

## Chapter XI Ministry of Works & Human Settlement

The Royal Audit Authority during the year had issued 16 inspection reports of agencies under the Ministry of Works & Human Settlement. The following officials headed the Ministry and departments under it during the year 2004:

Sl.No	Name	Designation
1.	Lyonpo (Dr.)Kinzang Dorji	Minister
2.	Tshering Dorji	Secretary
3.	Rinchen Dorji	Director, Department of Urban Development & Engineering Services
4.	Phuntsho Wangdi	Director, Department of Roads
5.	Phuntsho Wangdi	Thrompon, City Corporation, Thimphu
6.	Dorji Chhoden	Director, National Quality Control Authority
7.	Jangchuk Gyeltshen	Thrompon, City Corporation, Phuntsholing
8.	Pem Tsewang	Deputy Secretary, Administration & Finance Division

The following table exhibits the summary of the findings in a consolidated form:

*Table 1.31 showing summary of observations with category code and amount involved.*

Sl.No	Observations in brief	Amount (Nu. Million)	%	Category code
1.	Award of supervision works on contract	13.945	38.20	16
2.	Award of work without tender	4.388	12.02	3
3.	Unfruitful Expenditure	4.251	11.65	5
4.	Outstanding advance	4.185	11.46	1
5.	No rectification of defective works	3.295	9.03	7
6.	Non realization of cost differences and other penal amount on termination of contract	2.767	7.58	7
7.	Non recording in the measurement book	1.602	4.39	16
8.	Over/excess/double Payment	0.850	2.33	6
9.	Acceptance of work carried out other than specifications	0.777	2.13	7
10.	Unjustified rejection of bids	0.321	0.88	7
11.	Inadmissible Payment	0.085	0.23	8
12.	Defects found within liability period	0.038	0.10	7
13.	Illegal construction on government land	0.000	0.00	16
14.	Non enforcement of Acts	0.000	0.00	16
15.	Providing of inferior quality of CGI Sheets	0.000	0.00	7
16.	Issue of permits for construction of building – How fair is the system?	0.000	0.00	16
	<b>Total</b>	<b>36.504</b>	<b>100.00</b>	

### Major findings:

#### 1. Over/excess/double payment – Nu. 0.850 million

Various agencies under the Ministry of Works & Human Settlement had made excess payments as shown in the table below:

*Table 1.32 showing the agencies which made excess payments.*

Sl. No.	Agency	Amount (Nu. Million)
1.	Field Road Maintenance Division, Phuntsholing	0.102
2.	Field Road Maintenance Section, Samtse	0.205
3.	Field Road Maintenance Division, Chukha	0.520
4.	City Corporation, Thimphu	0.023
	<b>Total</b>	<b>0.850</b>

**A.** The contract for the construction of Kharband-Singhi Road was awarded to M/s Rohit Prasad Sharma. The contractor was found paid excess amount totaling Nu.0.102 million in terms of over measurement, using wrong specification of wire mesh, payment for non-utilization of excavated materials, etc.

**Auditee's response:** *The wall has already withstood one monsoon season. It is a much known fact that in a low foot hill place such as Phuentsholing, the monsoon rains tend to induce landslides, mudslides, rockslides and so on. Because the wall is constructed to hold such above mentioned slides, they are completely subjected to unequal stresses at the middle and at the ends. Due to this unbalanced stress or the push experienced by the wall may have sagged slightly. The size of the wire mesh may have been more due to following reasons:*

- a) While laying the wire mesh in the foundation, and during transportation, the wire may undergo some handling stresses, due to which the mesh have been extended and deformed.*
- b) At the time of construction, the masons & labourers have to pull, drag and lift the wire mesh and place it in required position and one possibility is while trying up the two ends together, a push & twist on the mesh is applied and this may also result in the change of its wire mesh size.*

**Who is accountable?:** *The response is not to the point. Tsheten Dorji, Executive Engineer & Sonam Phuntsho, Assistant Engineer of Field Road Maintenance Division, Phuntsholing are held accountable to deposit the amount with commercial interest of 16% p.a. into Audit Recoveries Account.*

**B.** The River Training Work at Daina, under the Field Road Maintenance Section, Samtse awarded to Ashi Pema Dolma at the estimated cost of Nu.5.185 million was allowed the cost index of 6.82% over the BSR 2001 on some items of work defying the observation earlier raised by the RAA. This had resulted into excess payment of Nu.0.205 million.

