72. According to HDB's SOP, the consultant is required to submit supporting documents on star rate items to HDB for its checks. We requested supporting documents for the 9 VOs and found possible irregularities in documents provided for all the VOs. There were tell-tale signs that the documents furnished for audit could have been created or altered to give the false impression that the checks on star rate items were properly carried out at the material point in time. In particular, we noted that an HDB officer had asked the consultant to prepare documents which were not submitted to HDB previously, and to tidy up all discrepancies in the supporting documents. The created or altered documents were then submitted for audit.

73. We take a serious view of any furnishing of false information, as such actions impede audit work, call into question the authenticity of other documents provided for audit, and undermine the integrity of the audit process. The retrospective creation and alteration of documents raised questions on whether HDB's checks on star rate items were properly carried out.

74. HDB clarified that the officer had no ill intent to impede audit work. However, it acknowledged that making alterations to documents for the purpose of audit is a serious matter and it had reminded its staff on multiple occasions to submit documents as-is for audits. HDB would thus take appropriate disciplinary action against the staff responsible. It would also enhance its internal communication efforts for staff to understand the seriousness of the matter and use this as a case study to reinforce the need to submit documents as-is for audits.

URBAN REDEVELOPMENT AUTHORITY

75. For the audit of the Urban Redevelopment Authority (URA), we covered the following areas in our test checks:

a. Development control and enforcement;

b. Procurement and payment;

c. Car park operations and enforcement; and

d. Grant management.

The more significant observations from the audit are presented in the paragraphs below.

Application Fees Computed Differently from What is Set Out in the Rules

76. We test-checked fees charged by URA for applications for planning permission and conservation permission during the period 1 April 2022 to 31 March 2025. In instances when an application involved multiple development matters within the same site, we found that the fees charged were computed in a manner that differed from what is set out in the subsidiary legislation (Planning (Fees) Rules 2014). An example of such an application is the erection of a new building together with additions and alterations to an existing building. Based on URA's estimates, 791 applications were affected during this period, resulting in fees charged being $1.76 million lower than what should have been charged as set out in the Rules.

77. Under the Rules, applicants are to pay a fee for each applicable development matter where permission is sought. For applications involving multiple development matters within the same site, we noted that URA charged only for the development matter which attracted the highest applicable fee instead of the total fees for all applicable development matters. Based on legal advice, the latter approach should be adopted under the Rules.

78. URA takes the view that the Rules do not expressly provide for how the fees should be computed for a single application involving multiple development matters within the same site. URA informed us that its fees were charged on a cost recovery basis in accordance with its policy intent. When it received such an application, it assessed the multiple matters together, and charged a fee that corresponded to the most extensive matter involved. This approach ensured that the cost of the evaluation effort was appropriately covered while avoiding double-charging for overlapping aspects. It had been consistent in applying this charging approach since at least 2007.

79. Following the audit, URA informed us that the Ministry of National Development would amend the Rules to make clear the policy intent of charging on a cost recovery basis for applications involving multiple development matters within the same site, and to provide greater clarity on the computation of fees for such applications.

Possible Irregularities in IT Procurements

80. We test-checked a few open IT procurements (approved procurement value totalling approximately $600,000) awarded by URA between 2023 and 2025. We noted possible irregularities in the bids submitted by some companies. These included indications that they could be related to the awarded vendor through personnel connections, and that their bids might not have been genuine. In our view, these irregularities might have contravened the Government procurement principle of fair competition.

81. URA informed us that it has zero tolerance for any attempt to undermine the integrity of its procurement process. It had since reported the case to the relevant law enforcement agencies. URA had also implemented immediate measures, which included establishing screening procedures for related companies. In addition, it would further strengthen oversight through measures such as using a document analytics tool to detect possible irregularities in procurement submissions.