

Wasteful spending due to poor assessments and budget controls- RAA Report

December 17, 2024

The Royal Audit Authority, over the years, has reported several instances of wasteful expenditures in government and public agencies. According to the latest annual audit report, such circumstances arise when investment proposals are made without properly assessing their requirements, uses, and feasibility.

Wasteful expenditures are the inefficient use of public resources, resulting from unnecessary and careless spending that brings no value or economic benefit in return for the investment made.

It is due to weaknesses in planning, budget controls, and risk management, which need to be strengthened across agencies.

The report highlighted some of the cases. The National Referral Hospital overlooked important aspects of need analysis and feasibility studies in the installation of radiotherapy services costing nearly Nu 118 M, leading to the non-utilisation of equipment.

The State Mining Corporation in Samtse had a case of underutilisation of Coal Washery installed at the cost of some Nu 40 M in Samdrupchholing. The Coal Washery remained non-operational despite significant investment made in its acquisition.

The Zero Energy Cold Store structures constructed by the National Post Harvest Centre for some Nu 12 M are lying idle, leading to wasteful expenditure due to insufficient feasibility studies and lack of diligence in making investment decisions.

The Gomdar Gewog administration constructed a new office building at the cost of Nu 12 M at Khoyar. The new office was underutilised due to conflicts amongst various communities and local leaders concerning the location of a new office building. It was not used for about seven months.

A crematorium constructed by the Dzongkhag Administration in Trongsa at a cost of nearly Nu 5 M was later converted to a roadside amenity by incurring an additional cost of about Nu 4 M. The crematorium was never used by the public amply indicating construction preceding the public consultation for the location, thereby leading to wasteful expenditure.

Finally, despite having an existing road leading to Oilingbee, the Goshing Gewog Administration incurred wasteful expenditure of some Nu 1 M in constructing another Farm Road starting from Surphang to Oilingbee, justifying the reduction in distance. However, the new road was not pliable due to want of a bridge over the river.

The authority recommended the government strengthen the practice of needs assessments, carefully review proposals and budgets, and improve monitoring of project implementation.

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