

Report of the Auditor-General

for the Financial Year 2022/23

Audits Carried Out

Financial Statements Audits

Checking of accounts to give an audit opinion on the annual Financial Statements

Unmodified audit opinions were issued on:

- **Government Financial Statements** (incorporating accounts of all 16 ministries and 8 organs of state)
- **Financial Statements** of 3 statutory boards, 4 Govt-owned companies and 2 other accounts

Selective Audits

Checking of selected activities and operations for financial irregularity and to ascertain whether there has been excess, extravagance or gross inefficiency leading to waste, and whether measures to prevent them are in place

- **Selective audits** were carried out on 4 statutory boards and 4 Government funds

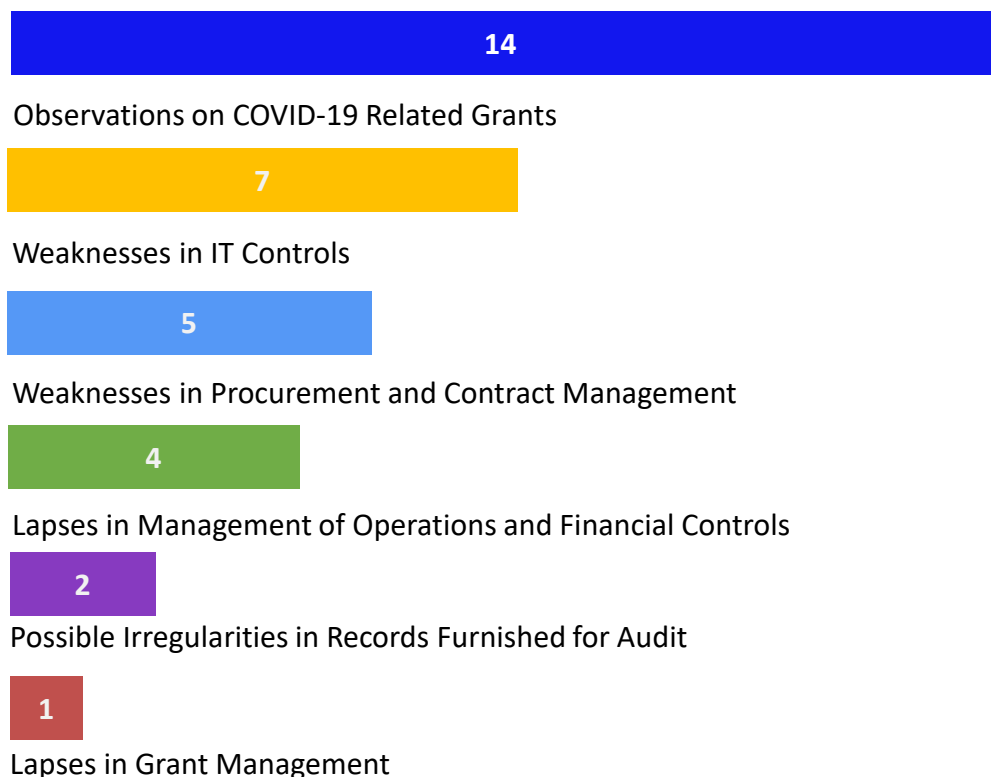
Thematic Audits

In-depth examination of a selected area to report on good practices and lapses

- **Thematic audit** was conducted on selected COVID-19 related grants managed by IRAS and STB

Summary

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**SIGNIFICANT
AUDIT
OBSERVATIONS**



Thematic Audit



COVID-19 Related Grants

- Audit covered 4 grant schemes:
 - IRAS: Jobs Support Scheme (JSS), Rental Relief Framework (Rental Cash Grant) (RCG), Rental Support Scheme (RSS)
 - STB: SingapoRediscovered Vouchers (SRV) scheme
- Total expenditure subjected to AGO's audit was \$31.69 billion, covering the period from 1 January 2020 to 30 June 2022
- Audit sought to assess whether processes and controls were in place across the following 5 stages:

Stage

01

Grant Design and Setup

- For all 4 schemes, grant eligibility criteria and operational requirements were properly laid down in legislation/other documents, contracts/agreements were entered into with external administrators, and scheme owner (MOF)'s approval was obtained for funding
- Areas for improvement:
 - Inadequate documentation of key considerations and decisions on risk assessments and trade-offs during JSS design stage
 - Terms and conditions that give Government legal right to recover erroneous payouts from entities were not communicated upfront when JSS was implemented

Stage

02

Grant Evaluation and Approval

- IRAS and STB established clear roles and responsibilities for various parties involved in scheme administration
- Both agencies automated assessments of eligibility and computation of grant quantum, leveraging on IT systems and data to reduce human error and expedite disbursement
- Areas for improvement:
 - Qualifying period and eligibility assessment for automatic grant allotment for JSS, RCG and RSS were not fully in accordance with requirements stated in legislation/implementation documents
 - No segregation of roles between the evaluator and approver for decisions on eligible merchants/products for SRV scheme

