



Methodist
Welfare
Services

BEGIN AGAIN

METHODIST WELFARE SERVICES
Corporate Governance Report FY2015/16

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MWS BOARD OF GOVERNANCE

The MWS Board of Governance (Board) is made up of 22 members comprising 12 elected board members and 10 co-opted members. The composition, powers and functions of the Board are governed by the MWS Constitution (Revised September 2012).

Board members are elected, and serve for a period of two years. All Board members are not paid any remuneration or director's fees. There is a maximum term limit of four consecutive years for the Treasurer position.

The Board meets at least once every two months with a quorum of a simple majority. No staff member sits on the Board.

BOARD OF GOVERNANCE

Board Member	Designation (Date of Appointment)	Occupation	Board Attendance
Rev Dr Daniel Koh Kah Soon	Chairperson (from 26.09.2015)	Methodist Pastor, Lecturer Of Trinity Theological College	6 of 6
Mr Albert Lim Song Khiang	Vice - Chairperson (from 26.09.2015)	Director, El-Shaddai Resources Pte Ltd	6 of 6
Mr Eugene Toh Ming Hong	Honorary Secretary (from 26.09.2015)	Director (Policy), Energy Market Authority of Singapore (EMA)	3 of 6
Ms Christine Pushpam Tambyah	Assistant Honorary Secretary (from 26.09.2015)	Deputy Director, Ministry of Education (MOE)	4 of 6
Mrs Fong Loo Fern	Honorary Treasurer (from 26.09.2015)	Managing Director, CYC Shanghai Shirt Company Co Pte Ltd	6 of 6
Mr Yow Chi Mun	Assistant Honorary Treasurer (from 26.09.2015)	Portfolio Manager, Precept Investments Pte Ltd	6 of 6
Mr Terence Phung Tuck Chee	Assistant Honorary Treasurer (from 26.09.2015)	Retired Accountant	6 of 6
Mrs Loh Chay Leng	Board Member (from 26.09.2015)	Associate Lecturer, Republic Polytechnic	4 of 6
Dr Lee Wee Leong	Board Member (from 26.09.2015)	Assistant Professor (Practice) of Information Systems, Singapore Management University	4 of 6
Mr Tan Chian Khong	Board Member (from 26.09.2015)	Audit Partner, Ernst & Young LLP	4 of 6
Mr David Wong Cheong Fook, BBM(L), BBM, PPA, PBM	Board Member (from 26.09.2015)	Independent Director	4 of 6

Dr David Foo Chee Guan	Board Member (from 26.09.2015)	Head of Department (Cardiology), Tan Tock Seng Hospital	4 of 6
Mr Wendell Wong Hin Pkin	Co-opted Board Member (from 26.09.2015)	Director, Drew & Napier LLC	2 of 6
Mr Terence Wee Jin Zoo	Co-opted Board Member (from 26.09.2015)	Senior Director, Professional Services, SAS Institute Pte Ltd	5 of 6
Mr Ronnie Gan Seow Khaw	Co-opted Board Member (from 26.09.2015)	Manager, Strategy and Business Excellence, Siemens Pte Ltd	4 of 6
Rev Jasper Sim Shenq Chyi	Co-opted Board Member (from 26.09.2015)	Pastor, The Methodist Church in Singapore	4 of 6
Mr George Loh Chee Ping	Co-opted Board Member (from 26.09.2015)	Director (Programmes), National Research Foundation	3 of 6
Mr Lam Wei Choong	Co-opted Board Member (from 26.09.2015)	Managing Principal, Veros Consulting	4 of 6
Rev Chia Chin Nam	Co-opted Board Member (from 26.09.2015 to 31.12.2016)	Pastor, The Methodist Church in Singapore	0 of 6
Ms Ivy Lai Su Chin	Co-opted Board Member (from 26.09.2015 to 31.12.2016)	Retired	5 of 6
Rev Anil Samuel	Co-opted Board Member (from 26.09.2015 to 31.12.2016)	Pastor, The Methodist Church in Singapore	3 of 6
Ms Dorothy Lim Teck Cheng	Co-opted Board Member (from 26.09.2015 to 31.12.2016)	Home-maker	1 of 6

Note: The previous designations of appointed Office Bearers can be found in FY15/16 Annual Report

ROLES AND RESPONSIBILITIES

The Board oversees the decisions relating to policy, strategic issues and governance of MWS. The daily management and operations of MWS are delegated to the Group Executive Director and staff. The Board's roles and responsibilities include:

