

# Sustaining Financial Excellence

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# Many challenges to address...

Demographic Change

Social Equality

Climate Change

Economic Growth

Poverty Reduction

Healthcare

Public Expectations

Global Competition

Employment

Food Security

Education

Financial Crisis

Income Inequality

Regional Conflicts

Higher Inflation

Sustainability

Pandemics

Political Stability

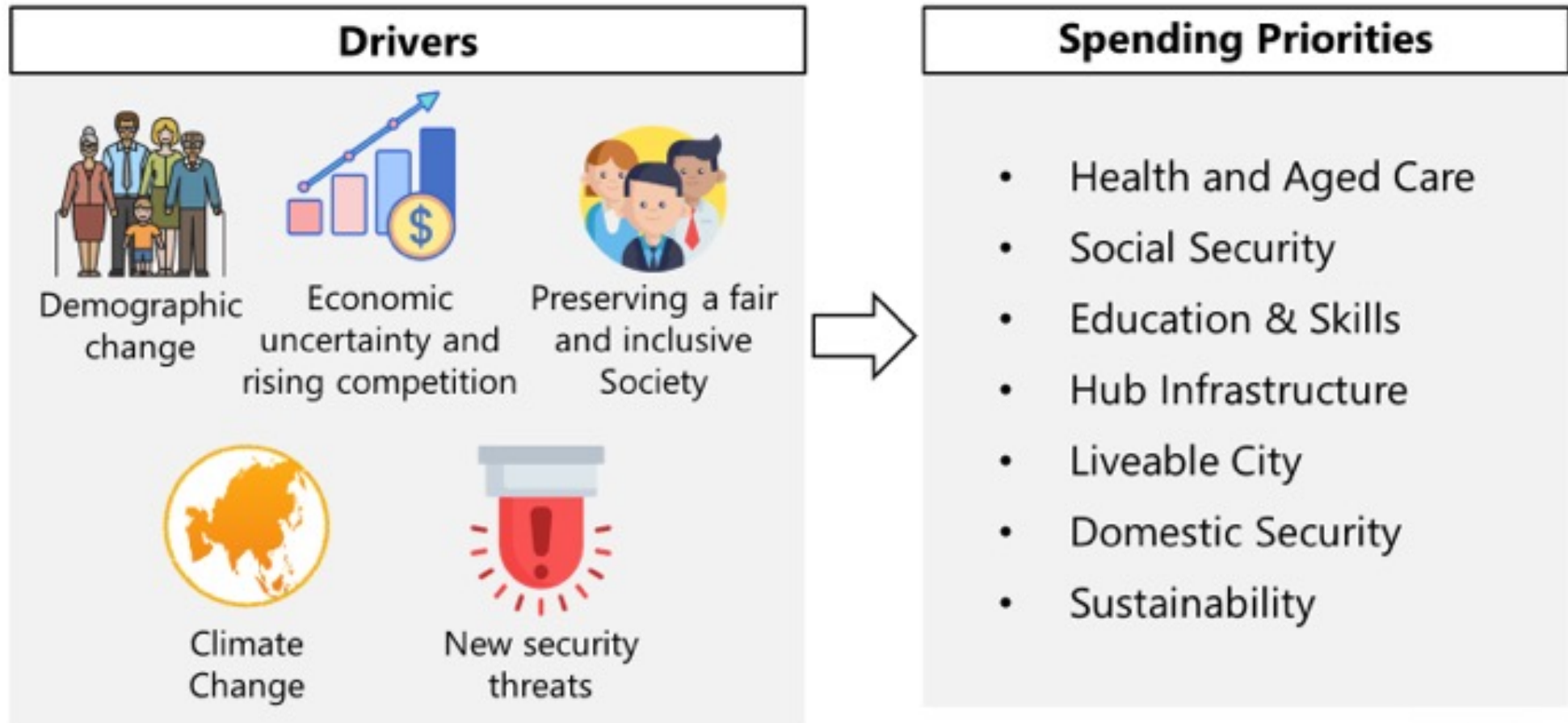
