



*“In times of such peace and prosperity, as good Bhutanese, we must reflect on our responsibilities in further strengthening our nation. We all know that we shoulder responsibilities based on our professions whether they be in the civil service, business or even as parents and teachers. We know we must excel in these duties in order to succeed as individuals and as a nation.*

*However, there is a higher responsibility – not written in any legal document but instead enshrined in humanity and history – a natural responsibility and duty that we all must shoulder equally, irrespective of who we are.*

*What is this natural responsibility? – To me, natural responsibility means upholding values such as integrity, justice and compassion and above all living by that unwritten but absolute code of right over wrong, no matter what it is we are*



*trying to achieve as individuals or as a nation.* □



*Today we have great aspirations – the peace, stability, security and sovereignty of the nation; strengthening of our new democracy; equitable socio-economic growth to achieve GNH and; nurturing our youth to one day lead a nation greatly strengthened by our hard work and commitment.*

## OUR NATURAL RESPONSIBILITY!

- Excerpt of His Majesty’s  
2010 National Day Address,  
December 17

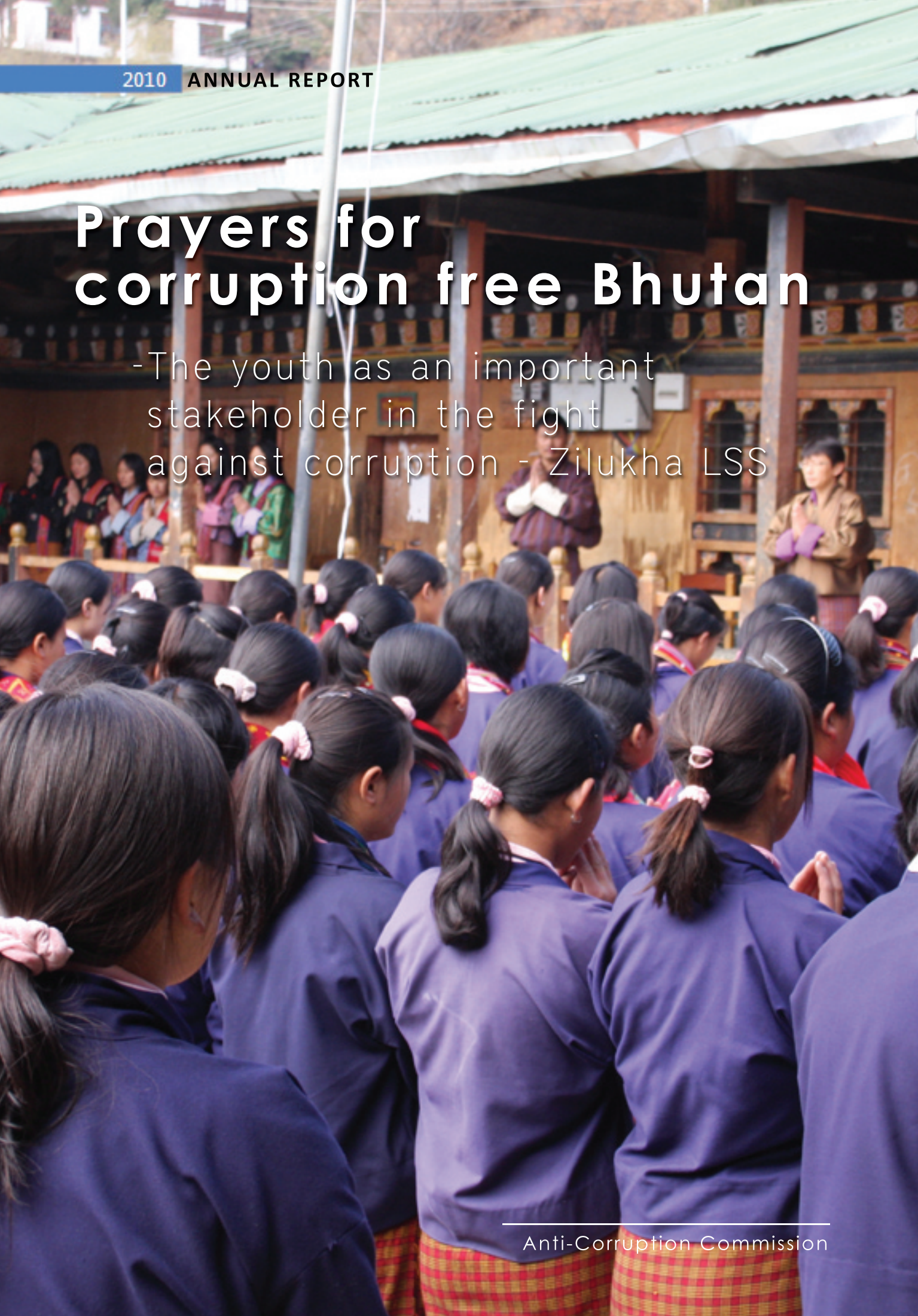
*To achieve all this we need trust and faith in our relationships – between the government and people; between institutions of government and; between people ourselves. With the harmony and unity born of these relationships, we will achieve our aspirations and find peace, prosperity and gross national happiness.*

