

Governance Policies

Board Governance

- **Policy for Board Selection and Recruitment**

The Appointments Committee assists the Board of Directors (BOD) in fulfilling its responsibilities for corporate governance (including compliance with relevant corporate governance requirements prescribed by regulators), and the nomination of BOD members for appointments and/or re-appointment.

Please refer to the Terms of Reference for the Appointments Committee on Page 9 for the policy.

- **Policy for Training and Evaluation of Board Effectiveness**

All newly appointed board members go through an orientation provided by the Human Resource department and the Executive Director. This orientation includes understanding of the organisational mission, key programmes and services, the culture and manpower orientation and structure of the organisation.

More specific training programmes with regards to board governance and other board-related strategies, learning and training will be nominated by the Executive Director. All board members are encouraged to attend these trainings with attendance taken in reference to the types of specialisations and training conducted.

A board evaluation is conducted and presented to the Board on an annual basis.

- **Brief Description of Process of Evaluation of Board Performance and Effectiveness**

An annual board effectiveness through self-evaluation is done in January during the board meeting. The process includes an individual evaluation by filling up a board effectiveness checklist.

The consolidated results are presented during the April board meeting and shared with all board members as well as the executive management. Feedback and areas of improvement are identified for follow-up. The entire process is done in a transparent manner and detailed information are consolidated for future board review.

- **Disclosure of Board Members' Tenure**

There are no board members who have served on the Board for more than 10 consecutive years.

- **Key Points of the Terms of References of the Board**

Boys' Town abides to the terms and conditions as listed in our Memorandum and Articles of Association as a registered Charity (an approved Institution of a Public Character) under the Charities Act. The Board has set up several committees to look at various areas or functions of work and there are comprehensive terms of references associated with each board committee. Any amendments made are recorded for future reference.

1. The **Appointments Committee** assists the BOD in fulfilling its responsibilities for corporate governance (including compliance with relevant corporate governance requirements prescribed by regulators), and the nomination of BOD members for appointment and/or re-appointment.

The key duties of the Committee include:

- a. To consider and make presentations to the BOD on its composition and balance. Factors for consideration shall include but not be restricted to:
 - the total number of BOD members;
 - the mix of executive and non-executive members of the BOD;
 - the length of service of BOD;
 - the skill, mix and industry experience of BOD members;
 - the responsibilities of specific BOD members; and
 - the scope and mix of outside experience brought to the BOD.
- b. To identify, review and recommend candidates for potential appointment as BOD members.
- c. To review, at regular intervals and at least once a year, proposals brought by management to the Committee for succession, over the longer term, to the top key personnel within Boys' Town and the agencies.
- d. To review and recommend to the BOD for approval and implementation a process by which the effectiveness of the BOD as whole can be assessed.
- e. To evaluate the effectiveness of the BOD as a whole in accordance with the assessment process and performance criteria referred to above.

2. The **Audit & Compliance Committee** assists the BOD in fulfilling its responsibilities for financial reporting, external audit matters, internal control and audit. The committee focuses on helping Boys' Town improve its processes and strengthens its internal control and compliance with applicable laws, regulations and standards.

The key duties of the Committee include:

- a. To organise, identify and review significant enterprise risks and Boys' Town's legal and regulatory compliance.
- b. To provide oversight over the control environment to safeguard Boys' Town's assets.

3. The **Estate & Building Committee** assists the BOD in fulfilling its responsibilities to ensure smooth operation, maintenance, servicing and enhancement (if necessary) of the building.

The key duties of the Committee include:

- a. To ensure safety, cleanliness and proper maintenance of the buildings.
- b. To provide strategic oversight of the building which might include recommendations of development and management strategies to better improve the condition of the buildings.
- c. To attend to feedback from internal/external clients regarding additional equipment or facilities for the buildings.
- d. To review the compliance with the relevant authorities of all built structures and alert the Board before any non-complying issue with the authority arises.

4. The **Case Review & Programmes Committee** assists the BOD in fulfilling its responsibilities for governance of programmes developed and implemented; including providing critical oversight of the quality and overall service and supervision provided to the clients of Boys' Town.

The key duties of the Committee include:

- a. To evaluate at regular intervals and at least once a year, the effectiveness of the programmes of Boys' Town as a whole in accordance with regulatory requirements.
- b. To review and comment on organisation/sector-wide programme proposals brought by management to the Committee.
- c. To consider and make presentations to the BOD on suitable programmes and service delivery models which may be beneficial for the mission and service development of Boys' Town.
- d. To work with management to ensure that regular review of cases is being conducted for all the service areas of Boys' Town.

