



PRESS RELEASE

TOWN COUNCILS' FY2016 FINANCIAL STATEMENTS AND THE FY2016 TOWN COUNCIL MANAGEMENT REPORT

Presentation of Town Councils' FY2016 Financial Statements to Parliament

The Ministry of National Development (MND) has presented the FY2016 audited financial statements of all Town Councils (TCs) to Parliament, and the TCs will be making them available on their websites.

2. All TCs had unqualified financial statements for FY2016, except for Aljunied-Hougang Town Council (AHTC) whose financial statements were qualified by the TC's external auditor. The auditor had issued disclaimers as it was unable to ascertain the TC's opening balances, payables and accrued expenses, or verify staff costs. This is the 6th consecutive year that AHTC has received qualified financial statements from its external auditor.

Results of the FY2016 Town Council Management Report

3. MND has also released the FY2016 Town Council Management Report (TCMR), covering the period April 2016 to March 2017. This is the first TCMR for the TCs formed after the 2015 General Election. The TCs were assessed under five indicators, using three colour bands. Assessment was based on measurable objective criteria submitted by the TCs and their auditors.

4. The results of the FY2016 TCMR are comparable to that of the previous years. They are summarised below, and more details can be found at [Annex A](#) and [Annex B](#).

TCMR Indicators	Result
Estate Cleanliness Examines town cleanliness in areas such as the presence of litter, bulky refuse and graffiti.	All TCs scored "Green"
Estate Maintenance Examines town maintenance in areas such as damaged pipes/walls and obstructions in common areas.	4 TCs scored "Green" 12 TCs scored "Amber"
Lift Performance	All TCs scored "Green"

TCMR Indicators	Result
Examines the performance of lifts as measured by the frequency of lift breakdowns and functioning of the Automatic Rescue Device (ARD) ¹ .	
S&CC Arrears Management Examines the extent of TCs' S&CC arrears that residents have to bear.	15 TCs scored "Green" 1 TC scored "Amber"
Corporate Governance Reflects the strength of TCs' corporate governance through governance-related observations by their auditors and their self-declared compliance with the Town Councils Act and the Town Councils Financial Rules (TCFR).	14 TCs scored "Green" 1 TC scored "Amber" 1 TC scored "Red"

Observations

5. The broad observations for the indicators are as follows:
- a) Estate Cleanliness. All TCs were banded "Green" as they had less than 4 counts of cleanliness observations per block on average.
 - b) Estate Maintenance. 4 TCs were banded "Green" and 12 TCs were banded "Amber". TCs which had less than 4 counts of maintenance observations per block on average were banded "Green", while TCs which had 4 to less than 8 counts of maintenance observations per block on average were banded "Amber".
 - c) Lift Performance. All TCs were banded "Green" as there were fewer than 2 breakdowns every month for every 10 lifts managed by the TCs, and the lifts' ARD failure rate was zero.
 - d) S&CC Arrears Management. AHTC was banded "Amber" for FY2016. The former Aljunied-Hougang-Punggol East TC's score for the FY2015 TCMR was reflected as "Pending" last year, pending the outcome of KPMG's review². Based on the revised FY2015 monthly S&CC arrears figures submitted by the TC to MND subsequently, the TC was banded "Red" in the FY2015 TCMR.
 - e) Corporate Governance. AHTC was banded "Red" due to three non-compliances with the TCFR. The non-compliances were: (i) late quarterly transfer to the sinking fund, (ii) waiver of quotation that was not in accordance with requirements under the TCFR, and (iii) fixed assets count report not certified by the TC in accordance with the

¹ The ARD brings the lift car to the nearest lift landing during a power failure.

² KPMG has been appointed by the TC, pursuant to an order given by the Court of Appeal, to look into the TC's outstanding non-compliances of section 35(c) of the TCA and to establish if any past payments made by the TC were improperly made and ought to be recovered. KPMG had, in its first two monthly progress reports dated 15 April 2016 and 13 May 2016, highlighted that the TC's S&CC arrears management and reporting was one of the 15 audit points which the TC had yet to resolve. Subsequently, KPMG had, in its monthly progress report dated 15 September 2017, stated that the TC had resolved the audit point.

requirements under the TCFR. Ang Mo Kio TC was banded “Amber” as the TC had not sought approval from the correct approving authority for the waiver of quotations as required under the TCFR.

Enquiries and Feedback

6. Members of the public can refer to the TCs’ FY2016 financial statements that will be uploaded on the TCs’ websites, and learn more about the TCMR at www.towncouncils.sg. The current set of TCMR indicators and methodology have been in place since FY2012. MND will be reviewing them to see how they can be further improved. We will be engaging views from stakeholders in the course of this review, and welcome all feedback and inputs.

Issued by: Ministry of National Development
Date: 20 Nov 2017

Summary of Town Councils' Performance for the FY2016 TCMR

Town Council	Estate Cleanliness	Estate Maintenance	Lift Performance	S&CC Arrears Management	Corporate Governance
Aljunied-Hougang	Green	Yellow	Green	Yellow	Red
Ang Mo Kio	Green	Green	Green	Green	Yellow
Bishan-Toa Payoh	Green	Yellow	Green	Green	Green
Chua Chu Kang	Green	Yellow	Green	Green	Green
East Coast-Fengshan	Green	Yellow	Green	Green	Green
Holland-Bukit Panjang	Green	Yellow	Green	Green	Green
Jalan Besar	Green	Yellow	Green	Green	Green
Jurong-Clementi	Green	Yellow	Green	Green	Green
Marine Parade	Green	Yellow	Green	Green	Green
Marsiling-Yew Tee	Green	Yellow	Green	Green	Green
Nee Soon	Green	Green	Green	Green	Green
Pasir Ris-Punggol	Green	Yellow	Green	Green	Green
Sembawang	Green	Green	Green	Green	Green
Tampines	Green	Yellow	Green	Green	Green
Tanjong Pagar	Green	Green	Green	Green	Green
West Coast	Green	Yellow	Green	Green	Green

TCMR Framework and Banding

Indicator	Green	Amber	Red
Estate Cleanliness	< 4 counts per block	4 to < 8 counts per block	≥ 8 counts per block
Estate Maintenance	< 4 defects per block	4 to < 8 defects per block	≥ 8 defects per block
Lift Performance ^[1]	≥ 8 points	4 to < 8 points	< 4 points
S&CC Arrears Management ^[2]	≥ 8 points	4 to < 8 points	< 4 points
Corporate Governance	Full compliance of checklist with <u>no</u> observation from Auditor	<u>Either</u> 1 item of non-compliance in the checklist only <u>OR</u> 1 observation from Auditor only	At least 1 item each of checklist non-compliance and observations from Auditor <u>OR</u> 2 or more items in either category

Note:

[1] If the result for lift performance is green, this generally means that for every 10 lifts, less than 2 breakdowns occur per month and less than 2 in 100 lifts have a non-functioning ARD.

[2] If the result for S&CC arrears is green, this generally means that less than 4 in 100 households owe arrears for 3 months or more and less than 40% of the monthly collectible S&CC for the town is overdue.