



Contractors and consultants to be held accountable on audit issues

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Contractors and consultants will now be held accountable for audit observations pertaining to audit irregularities and lapses reported in the audit reports.

To this effect, a memorandum of understanding was signed between the Construction Development Board (CDB) and the Royal Audit Authority (RAA) yesterday.

To date, the government agencies have been held accountable for irregularities such as excess payments, double payments, inadmissible payments, defective and substandard executions of works, ineffective supervision of works and faulty designs among others. Hence forth, contractors and consultants will also be held accountable on such issues including violation of the procurement rules and the contract documents.

“The need for extending the accountabilities to the private sector were expressed at various forums in order to enhance the accountability mechanism in the overall utilisation of public resources,” a press release from RAA stated.

Auditor General Tshering Kezang said that the intent is not to fix people but to bring everyone on board to strengthen the quality of construction. He said that the MoU would enhance accountability mechanism in government operations and utilisation of public resources while promoting a sense of ownership and in doing ethical business.

Through the MoU, CDB will check whether the contractor and consultant applying for renewal of registration certificate have any unresolved audit observations in their information system, e-zotin. Should the contractors have pending unresolved issues, the CDB will not process the renewal until audit observation has been satisfactorily resolved.

The agencies concerned should submit the details of action taken including recoveries made, justifications and supporting documents to the RAA for review after which RAA will decide on the acceptability of the responses.

A guideline has also been developed based on suggestions and feedback from various stakeholders. This will come into effect from July 1.

CDB director Phub Rinzin said that construction plays a major role in economic development. However, issues such as non-maintenance of work plan leads to time and cost over run. He said that from about 700 works executed by the contractors and consultants between 2016 and 2017, 64 percent of the works experienced time overrun and 80 percent of works had quality issues.

The MoU, he said will strengthen collaboration between the RAA and CDB. A simple information sharing, he said can ensure efficient use of public resources.

Tshering Dorji