

PRESS RELEASE

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

1 The Public Accounts Committee presented its first report of the 14th Parliament to Parliament on 8 February 2021. The Committee considered the Report of the Auditor-General for the Financial Year 2019/2020 and discussed broader issues, in relation to financial controls and governance in the public sector arising from this report and which pertained to (a) Risk Management; (b) Government's Response to COVID-19 Pandemic; and (c) Future Risks.

2 In the course of its enquiry, the Committee held four meetings and considered two sets of memorandums from the following Ministries:

- (a) Ministry of Communications and Information
- (b) Ministry of Education
- (c) Ministry of Finance
- (d) Ministry of Manpower
- (e) Ministry of Trade and Industry
- (f) Smart Nation and Digital Government Office (Prime Minister's Office)

The Committee also invited senior officials from the Ministry of Finance and the Ministry of Manpower to make oral representations on matters contained in the Report of the Auditor-General for the Financial Year 2019/2020 and on the abovementioned issues.

3 The [First Report](#) of the Public Accounts Committee [Parl 3 of 2021] is attached.

4 Ms Foo Mee Har, the Chairman of the Committee said, "The Public Accounts Committee of the 14th Parliament had convened in an extraordinary time, with unprecedented government expenditure incurred in the fight against the COVID-19 pandemic. The Committee expressed the need to maintain proper controls, governance and accountability over the use of public funds even as the Government acted swiftly to the evolving pandemic situation. The Committee queried the activation of Emergency Procurement at the Whole of Government (WOG) level and stressed the importance of subjecting key COVID-19 expenditure to ex-post analytics and audit checks. Importantly, the COVID-19 support measures must reach targeted groups, especially vulnerable groups such as low-wage workers and self-employed persons, who have been significantly affected by the pandemic.

The Government will face major constraints in its fiscal and manpower position given the weaker economic growth prospects coupled with tax revenue pressures. The Committee noted the need to reallocate resources to create space for new priorities and review expenditure for which assumptions may have fundamentally changed to ensure optimal reallocation of resources.

The Committee is concerned about the heightened risks brought about by disruptions caused by the COVID-19 pandemic and noted the roll out of the Enterprise Risk Management (ERM) framework at WOG level to strengthen risk management and culture across public sector agencies. It is important that the ERM framework is implemented consistently on the ground to ensure that new and emerging risks in the operating environment are captured and adequately addressed, as well as to allow the

public sector to be cognisant of trade-offs between controls and the flexibility needed to enable innovation and nimbleness.

The Committee was particularly concerned about new risks and areas of vulnerability arising from an acceleration of Government digital transformation. Given the higher incidence of cyber attacks globally, the Committee noted the ongoing efforts to strengthen IT governance, data security, cybersecurity as well as human capital. While automation is central to addressing persistent IT lapses, automation alone is not sufficient without the accompanied agencies' leadership attention and third party IT vendors' compliance.

One future risk that concerned the Committee was how the COVID-19 pandemic increased the risk of structural unemployment. The Committee was reassured that the Government is preparing a re-think of future strategies to address this issue.”

Office of the Clerk of Parliament
8 February 2021
