



Revisiting the Issue of Good Governance in the City Harvest Case

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Following the recent high-profile corruption cases involving public officers in Singapore, the question of accountability and transparency was once again thrust into the limelight in late June when eight members of the governing board of City Harvest Church, were suspended by the Commission of Charities (COC).

Besides the suspensions, five members of the governing board of the nation's largest mega-church organisation, including its founder Pastor Kong Hee, were arrested after an inquiry into an alleged misuse of S\$50million in funds. Shock and disbelief from the public had ensued, with some members of the City Harvest congregation showing strong support for and defending their leaders in the media while detractors looked on and claimed it was only a matter of time before the alleged malpractices were exposed.

This article is interested in capturing the responses and related issues of national interest that have arisen as a result. The intention behind revisiting and contextualising the case is to examine some details of this particular case while focusing on matters such as vigilance, transparency and accountability in the country's charities and Institutions of Public Charter (IPCs), both religious and secular.

A Conflict of Interest or Simply a Radical Church Culture?

The charges levelled against the church leadership are serious, and the arrests of five members of its governing board constitute the biggest financial scandal involving a registered charity in Singapore to date.

The Commercial Affairs Department alleged that funds worth up to S\$26.6 million were used by the governing board to cover up an initial S\$24 million that had been taken from the church's building fund and put into sham investments which were subsequently used to finance the secular music career of Ho Yeow Sun, also known as Sun Ho, who is Pastor Kong Hee's wife and a co-founder of the church. It was also revealed that this was carried out through bond investments in Xtron Productions, Ho's artist management firm and Firna, a company owned by a City Harvest church member.

If found to be true, Kong Hee and the governing board would have flouted the code in refraining from an existing or potential financial or material interest that might impair independent and objective decision-making as laid out in the Code of Governance.¹

The sheer size of City Harvest's congregation — with some 300,000 members — and the entrepreneurial management style of its governing board have also fuelled much of the public debate.

For instance, engaging with the masses through popular culture is a prominent feature of City Harvest's outreach programme. At the heart of this dynamic ministry is the highly personable leadership of Kong Hee and Sun Ho. As laid out in the cultural mandate of the church,² followers are encouraged to operate businesses and to engage extensively with the world in business and culture. The oft-cited reason is that only when they are recognised players in business (or pop culture as in Sun Ho's case), can they leverage on their positions of influence to reach out to the community and the general public.

As evidence of their popularity, Kong Hee and Sun Ho's highly personable leadership has elicited overwhelming support most significantly amongst the church's youth. A tribute video on Youtube to Kong Hee by City Harvest's youth members casts him as "a world changer... and a history maker... the greatest man I have ever known".

This begs an uneasy question: Just how much real or imagined faith is invested in Kong Hee? And can he, or anyone for that matter, remain on the pedestal followers created?

Paradox of a Code of Conduct

Insisting on a code of conduct may therefore lead to a paradox for some who are personally convinced that their leaders have proven themselves worthy of trust. Here, the need to adopt measures of accountability and transparency stipulated by the state as demonstrable of 'good leadership' seems at odds when a leader has in fact been nominated because he and she is seen as intrinsically upright. It is to admit that despite the acknowledgement of the leader's integrity and capabilities, he or she is ultimately fallible and has to abide by a certain code of conduct to ensure that personal interests or gains do not collide with leadership.

Good governance on the other hand however, is important in charities because it is premised on the adoption of a code of conduct that in turn helps charities to be more effective, transparent and accountable to their stakeholders. In improving these areas of governance, it is assumed that charities and IPCs will more equipped to increase participation among Singaporeans and better mobilise people and resources to further charitable interests and objectives, leading to a stronger civil society in Singapore. The relationship between members of the public and the IPCs in which they choose to invest their time and resources is one that is built on ties that inspire trust. A charity can inspire and maintain trust by ensuring that it operates within codes of conduct and other legal

1. The Code of Governance for Charities and IPCs is available at: <http://www.charities.gov.sg/charity/charity/viewPublications.do#guide>. Code of Governance, p. BII-3. The Code of Governance for Charities and IPCs defines a 'Conflict of interest' as a situation where a Board member, staff, or other person with an existing or potential financial or other material interest that might impair his or her independence or objectivity in the discharge of responsibilities and duties to the charity.

² City Harvest Church, "Our Beliefs", http://www.chc.org.sg/_eng/new-here/new-here_beliefs.php.
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parameters stipulated by the state. More importantly, adopting good principles in governance is crucial in accounting for the charity's performance and ensuring that its operations are law-abiding at all times. Doing so also adds credibility to the causes and purposes that the charity has been promoting.

