

**WELCOME ADDRESS BY MS THERESA GOH, CHARITY COUNCIL
CHAIRPERSON @ THE CHARITY GOVERNANCE CONFERENCE 2024 ON 2 OCT
2024, TUE 9:30AM - 03:30PM, PARKROYAL COLLECTION, MARINA BAY,
GARDEN BALLROOM**

Mr Edwin Tong, Minister for Culture, Community & Youth and Second Minister for Law

Mr Desmond Chin, Commissioner of Charities (“COC”)

Mr David Gerald, President, Securities Investors Association (Singapore) (“SIAS”)

Professor Robbie Goh, Provost, Singapore University of Social Sciences (“SUSS”)

Ladies and Gentlemen,

INTRODUCTION

1. Good morning and thank you all for joining us today at the Charity Governance Conference. I am happy to see all of you here.
2. Last year, Singapore hosted two significant conferences on trust: one organised by CNA and the other one by SIAS. Although I was initially tempted to follow suit and focus on “Trust” last year, I realised I needed a deeper understanding of the concept of “Trust”. I was particularly interested in how general perception of trust in institutions differs from trust in the sector, and how that differs from trust in individual charity. I did a lot of reading and research, and today, I am more prepared to delve into the critical role of trust, and to share some strategies for you as charity leaders and also analyse some of the elements that can erode trust.

BUILDING TRUST IN CHARITIES: THE CORNERSTONE OF IMPACTFUL RELATIONSHIPS

3. As Minister had mentioned, “Trust” in charities refers to the confidence that stakeholders have in the charity's capability to ethically and effectively derive at their mission. While trust may be intangible, evidence shows it significantly influences relationships. As Steven Covey aptly puts it, "Trust is the glue of life. It's the foundational principle that holds all relationships together."
4. I have personally experienced the profound impact of trusting relationships. The intangible force not only drives donations and attracts volunteers but also energises our efforts to create a meaningful difference.
5. The Edelman Trust Barometer evaluates the trustworthiness of institutions, including NGOs, through six key indicators: competence, reliability, effectiveness, accountability, transparency, and ethics. All the words make up the word "CREATE". I cross-referenced this with the '2023 Trust in Charities' report by the UK government. Although they almost say the same things, they emphasised on three additional areas specifically for charities. The first one is “the charity must deliver tangible and impactful services”. The second one is “the charity must uphold ethical and honest practices, and the third one “the charity must communicate effectively, especially concerning financial management”.
6. These are the three areas I am going to focus on in my speech.

A. First, Mission and Impact

7. Our mission is the guiding compass for our actions; it defines our very existence.
8. Having chaired both a large and small startup charity, I recognise the tendency to practise chasing after metrics like break-even points, fundraising targets, and campaign pledges. Although these figures are crucial, an overemphasis on them can lead to a transactional approach to service delivery, which may erode trust.

9. Through my experiences, I have learned to shift my focus towards outcomes. This means monitoring changes in beneficiary behaviours resulting from the services we deliver. By analysing these behaviours, we can hence measure the true impact of our work on people's lives, thereby providing a clearer picture of the charity's overall impact.
10. Principle One of The Code of Governance for Charities and IPCs highlights the necessity to maintain a strong focus on the organisation's purpose and mission. A best practice is to hold regular board retreats dedicated to gathering and reflecting on stakeholders' feedback regarding the charity's impact in the beneficiaries' lives.
11. Developing competencies across the organisation, beginning with leadership is essential. This aligns with Principle Two of the Code of Governance, which underscores the importance of an effective board and management team. They are crucial in defining the organisation's mission and impact, ideally through open and inclusive dialogue. This approach fosters clear goals that addresses customers' or beneficiaries' needs and not their wants. A diverse board enhances decision-making by bringing a variety of perspectives and experiences to the table.
12. Boards are advised to engage in ongoing development. This involves recruiting, nurturing, and, when necessary, removing trustees according to established best practices. Conducting a skills audit of the organisation is also recommended where feasible. It is vital to implement robust procedures and practices to enhance customer and beneficiary service and effectively address grievances.
13. From observations, I have learned how these three charities continue to garner trust through their distinctive impacts:
 - First, World Wildlife Fund (WWF) is acclaimed for its commitment to protecting endangered species and habitats, earning respect through its scientific rigour and advocacy efforts.

- Second, Charity: Water stands out for its transparency, channelling 100% of public donations directly into water projects in developing countries, while operating costs are covered through a separate initiative, which they called The Well.
- Habitat for Humanity is recognised for its volunteer-driven model, which supports families in building and improving homes, making a significant community impact.

