

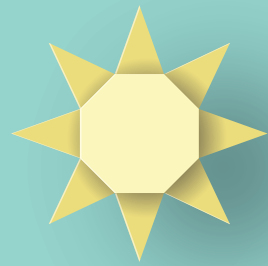


CENTRAL PROVIDENT FUND BOARD
ANNUAL REPORT 2017

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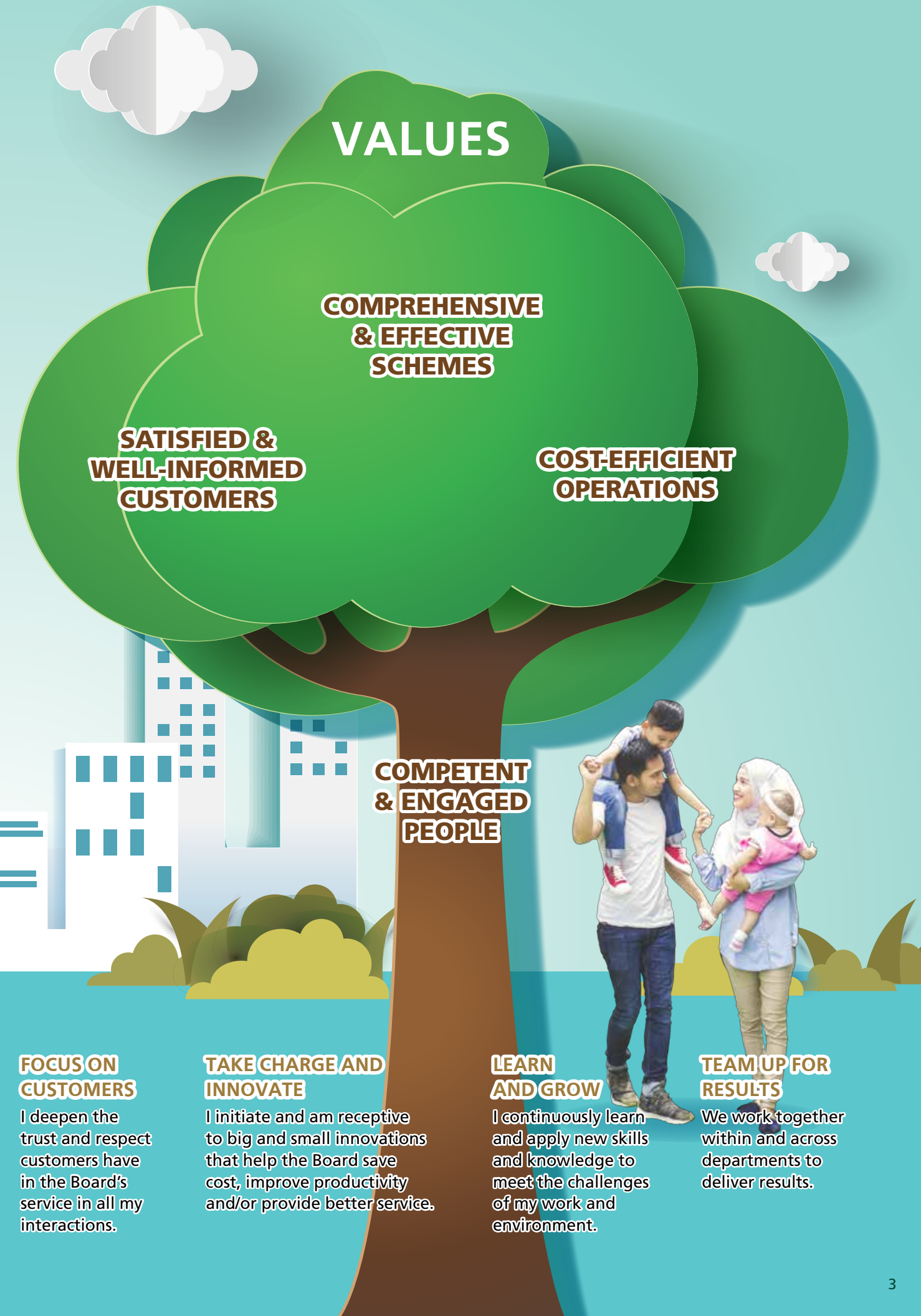


MISSION

To enable Singaporeans to have a secure retirement, through lifelong income, healthcare financing and home financing

VISION

A trusted and respected social security organisation, committed to enable Singaporeans to have a secure retirement



CORPORATE



CHAIRMAN'S STATEMENT

UPDATE ON THE CENTRAL PROVIDENT FUND AND INSURANCE FUNDS

In 2017, the number of CPF members increased by 2% to 3.8 million, and total CPF balances grew by 9% to \$359.5 billion. This excludes the net amount withdrawn for housing and investments, which stood at \$231.9 billion as at end-2017. Members continued to earn an interest rate of up to 5% per annum on their savings in the Special, MediSave, and Retirement accounts, and up to 3.5% per annum on Ordinary Account balances. These interest rates included an extra 1% interest paid on the first \$60,000 of a member's combined balances. CPF members aged 55 and above also earned an additional 1% extra interest on the first \$30,000 of their combined balances, allowing them to earn up to 6% interest per year on their retirement balances in 2017.

As at end-2017, about 611,000 members were insured under the Home Protection Scheme (HPS), and the Home Protection fund stood at \$1.2 billion. About 1,085 HPS claims amounting to \$94.5 million were approved in the course of the year. The MediShield Life fund stood at \$1.7 billion at end-2017. About 550,000 MediShield Life claims were approved in 2017, amounting to \$845 million.



