

One year given to resolve audit irregularities

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Speaker Jigme Zangpo had to call members to vote for the second time to determine whether or not to extend the time by a year for agencies to resolve audit irregularities during the deliberation on the review of the financial audit report (ARR 2010-2016) yesterday.

The Joint Sitting of the Parliament endorsed all the recommendations, including giving agencies more time, after the deliberation on the recommendations made by the Public Account Committee.

The House endorsed the 10 recommendations with 65 'Yes' votes.

Opposition Leader Pema Gyamtsho (PhD) said that the time frame to resolve the irregularities by September this year was too short. After a month, the election period begins and the interim government takes charge, he said. "I propose it to be deferred to March 31, 2019 instead of September this year."

Others, including PAC members, said giving more time would mean the Parliament is making a mockery of itself by just giving more time to those not complying with its recommendations more time.

"The delay could only de-motivate the RAA officials working hard on the issues," one of the MPs said.

Deputy chairperson of the PAC, Choida Gyamtsho, said that this was the third time the Parliament extended the deadline.

"It is easy to give more time because it only makes less jobs for committee members," he said. "We felt the issues need to be resolved as early as possible through many public hearings."

However, the majority ruled in favour of more time.

Meanwhile, unresolved audit issues with loans from the Rural Enterprise Development Corporation Ltd. surfaced and sparked some debate among the members.

The Parliament had earlier recommended that loan recovery be hastened and the turn around time for the loan disbursement be shortened.

REDCL CEO's letter to the PAC chairman on June 5 stated that the non-performing loan of the pervious BOiC, which was 28.5 percent last September has been reduced to 16.3 percent as of May this year.

The decrease was attributed to some measures the corporation took such as calling clients if they missed repayment within 90 days, if they exceed that period then to call the client and give the individual 15 days to clear. If the client misses the 15-day deadline then the corporation sends a letter to the client to pay in the next 10 days with a copy of the letter to the respective gup.

For those who cannot pay within the time, an agreement is made with the client to pay within a month.

The corporation sends the final letter to the client if the payment is not made within a month. After the letter, if the loan payment is not made, the client is taken to court, the letter stated.

MP Dorji Wangi said that while the 16.3 percent is not significant, the non-performing loan amount of more than Nu 36 million was huge.

“This shows that there are many loan defaulters as most of the loans are upto Nu 1 million,” he said.

Health minister Tandin Wangchuk said that it is important to be cognizant of the fact that the corporation has reduced non-performing loans to 16.3 percent.

“They have committed to reduce it further to 11 percent and we have to appreciate that,” he said, adding that the loans have benefitted many in the rural areas.

As of last month, REDCL has approved loans for 3,467 applicants from 7,230 applicants and disbursed Nu 319.8 million. The corporation takes at least two months to disburse loans.

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