

Town Council Management Report (TCMR) Framework

The TCMR Framework covers 5 areas – Estate Cleanliness, Estate Maintenance, Lift Performance, Service & Conservancy Charges (S&CC) Arrears Management and Corporate Governance.

01	Estate Cleanliness	Average Cleanliness counts per block
02	Estate Maintenance	Average Maintenance counts per block
03	Lift Performance	Single index consisting of (a) Number of lift breakdowns per month (per 10 lifts) (b) % of lifts managed that break down 3 or more times a month (c) Lift Automatic Rescue Device (ARD) failure rate per month
04	S&CC Arrears Management	Single index consisting of (a) % of households with S&CC overdue for 3 or more months (b) % of residential S&CC amount overdue for 3 or more months (out of total monthly S&CC collectible)
05	Corporate Governance	Compliance with governance-related requirements of Town Councils Act and its subsidiary legislations such as the Town Councils Financial Rules, via: (a) Auditor's observations (b) Self-declared corporate governance checklist

Each area is presented as a single indicator and results are banded as Green, Amber or Red.

Indicator	Green	Amber	Red
Estate Cleanliness	< 4 counts per block	4 to < 8 counts per block	≥ 8 counts per block
Estate Maintenance	< 4 counts per block	4 to < 8 counts per block	≥ 8 counts per block
Lift Performance ^[1]	≥ 8 points	4 to < 8 points	< 4 points
S&CC Arrears Management ^[2]	≥ 8 points	4 to < 8 points	< 4 points
Corporate Governance	Full compliance of checklist with <u>no</u> observation from Auditor	<u>Either</u> 1 item of non-compliance in the checklist only <u>OR</u> 1 observation from Auditor only	At least 1 item each of checklist non-compliance and observations from Auditor <u>OR</u> 2 or more items in either category

Explanatory notes:

[1] If the result for lift performance is green, this generally means that for every 10 lifts, less than 2 breakdowns occur per month and less than 2 in 100 lifts have a non-functioning Automatic Rescue Device.

[2] If the result for S&CC arrears management is green, this generally means that less than 4 in 100 households owe arrears for 3 months or more and less than 40% of the monthly collectible S&CC for the town is overdue.

Estate Cleanliness

The Estate Cleanliness indicator is based on data collected on the state of cleanliness in the common areas via **estate inspections** by HDB officers. The state of cleanliness is observed, for instance, by presence of litter and stains, graffiti, cobwebs, moss and bulky refuse.

Observations that pose potential hygiene or health concerns are categorised as High, and will be given greater weightage. Hence, the observations made on these inspections are weighted based on their severity (High/Moderate/Low) and translated into **number of counts per block**.

The Town Council will get a Green/Amber/Red for Cleanliness based on its average cleanliness counts per block.

$$\text{Average cleanliness counts per block} = \frac{\text{Total number of cleanliness counts}}{\text{Total number of blocks inspected}}$$

Estate Maintenance

The Estate Maintenance indicator is based on data collected on the state of maintenance in the common areas via **estate inspections** by HDB officers. The state of maintenance is observed, for instance, by the presence of obstruction and unauthorised fixtures at common areas, and from the condition of wall tiles, benches, staircase railings, electrical fittings and playground equipment.

Observations that pose potential safety concerns are categorised as High, and will be given greater weightage. Hence, the observations made on these inspections are weighted based on their severity (High/Moderate/Low) and translated into **number of counts per block**.

The Town Council will get a Green/Amber/Red for Maintenance based on its average maintenance counts per block.

$$\text{Average maintenance counts per block} = \frac{\text{Total number of maintenance counts}}{\text{Total number of blocks inspected}}$$

Lift Performance

Lift performance comprises two sub-indicators: (i) Lift breakdown rate and (ii) Lift Automatic Rescue Device (ARD) failure rate. The Town Council will get a Green/Amber/Red for Lift Performance based on its total score (out of 10 points).