MAJOR ENHANCEMENTS IN 2017

Providing Greater Flexibility to Members

In 2017, the CPF Act was amended to give members more options to strengthen their parents' and grandparents' retirement adequacy. From October 2018, members will be able to transfer their CPF savings above the Basic Retirement Sum to their parents and grandparents, if they have enough CPF savings, inclusive of property pledge or charge, to meet the Full Retirement Sum (FRS). Prior to October 2018, members can only transfer their CPF savings above the FRS to their parents and grandparents.

Helping Members Plan for Retirement

Since 2015, the CPF Board has been providing a guided one-to-one retirement planning service to CPF members to help them understand the CPF schemes and options available to them. In 2017, the CPF Retirement Planning Service (CRPS) was made available to all members turning age 54. Close to 3,000 members benefitted from attending CRPS in 2017, with 95% of these members indicating that they would recommend the service to others.

The CPF Board is now piloting a CRPS for members approaching their Payout Eligibility Age (PEA), to help them better understand the CPF payout options available to them. Thus far, 98% of members who participated in this pilot expressed that they would recommend the service to others.

Enhancing Service to CPF Members

As part of efforts to enhance the CPF Board's service to members, the Board re-designed the *my cpf* mobile application and the *my cpf* e-Services profile page. These provide members with an enhanced user interface and personalised experience, so that they can have a better understanding of the CPF options available to them.

The CPF Board was the first Government agency to launch a Call Authentication service to enable members to receive personalised information such as their CPF balances and usage of CPF monies over the phone. This Call Authentication service is a two-step verification process using SingPass Two-Factor Authentication. A self-service option was also introduced for members to request their CPF statements over the phone. Members now do not need to speak to a customer service officer to effect such a request.

Additionally, CPF members aged 55 and above who are eligible to withdraw their CPF savings can now do so through PayNow. With effect from 26 March 2018, they can make the withdrawals electronically and have their withdrawals transferred to their bank account within a day.

Enhancing Home Ownership and Healthcare Coverage

The CPF Housing Grant for resale flats was increased on 20 February 2017, with more help given to those buying smaller flats to encourage prudent housing choices. Separately, from 1 November 2017, members may use their MediSave savings to pay for recommended adult vaccinations under the National Adult Immunisation Schedule. This would help Singaporeans pay for recommended adult vaccines and enhance vaccination coverage.

Extending Support for Employers

The Special Employment Credit (SEC) Scheme, which provides wage support to employers who hire older workers and persons with disabilities, was extended in 2017 to 2019. The SEC provided support in 2017 to 101,000 employers who employed over 404,000 eligible workers.

FURTHER ENHANCEMENTS IN 2018 AND BEYOND

Strengthening Retirement Policies

In 2016, the CPF Advisory Panel recommended introducing an optional CPF LIFE plan with payouts that increase at a set rate to address concerns regarding the rising cost of living in retirement. In January 2018, the CPF LIFE Escalating Plan was introduced to allow members the option of starting their CPF LIFE payouts with a lower initial payout, which then escalates at 2% a year. All existing CPF LIFE members can choose to switch to the CPF LIFE Escalating Plan between January and December 2018.

For Retirement Sum Scheme (RSS) members turning age 70 from 2018 onwards, the CPF Board will automatically start their payouts at age 70, so as to allow them to enjoy a retirement income from their CPF savings with greater ease. This simplifies the activation process for RSS members to receive payouts for retirement. Previously, they had to apply to start their CPF monthly payouts when they reached their PEA.

To strengthen CPF members' retirement adequacy, the CPF Investment Scheme (CPFIS) will be enhanced to cater to CPF members who have the knowledge and time to invest and are prepared to take investment risk for higher expected returns. First, to help CPF members decide whether the CPFIS is suitable for them, a Self-Awareness Questionnaire (SAQ) will be made available to all CPF members. The SAQ will provide CPF members with feedback on their level of basic financial knowledge, and will be part of the process of opening a CPFIS account from 1 October 2018. Second, to reduce the cost of investing for CPF members, the cap on sales charges and the cap on annual wrap fees will be reduced.

Helping the Self-Employed

A Tripartite Workgroup (TWG) comprising the Ministry of Manpower, National Trades Union Congress, and the Singapore National Employers Federation was set up in 2017 to look into the concerns of Self-Employed Persons (SEPs) given the emergence of the gig economy. The Government has agreed to study how to implement the TWG's recommendation to introduce a Contribute-As-You-Earn (CAYE) scheme for SEP MediSave contributions. Under this scheme, a MediSave contribution will be required as and when a service fee is earned. A service buyer or intermediary who contracts with the SEP will deduct and transmit the MediSave contribution to the SEP's MediSave Account whenever they pay the SEP. The Government, as a service buyer, aims to start a pilot by 2020 to work through the implementation issues for CAYE and help facilitate its subsequent full implementation.

Supporting Housing and Healthcare Needs

With immediate effect from the announcement on 19 February 2018, the Proximity Housing Grant (PHG) was increased to \$30,000 for families buying a resale flat to live with their parents or children. The PHG was also increased for singles, who are often a key source of caregiving support within their families. The criterion for determining what is considered "near" was also simplified. Together with the CPF Housing Grant and the Additional CPF Housing Grant, a first-timer applicant can now receive up to \$120,000 in housing grants when buying a resale flat to live with their parents.



The withdrawal limit for the MediSave400 scheme will be raised from \$400 to \$500 per year from June 2018. The age limit for Flexi-MediSave will also be lowered from the second half of 2018. Singaporeans aged 60 and above will be able to use up to \$200 of their MediSave a year flexibly, for outpatient medical treatments at public sector specialist outpatient clinics, polyclinics, and Community Health Assist Scheme GPs. These changes will help eligible members defray part of their out-of-pocket expenses, while ensuring that they have sufficient MediSave balances for future needs.

