

# Frequently Asked Questions

Your questions answered on the  
**TAC Governance Framework (TGF)**





## **Frequently Asked Questions (FAQs) on the TAC Governance Framework (TGF)**

### **A. General**

#### **1. What is the TGF and why is it important?**

Governance is a key aspect of organisational development and accountability as TACs grow and take on a bigger role in supporting enterprises and industry transformation.

The development of the TGF is part of EnterpriseSG's efforts to uplift the understanding of good governance across TACs and to strengthen the core capabilities of TAC partners.

The TGF will be implemented in a phased approach on EnterpriseSG's key TAC partners, and it consists of (i) governance guidelines and self-assessment checklist (ii) capability development (iii) compliance and audit.

The governance guidelines and checklist set out the principles of good governance in 5 key areas – corporate governance, grant management, procurement, financial controls, and HR. TACs are strongly encouraged to perform a self-assessment using the checklist to assess their current governance capabilities.

As part of the capability development journey, EnterpriseSG will support TACs to close capability gaps that are uncovered through the self-assessment checklist. Eventually TACs whom EnterpriseSG work closely with on sizable projects will have to comply with the TGF, as part of the terms and conditions for LEAD support.

#### **2. Who must comply with the TGF?**

EnterpriseSG's key TAC partners with bigger involvement in driving industry transformation are required to comply with the TGF, with lead time to build up competency and familiarity with the governance requirements. TACs will be informed by their respective EnterpriseSG Account Managers if they are required to comply with the TGF.

#### **3. Which clauses in the TGF are for compliance and which are good practices?**

All clauses in the TGF are for compliance and will differ according to the tiering of the TAC. L2 TACs will be subjected to additional guidelines under L2 requirement.



**4. What if my TAC is unable to comply with certain clauses in the TGF?**

TACs who are required to comply with TGF but are unable to adhere to a particular governance guideline should provide appropriate explanation(s) and a reasonable timeline for compliance in the checklist submission at the application stage of the LEAD project.

TACs will be given a transition period during the LEAD project to address their governance gaps, with duration to be decided in consultation with their Account Managers.

Any non-compliance determined during the audit stage will be assessed by the auditor on a case-by-case basis, taking into consideration the explanation(s) provided by the TAC.

**5. How will the TGF be implemented?**

TACs who are required to comply with TGF will need to submit a checklist declaration and undergo a third-party governance audit. The governance audit report will be submitted to EnterpriseSG as part of the project deliverables. The first governance audit will be fully funded by EnterpriseSG.

TACs can refer to details stated in their Letters of Offer or consult their Account Managers if in doubt.

**6. Is it mandatory to complete and submit the self-assessment checklist? What documents do we need to submit together with the self-assessment checklist?**

TACs required to comply with TGF will need to submit the self-assessment checklist at the application stage of the LEAD project. Only submission of the completed self-assessment checklist is required at this stage.

Prior to the audit, TACs will need to submit a list of required documents together with the completed self-assessment checklist. KPMG will send the Documents Request List (DRL) to TACs two weeks prior to audit fieldwork. TACs will also be briefed by their respective Account Managers on the audit process when the audit is due to take place.

**7. How do I know whether my TAC is in Tier L1 or L2?**

Governance requirements are tiered into L1 and L2 to be commensurate with the resources of the TACs, including the funding they have received from the Government.



L1 covers the fundamentals and baseline standards that all TACs should have. L2 covers more advanced processes (e.g., risk management, board evaluation etc.), which apply to TACs that have received more resources and support from EnterpriseSG.

TACs can approach your EnterpriseSG Account Manager to find out more about your tiering.

**8. I do not have a dedicated Account Manager from Enterprise Singapore. Who can I contact in to enquire about our TAC Tier?**

TACs can email your enquiry about your TAC Tier to [jaime.choo@sbf.org.sg](mailto:jaime.choo@sbf.org.sg) and [xiaole.koh@sbf.org.sg](mailto:xiaole.koh@sbf.org.sg), and EnterpriseSG will provide your TAC with the detail on your TAC Tier thereafter.

