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FOURTH REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

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PUBLIC ACCOUNTS COMMITTEE

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FOURTH REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Overview

1   The Public Accounts Committee considered the Report of the Auditor-General for the financial year 2018/19. Some common themes were noted in the audit observations across different public sector agencies and some of the lapses were similar to those observed in previous years, namely:

       a.   Weaknesses in Information Technology (IT) controls

       b.   Lapses in procurement and contract management

       c.   Gaps in management of social grant programmes

2   In the area of IT controls, the Committee noted that the weaknesses observed included inadequate monitoring and review of privileged users' activities in IT systems, and lapses in the management of user access rights. In particular, the Committee felt that greater attention should be paid to smaller agencies and the area of third party management.

3   On procurement and contract management, the Committee noted lapses in the management of contract variations such as approval not obtained before carrying out variation works, and no assessment of cost reasonableness of variation works. The Committee also noted basic mistakes made in the evaluation of tenders and quotations such as accepting tender documents after close of tender, not establishing the evaluation sub-criteria upfront and errors in computing evaluation scores.

4   For the social grant programmes managed by the Ministry of Health (MOH) and the Ministry of Social and Family Development (MSF), the Committee noted that there were established processes for grant application, evaluation and approval in the two ministries. Nevertheless, there was a need to strengthen controls in areas such as timeliness in obtaining approval of funding, verification of supporting documents and information before disbursement of grants, and monitoring and review of documents from grant recipients to establish whether funding conditions had been met.

5   The Committee noted that similar concerns and observations on weaknesses in IT controls and lapses in procurement and contract management had been raised by the Auditor-General's Office (AGO) in its past reports. There is a need for the public sector to address the recurring lapses and basic mistakes. Given the scale, speed and complexity of the work in the public sector, the Committee is concerned that these lapses, if not addressed, may compound over time and weaken the governance and accountability over public funds and resources. The Committee is of the view that the public sector should look more fundamentally at systems and process improvements, take more effective measures to cascade the lessons learnt across public sector agencies and continue to strengthen the competency of supervisors and officers on the ground. The Committee is also of the view that it is important for agencies to follow-up and see through the plans and measures to address the lapses identified.

6   Following the written responses from the ministries, the Committee convened hearings on 31 October 2019 and called upon four Permanent Secretaries to provide oral clarifications on their responses and clarity on the actions to address the concerns. The four Permanent Secretaries were from the Ministry of Finance (MOF), the Smart Nation and Digital Government Group (SNDGG), the Ministry of Health (MOH) and the Ministry of Culture, Community and Youth (MCCY).

7   The Committee noted that at the Whole-of-Government (WOG) level, MOF was strengthening procurement and contract management in the public sector through a multi-pronged approach, comprising policy reviews, structural improvements and capability development. To address weaknesses in IT controls, the SNDGG intends to codify practices and implement centralised systems to automate IT tasks, thereby reducing human errors. In this regard, the Committee would like SNDGG to consider making greater use of intelligence/analytics to derive insights and to flag out anomalous behaviour. SNDGG has also strengthened Information and Communications Technology (ICT) leadership accountability by appointing a senior officer at the Deputy Secretary-level in every Ministry family to not only drive the Ministry's technology and digitalisation plans but to also oversee ICT governance and security issues.

8   The Committee noted that the audited agencies take the AGO findings seriously and are committed to taking remedial actions. The Committee would like to emphasise the following points:

a.   While there are financial policies and procedures in place, implementation appears to be inconsistent across agencies. It is important to ensure that policies are understood and implemented in a consistent manner on the ground.

b.   There is a need for clear accountability and ownership of actions. While some solutions require a multi-agency effort or the involvement of several divisions within a Ministry, there has to be clarity of roles and responsibilities of each party.

c.   Unnecessary rules and complexities should not be added to work processes in the public sector. Instead, agencies should review rules and processes to ensure that they are appropriate and simplify them, where possible. There should be clear rules and processes so that officers can discharge their duties effectively.

d.   There is a need to go beyond the entities which are audited in a particular year. The public sector has to cascade the various measures, including system and process improvements and lessons learnt, across the public sector. Agencies should also ensure that officers new to functions in finance, procurement and contract management are trained and equipped to do their jobs.

e.   Public sector leaders have to set the right tone at the top and ensure that officers adhere to the principles of governance and accountability. This requires an on-going, continuous effort.

9   In conclusion, the Committee would like to emphasise that it is important for the public sector to address the lapses and weaknesses observed, in particular the recurrent lapses. The Committee notes that there are concrete plans being taken to address the lapses. Some of these improvements are structural in nature and will take time to implement. In the meantime, there is still a need to ensure adherence to the principles of governance and accountability in the use of public funds.

10   The Committee's enquiries into specific observations and the agencies' responses, as well as MOF's and SNDGG's responses on measures at the WOG level, are discussed in the following sections.

Committee's Enquiries and Ministries' Responses in Relation to Observations in the Report of the Auditor-General for the Financial Year 2018/19

11   The Committee had asked the Ministry of Finance (MOF) and the Smart Nation and Digital Government Group (SNDGG) under the Prime Minister's Office how they intend to address the recurring lapses in procurement and contract management, management of grants and weaknesses in IT controls, and how they can more fundamentally address these lapses on a Whole-of-Government (WOG) basis. Following their written replies, the Committee also called upon the Permanent Secretary (Finance) and Permanent Secretary (Smart Nation and Digital Government) for separate hearings on 31 October 2019 to clarify the measures they will be implementing.

<u>Ministry of Finance</u>

12   MOF informed the Committee that it was strengthening procurement and contract management in the public sector through a multi-pronged approach comprising policy reviews, structural improvements and capability development.

13   MOF said that one of the causes of lapses in procurement was poorly designed rules or requirements. To address this, and given the wide diversity of procurement and contracts handled by the Public Service, MOF had allowed for some variation in rules and practices governing the different types of procurement. MOF had also implemented procurement sandboxes, where traditional procurement and contract management rules were lifted for agencies to try different approaches and identify procurement or contract management practices that can better meet their particular needs. Agencies had also been asked to review their own internal policies and requirements, to ensure that they are appropriate.

14   MOF has also started to make structural improvements, by appointing specialist agencies to provide advice and assistance to other agencies in specialised areas of procurement, e.g. Government Technology Agency (GovTech) for Information and Communications Technology (ICT) purchases and the JTC Corporation (JTC) for construction and facilities management.

15   In the area of construction contract management, MOF noted a few key contributory factors for the lapses. These include increasing demands and tight timelines as contracts get more complex due to an increasingly built-up environment, and the dynamic nature of construction contracts, including unexpected site constraints, changes in user requirements or changes due to regulatory inspections. To address these lapses, MOF has worked with the Building and Construction Authority (BCA) to simplify rules and improve guidance to agencies and had issued a good practice guide on construction variation orders and final accounts in December 2019.

16   In addition, JTC has been designated as the Centre of Excellence on Building and Infrastructure for the public sector. JTC provides project management and advisory services to other public sector agencies that lack such in-house capabilities.

17   MOF explained that while MOF and the specialist agencies can help individual agencies with specialist advice and expertise, the accountability and ownership of each project still remains with the Head of the respective agency.

