Report of the Auditor-General
for the Financial Year 2025/26

AGO Auditor-General's Office Singapore

Audits Conducted

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) and **Financial Statements** of 3 statutory boards, 4 Government-owned companies and 2 other accounts

Selective Audits

- Checking of selected activities and operations to ascertain whether there is any financial irregularity, excess, extravagance or gross inefficiency leading to waste, and whether measures to prevent them are in place
- Carried out on 8 statutory boards

Thematic Audit

- In-depth examination of a selected area to conclude if key controls are in place, and to report on good practices and lapses
- Conducted on selected training grants managed by SSG and WSG

136 Audit Findings Conveyed through Management Letters

29 More Significant Audit Observations Highlighted in the Report

Audit Observations

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Lapses in Contract Management

MOH

- Lapses in management of construction and consultancy services contracts for a development project, including late approvals obtained for variation works, lapses in assessment of star rate items, loss and expense payments totalling $2.20 million not properly substantiated, lapses in valuation of contract variations resulting in an estimated net overpayment of $363,300, and lack of due diligence checks before final account was issued.

HDB

- Errors in valuation of variation orders due to incorrect rates used, resulting in total underpayment of $1.02 million and overpayment of $0.25 million.

Lapses in Management of Operations

GRA

- Excluded persons found entering local casinos, individuals allowed casino entry despite exceeding visit limits, and Singapore Pools accounts of excluded persons not closed — undermining safeguards against gambling harm.

HDB

- Inadequate oversight of its contractor engaged to provide patrol and enforcement services. Significant discrepancies in patrol records submitted by the contractor and non-compliance with audit requirements – possible overpayment of $9.70 million for work not performed.

Lapses in Management of Revenue

MOM

- From January 2026, the foreign worker levy rates charged for Work Permit holders in marine shipyard sector were higher than stipulated in the subsidiary legislation. The levy charged for January and February 2026 was $4.82 million higher than that provided in the law.

URA

- Certain fees charged for planning permission and conservation permission applications were computed differently from what is set out in the subsidiary legislation. Fees charged during April 2022 to March 2025 estimated to be $1.76 million lower than what should have been charged.

HDB

- Season parking applications and renewals (totalling $24.99 million in revenue) approved despite applicants not meeting eligibility criteria.
- Incorrect season parking rates charged for commercial vehicles, resulting in an estimated under-collection of $1 million in fees.

Lapses in Management of Grant & Priority Schemes

HDB

- Weaknesses in eligibility checks for Married Child Priority Scheme, Proximity Housing Grant and CPF Housing Grant schemes, resulting in flats allocated and grants disbursed to ineligible applicants. HDB relied on internal records and applicant-declared information without checking against authoritative sources.
- Increased risk of not achieving intended policy outcomes such as for family members to live near one another for mutual support.

Lapses in Financial Controls

MOH

- Lapses in approval and financial governance of the earlier-mentioned development project, including works committed before obtaining Development Planning Committee (DPC)'s approval, without MOF's concurrence. DPC's approval not sought for material variations in project scope, and project savings not declared, as required.
- These contravened MOF's Finance Circular Minutes and undermined the Government's project approval framework and financial governance controls designed to ensure proper oversight of large development projects and discipline in using public funds.

Weaknesses in IT Controls

SSG and WSG

- Weaknesses in IT general and application controls over the Training Grants System, including in the review and disabling of accounts, password security configurations, and the removal of access rights. These increased the risk of unauthorised access and activities going undetected, which could affect system availability and data integrity.

GIC

- Weaknesses in IT general controls over a system used to facilitate exchange of instructions and transaction data with its counterparties for investment operations, including in audit logging, controls over the most privileged root account, security patching, and software update — potentially compromising its defence against security threats.

Possible Irregularities in Records Furnished for Audit

MOE

- Possible falsified approvals for appointment of officers. Weaknesses in the appointment process did not provide adequate assurance that there was proper scrutiny by approving authority to ensure that appointments were supported and justified.

MINDEF

- Possible irregularities in quotations that cast doubt on authenticity of quotations and whether reasonable market rates were paid.

MOH, SportSG and HDB

- Possible irregularities in quotations for star rate items that raised doubts over their authenticity and whether value for money had been obtained.

HDB and IPOS

- Tell-tale signs of documents being created and backdated to give false impression that checks had been carried out at the material point in time:
  - HDB's supporting documents on star rate items; and
  - IPOS' quality control reports.