- Establishing MWS' Vision and Mission
- Providing guidance and advice in the mapping of the Strategic Direction and Annual Work plan of MWS and its Centres
- Ensuring plans are aligned to MWS' Vision and Mission
- Holding fiscal responsibility, including approval of budgets, investments and the procurement of resources
- Upholding the legal and ethical integrity of the charity
- Reviewing, monitoring and evaluating MWS' and its Centres' performance

BOARD OF GOVERNANCE POLICIES

SELECTION/RECRUITMENT POLICY

MWS continually ensures that the appropriate set of skills, talents and attributes are represented on the Board. To ensure an effective Board succession plan, the Nominations Committee¹ identifies people with the desired competencies to meet current and future needs of the organisation. The Board, through NCSS, also accepts nominations of interested administrative officers from the Public Service Division.

To build a steady pipeline of Board talent, MWS also brings in potential candidates to serve in our various Centre Governance Committees. This helps the Board to identify and develop specific candidates to fill Board positions or serve in other key positions within MWS.

A list of potential Board candidates is developed and discussed at least one year before the end of current term.

INDUCTION/TRAINING POLICY

New members are inducted to the Board through an orientation programme, centre visits and guidance from the Chairman and other experienced Board members. All members are encouraged to attend courses on governance at the Social Service Institute and Singapore Institute of Directors.

In addition to serving on the Board, members are also invited to join MWS' Centre Governance Committees (CGC) or committees such as Finance, Human Resource, Communications and Fundraising. This helps members to understand MWS' services and issues on the ground.

EVALUATION OF BOARD'S EFFECTIVENESS

The Board is guided by the best practices as set out in the Code of Governance for Charities, Institutions of a Public Character and Charity Transparency Framework. The Nominations Committee will evaluate the effectiveness of the Board and identify areas of improvement. The Board also undergoes a self-evaluation checklist annually to assess its performance.

CENTRE GOVERNANCE COMMITTEES

The Board is further complemented by:

- 12 Centre Governance Committees; and
- 8 committees covering the following functions: Audit, Finance, Investment, Human Resource, Information Technology, Communications & Fundraising, Nominations and Chaplaincy

CENTRE GOVERNANCE COMMITTEES (CGC)

The CGCs' primary role is to provide governance oversight at the centres, on behalf of the Board. Its specific responsibilities include:

- Oversight on policy, strategic issues and governance of the Centre while delegating the management and implementation role to the Centre Head and staff
- Review, monitoring and evaluation of the Centre's performance
- Ensuring adequate financial and human resources for the Centre
- Endorsement of budgets and tenders for the approval of the Board

The CGCs meet at regular intervals of 2-3 months.

¹ Consists of MWS' Board Chairman, current members and independent professionals appointed by the Board

WORKING COMMITTEES

(i) Audit

The Audit committee facilitates discussions with the Board, internal and external auditors to provide assurance on the reliability of financial reporting, safeguarding of assets and compliance with relevant laws and regulations. Its specific responsibilities include:

- Safeguarding MWS assets
- Maintenance of adequate accounting systems
- Reviewing accounting policies and effectiveness of internal controls
- Managing the Risk Management framework
- Developing and implementing the Whistle Blowing policy

The committee meets at least 3 times a year.

(ii) Finance

The Finance committee reports to the Board on all financial issues. Its specific responsibilities include:

- Advising Management on financial priorities including annual budget
- Establishing appropriate accounting and financial management policies to ensure accountability and legitimate use of financial resources
- Working with Centres to ensure that they are adequately financed and operating on a sound financial basis
- Approving budget variations in accordance with the finance manual

The committee meets at least 3 times a year. The MWS Honorary Treasurer is the Chairman of the Finance Committee.

(iii) Investment

The Investment committee was established to assist the Board in implementing the Investment Policy of the organisation. The Investment Policy is established by the Board and sets out the following:

- Determining amount of funds available for investment (“Investment Funds”)
- The expected rate of return from the organisation’s Investment Funds; and
- Specifying the instruments in which the funds may be invested

The committee is responsible for managing the Investment Funds of MWS. Its specific responsibilities include:

- Establishing an allocation policy which sets out the strategy for fund investments, to achieve the expected rate of return while managing risks
- Determining which counters and funds to invest in and the investment amount
- Reviewing the Investment Policy annually and providing recommendations to the Board

The committee meets at least 2 times a year.