CONCLUSION AND APPRECIATION

In the midst of changing demographics and workforce patterns, the CPF Board remains committed to helping Singaporeans meet their retirement, housing, and healthcare needs. I would like to take this opportunity to express my appreciation to all Board members as well as CPF Board staff for their commitment and dedication. They have contributed much to the achievement of the CPF Board's mission.

I would also like to extend my appreciation to former Board Member Ms Lee Keng Yi for her valued service to the Board. We welcome on-board Ms Ho Hern Shin as a Board member, and look forward to her contributions.

BOARD MEMBERS



CHAIRMAN

Mr Chiang Chie Foo

Master in Public Administration,
Harvard University, USA



DEPUTY CHAIRMAN

Mr Augustin Lee

Deputy Secretary, Ministry of Manpower

Master of Science in Management,
Graduate School of Business, Stanford
University, USA



Mr Chan Heng Kee

Permanent Secretary, Ministry of Health
(Government Representative)

Master of Science in Electrical Engineering,
Stanford University, USA

Master of Business Administration,
Massachusetts Institute of Technology, USA



Mr Lim Zhi Jian

Director of Reserves and Investment,
Ministry of Finance
(Government Representative)

Master in Public Administration, Harvard
University, USA



Mr John Ng

Chief Executive Officer, Singapore LNG
Corporation Pte Ltd
(Employer Representative)

Master of Science in Industrial
Engineering, National University of
Singapore

Master of Science in Metallurgical
Engineering, Materials Science, Carnegie-
Mellon University, USA



Mr Zahidi Abdul Rahman

Principal Architect, Zahidi AR Arkitek
(Employer Representative)

Bachelor of Arts (Architectural Studies),
National University of Singapore

Bachelor of Architecture (Hons), National
University of Singapore



Ms Cham Hui Fong

Assistant Secretary-General, National
Trades Union Congress
(Employee Representative)

Bachelor of Business Administration,
National University of Singapore



Ms Mary Liew

President, National Trades Union Congress
General Secretary, Singapore Maritime
Officers' Union
(Employee Representative)

Bachelor of Science in Business
Administration (Marketing) Hons (2nd
Upper), University of Wales, UK


Professor Annie Koh

Vice President, Office of Business Development
 Professor of Finance (Practice)
 Academic Director, International Trading Institute and Business Families Institute
 Singapore Management University
 PhD in International Finance, New York University Stern School of Business, USA


Mr Lau Wing Tat

Chartered Financial Analyst
 Bachelor of Mechanical Engineering,
 Hons (1st Class), University of Singapore


Ms Ho Hern Shin

Assistant Managing Director (Banking & Insurance Group), Monetary Authority of Singapore
 Bachelor of Science (Monetary Economics),
 London School of Economics & Political Science


Mr Ng Chee Peng

Chief Executive Officer, Central Provident Fund Board
 Master in Public Administration, Harvard University, USA


Mr Sarjit Singh Gill

Senior Partner, Shook Lin & Bok LLP
 Senior Counsel
 Bachelor of Laws (Honours), University of Singapore


Mr Tan Teck Huat

Finance Director, QAF Limited
 Master of Arts, University of Cambridge, UK


Mr Tung Siew Hoong

Director, Portfolio Execution Group
 GIC Private Limited
 Master of Social Sciences in Statistics and Economics, National University of Singapore

BOARD MEMBER(S) WHO COMPLETED THEIR TERMS DURING THE YEAR:
Ms Lee Keng Yi

Director (Special Projects), Banking & Insurance,
 Monetary Authority of Singapore
 Master of Philosophy in Economics, Cambridge University, UK

CHIEF EXECUTIVE OFFICER'S STATEMENT

In 2017, the CPF Board continued to advance our vision as a trusted and respected social security organisation, committed to enable Singaporeans to have a secure retirement. During the year, we made various enhancements to our schemes, services, and operations as part of our continuing efforts to better serve our members.

ENHANCING CPF POLICES AND SCHEMES

In 2017, the CPF Board helped enhance a number of CPF policies and schemes to assist members with their retirement, housing and healthcare needs, including:

- Providing members with more options to strengthen their parents' and grandparents' retirement adequacy, with the CPF Act amended to allow members to transfer CPF savings above the Basic Retirement Sum to parents and grandparents from October 2018 onwards
- Extending the CPF Retirement Planning Service to all members reaching age 54
- Enhancing the CPF Housing Grant for first-time homebuyers who purchase resale flats
- Extending the use of MediSave to cover recommended adult vaccinations under the National Adult Immunisation Schedule
- Extending the Special Employment Credit to continue providing wage support to employers who hire older workers and persons with disabilities

On 1 January 2018, the CPF Board launched the CPF LIFE Escalating Plan to cater to members concerned about the rising cost of living in retirement. In addition, we implemented the automatic disbursement of payouts at age 70 for Retirement Sum Scheme members turning age 70 from 2018 onwards, so that they can enjoy retirement income from their CPF savings with greater ease. The Proximity Housing Grant has also been increased for families and singles buying a resale flat to live with their parents or children, with effect from 19 February 2018.

Going forward, the CPF Investment Scheme (CPFIS) will be enhanced to cater to CPF members who have the knowledge and time to invest and are prepared to take investment risk for higher expected returns. A Self-Awareness Questionnaire (SAQ) will be introduced from 1 October 2018 to help members decide whether investing under the CPFIS is suitable for them. We will also be reducing the sales charge for new investments under CPFIS as well as the wrap fee that is charged by financial advisors for existing and new CPFIS accounts.

From June 2018, the withdrawal limit for the MediSave400 scheme will be raised to \$500 per year, while the age limit for Flexi-MediSave will be lowered from the second half of 2018. In addition, the Government aims to pilot a Contribute-As-You-Earn (CAYE) scheme for Self-Employed Persons' (SEP) MediSave contributions by 2020. Under this scheme, a service buyer or intermediary who contracts with the SEP will deduct and transmit the MediSave contribution to the SEP's MediSave Account whenever they pay the SEP.