Technology Divides

Energy

Human Rights

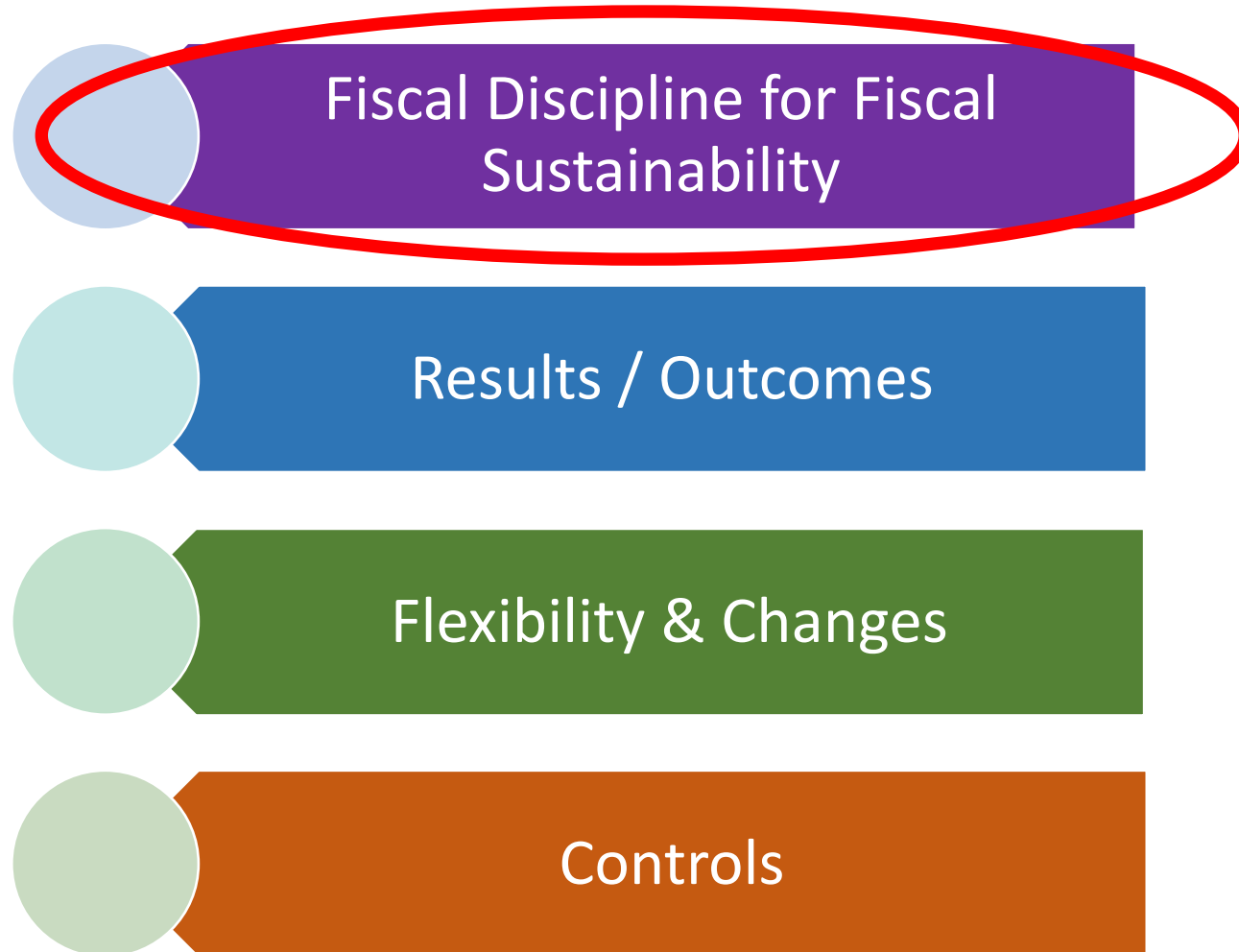


# Planning for the long-term...



<https://www.mof.gov.sg/policies/fiscal>

# Public Finance - 4 Key Points



# Struggle of Every Government

Revenue



Expenditure

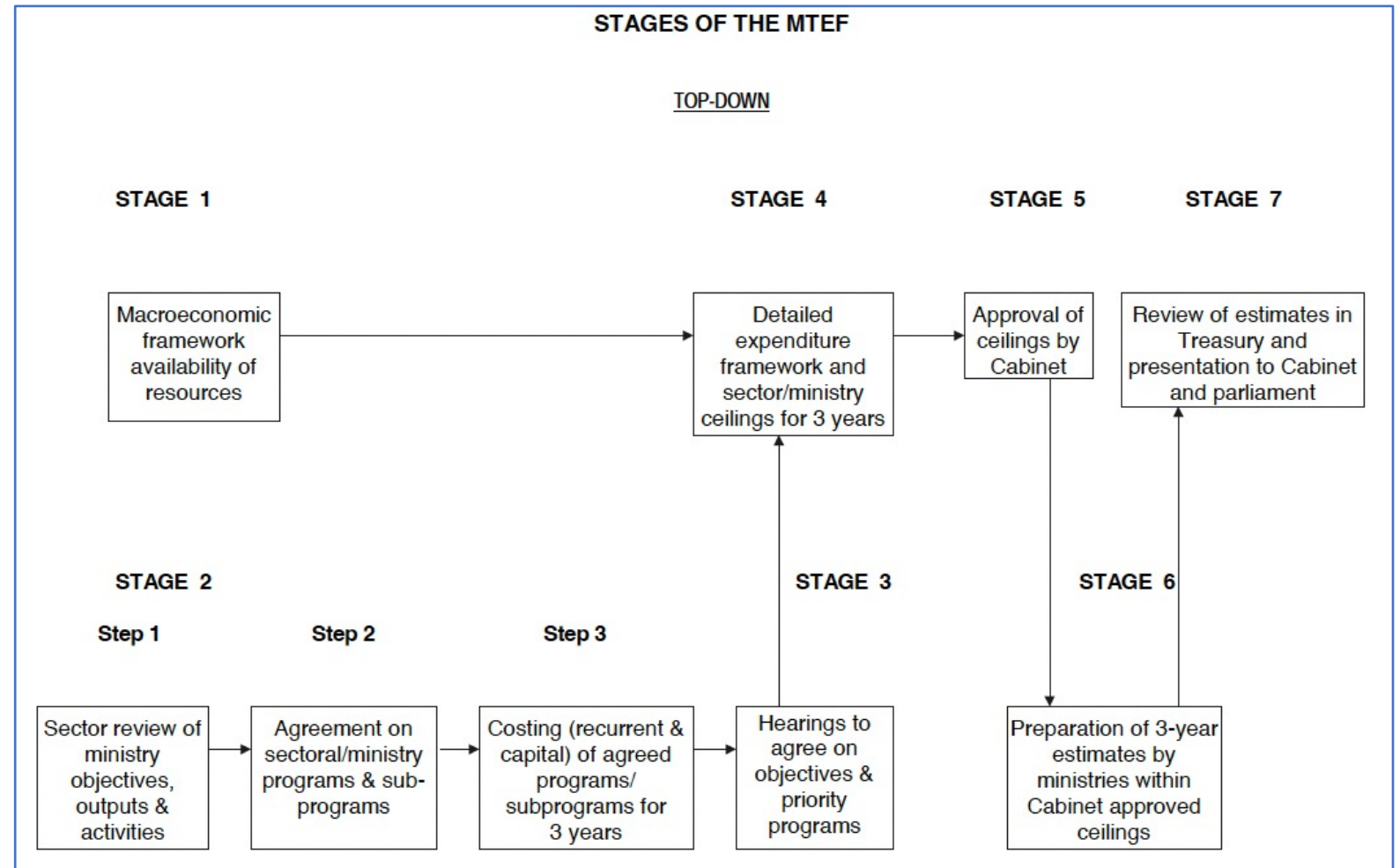
Loans/Debts

Investment

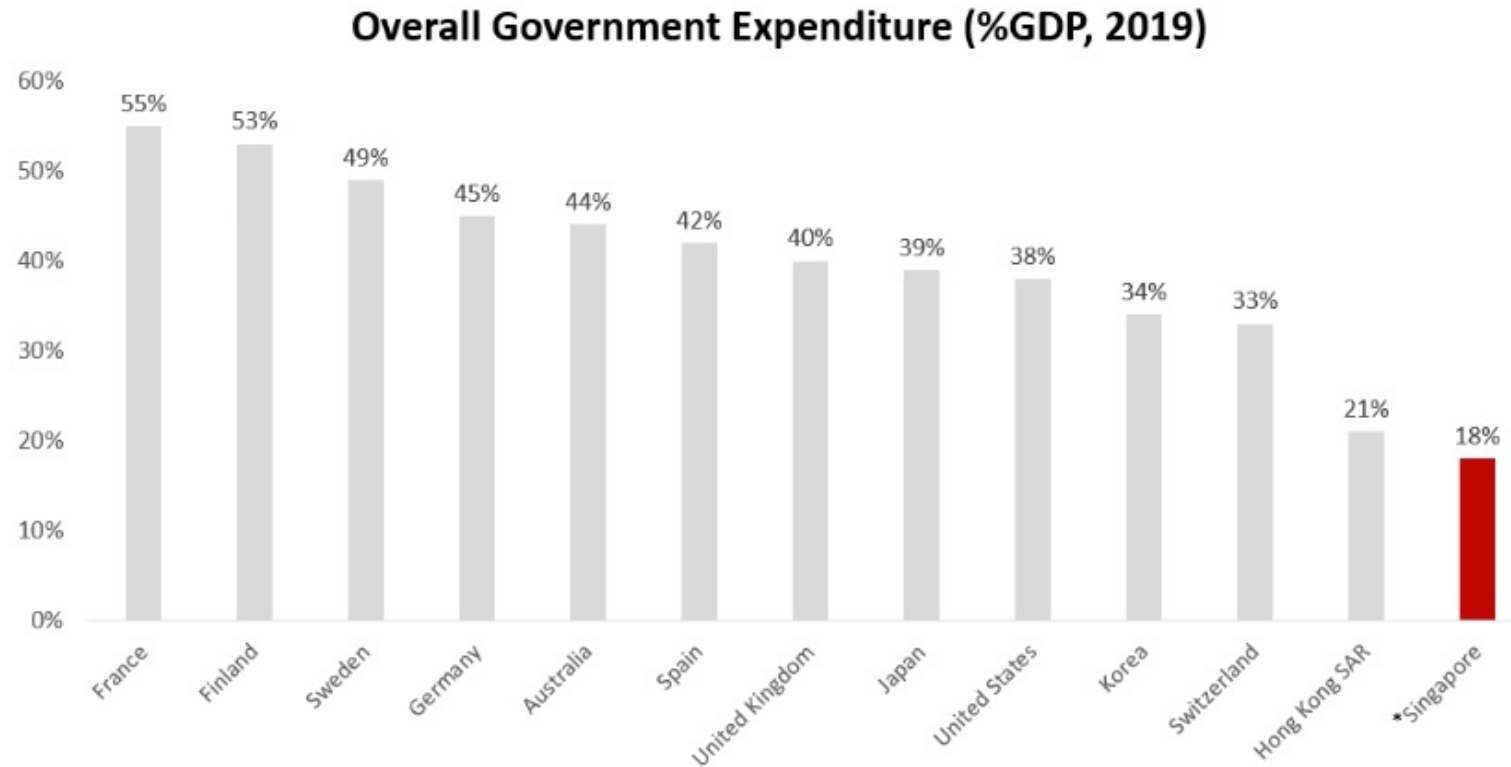
Surplus vs Deficit

# Popular International Frameworks

- E.g. Medium-Term Expenditure Framework (MTEF), Public Expenditure and Financial Accountability (PEFA) program



# Discipline to keeping Government small & lean...



Source: OECD database (<https://data.oecd.org>) and Hong Kong Census and Statistics Department (<https://www.censtatd.gov.hk>)

\* This includes Special Transfers and Top-ups to Endowment and Trust Funds

<https://www.mof.gov.sg/policies/fiscal>

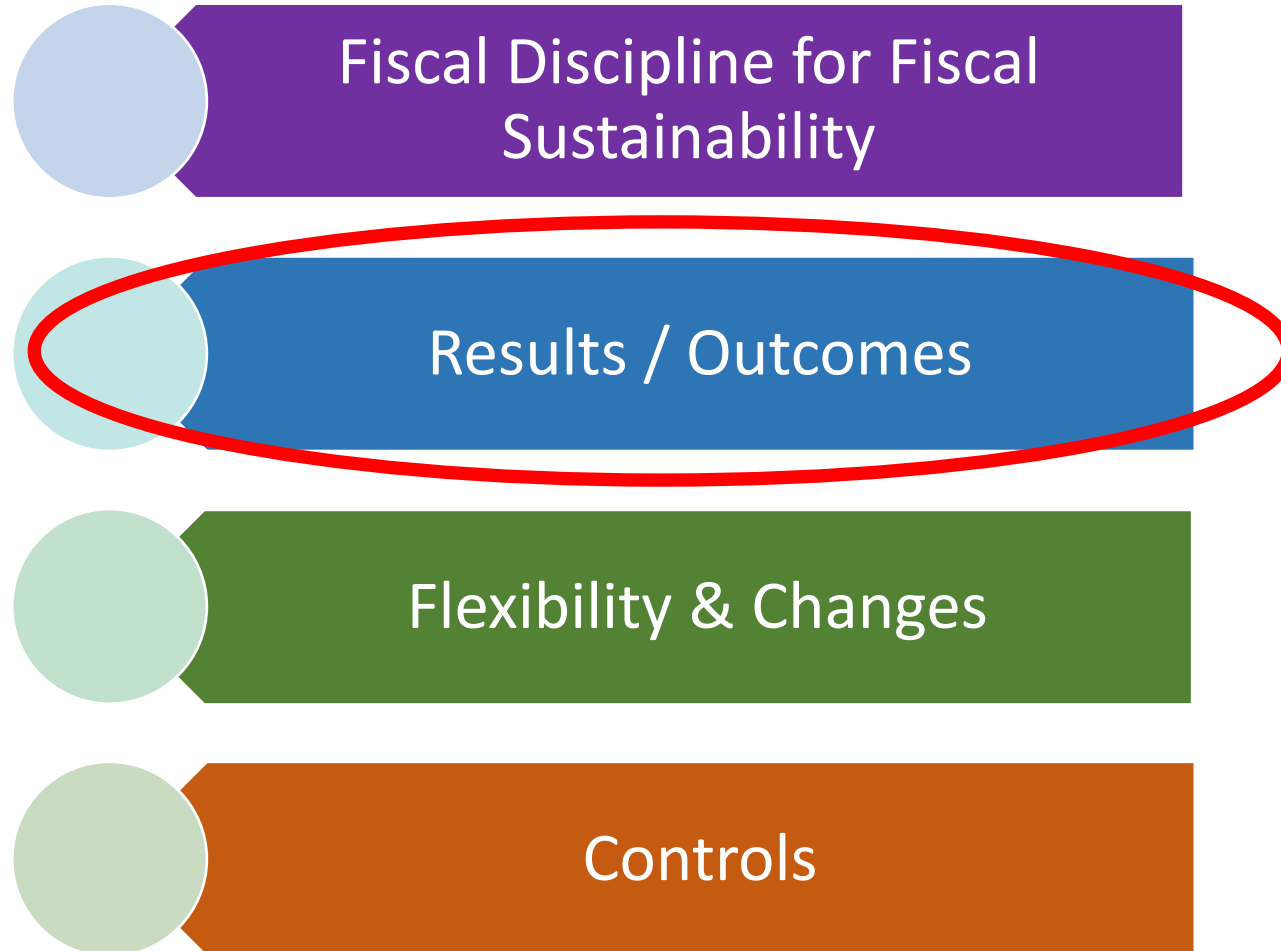
# Importance of Savings, Reserves....