(iv) Human Resource

The HR committee was established to assist the Management and Board in implementing the Human Resource Policy of the organization. Its responsibilities include:

- Establishing a fair-salary remuneration system that is commensurate with other VWOs and relevant government agencies

- Advising on the development of HR strategies and plans
- Review of HR policies as and when required

The Committee meets at least 2 times a year.

(v) Information Technology

The Information Technology committee reports to the Board on the management of MWS' IT assets. Its specific responsibilities include:

- Advising the Board on IT matters
- Overseeing the procurement of IT systems and equipment
- Conducting audit checks on computers, software to ensure compliance with law and regulations
- Establishing appropriate policies on IT systems, use of software

The committee meets at least once a year.

(vi) Communications & Fundraising

The Communications & Fundraising committee provides guidance and support in the area of community and corporate engagement, communications, fundraising, volunteer and donor management in order to meet MWS' objectives.

Its specific responsibilities include:

- Advising in the development of plans and strategies such as publicity, media publications, engagement activities, fundraising campaigns
- Endorsing and approving expenditure on fundraising and communications
- Supporting MWS in developing relationships with corporations, churches, government agencies and individual donors

The committee meets at least 3 times a year.

(vii) Nominations

The Nominations committee is established to ensure an effective board succession plan. It provides recommendations to the Board on the nomination of new board members, re-nomination of current board members, appointments to centre governance committees and working committees.

Its specific responsibilities include:

- Developing selection criteria in recruiting Board members
- Identifying the skills, knowledge, experience and personal attributes required for the organization
- Evaluating the effectiveness of the Board and identifying areas of improvement.

The committee meets at least once a year.

(viii) Chaplaincy

The Chaplaincy committee was established to assist the Board in developing the chaplaincy programme within MWS. Its specific responsibilities include:

- Recommending suitable persons to the Bishop for appointment of MWS Chaplains and Assistant Chaplains
- Ensure Chaplains adhere to the code of conduct for ministry in a multi-religious context

The committee meets at least 4 times a year to review the plans and work of the ministry.

COMMITTEE'S MEETING ATTENDANCE

Committee	Number of Members (A)	Total Number of Meetings (B)	Maximum Score (A*B)	Actual Score	Committee Attendance ²
Audit	4	2	8	8	100%
Finance	6	2	12	12	100%
Investment	5	2	10	8	80%
Human Resource	4	2	8	7	88%
Information Technology	2	1	2	2	100%
Communications & Fundraising	3	3	9	8	89%
Nominations	6	2	12	10	83%

- Maximum score and actual score refer to the maximum and actual attendance in each committee respectively
- Actual score is derived from the sum of members' attendance in all meetings
- As there were changes to members of the BoG, attendances of meetings were dated from 26.09.2015, with the exception of the nominations committee which met in the beginning of 2015
- The chaplaincy committee was established in Feb 2016 and formal meetings commenced in FY16/17

KEY MANAGEMENT EXECUTIVES

1. Mrs Jenny Bong, MWS Group Executive Director

Appointed on 2 June 2008, Mrs Bong was formerly the Executive Director of Lakeside Family Centre.

2. Ms Fong Mee Sim, Finance & Administration Group Director

Appointed on 9 July 2007, Ms Fong formerly worked as Finance Manager for the Singapore Indoor Stadium and audit firms in UK.

² Formula = Actual score/maximum score * 100%

B Human Resource Management

STAFF PERFORMANCE REVIEW AND APPRAISAL

Finding the right staff and retaining good workers are key priorities for MWS. The organisation has in place a performance review and appraisal system, and a development plan for every staff. Hence, MWS strives to create and maintain an environment that emphasises the importance of relating work performance to its mission.

Performance management is a continuous process that begins immediately following the initial hiring process and continues throughout the employee’s employment. It is through performance management that the supervisor and employee gain a shared understanding of job expectations, and identify and align goals that correlate with the strategic directions of MWS.

Performance management includes five elements: Planning, Monitoring, Developing, Assessing and Rewarding.

- Planning:** Set goals; validate job expectations and performance
- Monitoring:** Measure and provide feedback; accomplish goals; learn and develop while making mid-course correction
- Developing:** Address poor performance; improve good performance
- Assessing:** Measure results and obtain input for next performance cycle; develop action plan for deficiencies
- Rewarding:** Recognize and reward good performance

PROFESSIONAL DEVELOPMENT

To develop every staff professionally, MWS has in place a career development and training plan.

