

PRESS RELEASE

FIFTH REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

1 The Public Accounts Committee presented its fifth report to Parliament on 21 January 2025. The Committee deliberated on the observations in the Report of the Auditor-General for the Financial Year 2023/24 (the Report) and discussed issues relating to weaknesses in (a) procurement and contract management; and (b) management of parenthood support grants at the Ministry of Social and Family Development (MSF) and Early Childhood Development Agency (ECDA). 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) Grant management; (b) Social spending on seniors; and (c) Resiliency and recoverability of Government data, IT systems and digital services.

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

- (a) Ministry of Culture, Community and Youth
- (b) Ministry of Education
- (c) Ministry of Finance
- (d) Ministry of Health
- (e) Ministry of Home Affairs
- (f) Ministry of National Development
- (g) Ministry of Social and Family Development
- (h) Ministry of Trade and Industry
- (i) Smart Nation Group (Ministry of Digital Development and Information)

The Committee also convened hearings and heard oral representations by the Permanent Secretaries from the Ministry of Finance (MOF), the Ministry of Health (MOH) and the Smart Nation Group (SNG) of Ministry of Digital Development and Information on matters contained in the Report and on the abovementioned issues.

3 The Fifth Report of the Public Accounts Committee [Parl. 22 of 2025] is attached.

4 Ms Foo Mee Har, the Chairman of the Committee said, “*Regarding procurement and contract management, agencies must be held accountable for ensuring that the outcomes stated in contracts are delivered. They must exercise the utmost diligence in monitoring progress to ensure that all requirements are met before making payments for works or services.*

It is critical for agencies to adopt a Whole-of-Government approach to coordination and risk assessment when designing grant schemes. This ensures a balanced trade-off among speed of disbursement, controls, and costs. We note MOF’s assurance that the overall system is functioning well, with no systemic issues. Nevertheless, the Government should continue to strengthen grant administration and leverage data analytics and technology to enhance fraud detection capabilities.”

5 Given Singapore’s rapidly ageing population, the Committee noted that the Government has allocated substantial public funds—amounting to \$7.4 billion from FY2020 to FY2023—to enhance social support for seniors. While the longer-term effects will only become evident after a more extended period of implementation, the Committee noted several positive developments, including the enhancement of infrastructure for seniors, such as Active Ageing Centres, an increase in the employment rate for seniors aged 65-69, from 43.8% in 2018 to 48.3% in 2023, and about seven in 10 active Central Provident Fund (CPF) members were able to set aside the Basic Retirement Sum at the age of 55 in 2023, compared to about five in 10 a decade before.

6 The Committee urged the Government to continuously assess these schemes and programmes to ensure their relevance, effectiveness, and achievement of desired outcomes, as well as to ensure that funds are accurately disbursed and reach the intended recipients.

7 The Committee scrutinised the resiliency and recoverability of Government data, IT systems, and digital services. Ms. Foo stated, *'As Singapore advances in its digitalisation efforts, it is increasingly critical for Government data and ICT infrastructure to remain resilient against cyber-attacks and vulnerabilities. To ensure the rapid recovery of such infrastructure during disruptions, agencies must understand various ICT risks, including inter-dependency risks, and establish robust service recovery and business continuity plans.'*

All citizens, including those who are less digitally savvy, such as seniors, must continue to have access to in-person Government services. For those who require in-person support, the rollout of initiatives like ServiceSG centres and various Government agency service centres must align with the pace of digitalisation efforts. Most importantly, the Government must ensure the safety of its citizens in the digital world."

8 The Committee acknowledged SNG’s efforts in overseeing AI governance and promoting the adoption and use of AI across the public sector. It encouraged the public sector to leverage AI to enhance process efficiency and effectiveness while adhering to the AI governance framework.

9 On the lapses and weaknesses observed in the Report of the Auditor-General, Ms Foo said, *"It is important for agencies to examine and understand the underlying root causes so that effective action plans are developed and implemented to prevent recurrence. The Committee noted that there continues to be common lapses observed across different agencies. For such areas, it would be important for central agencies to consider the systemic improvements that should be implemented at the central level."*

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