PUBLICITY AND OUTREACH TO SINGAPOREANS

The CPF Board has been making a concerted effort to help members better understand the CPF system so that they can make informed decisions on the use of their CPF savings across their life stages. In 2017, we used a variety of fresh approaches and communications channels to proactively reach out to different member segments. Our engagement efforts have garnered international recognition, including winning the World Pension Summit Innovation Awards 2017 (Communication/Member Engagement Innovations) for our #ICanAdult Instagram campaign, and the Asia Pacific Communications Awards 2017 (Film and Video) for our Big 'R' Chat mass publicity campaign.

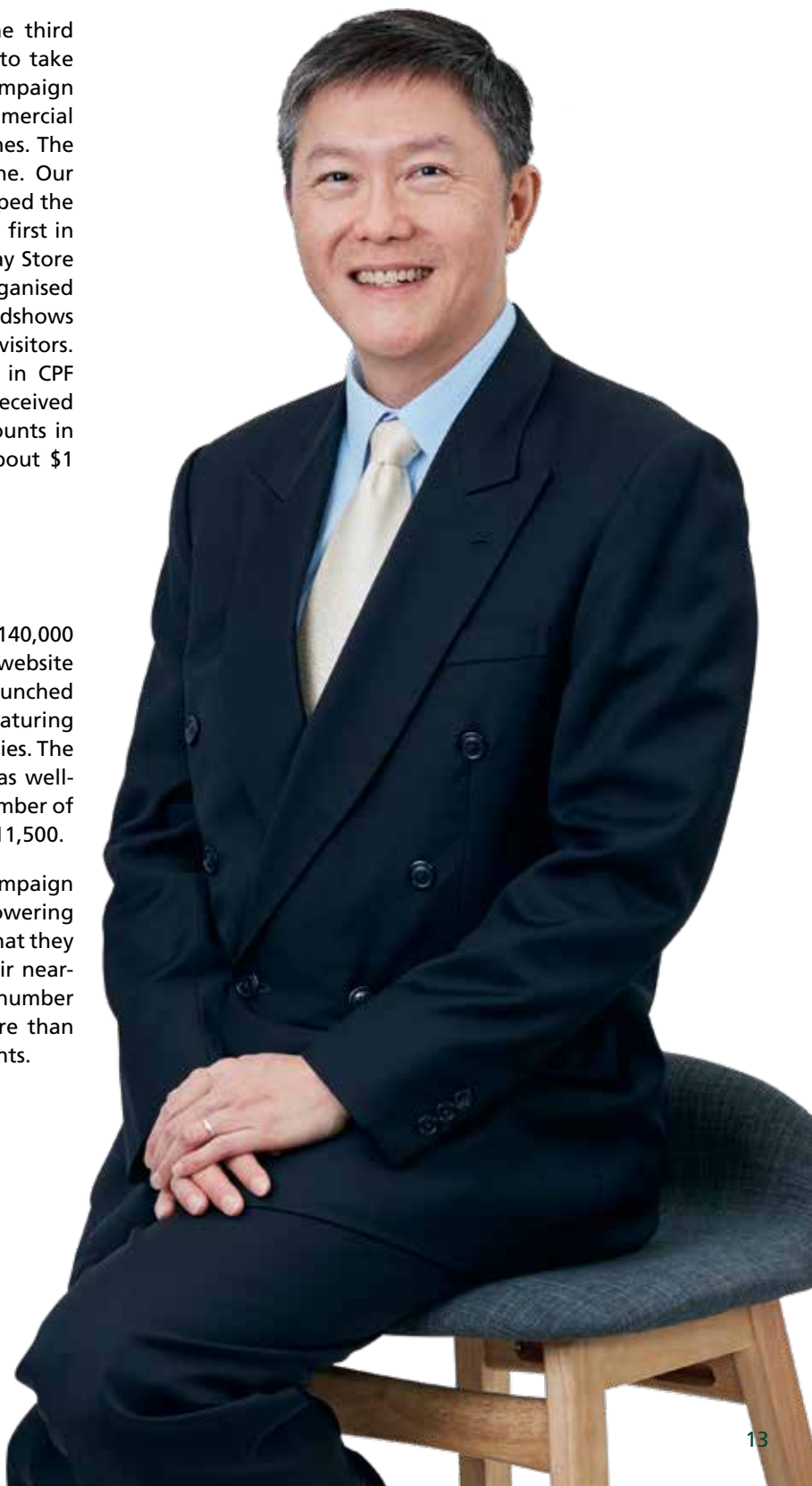
Publicity Campaigns

We continued the Big 'R' Chat campaign for the third consecutive year in 2017 to encourage members to take action for a better retirement. During the campaign period, we reached out to viewers with our TV commercial to encourage members to top up to their loved ones. The commercial also garnered 3.5 million views online. Our mobile game app "Ready, Get Set, Grow" also topped the charts in the educational games category, ranking first in the Apple App Store and second in the Google Play Store in the course of the campaign. In addition, we organised a series of five CPF Retirement Planning roadshows islandwide, attracting a total of about 142,000 visitors. Our publicity efforts contributed to an increase in CPF transfers and cash top-ups – over 61,000 members received about \$1 billion in cash top-ups to their CPF accounts in 2017, while another 35,000 members received about \$1 billion in CPF transfers in 2017.

Online Engagement

Our Facebook fan base grew by 40% to over 140,000 fans, while our "Are You Ready?" educational website attracted 1.7 million page views in 2017. We also launched a new YouTube series entitled "CPF in One Bite" featuring nuggets of CPF information using local food analogies. The series garnered more than 2 million views and was well-received by netizens. It also helped to boost the number of subscribers on the CPF Board YouTube channel to 11,500.