**Auditee's response:** *The responses of the Ministry is reproduced below “ the Ministry would like to report that this particular Audit Para will be closely pursued by this Ministry to arrive at a mutually agreeable conclusion between RAA and the MoW&HS. For this, the Ministry would require some time to document facts and figures and if Tsheten's clearance should follow this event (clearing the audit para) the incumbent would lose his career advancement opportunity which would be very unfortunate.*

**Who is accountable?:** *Hon'ble Minister, Secretary, Directors (Rinchen Dorji & Phuntsho Wangdi) are held accountable as per the letter No.IR/DSA/CICD-31/2005/4917 Dated 6<sup>th</sup> April, 2005. The inadmissible cost index amount be deposited into Audit Recoveries Account with commercial interest of 16% p.a. The Ministry is urged to kindly refrain from granting repetitive benefits to Ashi Pema Dolma on an annual basis.*

**C.** The improvement of New Road at Damsite, Chukha Hydro Power Corporation using Bitumen Emulsion Macadan was executed departmentally. One item of works executed also included Supply and Stacking of blinding materials Bitumen & Emulsion, an item/nomenclature which is neither found in the BSR nor in any of the specification books. A sum of Nu.0.520 million incurred on this item of work was therefore, highly irregular.

**Auditee's response:** *Appropriate response awaited.*

**Who is accountable?:** *P.D. Wangdi, Executive Engineer, FRMD, Chukha is held accountable to deposit the amount to Audit Recoveries Account with commercial interest of 16 % p.a.*

**D.** The construction of footpath, drains, benches and inner footpaths in the park area at Motithang was awarded to M/s K.P. Construction upon being selected as the lowest evaluated bid for Nu. 0.83 million. On verification of the records, it was noticed that the thickness of providing & laying stone soling and P/L cement concrete were not executed as per the drawing & specification, which resulted into over payment of Nu. 0.023 million.

**Auditee's response:** *The Management of City Corporation, Thimphu submitted that the thickness of PCC 1:3:6 was increased at certain length of the footpath to reduce the level difference for maintaining even surface. However, during the final payment it had been overlooked and bill passed for the whole length of footpath. It was also submitted that the contractor has been informed accordingly for the recovery of the amount.*

**Who is accountable?:** *The out put of the contract is sub-standard. The supervisors had failed in discharge of their duties. The official concerned should deposit the amount over paid with commercial interest of 16% p.a. into the Audit Recoveries Account for which the accountability is fixed on Tshering Nidup, JE.*

## **2. Award of work at estimated cost-extra financial implication – Nu.4.388 million**

The River Training Work at Daina, under the Field Road Maintenance Section, Samtse was awarded to Ashi Pema Dolma at the estimated cost of Nu.5.185 million. Further, during the past financial years i.e.2001-2003 and 2003-2004 similar works were awarded to Ashi Pema at the estimated costs. The total value of works all put together arrived at Nu.13.000 million approximately.

From the records available it was noticed that similar river training works in the same vicinity and locality were executed through tenders at a much lower prices than the estimated cost. It was apparent from the quoted price of the various bidders that the prevailing market rates for such works were lower than the estimated costs. As a result the government had sustained estimated financial loss of Nu.4.388 million. This implication has been worked out based on the average rate paid to the contractor on similar works. This implication has been worked out based on the average rate paid to the contractor on similar works.

**Auditee's response:** *The works were awarded without tendering based on the written instructions received from higher authorities. With great difficulty, we have managed to stop this practice although we receive regular requests, some directly from Gups and Chimis to award works to them without going through the tendering process. Since last year not a single contract has been awarded without tendering, nor are we going to do so in future.*

**Who is accountable?:** *The Ministers, Secretary and Head of the Departments are granting repetitive benefits to Ashi Pema Dolma on an annual basis. Tsheten Dorji, Executive Engineer is held responsible for not adhering to the advice of the RAA given in the previous AAR on this issue.*

### 3. Non-rectification of defective works valuing – Nu.3.295 million

The construction of River Training Works, Culverts and retaining works were awarded to various contractors during the financial year 2002-2003 valuing Nu.5.115 million. On reviewing the documents/records it was noted that the proportion of the works valuing Nu.3.295 million were damaged by flood within the defective liability period. As per the clauses of the contract agreement the contractors were required to have insurance coverage of the works to cover the risk of such damages. However, neither the contractors nor the road officials had undertaken to implement this clause.

