

PRESS RELEASE

THIRD REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

1 The Public Accounts Committee presented its third report to Parliament on 18 January 2023. The Committee deliberated on the observations in the Report of the Auditor-General for the Financial Year 2021/22 (the Report) and discussed issues relating to grants management and in COVID-19 related procurement and expenditure. The Committee also discussed broader issues which could impact spending, financial governance and controls in the public sector arising from this report and which pertained to (a) COVID-19 expenditure; (b) Adapting from crisis (COVID-19) to new normal; and (c) Dealing with disruptions/Ensuring resilience.

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 Defence
- (c) Ministry of Education
- (d) Ministry of Finance
- (e) Ministry of Health
- (f) Ministry of Home Affairs
- (g) Ministry of Law
- (h) Ministry of Manpower
- (i) Ministry of Social and Family Development
- (j) Ministry of Sustainability and the Environment

The Committee also convened hearings and called upon the Permanent Secretaries from the Ministry of Education (MOE), Ministry of Finance (MOF) and the Public Service Division (PSD) to make oral representations on matters contained in the Report and on the abovementioned issues.

3 The Third Report of the Public Accounts Committee [Parl. 16 of 2023] is attached.

4 Ms Foo Mee Har, the Chairman of the Committee said, “It is important that the Government conducts a comprehensive review on the \$72.3 billion COVID-19 expenditure spent in financial years 2020 and 2021 that was not covered in AGO’s audits. Given that the Government’s COVID-19 operations were unprecedented in intensity, complexity and scale, checks should be conducted to ensure transactions were bona fide and that there was no erroneous payment. The relevant agencies should follow up to rectify any errors uncovered during their internal reviews and audits, and take steps to report and recover any loss of public monies. Emergency Procurement procedures should be reviewed to ensure that control measures are appropriate for future emergencies.

5 The Government should ensure the transition from COVID-19 pandemic to a new normal be calibrated carefully to ensure public service delivery standards do not drop below pre-pandemic levels, given the public sector’s new hybrid work arrangements and push for digital delivery of public services. Government services

should continue to be easily accessible to all segments of the public, especially those who are less digitally-savvy, including our seniors. The Committee welcomes the establishment of ServiceSG Centres located islandwide to support Government service delivery and investment in training to raise capability of the Government's service workforce.

6 In addition to disruptions to global supply chains caused by COVID-19, the Committee highlighted that there are other significant trends taking place such as geopolitical tension, rising inflation and rising interest rates. While the Committee agrees with MOF that the market would in general provide an adequate level of resilience, there would be certain instances where the Government should continue to support efforts by companies to build greater resilience across the supply chain. The Government should also be prepared to intervene when market forces fail.

7 On AGO's observation on laxity in enforcement of outstanding Skills Development Levy (SDL) collection, the Committee noted that SkillsFuture Singapore Agency (SSG) carried out a comprehensive review of the governance process and is progressively contacting over 100,000 employers with the aim to completing reconciliation and seeking recovery by end March 2023.

8. The Committee enquired about the strategic goals of SSG and called on the Government to ensure the right amount of funding is deployed with corresponding KPIs to develop a future-ready workforce and facilitate lifelong employability. The Committee acknowledges the Government's focus on upskilling our workforce but emphasises the need to ensure effective deployment of skills development funds integrated with the Industry Transformation Maps to achieve the desired outcomes.

9 On the weaknesses observed in the Report, agencies must identify the root causes so that appropriate actions can be taken to address the control weaknesses and ensure that the lapses do not recur. The Committee noted the Whole-of-Government initiatives to build capabilities and competencies in common areas such as grant disbursements. Agencies also have training roadmaps customised to meet the needs of their officers. While policy design is important, policy implementation is just as critical. Agencies must ensure that they have the right level of resourcing, both in terms of quantity and quality, for systems, people and technology, to achieve the agencies' mandate and objectives."

Office of the Clerk of Parliament
18 January 2023
