PART III
THEMATIC AUDIT

1. In the financial year 2025/26, AGO conducted a thematic audit on selected training grants managed by the SkillsFuture Singapore Agency (SSG) and the Workforce Singapore Agency (WSG).

2. A thematic audit is an in-depth examination of a selected area and may involve more than 1 public sector entity. The in-depth examination enables us to conclude if key controls are in place, and to report on good practices that we may come across in the course of the audit, in addition to lapses.

3. Thematic audits may involve Government ministries, organs of state, Government funds or statutory boards. For Government ministries, organs of state and Government funds, the authority is provided for in section 5(1) of the Audit Act 1966. For statutory boards (which include SSG and WSG), the authority is provided for under Finance Circular Minute No. M3/2011, read with section 4(4) of the Audit Act 1966.

Acknowledgements

4. We would like to thank SSG and WSG for their co-operation in the audit.

Scope of Audit

5. The thematic audit focused on the following training grant schemes administered by SSG and WSG, with a total disbursement of $2.62 billion during the period 1 April 2022 to 31 March 2025 as shown in **Table 1**. These schemes provide various funding support to promote training, lifelong learning and workforce transformation.

Table 1: Total Disbursement by Grant Scheme (1 April 2022 to 31 March 2025)

Training Grant Scheme	Total Disbursement ($ million)
SSG	
Baseline Course Fee Subsidy	1,574.09
SkillsFuture Credit	247.77
SkillsFuture Mid-Career Enhanced Subsidy	138.92
Enhanced Training Support for Small and Medium Enterprises	42.09
Absentee Payroll Funding	30.83
WSG	
Career Conversion Programme	376.78
Institutional Grant to Employment and Employability Institute	134.26
Workfare Skills Support Scheme	38.93
Mid-Career Pathways Programme	36.91
Total	**2,620.58**

6. The audit sought to assess whether processes and controls were in place across the following stages:

STAGE 1

GRANT DESIGN AND SETUP

- Whether there were processes and controls in place to ensure that the grant schemes were authorised and administered in accordance with the objectives of the schemes.

STAGE 2

GRANT EVALUATION AND APPROVAL

- Whether there were processes and controls in place to ensure that grant applications/claims were properly evaluated and approved; and
- Whether proper terms and conditions were stipulated for compliance.

STAGE 3

GRANT DISBURSEMENT

- Whether there were processes and controls in place to ensure that disbursements were properly supported and approved for the intended purposes, and disbursed in an accurate and timely manner; and
- Whether deviations from approved terms were justified, properly approved and disbursed.

STAGE 4

GRANT MONITORING AND REVIEW

- Whether there were processes and controls in place to ensure that grants were managed in accordance with relevant terms and conditions, and that the deliverables were achieved.

STAGE 5

CESSATION OF GRANT[1]

- Whether there were processes and controls in place to take stock of final grant deliverables and settle the accounts (including recovery of any excess grants) in a timely and accurate manner.

[1] This refers to cessation of funding agreements and not the cessation of grant schemes. All the grant schemes covered in our audit are ongoing.

7. The audit examined whether there was a proper framework for training grants management and whether due process was followed for the above stages. The audit did not seek to certify whether the grant recipients had, in all material aspects, utilised or managed the grants in accordance with the grant terms and conditions.

8. Our audit methodology involved the following:

- Holding discussions with SSG's and WSG's key personnel to better understand the operations;
- Examining the relevant records of the selected training grant schemes;
- Performing data analytics on grant applications and disbursements; and
- Interviewing relevant officers from both agencies.

9. To facilitate our assessment, we selected samples using a structured methodology based on materiality and other risk factors, such as grants given to new training providers and companies with a high number of trainees. We also ensured that the samples were representative of the populations tested.

10. The number of samples selected is shown in **Table 2**.

Table 2: Breakdown of Number of Samples Selected

Samples	SSG (5 Grant Schemes)	WSG (4 Grant Schemes)
Randomly selected samples (based on 90% confidence level)[2]	65	80
Judgementally selected samples[3]	75	104
Total	**140**	**184**

11. In addition to the sample checks, we performed data analytics where relevant data was available and followed up on possible exceptions. We also conducted audits of the IT general controls and application controls over the Training Grants System (TGS)[4] used by SSG and WSG for administering the training grants.

[2] A 90% confidence level means that there is a 90% probability that the sample results are representative of the population being tested, with a 10% accepted risk of error.

[3] This refers to samples chosen based on the auditor's professional judgement.