**Auditee's response:** *It was submitted that few contractors had agreed to reconstruct and that some security deposit had been forfeited. It was also submitted that insurance possibilities would be looked into in future.*

**Who is accountable?:** *The damages of the works by flood must be rectified at the cost of contractors and the responsibility to do so falls on H.P. Sharma, Assistant Surveyor of Works and Tsheten Dorji, Executive Engineer of the Field Road Maintenance Division, Phuntsholing.*

### 4. Non-recording of work done in measurement book – Nu.1.602 million

The City Corporation, Phuntsholing had executed dredging work of riverbed at Dhutikhola and shown an expenditure incurred of Nu.1.602 million as against the estimates of Nu.1.805 million. The actual quantities/value of work done was not recorded other than the number of days worked by the machineries.

**Auditee's response:** *Appropriate response awaited.*

**Who is accountable?:** *M.D. Rai, Assistant Engineer and Deepak Chhetri, Executive Engineer, City Corporation, Phuntsholing are held accountable to satisfactorily settle the audit issues.*

### 5. Tendering lapses/unjustified rejection of bids-extra financial implication – Nu.0.321 million

Six (6) bidders responded the NIT for the work of Rehabilitation of Tshimalakha Internal Road floated in the Kuensel. The first and the second lowest bidder was out rightly rejected on the ground of having no signature of authorized signatory in the bid form and awarded the work to the third lowest bid, M/s Tachog Construction. However, upon verification of M/s Tachog Construction's tender document and the agreement it was noted that the requirement to submit the statement of rate analysis for the entire unit rate in the bill of quantity along with the form of bid was not fulfilled. Therefore, third lowest bidder should have also been equally considered non-responsive and by not doing so tantamount to undue favor to the contractor thereby resulting into extra financial implication of Nu.0.321 million to the Royal Government.

**Auditee's response:** *Appropriate response awaited.*

**Who is accountable?:** *Rinchen Dorji, Director and Tshering Dorji, Secretary, Ministry of Works & Human Settlement are held accountable for the apparent favour shown to a private contractor.*

## 6. Outstanding advance – Nu. 4.185 million

Various departments and agencies as detailed under the Ministry had in their books of accounts a sum of Nu. 4.185 million lying as outstanding against officials and suppliers.

*Table 1.33 showing the agencies which had not adjusted the advances.*

Sl. No	Name of agency	Amount (Nu.Million)	Remarks
1.	Field Road Maintenance Division, Thimphu	3.044	Nu.3.028 million against third parties
2.	Mechanical Division, Department of Roads	0.294	Against Employees.
3.	Department of Roads (HQ)	0.314	
4.	Secretariat, MoWHS	0.533	Outstanding advance of erstwhile MoC transferred.
	<b>Total</b>	<b>4.185</b>	

**Auditee's response:** *The FRMD, Thimphu stated that advances reflected against employees and other third parties have been recovered and adjusted except the one from M/s Bhutan Engineering Company of Nu.0.164 million.*

*The Mechanical Division had informed that adjustment of balance amount would be intimated.*

**Who is accountable?:** *The amount from M/s Bhutan Engineering Company be deposited with commercial interest of 16% p.a. into Audit Recoveries Account. The responsibility is fixed on Ugyen Mama Dorji, Chief Accountant and Tshering Wangdi (B), Executive Engineer, FRMD, Thimphu.*

*Pem Tshewang, Head, AFD is held accountable to satisfactorily resolve the issue.*

## 7. Inadmissible payment - Nu. 0.085 million

M/s Choden Constructions who was awarded the contract for construction of 2 dwelling houses under Sarpang Field Division, DoR was found paid excess amount of Nu. 0.053 million for works not executed.

Similarly the construction of NWF Dwellings at Lhaling under Tshendagang sub-division awarded to M/s Krishna Construction was paid Nu. 0.032 for items not executed but billed.

**Auditee's response:** *The division submitted that the contractor has been asked to deposit the excess payment and the site engineer had been cautioned to be more careful in future and stated that such lapses would not be repeated in future.*

**Who is Accountable?:** *Tshering Wangdi, Executive Engineer, Sarpang and Site Engineer are accountable to deposit into the Audit Recoveries Account with commercial interest of 16% p.a.*

## 8. Illegal construction on Government Land

Verification of the survey reports on illegal construction on Govt. land revealed that there were 134 cases of illegal/unauthorized constructions on Govt. land. The duration of the occupants ranged from five to thirty five years. It was not understood as to why TCC had not taken any initiatives to demolish the structures.