18   MOF noted that another contributory factor for the lapses in the management of construction contracts was the gaps in capabilities in both public officers and external consultants handling construction projects. For public officers, MOF has partnered the Public Service Division and Civil Service College (CSC) to incorporate topics on governance and internal controls into core training and milestone programmes. To uplift industry capabilities, BCA has formed a tripartite committee comprising the Trade Associations and Chambers, Institutes of Higher Learning, professional boards and development agencies such as the Housing and Development Board and Land Transport Authority to create a framework to raise the competencies of construction professionals.

19   MOF will continue to raise capabilities of public officers in the area of procurement through training and certification programmes.   MOF has conducted procurement milestone programmes in partnership with the CSC and built up strong communities of practice.   In addition, since April 2018, the Defence Science and Technology Agency (DSTA) and the Singapore University of Social Sciences have implemented a joint procurement professional certification programme for public officers. All new public procurement officers are also required to go through core training covering the essential elements of public procurement. Existing procurement officers are to review their competency gaps with their supervisors and attend relevant training as part of continual professional development. The Committee would like to emphasise that it is important for procurement officers to keep themselves abreast with the latest procurement developments and practices.

20   On the management of grants, MOF informed the Committee that a cross-agency Grants Management Review Team led by MOF and the Accountant-General's Department (AGD) has completed a review to strengthen grants governance and management. The recommendations covered the need to provide central guidance on grants governance, better coordination among agencies, enhance risk assessment and management, and strengthen capabilities in grants administration. MOF will put in place a more comprehensive set of rules to provide central guidance, and targets to effect these rules by the first half of 2020. MOF and AGD will also set up and lead a Grants Governance Council to oversee the implementation of the recommendations of the review team. Public sector agencies with similar types of grants will be brought together to form sectoral clusters in the Council. This will allow agencies with similar types of grants to work together to develop further rules or good practices that are appropriate to their type of grants.

Smart Nation and Digital Government Group

21   Given the speed at which the public sector was implementing new IT systems, the Committee was concerned over the repeated audit observations on weaknesses in IT controls across several public agencies. The Committee also noted that many of the operating system (OS) administrators with access to sensitive data and privileged user accounts were IT vendor staff. Consequently, the Committee was concerned that there is a risk of agencies not detecting unauthorised access or unauthorised activities that could

compromise the integrity and confidentiality of data in their IT systems. In this regard, the Committee sought written explanations from the Smart Nation and Digital Government Group (SNDGG). In addition, the Committee called upon the Permanent Secretary (Smart Nation and Digital Government) for a hearing on 31 October 2019 to seek further clarifications.

22   SNDGG informed the Committee that the logging and review of privileged users' activities were largely done manually. Human intervention was relied upon to assess the event logs which can be voluminous. In the management of user access rights, there was a lack of robust standard operating procedures for IT teams to identify officers' job movements or role changes and a lack of coordination between the IT teams and HR departments which were typically more familiar with staff movements. This had resulted in the lack of timely reviews of user access rights. Thus, while there were clear rules spelling out requirements for logging, privileged user activities review and user access rights management, the largely manual and resource-intensive processes were prone to human error and resulted in non-compliance to the stated requirements.

23   To address the weaknesses, SNDGG is working with agencies to undertake deeper changes at the technical, process and people levels to address the systemic causes behind the audit findings.

1) *Technical Measures*

24   SNDGG will introduce tools to automate IT tasks which would help to address the IT lapses.

25   <u>Log Review of Privileged User Activities</u>: SNDGG will build a system to pull and analyse the log data from all agencies so that any unexpected user behaviour detected will automatically trigger a notification to the relevant agency for follow-up. SNDGG will start with critical systems and target to cover the critical systems by December 2022. In this regard, the Committee is of the view that it would be useful for the system to continually evolve to incorporate elements of learning into the system such that the system becomes smarter in picking up new anomalies over time to get better insights.

26   <u>Management of User Access Rights</u>: SNDGG will develop a solution to automate the removal of user accounts and access rights once the HR records are updated when a user leaves an agency. This will be completed for critical systems by December 2023. In the interim, SNDGG has developed a system to alert agencies when officers leave their agencies.

27   <u>Modernise Government ICT Architecture</u>: SNDGG will continue to enhance the Government Tech Stack which consists of standard digital components that are inter-operable. The adoption of common tools and standards will reduce bugs and raise the quality, reliability and security of IT services.

2) Leadership and Accountability

28   Start from the Top: From 4Q 2019, designated officers shall be required to report all key cybersecurity and data issues directly to the Head of Agency. To further strengthen management oversight, SNDGG has been tabling the WOG ICT Governance Report to Cabinet annually since 2018.

29   Define ICT Leadership Roles: Every Ministry family has appointed an officer at the Deputy Secretary-level to drive the Ministry's technology and digitalisation plans. This will ensure that ICT issues, including governance issues, from the Ministry headquarters, departments and statutory boards, are regularly surfaced to the ministry's top management for deliberation.

30   Strengthen Audit Process: SNDGG will build a technical system by October 2020 to support IT governance. The system will utilise audit and incident data to predict potential governance risks in ICT systems so as to allow checks and audits to be more effective and targeted.

31   Improve ICT Policies: SNDGG has embarked on a comprehensive re-write of the Government Instruction Manual 8 (IM8) that will clearly spell out: (a) the policies and intent; (b) the standards required to meet the policy intent; and (c) the guidelines that may be adopted to meet such intent. This emphasises the outcomes and will encourage system owners to focus on the outcomes of the intended policy and think through how it can be achieved. Benchmarking will also be done against leading industry and government technology policies and standards to identify areas where ICT management could be further strengthened. SNDGG is targeting to complete the IM8 re-write by 3Q 2020. Given the importance of IT security and governance, the Committee stressed the need for the IM8 revisions to be rolled out as soon as feasible for full implementation by the agencies.

3) Raise Awareness of Importance of ICT Governance

32   IT Security Awareness Programme: SNDGG has since 2019 mandated all public officers to complete an IT security awareness course annually by 31 December each year or within three months of joining for new officers, so that they are aware of emerging cyber threats and cybersecurity measures. This is supplemented by an annual Cyber Safe Cyber Ready Conference to enhance cyber awareness within the public service and regular cyber exercises to sharpen the IT security incident response of public sector agencies.

33   IM8 Foundation Programme: Since 2010, SNDGG has worked with the CSC to offer IM8 foundation programmes twice a year to public officers to familiarise them with the Government's ICT management policies and the intended outcomes. With the IM8 re-write, SNDGG is in the midst of working with CSC to refresh the course content.

34   IT Governance Newsletter: Since October 2018, SNDGG has sent a monthly IT Governance and Cybersecurity newsletter to designated officers within each agency to raise awareness on governance and cybersecurity across the public sector.

35   In response to the Committee's questions at the hearing on 31 October 2019, SNDGG said that there are two groups that require more attention, namely smaller agencies which typically have difficulty in recruiting staff with IT expertise and IT vendors. Hence, SNDGG will help the small agencies in particular and will also look into the area of third party management.

