



DEPUTY PRIME MINISTER AND  
MINISTER FOR FINANCE  
SINGAPORE

Our Ref: B042.003.0001.V4

19 February 2014

Auditor-General

**AUDIT OF THE FINANCIAL ACCOUNTS OF  
ALJUNIED-HOUGANG-PUNGGOL EAST TOWN COUNCIL**

1. I refer to the Auditor's Report by M/s Foo Kon Tan Grant Thornton LLP for the Aljunied-Hougang-Punggol East Town Council ("AHPETC") for the financial year ending 31 March 2013 ("FY2012/2013"), and the letter from the Minister for National Development to me in this regard, dated 18 February 2014. I have attached the letter from the Minister for National Development for your reference.
2. The observations in the Auditors' Report raise serious questions about the adequacy of AHPETC's financial and accounting systems, and whether public funds in AHPETC are properly applied.
3. I share the concerns of the Minister for National Development. In exercise of the powers conferred on me by section 4(4) of the Audit Act, I hereby direct you to carry out an audit of the AHPETC's FY2012-13 accounts, records and books according to the terms of reference set out in Annex, employing your powers under the Audit Act.
4. Please submit the report of your findings to me and the Minister for National Development.

A handwritten signature in blue ink, appearing to read 'Tharman Shanmugaratnam'.

Tharman Shanmugaratnam

cc: Minister for National Development

**TERMS OF REFERENCE**

1. Pursuant to section 5 of the Audit Act, to make such examination as the Auditor-General may consider necessary to ascertain whether, for FY2012-13, all reasonable steps have been taken by AHPETC to:
    - (i) Safeguard the collection and custody of AHPETC's moneys;
    - (ii) Ensure that issues and payments of AHPETC's moneys were made in accordance with proper authority and payments were properly chargeable and are supported by sufficient vouchers or proof of payment; and
    - (iii) Ensure that the provisions of any written law relating to AHPETC's moneys, including but not limited to the Town Councils Act and Town Councils Financial Rules, were in all respects complied with.
  
  2. In addition, to make such examination and evaluation as the Auditor-General may consider necessary to:
    - (i) Investigate the causes of the Disclaimer of Opinion by M/s Foo Kon Tan Grant Thornton LLP in their independent auditor's report for FY2012-13; and
    - (ii) Ascertain the reliability and accuracy of AHPETC's financial management and accounting processes and systems, and to ascertain and understand AHPETC's accounts.
  
  3. In the performance of these functions, the Auditor-General may exercise any of the powers conferred by section 6 of the Audit Act.
-