[4] TGS is owned by SSG.

Summary

12. We noted that in general, SSG and WSG had put in place processes and controls across the various grant stages to ensure proper management of the training grants. There were also good practices observed for both agencies. However, we noted areas where improvements could be made.

13. The key observations are summarised by the stages below:

Stage 1 – Grant Design and Setup

14. Both SSG and WSG had put in place processes and procedures to ensure that grant schemes were properly approved and in line with their objectives. Grant policy framework and funding principles were set out in a funding manual to guide grant design and setup. Procedures were also in place to ensure proper approval and documentation of changes to the grant schemes.

Stage 2 – Grant Evaluation and Approval

15. Both SSG and WSG had generally put in place processes to guide the evaluation and approval of training providers (TPs), programme partners (PPs) and grant applications. These included appointing independent and competent reviewers, seeking approval from appropriate authorities for the appointment of TPs and PPs, and having SOPs on the detailed checks required.

16. Nevertheless, there were areas where controls could be improved. For SSG, we noted several instances of delay in signing funding agreements (FAs). The FAs were signed after their funding periods had commenced. Without a formal agreement, there was uncertainty regarding the funding terms and conditions, and SSG's interests might not be safeguarded in the event of dispute. For WSG, we noted instances where grants were disbursed for ineligible Career Conversion Programme (CCP) and Mid-Career Pathways Programme (MCPP) trainees. There was also potential gaming by companies with no local employees or a high number of trainees relative to local employees, or from sequential MCPP and CCP trainings with the same company.

Stage 3 – Grant Disbursement

17. Both SSG and WSG had generally put in place processes and procedures to check and approve grant disbursements. These included system-enabled checks, verification of claims against supporting documents, approval by appropriate authorities for claims and checks for compliance with SOPs. However, we noted some areas where controls could be strengthened.

18. For SSG, our data analysis found instances of erroneous grant disbursements of Enhanced Training Support for Small and Medium Enterprises (ETSS) due to lapses in administration. These included misclassification of companies as Small and Medium Enterprises (SMEs) caused by a system logic error, as well as wrong assessment of companies' appeals for ETSS. Additionally, we found potential gaming of course fee funding where trainees attended a high number of courses conducted by 2 TPs which were their employers.

19. For WSG, our test checks found disbursements made to PPs despite incomplete submission of required documents, and lapses in the service provider's[5] verification of claims. There were also instances where PPs could not provide documents such as individual application and claim checklists and career conversion assessment related forms upon our audit request.

Stage 4 – Grant Monitoring and Review

20. Both SSG and WSG had generally put in place processes and procedures to ensure that grants were managed in accordance with relevant terms and conditions, and that deliverables were achieved. These processes included requiring submission of progress reports by TPs, and audits and checks on TPs/PPs to ensure compliance with terms and conditions in FAs/Guides. Nevertheless, we noted some areas where controls could be enhanced.

21. For SSG, we found lapses in the monitoring of TPs' progress reporting, including reporting schedules not set out in FAs, instances of progress reports not submitted or submitted late, and the service provider not submitting its review of TPs' progress reports.

Stage 5 – Cessation of Grant

22. Both SSG and WSG had put in place processes and procedures to take stock of final grant deliverables and settle the accounts (including recovery of any excess grants) in a timely and accurate manner.

[5] SSG and WSG outsourced the grant processing functions to a service provider.

23. We observed some good practices which SSG and WSG had implemented.

GOOD PRACTICES

Since our last audit in the financial year 2021/22, SSG had progressively enhanced TGS for claims processing. From August 2023, all claims have been processed through the system. TGS uses system-enabled checks to determine trainees' eligibility for grants. SSG has also strengthened its attendance system controls since October 2023 through Singpass-based identity authentication and session-specific dynamic QR attendance codes to capture attendance in real time. In addition, SSG has built up data analytics capabilities to monitor grant utilisation and flag anomalous claims, such as analysis of claims to identify high-risk trainees and TPs.

WSG had implemented initiatives to strengthen its grants governance and monitoring capabilities since our last audit in the financial year 2019/20. WSG commissioned a grants governance review in June 2023 to examine areas such as organisation design, risk management, claims verification, grants audits, systems and training. Since January 2025, WSG has been using a Robotic Process Automation bot to conduct monthly checks on CCP placements, enabling early detection of potential false declarations made by CCP participants and companies.

24. Details of the key observations of SSG and WSG, including good practices implemented, are in the paragraphs below.