36   The Committee also asked SNDGG about its strategies to enhance IT security across the Government in the longer term. SNDGG said that it will focus on the following:

     a.   Continue to work on raising the level of cybersecurity and data security awareness of all public sector officers to the desired level.

     b.   Elevate the decision-making authority for certain cybersecurity and data security issues to the Senior Management-level of the agencies so that there is accountability and ownership of these issues.

     c.   Strengthen cybersecurity and data security of IT systems that are on Cloud, including building up expertise in this area within the public sector.

37   Next, the Committee asked SNDGG about the consequences if agencies or individuals failed to comply with the IT policies and guidelines in place. SNDGG replied that at the agency-level, KPIs for cybersecurity and data security will be built into the agency's corporate KPIs. At the individual-level, if an officer was found to be negligent in carrying out his duties, he could be disciplined under the public sector disciplinary framework.

38   The Committee's enquiries into specific observations are discussed in paragraphs 39 to 120.

A. Weaknesses in IT Controls

39   The Committee noted several observations in the Report of the Auditor-General relating to weaknesses in IT controls. In this regard, the Committee sought written explanations from the Ministry of Defence (MINDEF), the Ministry of Education (MOE), the Ministry of Finance (MOF), the Ministry of Manpower (MOM) and the Ministry of Culture, Community and Youth (MCCY). There is a need for agencies to effectively implement the fundamental changes to the IT security framework that were detailed to the Committee by SNDGG.

MINDEF – IT Vendors Granted Unrestricted Read-access to Personnel and Payroll Information

40   The Committee noted that access granted to IT vendor staff to read personnel and payroll information in the Enterprise Human Resource (E-HR) system was not on a strict needs-only basis. This included access to 73 information types for which MINDEF required controlled access to be in place. The Committee also noted that there was no review of the log records of access by the IT vendor staff to the 73 information types.

41   In response to the Committee's enquiries, MINDEF said that it had since July 2019 assigned access rights to the IT vendor staff based on the individual's job scope.   It had also, since May 2019, conducted weekly log reviews of access made by IT vendor staff. Based on its checks on past access made by IT vendor staff since 2014, MINDEF found that there was no unauthorised or excessive access.

42   MINDEF had also introduced a fortnightly review meeting since May 2019 to centralise the review and approval of all E-HR review reports, accounts and log reviews.

MOE – No Review of System Administrators' Activities

43   The Committee noted that MOE did not review the activities performed by system administrators in the CONNECT Plan system since the upgraded system was implemented in August 2013. MOE also did not investigate and follow-up on several failed attempts to remove a user account that was no longer needed.

44   In response to the Committee's enquiries, MOE replied that the absence of reviews of activities performed by the system administrators stemmed from an inadequate understanding of IT security policies. MOE had since strengthened its processes and internal controls to ensure that activity logs are reviewed on a monthly basis. MOE had also started to conduct regular training for all system owners, system administrators and their supervisors to provide stronger guidance on adherence to IT security measures.

45   On the failure to investigate the failed attempts to remove the user account, MOE explained that the failed attempts were not picked up by the unit in charge due to the absence of a monthly review on system administrators' activities. MOE had since reviewed all logs of activities performed by the system administrators since August 2013 and was satisfied that there were no security breaches or unauthorised activities.

46   The Committee noted that the Accountant-General's Department (AGD) did not conduct any review of the system audit tables, which were partially turned on to capture selected critical system activities, to detect unauthorised activities performed using the shared privileged accounts in NFS@Gov. The Committee was concerned over the weaknesses found given that NFS@Gov is the Government's core accounting and financial system.

47   In response to the Committee's enquiries, MOF explained that it was a carefully considered decision by AGD not to rely on audit logging as the primary control and monitoring mechanism in NFS@Gov due to the inherent technology platform design of NFS@Gov. AGD therefore adopted a risk-based approach and put in place a robust set of process controls to govern the use of privileged accounts in NFS@Gov.

48   MOF informed the Committee that AGD had implemented further refinements to strengthen the controls by extending the system audit logging to cover all controls-related configuration setup activities in November 2019. In addition, the privileged accounts will be split into different sub-accounts with more limited system access that are confined to the more frequently used access required by AGD staff to perform their central system administration roles. There will also be specific exception control reports generated after every use of the privileged accounts that will capture any potential unauthorised transactions processed using the privileged accounts.

49   MOF also informed the Committee that AGD conducts reviews on NFS@Gov frequently (i.e. once every one to two years) in view of the system criticality of NFS@Gov.

MOF (Customs) – Weak Controls over Privileged User Accounts and Monitoring of Privileged Users' Activities

50   The Committee noted the observations relating to weak controls over the most privileged operating system (OS) user account and no logging of database (DB) administrator's activities in the eCustoms system, and no review of privileged user activities in the TradeNet system. The Committee further noted that most of these privileged users were IT vendor staff.

51   In response to the Committee's enquiries, MOF said that password authentication had been activated since April 2019 for the use of the most privileged account. Customs had also instituted a process for the OS administrator who was an IT vendor staff to seek approval from Customs prior to the use of the account. The logging for all activities performed using the most privileged account has been fully enabled since July 2019.

52   MOF also informed the Committee that logging of DB administrator's activities was selectively enabled for the eCustoms system to balance the mitigation of security risks versus system performance. Since April 2019, Customs had enabled the logging of DB administrators' activities for the database servers, and had implemented a Data Activity Monitoring solution for the database servers in eCustoms system in October 2019.

53   For the TradeNet system, MOF acknowledged that it was a lapse on Customs' part in not reviewing the privileged user activities to guard against unauthorised changes. Since April 2019, Customs has instituted a process for the privileged user activity logs in TradeNet to be reviewed by the System Owner on a monthly basis. The review findings would be collated centrally and tabled at the Customs' ICT and Digitalisation Steering Committee (IDSC).

54   MOF also informed the Committee that the extent of logging and reviews needed for user accounts had taken into consideration the security controls in place for the respective systems, and the logging and period to review would commensurate with the system security classification and sensitivity of the information in the systems. For the TradeNet and eCustoms systems, audit on the logs review were incorporated into the annual IT Security audit scope carried out by an independent third party. The review findings will be collated centrally and tabled at Customs' IDSC on a regular basis.

MOM – Weak Controls over Activities Carried Out in IT Systems

55   The Committee noted that MOM had not been reviewing changes made to its Security Incident and Event Management (SIEM) system since its implementation in January 2016. The SIEM system collects activity logs from MOM's systems, including the Work Permit and Employment/S Pass systems, and generates security alerts on possible security violations and breaches for review.

56   The Committee also noted that MOM had not reviewed the activities performed by its OS administrators using the most privileged operating system (OS) user account on MOM's Work Permit and Employment/S Pass systems since June 2011. In fact, an external IT consultant had highlighted this issue to MOM in July 2017 and MOM had then indicated that it targeted to remediate the finding by October 2017.

