



BOARD of DIRECTORS (BOARD)

TERMS OF REFERENCE

1. Purpose

- 1.1 The Board of Directors ("BOARD") is collectively responsible for oversight of SASCO Senior Citizens' Home ("HOME") to meet its objectives while ensuring the Board's compliance to relevant governing instruments, laws and regulations.
- 1.2 The Terms of Reference assists the BOARD and the management in identifying a clear division of responsibilities.

2. Mandate

- 2.1 The BOARD may exercise all powers of HOME, subject to its governing instruments and relevant laws and regulations.
- 2.2 The BOARD's Terms of Reference shall be subject to prevailing governing instruments, applicable laws, and regulatory guidelines.
- 2.3 The BOARD may delegate powers and authorities to any committee, task force or persons via a BOARD resolution but shall remain fully accountable for HOME.
- 2.4 The BOARD authorises the management to manage the day-to-day operations of HOME in accordance with the directions as set out by the BOARD.
- 2.5 The BOARD shall appoint the internal and external auditors of HOME, or any other professional advisers where appropriate and necessary.

3. Roles and Responsibilities

- 3.1 The BOARD's responsibilities include the following:
 - a. *Strategy*
 - i. The BOARD shall set out the strategies for the achievement of HOME's objectives. The strategies should be made in consultation with the management and shall be reviewed by the BOARD from time to time, or at least once a year. The strategies are implemented by the management and overseen by the BOARD.
 - b. *Risk Management*
 - i. The BOARD shall determine HOME's risk appetite, risk tolerance and shall identify, monitor, review and address HOME's key risks, at least once every year.



- ii. The BOARD shall ensure that management has put in place strong internal controls with documented procedures over financial, operational, compliance, and information technological aspects.
- iii. The BOARD shall conduct an annual assessment of the adequacy and effectiveness of these internal controls, through the help of in-house, co-sourced or outsourced internal audit functions, at HOME's expense.
- iv. The BOARD shall approve key policies to guide the operating activities of HOME.
- v. The BOARD must establish an Audit committee (AC) to assist the BOARD in facilitating the internal and external audit of HOME, as well as other responsibilities defined by HOME.

c. Finance

- i. The BOARD shall establish a Finance Policy, with documented controls and procedures for financial matters in key areas, including procedures and controls in procurement, receipting, payment processes, as well as system for the delegation of authority and limits of approval in HOME.
- ii. The BOARD shall review and approve the capital and operating budgets and plans prepared by the management, and regularly monitor the expenditure and outcomes of these plans.
- iii. The BOARD shall monitor the financial status of HOME and ensure financial sustainability required to carry on HOME's activities for the long term. Where necessary, the BOARD shall review and approve financing options presented by the management.
- iv. The BOARD shall ensure the proper accountability of funds and immediately address any financial irregularities or concerns.
- v. The BOARD shall ensure that financial reports are true and fair and contain adequate and necessary information for stakeholders.
- vi. The BOARD must establish a Finance Committee (FC) to assist the BOARD in leading the finance agenda and other agenda defined by HOME. The FC is usually chaired by the BOARD Treasurer. The FC Chair should not concurrently assume the role of an AC Chair. (*See para 6.3*)

d. Programmes and Services

- i. The BOARD shall oversee new programmes being developed and monitor the efficiency and effectiveness of these programmes in meeting HOME's objectives.



- ii. The BOARD may establish a Programme and Services committee to assist the BOARD in overseeing the operations of HOME's programmes and services. (*See para 6.3*)

e. *Fund-raising*

- i. The BOARD shall approve fund-raising plans and targets prepared by the management and ensure that these efforts are legal, ethical, appropriate, cost-effective and transparent.
- ii. The BOARD shall provide oversight over HOME's fund-raising initiatives and assess whether such initiatives are adequate to contribute to the financial sustainability of HOME.
- iii. Paid third-party fund-raisers shall be engaged with prudence. Such appointments should be reviewed and approved by the BOARD, considering in particular the rationale and fee arrangements (including commissions payable) involved.
- iv. The BOARD shall account to donors what, how and when the funds would be used, ensuring timely disclosures.
- v. The BOARD shall ensure that all money raised is properly accounted and safeguarded. Where the money is received for a restricted or specific purpose, the BOARD shall ensure proper monitoring and limits set for the use of such money.
- vi. The BOARD shall ensure that donors' confidentiality is protected, with no disclosure without their written permission.
- vii. The BOARD may establish a Fund-raising Committee to assist the BOARD in overseeing overall fund-raising efforts. (*See para 6.3*)

f. *Human Resource (HR)*

- i. The BOARD shall determine the Code of Conduct for BOARD Members, staff and volunteers.
- ii. The BOARD shall ensure that there is an adequate process with documented procedures for BOARD Members and staff to declare potential or actual conflict of interest to the BOARD in a timely manner.
- iii. The BOARD shall ensure that there is a fair process for determining the remuneration of staff, in order to assist HOME in attracting, retaining and motivating staff.
- iv. The BOARD shall approve documented HR policies, including recruitment, background checks, insurance coverage, rewards, training and development, performance appraisal, resignation and termination, staff claims, as well as disciplinary process.



