


Report of the Auditor-General

for the Financial Year 2024/25

Audits Carried Out




Financial Statements Audits

Checking of accounts to give an audit opinion on the annual Financial Statements

Unmodified audit opinions were issued on:

- Government Financial Statements** (incorporating accounts of all 16 ministries and 8 organs of state)
- Financial Statements** of 3 statutory boards, 4 Govt-owned companies and 2 other accounts




Selective Audits

Checking of selected activities and operations for financial irregularity and to ascertain whether:

- there has been excess, extravagance or gross inefficiency leading to waste
- measures to prevent them are in place

- Selective audits** were carried out on 6 statutory boards and 2 Government funds



Thematic Audits

In-depth examination of a selected area to report on good practices and lapses

- Thematic audit** was conducted on research and development grants managed by A*STAR and NRF

Summary

Total of 132 Audit Observations raised in AGO Management Letters

25 More **Significant** Audit Observations Highlighted in the Report of the Auditor-General:

9	7	3	2
Observations on R&D Grants	Lapses in Contract Management and Procurement	Lapses in Management of Operations	Possible Irregularities in Records Furnished for Audit
		2	1
		Lapses in Management of Revenue	Lapses in Management of Grants
			1
			Weaknesses in IT Controls

Audit Observations

Contract Management & Procurement

- HTX, PUB and MPA: Inadequate checks on goods delivered or services provided → inadequate assurance that payments were made for goods or services that complied with contractual requirements.
- NEA: Did not monitor partner's compliance with financial model requirements in a public-private partnership project → overpaid by \$0.53m, and would pay \$1.73m less for remaining contract period with the updating of the financial model.
- EDB and MPA: Tender evaluation not robust.
 - EDB did not clarify with a tenderer on a discrepancy between its bid price and supporting data submitted after close of tender. Awarded tender based on figure derived from supporting data that is higher than the bid price.
 - Two errors in MPA's evaluation scoring of a tender. One error could have affected the award → could have gone to another tenderer whose bid price was \$2.43 million lower.



Management of Revenue

- MFA: Did not track and account for visa application-related fees collected by Honorary Consuls-General and Honorary Consuls as Government revenue.
- MPA: Dumping and monitoring fees charged and concessions for 2 types of port dues granted not prescribed in law.



Management of Operations

- MOE: Relied on checks by Training Providers (TPs) and members to ensure that Post-Secondary Education Account (PSEA) withdrawals were used for approved purposes, and unutilised moneys refunded:
 - Instances of multiple withdrawals for same course or withdrawal amounts exceeding prescribed course fees at 1 TP. TP held on to the unutilised PSEA withdrawals for a long time instead of refunding members.
- IPTO: Moneys paid into Companies Liquidation Account by liquidators of companies undergoing compulsory winding up invested in fixed deposits, although not all liquidators had requested nor consented to it.



Management of Grants

- EDB: Administrative lapses and design weaknesses in the Singapore Global Network Funding Programme:
 - Inadequate assurance that funding eligibility criteria were met, and no requirement for declaration of conflict of interest (COI) for claims.



Audit Observations

IT Controls

- MOM: Weaknesses in management of most privileged operating system account of an application system.



Possible Irregularities

- PUB: Possible irregularities in quotations for star rate items and supporting documents submitted to AGO, including alterations to contractually required certificates.

OTHER AREAS FOR IMPROVEMENT



Common lapses and areas for improvement across Whole-of-Government:

- Tender evaluation not carried out in accordance with published criteria
- Lapses in management of privileged accounts in IT systems - ineffective reviews of activities, lack of segregation of duties and inappropriate access rights granted
- Opportunities for greater use of administrative data and data analytics to enhance effectiveness of checks

Thematic Audit



RESEARCH, INNOVATION AND ENTERPRISE 2025 - (R&D) GRANTS

- Audited selected funding initiatives (FIs) managed by A*STAR and NRF.
- Both agencies had in place key processes and controls across the various grant stages:
 - (i) Design and setup,
 - (ii) Evaluation and approval,
 - (iii) Disbursement,
 - (iv) Monitoring and review, and
 - (v) Cessation of grant.
- Several good practices in grant administration implemented by both agencies.
- Key observations are outlined by stages in the next page.



Thematic Audit

Stage 1

Grant Design and Setup

Processes in place to ensure FIs properly approved and in line with RIE 2025 objectives.

Stage 2

Grant Evaluation and Approval

- Processes in place to guide grant calls, evaluation and approval of research projects.
- ! For some projects in both agencies, approval not sought for deviation from RIE 2025 policy on funding of indirect costs.

Stage 3

Grant Disbursement

- Processes and procedures in place for checking and approving grant disbursements.
- ! For A*STAR, ineligible manpower costs funded. Fund Requisitions (FRs) that should have been selected for sampling checks were auto-approved.
- ! For NRF, inadequate segregation of duties by Host Institutions (HIs) in endorsing FRs. HIs' management, who were themselves Lead Principal Investigators (PIs) of the projects, endorsed the FRs → potential or perceived COI.

Stage 4

Grant Monitoring and Review

- Processes and procedures in place to ensure research projects managed according to relevant terms and conditions, and deliverables achieved.
- ! For A*STAR, instances where Executive Directors of HIs endorsed project progress reports which they themselves submitted as PIs → endorsement by the HI would not be independent.
- ! For NRF, addenda to Letters of Award not issued to an HI for projects where funding modality had changed from reimbursement basis to advance payment basis → risk of lack of clarity and potential disputes on specific financial obligations.

Stage 5

Cessation of Grant

Processes and controls in place to ensure that projects' deliverables and accounts finalised in a timely and accurate manner.

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