57   MOM explained that prior to the AGO audit, MOM had not prioritised the review of changes made to the SIEM system as it was of the view that the risk of SIEM Administrators, who were independent from the OS and database administrators, effecting material changes on the Work Permit and Employment/S systems was low. Subsequent to the AGO audit, MOM had in March 2019 strengthened its measures such as upgrading the SIEM system to a version with better logging capabilities, implementing dual-password control on SIEM Administrators' accounts, and setting up the process to review SIEM Administrators' activities.

58   As for the failure to review the activities performed by the OS administrators using the most privileged OS user account, MOM explained that arising from the external audit in 2017, MOM had implemented additional logging on OS administrator activities. However, its project officer had closed the audit issue without realising that the additional OS administrators' activities had not been reviewed. The officer had been counselled on the lack of diligence in follow-up. MOM also informed the Committee that such lapses would be taken into account during the performance appraisal of officers involved in the log review process.

59   MOM also explained that it had been aware since July 2018 that the scope of review did not include privileged OS user account. MOM had placed higher priority on the database administrators' activities, as it was of the view that there was higher risk of database administrators making unauthorised changes to the data. Since March 2019, MOM has started log reviews of OS administrators' activities on a monthly basis. Log review results are reported at the monthly IT Security Committee meetings and IT Management meeting as well as the ICT Digitalisation Steering Committee co-chaired by MOM's Deputy Secretaries. MOM had also reiterated the importance of ownership and accountability to system owners to ensure that its officers understand the importance of log reviews.

60   MOM had also conducted a detailed review of the scope and resources required to review the activity logs, and has progressively beefed up resources to enlarge the coverage of reviews. It is adding new review automation tools and fine-tuning existing ones for more targeted detection of unauthorised activities.

B.   Lapses in Procurement and Contract Management

61   The Committee noted several observations in the Report of the Auditor-General relating to lapses in procurement and contract management. In this regard, the Committee sought written explanations from the Ministry of Culture, Community and Youth (MCCY) and the Ministry of Social and Family Development (MSF). In addition, the Committee called upon the Permanent Secretary (Culture, Community and Youth) for a hearing on 31 October 2019 for oral clarifications. The Committee emphasised the need to strengthen the process and leadership accountability of procurement and contract management.

MCCY – Weaknesses in Financial Governance of the National Gallery Development Project

62   The Committee noted that there were waivers of contractual provisions with significant financial implications granted by the National Gallery Singapore (NGS), a company limited by guarantee (CLG), without due scrutiny by MCCY, its supervising Ministry. The Committee also noted that the monitoring mechanism put in place by MCCY for the National Gallery development project was not adequate to ensure that waivers of contractual provisions with significant financial implications were highlighted for its attention on a timely basis.

63   In response to the Committee's enquiries, MCCY said that while the funding agreement between MCCY and NGS on the National Gallery Development Project did not require NGS to follow the Government Instruction Manuals, it did stipulate that NGS shall adopt Government procurement principles of open and fair competition, transparency and value-for-money, and that NGS was to establish a system of corporate governance to oversee and manage the project. The expectation was that the contractual waiver processes, including approving authorities and financial limits, would be laid out under the NGS project governance framework.

64   MCCY acknowledged that there were improvements needed in its oversight of NGS and that there were lapses in the documentation on how NGS had made the decisions to waive the contractual provisions involving $13 million. MCCY explained that it had looked at the overall deliverables met by NGS, which were to complete the project on time and within budget. MCCY was also satisfied that there was no fraud. MCCY has completed its fifth and final audit on the project and will be reviewing the CLG governance framework. MCCY has forwarded to the Committee a copy of the final audit report dated 2 January 2020 that was submitted to its Audit Committee. The Committee noted the findings of the audit report and expects MCCY leadership to follow through on the audit recommendations and necessary actions.

65   The Committee is of the view that the financial governance of NGS should be strengthened. For example, the governance framework should make clear who the approving authority is for decisions involving significant financial sums. The Committee also felt that there could have been stronger and more effective oversight by MCCY. While MCCY explained that it had oversight of the construction project, the Committee noted that MCCY's focus was to ensure the construction project was completed on time and was within the approved budget. The Committee's view is that the Ministry's oversight should have included areas with significant financial implications such as contract variations and waivers of contractual provisions as these decisions have an impact on the final amount of public funds spent on the project.

66   In this regard, the Committee would like to stress the point that the issue is not just about spending within the budget but also whether the project could have cost less, given the significant amount of public funds involved. The Committee is of the view that the lack of a robust financial governance framework for the NGS project put the project at a higher risk of poor management and fraud. While MCCY had not uncovered any fraud, this should not be taken for granted.

MCCY – Inadequate Oversight in Management of Contract Variations for the National Gallery Development Project

67   The Committee noted that there were a significant number of lapses in the approvals for contract variations and asked MCCY for the reasons for the lapses and measures that had been taken or would be taken to strengthen the administration and approval process to effectively address the lapses and prevent recurrence of similar lapses.

68   MCCY informed the Committee that under NGS' operating procedures, there was no requirement for approvals to be sought for increases in variation costs as long as the final payments were made after certification that works had been done, and that the approved procurement value of the contract was not exceeded. MCCY explained that for some cases, verbal approval was obtained from the approving authorities prior to commencement of work. However, the formal approvals were only documented after works had commenced. There were also instances where approvals were obtained from the incorrect approving authority as the team which handled the contract was not well trained on procurement procedures.

69   MCCY and NGS recognised that the system and processes could be strengthened and better aligned to industry best practices. MCCY informed the Committee that since April 2018, NGS has implemented an e-procurement system which ensures that variations are approved by the approving authority before a purchase order can be issued. NGS had also revised its procurement policy to disallow verbal approvals. NGS will be conducting regular internal audits to ensure that lapses do not recur.

70   The Committee noted that the amounts involved were not small (142 contract variations totalling $12.40 million). The large number of lapses indicated that there was no proper system in place to ensure that the contract variations were duly considered and approved, and properly documented. The Committee is of the view that good governance should not be compromised for the sake of administrative expediency. Contract variations should not be allowed simply on the basis that the works had been carried out.

MCCY (MUIS) – Lapses in Evaluation of Tenders and Quotations

71   The Committee noted that the procurement lapses reported by AGO on the Majlis Ugama Islam Singapura (MUIS) included: not establishing evaluation sub-criteria and scoring methodology before the close of tenders/quotations, evaluation of proposals not done according to the published evaluation criteria and errors in the evaluation scores.

72   MCCY informed the Committee that MUIS has taken or would be taking the following measures to address the lapses:

a.   MUIS will conduct regular procurement training for staff, which is now mandatory for all new officers.

b.   MUIS has engaged Vital Shared Services to vet its procurement transactions.

c.   Chairman of the Evaluation Committee will be pegged to the procurement value, and would be no less than an Assistant Director-level. MUIS has also engaged a consultant to review its procurement standard operating procedures (SOPs) and manuals to enhance and improve overall processes.

d.   MUIS has enhanced its processes by expanding the use of evaluation scoring rubrics for all types of procurement.

MSF (NCSS) – Lapses in Procurement

73   The Committee noted that the lapses in tenders called by National Council of Social Services (NCSS) included: accepting tender documents after the tender had closed, no proper evaluation of a tender where a single bid was received and this was from the incumbent vendor, and errors in computation of evaluation scores.

