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The following Act was passed by Parliament on 2 October 2017 and assented to by the President on 23 October 2017:—

REPUBLIC OF SINGAPORE

No. 42 of 2017.

I assent.

HALIMAH YACOB,
President.
23 October 2017.



An Act to amend the Audit Act (Chapter 17 of the 1999 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Audit (Amendment) Act 2017 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

New section 4A

2. The Audit Act is amended by inserting, immediately after section 4, the following section:

“Follow-the-dollar audits

4A.—(1) Subject to subsections (2) and (3), the Auditor-General may audit and report on an individual or a person in relation to —

- (a) the giving by any public authority, the Supreme Court, any subordinate court or Parliament of —
 - (i) a grant, a subsidy, an advance of money or a loan, a guarantee for the performance of an obligation or an indemnity; or
 - (ii) financial assistance as a result of the taking of an interest in any property or person;
- (b) a supply of any goods or services (or both) under an agreement to which any public authority, the Supreme Court, any subordinate court or Parliament is party, or under a relevant subcontract relating to the public authority, Supreme Court, subordinate court or Parliament; or
- (c) the collection or disbursement of money for or on behalf of any public authority, the Supreme Court, any subordinate court or Parliament.

(2) An audit under this section must be limited to whether the terms and conditions applicable in respect of any of the following have been complied with:

- (a) the receipt by an individual or person of a grant, a subsidy, an advance of money or a loan, a guarantee,

an indemnity or financial assistance mentioned in subsection (1)(a);

- (b) a supply by an individual or person of goods or services (or both) mentioned in subsection (1)(b);
- (c) the collection or disbursement of money mentioned in subsection (1)(c) by an individual or person.

(3) An audit under this section may be undertaken by the Auditor-General only if the Minister, where satisfied that it is in the public interest that an audit under this section ought to be undertaken, directs the Auditor-General to undertake the audit.

(4) For the purpose of subsection (1)(b), a contract is a relevant subcontract in relation to a public authority, the Supreme Court, any subordinate court or Parliament if the performance of the contract fulfils, or contributes to the fulfilment of, an obligation to supply any goods or services (or both) to the public authority, Supreme Court, subordinate court or Parliament (as the case may be) in another contract.”.

Amendment of section 5

3. The Audit Act is amended by renumbering section 5 as subsection (1) of that section, and by inserting immediately thereafter the following subsection:

“(2) Without affecting subsection (1), in an audit under section 4A of an individual or a person, the Auditor-General must in his audit make such examination as he considers necessary to ascertain whether all reasonable steps have been taken to ensure that the terms and conditions applicable in respect of any of the following have been complied with:

- (a) the receipt by the individual or person of a grant, a subsidy, an advance of money or a loan, a guarantee, an indemnity or financial assistance, as mentioned in section 4A(1)(a);
- (b) a supply by the individual or person of any goods or services (or both) under an agreement or a relevant subcontract mentioned in section 4A(1)(b);

(c) a collection or disbursement of money mentioned in section 4A(1)(c) by the individual or person.”.

Amendment of section 6

4. Section 6 of the Audit Act is amended —

(a) by deleting paragraph (b) of subsection (1) and substituting the following paragraph:

“(b) may enter and remain on, and search for and copy or take extracts from any book, document or record in, any premises —

- (i) occupied by any public authority, the Supreme Court, any subordinate court or Parliament;
- (ii) occupied by any individual or person subject to an audit under section 4A; or
- (iii) occupied by the other person in subsection (1B)(b) with whom an individual or a person or body mentioned in sub-paragraph (i) or (ii) has an arrangement to have possession or custody of any record, information or document belonging to that individual, person or body, as the case may be;”;

(b) by inserting, immediately after paragraph (c) of subsection (1), the following paragraph:

“(ca) may seize any equipment, record, information, document or other thing in any premises mentioned in paragraph (b) if —

- (i) a notice under subsection (1A)(a) has been given in respect of the record, information or document and the

period mentioned in that notice has expired; or

- (ii) the Auditor-General considers it necessary to do so for the purpose of obtaining evidence of the contravention of any written law;”;

(c) by inserting, immediately after subsection (1), the following subsections:

“(1A) The power under subsection (1)(a) to call upon any person for any explanation and information includes the power —

- (a) to require a person by written notice to produce, within a reasonable time, specified records, information or documents, or records, information or documents of a specified kind, which are within the custody or under the control of that person;
- (b) to require that person to provide an explanation of the record, information or document mentioned in paragraph (a);
- (c) if the record, information or document is not provided, to require that person to state, to the best of the person’s knowledge and belief, where it is; and
- (d) if the information is recorded otherwise than in legible form, to require the information to be made available to the Auditor-General in legible form.

(1B) For the purposes of subsection (1A), a person or body is taken to have “control” of any record, information or document if —

- (a) the person has possession of the record, information or document; or

- (b) the person has the record, information or document in the possession or custody of some other person.

(1C) Without prejudice to the generality of subsection (1)(b), the Auditor-General may, while in any premises mentioned in that provision —

- (a) inspect, examine, photograph or film anything in the premises mentioned in subsection (1)(b);
- (b) take into the premises any individual, equipment or material that the Auditor-General reasonably requires to discharge his duties; and
- (c) require any person in those premises to give to the Auditor-General reasonable assistance in relation to the exercise of any of his powers under this section.

(1D) The Auditor-General is entitled, without payment, to —

- (a) enter and remain on any premises mentioned in subsection (1)(b); and
- (b) search for any record, information or document, and keep any record, information or document, or any copy or extract of it, furnished to the Auditor-General under subsection (1) or (1A) or obtained under subsection (1)(ca).”; and

- (d) by deleting subsection (3) and substituting the following subsection:

“(3) Any person who is required by the Auditor-General, or a person or public officer authorised under subsection (2), to provide any explanation or information, produce any record, information or document or answer any question must provide the explanation or information, produce the record, information or document or answer the question, as the case may be.”.

New section 6A

5. The Audit Act is amended by inserting, immediately after section 6, the following section:

“Self-incrimination

6A.—(1) An individual cannot rely on —

- (a) the common law privilege against self-incrimination or exposure to the imposition of a penalty; or
- (b) any rule of law relating to legal professional privilege or any other privilege, or the public interest,

to refuse to provide the explanation or information, produce the record or document or answer the question, required under section 6 by the Auditor-General or an authorised person or public officer, as the case may be.

(2) However —

- (a) any information, document or thing obtained, directly or indirectly, because of the giving of the explanation or information; or
- (b) the fact of the production of the record or document or the answer to a question,

is not admissible in evidence against the individual in any civil or criminal proceeding other than a proceeding for an offence under section 177 of the Penal Code (Cap. 224) or an offence relating to the falsity of the answer, if the explanation, information or answer, or the fact of the production of the record or document, might in fact tend to incriminate the individual.

(3) Disclosure or production of, or access to, information or a record or document under section 6 does not otherwise affect the operation of a rule of law relating to legal professional privilege or other privilege or the public interest in relation to the disclosure of the information or the production of the record or document.”.

Amendment of section 7

6. Section 7(2) of the Audit Act is amended by inserting, immediately after the words “guilty of an offence”, the words “, or liable to a financial penalty,”.