Thematic Audit

Stage

03

Grant Disbursement

- IRAS and STB generally had processes and controls in place to ensure that disbursements were properly supported and approved, and disbursed in an accurate and timely manner
- IRAS ran analytics to flag out potential gaming cases for JSS
- STB had proper segregation of roles between verifying officer and approving officer for payments
- Areas for improvement:
 - IRAS could have implemented version change control mechanisms for scripts used for JSS anti-gaming checks, and could have better documented assessments and approval of risk scenarios
 - STB could have conducted post-disbursement checks to detect cases of fraudulent declarations/redemptions

Stage

04

Grant Monitoring and Review

- IRAS and STB provided regular updates to their supervising ministries and the WOG Budget Implementation Committee on progress of the schemes
- Areas for improvement:
 - MOF could improve on oversight of recovery of JSS payouts
 - STB did not follow up with merchants that did not submit required reports/documents

Stage

05

Cessation of Grant

- At the time of AGO's audit, MOF and IRAS were in the process of planning for the closure of JSS
- For RCG, RSS and SRV, processes were put in place for their closure

Thematic Audit



Good Practices

- **IRAS:** Developed anti-gaming framework and implemented checks to detect and deter potential gaming of JSS. Controls implemented to ensure correct grant allotments and disbursements such as pre-disbursement audits on grant allotments. Developed a property tenant-occupier network model to facilitate automatic grant disbursements for RCG and RSS.
- **STB:** Made use of GovTech's system to log all successful SRV redemptions using SingPass, to authenticate and validate transactions during reimbursement process. Implemented a whistleblowing channel to obtain feedback on possible abuse. Conducted audits on Authorised Booking Partners' compliance with requirements.

Key Messages

Rapid Implementation of Grant Schemes in a Crisis or Emergency

1

Identify and document key risks involved.

Important to establish and document the risk appetite and risk assessments early in the planning stage. Clear articulation of key risks, including mitigating measures and acceptable level of risks, would ensure a common understanding of key risks and help agencies make informed decisions during scheme administration.

2

Maintain proper governance of scripts and datasets.

Agencies tapped on their data analytics capabilities to help administer large volumes of disbursements. Scripts and datasets were updated along the way as grant support was adjusted during the evolving COVID-19 situation. Important to put in place version control mechanisms and ensure proper authorisation for changes made to scripts and datasets.

3

Improve the level of documentation and communication of key matters.

Important to document scheme eligibility criteria and rules clearly so that all implementing agencies use the same criteria. Terms and conditions should also be explicitly articulated to protect the Government's interest. For greater accountability and transparency, agencies should ensure sufficient documentation of key decisions.

Other Audit Observations



IT Controls

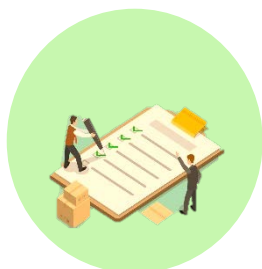
- Misconfigurations in security software gave administrators (IT vendor personnel) full access privileges to the OS, which were not required for their daily duties (PSD and STB)
- Sharing of the most privileged DB account by 5 administrators (IT vendor personnel) resulted in lack of traceability of the individual who performed the activity. The privileged account was also accessed numerous times by other users who did not require such access (STB)
- Weaknesses in review of privileged activities. Reviews either not performed, performed but not properly documented or ineffective due to insufficient information in review logs (PSD and STB)

Other Audit Observations



Procurement & Contract Management

- Lapses in MCI's second WOG Period Contract and Framework Agreement (WOG PCFA) for communications campaigns. MCI appointed 5 tenderers to the panel of vendors despite them not meeting evaluation criteria
- MINDEF did not use the correct index to compute annual cost adjustments of services under a vehicle maintenance contract. This resulted in total overpayment of approximately \$0.48 million
- Lapses in tender evaluation and award at PA. This included determining evaluation sub-criteria and scoring methodology only after tenders had closed; scores given by tender evaluation committee could not be substantiated or were incorrectly assessed; and contracts awarded to debarred contractors
- Inadequate monitoring by SFA to ensure that its managing agents had fulfilled contractual obligations for facilities and tenancy management before payments were made



Operations Management & Financial Controls

- Lapses in operations management at PA, including:
 - Inappropriate money management practices for welfare assistance schemes where significant sums were transferred to the personal bank accounts of a few staff for cash distribution at festive events and for reimbursing hawkers/merchants under a voucher assistance scheme
 - No formal agreements entered into with external service partners
- Lapses also noted in audits of MINDEF and State Courts



Possible Irregularities

- Possible irregularities in quotations submitted for star rate items (State Courts) and ad-hoc minor works (SFA)
- Both agencies have since made Police reports



Grant Management

- Lapses in CAAS' management of a COVID-19 grant scheme. Over-disbursed \$1 million due to inadequate checks on claims made by companies

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