74   MSF informed the Committee that NCSS staff have since been reminded not to request for key documents from tenderers after the tender closing date, and that the evaluation should only be based on documents that had been submitted by the close of tender. NCSS has incorporated this requirement into its staff manual and will use its half-yearly procurement and finance briefings/updates to ensure that the lesson will not be lost with staff turnover. Members of Tender Boards have also been reminded to exercise greater scrutiny for tenders with single bids. In addition, NCSS had updated its SOP to require tender evaluation committees to evaluate all items stipulated in the tender documents, and to include details of the evaluation by submitting the working paper in the tender approval paper.

MSF (NCSS) – Partial Sponsorship Not Solicited in a Fair Manner

75   The Committee noted that for the production of a short video, NCSS had approached one vendor to solicit partial sponsorship in the form of a discount. This vendor was eventually awarded the contract. The Committee asked MSF the reasons for approaching only one vendor and the measures that had been taken or would be taken to address this lapse.

76   MSF informed the Committee that NCSS had misinterpreted the waiver by MOF for partial sponsorship to mean that there was no need to approach other vendors for partial sponsorship and that the vendor which had provided a partial sponsorship could be awarded the contract.

77   NCSS would be mindful and exercise greater openness and transparency in making procurement-related sponsorship decisions. Where relevant procurement criteria can be satisfied, NCSS will consider adopting the direct contracting sourcing process.

C.   Gaps in Management of Social Grant Programmes

78   The Committee noted the observations in the Report of the Auditor-General relating to gaps in the management of Social Grant Programmes. In this regard, the Committee sought written explanations from the Ministry of Health (MOH) and the Ministry of Social and Family Development (MSF). The Committee also called upon the Permanent Secretary (Health) for a hearing on 31 October 2019 to better understand how the Ministry manages its social grant programmes and the Ministry's policies and practices on disbursements from MediFund (discussed in paragraphs 108 to 113).

MOH – Thematic Audit of Social Grant Programmes

79   The Committee noted that MOH manages a significant amount of social grants and works with a large number of Voluntary Welfare Organisations (VWOs) and intermediaries on a wide variety of programmes. The Committee asked MOH on the governance structure in place to manage grant programmes, whether processes could be simplified to reduce burden on the VWOs without compromising controls, how the Ministry would ensure clear communication of roles and responsibilities with VWOs and grant administrators and what enhancements would be made to IT systems to address weaknesses and prevent recurrence of similar lapses. The Committee also asked the Ministry whether it had engaged the VWOs on the proposed measures, and what support the Ministry could render the VWOs.

80   MOH informed the Committee that its governance structure for grant management is organised into three lines of assurance:

    a.   First line – MOH Service Divisions

    b.   Second line – Risk Management Unit

    c.   Third line – Internal Audit Unit which reports to the Audit Committees chaired by Permanent Secretary (Health)

81   Within the governance structure, there is Senior Management oversight and MOH is making efforts to strengthen all three lines of assurance. For example, where appropriate, MOH will centralise grant management within the bigger MOH Service Divisions. This should benefit the smaller Divisions where officers handle grants management and processing on an infrequent basis. The Risk Management Unit, formed in April 2018, supports Divisions in capability building in grant design and management. In September 2019, a new MOH Grant Framework was issued to enhance and formalise MOH's policies, procedures and practices at the different grant stages. The framework spells out more clearly the roles and responsibilities of different parties. The Internal Audit Unit has also enhanced the rigour of its audit approach, planning and coordination. For example, the Unit has started leveraging data analytics to expand beyond sample-based audit testing, and bundled audits on the same VWO across schemes to reduce audit touchpoints.

82   MOH assured the Committee that in working with the VWOs, its philosophy is to find a balance between assurance and controls, as well as to maintain a manageable

administrative and compliance load for both VWOs and MOH staff. MOH will also embark on specific efforts to help VWOs simplify their work, reduce their administrative burden and also raise their capabilities. The measures include:

a. Developed a standard funding agreement template in July 2019, to improve consistency and efficiency in the funding approval process across MOH divisions, thereby reducing the burden on VWOs which previously had to vet different terms and conditions.

b. Simplified the processes for renewal of grants. VWOs which fulfil grant conditions and pass regular service audits and licensing inspections will continue to be eligible for funding for mainstream services. For other programmes and services which require time-bound approvals and renewals, MOH will be more systematic in planning for sufficient lead time to ensure that funding approval and funding agreements are put in place in time.

c. Developing a core set of grant disbursement data fields and key performance indicators (KPIs) that would apply to most schemes.

d. Simplifying the KPIs and document submissions required from VWOs. MOH would highlight to VWOs the KPIs and document submissions that are required to meet funding conditions versus those that are for MOH's monitoring and data analysis. This will provide clarity and ensure that scheme objectives are met.

e. Regularly reviewing the service requirements of various schemes to ensure that they reflect key components essential for safety and service delivery.

83   MOH would be making further enhancements to its existing IT systems to improve grant controls. These include interfaces to administrative data to validate clients' eligibility for subsidies, and electronic submission and archival of grant documents for monitoring, both of which will be completed by September 2020. The Agency for Integrated Care (AIC), which administers several of MOH's grant schemes, has started upgrading its Grant Management System with greater automation of its grant processes.

84   MOH would also assess the feasibility of similar IT enablement for other schemes that currently have no IT administration system. In the longer term, MOH would assess the suitability of government grant management IT systems to automate the administration of MOH grants over the different stages of the grant life-cycle.

85   On engagement with VWOs, MOH assured the Committee that it engages VWOs regularly in the forms of consultations and briefings. During these briefings, MOH will gather feedback on areas where VWOs require more help. Following the AGO audit, learning points from the audit were shared with VWOs. In addition, MOH had briefed VWOs on the new measures implemented to ensure that they are clear on their roles and responsibilities (e.g. standard funding agreement templates). MOH is exploring mandatory training for VWO staff on MOH's subvention rules and guidelines. Permanent Secretary (Health) had also written to Chairman of VWOs to ask VWOs to highlight any concerns they might have to MOH. The AIC will help the VWOs build their capabilities in the form of skills training, leadership development and IT-enablement.

MOH – Inadequate Checks on Grant Disbursements and Inadequate Checks on Subvention Claims for Overlapping Service Types

86   The Committee asked MOH about the outcome of the follow-up on 2,669 patient records and 70 patients with overlapping services, including the amounts over-disbursed or under-disbursed. The Committee also asked MOH for the reasons for the over-disbursements and under-disbursements, and measures to prevent recurrence of similar lapses.