**Auditee's response:** *The TCC intimated that the detail reports had been submitted to the Hon'ble Lyonpo and Dasho Zimpon along with the photographs of the*

*structures. The matter had already been forwarded to the higher authorities and there is no instruction till now. The other reasons stated were due to shortage of manpower. As per the survey report prepared by building inspectors, many settlers were recorded landless. The matter is very serious and the building inspectors cannot solve it alone unless there is a strong Govt. order. After submission of report to Dasho Zimpon, TCC was instructed to survey Govt. vacant land outside the Thimphu municipal periphery for shifting the people. The policy was to provide some land for settlement if they were landless.*

*In response to the Draft Annual Audit Report the Hon'ble Minister stated that most of the cases of encroachment on government land/ illegal constructions were very old cases, most of them more than 15 years old. Immediate action to remove them could not be taken since most of them have appealed to higher authorities for Kidu.*

**Who is accountable?:** *This indicates absence or existence of very poor administration and management in the TCC. The accountability is fixed on Phuntsho Wangdi, Thrompon and the concerned officers. The Town Committee and supervising Ministry also appears to have failed in discharging its role.*

## **9. Non- enforcement of Acts- delay in transfer of property ownership**

On verification of the transfer of land ownership, it was found out that 180 applications were received by TCC for transfer of ownership during 2002-2003. The following lapses were observed:

- The applications were not recorded in chronological manner as per the date of application received. Applications received in 2002 were entered with 2003 application and vice versa;
- In some cases applications received late were processed earlier and accorded early approval and reasons for the same were not mentioned;
- As per Land Act, the applications were to be kept for one month and then to be processed thereafter. But in some cases applications were approved within one month and some application in one and half month.

**Auditee's response:** *TCC submitted that application were not recorded in chronological manner due to the reason being that incomplete documents sent through some one else, and documents re-submitted were re-entered as fresh entry. With regard to applications received late and processed earlier were due to the following reasons:*

- *Cases held up due to land pooling and guided land development*
- *Illegal structure on land*
- *Thram recorded by Survey of Bhutan not reflected in the cadastral map*
- *Plot owners holding two names under Thram record*
- *Non tally of plot boundary and numbers with cadastral plan*
- *Reluctance of paying 5% property transfer tax*
- *Encroachment of structures on Govt. land*
- *Refusal to produce clearance from financial institutions*
- *No proper contact address*

- *Disputed on plots*
- *Structure build on excess land*

*Some of the applications approved within one month were the Royal cases considered under the Royal command.*

In response to the Draft Annual Audit Report the Hon'ble Minister stated "The ministry has issued strict instructions to the City Corporation to have a fair, uniform and transparent system in place so that transfer of property ownership is done smoothly. This Ministry has also asked Thimphu City Corporation to submit monthly reports on the transactions so that it can be monitored from the Ministry"

*"The staffs working in the City Corporation have to be very thorough and also strict since slightest mistake could have far-reaching implications. Most people usually expect Thimphu City Corporation to make exceptions and bend rules. They complain when TCC applies the rules strictly"*

**Who is accountable?:**

*There should be a proper procedure and mechanism in place and is consistently followed with all the applicants. Approval accorded on priority should be properly documented for future review. Application not supported with required documentations must be out rightly rejected. The accountability for the lapses is fixed on Thrompon and Sangay Penjor, Land Record Officer.*

#### **10. Non-realization of cost differences and other penal amount on contract terminated - Nu.2.767 million**

The contract for the construction of retaining walls along the Thimphu-Babesa Express Way awarded to M/s Pine Wood Builders was later terminated and the balance work executed departmentally. The cost incurred on the works by the department amounted to Nu.8.396 million as against the value of balance work Nu. 6.190 million resulting into a cost differences of Nu.2.206 million. After taking into account the forfeited Performance Security amount, retention money, liquidated damages, unadjusted advances etc. the recoverable amount worked out to Nu.1.950 million.

Similar instances encountered with the contract for the construction of Gabion wall awarded to Tandin Wangchuk, M/s Sha Construction where there was a cost differences of Nu.0.817 million.