(i) Lift breakdown rate [5 points]

This sub-indicator includes –

a) the current average lift breakdown rate per 10 lifts (4 points)

$$\text{Average no. of lift breakdowns per month (per 10 lifts)} = \left(\frac{\text{Total lift breakdowns}}{\text{Total no. of lifts managed}} \right) \times 10$$

Average no. of breakdowns	Points
< 1	5
1 to <2	4
2 to <3	3
3 to <4	2
≥ 4	1

} Scaled to a 4-point score

b) the percentage of lifts that break down 3 or more times a month in the town (1 point)

$$\text{Percentage of lifts that break down frequently} = \left(\frac{\text{No. of lifts that break down } \geq 3 \text{ times a month}}{\text{Total no. of lifts managed}} \right) \times 100\%$$

Percentage	Points
< 0.1%	1
≥ 0.1%	0

(ii) Lift ARD failure rate [5 points] – The ARD brings the lift car to the nearest landing level during a power failure. Common causes of ARD failure include technical faults, battery defects, wear and tear and expiry of the device. The ARD is an important mechanism that enhances public safety in high-rise buildings and must be regularly tested to ensure that they are well-functioning.

$$\text{Average Lift ARD failure rate per month} = \left(\frac{\text{Total no. of ARD failures}}{\text{Total no. of ARDs managed}} \right) \times 100\%$$

Percentage	Points
< 1%	5
1% to <2%	4
2% to <3%	3
3% to <4%	2
≥ 4%	1

S&CC Arrears Management

The management and maintenance of HDB housing estates is primarily funded by the service and conservancy charges (S&CC) collected by Town Councils. The level of S&CC arrears may affect a Town Council's ability to effectively upkeep the estate.

S&CC arrears management comprises two sub-indicators: (i) % households with S&CC overdue for 3 months or more and (ii) Amount of S&CC overdue for 3 months or more out of total monthly collectible. The Town Council will get a Green/Amber/Red for S&CC Arrears Management based on its total score (out of 10 points).

(i) Percentage of households with S&CC overdue for three months or more [5 points]

$$\% \text{ of Households with S\&CC overdue for } \geq 3 \text{ months} = \left(\frac{\text{Total no. of households owing S\&CC arrears } \geq 3 \text{ months}}{\text{Total no. of households}} \right) \times 100\%$$

Percentage	Points
< 3%	5
3% to <4%	4
4% to <5%	3
5% to <6%	2
≥ 6%	1

(ii) Amount of cumulative S&CC overdue for three months or more as a proportion of the total S&CC collectible under the Town Council's management each month [5 points]

$$\% \text{ of S\&CC amount overdue for } \geq 3 \text{ months} = \left(\frac{\text{Total amount of S\&CC amount overdue } \geq 3 \text{ months}}{\text{Total amount of monthly S\&CC collectible}} \right) \times 100\%$$

Percentage	Points
< 30%	5
30% to <40%	4
40% to <50%	3
50% to <60%	2
≥ 60%	1

Corporate Governance

It is important for Town Councils to have sound corporate governance and internal controls. Town Councils are required to comply with the Town Councils Act (TCs Act) and its subsidiary legislations such as the Town Councils Financial Rules (TCFR).

To provide greater public accountability and transparency, Town Councils are required to submit a self-declared checklist on their compliance with the above legislation. Town Councils are then assessed based on their state of compliance across the financial year considering their submitted self-declared checklist and observations of their auditor.

The self-declared checklist to be submitted by the Town Councils is attached on the next page.

**Town Council Corporate Governance Compliance Checklist for
Financial Year Ended _____**

	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		
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		
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)		
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)		
1.5	The TC has discharged its duties as mandated.	TCs Act S21		
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		

* Please provide an explanation if the item's compliance is stated as "In progress", "Does not comply" or "Not applicable". If there is insufficient space, please attach a separate document to list the explanations.

	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)		
2.0	Conflict of Interest			
2.1	<p>The TC ensures that the procedures to disclose conflict of interest are in accordance with the requirements under the TCs Act and Rules.</p> <p>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.</p>	<p>TCs Act S15(1), S15(2) & S15A</p> <p>TCFR R73(15), R74(19A) & R76(3)(a)</p> <p>TCs (Governance) Rules 2017 R4, Second Schedule</p>		
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)		
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)		

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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)		
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		
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)		
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		

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	Principles	Specific Regulatory Compliance	Compliance	Explanation *
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		
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		
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		
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)		

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	Principles	Specific Regulatory Compliance	Compliance	Explanation *
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		
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		
4.0	Compliance by Managing Agents (MA)			
4.1	MAs' involvement in the tender process, if any, does not contradict the TCFR.	TCFR R76		
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)		

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	Principles	Specific Regulatory Compliance	Compliance	Explanation *
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)		
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)		

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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		
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		

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: _____

Name of Chairman: _____

Signature: _____

Date: _____

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