

#1: WP reserved contracts for friends

What Sylvia Lim said:

- The town council (TC) called open tenders, except for managing agent (MA) contract in 2011.
- This was because CPG (former MA) wanted to terminate.
- Computer software also terminated with one month notice by Action Information Management (AIM).

What MND said:

- According to Ms Lim, CPG asked to terminate in "late May" 2011.
- Contractually, CPG could not terminate, unless TC agreed. Ms Lim agreed.
- FM Solutions & Services Pte Ltd (FMSS) set up on 15 May 2011, seven days after GE results. Formed as limited exempt private company; no need to file accounts.
- CPG handed over to FMSS under Ms Lim's supervision. She thanked CPG for it.
- AIM contract extended twice at Ms Lim's request; she thanked AIM for extending.

#2: AHPETC overpaid its MA

What Sylvia Lim said:

- Allegation not made by Auditor-General's Office (AGO) or auditors, but by MND.
- MA rates also varied across other TCs. MA rates for FMSS took into account MA rates under CPG, and other additional costs.
- TC does not check profitability before awarding contract.

What MND said:

- It was AGO which uncovered overcharging by FMSS, due to misrepresentation. FMSS had to pay back.
- Per unit MA rates for FMSS in 2011 was 20 per cent higher than CPG in 2010.
- Media reported that TC had also been quietly trying to recover S\$450,000 and withheld payment to FMSS of S\$3.52 million.

#3 FMSS issued invoices and checked its own work

What Sylvia Lim said:

- Cheques are countersigned by Ms Lim, Png Eng Huat or Pritam Singh.
- Now AHPETC is managed in-house and is doing fine.

What MND said:

- AGO found lack of controls over related party transactions with FMSS.
- What happened before under FMSS could only be properly examined with a forensic audit. The Workers' Party (WP) refused such an audit.

#4: AHPETC in financial difficulties

What Sylvia Lim said:

- TC incurred significant but necessary costs at initial stages.
- TC has now managed to turn things around; it is in surplus, if grants are disbursed.

What MND said:

- TC had no clean and unqualified accounts for last four years; the latest is still qualified.
- AGO audit concluded that until the TC's weaknesses resolved, no assurance that public monies can be safeguarded.
- This is why grants had to be withheld.
- Ms Lim asked and MND agreed to disburse the grants for Sinking Fund on provision of TC's current financial status. Three reminders. No response. But MND is still prepared to consider.