



## **PAC asks MoF to implement RAA's recommendations by September**

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The Public Accounts Committee (PAC) has recommended the Ministry of Finance (MoF) to implement the recommendations of the Royal Audit Authority (RAA) in the annual audit report 2017 latest by September this year.

PAC chairman and eminent member of National Council (NC), Phuntsho Rapten, made the recommendation while presenting the committee's review report on the annual audit report 2017 to a joint sitting of Parliament yesterday.

Phuntsho Rapten said the RAA had made four major recommendations, which were all endorsed by the PAC. He shared the committee's concerns on the huge losses the government incurs over double payments, outstanding advances, claims for works that are not executed, and substandard works and supplies among others.

Weak enforcement of rules and regulations and lack of strong supervision and monitoring mechanisms, he said, have been a cause of avoidable lapses and costs.

In the annual audit report 2017, the RAA has recommended the MoF to develop a code of conduct and business ethics for private enterprises involved in procurement. The audit report also recommends the government to institute appropriate mechanism to promote accountability at all levels to develop a strong accountability culture.

The annual report recommended the MoF to study the deficiencies in the system and initiate remedial measures to strictly enforce the National Internal Controls Framework, including strengthening of internal audit functions.

The RAA report 2017 also recommended the government to initiate providing information of commonly used products and prices through a web portal to facilitate comparisons. The MoF has been identified as the agency to issue directives and reinforce the requirements in public procurements.

Finance Minister Namgay Tshering said most of the problems of mismanagement and corruption were related to procurement and that the revision of the procurement rules and regulations 2009 would help address them. "We are revising the procurement rules and regulations. We are hoping that it will be finalised this year," he said.

The government, he said, was also preparing to soon introduce electronic procurement system in all dzongkhags, ministries and NGOs among other agencies. “We will soon roll out the procurement system, which will be transparent,” he said, adding that the government has already trained officials to implement the new procurement system.

NC member from Gasa, Dorji Khandu, said that procurement rules and regulations should include a provision that will prescribe the lowest bidding rate in public procurement. “One of the ways to ensure quality in works and supplies is to set a minimum bidding rate,” he said.

Opposition MP from Panbang, Dorji Wangdi, however said that the RAA in consultation with the MoF should institute a new accountability fixing system for all ministries and agencies to follow.

The PAC report, the Panbang MP said, gave the impression that responsibility to fix accountability is left to different agencies. “However, this is not so. There has been some accountability fixing system in place for quite some time. But it appears the existing system is not effective,” he said.

NC member from Bumthang, Nima, said the PAC could conduct televised public hearings on unresolved irregularities since passing resolutions alone were not enough to gain people’s trust in Parliament. “This will go a long way in resolving irregularities,” he said.

Most members pitched for fixing accountability for irregularities, lapses and corruption.

The joint sitting accepted the recommendations of the PAC by a show of hands.

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