

**Town Council Corporate Governance Compliance Checklist for
Financial Year Ended 31 March 2018**

	Principles	Specific Regulatory Compliance	Compliance	Explanation *
1.0	Structure, Roles and Duties			
1.1	The Town Council (TC) conducts meetings with sufficient quorum and keeps minutes of the meetings in accordance with the TC's standing orders.	TCs Act S25, S26, S27 & S29	Comply	
1.2	The allowances paid to TC Chairman, Vice-Chairmen and members of the TC do not exceed the amount as prescribed.	TCs Act S16 TCs (Governance) Rules 2017 R5, Third Schedule	Comply	
1.3	At least one third of members in appointed committees are members of the TC, one of whom is the chairperson of the committee.	TCs Act S31(3)	Comply	
1.4	Each TC committee member is given only one vote at committee meetings. The committee chairperson is given a casting vote.	TCs Act S31(6) & S31(7)	Comply	
1.5	The TC has discharged its duties as mandated.	TCs Act S21	Comply	
1.6	The TC's delegation of its powers, functions or duties to members of the TC, TC committees or committee members, TC employees and Managing Agent (MA) is in accordance with the TCs Act and Town Councils Financial Rules (TCFR).	TCs Act S32 TCFR R34	Comply	

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	Principles	Specific Regulatory Compliance	Compliance	Explanation *
1.7	The TC ensures that the appointed members of the TC, Secretary, relevant key officers and committee members are not disqualified from holding office under the requirements of the TCs Act.	TCs Act S14(8), S20(1A), S20(3) & S31(4)	Comply	
2.0	Conflict of Interest			
2.1	The TC ensures that the procedures to disclose conflict of interest are in accordance with the requirements under the TCs Act and Rules. The TC Secretary records every conflict of interest disclosure made by members of the TC in a register of interests, which is kept and maintained in the form prescribed in the Rules.	TCs Act S15(1), S15(2) & S15A TCFR R73(15), R74(19A) & R76(3)(a) TCs (Governance) Rules 2017 R4, Second Schedule	Comply	
2.2	When there is a disclosure of conflict of interest by members of the TC, the TC Secretary informs and updates the member presiding at the meeting where the issue arises or is about to arise.	TCs Act S15(2)(b)	Comply	
2.3	Members of the TC who have a conflict of interest in a matter recuse themselves from decision-making in the manner as prescribed in the TCs Act.	TCs Act S15(3)	Comply	

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	Principles	Specific Regulatory Compliance	Compliance	Explanation *
2.4	The TC ensures that the TC Secretary, employee, staff, MA and committee member who have a conflict of interest in a matter do not exercise the power, function or duty conferred on them in the matter, unless approval is granted and documented by the TC.	TCs Act S15A(2)(a)	Comply	
3.0	Accountability & Audit			
3.1	The TC keeps proper accounts and records of transactions and affairs of the TC, in accordance with the TCs Act and the Singapore Financial Reporting Standards.	TCs Act S35, S36(1) MND annual circular on appointment of auditors	Comply	Note 1
3.2	The accounts of the TC are audited by AGO or an auditor appointed by the TC with approval by the Minister.	TCs Act S38(1)	Comply	
3.3	All moneys received are paid into and disbursements paid out from the appropriate Funds, according to the TCs Act and Rules. The amount of S&CC and Government grant credited into the Ordinary Sinking Fund and Lift Replacement Fund fulfil the minimum requirement prescribed in the TCs Act and Rules.	TCs Act S33 TCFR R4(2) TCs (Disbursement of Moneys from Sinking Fund) Rules TCs (Minimum Contributions to Sinking Funds) Financial Rules 2017	Comply	

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3.4	The TC shall maintain separate bank accounts for the Operating Fund, Ordinary Sinking Fund and Lift Replacement Fund; and make quarterly transfers attributable to the Ordinary Sinking Fund and Lift Replacement Fund bank accounts for S&CC, grants-in-aid and interest, in a timely manner.	TCFR R4(2A) & R4(2B) TCs (Minimum Contributions to Sinking Funds) Financial Rules 2017	Comply	
3.5	The TC ensures that any transfer of surplus between the Operating Fund, Sinking Fund and Lift Replacement Fund is in accordance with the TCs Act and the TCFR.	TCs Act S33(9) & S43(1)(i) TCFR R11A	Comply	
3.6	The investment of funds that are not required by the TC for immediate use follows the provisions of the TCFR. For the investment of funds, the TC ensures that, other than the securities issued by Singapore Government, Statutory Boards or securities guaranteed by Singapore Government, all other types of securities, stocks or funds (including structured deposits) are capped at 35% of total funds available for investment based on the latest audited accounts at the end of financial year (FY).	TCFR R89 First Schedule of TCFR	Comply	
3.7	The TC does not carry out substantial trading or financial activities other than the activities permitted under the TCs Act.	TCs Act S19(4)	Comply	