Our reserves are a critical resource for Singapore's future. As a strategic asset, our reserves serve key purposes:

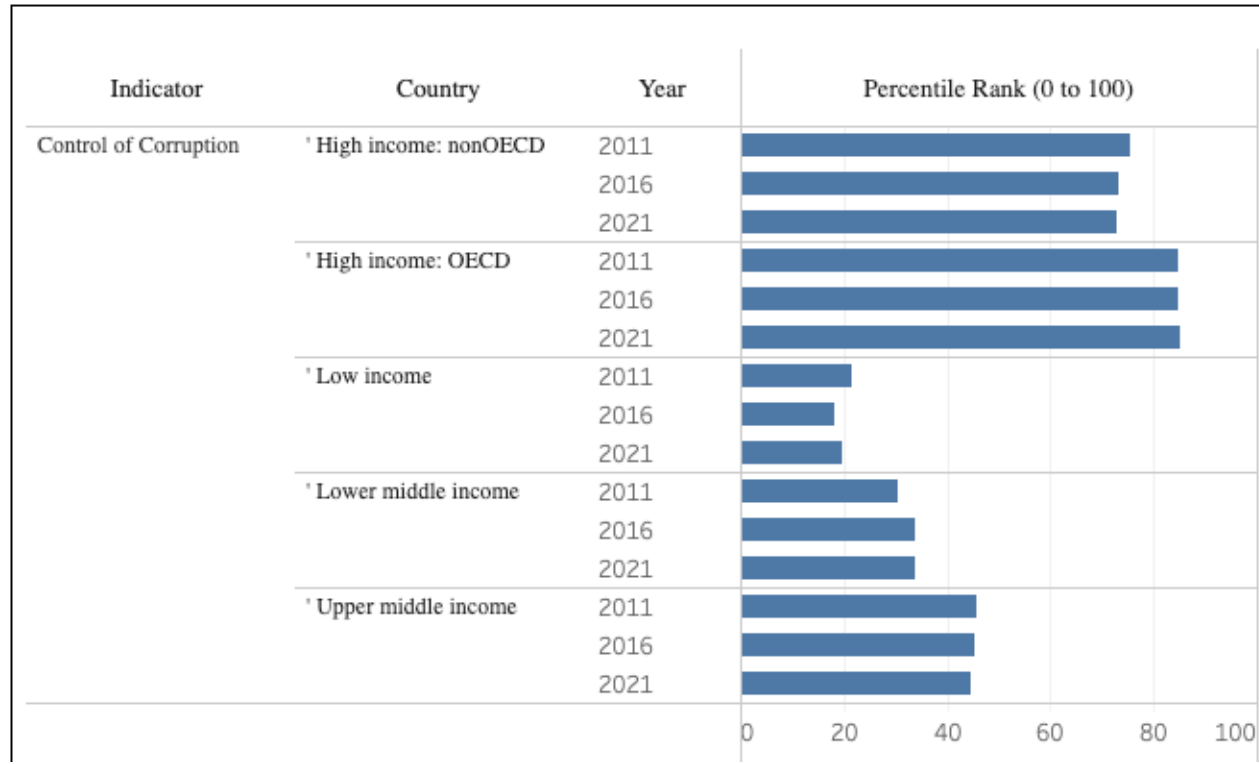
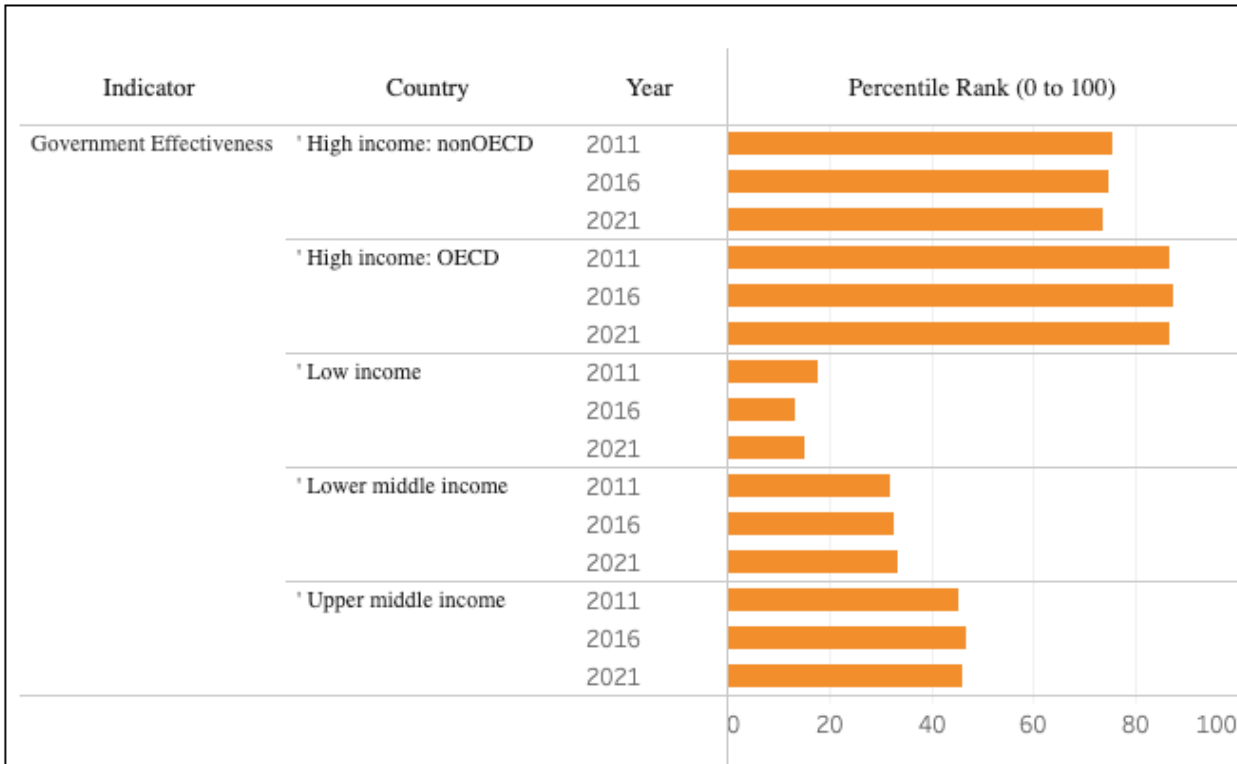
- a. They provide a key defence for Singapore in times of crisis. We cannot tell what crises - natural calamities, pandemics, wars or economic crises - will hit us in future and what the scale of the damage will be. Our reserves are a strategic asset should a major crisis occur, allowing us to mount a decisive and effective response.
- b. The investment of our reserves also provides a valuable stream of income for the Government Budget, which can be spent or invested for the benefit of current as well as future generations.