5. The **Finance Committee** assists the BOD in fulfilling its responsibilities of financial oversight and in overseeing management's administration of Boys' Town.

The key duties of the Committee include:

- a. To provide direction to the BOD for fiscal responsibility in terms of future long-term planning and the development of strategies.
- b. To oversee budget preparation and financial planning for submission to the Board for approval.
- c. To ensure accurate, timely, and meaningful financial statements are prepared and presented to the Board.
- d. To ensure maintenance of an appropriate capital structure.
- e. To ensure accurate and complete financial records are maintained in accordance with standard accounting practices.
- f. To safeguard the assets and ensure that Boys' Town has proper financial risk management provisions in place.

6. The **Fund-raising Committee** assists the BOD in fulfilling its responsibilities for fund-raising and including the review of the strategy. The Fund-raising Committee is responsible for overseeing the organisation's overall fund-raising strategy and activities.

The key duties of the Committee include:

- a. To review, at regular intervals and at least once a year, the general strategy and fund-raising plan developed by the management.
- b. To work with staff to establish a fund-raising plan that incorporates a series of appropriate vehicles, such as special events, direct mail, fund raising campaigns, etc.
- c. To take the lead in certain types of outreach efforts, such as chairing a Charity Dinner committee, etc.
- d. To monitor fund-raising efforts, to be sure that ethical practices are in place, that donors are acknowledged appropriately, and that fund-raising efforts are cost-effective.

7. The **Human Resource Committee** assists the BOD in fulfilling its responsibilities in reviewing human resource policies for Board approval, reviewing of Directors' job descriptions, salary structure, reviewing staff salaries annually, and reviewing the benefits package.

The key duties of the Committee include:

- a. To assist the Board in fulfilling its responsibilities relating to oversight of the human resource policies for staff.
- b. To review job descriptions of Directors and their remuneration.
- c. To approve human resource policies.
- d. To review salary annually.

8. The **Investment Committee** assists the BOD in fulfilling its responsibilities of strategising, identifying, evaluating, making investment transactions, monitoring and managing a portfolio of investments to achieve returns on Boys' Town's general cash reserves above the prevailing fixed deposit rates.

The key duties of the Committee include:

- a. To advise the Board on the investment policies and strategies.
- b. To identify, evaluate and make investments.
- c. To engage professional investment consultants and approve fees payable.
- d. To engage the appropriate investment platform and financial institution.
- e. To monitor and manage a portfolio of investments.
- f. To manage investment risk.
- g. To report on the performance of investments to the Board on a regular basis.

- **Process of Board Re-Nomination and Re-Appointment**

The Appointments Committee explores the re-nomination and re-appointment of the eligible member(s). The considerations include the tenure of service, expertise and professional needs in accordance with the Board and specific committee. All re-nominations and re-appointments are then presented to the Board for final approval and re-appointment.

Conflict of Interest

- **Disclosure of Remuneration and Benefits Received by the Board**

Board members do not receive any remuneration.

- **Process of Setting Remuneration of Key Staff**

The key staff are not involved in setting their own remuneration, and their salaries are approved by the Board.

- **Management of Conflict of Interests**

Our conflict-of-interest policy is based on National Council of Social Service (NCSS) guidelines. All employees, key management personnel and board members of Boys' Town are required to make full disclosure of any interest, relationships and holdings that could potentially result in a conflict of interest on an annual basis or whenever there are updates. When a situation with a conflict of interest arises, the conflicted party shall abstain from participating in the discussion and decision-making of that matter.

- **Whistle-Blowing Policy**

The Board has set in place a whistle-blowing policy and is disclosed on the Boys' Town website.

Human Resource Management

- **Disclosure of Annual Remuneration of the Three Highest Paid Staff Who Each Receives More Than \$100,000**

Remuneration of Top 3 Executives Salary Band for 2020:

Headcount

\$100,000 to \$200,000 - 3

The three highest paid staff do not serve as governing board members of the charity.

- **Disclosure of Paid Staff Who Are Close Members of the Family of the Executive Director or Board Members, and Whose Remuneration Each Exceeds \$50,000 During the Year**

There are no paid staff who are close members of the family of the Executive Director or board members.

- **Volunteer Management Policies/Processes**

Volunteers are an important part of the Boys' Town family, and there are various opportunities for volunteering with our different services.

