

Depoliticising AHPETC Saga may be Aim of Court Move, Say Analysts

TODAY reports: Independent accountants and the courts should ultimately protect residents' interests, say observers.

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Singapore: Apart from acting to protect residents' interests, the Government's unprecedented move in seeking to appoint independent accountants to safeguard its grants for Aljunied-Hougang-Punggol East Town Council (AHPETC) on Friday (Mar 20) could also be a way of depoliticising the saga, said political observers.

Going through the courts process to apply for independent accountants would help allay accusations that the spotlight on AHPETC is politically motivated, Singapore Management University law lecturer Eugene Tan said. "I don't think anyone would have any basis to say that the courts are being used," he said.

By doing this, the Ministry of National Development (MND) is "demonstrating their resolve" to assure residents that this was not a political battle, he added. "Whether it is politically motivated or not, we can't run away from the fact that there are real issues raised by the Auditor-General's report."

National University of Singapore (NUS) Institute of Policy Studies sociologist Tan Ern Ser said independent accountants are expected to be professional and non-partisan, and therefore objective and unbiased, thus helping to snuff out rumblings that the episode is a political attack on the Workers' Party.

However, Associate Professor Bilveer Singh, from NUS' Department of Political Science, felt that despite such efforts, the political overtones will never be removed from the saga, as it involves "politicians, political parties and the public's money".

Associate Professor Eugene Tan also said the MND's hands are "tied" due to the Auditor-General's report on the AHPETC's accounts, detailing governance lapses at the town council. "The MND has to follow up on the remedial action ... because if they do nothing, (the MND) would be accused of failing in their duties," he said.

He added that the move would ultimately serve to safeguard residents' interests. "They would get the government grants they are entitled to, and if there were any wrongful payments made, then those would be made good," he said.

A SIGNAL FOR OTHER TOWN COUNCILS

Any measure taken to enhance governance, accountability and transparency is a good thing, said Dr Tan Ern Ser, while Dr Singh said this would remind other town councils to be more careful and transparent in their operations.

Corporate governance expert Mak Yuen Teen said the MND should be "cautious" in giving independent accountants powers to approve expenditure beyond a certain amount. "If we are talking about them just making sure that the spending is broadly within the (confines of) the Town Councils Act (TCA) and the Town Council Financial Rules (TCFR), then fine.

“But you certainly cannot have the accountant making the decision on spending — because then, you cannot hold the town council accountable if they cannot decide on how to spend the money within the broad guidelines set out in the TCA and TCFR.

“The independent accountants who are signing off cannot be the independent auditors — that would be a conflict of interest,” said the NUS Business School associate professor.

He added that all town councils should be subjected to more regular compliance and performance audits conducted by the Auditor-General’s Office.

“There are regulatory and oversight gaps when it comes to town councils and other institutions such as public universities, which are subject to less scrutiny than public companies, charities, and most statutory boards and government departments or ministries. Whenever you have regulatory and oversight gaps, things are likely to go wrong,” he said.