

## What after the audit report?

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Nearly two decades ago, when the Royal Audit Authority first published its annual reports through the media, there was almost a protest. Audited organisations objected to the findings and head of agencies made accountable scolded reporters who reported on the findings.

The reaction has subsided since then. Not many complain, perhaps understanding the importance of transparency in our system or more so because they are getting used to the annual reports. Yesterday, the RAA released its 2019 report. For a few days it will be talked about as we skim through the report to see which organisation had the biggest irregularities or head of agency made answerable.

The report has to be studied, talked about and taken seriously. After years of initiatives to cut down on lapses, shortfalls, mismanagement of public fund and wasteful expenditures, the audit reports are pointing out the same issues every year. The 255-page report has detailed information on ministries, agencies, thromdes, dzongkhags, autonomous agencies and corporations. What we see like every year is that irregularities are the same.

If the reports had been taken seriously, if people were brought to task and if we understood that our scarce resources are being wasted in the manner we do every year, we should have a report with a few pages.

The issues are the same. Poor work quality, goods not meeting specifications, agencies accepting poor quality works, excess or inadmissible payment, taxes not collected and cases of outright embezzlement. Shortfalls, lapses and deficiencies worth Nu 871.3 million (M) were reported in the audit year. Non-compliance to laws and rule cost nu 444.80M and mismanagement of projects or plans about Nu 67 M. Outright fraud and corruption is only Nu 2.46M, but the cost on the people for whom most of the projects and programmes are targeted is huge.

We are still talking about faulty designs of irrigation channels, construction or blacktopping of roads leaving halfway and paying contractors advances more than they deserve. We are dealing with contractors making money by sub-standard work or outright cheating. We are talking of buildings developing cracks soon after handing over, new infrastructure not put in use and failing to deliver services to the needy. And all these are planned with borrowed or aid money. This year, the RAA has also questioned how ministers and the Chief Justice of the Supreme Court spent more than Nu 15M in granting *solera*, *nyendar*, *changep* and *tshogchang*.

There is a huge gap in planning, prioritising and implementing the projects. For example, the need for industrial parks was a long term priority. The parks cannot start without basic amenities like water and electricity. In the Dhamdum Industrial Park, the contractor had not built one “buffer” tank. The money was paid. A buffer tank, we can assume is not a tiny one to escape the eyes of those monitoring the projects.

We need not take pride in seeing a reduced amount in fraud or corruption. There are tricks up the sleeve. Contractors agree that they make money from manipulation. That is why there is poor workmanship, tender specifications are violated and sub-standard materials are used. The profit has to be made from manipulations if a tender is quoted too low. If those implementing and monitoring join hands, the margin is better.

The big question is what after the report. An audit report in itself is an ineffective document. There is very little impact if timely and tough actions are not taken.