

Charities on the road to more robust risk management

New toolkit and training programmes to help guide charities in risk management.

SINGAPORE, 6 June 2017 – Over half (50.9 percent) of Charities and Institutions of a Public Character (IPCs) in Singapore surveyed do not have a formally defined policy or approach to managing risk, or are unsure if such a policy exists.

This is one of the key findings in a recent survey done jointly by the Charity Council, KPMG in Singapore, and the National University of Singapore (NUS) Business School. The survey report, *Influencing Risk and Risk Culture*, categorises these charities under the ‘emergent’ stage when it comes to attitudes towards risk management. To guide charities on their journey towards more robust risk management, the Charity Council, KPMG and NUS Business School are launching a new toolkit today, and developing new training workshops to support the sector.

Survey findings uncover risk management challenges faced by charities

The survey also uncovered three most prevalent risk management challenges faced by charities – the lack of experience or expertise in risk management (79.3 percent); human resources to carry out risk management activities (70.3 percent); and financial resources to implement risk management practices (59.0 percent).

While the survey findings reflect the nascent adoption of formalised risk management practices, charities have demonstrated strong interest on the topic of risk management. “Understanding the benefits of risk management is an essential element for any organisation aiming to promote a strong risk culture. It directly affects the manner in which individuals approach decision making,” said **Irving Low, Head of Risk Consulting, KPMG in Singapore**. Charities have also voiced a zero tolerance on fraud risk in particular, including mismanagement of a charity’s funds and resources.

Recognising that risk management practices are still in their infancy in the sector, **Susan See Tho, Senior Lecturer, Department of Accounting, NUS Business School** said, “The survey findings revealed that charities place financial matters as one of their highest priorities, as opposed to risk governance and information technology risk. Hence, more has to be done by charities to set the tone and inculcate a stronger risk governance culture throughout all levels of staff and management. Education will play a vital role in enabling Charity sector employees to better understand the benefits of risk management, so that they are motivated and empowered in making it a priority in their day-to-day work.”

Conducted last September, the research was led by **Principal Investigator, Professor Ho Yew Kee; Adjunct Associate Professor Richard Tan** and **Ms. See Tho, Department of Accounting, NUS Business School**; as well as teams from KPMG and the Charity Council.

Toolkit and training programmes to support the sector

An *Enterprise Risk Management Toolkit* was also developed to guide charities and IPCs on their journey towards better risk management. Launched today, the toolkit provides a framework for risk management that is scalable to suit each charity's needs, and shares practical insights and best practices. The report and toolkit will be made available online for free.

"We hope that the toolkit will support charities in their risk management efforts, and enable charities of all sizes and across sectors, especially those with limited resources," said **Mr. Low**.

In addition to the toolkit, training programmes and workshops will be available to support charities' adoption of the recommendations in the toolkit. Through training, education and awareness-building, charities will be able to progressively cultivate a risk management culture. Charities can tap on the VWOs-Charities Capability Fund (VCF), which provides grants for training and consultancy needs.

Culture and Values are Key in Risk Management

At the launch of the report and toolkit, **Gerard Ee, Chairman, Charity Council** said, "Good risk management is about driving the right values and culture throughout the organisation. In addition, charities need to build the capability to identify, understand and manage risks. It is part and parcel of good stewardship, and serves to protect the interest of the beneficiaries, employees and volunteers."

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Note to editors

About Charity Council

The Charity Council aims to promote and encourage the adoption of good governance and best practices, to help enhance public confidence and promote self-regulation in the charity sector. It also aims to help build capabilities of charities and IPCs to enable them to comply with regulatory requirements and enhance public accountability. In addition, the Council advises the Commissioner of Charities (COC) on key regulatory issues such as proposals on new regulations, where there may be broad-ranging impact on charities and IPCs.

The Charity Council comprises 15 members, including the Chairman. 10 members are from the people sector, chose for their expertise in accountancy, corporate governance, entrepreneurship and law. They are also involved in volunteer and charity work in varied fields such as arts and heritage, community, education, health and social services.

www.charitycouncil.org.sg

About KPMG in Singapore

KPMG in Singapore is part of a global network of professional services firms providing Audit, Tax and Advisory services. The KPMG network operates in 152 countries and has 189,000 people working in member firms around the world. In the ASEAN region, member firms operate across all 10 countries of this regional grouping providing professional services supporting the growth, compliance and performance objectives of our clients.

The independent member firms of the KPMG network are affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such.

For more information, visit kpmg.com.sg.

About NUS Business School

The National University of Singapore (NUS) Business School is known for providing management thought leadership from an Asian perspective, enabling its students and corporate partners to leverage global knowledge and Asian insights.

The school has consistently received top rankings in the Asia-Pacific region by independent publications and agencies, such as The Financial Times, Economist Intelligence Unit, and QS Top MBA, in recognition of the quality of its programmes, faculty research and graduates. In the Financial Times Global Rankings, the NUS MBA was ranked 26th in 2017, while the NUS-UCLA Executive MBA and Asia-Pacific Executive MBA were ranked 6th and 17th respectively in 2016.

In the biannual Forbes rankings for two-year MBA programmes, NUS Business School was ranked 7th among business schools outside the United States in 2015. Quacquarelli Symonds (QS) has also ranked the school 12th in the world for accounting and finance.

The school is accredited by AACSB International (Association to Advance Collegiate Schools of Business) and EQUIS (European Quality Improvement System), endorsements that the school has met the highest standards for business education. The school is also a member of the GMAC

Council, Executive MBA Council, Partnership in Management (PIM) and CEMS (Community of European Management Schools).

For more information, please visit bschool.nus.edu.sg, or go to the [Think Business](#) portal, which showcases the School's research.

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