We launched our official Instagram page with a campaign called #ICanAdult aimed at equipping and empowering millennials with CPF-related tips and information that they can use to make better financial decisions for their near- and long-term future. Through the campaign, the number of followers on our Instagram page grew to more than 5,000, triggering more than 2.5 million engagements.



Outreach and Education

As part of our outreach efforts, we also engaged close to 9,000 members and grassroots leaders in 24 constituencies across Singapore in 2017. Our communication materials were placed at all 107 Community Centres and Clubs to raise awareness of CPF schemes amongst residents. We continued to support the Learning Journeys programme spearheaded by the Ministry of Education, to engage students in understanding the CPF's role in nation-building. We also collaborated with schools and institutes of higher learning to engage and encourage more than 8,600 students to start financial planning for their future.

OPERATIONS

Enhancing Services to Members

The CPF Board continues to innovate to enhance members' service experience, in order to provide effective and quality services to members.

Call Authentication Service

We introduced a Call Authentication service in January 2017 to enable members to receive personalised information over the phone, such as their CPF balances and usage of CPF monies, after a two-step verification process using SingPass Two-Factor Authentication. The Call Authentication service by the CPF Board was the first among government agencies, and was further enhanced in September 2017 to allow members to request for their CPF statements over the phone without having to speak to a customer service officer.

CPF Retirement Planning Service

In 2017, the CPF Retirement Planning Service (CRPS), a guided one-to-one retirement planning service, was extended to all members turning 54. During each CRPS session, members are provided with personalised infographics and guidance on CPF matters. Around 3,000 members attended the CRPS in 2017, and 95% of these members indicated they would recommend the service to others. The topics covered will also be expanded to include options on how members can make use of government schemes to unlock the value of their flats and boost their retirement payouts. The CPF Board is now piloting the CRPS for members approaching their Payout Eligibility Age. Thus far, 98% of members who had participated in this pilot found it useful and said they would recommend the service to others.

Opening of CPF Maxwell Service Centre

Following the sale of the CPF building at Robinson Road, the CPF Robinson Service Centre was relocated to Maxwell Road. The new CPF Maxwell Service Centre adopts a colour-zoned design concept to facilitate members' navigation across the upper and lower decks, and provides pod-like counters for better privacy and comfort for Club 55 customers. An education gallery was also set up in the CPF Maxwell Service Centre to raise awareness on CPF schemes. Members have found the new Service Centre to be convenient and conducive in meeting their needs.

Faster CPF Withdrawals via PayNow

The CPF Board seeks to leverage technology to serve our CPF members better. We adopted PayNow, an enhanced funds transfer service, as an additional payment mode from 26 March 2018, so that eligible members who are 55 years old and above can receive their CPF withdrawals within the same day. This is one of the ways to provide our members with a more customer-centric experience when they transact with us. These service innovations also extend the value of digital service to members who might have previously been served through traditional channels.

Learning More about the CPF System through Digital Initiatives

On 1 January 2018, we launched a re-designed *my cpf* profile to provide members with visual representation of CPF information, such as their account balances, contributions, and online calculators. The *my cpf* mobile application was also upgraded to allow members convenient access to personalised information on-the-go. In addition, we introduced a new video feature to enable members to learn more about the options they have to make the most of their CPF savings. Selected data from the Yearly Statement of Account, such as CPF account balances and transactions, were used to create this video. The richness of a video platform allows us to convey relevant information using a storytelling technique to deliver the message in a more impactful manner.

Enforcement and Deterrence

Under our three-pronged approach of education, deterrence, and enforcement, the CPF Board conducted pro-active audits and acted on complaints received to safeguard the rights of our members. The enforcement efforts and timely detection of late CPF payments by the Board resulted in a total recovery of \$572.5 million in owed and late CPF contributions in 2017. Since September 2012, the Ministry of Manpower and CPF Board have been working together through the 'WorkRight' initiative to educate employees and employers on their employment rights and obligations under the Employment Act and CPF Act. As part of this initiative, about 5,000 inspections were conducted in 2017.

Enhancing Electronic Services for Employers

The CPF Board continued to improve employers' electronic submission experience in 2017. Since May 2017, employers can access the CPF e-Submit@web by using the Singapore Corporate Access (CorpPass) login. This allows employers to better protect and manage their corporate data. As at 31 December 2017, 87.1% of all employers submitted their employees' CPF contributions electronically. In terms of employee count, 97.5% of all employees had their CPF contributions submitted electronically.

National Projects - Disbursement made in 2017

The CPF Board also disburses government monies to eligible recipients under a number of schemes.

Under the GST Voucher Scheme, the CPF Board disbursed \$666.1 million in cash to 1.3 million Singapore citizens and \$128.5 million into the MediSave accounts of 437,000 Singapore citizens.

Under the Pioneer Generation Package, we disbursed a total of \$166.7 million in MediSave top-ups and \$188.3 million in MediShield Life premium subsidies to eligible Pioneers.

We disbursed \$91.6 million in MediSave top-ups to 506,400 Singapore citizens under the 5-Year MediSave Top-up, announced in Budget 2014, to help citizens aged 55 and above who did not receive the Pioneer Generation benefits.

As at 28 February 2018, we also disbursed \$667.4 million of Workfare Income Supplement payments to around 424,000 Singaporean employees and self-employed persons for working in 2016.

Finally, we disbursed \$333.4 million of Silver Support payouts to more than 152,000 seniors in 2017. The Silver Support Scheme is targeted at the bottom 20% of Singaporeans aged 65 and above, with a smaller degree of support extended to cover up to the next 10% of seniors.

