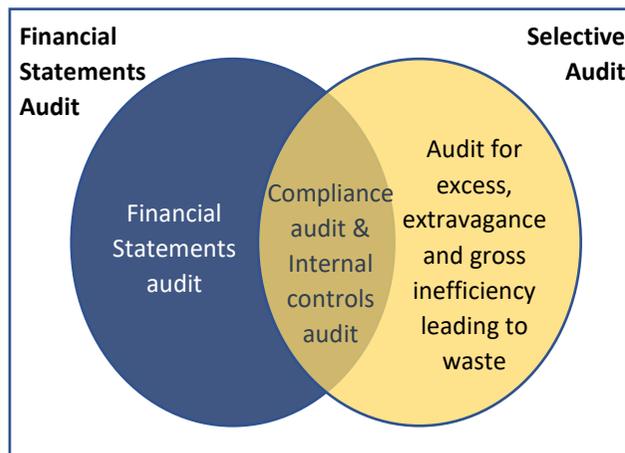


## Nature of Government audits

AGO's audits give assurance to the President and Parliament on the proper accounting, management and use of public resources. They serve to enhance public accountability and help strengthen the financial governance of public sector entities.

As the national auditor, AGO carries out financial statements audits and selective audits in relation to Government accounts:



In a typical financial statements audit performed by a commercial auditor, the auditor would ascertain whether financial accounting and reporting is properly done.

The Government auditor's role extends beyond the typical checks of financial accounts and records (financial statements audit).

The Government auditor would, in addition to checking for proper accounting and reporting, conduct checks on:

- Compliance with laws, policies, contracts and agreements, and administrative rules or instructions by the relevant public entities (i.e. compliance audit).
- Adequacy of internal control systems put in place to safeguard the entity's resources against waste, loss or misuse (i.e. internal controls audit).



## What are selective audits?

A selective audit involves the checking of selected activities and operations, carried out in relation to the accounts, to:

- Check for financial irregularity (apart from rendering an opinion on the financial statements); and
- Ascertain whether there has been excess, extravagance or gross inefficiency leading to waste, and whether measures to prevent them are in place.

This is in addition to checks typically carried out under compliance audit and internal controls audit.

Such an audit is not intended to render an opinion on the financial statements or draw any conclusion on the overall performance of the audited entity. It is also not intended to question management policy or judgement.



## How does AGO choose entities for selective audits?

AGO audits the accounts of Government ministries and organs of state annually. These audits are carried out as part of the audit of the Government Financial Statements, which incorporate the accounts of these entities. In the course of the audit, AGO may carry out test checks of internal controls of selected areas, including checks for financial irregularity, excess, extravagance, or gross inefficiency leading to waste in the use of funds and resources.

AGO also audits the financial statements of three statutory boards – the Accounting and Corporate Regulatory Authority, Inland Revenue Authority of Singapore and Monetary Authority of Singapore - annually. For the other statutory boards, their financial statements are audited by commercial auditors appointed in consultation with the Auditor-General where required by law.

AGO would conduct selective audits of statutory boards/funds in rotation, every five to seven years. This approach enables a wider and deeper audit coverage of statutory boards/funds beyond the audit of financial statements.

In addition to these scheduled audits, AGO may carry out checks on public sector entities arising from matters that come to AGO's attention through complaints, feedback or observations from past audits.



CNA Online, 16 July 2019

Singapore

### Auditor-General highlights weak IT controls, lapses in management of contracts and grants for social programmes

SINGAPORE: Several ministries and government agencies **have been flagged** by the Auditor-General for lapses in three areas - IT controls, contract management and the management of social grants.

These gaps were laid out in a report by the Auditor-General's Office (AGO) released on Tuesday (Jul 16), after its audit of government accounts for the financial year 2018/2019.

The audit covered all 16 government ministries and eight organs of state, four government funds, nine statutory boards, four government-owned companies and three other accounts.

Ministries and agencies singled out in the AGO report for lapses include the Ministry of Defence (MINDEF), the Ministry of Culture, Community and Youth (MCCY), Ministry of Health (MOH), Islamic Religious Council of Singapore (MUIS) and the Ministry of Social and Family Development (MSF).

In response to the report, the Ministry of Finance (MOF) said the Government "has accepted all the recommendations" and the agencies are "working on the necessary follow-up actions".

# Selective Audit



Auditor-General's Office  
Singapore