

# Corporate Governance

## Accountability and Transparency

KDF is in full compliance with the 'Governance Evaluation Checklist' listed on the Charity Portal of the Ministry of Culture, Community and Youth (MCCY). The Foundation's annual report and financial statements are available for scrutiny on the portal and on the KDF website. In recognition of its exemplary disclosure practices, KDF was awarded the *Charity Transparency Award* by the Charity Council in 2016, 2017 and 2018.

## Board of Management and Renewal

The KDF board of directors convened once in the recently concluded financial year. Meeting attendance record is as reflected below:

Board Director	Designation	Attendance
		Sept 2020
Dr Lim Cheok Peng	Chairman	√
Dr Gordon Ku	Honorary Chairman	×
Mr Cheng Wai Keung	Board Director	√
Mr Stephen Lee Ching Yen	Board Director	√
Mr Watson Ong	Board Director	√
Mr Yeoh Oon Jin	Board Director	√
Mr Wong Yew Meng	Board Director	√
Mdm Chan May Ping	Board Director	√
Mr Chan Soo Sen	Board Director	√
Mr Uantchern Loh	Board Director	√
Mr Roy Quek Hong Sheng	Board Director	√
A/Prof Lina Choong	Medical Director	√
Dr Grace Lee	Medical Director	√

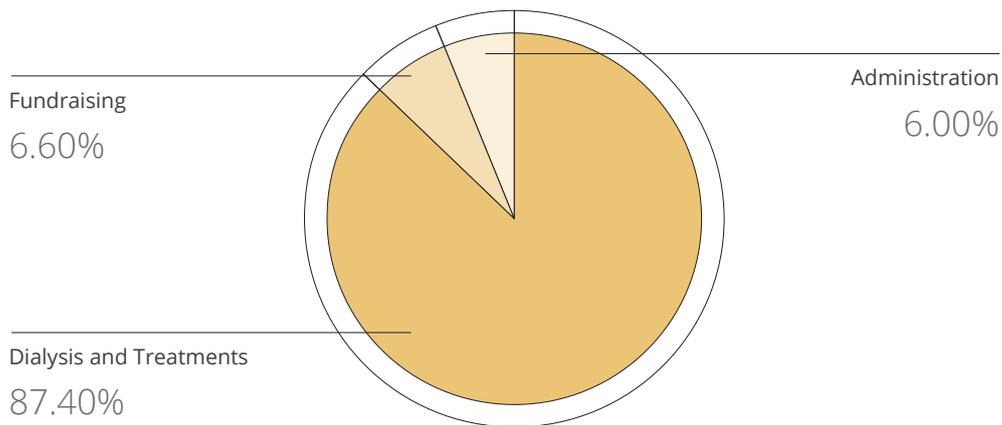
*Table 1: Board meeting attendance for FY20/21.*

One new director, Mr Roy Quek Hong Sheng, was appointed in the recently concluded financial year. Of the current board, five members have served on the KDF board for more than ten consecutive years. They include Mr Cheng Wai Keung and Mr Stephen Lee, who are the founding members of the Foundation. Reappointment of the four long-serving directors was based on their subject expertise and experience in managing the Foundation, as well as their understanding of the charity sector and its related legislation in Singapore. It has also been a challenge to attract and recruit new directors.

**Fund Allocation and Expenditure**

The Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations require that the total fundraising expenses of a charity shall not exceed 30% of the total receipts from fundraising and sponsorships for that year. For FY20/21, the total fundraising expenses incurred by KDF was 16.71% of all donations raised for the year.

The Foundation remains committed to channelling a large portion of funds received into patient care by keeping money spent on publicity, fundraising and administration to a minimum. Below is the breakdown of the Foundation’s expenditure for FY20/21:



**Reserves Policy**

KDF maintains a reserve policy to provide clarity on the Foundation’s management of its reserves. The policy applies to that part of the Foundation’s income funds that are freely available for its operating purposes. It excludes endowment funds, restricted funds and designated funds.

As at 31 March 2021, assuming KDF receives no income at all, the accumulated surplus would enable KDF to sustain the cost base of FY20/21 for 4.41 years. As dialysis treatment is a long-term commitment, it is the intention of the board of directors to ensure that the level of reserves is adequate to support KDF’s programmes for its needy patients during their lifetime and fulfil its commitment towards education and research.

**Top Executive Remuneration**

The board of directors of the Foundation render their services on a voluntary basis and do not receive any remuneration. However, the general manager receives a remuneration that is approved by the board of directors. For FY20/21, two employees of the Foundation received an annual remuneration of above \$100,000.

Salary Range	Number of Executives
\$100,001 - \$150,000	2

*Table 2: Top Executive Remuneration for FY20/21*

### Internal Controls and Audits

An independent third party commissioned by the board conducts annual internal audits to ensure that the operations of the Foundation are in compliance with the established guidelines and regulations set by the Commissioner of Charities, Sector Administrator and relevant government bodies. They also ensure that the Foundation adopts best practices recommended for the charity sector.

For FY20/21, Shared Services for Charities Limited was appointed as KDF's independent internal auditors. Over the course of the year, they reviewed the following areas:

- Cash and Investment Management; and Human Resource Payroll
- Receipts and Collections
- Fundraising
- Procurement and Payments
- Fixed Asset Management
- Human Resource and Payroll Processing (Bishan Centre)
- Procurement and Payment of Consumable (Bishan Centre)

### Conflict of Interest Policy

KDF has policies in place to prevent and address actual and perceived conflict of interest that will affect the integrity, fairness and accountability of the Foundation. These policies are clearly stated in the Foundation's Code of Governance and Conduct and are adopted by the Foundation, board members and staff. In situations where a potential conflict of interest should arise, the board will evaluate the situation and the affected party will abstain from voting on the transaction. For this financial year, the Chairman, board members and staff have declared that they do not have any personal interest in the business transactions or contracts that KDF has entered into.

### Whistleblowing Policy

KDF has in place a whistleblowing policy that is made known to all staff of the Foundation. The policy ensures that there are proper avenues for employees to raise concerns about actual or suspected improprieties and that all reports are taken seriously and investigated accordingly.

KDF maintains a zero tolerance policy towards fraud. This policy applies to members of the board, committee members, staff, volunteers and also to the Foundation's vendors, suppliers and partners, to the extent that the Foundation's resources or reputation may be involved or affected.