URA

- Possible irregularities in bids for open IT procurements, compromising fair competition – some bidders could be related to the awarded vendor, and their bids might not have been genuine.

Thematic Audit Observations on Training Grants

Audited 9 training grant schemes managed by **SSG** and **WSG**.

Both agencies had **generally put in place processes and controls across 5 stages of grant management**, but improvements could be made in some areas.

Key observations are outlined by stages in the next page.

Total Disbursement
(April 2022 to March 2025)
$2.62 billion

Thematic Audit Observations on Training Grants

STAGE 1

GRANT DESIGN AND SETUP

SSG and WSG had processes and procedures in place 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. Procedures were also in place to ensure proper approval and documentation of changes to the grant schemes.

STAGE 2

GRANT EVALUATION AND APPROVAL

Both agencies had generally put in place processes to guide the evaluation and approval of training providers (TPs), programme partners (PPs) and grant applications. Nevertheless, there were areas where controls could be improved. For SSG, funding agreements were signed after their funding periods had commenced, which might not safeguard SSG's interests in the event of dispute. For WSG, there were instances where grants were disbursed for ineligible trainees. There was also potential gaming by companies.

STAGE 3

GRANT DISBURSEMENT

Both agencies had generally put in place processes and procedures to check and approve grant disbursements. However, controls could be strengthened in some areas. For SSG, there were erroneous grant disbursements due to lapses in administration, and potential gaming of course fee funding by trainees who attended a high number of courses conducted by their employers. For WSG, disbursements were made to PPs despite incomplete submission of required documents, and lapses in the service provider's verification of claims.

STAGE 4

GRANT MONITORING AND REVIEW

Both agencies 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. However, for SSG, there were lapses in the monitoring of TPs' progress reporting, such as 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

Both agencies 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.

Good Practices

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Singapore

Thematic Audit

SSG

- Progressively enhanced Training Grants System for claims processing since the last AGO audit in FY2021/22, with all claims processed through the system from August 2023.
- Uses system-enabled checks to determine trainees' grant eligibility.
- Strengthened attendance system controls through Singpass-based authentication and dynamic QR codes.
- Built up data analytics capabilities to monitor grant utilisation and flag anomalous claims.

WSG

- Commissioned a grants governance review and strengthened grants governance and monitoring capabilities since the last AGO audit in FY2019/20.
- Uses a Robotic Process Automation bot for monthly checks on a scheme's placements for early detection of potential false declarations.

Selective Audits

HDB

- Implemented in-house IT system that tracks and monitors facilities management works – automates appointment booking for term contractors, provides mobile application reminders, and supports work order submission and verification of completion of works.

IPOS

- Implemented a trade mark application system that automatically recommends trade mark classes based on uploaded images or text descriptions, and calculates fees based on selected classes. This streamlines application submissions, minimises fee calculation errors, and reduces costly refiling from incorrect class selection.

URA

- Performs quarterly data analytics on procurement activities conducted across 7 key compliance areas. Results are used to compute risk indicators for management oversight.

Other Areas for Improvement & Key Learning Points

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Other Areas for Improvement

Procurement

- Procurement evaluations not carried out in accordance with published criteria.
- Evaluation criteria or scoring methodologies established or changed after close of tender or quotation which risked undermining fairness of evaluation process.

Governance

- Lapses in management of conflict-of-interest (COI) declarations, including declarations not obtained from relevant parties, inadequate disclosure of relationships, and no documented justification in assessment of declared COI.

Financial Controls

- Prompt action (e.g. refund or recovery) not taken when errors were detected in fee collections and payments.
- Checks not extended to identify whether there were similar errors in other cases.

Key Learning Points

Contract Management

Engaging agents and consultants does not diminish agencies' responsibility to ensure that public funds are well spent. Agencies should adopt a risk-based approach in determining nature and extent of oversight over agents and consultants, and not be overly reliant on them.

Grant Management

Agencies should tap on authoritative data sources to verify grant eligibility instead of relying solely on applicant-declared information or internal records. They should put in place adequate controls and monitoring mechanisms to detect anomalies and potential non-compliance with grant conditions on a timely basis.

Records Furnished for Audit

The submission of created, altered, or backdated documents impedes audit work, calls into question authenticity of other documents provided for audit, and undermines integrity of audit process. Agencies should reinforce importance of integrity and put in place adequate controls to deter and detect such acts.

Visit www.ago.gov.sg for the Report or scan this QR code:

15 July 2026