

Guardians of the public coffers

Auditor-General Lim and team police the finances of every ministry and statutory board

By JUDITH TAN

THE Singapore Government Officers' Co-operative Housing Society was dissolved in 1979, more than 28 years ago.

To date, 136 former members have yet to be paid their dividends and accrued interest - \$141,700 in total.

This did not escape the attention of the Auditor-General's Office (AGO), which investigated the delay.

On June 16, the co-operative's liquidator, the Insolvency & Public Trustee's Office (IPTO), put up a notice in this newspaper to ask these former members to claim their dues.

To Auditor-General Lim Soo Ping, the country's accountability and anti-waste watchdog, 28 years is "a terribly long time" to wind up a co-op and redistribute its assets.

An IPTO spokesman explained that the delay arose because records of assets and liabilities were incomplete, and new information that kept popping up delayed closure of the case. Also, the 1,045 members had to be tracked down and the status of their payment of dues determined.

So far, 17 people have responded to the advertisement and collected their dues.

Auditors have come under the spotlight in recent years as financial policemen who check that company accounts are in order.

The focus on accountability, governance and transparency, whether among companies or in the charity sector, has buffed their role to a higher shine.

Mr Lim, 57, said when he tells people he is the Auditor-General, they would invariably ask about the

firm he is with.

His reply: "Singapore Inc."

He knows full well the stereotype of auditors as "bean counters".

Picking up and running with the metaphor, he quipped, using the Hokkien word for bean sprouts: "But how else do they find the *taugay* that have grown astray? And uncover the occasional beanstalk inhabited by a nasty giant?"

Far from being "bean counters", auditors help protect the beans and enhance their value, he said.

Every year, the Auditor-General's Office combs through the books of every ministry, and the statutory boards are audited in rotation. Those with huge procurement budgets are audited more often.

The 104 officers from the AGO would drop in on their clients to watch their operations, run audit software to check computerised records and go through complaints and feedback that the agency gets.

The team comprises not only accountants, but also engineers and quantity surveyors who carry out performance audits to ensure that public resources are used efficiently, economically and effectively.

Questions that they would ask include: Are public officers using their budgets as planned? Are they under-paying or over-paying for anything and collecting rent on time?

Simple questions, but they cover the whole gamut of services, from government chalets left idle to outdated human resource records or facilities like car-park barriers being installed but going unused.

In 2005, the AGO report included gems such as a mistaken Giro deduction of \$3,020 by the Ministry of Home Affairs and a \$437 jackpot over-payment by the Paya Lebar Air Base officers' mess.

This year, in its report released last month, the AGO took to task nine ministries and eight statutory boards.

In the report was a complaint by someone about the Central Provident Fund (CPF) Board taking more than a week to credit his "top-up" amount into his Re-

BEAN-COUNTING IS OUR BUSINESS

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Mr Lim, 57, responding to the stereotype of auditors as "bean counters"



Mr Lim and his team check that public resources are used efficiently, economically and effectively. ST PHOTO: FRANCIS ONG

tirement Account.

Mr Lim noted that the money had already been debited from the man's savings account and that the delay was depriving him of interest.

In this age of technology, he said, taking eight to 10 days to clear payments was unacceptable, especially when, last year alone, 8,839 cash and CPF top-ups amounted to \$68.95 million.

A CPF Board spokesman told The Straits Times that top-up transactions were processed manually because "it was not cost-effective to automate the process".

But the AGO's admonition seems to have prodded the CPF Board into doing something about this. It is now looking into automating the transaction to reduce processing time. The feasibility study is expected to be completed by October.

The AGO finds whistle-blowers useful in pinpointing trouble areas. In the last financial year, 20 of the 26 tip-offs received were investigated.

One whistle-blower, for example, alerted the AGO to the loss of a batch of new notebook computers at a school. The Education Ministry is now investigating.

Mr Lim said, however, that the AGO can only recommend to the relevant ministry to follow up on the matter; the law does not give it the bite to go beyond carrying out independent audits and reporting the findings, nor to establish that fraud has been committed.

If criminal activity is suspected, the AGO will recommend that the ministry take action to make it a police case.

The most recent such case was in April, against the Singapore Discovery Centre, which was handing out contracts for redevelopment.

Acting on a complaint, the AGO found that 14 contracts valued at \$15 million had gone to two related contractors in a period of nearly four years.

But there is such a thing as going too far in counting the pennies for the Government.

Mr Lim gave the example of an agency which, in trying to get more bids for a project, solicited offers

after the tender was closed. Such an action, while well intended, breaches the principles of fairness and transparency.

The flip side is blind compliance.

Mr Lim said that a government department once chalked up expenses of about \$300 to recover a few dollars in excess wages paid to a former employee.

The AGO has 15 ministries, 18 statutory boards and six Government-owned companies to look over each year, but Mr Lim thinks his office can cover still more ground.

The AGO can audit a statutory board only if the Act of that particular agency gives it the authority to do so.

This arrangement goes back decades, when there were fewer statutory boards. Some statutory boards formed in the 1970s or earlier still do not have such a provision in their Acts.

Thus, the AGO's authority over statutory boards is now provided for through 40 separate pieces of legislation, Mr Lim noted.

"Would it be better to have one umbrella legislation? We are studying the practices of other countries," he said, adding that, as major users of public funds, statutory boards were no less accountable than government departments.

The Audit Act will be reviewed and recommendations made to update it, he said.

A career civil servant whose last post was deputy secretary in the Ministry of Information, Communications and the Arts, Mr Lim had to retire from the Government Service to become Auditor-General last year.

The break from Government is designed "to ensure the independence of the office".

He reports to the President, and his salary is provided for as a "statutory expenditure" under the Constitution.

If his office audits government departments and statutory boards, who then looks at the AGO's expenditure?

The answer: A commercial auditor.
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LOOKING TO EXPAND AUDIT ACT

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Mr Lim on how the AGO's authority over statutory boards is currently provided for through 40 separate pieces of legislation