**9. Would our existing LEAD grant and/or new LEAD application be affected if there are non-compliance indicated in the self-assessment checklist?**

Any non-compliance determined during the audit stage will be assessed by the auditor on a case-by-case basis, taking into consideration the explanation(s) provided by the TAC. As each TAC will be assessed individually, please approach your Account Manager if there are concerns over existing/future grant disbursement.

**10. Is there a timeline for submission of self-assessment checklist?**

TACs required to comply with TGF will have to submit their completed self-assessment checklist twice over the course of their LEAD project. TACs will first submit the checklist alongside their LEAD application form at the LEAD application stage. At this juncture, TACs need not fully comply with the TGF. TACs unable to adhere to a particular governance guideline should provide appropriate explanation(s) and a reasonable timeline for compliance in the checklist submission.

The next submission of the completed checklist will be for the purpose of the governance audit, and TACs will need to declare full compliance to the TGF. Any non-compliance should be explained by the TAC, which will be assessed by the auditor on a case-by-case basis.

**11. Do all TACs need to undergo a mandatory governance audit check?**

Yes, all TAC partners that are required to comply with TGF will need to undergo a mandatory governance audit check.



**12. Is there funding support for the audit fee incurred for the governance audit check?**

The first governance audit will be fully funded by EnterpriseSG. Follow-up audits (where required) and subsequent governance audits (if requested by EnterpriseSG) will be fully borne by the TAC.

**13. How can the audit process be activated? Who are the auditors that we can engage?**

KPMG will be the designated auditor for the governance audit. Your EnterpriseSG Account Managers will reach out to you for briefing on the audit period and process.

**14. How frequent does the TAC need to be audited?**

TACs required to comply with TGF will undergo a mandatory governance audit once. Subsequent audits will be conducted where required. EnterpriseSG reserves the rights to request TACs to undergo subsequent audits, where required.

**15. How long does the audit process take?**

Upon receipt of all relevant documentations, the audit may take around a week.

**16. I need help with understanding clauses of the TGF and filling up the self-assessment checklist. What resources are available?**

TACs can email SBF at [jaime.choo@sbf.org.sg](mailto:jaime.choo@sbf.org.sg) and [xiaole.koh@sbf.org.sg](mailto:xiaole.koh@sbf.org.sg) to find out more about the services offered by SBF for governance advisory.

**17. Are there templates that we can refer to?**

TACs can email SBF at [jaime.choo@sbf.org.sg](mailto:jaime.choo@sbf.org.sg) and [xiaole.koh@sbf.org.sg](mailto:xiaole.koh@sbf.org.sg) to request for templates / samples related to:

- a) Procurement
- b) Human Resource
- c) Related Party Transactions
- d) Constitution

The templates / samples provided are not meant to be prescriptive or exhaustive and may not be construed as legal advice on any of the topics discussed herein. TACs should seek legal help and advice when faced with a claim or legal issue. SBF and its employees shall not be liable in from the use of these templates / samples.



**B. Section 1: Corporate Governance**

**18. What are “Terms of Reference”?**

Terms of Reference sets out the authority and duties of the Board/Council and members of the Board/Council Committees/Executive Committee (where applicable).

**19. How do we determine “to be totally independent”?**

This refers to an independent Board/Council/Executive Committee member who does not have any material relationship with the TAC and does not participate in the TAC’s day-to-day management.

For TACs where some Board/Council members may be directly involved in operational decisions and matters, a clear distinction should be made between their Board/Council role and their operational work.

**20. What does “governing instrument” refer to?**

A formal document or policy that include provisions such as the governing board members, conflict of interest, etc.

**21. Reference to Para 2.2.2, is it possible for the Chairman of Board/Council to be an employee of the TAC?**

As stated in para 2.2.1, an employee of the TAC may become a member of the Board/Council but should not chair the Board/Council.

As per para 2.2.2, if the Chairman cannot be independent (due to the reasons whereby he/she may be directly involved in operational decisions and matters), majority of the Board/Council should be made up of independent members.

**22. Reference to Para 2.5, Members of the Board / Council / Executive Committee should not be involved in setting his or her own remuneration.” Does this include the Chairman?**

No Board/Council members including the Chairman should be involved in setting his/her own remuneration.

A committee in charge of setting remuneration may be set up on a permanent or need-to basis, where the committee members should comprise of non-executive members (not involved in the day-to-day operations of the TAC) and majority of the committee members, including the committee Chairman, should be independent.