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3.8	The TC does not impose charges for the use of common property not prescribed in the relevant Rule.	TCs Act S19(1)(c) TCs (Use of Common Property) Rules 2005	Comply	
3.9	The TC ensures the processes for procurement, including but not limited to quotations, tenders, award of tenders and waivers of competition are in accordance with the TCFR.	TCFR R73, R74, R75 & R77 to R82	Comply	
4.0	Compliance by Managing Agents (MA)			
4.1	MAs' involvement in the tender process, if any, does not contradict the TCFR.	TCFR R76	Not applicable	The TC is directly managed.
4.2	If the MA drafts the tender specifications, the TC ensures that: (a) The tender specifications are approved by a Tender Committee comprising members of the TC; and (b) The tender specifications do not give preference to any tenderer, and the MA makes a declaration as such.	TCFR R76(1)	Not applicable	The TC is directly managed.

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4.3	<p>Should the MA be allowed to participate in the tender, the TC ensures that:</p> <p>(a) The MA declares its interest to participate before the closing date of the tender to the TC, Chairman or committee appointed for the purpose of the tender;</p> <p>(b) The Tender Opening Committee for the said tender does not comprise any officer or employee of the MA;</p> <p>(c) The Witnessing Officer of the Tender Opening Committee for the said tender is a member of the TC; and</p> <p>(d) The MA does not participate in the evaluation of tenders in response to the invitation.</p>	TCFR R76(3)	Not applicable	The TC is directly managed.
5.0	Transparency & Disclosure			
5.1	The TC displays for public inspection, and publishes at an online location accessible to residents, a copy of its audited accounts and financial statements, and a copy of the auditor's report, within 30 days after they are presented to Parliament.	TCs Act S38(13A)	Comply	

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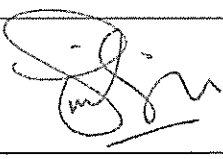
	Principles	Specific Regulatory Compliance	Compliance	Explanation *
5.2	The TC prepares the estimates of revenue and expenditure for the next FY and displays it for public inspection at least one month before the end of the current FY.	TCs Act S37	Comply	
5.3	The TC publishes its approved annual estimates in the Gazette not later than 3 months after the commencement of the FY.	TCFR R9	Comply	

The Town Council agrees to grant the Ministry of National Development the permission to make this self-disclosed checklist on regulatory compliance available for public viewing.

Submitted by:

Name of Town Council: Aljunied-Hougang Town Council

Name of Chairman: Pritam Singh

Signature: 

Date: 14-Sep-2018

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**Town Council Corporate Governance Compliance Checklist for
Financial Year Ended 31 March 2018**

Note 1 – Explanation for item 3.1

AHTC's auditor reported the following in its financial statements:

"During the financial year under review we noted that the issuance of Goods Received Notes (GRN) upon completion of work by contractors revealed substantial GRN not issued in a timely manner with days delayed of between 3 days to 104 days. The above-said GRNs are found to have been taken up into expenses and the related payables during the financial year.

These are internal control weaknesses of non-timely recognition of expenses incurred and not meeting the internal control objective of completeness. However, there are no material misstatements found in the expenses and related payable transactions during the financial year."

In AHTC's Letter of Comments to our auditor, in addition to responding to the 10 transactions specifically identified for explanation on the above point by our auditor (from a total of 144 out of 341 samples tested), AHTC's response was as follows:

"The Town Council does prepare and review its open purchase order report monthly to monitor and follow up on all outstanding purchase orders that are pending goods received notes and supplier invoices. In addition, the Town Council performs annual review of accruals in the month of March 2018 to ensure all material expenses are taken up in the correct financial year as at 31 March 2018. There is no cut-off issue and financial impact for the financial year ended 31 March 2018."

MND is of the view that this observation by our auditor constitutes a breach of the Town Council Act (TCA)/ Town Council Financial Rules (TCFR). However, as our auditor has not specifically identified this observation as a breach of the same, AHTC has not reflected this observation as a non-compliance with the TCA or TCFR in this checklist. We agree with our auditor that this point is an internal control weakness that requires review. The Town Council will consider how its internal controls can be improved and enhanced without compromising effective oversight of the work carried out by the Town Council's contractors.