# Public Finance - 4 Key Points



# Worldwide Governance Indicators

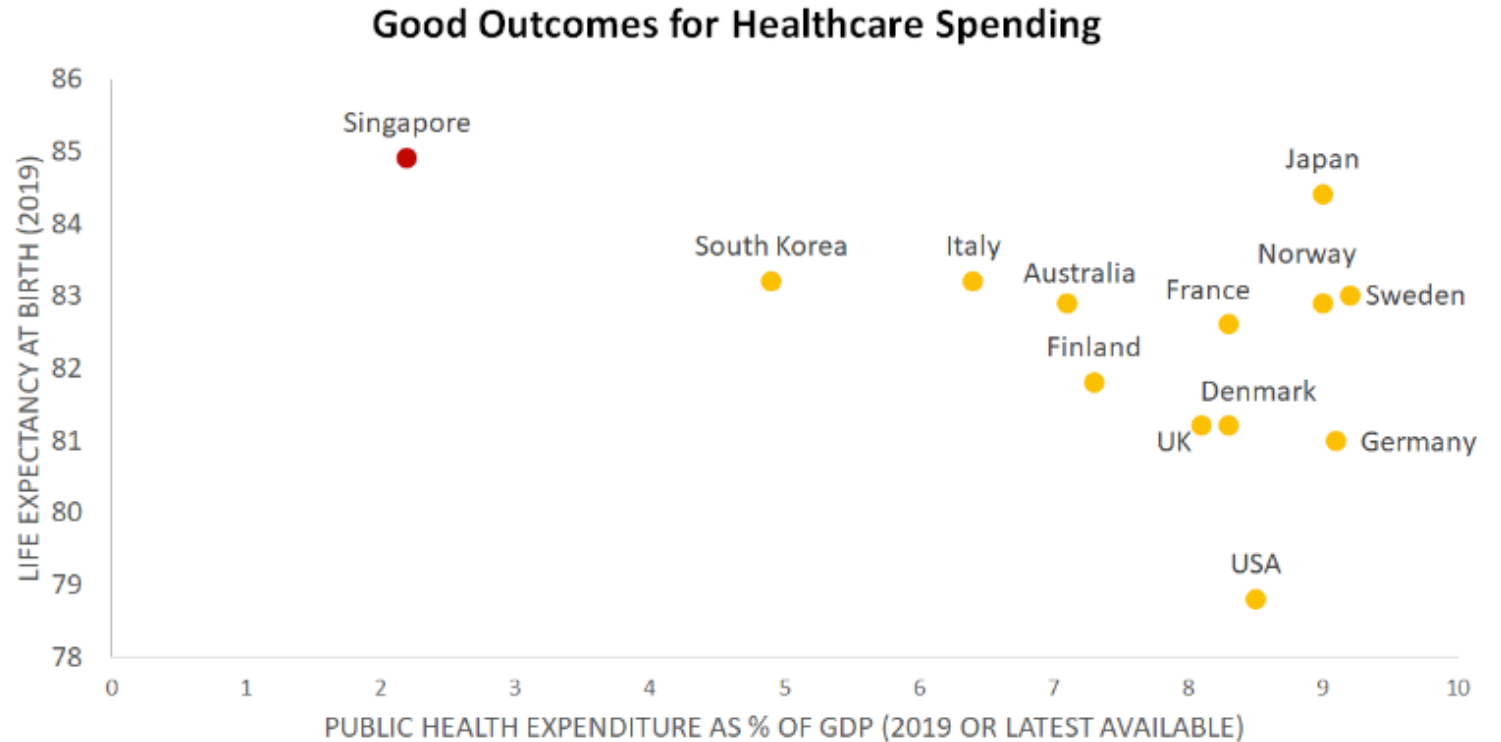


## Six dimensions of governance

- 📌 Voice and Accountability
- 📌 Political Stability and Absence of Violence/Terrorism
- 📌 Government Effectiveness
- 📌 Regulatory Quality
- 📌 Rule of Law
- 📌 Control of Corruption

<https://info.worldbank.org/governance/wgi/>

Maximising  
Impacts, and  
doing more with  
less...



Sources: WHO (Global Health Expenditure Database) and World Bank Data. MOF data is proxied using MOH total expenditure

Note:

**Expenditure data as of 2019** - For Singapore we used 2019 for GDP, FY2019 for healthcare spending. For other countries, healthcare spending is as % of GDP is 2019 or latest avail year.

**Life expectancy as of 2019** - latest available is 2019

Source: <https://www.mof.gov.sg/policies/fiscal>

# Examples of Published KPIs

## *Key Performance Indicators*

Desired Outcome	Performance Indicator	Actual FY2020	Actual FY2021	Revised FY2022	Estimated FY2023
Stewardship of Public Good	<b>Balanced Budget</b>				
	Overall Fiscal Position as a % of GDP (5-year moving average)	-1.3	-1.5	-2.0	-2.2
	<b>Fiscal Sustainability</b>				
	Draw on Past Reserves	Yes <sup>1</sup>	Yes <sup>1</sup>	Yes <sup>1</sup>	No
	Standard and Poor's / Moody's Sovereign Risk Rating	AAA / Aaa	AAA / Aaa	AAA / Aaa	AAA / Aaa