**23. Is it compulsory to establish a Risk Management Committee? Are there any alternatives, like another committee taking care of the risk management process?**

Tier L2 TACs should establish a Risk Management Committee (RMC) or an equivalent function taking care of the risk management process. The RMC or equivalent function shall carry out the responsibilities for the following areas:

- a) Review and approve the Risk Management Framework, processes, and practices of the TAC.
- b) Ensure that the TAC is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities
- c) Evaluate significant risk exposures of the TAC and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning)

**24. Is it sufficient to publish the whistleblowing policy on the TAC's intranet (accessibly internally only)?**

The procedures should be formalised in a Whistleblowing policy, which should contain detailed guidelines and shared internally to the employees via email or intranet.

Information such as channels to report concerns, should also be made publicly available on the TAC's website to allow the public / external parties to contact the TAC, in the event that they would like to report concerns such as fraud, corruption, theft etc.

**C. Section 2: Procurement and Payments**

**25. As per Para 2.4b, the Tender Evaluation Committee is required to prepare a Tender Recommendation Paper to document the justifications for selection of vendor. What should the TRP include?**

Tender evaluation should be performed based on a set of pre-determined evaluation criteria which should be stated in the tender documents where practicable. Where applicable, TAC should consider both price and non-price attributes. The evaluation performed should be documented (e.g. in a Tender Evaluation Report) and approved by the authorised personnel as defined in the TAC's procurement procedures. Evaluation criteria may include, but not limited to, the following:





- a) Price
- b) Quality of goods or services provided
- c) Timeliness of delivery of goods or services
- d) Vendor's relevant past experience

**26. Are the Vendor Masterfile and Approved Vendor List the same?**

No, they are not the same.

The “Approved Vendor List (AVL)” is used for procurement purposes and is the list of vendors that had been assessed, selected and approved for purchase previously. For example, purchasers may refer to the AVL to select vendors for the request for quotes directly or purchase directly for small value purchases.

“Vendor Masterfile (VM)” is the database/master record of all vendors used by a TAC which contains vendors’ information such as vendor name, vendor code, address and contact information, bank account details, payment terms, etc.

The VM is usually maintained in a system where vendors that have been verified and/or qualified to be approved for purchase are created in the database to allow for purchase orders to be raised and payment to go through. As such, the access to maintain the Vendor Masterfile (e.g. create, edit, delete vendor details) should be restricted to authorised personnel only and a periodic review of the Vendor Masterfile should be in place. Depending on the processes and controls of the TAC, the main objective is to ensure that vendors that the TAC purchases from have been properly assessed, details verified and approved by the relevant authorities.

**27. Is maintaining an Approved Vendor List compulsory? Can I appoint vendors in AVL without cost comparison?**

Yes, Tier L2 TACs should maintain an Approved Vendor List. The list can be used to determine the vendors that can be invited to quote during the sourcing process or small value purchases that can be done directly. For Tier L1 TACs where the AVL is not compulsory to maintain, the purchase requestor is required to obtain a minimum of three quotations for estimated procurement value above the stipulated threshold determined by the TAC.

**28. What would be the fields to maintain in the Approved Vendor List?**

Fields like Company Name, Point-of-Contact Name, Email, Nature of Business/Description of Goods or Services provided by the vendor, can be included.





**29. How often should the Approved Vendor List be reviewed?**

As a general guide, the Approved Vendor List is recommended to be reviewed at least annually.

**30. What should be included in the Vendor Due Diligence Checklist?**

The “Vendor Due Diligence Checklist” is to document the assessments performed on vendors. Below are examples of areas that it can include:

- a) Business Information:
  - Company name, address, and contact details
  - Type of goods/services supplied
  - Business Registration Certificate (to be attached with the checklist)
  - Licences (to be attached with the checklist)
  - Past Track Records
- b) Financial Information:
  - Audited Financial Statements
- c) Operational Risk Assessment:
  - Past litigations
  - Negative news reports
  - Complaints and negative reviews from other customers

**31. Please give examples of Related Party Transactions.**

According to the International Accounting Standard 24 (“IAS 24”) on Related Party Disclosures, the following are examples of transactions that should be disclosed if they are with a related party:

