> Yes <input type="checkbox"/> No
27	No staff <sup>1</sup> is involved in setting his or her own remuneration.	2.2	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
The Board approves the remuneration of staff. In setting the remuneration of staff, any performance-related element should be linked to fulfilling measurable and clearly defined targets in line with VCS' objectives.			
28	The charity discloses in its annual report: i) The total annual remuneration (including any remuneration received in its subsidiaries), for <b>each of its three highest paid staff<sup>1</sup></b> , who each receives remuneration <b>exceeding \$100,000</b> , in bands of \$100,000; and ii) If any of the three highest paid staff <sup>1</sup> also serves on the Board of the charity. OR The charity discloses that <b>none</b> of its staff <sup>1</sup> receives more than \$100,000 in annual remuneration each.	8.4	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
The Society's 3 highest paid staff did not serve as governing Management Committee members and their remuneration were declared in the remuneration band of S\$100,000 to S\$200,000 in the Audited Account and VCS Annual Report 2021.			
29	The charity discloses the number of paid staff <sup>1</sup> who are close members of the family <sup>3</sup> of the Executive Head or Board Members, who each receives remuneration <b>exceeding \$50,000</b> during the year, in bands of \$100,000. OR The charity discloses that there is <b>no</b> paid staff <sup>1</sup> who are close members of the family <sup>3</sup> of the Executive Head or Board Member, who receives more than \$50,000 during the year.	8.5	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
There was no paid staff, being a close member of the family belonging to the Executive Head or a governing management committee member of the Society, who had received remuneration exceeding S\$50,000 during the financial year. This was reported in VCS Annual Report 2021.			

### Public Image

30	The charity has a <b>documented communication policy</b> on the release of information about the charity and its activities across all media platforms.	9.2	<input checked="" type="checkbox"/> Complied <input type="checkbox"/> Not Complied
The President shall be the designated spokespersons for VCS. In the absence of the President, the Vice President shall be the spokesperson. However, for specific matters, the Board may also designate another appropriate Board member or staff as the official spokesperson.			
All communications on the release of information about VCS and its activities to its stakeholders across all media platforms follow VCS' Media Response Policies and Social Media Policies.			

## SECTION B: Additional Items

### 1. Whistle-Blowing Policy

The Management Committee and staff are fully committed to conduct all its activities with integrity and the highest ethical standards whilst complying with applicable laws and regulations. VCS strongly believes that the actions and conduct of the Management Committee and staff are essential to maintaining these standards. In line with this commitment, VCS has a Whistle-Blowing Policy to allow whistle-blowers to raise concerns over a breach of these standards, highlight incidents of malpractice or wrongdoings within VCS. This Policy applies to any suspected improprieties involving Management Committee or staff of VCS.

## 2. Finance and Funding

The Society received funding from the government on approved programmes and the public in the form of donations. The public included corporates, foundations and individuals. Some families received subsidies from the government depending on their household income. The Society also collected fees for some of its programmes and services.

In 2020, VCS' principal banker was DBS Bank Ltd, and our surplus funds were placed on fixed placements largely with Maybank Singapore Ltd, Standard Chartered Bank (Singapore) Ltd and Hong Leong Finance Ltd.

## 3. Reserve Policy

It is the Society's desire to build up its reserve of unrestricted funds to meet two years' operating expenditure and any surplus, with the approval of the management committee, will be transferred to the Expendable Endowment Fund in the following year.

## 4. Expendable Endowment Fund

The Expendable Endowment Fund was established to receive donations and transfer of any unrestricted funds in excess of two years' operating expenditure, to strengthen the financial position of the Society and to enable the Society to fund community projects and initiatives.

While the capital is not available for general use, subject to approval of the management committee, the investment returns from the Fund and or part of the capital, can be used to initiate community projects where the Society can make a significant contribution, and which are truly important, meaningful and in keeping with the Society's mission.

Since 1 January 2012, investment returns have been credited to the Expendable Endowment Fund. It is the Society's intention to build up an expendable endowment fund of S\$10 million.

## 5. Society Assets

The Society does not own any properties. The Society has been using the Lights of Hope Centre (which is owned by Leong Hwa Monastery) as Viriya Therapy Centre (VTC) since 01 March 2019. VTC provides specialist psychotherapeutic interventions to help individuals and families cope with their challenges and enhance their quality of life, which is consistent with the Society's vision and mission.

## 6. Future Capital Commitment

To support the strategic development of VCS, the Society started refurbishment of My Centre @ Moulmein to be converted to Viriya Mental Wellness Hub to provide community mental health support services and works would be expected to be completed by March 2021. The Society has planned to carry out cyclical maintenance of its family service centres which will be partly funded by the Ministry of Social and Family Development in 2021. Due to the expansion of services including community mental health programmes funded by the Agency for Integrated Care, the Society also plans to increase our office space to accommodate the increase in manpower.

## 7. Sustainability

VCS is committed to conducting its operations in a sustainable manner. Sustainability recognises the interdependence of economic, social and environmental factors. It is about being mindful that the success of an organisation does not only depend on its financial performance, but also on factors that relate to Environment, Social, and Governance ("ESG" factors). It is about achieving a balance between Planet, People and Prosperity.

Core subjects are issues related to organisational governance, human rights, labour practices such as child labour and forced labour risks, the environment such as climate change risks, greenhouse gas emissions, fair operating practices, community involvement and development.

VCS' operations are influenced by changes to the social and governance policies and practices, but it is unlikely to have a major impact from the environmental factor. Nonetheless, we can certainly play our part by taking initiatives to use natural resources more efficiently, improve process efficiency and use recyclable resources. These initiatives will also help VCS attain cost savings.

**8. The Road Ahead**

We will continue to do the good well; continue to spark transformation and renewal and continue to face new realities, rising to every challenge in this dynamic environment. We stay true to our vision: Caring for you, enhancing quality of life and our VCS Heartbeat will guide us in our forward journey.

**9. Executive Management**

Ms. Evelyn Lai has been the Executive Director of VCS since 1 April 2009. She, together with her team of 5 management personnel, leads the operations of VCS and is responsible for implementing policies and directions set out by the management committee. As at 31 December 2020, VCS had 78 staff, including 55 professional and management staff, 8 associate professionals, 4 executives and 11 support staff.