87   MOH informed the Committee that, as at 31 December 2019, it has verified 2,386 out of the 2,669 patient records. Of the 2,386 records reviewed, 1,597 had errors. The errors comprised 1,021 over-disbursements ($0.63 million) and 576 under-disbursements ($0.50 million). The main types of errors were as follows:

   a.   Claims for Deceased Recipients – The majority of such cases were for patients on home palliative care, where VWOs had misinterpreted the duration(s) of service covered by MOH's subvention. In August 2019, MOH informed the relevant VWOs to cease this erroneous practice. The remaining cases involved VWOs providing meals delivery service where the VWOs may not be aware that their clients had passed away. MOH would emphasise to providers the need to adhere to the service requirements of checking in with clients on a regular basis. MOH is also working with the relevant government agency to obtain regular updates on death data.

   b.   Use of Outdated Means-test Status or Wrong Citizenship Information by VWOs – The claims submission included some manual processes which were prone to human error. To address these issues, MOH would be implementing IT system enhancements to build controls upfront into the system for more accurate demise, means-tested and citizenship information. MOH targets to implement the proposed IT enhancements by September 2020. In the interim, MOH will implement data analytics as part of the disbursement workflow by March 2020. This will allow MOH to flag out anomalies for investigation.

   c.   Over-disbursement due to Disallowed Overlaps in Services – MOH had issued a circular to all MOH-funded Intermediate & Long-term Care providers in December 2019 to provide clarity on the services which cannot be used concurrently. MOH also targets to put in place system enhancements by March 2020 to disallow claims for service pairs which cannot be used concurrently.

88   The 1,597 erroneous cases comprised 1,021 cases of over-disbursements and 576 under-disbursements. For the over-disbursements, MOH would recover the relevant amounts from VWOs. As for the under-disbursements, MOH would reimburse clients through VWOs. MOH aimed to complete all verifications by January 2020 and all funding rectifications by March 2020.

MOH – Lapses in Monitoring of Requirements in Funding Agreements

89   With regard to the lapses in monitoring of Programme-VWOs, the Committee asked MOH for the reasons for the lack of regular reviews of documents submitted by VWOs, and the measures to ensure that documents stipulated to be submitted to MOH are reviewed regularly.

90   MOH informed the Committee that it would tighten its checks. For example, it would check to ensure that audit opinions by external auditors are unqualified upon receipt of the audited financial statements. MOH would also review reasons for any qualifications and assess whether there are reasons for concern before further subvention disbursements. MOH would also use fee schedules to perform checks on VWOs' fee increases for services which are subjected to fee controls, and introduce standard submission templates to facilitate these checks. For lapses involving its grant administrator, MOH will strengthen the oversight and monitoring processes by:

a.   Establishing clear roles and responsibilities for the monitoring process with the appointed administrator and documenting them in the funding agreement.

b.   Having clearly written SOPs for scheme administration, including the extent of checks and follow-up on documents submitted.

c.   Conducting checks and commissioning compliance audits on scheme administration to ensure that the appointed administrator adheres to the agreed monitoring process and documentation requirements.

91   To instil discipline in the submission of documents by providers, MOH would also introduce a penalty framework where it might withhold a portion of the subvention to providers if the submission of documents is incomplete. MOH targets to implement this by the next annual submission cycle in June 2020. In addition, MOH has planned IT system enhancements that would enable electronic submission and archival of grant documents, including audited financial statements and fee schedules.

92   MOH acknowledged the importance of monitoring the timely submission of required documents. However, MOH explained that there could be occasions where the Divisions realised that certain requirements were overly onerous and decided to waive the requirements after assessing that there was no impact to grant disbursements and achievement of scheme objectives. Going forward, the new MOH Grant Framework formalised the requirement for written approval to be obtained for any deviations in grant requirements from the appropriate approval authority.

93   The Committee noted that MSF manages a significant amount of social grants and works with a large number of VWOs on a wide variety of programmes. The Committee asked MSF on whether processes could be simplified to reduce burden on the VWOs without compromising controls, how the Ministry would ensure clear communication of roles and responsibilities with VWOs and grant administrators and what enhancements would be made to IT systems to address weaknesses and prevent recurrence of similar lapses.

94   MSF informed the Committee that starting FY 2019, for programmes co-funded by MSF and ComChest and/or Tote Board Social Service Fund (TBSSF), VWOs would submit the proposals to MSF (instead of MSF and NCSS separately), and MSF would seek NCSS's concurrence on the VWOs selected to operate the programme. NCSS also revised its internal processes to allow VWOs to apply for funding throughout the year, instead of quarterly grant call windows. This reduced the administrative burden and shortened the waiting period for funding without reducing the rigour of the assessment process.

95   In addition, the requirement for VWOs to submit annual audited statement of accounts to MSF was removed for programmes funded on a reimbursement basis or when funding quantum was below $250,000 per annum because these were deemed to be of a lower risk. In such cases, VWOs would only have to submit their certified annual financial report.

96   On the measures to ensure clarity of roles and responsibilities of all parties involved in the grant administration, MSF had issued an internal circular in June 2019 to all MSF divisions, providing a guide on the different steps and parties involved in the programme development and management life-cycle. The roles and responsibilities of both MSF and VWOs, the funding amount, service and reporting requirements and KPIs for VWOs are clearly set out in the funding agreement signed between MSF and the VWO.

97   MSF also explained that it had implemented a common Grant Administration Framework in July 2018 across all programmes receiving upfront recurrent disbursements to strengthen controls on disbursement. Since March 2019, MSF had introduced a set of guidelines governing the selection and reappointment of VWOs, which states that all aspects of the programme would need to be reviewed at least once every five years to ensure that funding models for programmes remain relevant.

98   On the technology front, MSF will be implementing a Contract Management System by FY 2020 to replace the manual tracking of start and expiry dates of programmes so that sufficient lead-time is set aside for staff to seek approval for funding and signing of the agreements.

99   MSF also planned to develop a "Social Service Grant Management" platform as a single platform for VWOs to access, apply/renew and track social service grants provided by grantors. This would reduce the manual administrative reports that were maintained by the VWOs, as well as enable automated reporting and grant payment computations and disbursement. Controls would be built into the system to ensure integrity and accuracy of the funding disbursed to the VWOs.

100   The Committee asked MSF on the outcome of the follow-up on 2,487 case recordings which had indications that they were not eligible for funding, including the total amount that was over-disbursed.

101   MSF informed the Committee that of the 2,487 case recordings, it had verified 332 cases, of which 210 case recordings had hardcopy documentation that qualified them for funding. The amount of overfunding arising from the 332 case recordings checked was about $168,000. The total number of and the overpaid amount for ineligible cases could only be ascertained after the audit of the remaining 2,155 case recordings are completed by January 2020. MSF will then recover the overpaid amounts from the VWOs within one month thereafter.

102   MSF also informed the Committee that it has been working on enhancements to the system to tighten controls. For example, in August 2019, system enhancements were made to prevent blank case recordings and future dating of case recordings.

D.   Irregularities Noted in Quotation Documents

MND (URA) – Irregularities Noted in Quotations

103   The Committee sought written explanation from the Ministry of National Development (MND) on irregularities noted in the Urban Redevelopment Authority's quotation documents submitted by its contractor. The Committee noted that the case had been reported to the police and asked MND on the interim measures that the Urban Redevelopment Authority (URA) was taking to ensure that similar issues do not arise for other projects.