*(Extracted from the FY2023 Budget Book for Singapore Ministry of Finance)*

# Examples of Published KPIs

## *Key Performance Indicators*

Desired Outcome	Performance Indicator	Actual FY2020	Actual FY2021	Revised FY2022	Estimated FY2023
High-performing Public Service	World Bank's Worldwide Governance Indicator <sup>1</sup> : Government Effectiveness <sup>2</sup>	100%	100%	100% <sup>3</sup> (Projected)	100%
Public officers who perform to high standards through continuous training and development	No. of Public Officers Trained <sup>4</sup>	25,903	44,326	24,532 <sup>5</sup>	40,000
Effectively curbing corruption in Singapore	Transparency International – Corruption Perceptions Index <sup>6</sup>	Score of 85 out of 100	Score of ≥80 out of 100	Target Score of ≥80 out of 100 <sup>7</sup>	Target Score of ≥80 out of 100

*(Extracted from the FY2023 Budget Book for Singapore Prime Minister's Office)*

# Public Finance - 4 Key Points

Fiscal Discipline for Fiscal Sustainability

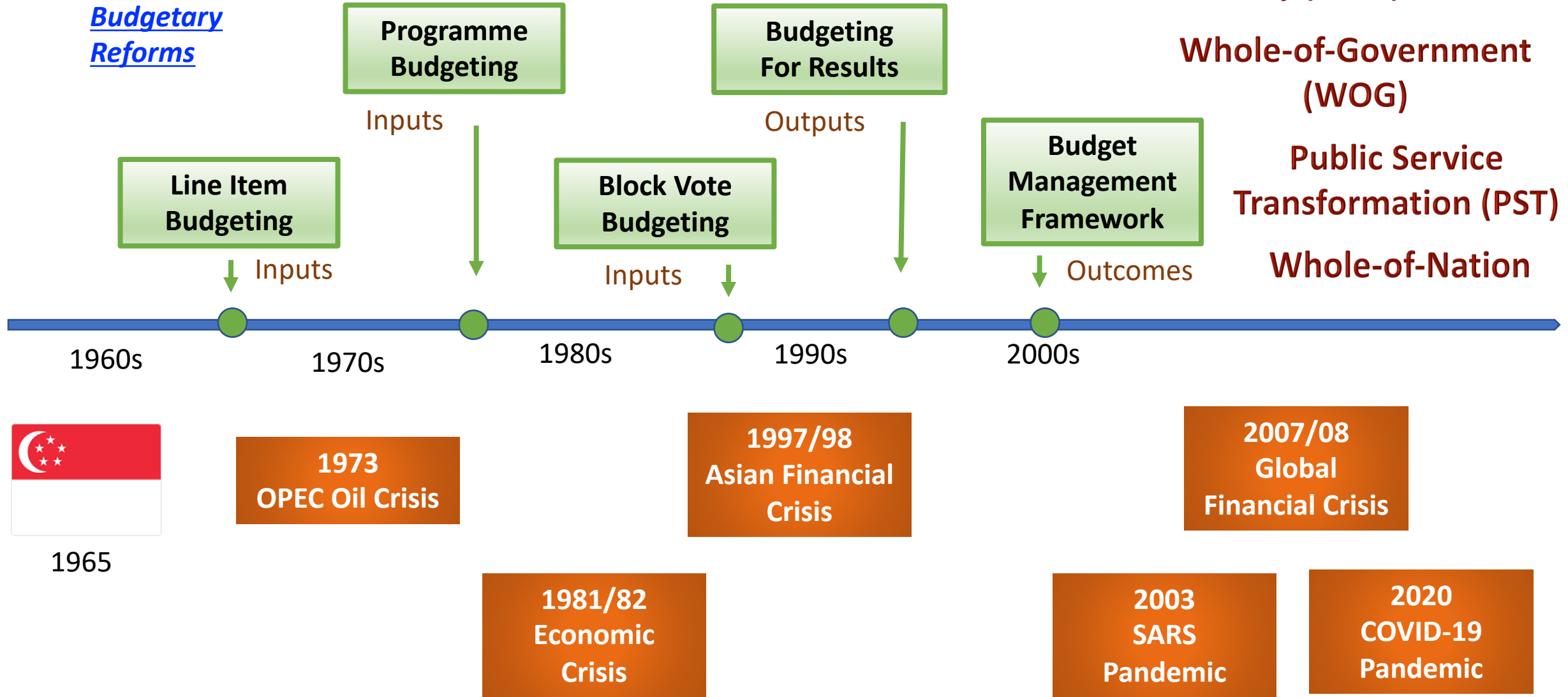
Results / Outcomes

Flexibility & Changes

Controls

# Modernization & Continuous Change...

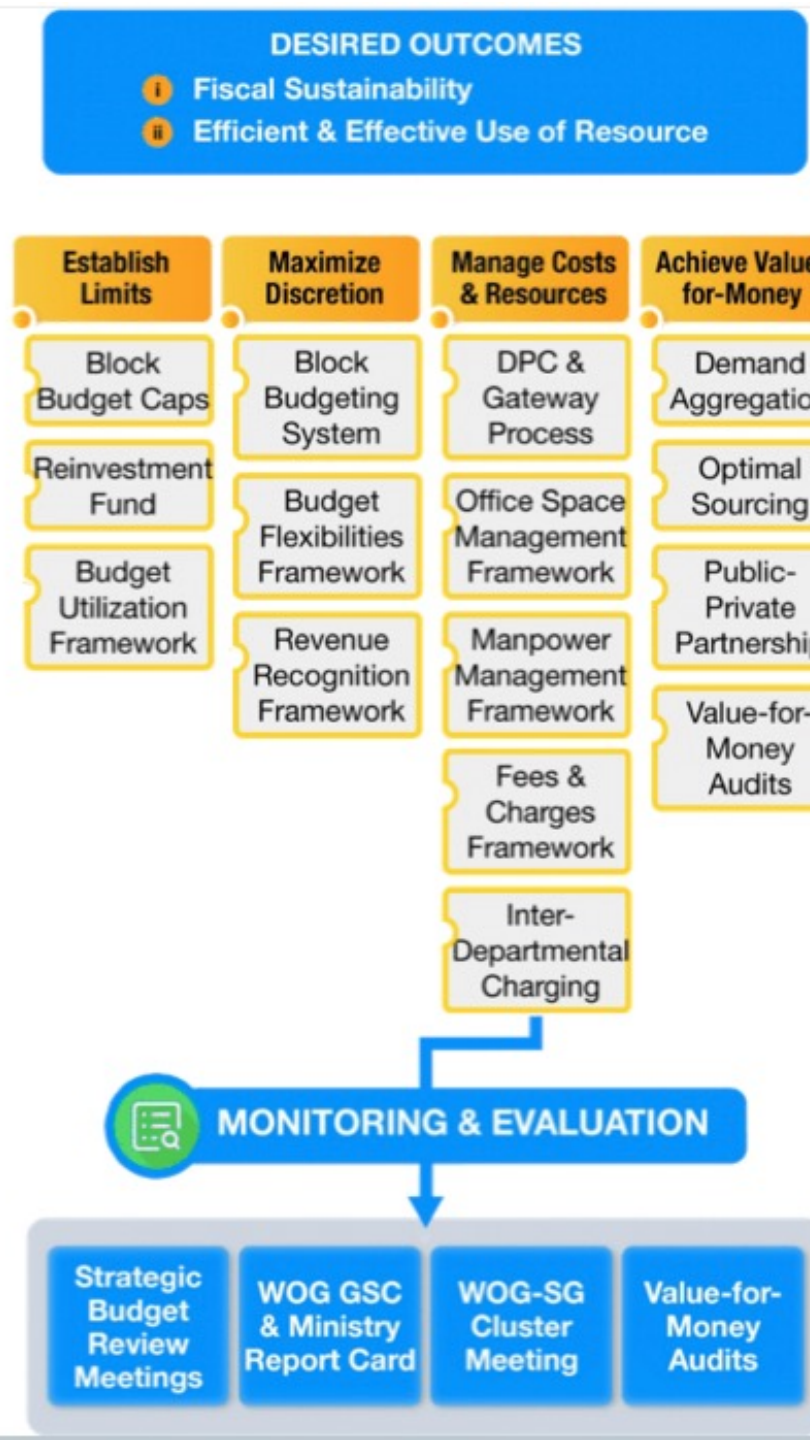
## Public Sector Reforms since mid-1990s