These plans are identified based on the core competencies and knowledge needed to successfully carry out assigned duties and be prepared for changes in the social services/health sector. All staff have the opportunity to attend courses or pursue higher degrees in related courses to further themselves in their respective fields. High potential staff are also offered scholarships to help them achieve their career goals.

ANNUAL REMUNERATION OF 3 HIGHEST PAID STAFF

Salary Bands (in bands of 100,000)	Number
\$100,000-\$200,000	2
\$200,000-\$300,000	1

The following parties are involved in setting the remuneration of key staff:

- MWS Chairperson or an EXCO member
- HR Committee Chairperson
- Group Executive Director



Conflict of Interest Management

CONFLICT OF INTEREST POLICY

A system of checks and accountability is in place to ensure corporate governance. MWS has a conflict of interest policy to provide guidance in the decisions made by Board members, committees and senior management staff.

Board members and staff complete a conflict of interest declaration form annually and update the Board when there are changes to their interests. The declaration includes dealings with other charities, businesses, and vendors.

At Board meetings, members are reminded to declare conflicts of interest especially in discussions on financial transactions of the charity. Those who declare conflicts of interest will refrain from voting and participating in the discussion.

Declaration of any vested interests in business transactions or contracts³ will be done in writing to the Board Chairperson. Upon declaration, member/staff may participate in any quotation/tender exercise but must not be involved in the administration, evaluation and award of offer. The Board reserves the right to determine whether such persons may participate in the exercise.

WHISTLEBLOWING POLICY

MWS is committed to the highest standard of ethical behaviour and sound corporate governance. MWS' whistle blowing policy ("Policy") complies with the Code of Governance and is intended to provide guidance to those who have concerns about possible irregularities or wrongdoing within the organisation. The policy is adopted to ensure that members of staff would not suffer any detriment, or be fearful of the risk of reprisal, victimisation or other adverse repercussion, as a consequence of them raising their concerns in good faith.

³ Supply or provision of goods or services

D Financial Management and Internal Control

INTERNAL CONTROL SYSTEMS

There is a Standard Operating Procedure for purchase requisition and appropriate financial approving authority limits for expenditure.

An independent Internal Auditor has been appointed by the Audit Committee to ensure that a robust system of internal controls are in place, and that financial policies are adhered to. The scope of IA extends to cover Fund Raising activities, as well as HRM policies, procedures and Funding checks.

All our Centres are overseen by a Governance Committee which helps to provide effective governance at the Centre level, and ensure the proper usage of funds and compliance with regulatory requirements.

BUDGET PLANNING AND FINANCIAL INFORMATION

The Finance committee scrutinises yearly budgets to ensure that expenses and incoming funds are prudently projected. Audited financial statements are made available on our website to provide full disclosure for the benefit of all our stakeholders.

REVIEWS OF PROCESSES

Reviews of financial policies and procedures are conducted by the Internal Auditors. The Board determines the areas of focus for the purposes of internal audit in any given year. The Audit Committee will work with IA to share its report and recommendations for the Board's endorsement. Recommendations to improve processes will be executed.

BOARD OPINION OF INTERNAL CONTROLS

The Board is satisfied with the system of internal controls at MWS, and notes that control procedures are designed and implemented to address the financial, operational and compliance risks exposure.

FINANCIAL POLICIES

RESERVES AND RESTRICTED FUNDS POLICY

Reserves are maintained to provide working capital and enable MWS to develop over the longer term. Designated Funds and Restricted Funds are donations or grants received that are set aside for specific projects and expensed, in accordance with donors' wishes or stipulated by government ministries.

The reserves are not expected to exceed the equivalent of 2 years' expenditure of MWS.

INVESTMENT POLICY

The aim of MWS investment activities is to preserve its capital, achieving a yield of 3% higher than bank deposit rates and managing the investment funds on a long term basis.

The Board approves the amount for investment as well as instruments that include but not limited to equities, government and statutory board bonds, corporate bonds and cash and bank deposits.