APPRECIATION

On behalf of the Management, I would like to extend my heartfelt gratitude to all staff of the CPF Board for their commitment and dedication in furthering the Board's mission and vision. I would also like to thank our Board Chairman and Board Members for their astute guidance and steadfast support of Management initiatives. Going forward, we will strive to serve our members even better, to enable them to have a secure retirement.

CORPORATE GOVERNANCE



BOARD'S CONDUCT OF AFFAIRS

Role

The Board is the trustee of the Central Provident Fund and oversees the management of the Fund as prescribed under the Central Provident Fund Act (CPF Act). It is also responsible for reviewing and approving the annual budget and financial statements. The Board monitors organisational performance, ensures the adequacy of risk management policies and systems, and provides advice to Management to ensure that the CPF Board functions efficiently and effectively. The Board's approval is required for material transactions and decisions, including but not limited to the sale of property.

Board composition and membership

The CPF Act provides for the appointment of 15 Board Members, comprising the Chairman, Deputy Chairman, two Government representatives, two Employer and Employee representatives respectively, and up to seven other individuals. The Minister for Manpower, with the President's concurrence under Article 22A(1)(b) of the Constitution of the Republic of Singapore, appoints all the Board Members. Board Members, including the Chairman and Deputy Chairman, are appointed for a term of up to two years. The Board comprised 15 members as at 31 December 2017.

All Board Members, with the exception of the Chief Executive Officer ("CEO"), are non-executive members. The Board's composition takes into account relevant expertise and experience required for effective decision making and leadership. The Board consists of members with core competencies in areas such as accounting, insurance and investment.

The CPF Board's management provides comprehensive briefing and orientation sessions for new Board Members. Besides general briefings on the CPF Board and the Board's powers and obligations, Board Members also receive customised briefings tied to their specialised roles within the Board.

Board meetings

Board meetings are scheduled quarterly for the purpose of, among other things, approving the annual budget, the audited financial statements, CPF Rules amendments and major projects. The by-laws of the Board allow Board Members to take part in meetings in person or via any means that allows the person to participate actively in discussions such as video-conferencing. Urgent matters requiring decisions are circulated via e-mail by the Board Secretariat. The Board met four times in 2017.

Board Members are provided with the necessary information for them to effectively discharge their responsibilities at each Board meeting. This includes regular reports on CPF contributions and developments on CPF schemes. Significant operational highlights and

financial statements are provided on a regular basis for the Board's information. Board Members may request additional information where necessary. Minutes of Board meetings are documented for record, with Matters Arising promptly followed up and reported back at the following Board meeting.

Board Committees

In discharging its responsibilities, the Board is supported by six Board Committees, namely the Audit Committee, Investment Committee, MediShield Life and Insurance Schemes Committee, Public Engagement Committee, Risk Management Committee and Staff Committee, each commissioned with the respective Terms of Reference approved by the Board.

Audit Committee

The Audit Committee comprises non-executive and independent Board Members nominated based on their expertise and experience with regard to discharging the responsibilities of the Committee. The Audit Committee was chaired by Mr Tan Teck Huat in 2017. Four other members served on the Audit Committee in 2017 – Professor Annie Koh, Mr Lau Wing Tat, Ms Mary Liew and Mr Sarjit Singh Gill. Professor Annie Koh and Mr Lau Wing Tat completed their service as Audit Committee Members on 30 June 2017, and were replaced by Ms Mary Liew and Mr Sarjit Singh Gill with effect from 1 July 2017.

The Audit Committee assists the Board in overseeing activities carried out by Management, independent auditors and internal auditors relating to internal controls, financial reporting, compliance with rules, regulations, corporate policies and procedures, as well as risk management. It also oversees the Board's whistle-blowing programme.

The Audit Committee met thrice in 2017 and urgent matters were approved by circulation.

Investment Committee

The Investment Committee was chaired by Mr Tung Siew Hoong in 2017. Six other members served on the Investment Committee in 2017 – Mr Alan Yeo, Ms Celestine Khoo, Mr Lau Wing Tat, Mr Lim Zhi Jian, Mr Ng Chee Peng and Mr Wong Ban Suan. Ms Khoo, Mr Wong and Mr Yeo and were co-opted to augment the investment expertise of the Committee. Ms Khoo relinquished her Investment Committee membership following the completion of her term on 31 October 2017.

The Investment Committee assists the Board with investment matters relating to funds managed by the Board. It advises the Board in setting the overall investment policy and strategic asset allocation, and has decision making authority over the investment management strategy and structure, appointment of investment consultant, custodian, external fund managers and other third parties, overall approach to risk management, rebalancing guidelines, the implementation of tactical asset allocation and performance reporting framework.

The Investment Committee met four times in 2017 and urgent matters were approved by circulation.

MediShield Life and Insurance Schemes Committee

The MediShield Life and Insurance Schemes Committee was chaired by Mr Chan Heng Kee in 2017. Nine other members served on the MediShield Life and Insurance Schemes Committee in 2017 – Professor Annie Koh, Mr Cham Dao Song, Ms Cham Hui Fong, Mr Chi Cheng Hock, Ms Ho Hern Shin, Mr John Ng, Ms Lee Keng Yi, Mr Ng Chee Peng and Mr Sarjit Singh Gill.

Mr John Ng and Ms Lee Keng Yi completed their service as MediShield Life and Insurance Schemes Committee members on 30 June 2017, and were replaced by Mr Gill and Ms Ho. Mr Cham was appointed to the committee in January 2017 as a representative of the Ministry of Health, while Mr Chi was co-opted for his actuarial expertise.

The MediShield Life and Insurance Schemes Committee oversees the management of the Home Protection, MediShield Life and CPF LIFE Schemes. It reviews the annual valuation and actuarial studies of the various schemes, and recommends or approves adjustments to the premiums and benefits of the Home Protection and CPF LIFE Schemes. The Committee also manages the solvency and liquidity of the insurance funds based on the return objectives, risk tolerance levels and risk management framework established for each fund and in accordance to the guidelines set by the Minister overseeing the relevant scheme.