*In short let me say, if we uphold values such as unity, harmony, integrity, trust, justice and peace – if we respect their great importance – then it will be reflected in a strong civil society. A strong civil society is a fundamental pillar of democracy.*



# Prayers for corruption free Bhutan

-The youth as an important  
stakeholder in the fight  
against corruption - Zilukha LSS



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# People's voice: Integrity Assessment



Aum Kunzang Choden Roder, a writer, story teller, social worker and an eminent citizen, launched the first National Integrity Assessment (IA) Report in April 2010.



# INTRODUCTION

The annual report is an appraisal on the anti-corruption policies and strategies, trends of corruption and its impact, challenges and opportunities and the performance of the Anti-Corruption Commission (ACC) and agencies (limited in the absence of any monitoring and evaluation system). It is a premise for fixing accountability on the ACC chairperson and heads of institutions and agencies for their failure or non-performance.

The 2010 Annual Report is the 4<sup>th</sup> report to the Parliament and the 3<sup>rd</sup> to the first Parliament of Democratic Constitutional Monarchy. The Annual Report 2009 was submitted to the 4<sup>th</sup> session of the Parliament. In order for the reporting period to converge with the financial year, the Parliament graciously consented to the ACC's proposal to submit its subsequent annual reports to the Parliament during its summer sessions. However, no report was submitted to the Parliament in 2010 because the period of reporting was just for over 6 months (October 2009-March 2010). Concerned authority's consent was sought.

This report has 6 sections and covers the period from October 2009 to March 2011.

**Section 1** dwells on the general assessment of activities vis-à-vis the direction set for 2010, implementation status of the parliamentary resolutions and direction for 2011.

**Section 2** briefly describes the practical realities of the ACC's independence and the inherent challenges.

**Section 3** covers the ACC's efforts towards building itself as a trustworthy institution.

**Section 4** assesses the ACC's performance (based on the work plan, **Annexures 1.1 & 1.2**) in fulfilling its mandate of building an awakened citizenry, minimizing opportunities for corruption and making corruption costly and risky, which also includes among others the status of RAA reports and cases. It also includes, in a very limited way, agencies' anti-corruption responsiveness.

**Section 5** highlights a fundamental challenge faced by the ACC in fighting corruption, which has far reaching impact on its efficacy and credibility and ultimately on the government's policy of "Zero Tolerance for Corruption."

**Section 6**, the concluding section underpins the conscious efforts of every Bhutanese in fighting corruption. The high level of societal tolerance for corruption warrants an in depth study of the policies/strategies to bring about changes in the behavior of the public servants and citizens at large.





# Building an awakened citizenry

- Empowerment through knowledge



# SECTION 1

## GENERAL ASSESSMENT OF DIRECTION FOR 2010, IMPLEMENTATION STATUS OF PARLIAMENTARY RESOLUTIONS & DIRECTION FOR 2011

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# Section 1

## GENERAL ASSESSMENT OF DIRECTION FOR 2010, IMPLEMENTATION STATUS OF PARLIAMENTARY RESOLUTIONS & DIRECTION FOR 2011

As the year ends, every member of the anti-corruption cadre reflects on the organization's performance for the year, reasons for failures, if any and sets the direction for the following year. The direction for 2010 was to continue building ACC as a trustworthy and an effective institution.

ACC's performance is covered in detail under Section 3.