104   To prevent the recurrence of similar lapses, URA has carried out a review to strengthen its contract management process and implemented the following measures:

    a.   Imposed requirements for consultants to submit the basis and method used to derive all cost estimates at the Request for Variation Order stage to URA.

    b.   Established clear SOPs for officers to scrutinise quotations and related documents submitted to URA by its appointed consultants or contractors to ensure that there are no irregularities.

    c.   Enhanced the documentation process of assessment done by the consultants.

    d.   Conducted independent checks where there was doubt on the authenticity of the quotations received.

    e.   Enhanced guidelines for staff on managing contracts.

    f.   Conducted regular briefings to step up the level of staff proficiency on Government procurement rules and procedures.

    g.   In-house sharing by its internal auditors to train and sensitise procurement and contract management officers on the detection of irregularities.

    h.   All contracts for construction-related projects will be managed by staff who have the requisite expertise and experience.

    i.   Conducted regular spot checks on contract management by URA's auditors.

E.   Other Lapses

105   The Committee also sought written explanation from the following Ministries:

    a.   Ministry of Defence (MINDEF)

    b.   Ministry of Health (MOH)

    c.   Ministry of Culture, Community and Youth (MCCY)

    d.   Ministry of Finance (MOF)

MINDEF – Lapses in Processing of Flying Allowances

106   The Committee noted that AGO had uncovered erroneous payments of flying allowances to 14 pilots.

107   MINDEF informed the Committee that it had determined that the erroneous payments were due to individual errors and these were not systemic across the Republic of Singapore Air Force. MINDEF acknowledged that the current manual method of payment processing of flying allowances was susceptible to human errors. MINDEF will be automating the payment processing and will build eligibility criteria and computational rules into the system such that the system will compute the flying requirements and flag out pilots who did not meet the flying requirements. This process will reduce the manual checks performed by HR officers. The system will be completed by September 2020.

MOH – MediFund Assistance Not Computed in Accordance with MediFund Manual

108   On the management and disbursement of MediFund assistance, the Committee noted that a restructured hospital (RH) did not compute MediFund assistance for recipients who chose to stay in class B2 wards, in accordance with the guidelines in the MediFund manual issued by MOH. As a result, the RH granted higher MediFund assistance than what was provided for in the MediFund manual. The Committee also noted that MOH had been aware since 2015 of the different approaches used in computing MediFund assistance across public healthcare institutions which would result in the inconsistent treatment of MediFund recipients. MOH had informed AGO that it will not be recovering from the RH or other public healthcare institutions the difference in MediFund assistance granted to recipients as the guidelines in the MediFund manual were for reference and not strict adherence.

109   The Committee asked MOH for the circumstances under which public healthcare institutions are allowed to deviate from the MediFund manual, the reasons for MOH not taking action earlier even though it had been aware since 2015 of the different approaches used and the estimated difference (in dollar value) between the amount of MediFund assistance granted to class B2 ward bills for all public healthcare institutions which had used a different computation method from that stated in the MediFund manual. The Committee also asked MOH the reasons for not recovering the difference in MediFund assistance from the public healthcare institutions.

1) Guidelines in MediFund Manual

110   MOH explained that a small number of guidelines in the MediFund manual were meant for strict compliance, and the other guidelines were for reference. This was to ensure some level of consistency in workflows and approaches across different hospitals. MediFund Committees and institutions were permitted to deviate from these guidelines, in line with the discretionary nature of MediFund. MOH acknowledged that the guideline on computation method for MediFund assistance was unclear and ambiguous. Due to the unclear guidelines, some hospitals had adopted a different computation method resulting in a higher amount of assistance for some patients than what the method had intended.

2) Reasons why Action not Taken Earlier

111   MOH explained that in 2015, MOH had told the hospitals that MOH would review the computation method and update the hospitals subsequently. However, MOH staff then did not clearly communicate to the hospitals that the computation method used by some of the hospitals was erroneous, and that hospitals should use the intended computation method by a specific deadline. In 2018, MOH decided that the intended computation method was the correct approach which all hospitals should align to, and received feedback that changing the computation method would require major changes to their IT systems and would be disruptive to operations. Hence, MOH decided to address the issue via the new National Electronic Medical Social Worker system. MOH has started to deploy the new system to hospitals. The system should be fully implemented by early 2020. The intended computation method in the MediFund manual has been incorporated in the new system and will be applied by default.

3) Estimated Difference in Assistance Provided

112   MOH informed the Committee that based on an extrapolation to other institutions which adopted a similar computation approach, the estimated difference in assistance quantum could be up to $2.10 million in FY 2017 for B2 ward bills. Operationally, it was challenging for MOH and the public hospitals to compute the exact difference as the number of patients and their corresponding bill sizes differ across time and institutions. A manual computation would be required for each individual bill to accurately determine the exact difference.

4) Reasons why MOH is not Recovering the Difference in MediFund Assistance from the Hospitals

113   MOH explained that it would not be appropriate to recover the difference from the hospitals retrospectively, because MOH had not been clear in its communications on the computation method that should be used.

MCCY (MUIS) – Haj Administration Fees Relating to Deceased Applicants Not Refunded in a Timely Manner

114   The Committee noted that the observation on Haj administration fees not being refunded to the estate of deceased applicants in a timely manner was similar to an AGO observation in FY 2012/13. The Committee asked MCCY the measures that had been taken to address this lapse after AGO had highlighted this previously and why these measures were not effective in preventing the recurrence of the lapse. The Committee also requested details of measures that would be taken to ensure that there is timely follow-up on the refund of Haj administration fees.

115   MCCY informed the Committee that since 2012, MUIS would initiate a refund when MUIS is notified of the death of a Haj applicant by a family member. MUIS would also check on the applicant's status when his/her allocated Haj year is due. If the checks established that the applicant had passed away, MUIS would refund the fee to the estate of the deceased applicant. However, a refund would not be initiated if the deceased applicant was not due to travel on the Haj and MUIS was not informed of the death.

116   MCCY said that MUIS had since implemented half-yearly review of all Haj applicants to proactively identify deceased Haj applicants for refund. MUIS will also work with the relevant government agencies to receive up-to-date data on deceased Muslims to facilitate this review.

MOF (Tote Board) – Lapses in Administration of Grants

117   The Committee noted that there were lapses in monitoring the submission of documents and recovery of unutilised grants from grant recipients by Singapore Totalisator Board (Tote Board), and inadequate follow-up with grant recipients on the status of their claims.

118   On the reasons for the lapses, MOF explained that in general, Tote Board's practice has been for grant recipients to initiate submission of the necessary documents in accordance with the terms and conditions set, make the necessary claims from Tote Board, or close off the case. Many of the grant recipients have not been timely in their submissions of documents and claims.

119   On measures that were taken or would be taken by Tote Board, MOF informed the Committee that the measures Tote Board had completed, started, or would embark on are as follows:

    a.   Completed all disbursements and closed 6 cases where the grant tranches have ended and would actively follow-up on the remaining 13 cases, some of which are still ongoing.

    b.   For the two cases with unutilised grants, Tote Board had fully recovered the unutilised grants in one case and expects to do so for the other by March 2020.

c.   Put in place an escalation process to ensure timely monitoring of project status and fund utilisation, and prompt recovery of unutilised funds.

d.   Review key business rules and processes to be more grant recipient-centric, as well as reviewing the Terms and Conditions to be more risk-based.

e.   Develop a new grant management system together with GovTech, targeted to be completed by 2021, to better manage the grant management workflow and serve grant recipients.

