

PRESS RELEASE

FOURTH REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

1 The Public Accounts Committee presented its fourth report to Parliament on 18 January 2024. The Committee considered the Report of the Auditor-General for the Financial Year 2022/23 (the Report) and discussed broader issues which could impact spending, financial governance and controls in the public sector arising from this report and which pertained to (a) Maintaining integrity and public trust in the public sector; (b) Risk management; and (c) Digitalisation, specifically in (i) resiliency of the Government IT infrastructure and (ii) service delivery.

2 In the course of its enquiry, the Committee held four meetings and considered memoranda from various Ministries and public agencies including:

- (a) Ministry of Communications and Information
- (b) Ministry of Culture, Community and Youth
- (c) Ministry of Defence
- (d) Ministry of Finance
- (e) Ministry of Sustainability and the Environment
- (f) Ministry of Trade and Industry
- (g) Ministry of Transport
- (h) Public Service Division (Prime Minister's Office)
- (i) Smart Nation and Digital Government Office (Prime Minister's Office)
- (j) State Courts (Judicature)

The Committee also convened hearings and heard oral representations by the Permanent Secretaries from the Ministry of Finance (MOF), the Ministry of Culture, Community and Youth (MCCY) and the Public Service Division (Prime Minister's Office) on matters contained in the Report and on the abovementioned issues.

3 The Fourth Report of the Public Accounts Committee [Parl. 20 of 2024] is attached.

4 Ms Foo Mee Har, the Chairman of the Committee said, "It is imperative for the Public Service to persistently uphold standards and integrity to sustain high public trust. We must have zero tolerance for corruption at all levels of the Public Service. To maintain Singapore's strong track record of incorruptibility, it is crucial that the Government ensures governance frameworks are effectively communicated and diligently implemented across the Public Service. Rigorous enforcement is not just our duty; it is a cornerstone of our continued success and public confidence."

5 The Committee reviewed the two-part audit by the Auditor-General's Office on COVID-19 expenditure, which scrutinised \$33.20 billion out of the \$72.30 billion spent. The audit did not uncover major lapses. Given the substantial spending under extenuating circumstances and a fluid crisis situation, the Committee acknowledged and commended the overall effectiveness of the risk management processes in place.

6 The Committee recognised the MOF's continuous efforts in enhancing the risk management capabilities across the public sector, with 90% of agencies having implemented or are in the process of implementing baseline Enterprise Risk Management frameworks by 2024.

7 Further, the Committee also noted that the common areas of concern across public sector include data loss, IT system failures, challenges in talent attraction and retention, as well as macroeconomic risks. Therefore, to prepare the public sector for significant risk events that require a whole-of-government approach, the Committee urged the establishment of a high-level oversight mechanism to address risks that require a centralised response.

8 Ms Foo added, “While digital transformation has brought many positive benefits, the Government must continue to prioritise investments in expertise. This is crucial to guard against cybersecurity threats, data security vulnerabilities, and counterparty risks. As we increasingly utilise artificial intelligence (AI), a pre-emptive focus on AI-related risks and a robust governance strategy must be accelerated. Managing IT-related risks and ensuring resiliency in IT systems are paramount for the public sector. This approach is key to maintaining the momentum of our digital transformation journey.”.

9 The Committee agreed with PSD on the principle of “digital-first but not digital-only”. Ground feedback indicated that many seniors find digital transactions challenging as Government services move increasingly online.

10 Ms Foo said “Even as we go digital, it is imperative not to overlook the significance of tangible, human assistance. Not everyone is comfortable with online services. Our objective should be to guarantee that every member of our community receives the necessary assistance to transact with the Government in a manner most suited to their needs and comfort.”.

11 The Committee urged the Government to take swift action to expand the number and reach of physical ServiceSG centres. It is also essential to clearly communicate the availability and locations of in-person services. This approach would significantly aid those less confident in digital interactions. Additionally, there is a pressing need to institutionalise upstream processes that strengthen protections against scams, particularly for users who are less IT-savvy.

12 On the lapses and weaknesses observed in the Report, the Committee would like agencies to establish the underlying root cause of the lapse so that effective action plans can be implemented to prevent recurrence.

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