This leads to the question: who are the leaders accountable to? The perceived paradox falls away when we consider that, as proposed within the Code of Governance³, an outfit such as City Harvest is in fact accountable not just to its congregation, but also to the public and the government on the operating principle of “comply or explain”.

Underlining this is the acknowledgement that accountability cannot be approved merely by an isolated community of supporters who focus their trust in a highly personable leadership figure — and to do so would cast a shadow over the organisation despite the good it has done in the community.

Because there's only so much Faith can do

Across society, accountability that is based on a set of good corporate ethics is perhaps the only *lingua franca* bridging any religious organisation and the state — whether the leaders are appointed by man or by God. This is based on the understanding that religious leaders are not simply accountable to God, but must also be transparent with their followers and the community. To this end, governance of religious organisations is subjected to a common set of secular regulations and cannot merely be premised on leadership that relies on personal charisma and faith.

As with candidates taking up political office, the public has to have confidence in making an objective judgment based on tangibles, in terms of character, qualifications and values, among others. The same should be expected of religious leadership — a proven record of integrity is important. Just as public servants need to pass muster for conduct and propriety, religious leaders should similarly withstand scrutiny even if their ruling mandate is believed to be from God.

Penalties need to be enforced when religious leaders are proven to have contravened the law, even if they are revered in their communities. This was the case for Joachim Kang in 2004, who was sentenced to seven and a half years in jail for misappropriating \$5.1 million of church funds while serving as a parish priest at the Church of St Teresa. In 2008, the former head of Ren Ci Hospital, Venerable Shi Ming Yi, was charged with mismanaging Ren Ci's funds after an investigation into the charity's financial irregularities. He was found guilty of approving million-dollar investments for the charity that included loans to companies linked to himself, falsifying accounts and giving false information to the COC.

3. The Code of Governance for Charities and IPCs explains that the Code operates on the principle of “comply or explain”, and is not mandatory. Charities should follow disclosure guidelines that include submission of a Governance Evaluation Checklist on the Charity Portal www.charities.gov.sg, which is then reviewed by a Sector Administrator. Otherwise, the charity should explain why it cannot comply with certain Code guidelines that are relevant to the charity, and should indicate the steps it plans to take to comply, or explain why if it decides not to comply. Charities are encouraged to disclose this checklist to their stakeholders, including the charity's members and donors.

The presumption of innocence in the eyes of the law preserves the legal right of any defendant in a trial to contest any charges, until a verdict is reached. Even as some among the congregation of City Harvest continue to pledge faith in the leaders who they have come to regard so highly, it is important to acknowledge the rightful place of the government as a regulator to enforce the law when governance issues arise. As the youth of City Harvest put together a tribute video to the Church and its leadership in defense, the law remains unmoved as an impartial arbitrator in the ongoing court trial.

The integrity of any charity cannot simply lie in the defensive statements issued by its leaders but rather in an accurate portrayal of motives made justifiable by the legal instruments that have been laid out by the government. Good governance cannot be over-emphasised, even as the exposed fallibility of office-holders and leaders threatens to put strains on the trust of supporters.

A Reminder for Enhanced Monitoring and Vigilance

While regulatory oversight, charity rules, guidelines and codes have been enhanced, the level of vigilance also needs to be upped in the form of monitoring feedback. The COC did not uncover any irregularities in its 2008 review of City Harvest Church. However, in 2010, feedback and complaints received by the COC paved the way for a more formal investigation of the church's practices. While an improved methodology for checks and balances is still evolving, authorities can prevent future incidents from taking place by taking whistle-blowing seriously. Policy makers should also reconsider and work towards legislation to protect those who blow the whistle in good faith and with reasonable belief.

Whatever the verdict of the CHC case may be, this should be seen as an interrogation of individuals who have allegedly flouted a code of conduct in their leadership, not an interrogation of religion. At the same time, the public, charities and IPCs should not merely wait for a formal verdict to be reached before being pro-active about discussing and pursuing good governance, in the name of "reserving their judgment".

Ultimately, the responses elicited from the City Harvest case demonstrate the need for charities and IPCs to ensure that they adhere to the principles of good governance as laid out in the Code of Governance. This incident should serve as a reminder for City Harvest and other charities and IPCs to pursue a model of governance premised on vigilance, transparency and accountability, and to be answerable to both their own members and the community.

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