

ACTION INFORMATION MANAGEMENT

PM Lee calls for review of AIM transaction

Review will also re-examine 'nature of town councils'

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SINGAPORE – The back and forth over Action Information Management (AIM) and the Aljunied-Hougang Town Council (AHTC) arrived at a new phase yesterday: The Prime Minister called for a review of the transaction, which saw the 14 PAP town councils selling management software to AIM via an open tender in 2010.

The simmering issue, which gave rise to numerous statements being exchanged between both sides over the “public interest”, will be reviewed “in the interest of transparency and

maintaining trust in the system”, Prime Minister Lee Hsien Loong said in a statement last night.

Beyond looking at the transaction between AIM and the PAP town councils, the review will be conducted by the Ministry of National Development (MND) to “satisfy itself that public funds were safeguarded and residents’ interests were not compromised”, the statement said.

The review, which would last about one or two months, will also re-examine a fundamental issue — the “nature of town councils”, in Mr Lee’s words.

It is the latest development in the saga, which began on Dec 14 after an explanation by AHTC Chairman Sylvia Lim of the town council’s poor performance in a management report, which had flagged it for poor management of its service and conservancy charges

arrears, and the non-submission of an auditors’ management letter.

Ms Lim, part of the Workers’ Party team of Members of Parliament who took over management of the town council after the General Election in 2011, blamed AHTC’s poor performance on the need to develop new IT systems within two months of the PAP-owned AIM terminating its contract last August. Her explanation was followed by a series of statements by AHTC and AIM. Among other things, questions were raised about the termination of the contract and the fact that AIM won a tender to manage the computer systems used by the town councils.

Since then, the issue has been taken up by many on opposing sides of the fence, and has led to questions from members of the public. In particular, members of the public as well as

Ms Lim questioned whether there was potential conflict of interest in the arrangement between AIM and the PAP and if a tender conducted to develop a new system was indeed open.

In his statement, Mr Lee reiterated that the transaction “was not raised as an issue by any of the external auditors who audited the FY2010 accounts of these town councils”.

But he added: “With a view to ensuring high overall standards of corporate governance in town councils, MND will take a broad-based approach, including re-examining the fundamental nature of town councils.”

According to the MND, the review will be led by the ministry’s Deputy Secretary, Mr Tay Kim Poh. It will report to MND Permanent Secretary Benny Lim. The MND said in a statement that

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VIDEO
PM LEE
DIRECTS
MND TO FULLY
REVIEW AIM
TRANSACTION

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PM Lee calls for review of AIM deal

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planning for the review began last week, and that field activities should start soon. It said town councils are autonomous bodies managed by elected MPs and governed by the Town Councils Act, which the MND administers. This statement appeared at odds with earlier assertions by some PAP MPs that town councils are political organisations and linked directly to political parties.

When contacted, the WP said that Ms Lim yesterday filed an adjournment motion titled Safeguarding the Public Interest in Town Council Management for the coming Parliament sitting on Jan 14. Dr Teo Ho Pin, Coordinating Chairman for PAP Town Council, and AIM Chairman Chandras Das have mounted a stout defence of the transaction. Among other things, they gave detailed explanations of how the process was conducted and stressed that it was above board.

Dr Teo and Mr Das could not be reached for comment yesterday.

Political analysts TODAY spoke to said the explanations provided thus far were inadequate. Both Nominated MP Assistant Professor Eugene Tan and former NMP Siew Kum Hong felt the review should make clear how assets should be handled by town councils.

“The system should be tightened, come up with a proper set of rules and guidelines, especially in handling of tangible assets,” Asst Prof Tan said.

“I would like to see much clearer guidelines in transition whenever there is a change in parties managing any town council. They have to run smoothly, regardless of which party controls it,” said Mr Siew.