B. Second, Organisational Character

14. The second point that I learned about trust in charities is Organisational Character.
15. A charity's character is profoundly shaped by its organisational culture and values. This culture represents the heart and soul of the charity, defining its identity and guiding its action.
16. Charity's leaders must create an environment where employees feel safe to openly share their ideas and contribute to the organisation's growth. This fosters a culture of trust, which not only encourages innovation and collaboration but also propels the charity forward and amplifies its ability to make a meaningful impact.
17. Upholding values, ethics, and integrity goes beyond meeting standards; it is essential for building trust and attracting dedicated staff and volunteers. Principle Three of the Code asserts that "The charity acts responsibly, fairly, and with integrity." A reputable charity is built on this foundation, cultivating a culture that is committed to both doing good and doing it right.
18. In fundraising, maintaining honest communication with all key stakeholders is absolutely important. Actively listen to their concerns and address them appropriately. The board and management must oversee the fundraising strategy to ensure it aligns with the charity's culture and values, and desired public image it wishes to project, and of course to avoid mission drift. If opting for professionalised fundraising, please be transparent about the reasons, operational costs, and salaries, if applicable.

19. Regarding potential future risks for your charities, it is critical to plan for the unexpected. Implement a business continuity plan to showcase your resilience. Instead of reviewing risk as a problem, view it as an opportunity to strengthen relationships with stakeholders, even during times of setbacks or potential failures.
20. Be aware that some stakeholders might be uneasy with the concept of a professional sector, often associating it with soft virtues. It's important to be transparent about the necessity of professional standards, fair compensation, and reasonable overhead costs.

C. Third, Communicating Financial Stewardship

21. The third area I would like to talk about is communicating financial stewardship.
22. Financial stewardship involves being a diligent custodian of financial resources, ensuring they are managed wisely and ethically to achieve long-term objectives.
23. Charities must effectively communicate their capabilities in critical administrative areas, particularly governance policies and internal controls. This aligns with Principle Four, which emphasises that "The charity is well-managed and plans for the future."
24. Principle Five emphasises Accountability and Transparency. Ensure that your financial statements, annual reports, and the GEC checklist are submitted to the Office of the Commissioner for Charities. Be aware that these documents are now accessible by the public on the Charity Portal.
25. We have introduced a sixth principle to the Code: "The charity communicates actively to instil public confidence." It's important to convey how you manage resources responsibly, be transparent about how your operations are efficiently run and guided by ethical principles when it comes to decision making. Acknowledge your donors, and highlight your impact through compelling stories and showcases. These practices are vital for reinforcing your brand's stewardship and integrity.
26. The charity's governing board must foster a culture of ongoing stakeholder communication that align with legal requirements and core values. This balanced

approach not only enhances stakeholder and public trust but also solidifies the charity's reputation as a dependable and impactful organisation within its community.

SUPPORT FROM CHARITY COUNCIL AND COMMISSIONER OF CHARITIES

27. I would like to repeat what Minister had shared earlier, regarding the support you are getting from the Charity Council, and the Office of the Commissioner of Charities. As we recognise that there are a lot of challenges with resources, we are dedicated to support you as much as possible. Even more so in the future as we gain more understanding of the diversity of the landscape.
28. Charities with complex structures, such as those with wholly owned subsidiaries that are also charities, can tap on the Collaboration Grant under the Charities Capabilities Fund to streamline and standardise internal controls.
29. Charities can also benefit from Shared Services initiatives offered by various partners for board renewal and development.
30. The Minister has announced the release of our upcoming ESG playbook. I would like to echo our gratitude to KPMG Singapore for their invaluable contributions to its development and for committing to help charities apply the playbook through workshops in the coming year.

ORGANISATIONAL LIFE CYCLE SURVEY

31. I would like to touch on the Organisational Life Cycle project that we have embarked with Ernst & Young Advisory. We have completed the survey, and the reason why we did is because we understand that charities are at different stages of development. Some are startups, some are at growth stage, and some are already matured and are delivering impact. Others may be declining, and as a result of the decline be renewing your mission. Some charities have achieved what it set out to do and decide to call it a day. This Life Cycle Survey will help the Charity Council gain perspective on the varying profiles of charities.

32. The survey has completed, and we are analysing the results. There will be internal robust discussions and deliberation on how support may be delivered to you in your context starting next year.

33. I would like to thank Ernst & Young Advisory and the over 400 participating charities who had responded to the survey.

CONCLUSION

34. In closing, you may have noticed that the Charity Council has a refreshed logo. While the changes may be subtle, we have preserved the butterfly with its outstretched wings, symbolising charities reaching their fullest potential, and the diverse colours, representing the vibrant spectrum of the charity sector.

35. I would like to conclude by expressing, on behalf of the Charity Council, our sincere appreciation to Securities Investors Association (Singapore) (SIAS) and Singapore University of Social Sciences (SUSS) for their continuous support in organising this annual conference,

36. I like to leave you with these words from John Maxwell as we work together to cultivate a culture of trust within our charity sector, making it a shining example of compassion and generosity.

37. Thank you.