

### **Draft Code of Governance for Town Councils**

The Code spans four domains: (1) Council Effectiveness, (2) Internal Controls & Processes, (3) Financial Management and (4) Vendor Management. Each domain has an overarching general principle, and is further divided into subdomains.

| <b>S/n</b> | <b>Domains</b>                  | <b>General Principle</b>   | <b>Sub-Domains</b>  |
|------------|---------------------------------|--|---|
| 1.         | Council Effectiveness           | The Council provides effective leadership and oversight in executing its duties in the best interest of the residents.   | 1.1 Town Council Plan<br>1.2 Chairman<br>1.3 Town Councillors<br>1.4 Composition and Structure  |
| 2.         | Internal Controls and Processes | The Town Council has an adequate system of risk management and internal controls to safeguard residents' interests and the Town Council's assets and facilities. The Town Council has established a sound framework of prudent and effective controls to ensure the effectiveness and efficiency of Town Council operations. | 2.1 Risk Management and Internal Controls<br>2.2 Internal Audit<br>2.3 Record-Keeping<br>2.4 Data Privacy and Protection<br>2.5 Human Resources<br>2.6 Whistleblowing |
| 3.         | Financial Management            | The Town Council has sound financial management practices to ensure that the Town Council's funds and assets are properly safeguarded and accounted for, and are managed in compliance with the law. The Council ensures that there is prudent usage of Town Council funds.  | 3.1 Budgeting and Planning<br>3.2 Reporting on Financial Information<br>3.3 Investment of Funds   |
| 4.         | Vendor Management               | The Town Council has processes in place to systematically manage the Town Council's procurement process and measurement of its vendors' service standards, including the Managing Agent that runs the Town Council's key operations (if applicable).   | 4.1 Procurement<br>4.2 Performance Management   |