The ACC has been able to produce modest results in 2010 despite the limited resources and capacity. A major focus for 2010 was to address the human resource constraint, which was further aggravated with the resignation of 10 officials. The challenge of balancing performance and capacity development needs continues. On the gewog advocacy program, against the target of 50% coverage, only 25% has been achieved. This was largely because the Public Education Division was managed by a lone person. While the National Anti-Corruption Strategy Framework was adopted by the Cabinet as a government document in 2009, its implementation and monitoring lacks the commitment of the implementing agencies. The ACC on its part has partially taken up the sensitization works with those agencies beyond the jurisdiction of the Cabinet and the Committee of Secretaries (COS).

The Anti-Corruption Act 2006 has been amended. The Bill is under parliamentary review. Recognizing the dire social, economic and political consequences of corruption in a small country like Bhutan, the Bill as drafted by the ACC and its partners will go a long way in making corruption highly costly and risky. However, the parliamentarians have made substantive amendments to the Bill making corruption less risky and costly. The self assessment of compliance of domestic anti-corruption laws with the United Nations Convention Against Corruption was another major work undertaken by the ACC. A team of 18 technical experts from various agencies worked on it for 1.5 months. The self assessment report and its implementation matrix highlight gaps and makes recommendations in closing those gaps. The report will be published this year.

A 13 member delegation from the National Anti-Corruption Commission (NACC) of Thailand visited Bhutan in May 2010. A Memorandum of Understanding was signed between NACC and ACC. A reciprocal visit to Thailand was made by a 9 member Bhutanese delegation in November 2010. The Executive Director of Investigations of the Independent Commission Against Corruption (ICAC), New South Wales (NSW), visited Bhutan in January 2011. He conducted a 3 day investigation seminar. These visits will



pave the way for further collaboration with the institutions. Not much progress has been made in building partnership with other agencies and allies.

Construction of the new office building has been progressing well. If completed on time, ACC will operate from the new office from the next financial year.

## Implementation Status of Parliamentary Resolutions

Modest progress has been made in the implementation of the resolutions from the last report. Responsibility and accountability needs to be clearly fixed to lend any meaning to the resolutions. ACC cannot be responsible for ensuring sincere implementation of all the resolutions. An effective reporting and monitoring system has to be put in place by the concerned parliamentary committees.

### 2nd session of the National Assembly (January 6, 2009)

- Government to expedite review and consolidation of anti-corruption laws with recommendation for corresponding changes in other legislation.

*Anti-Corruption Bill and amendments to Civil and Criminal Procedures Code under parliamentary review.*

*The implementation matrix of the UNCAC self assessment report addresses the matter. However, agencies have to ensure that the recommendations are sincerely*

*implemented. The report is a product of prolonged consultative processes and is integral to the National Anti-Corruption Strategy Framework.*

- Develop a standard policy and rule making protocol to avoid multiplicity and inconsistency of rules and policies.

*Policy protocol, developed by the Gross National Happiness Commission, is in place and operational. Rule making protocol has not been developed even now.*

- All Ministries and agencies ensure compliance of rules such as Bhutan Civil Service Rules 2006 e.g. operationalization of Code and Conduct, declaration of Conflict of Interest.

*Weak enforcement due to absence of training and compliance regime (refer pages 23 & 24 for details).*

- Private sector to develop and operationalize Business Code of Ethics.

*Business codes of ethics exist without compliance ensurance program.*

- Strengthen and standardize administrative penalties, especially on corruption charges so as to ensure consistency, fairness and transparency.

*Serious inconsistencies in administrative sanctions prevail. ACC brought it to the notice of the RCSC.*

*BCSR is not self implementable. An enforcement regime has to be developed to make the rules purposeful.*

- Ensure stringent and transparent system for recruitment of right people in leadership positions.

*A robust and effective system of recruiting right people in leadership positions that tests a person's leadership qualities and integrity does not exist. The ACC has persistently highlighted quality of leadership as a critical anti-corruption strategy and hence the need for a strong recruitment system (also raised at the meetings with the Cabinet & COS and RCSC). Without addressing this important issue, other anti-corruption interventions may not create the desired impact.*

- Fix supervisory accountability to promote the culture of strong and quality leadership in bureaucracy.

*Weak despite RAA's efforts. Such a culture does not exist.*

- ACC come up with National Anti-Corruption Policy Framework.

*National Anti-Corruption Strategy Framework adopted by the Cabinet in 2009. However, much remains to be desired in its implementation (refer pages 23 & 24).*

- All Ministries and agencies develop anti-corruption measures and mainstream, in association with ACC

(emphasis on service improvement (e.g. one-stop-services, service standards); reduction of cost such as administrative burden through Standard Cost Model tool) RCSC and ACC to partner in this area. (refer pages 28, 29, 30, 31 & 32).