120   MOF also informed the Committee that it has emphasised the importance of timely submissions and proper governance of public funds, including Tote Board's funds, to senior public service leaders as the majority of Tote Board's grants were disbursed to ministries and statutory boards. MOF has also developed a reference guide to assist agencies in developing control procedures with a risk-based approach to ensure greater accountability and efficiency in grant administration. Going forward, MOF would work with Tote Board to review its grant processes and incorporate best practices from other agencies.

MINUTES OF PROCEEDINGS

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10th Meeting
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Wednesday, 14 August 2019

10.30 a.m.
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PRESENT:

Ms Jessica Tan Soon Neo (*in the Chair*)
Mr Ang Hin Kee
Mr Liang Eng Hwa
Dr Lim Wee Kiak
Mr Leon Perera
Ms Tin Pei Ling
Mr Zainal Bin Sapari

ABSENT:

Mr Ang Wei Neng
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1. The Committee considered the Report of the Auditor-General for the Financial Year 2018/19 (Paper Cmd. 21 of 2019).

2. The Committee deliberated.

3. The Committee examined findings contained in the Auditor-General's report and agreed to write to the Ministry of Culture, Community and Youth, Ministry of Defence, Ministry of Education, Ministry of Finance, Ministry of Health, Ministry of Manpower, Ministry of National Development, Ministry of Social and Family Development and the Prime Minister's Office to submit memoranda on matters raised. The Committee also agreed that the Permanent Secretaries of the Ministry of Culture, Community and Youth, Ministry of Finance, Ministry of Health and Smart Nation and Digital Government Office be invited to give oral evidence at the next meeting.

4. The Committee agreed to write to the Ministry of Culture, Community and Youth, Ministry of Defence, Ministry of Education, Ministry of Finance, Ministry of Home Affairs, Ministry of Trade and Industry and the Prime Minister's Office for updates on matters mentioned in their memoranda submitted to the Committee in 2018, which were in relation to the findings contained in the Auditor-General's report for Financial Year 2017/18 (Paper Cmd. 16 of 2018).

Adjourned to 23 October 2019.

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11th Meeting
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Wednesday, 23 October 2019

10.30 a.m.
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PRESENT:

Ms Jessica Tan Soon Neo (*in the Chair*)
Mr Liang Eng Hwa
Dr Lim Wee Kiak
Mr Leon Perera
Mr Zainal Bin Sapari

ABSENT:

Mr Ang Hin Kee
Mr Ang Wei Neng
Ms Tin Pei Ling

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1.   The Committee considered the memoranda received from the Ministry of Culture, Community and Youth, Ministry of Defence, Ministry of Education, Ministry of Finance, Ministry of Health, Ministry of Manpower, Ministry of National Development, Ministry of Social and Family Development and the Prime Minister's Office.

2.   The Committee deliberated.

3.   The Committee agreed to write to the Ministry of Manpower to submit further memorandum on matters raised.

Adjourned to 31 October 2019.

MINUTES OF PROCEEDINGS

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12th Meeting
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Thursday, 31 October 2019

10.30 a.m.

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PRESENT:

Ms Jessica Tan Soon Neo (*in the Chair*)
Mr Ang Hin Kee
Mr Ang Wei Neng
Mr Liang Eng Hwa
Dr Lim Wee Kiak
Mr Leon Perera
Ms Tin Pei Ling
Mr Zainal Bin Sapari

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1.   The following officials were examined on matters contained in the memoranda:

Ministry of Culture, Community and Youth
(i)   Ms Tan Gee Keow, Permanent Secretary
(ii)   Mrs Rosa Daniel, Deputy Secretary (Culture)
(iii)   Mr Kelvin Yeo Suan Kok, Head (Audit)
(iv)   Ms Patricia Lim Mui Mui, Assistant Director (National Gallery of Singapore)

Ministry of Finance
(i)   Mrs Tan Ching Yee, Permanent Secretary
(ii)   Mr Chia Ser Huei, Director, Resource Management
(iii)   Ms Poh Lai Khim, Divisional Director Information and Technology Division / Chief Digital Information Officer (ACRA)
(iv)   Mr Ow Fook Chuen, Accountant-General (AGD)
(v)   Mr Ho Chee Pong, Director-General (Singapore Customs)
(vi)   Mr Fong Yong Kian, Chief Executive (Tote Board)

Ministry of Health
(i)   Mr Chan Heng Kee, Permanent Secretary
(ii) Mr Chan Beng Seng, Group Director (Healthcare Finance / Subvention)
(iii) Ms Betty Tan, Director (Financial Resource Management)
(iv) Mr Cham Dao Song, Director (Finance Policy)
(v)   Mr Titus Lee, Director (Aged Care Services)
(vi) Ms Low Li-Xian Lavinia Claire, Director (Manpower Planning & Strategy)
(vii) Mr Chern Siang Jye, Group Chief (Agency for Integrated Care)

Prime Minister's Office, Smart Nation and Digital Government Office
(i)   Mr Ng Chee Khern, Permanent Secretary
(ii) Mr Tan Kok Yam, Deputy Secretary
(iii) Mr Chan Cheow Hoe, Government Chief Digital Technology Officer
(iv) Mr Kok Ping Soon, Chief Executive (GovTech)
(v)   Mr Tan Eng Pheng, Assistant Chief Executive, Services (GovTech)
(vi) Mr Ng Chun Kiam, Director, Performance & Portfolio (GovTech)

Adjourned to 13 November 2019.

MINUTES OF PROCEEDINGS

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13th Meeting

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Wednesday, 13 November 2019

10.30 a.m.

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PRESENT:

Ms Jessica Tan Soon Neo (*in the Chair*)
Mr Ang Hin Kee
Mr Liang Eng Hwa
Dr Lim Wee Kiak
Mr Leon Perera
Ms Tin Pei Ling

ABSENT:

Mr Ang Wei Neng
Mr Zainal Bin Sapari

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1. The Committee considered the memorandum received from the Ministry of Manpower.

2. The Committee deliberated and considered the Chairman's draft report.

Adjourned to 9 January 2020.

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14th Meeting

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Thursday, 9 January 2020

10.30 a.m.

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PRESENT:

Ms Jessica Tan Soon Neo (*in the Chair*)
Mr Ang Hin Kee
Mr Ang Wei Neng
Mr Liang Eng Hwa
Dr Lim Wee Kiak
Mr Leon Perera
Ms Tin Pei Ling
Mr Zainal Bin Sapari

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1.   The Committee considered the further replies received from the Ministry of Culture, Community and Youth, Ministry of Finance, Ministry of Health, Ministry of Manpower and the Prime Minister's Office.

2.   The Committee deliberated.

Report

3.   The Chairman's report brought up and read the first time,

4.   Resolved, "That the Chairman's report be read a second time paragraph by paragraph.".

5.   Paragraphs 1 to 120 inclusive read and agreed to.

6.   Resolved, "That this report be the report of the Committee to Parliament.".

7.   Agreed that the Chairman do present the Report to Parliament when copies are available for distribution to Members of Parliament.

Adjourned sine die.