**Auditee's response:** *It was submitted that the project had completed the balance work at the tendered cost and that realization of cost differences does not arise.*

**Who is accountable?:** *Since the scope of work was curtailed to arrive at the tendered amount the response is not tenable, therefore, Hasta Bahadur Sangpang, the then Deputy Chief Finance Officer, Karma Rinzin, the Project Manager and Phuntsho Wangdi, Director, Department of Roads are held accountable to ensure that the recoveries are affected and deposit the accepted amount.*

#### **1. Award of supervision works on contract – Nu.13.945 million**

The Department of Roads under Ministry of Works and Human Settlement had awarded the supervision works of the construction of three number Expressway Bridges to M/s Green Peace Enterprise, Thimphu at his quoted amount of Nu.13.945 million. This is a strong indication that the Ministry or the Department had not attempted to derive value from the professional engineers in the Bridge Division.

**Auditee's response:** *It was submitted that the Department of Roads did not design the bridge and therefore no supervision experience related to such kind of bridges.*

*In response to the Draft Annual Audit Report the Hon'ble Minister stated "It is unfortunate the Department of Roads still does not have the capacity to design and undertake construction of major bridges as a result of which DoR has to all the time rely on outside consultants. This arrangement is not only costly to the government but also the consultants cannot be held responsible for poor quality of works after their contract is completed. Therefore, this Ministry had issued strict instructions to build in-house capacity on priority basis"*

**Who is accountable?:** *The Department should institute a system whereby in-house professionals are given the challenges and incentives to upgrade the skills and knowledge. Therefore, Phuntsho Wangdi, Director, Department of Roads and Tshering Dorji, Secretary, Ministry of Works and Human Settlement are held accountable to strengthen its division.*

## **2. Unfruitful expenditure - Nu.4.251 million**

The box cutting work at Toktokha between Dochula-Lobesa highway was executed departmentally. The initial cutting was completed at the cost of Nu.3.647 million. However, before vehicles could ply on it major landslides occurred twice or thrice making it impossible to clear for vehicular traffic though expenditure amounting to Nu.0.604 million was incurred for the attempt to rectify.

**Auditee's response:** *It was stated that the work as a part of the road improvement was carried out based on the instruction from the Ministry. The Field Road Maintenance Division also stated that they had put in every effort to make the road suitable for traffic but could not do so owing to frequent collapsing of the walls and that the matter would be put up to the higher authorities for advice and necessary action.*

*In response to the Draft Annual Audit Report the Hon'ble Minister stated "As the Department has submitted to the RAA, it seems this work was undertaken without any technical planning. This Ministry has issued instructions to the Department not to resume this work as it will be costly and will hardly serve any purpose. Besides, the existing road in this area is wide enough to allow double-lanning. Since the official who had issued instruction is no longer with MoWHS. This case may be closed."*

**Who is accountable?:** *Both the head quarter and the division are held accountable for not carrying out detailed studies before incurring huge investments. The Ministry is advised to investigate further and take administrative action against those actually responsible for the wasteful expenditure.*

## **13. Defect found within liability period Nu. 0.038 million**

Verification of the resurfacing work on Darachu to Tsirang road revealed defects on some parts of the road before the liability period was over. The seal coating of the resurfaced road were washed away leaving behind the premix carpeting only. The value of this work comes to Nu. 0.031 million. In some part of the roads whole resurfacing work, premix carpeting and seal coating valuing Nu. 0.007 million were found damaged.

**Auditee's response:** *The management submitted that the contractor has been asked to carry out the rectification work immediately failing which the work to be carried out departmentally and the expenditure incurred to be deducted from the retention money.*

**Who is Accountable?:** *Tshering Wangdi, Executive Engineer, FRMD, Sarpang and Sonam Wangmo, Site Engineer are accountable for carrying out rectification works.*

#### **14. Providing of inferior quality of CGI Sheets and poor workmanship**

The constructions of 2 dwelling houses at Darachu under Sarpang sub-division was awarded to M/s Choden Construction at the quoted rate of Nu. 0.246 million. During the joint physical verification it was found out that the CGI sheets provided in the toilet was of inferior quality and the ceiling frames were not done properly.

**Auditee's response:** *The division submitted that the contractor has been asked to take up the work and replace the inferior quality materials with the specified brand.*

**Who is Accountable?:** *Tshering Wangdi, Executive Engineer, FRMD, Sarpang and Sonam Wangmo, Site Engineer are accountable for carrying out rectification works.*

#### **15. Acceptance of work carried out other than specifications - Nu. 0.777 million**

The resurfacing work on Sarpang- Darachu road measuring 6.5 km was awarded to M/s Sha Construction, Thimphu at the estimated cost of Nu. 3.805 million against the tendered amount of Nu. 3.819 million. During the joint physical verification it was found out that work carried out was not as per the specification and requires major rectification. The audit team noted that especially the last stretch of 2 kms before reaching Darachu is a result of poor workmanship and a total lack of commitment by the contractor. The premix carpet and the seal coats have already peeled of in about 3 months after the completion.