- All ministries and agencies to take ownership of decentralized Asset Declaration system, which is an important tool to prevent corruption and enhance accountability of public officials.

*Working steadily but slowly (refer pages 36 & 37). Greater conscious effort from heads of agencies desired.*

- As long term measures, all education and training institutions to include integrity development and value education in the curriculum.

*Nothing has gone beyond preliminary dialogue. Efforts are being made in building in-house capacity first.*

- Strengthen the Office of Attorney General in terms of manpower (it was also the 5<sup>th</sup> session's resolution; establishment of OAG's regional office to be deferred).

*Human resource constraint persists.*

- ACC be strengthened through conducive service conditions.

*In 2010, the Cabinet approved 45% and 20% allowance for investigators and other professions, respectively,*



*besides the management's constant effort in building conducive organizational environment that nurtures self worth, self development, participatory and transparent decision making processes, team building and sense of belongingness. Ironically, 10 officials resigned from the ACC in the same year (also refer pages 14, 15 & 16).*

#### **4th session (December 4, 2009)**

- Review recruitment criteria for leadership positions. It was decided that this would be deliberated and decided while discussing the Civil Service (Amendment) Bill, 2009.

*Refer 2<sup>nd</sup> session's resolution (above).*

- Need to strengthen Internal Audit Units (IAU), due to the frequent occurrence of corruption and problems in agencies, despite its existence. A study should be carried out by the Ministry of Finance on its requirement.

*The Ministry has prepared the report.*

- The ACC and relevant agencies will educate and further strengthen the capacity of the Local Government.

*Only 25% of the gewog advocacy program completed (ACC).*

- Government should take ownership of the National Anti-Corruption Strategy Framework (NACS) and ensure timely implementation in both

form and spirit, by all actors and institute the system of reporting implementation status to the Parliament.

*Refer 2<sup>nd</sup> session's resolution (above).*

- The Civil Service Code of Conduct and Ethics has not been operationalized properly by the Royal Civil Service Commission (RCSC) and implementing agencies. In this regard, it was resolved that since the Chairperson and the Members of the Royal Civil Service Commission are working full time, henceforth the Commission should continue to strive towards operationalizing the Civil Service Code of Conduct and Ethics.

*Refer 2<sup>nd</sup> session's resolution (above).*

- Gift Rules and Asset Declaration need to be strictly implemented by concerned agencies. The House accepted the Gift Rules and Asset Declaration Procedures of the ACC.

*Poor enforcement by agencies and monitoring by the ACC (refer pages 36 & 37).*

### **2011: Which way?**

ACC will continue to work on building an effective and a trustworthy institution through:

- human resource management, leadership training and corruption risk management,
- development of a corporate plan,

- (iii) productive engagement with agencies such as RCSC, ministries and committee of secretaries, RAA, OAG, Judiciary (procedural matters), media and civil society in ensuring conscious implementation of NACS including the implementation matrix of UNCAC Self Assessment Report and its monitoring,
- (iv) public education and operationalization of the new anti-corruption legislation including further rationalization and professionalization of the Operational Manual,
- (v) sophistication of investigative techniques and related aspects,
- (vi) reduction of backlog of complaints at least by 25% (of 375 complaints) through “mop up” operations and engagement of concerned agencies wherever appropriate and
- (vii) regional and international engagement.

House of Nation's Conscience





## SECTION 2

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### OPERATIONAL CHALLENGE OF ACC'S INDEPENDENCE

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# Section 2

## OPERATIONAL CHALLENGE OF ACC'S INDEPENDENCE

An incorruptible, fearless, committed, effective and a dynamic anti-corruption agency is an important precondition to realizing the government's policy of "Zero Tolerance for Corruption." A culture of intolerance for corruption is critical for a strong and a vibrant democracy; democracy that is nurtured by public trust and confidence. Admittedly, such an agency demands top quality leadership and professionals with the highest level of integrity, motivation and commitment to build a secure, stable and a harmonious nation.