The MediShield Life and Insurance Schemes Committee met thrice in 2017.

Public Engagement Committee

The Public Engagement Committee was chaired by Mr Augustin Lee in 2017. Seven other members served on the Public Engagement Committee in 2017 – Professor Annie Koh, Ms Cham Hui Fong, Mr Janadas Devan, Ms Mary Liew, Mr Ng Chee Peng, Mr Sarjit Singh Gill and Mr Zahidi Bin Abdul Rahman. Mr Gill and Ms Liew completed their service as Public Engagement Committee members on 30 June 2017, and were replaced by Ms Cham and Professor Koh on 1 July 2017. Mr Devan was co-opted to augment the expertise of the Committee.

The Public Engagement Committee advises the Board on public communications strategies. It also provides strategic guidance on stakeholder engagement with the People, Public and Private sectors.

The Public Engagement Committee met once in 2017.

Risk Management Committee

The Risk Management Committee was chaired by Mr Chiang Chie Foo from 1 January 2017 to 30 June 2017, and Mr John Ng from 1 July 2017. Four other members served on the Risk Management Committee in 2017 – Mr Lau Wing Tat, Mr Ng Chee Peng, Mr Sarjit Singh Gill and Mr Zahidi Bin Abdul Rahman. Mr John Ng succeeded Mr Chiang Chie Foo as Chairman on 1 July 2017. Mr Gill completed his service as a Risk Management Committee member on 30 June 2017, while Mr Lau and Mr Zahidi joined the Committee on 1 July 2017.

The Risk Management Committee assists the Board in overseeing CPF Board's enterprise risk management framework. It ensures that Management has fully identified and assessed the key risks that CPF Board faces and has established a risk management infrastructure capable of addressing those risks. The Committee supports the Board in overseeing Board-level risks in conjunction with other Board Committees.

The Risk Management Committee met twice in 2017.

Staff Committee

The Staff Committee was chaired by Mr Chiang Chie Foo. Five other members served on the Staff Committee in 2017 – Mr Augustin Lee, Mr John Ng, Mr Ng Chee Peng, Mr Tan Teck Huat and Mr Tung Siew Hoong. Mr John Ng joined the Committee on 1 July 2017.

The Committee is the approving authority for key human resource and remuneration policies as well as the appointment and promotion of senior executives.

The Staff Committee met once in 2017 and urgent matters were approved by circulation.

Attendance at Meetings

Board Members' attendance at Board and Board Committee meetings in 2017 is set out in the following table.

	Board		Board Committees											
	No. of Meetings		Audit Committee		MediShield Life and Insurance Schemes Committee		Investment Committee		Risk Management Committee		Staff Committee		Public Engagement Committee	
Board Members	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Chiang Chie Foo (Chairman) <i>First Appointed in 2013</i>	4	3							1	1	1	1		
Mr Augustin Lee (Deputy Chairman) <i>First Appointed in 2011</i>	4	4									1	1	1	1
Mr Ng Chee Peng <i>First Appointed in 2015</i>	4	4			3	3	4	4	2	2	1	1	1	1
Mr Chan Heng Kee <i>First Appointed in 2016</i>	4	3			3	3								
Mr Lim Zhi Jian <i>First Appointed in 2016</i>	4	4					4	3						
Mr John Ng <i>First Appointed in 2012</i>	4	3			1	-			2	2				
Mr Zahidi Bin Abdul Rahman <i>First Appointed in 2015</i>	4	4							1	1			1	1
Ms Cham Hui Fong <i>First Appointed in 2015</i>	4	3			3	1								
Ms Mary Liew <i>First Appointed in 2014</i>	4	2	2	2										
Ms Ho Hern Shin ¹ <i>First Appointed in 2017</i>	2	1			2	1								
Professor Annie Koh <i>First Appointed in 2014</i>	4	4	1	1	3	3							1	1
Mr Lau Wing Tat <i>First Appointed in 2012</i>	4	3	1	1			4	4	1	1				
Mr Sarjit Singh Gill <i>First Appointed in 2012</i>	4	3	2	2	2	1			1	1				
Mr Tan Teck Huat <i>First Appointed in 2014</i>	4	4	3	3							1	1		
Mr Tung Siew Hoong <i>First Appointed in 2010</i>	4	3					4	4			1	1		

Board Members whose terms ended in 2017

	Board		Board Committees											
	No. of Meetings		Audit Committee		MediShield Life and Insurance Schemes Committee		Investment Committee		Risk Management Committee		Staff Committee		Public Engagement Committee	
Board Members	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Ms Lee Keng Yi ² <i>First Appointed in 2015</i>	2	2			1	-								

¹ Ms Ho Hern Shin was appointed to CPF Board as a Board Member with effect from 1 July 2017.

² Ms Lee Keng Yi was a Board Member from 1 July 2015 to 30 June 2017.

Remuneration matters

Under the CPF Act, allowances of Board Members are determined by the Minister and paid in line with the Public Service Division's guidelines on the payment of allowances by Statutory Boards to its Board Members.

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk management

The CPF Board has established a structured Board-wide risk management framework to assess the soundness of its financial reporting, and the efficiency and effectiveness of its risk management, internal controls and compliance systems.

The framework is based on the ISO 31000 standard, and entails a rigorous and systematic process of identifying, evaluating, controlling and reporting risks. Annual Department Risk Assessment (DRA) exercises are carried out by the business and corporate departments, with the more important Board Key Risks reviewed and monitored on a quarterly basis by Management and the Risk Management Committee. The Risk Management Department reviews the compliance by Management and officers in accordance to the risk management processes established, and provides an independent view to the Risk Management Committee and Management on the risk management framework where required.