- a) Purchases or sales of goods (finished or unfinished)
- b) Purchases or sales of property and other assets
- c) Rendering or receiving of services
- d) Leases
- e) Transfers of research and development
- f) Transfers under licence agreements
- g) Transfers under finance arrangements (including loans and equity contributions in cash or in kind)
- h) Provision of guarantees or collateral
- i) Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts recognised and unrecognised)
- j) Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party



**32. Would the authorised contract signatory be determined based on approving signatory for contractual value?**

Yes. The authorised signatory to sign the contract would be based on the approving authority matrix established based on the total contract value (E.g. CFO authorised to sign contracts valued at \$50,000 and above).

**33. For TACs that use cash payments, what documentation do TACs need to prepare and what approvals are required?**

Similar to other payment modes, cash payments should include the use of payment voucher / payment request form to document the payment approval, supported with delivery order / service report that have been acknowledged by the receiving party, approved purchase orders and invoice from supplier.

There should also be a process in place to track the cash used and cash balance (e.g. cash reconciliation), segregation of duties between the custodian of cash and the staff recording the cash payment, etc.

**D. Section 3: Financial Controls**

**34. If my organisation receives multiple grants from different grant giving agencies, would a separate bank account be required for each grant project?**

Yes, TACs are required to have a separate bank account to manage the receipt of funds from Grant Giving Agency, unless approval has been obtained from Grant Giving Agencies to deviate from this requirement.

By default, TAC should use a non-interest-bearing account. If an existing bank account is used and funds from Grant Giving Agencies are mixed with other sources of funds, TACs should apportion and account for the grants received accordingly.

If TAC's bank account is interest bearing, TAC will need to declare and return the interest to EnterpriseSG.

**E. Section 4: Human Resource**

**35. When are employees required to perform a conflict-of-interest declaration?**

Employees must make a declaration on conflict of interest when / during:

- a) He / she is hired as an employee of TAC (i.e., during new hire onboarding)
- b) Periodic, i.e. annual exercise
- c) Immediately when any known or potential conflict of interest arises; and
- d) During evaluation and approval stages of procurement process



**36. How often should the organisation perform a conflict-of-interest declaration?**

For the periodic exercise, all employees should perform a conflict-of-interest declaration at least annually.

**37. What is the procedure for investigating potential conflict of interest?**

When a declaration of conflict of interest is received or when a potential conflict of interest becomes known, the designated person(s) should request for relevant information for review. Thereafter, the designated persons(s) should propose recommended actions to the CEO/Executive Director or Board/Council Chair in the absence of a CEO/Executive Director. All decisions made by the CEO/Executive Director or Board/Council Chair should be recorded and filed on a confidential basis.

**38. What is the procedure for investigating potential conflict of interest if the person that has a potential conflict of interest is the Head of Secretariat?**

The Board/Council should delegate an independent personnel / team to investigate the potential conflict of interest.

The Head of Secretariat should also withdraw from discussions, evaluation and approval of transactions/ purchases/ grant applications.

**F. Section 5: Grant Management and Operations**

**39. What does it mean to segregate duties between personnel involved in grant management process?**

TACs would be deemed to have complied with this requirement if there is a system for checks and balances to restrict any one personnel from being able to handle an entire transaction flow (e.g. person initiating and approving the grant disbursement should not be the same person).

**40. How do we comply with the requirement, “Roles & responsibilities of stakeholders (e.g. grant giving agency, grant recipient, 3rd parties), involved in grant management should be clearly defined to instil accountability”?**

The roles and responsibilities should be clearly defined in writing (such as in a Letter of Offer, Funding Agreement, etc.). For example, the roles and responsibilities of the TAC includes the following:

- a) Ensure that grants are disbursed to companies on a timely basis upon receiving grant monies from the grant giving agencies (applicable for projects where grant monies are disbursed to participating companies through the TACs).



- b) Monitor the project Key Performance Indicators on a periodic basis and to identify areas for improvement as part of the post-project evaluation.
- c) Implement a process to check that project expenditures are “value-for-money”.
- d) Acting in utmost good faith towards Grant Giving Agencies and ensure that any other contractual milestones and terms and conditions set by Grant Giving Agencies are being met.