# Budget Management Framework

- MTEF-like approach
- Less centralised control with greater accountability for line agencies

DPC: Development Planning Committee  
 WOG: Whole-of-Government  
 WOG GSC: WOG Government Scorecard  
 WOG-SG: WOG Strategic Outcomes

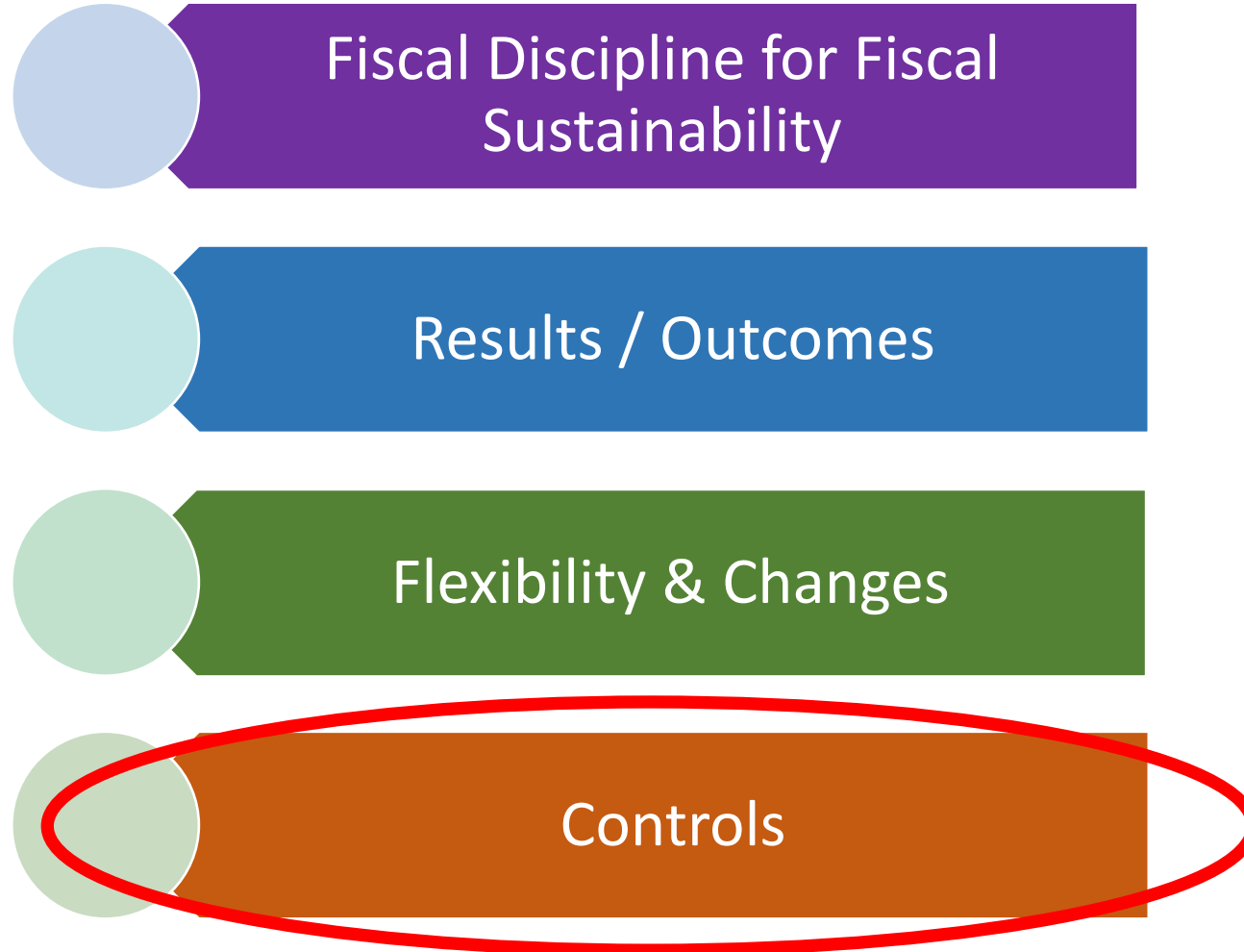


Principles-Based Approach

Source: Singapore Ministry of Finance



# Public Finance - 4 Key Points



# PEFA's Seven Pillars



*Public  
Expenditure  
and Financial  
Accountability  
(PEFA)  
program*

<https://www.pefa.org/resources>

# What is Internal Control?

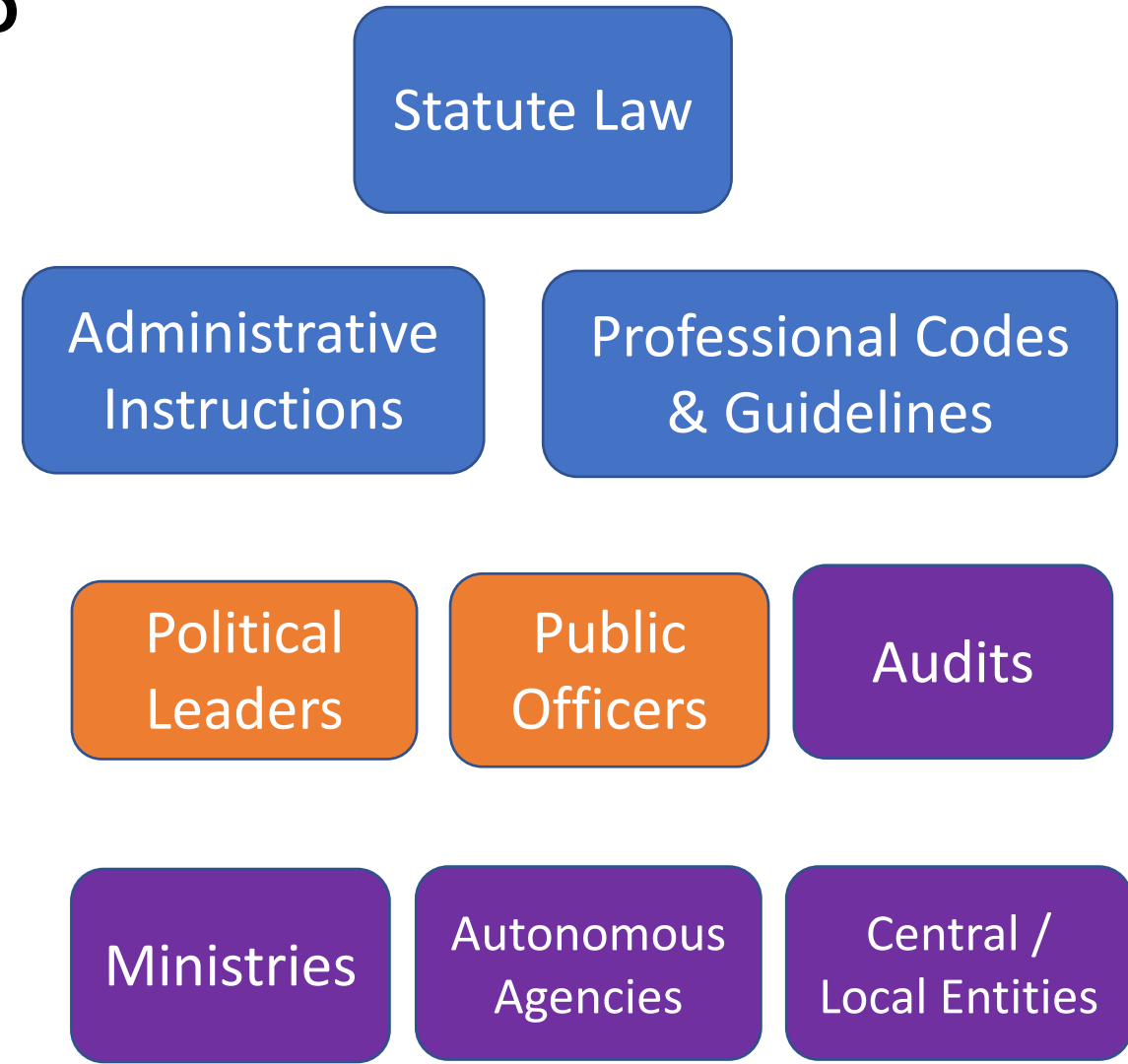
- International Standard on Auditing (ISA)
  - System of internal control – The system designed, implemented and maintained by those charged with governance, management and other personnel, to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. [...]

*ISA 315 (Revised 2019), Identifying and Assessing the Risks of Material Misstatement*

# What is Internal Control?

- International Standard on Auditing (ISA)
  - [...] For the purposes of the ISAs, the system of internal control consists of five inter-related components:
    - (i) Control environment;
    - (ii) The entity's risk assessment process;
    - (iii) The entity's process to monitor the system of internal control;
    - (iv) The information system and communication; and
    - (v) Control activities.

*ISA 315 (Revised 2019), Identifying and Assessing the Risks of Material Misstatement*



Harnessing technology, data & Artificial Intelligence (AI) for greater efficiency & control...

## Key Financial Systems of Singapore MOF & Other Entities

GeBIZ

E-procurement

iBudget

Estimates

Vendors@  
Gov

E-invoice