E

Conduct of Fundraising Activities

Fundraising Activities	Receipts (Rounded off)	Purpose	Efficiency Ratio*
GOOD (Getting Out of Debt) Programme Fundraising Drive and Wheels for GOOD (Jan - Aug 2015)	\$3,400,000	To clear or reduce debt of beneficiaries under the GOOD programme	6.0%
Holy Week Concert (Mar/Apr 2015)	\$41,000	To clear or reduce debt of beneficiaries under the GOOD programme	12.4%
MWS Fellowship on the Greens-Annual Charity Golf Tournament (29 Jul 2015)	\$290,000	To run MWS social, recreational, health and wellness programmes provided at Charis Activity Centre for Elders	23.7%
An Enchanted Evening - Annual Charity Gala (3 Jan 2016)	\$323,000	Channelled to MWS centres and programmes	17.5%
MWS Hong Bao Drive (Feb 2016)	\$150,000	Channelled to MWS centres and programmes	1.9%

*Computation of Fund-raising Efficiency Ratio stipulated by Charity Council:

$$\frac{(\text{Direct Fundraising Expenses} + \text{Sponsorships in cash})}{(\text{Receipts} + \text{Sponsorships in cash})} \times 100\% < 30\%$$

F

Code of Governance Evaluation Checklist (FY15/16)

S/N	Code Description	Code ID	Compliance	Please provide explanation if your charity is unable to comply with the Code guidelines, or if the guidelines are non-applicable
<i>BOARD GOVERNANCE</i>				
1	Are there Board members holding staff appointments? (skip questions 2 and 3 if "No")		No	
2	If the governing instrument permits staff to become Board members, they should comprise not more than one-third of the Board.	1.1.2		
3	Staff does not chair the Board.	1.1.2		
4	There is a maximum term limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman).	1.1.6	Complied	
5	The Board conducts regular self-evaluation to assess its performance and effectiveness.	1.1.10	Complied	
6	There are Board committees (or designated Board members) with documented terms of reference.	1.2.1	Complied	
7	The Board meets regularly with a quorum of at least one-third or at least three members, whichever is greater (or as required by the governing instrument).	1.3.1	Complied	
<i>CONFLICT OF INTEREST</i>				
8	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board.	2.1	Complied	
9	Board members do not vote or participate in decision-making on matters where they have a conflict of interest.	2.4	Complied	
<i>STRATEGIC PLANNING</i>				
10	The Board reviews and approves the vision and mission of the charity. They are documented and communicated to its members and the public.	3.1.1	Complied	
11	The Board approves and reviews a strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.2	Complied	

<i>HUMAN RESOURCE MANAGEMENT</i>				
12	The Board approves documented human resource policies for staff.	5.1	Complied	
13	There are systems for regular supervision, appraisal and professional development of staff.	5.6	Complied	
14	There is a system to address grievances and resolve conflicts.	5.11	Complied	
<i>FINANCIAL MANAGEMENT AND CONTROLS</i>				
15	The Board ensures internal control systems for financial matters are in place with documented procedures.	6.1.2	Complied	
16	The Board ensures reviews on the charity's controls, processes, key programmes and events.	6.1.3	Complied	
17	The Board approves an annual budget for the charity's plans and regularly monitors its expenditure.	6.2.1	Complied	
18	The charity discloses its reserves policy in the annual report.	6.4.1	Complied	
19	Does the charity invest its reserves? (Skip question 20 if "No")		Yes	
20	The charity invests its reserves in accordance with an investment policy approved by the Board. It obtains advice from qualified professional advisors, if deemed necessary by the Board.	6.4.4	Complied	
<i>FUNDRAISING PRACTICES</i>				
21	Donations collected are properly recorded and promptly deposited by the charity.	7.2.2	Complied	
<i>DISCLOSURE AND TRANSPARENCY</i>				
22	The charity makes available to its stakeholders an annual report that includes information on its programmes, activities, audited financial statements, Board members and executive management.	8.1	Complied	
23	Are Board members remunerated for their Board services? (Skip questions 24 and 25 if "No")		No	
24	No Board member is involved in setting his or her own remuneration.	2.2		
25	The charity discloses the exact remuneration and benefits received by each Board member in the annual report.	8.2		
26	Does the charity employ paid staff? (Skip questions 27 and 28 if "No")		Yes	
27	No staff is involved in setting his or her own remuneration.	2.2	Complied	

28	The charity discloses in its annual report the annual remuneration of its three highest paid staff who each receives remuneration exceeding \$100,000, in bands of \$100,000. If none of its top three highest paid staff receives more than \$100,000 in annual remuneration each, the charity discloses this fact.	8.3	Complied	
<i>PUBLIC IMAGE</i>				
29	The charity accurately portrays its image to its members, donors and the public.	9.1	Complied	