**Auditee's response:** *The division submitted that the contractor has been asked to re-do the work immediately otherwise the work to be carried out departmentally and the expenditures incurred deducted from the contractor's bills which remains unsettled. The division also ensured that the contractor to be dealt with strictly according to the clause of the agreement signed and CDB be informed of the performance of the concerned contractor.*

**Who is Accountable?:** *The accountability is fixed on Tshering Wangdi, Executive Engineer Sarpang and Jamyang Chhoden, Site Engineer are held accountable for the lapses and getting the work re-done.*

#### **16. Issue of permits for construction of buildings-how fair is the system?**

The City Corporation, Thimphu is the ultimate authority in the capital vested with the power to issue permits for the construction of buildings within the municipal boundaries. Bhutan Building Rules 2002 under section 4.2.4 stipulated that “*all city corporations should respond to the application for building permit within 30 days and give final approval within 90 days*”. Owing to its practical problems this stipulation was not implemented rather an internal guidelines were introduced. The Guidelines stipulates that the minimum time for processing and issuing permits was stipulated about seven weeks from the registration date.

Verification of documents revealed the following deficiencies:

- ∞ The serial number recorded in the register for application were not in chronological order according to the date of application received;
- ∞ The approval dates of the structural design were not in serial number according to the date of application received;
- ∞ Approvals for only structural and architectural drawings were given but the same was not apparent for electricity, water and sewerages;
- ∞ While for some the permits were issued in a matter of one to two days of its applications being received some were cleared after a lapse of one year;
- ∞ There were inconsistencies in the time taken by the divisions involved in clearing the applications. While some divisions took almost a month or two to approve the drawings some had taken only a week; and
- ∞ Reasons for rejection of drawings by particular division and how some drawings could be cleared within a short span of time were not on record.

**Auditee's response:**

*It was stated that the building application is received at the reception and is assigned with a receipt date, which is forwarded to the Building Application Section for preliminary check. If the application is found not supported with relevant and necessary documents, the applicant is informed of the deficiencies and is asked to resubmit the application in full set. On the other hand the other applicants with comprehensive and sufficient documents get processed faster, which the date of receipt will obviously be later than the prior ones. According of approval is entirely based on the applicant's conformity to the standards, by-laws and building rules in force.*

*After the last audit in 2002, the TCC has started maintaining separate register for both major and minor works. Minor works like extension and alterations to the existing structure do not require drawings like electrical, water and sewerage; thus can be processed faster than the major ones.*

*The three weeks time frame for the approval (structural, electrical, water supply and sewerage) could also get stretched as the Building Application Section at the moment is not a self-contained one. Apart from this, there are lot of other issues to be resolved and clarified (like excess land, land regularization, land demarcation etc.) which has to be tabled to the Committee.*

**Who is Accountable?:**

*The comment of the Building Section regarding the approval of drawings within one to two days is still awaited in audit supported with actual cases. The responsibility to initiate appropriate measures to streamline the issuance and rejection of permits is fixed on architect Sailesh and Thrompon, Nima Wangdi.*

**Hon'ble Minister's final comments:**

*"The Ministry of Works and Human Settlement would like to submit that all possible efforts are being made to correct the shortcomings in the tendering process, to ensure effective monitoring of the works during the construction process so as to achieve quality, to control misuse and wastage to get the best value for money and to avoid contractual disputes with*

*contractors. A number of initiatives and measures have already been taken such as the revision of the Bhutan Schedule of Rates, Procurement Manual, the Standard Bidding Document and strict enforcement of criteria by the Construction Development Board. In addition the Internal Audit Unit is being strengthened which so far has not been effective due to inability of RCSC to fill two vacancies. With these numerous and other initiatives and measures being taken, this Ministry is quite confident that there will be tremendous improvements in the construction management and monitoring besides achieving quality works in the country. This Ministry is also adopting zero tolerance approach to misuse and mismanagement as far as possible”.*

**RAA’s final comments:**

*The recent initiative of the Ministry to introduce professionalism, uphold standards in engineering and construction industry is laudable and encouraged. The RAA expects the future audit reports would reveal sea change in the implementation of development works. The Ministry’s policy of Zero Tolerance if implemented to the spirit of the letter, we agree it can be a reality.*