The Board has sought assurance from Management and is satisfied that internal controls relating to the financial, operational, IT and risk management systems are adequate and effective.

Whistle-blowing policy

The CPF Board has in place a whistle-blowing programme that encourages the reporting of suspected wrongdoing. The programme is regularly communicated to all staff.

Both staff and vendors may disclose concerns through various secured and protected channels provided by an independent external party to preserve anonymity. Information provided will be treated with the strictest confidentiality and all cases reported will be surfaced to the Audit Committee and the Chief Audit Executive. All cases are thoroughly investigated, with appropriate remedial measures taken where warranted.

Internal audit

The Internal Audit Group reports to the Audit Committee and operates independently from the other Groups of the CPF Board to provide objective audit assurance to the Management and Audit Committee that sound and adequate internal controls exist in the CPF Board. It adheres to the Institute of Internal Auditors' Code of Ethics and strives to meet or exceed the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The Internal Audit Group evaluates and contributes to the improvement of governance, risk management and control processes. The Group's activities include reviewing and evaluating the adequacy, effectiveness and efficiency of internal controls, ascertaining compliance with applicable Laws & Regulations, Policies & Guidelines and Standards & Procedures. In addition, the Internal Audit Group performs any special audit or investigation requested by the Audit Committee or Management.

External audit

Under the CPF Act, the accounts of the CPF Board are required to be audited at least once annually by the Auditor-General or any other auditor appointed by the Minister in consultation with the Auditor-General. For Financial Year 2017, KPMG LLP was appointed as the CPF Board's external auditor.

The appointed external auditor expresses an opinion on the financial statements based on its audit, including the assessment of the risks of material misstatement, whether due to fraud or error. In making the risk assessment, the external auditor considers relevant internal controls and evaluates the appropriateness of accounting policies used and the overall presentation of the financial statements. In addition, the external auditor expresses an opinion on whether the CPF Board's receipts, expenditure, investment of monies and the acquisition and disposal of assets were in accordance with the provisions of the CPF Act. The appointed external auditor would also report its findings on significant audit, accounting and internal control issues, and make recommendations to the Audit Committee and the Board on ways to strengthen the CPF Board's internal control systems as well as accounting and financial reporting procedures.



ACCOUNTABILITY

The CPF Board is a Statutory Board specified in Part I of the Fifth Schedule of the Singapore Constitution. Under Article 22B(1)(a) and (b) of the Singapore Constitution, the Board is required to present its annual budget, including any supplementary budget, to the President for approval, together with a declaration as to whether the budget is likely to draw on past reserves. Likewise, under Article 22B(6) of the Singapore Constitution, the Board must inform the President if any other proposed transaction by the Board is likely to draw on past reserves. The budget, when approved by the President, is published in the Government Gazette. Under Article 22B(1)(c) of the Singapore Constitution, the Board is required to present to the President, within six months after the close of each financial year, the audited financial statements and a declaration as to whether the statements show any draw on past reserves.

Separately, under Clause 6 of the Second Schedule of the CPF Act, the Board is required to present the audited financial statements to the Minister for Manpower, before presenting these to Parliament. The full year financial results of the CPF Board are made available to CPF members and the general public via the CPF website.

PROFESSIONAL AND ETHICAL CONDUCT

Staff of the CPF Board are obliged to comply with practices that reflect the highest standards of behaviour and professionalism. This includes safeguarding official information under Section 59(1) of the CPF Act, the Statutory Bodies and Government Companies (Protection of Secrecy) Act (Chapter 319) and the Official Secrets Act (Chapter 213). Staff of the CPF Board must abide by the CPF Board's Code of Conduct, which includes guidelines on receiving gifts and entertainment from vendors and any member of the public with whom staff are in contact with during the course of official duties, and the avoidance of situations where a conflict of interest may arise. Under the CPF Board's whistle-blowing programme, staff and vendors are encouraged to report any suspected wrongdoing.

CORE MANAGEMENT

- | | | | | | |
|--|---|--|---|---|---|
| 1 Mr Chong Quey Lim
Chief Technology Officer | 5 Mr Tang Lee Huat
Group Director
(Finance and Planning) | 9 Mr Eng Soon Khai
Assistant Chief Executive Officer
(Policy and Corporate Development) | 13 Mr Lo Tak Wah
Deputy Chief Executive Officer
(Employers and Finance)
Chief Financial Officer
Chief Investment Officer | 15 Mrs Tan Chui Leng
Group Director
(Retirement Income) | 19 Mr Yeap Thiam Meng
Group Director
(Agency, Healthcare and Corporate
Systems) |
| 2 Mr Desmond Chew
Group Director
(Housing) | 6 Ms Belinda Teoh
Group Director
(Employer Collections and
Enforcement) | 10 Mr Ng Hock Keong
Chief Information Officer | 14 Mr Wong Yan Jun
Group Director
(Customer Relations)
Chief Digital Services Officer | 16 Mr Tan Kok Heng
Chief HR Officer | 20 Mrs Pauline Lim
Group Director
(Business Application Systems) |
| 3 Mr Tey Chee Keong
Group Director
(Healthcare) | 7 Mr Teoh See Leong
Group Director
(Agency and Self-Employed) | 11 Mr Soh Chin Heng
Deputy Chief Executive Officer
(Services) | | 17 Mr Low Pat Chin
Group Director
(Member Accounts and Investment) | 21 Mr Lim Boon Chye
Chief Audit Executive |
| 4 Ms Irene Kang
Group Director
(Communications) | 8 Mr Winston Yean
Group Director
(Corporate Strategy and Risk)
Chief Risk Officer | 12 Mr Ng Chee Peng
Chief Executive Officer | | 18 Ms Naina D. Parwani
General Counsel
(Legal Services) | |



ORGANISATION STRUCTURE

Effective 18 April 2018