Signing Up: Interested volunteers are welcome to sign up on our website's Online Volunteer Application Form. We have a volunteer management team that reviews the needs of our direct services to match volunteers to.

Screening: All volunteers supporting in roles that involve direct interaction with our clients are sent for a mandatory security screening conducted by the Ministry of Social & Family Development (MSF). Volunteers will only be deployed when they have cleared the security screening process.

Induction and Training: Volunteer induction is conducted by the respective services' volunteer managers. Where applicable, volunteers may be provided with training to help them perform their roles effectively. Our staff will also provide guidance to volunteers where applicable.

Financial Management and Internal Controls

- **Procedures for Key Financial Matters**

Policies are in place for financial matters in key areas including procurement procedures and controls, receipting, payment procedures and controls and system for the delegation of authority and limits of approval as follows:

Procurement procedure and control

1. Purchases that are above \$2,000 are to be made by competitive quotations. At least three quotations must be obtained and evaluated together with their conformance to the specifications of the projects and /or intentions of purchase.
2. The quotations have to be submitted to the Department Manager for review, endorsement and approved by the Executive Director before an order can be placed.

Payment Procedure and Control

1. All original invoices and the quotations must be attached with a requisition form duly reviewed by the Department Manager and approved by the Executive Director.
2. Upon verifications with all the supporting documents attached, the Finance Executive will prepare a payment voucher for the Department Manager to endorse, and for the Executive Director to approve payment.
3. The prepared cheques together with the approved payment vouchers and supporting documents are then presented to the authorised signatories for their signatures.
4. All cheques would require 2 signatories with authorisation limit as per our finance policy.

Receipt of Cash

1. Cash received from third parties are collected, counted and recorded by the Finance Executive in the presence and witness of another staff approved by the Executive Director.
2. In the event that one of them is on leave, the Finance Manager will cover this function so as to ensure proper documentations and check.
3. Cash is counted in a secured environment and kept in a locked and secured place until it is deposited into the bank the next working day.
4. Finance Executive will issue the receipt to the respective stakeholder or recipients.

Receipt of Cheque

1. All cheque payments shall be crossed and made payable to "BOYS' TOWN".
2. The cheques shall first be verified and recorded against supporting documents by Finance Executive and a copy shall be made before banking in.
3. After verification, Finance Executive to prepare the bank in slip for banking in.

- **Level and Purpose of Reserves**

The BOD periodically reviews the amount of reserves that are required to ensure that they are adequate to fulfil Boys' Town's continuing obligations.

1) Level of Reserves

Boys' Town shall maintain a reserve of not more than 3 years of our annual operating expenditure. This amount can be revised through a board resolution.

2) Purpose of Reserves

The purpose is for the reserves to sustain the operations and meet our service obligation.

- **Level and Purpose of Designated Funds**

The level of designated funds is maintained based on the requirement of the designated projects. The purpose of designated funds is to sustain the designated projects.

- **Reserves Ratio**

Boys' Town's reserves ratio for the year 2022 is 1.2.

- **Disclosure of the Purpose, Amount and Planned Timing of Use for Restricted Funds**

The restricted funds are managed in compliance with the specified purpose intended by the funders.

This fund is used with approval from the Board based on the proposal by the Executive Director and is to be used only based on the approved amount within the financial year or approved designated period.

Fundraising Practices

- **Disclosure of the Nature, Purpose and Amount of Funds Received in 2022:**

The nature and purpose of funds are as follows (refer to audited financial statements on Page 69):

(i) Donations in cash (solicited/unsolicited):

This fund is used for daily operations as well as sustaining of the organisation in terms of infrastructure, corporate development, manpower, programmes and services related to the mission.

(ii) Sponsorships:

This fund is used to support identified clients. Sponsorships might include expenditure of residential youth and other clients for purposes such as school fees, educational needs and living expenditures etc.

(iii) Grants:

This fund is used for programmes and services. It includes grants from the government, foundations and other individual donors that have specified their support of a specific programme and/or service.

(iv) Others

This fund includes fees charged from counselling or adventure-based services provided to identified clients. These funds are used to offset manpower expenditure and other programme expenditure on an annual basis.

- Disclosure on Information on Fundraising Events

Please refer to Pages 37 – 38 under the Community Partnerships section.

- Fundraising Efficiency Ratio

Please refer to Page 38 under the Community Partnerships section.

Auditor's Report

Please refer to Pages 49 – 51 for the auditor 's opinion on financial statements.