NFS@Gov

Central Financial  
System

HRP

Payroll, claims,  
pension

Fi@Gov

Data analytic  
System

BizFile  
Company  
Records

Inter-bank  
Transfers

HR System

# Enhancing Governance of Government Procurement...

- A common framework used is WTO-GPA.
- The WTO Agreement on Government Procurement (GPA) is a "plurilateral" agreement, which means that it applies to a number of WTO Members, but not all Members.

[https://www.wto.org/english/tratop\\_e/gproc\\_e/gp\\_gpa\\_e.htm](https://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm)



# E-Procurement

- GeBIZ – Singapore’s E-procurement platform

A Singapore Government Agency Website [How to identify](#) ▾

**GeBIZ**

ABOUT US ANNOUNCEMENTS GETTING STARTED

Home Opportunities Supplier Directory SIGN UP WHICH TO USE? LOGIN ▾

Search for Opportunities > Today's Opportunities

Enter keywords  [Advanced Search](#)

Search in:  Title  Document No.  Agency  Procurement Category

Keywords:  Match All  Match Any

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**Introducing GeBIZ and Learn How To Use** **Useful Quick Tips**

As a GeBIZ Trading Partner, I can...

**SEARCH FOR OPPORTUNITIES**  
- Find procurement opportunities from different government agencies.

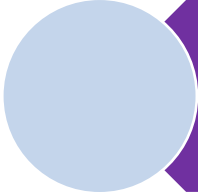
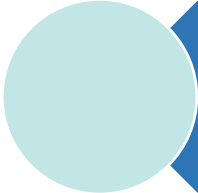
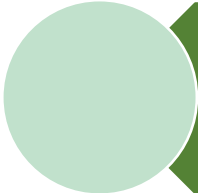

**BID FOR OPPORTUNITIES**  
- Select items for bidding and submit your documents.

**SCHEDULED MAINTENANCE**

From	To
Sunday 03 Sep 2023 0000 hrs	Sunday 03 Sep 2023 0800 hrs

<https://www.gebiz.gov.sg/>

# Session Review

-  Fiscal Discipline for Fiscal Sustainability
-  Results / Outcomes
-  Flexibility & Changes
-  Controls



Thank You