

Joint special auditor for SingPost

Drew & Napier to have same "scope of work and detailed terms of reference" as PwC

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GIVING in to public pressure over its choice of its longstanding external auditor PricewaterhouseCoopers (PwC) as special auditor for its corporate governance probe, Singapore Post (SingPost) has decided to bring in a joint special auditor: law firm Drew & Napier.

While making no mention of the extra fees the move will incur, the postal and e-commerce group said in a Singapore Exchange (SGX) filing on Friday evening that Drew & Napier's "scope of work and detailed terms of reference" would be the same as PwC's for the special audit, which it now expects to be completed next month.

The partner leading the joint investigation into SingPost's corporate governance at Drew & Napier is Senior Counsel Hri Kumar, SingPost said. It added that its board has ascertained and Drew & Napier has confirmed that the law firm and Mr Kumar "have no actual or perceived conflict which would affect their ability to carry out the independent special audit".

The board decided to tap Drew & Napier as "joint independent special auditor after taking into consideration the concerns that had been expressed by some media commentators and shareholders, and feedback that the company has received from shareholders, the public and the Singapore Exchange", SingPost said.

Corporate governance specialist and SingPost shareholder Mak Yuen Teen told The Business Times on Friday that the appointment of a joint special auditor gave him "more confidence that we will get to the bottom" of SingPost's corporate governance issues, but questioned why PwC was not simply replaced.

"With the joint special auditor involved, it does raise the question whether PwC is needed at all, as it seems the matters that are covered in the scope are matters the co-special auditor is fully capable of investigating. That being said, I am pleased that we now have a more independent party involved in the special audit, and would suggest that the joint special auditor should lead the process, with PwC assisting if needed . . . I am pleased that SGX has been active in providing feedback to SingPost on this matter, which has led to this positive development."

The Securities Investors Association (Singapore) (SIAS) also weighed in, saying the appointment of a joint special auditor provided "greater assurance to all stakeholders that the special audit is independent".

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