- v. The BOARD shall approve documented volunteer management policies.
- vi. The BOARD may establish a HR Committee to assist the BOARD in the review and authorisation of HR matters. (*See para 6.3*)

g. Investments

- i. The BOARD shall develop an investment policy, with clear and specific guidelines and procedures. This policy may be developed and drafted with counsel from qualified professional investment advisors where necessary.
- ii. The BOARD shall determine HOME's investment objective, risk tolerance, types of investment instruments and investment horizon.
- iii. The BOARD shall consider the use of investments to contribute to the financial sustainability of HOME.
- iv. The BOARD shall review and approve investment proposals prepared by management, and/or investment consultants.
- v. The BOARD shall ensure periodic reporting, at least semi-annually, of the investment performance of existing investments.
- vi. The BOARD shall review all existing investments at least once a year, or as and when the investment losses reach the defined stop-loss threshold of the BOARD; to decide if the investment should be withdrawn, reallocated or maintained at status quo.
- vii. The BOARD may establish an Investment Committee to assist the BOARD in directing and monitoring HOME's investments in line with established objectives and risk parameters. (*See para 6.3*)

4. Nomination and Appointment

- 4.1. The BOARD shall review the BOARD composition, at least once annually, or as necessary, to ensure that the BOARD has a majority of independent directors and the required expertise within the BOARD. The BOARD shall actively plan for the succession of key office bearers such as the Chair, the Treasurer, the Secretary and the Executive Head.
- 4.2. The BOARD may establish a Nominating Committee to assist the BOARD in facilitating a formal and transparent process in the appointment and reappointment of BOARD Members. (*See para 6.3*)
- 4.3. HOME shall appoint the BOARD Members and the appointment letters shall be issued by SASCO Limited.

[inserted Aug 2023]



5. Composition

- 5.1 The BOARD shall be of an appropriate size and comprise directors with a collective mix of appropriate skillsets, independence and diversity, to allow the BOARD to discharge its duties effectively.
- 5.2 The BOARD should be made up of at least three directors, as required under the Charities (Registration of Charities) Regulations. In addition, the Regulations require at least two directors to be Singapore citizens or permanent residents. Where HOME is a "large charity" under the Charities (Large Charities) Regulations, the Regulations require at least 10 directors to be on the BOARD.
- 5.3 Where the composition of the BOARD falls below 10 in number of Directors, the BOARD shall proactively inform the Sector Administrator (in accordance with the Code of Governance 2023) and work towards getting the appropriate replacement(s) of BOARD members in accordance with the HOME's By-Laws (para 6).
- 5.4 The number of non-executive Members on the BOARD should be the higher of three and such number that would allow the non-executive Members to make up the majority of the BOARD. This number enables the BOARD to form BOARD committees such as the AC, where best practice calls for the AC to have at least three Members; all of whom are independent from staff.
- [inserted Sep 2023]*
- 5.5 The Chair of the BOARD should be independent and not be the same person as the Executive Head / Chief Executive Officer.

6. Ad Hoc (Subject Matter) (SM) Committee

- 6.1 To assist Management for a more efficient and effective decision-making, the Chair of the BOARD shall have the discretion to form an SM Committee, comprising key BOARD members or members with the relevant expertise, as and when necessary, to render the decision(s) as required by Management, for the subject matter, in a timely manner.
- 6.2 Such decision(s) made, shall be conveyed back to the BOARD at the regular BOARD meetings, for proper records and documentation.
- 6.3 This SM Committee can be in place of the various Sub-Committees, except for the Audit Sub Committee.
- 6.4 There shall be a 'Terms of Reference' for the SM Committee, which would have been approved by the BOARD.

7. Meetings

- 7.1. It is recommended that the BOARD should meet at least four times a year.
- 7.2. BOARD Members should make every effort to attend all BOARD meetings.



- 7.3. Seven calendar days' notice, or such shorter notice as may be agreed by the BOARD, shall be given by the Secretary to the intended attendees of the meeting, specifying the agenda, time, and venue of the BOARD meeting.
- 7.4. The quorum for a BOARD meeting is at least half of the BOARD Members, with the majority of the quorum being BOARD Members independent from staff.
- 7.5. Non-BOARD Members would not count towards the quorum.
- 7.6. Where a BOARD Member has recused himself or herself from any part of the meeting, the BOARD Member shall not be counted in the quorum for that part of the meeting.
- 7.7. The Chair of the meeting shall be the BOARD Chair. In the absence of the BOARD Chair, a non-executive and independent BOARD Member shall be the Chair of the meeting. Typically, the Vice-BOARD Chair would assume the role in the absence of the BOARD Chair.
- 7.8. Only BOARD Members can vote in BOARD meetings.
- 7.9. Every matter shall be determined based on the majority of votes. Voters shall also comprise a majority of BOARD Members independent from staff. Every BOARD Member is only allowed one vote subject to HOME's By-Laws.
- 7.10. Minutes and resolutions of all proceedings of the BOARD meeting shall be recorded by the Secretary and circulated to the BOARD.
- 7.11. Prior to circulation, the minutes are to be confirmed by the Chair of the meeting. Such confirmation may be evidenced in writing or by electronic means.
- 7.12. The minutes and resolutions shall be kept by the Secretary and made accessible to all BOARD Members.