Corruption is a root cause of social, economic and political instabilities. Leaders and government have the important responsibility of creating the enabling environment in building such an agency that is sustained by a strong team of professionals, who are fearless, selfless, motivated, honest and honorable, just and wise. Leaders and government also have to ensure that the anti-corruption agency is not rendered vulnerable to undesirable influences due to lack of autonomy and resources or due to structural deficiencies in terms of authority, accountability and security of its employees. In many developing countries, the anti-corruption agency's success becomes its own death knell. Lack of resources, lack of control over resources and induction of mediocre people and political cronies have

crippled most anti-corruption agencies in the developing world.

### What do the domestic laws say?

Section 1, Article 27 of the Constitution states, *"There shall be an Anti-Corruption Commission, headed by a Chairperson and comprising two members, which shall be an independent authority and shall take necessary steps to prevent and combat corruption in the Kingdom."* This provision legally establishes ACC as an independent constitutional body, shielding it from any political or other influences.

Section 6, Article 27 of the Constitution, states, *"The Anti-Corruption Commission shall function in accordance with the Anti-Corruption Act."* It establishes ACC outside the executive branch of government through a statute passed by the legislature defining its goals with rulemaking authority and powers of enforcement. It distinguishes itself from the ministries and other executive agencies by its structural and functional characteristics. It is administered by a collegial body consisting of three members who share power of the agency.

Anti-Corruption Act 2006 (ACA) under Sections 5, 6, 7 and 8 and Sections 7, 8, 28 and 30 of the amended Anti-Corruption Bill 2010 detail the attributes

of ACC's independence. Few sections are cited below:

*"The Commission shall enjoy full organizational and functional independence including programming, investigation and reporting" (Section 5, ACA);*

*"The Commission shall have full authority to determine and administer its organizational structure, budgetary and personnel requirement" (Section 6, ACA);*

*"The Commission's budget shall be approved by Parliament as a part of annual national budget. If the decision of Parliament on the national budget is delayed, the Ministry of Finance shall provide the Commission with an interim fund, which shall be at least equivalent to previous year's budget." (Section 8, ACA & Section 7(2), AC Bill 2010);*

*'The Commission shall determine its organizational structure and administer it independently" (Section (8)(1), AC Bill 2010); and*

*"Upon commencement of this Act, every staff appointed under the Anti-Corruption Act 2010, shall be deemed to be a staff of the Commission appointed under this Act" (Section 28(4), AC Bill 2010).*

*"The appointment, terms and conditions of service of staffs of the Commission shall be determined by the Anti-corruption Commission Staff Service Rules" (Section 30(1), AC Bill 2010).*

The National Assembly has deleted the provision that ensured greater financial security to ACC. Both the houses have amended/deleted all provisions concerning independent determination of organizational structure and

personnel management to align with the Civil Service Bill, which was endorsed in 2009, bringing the ACC staff under the jurisdiction of the Royal Civil Service Commission.

### ACC's functional means

Opinion that other than the Commissioners, the ACC secretariat staff members are not required to be independent abound. Such an opinion is not informed by the practical reality and perception problems. It is like leaving the lone commander of war with troops that are not under his/her control. The independence of the Commission alone is not sufficient to fulfill its mandate efficiently and effectively. ACC needs agents and means to function effectively. The ACC staff members are those agents and means to fulfill its vision and mission. Therefore, the authority of appointments, management and dismissals of its staff based on transparent rules and procedures without outside interferences are important facets of independence. Vesting such powers to an agency that also come under the investigative ambit of the ACC is counterproductive. Even more damaging than the dual control and accountability would be the issue of conflict of interest. The conflict of interest will seriously affect how ACC cadre conducts its investigative functions. How will someone investigate officials who control his/her career advancement through training and promotion?



The staff members are the providers of professional advice to the Commission and actual implementers of its plans and policies. It would inhibit the staff members from doing their job without fear or favor for fear of “irritating” those on whom their career progression depends. It is only natural for the staff members to be loyal to the master who determines their career prospects.

Under the prevailing system, where nepotism and favoritism are widespread, vendetta would become another feature under such a system. Safeguards against undue influence over appointments by the political elite, as well as protection of staff from political, economic or personal interference and pressures are imperative.

People also often interpret “independence” as functional independence, which is further interpreted in a narrow sense of non-interference in the day-to-day functioning of ACC. Functional independence is contingent upon legal, administrative (determination of organizational structure, service conditions, staff strength and personnel management) and financial independence. Empirical studies also establish that what has mattered most for improved performance is personnel administration system – recruitment, retrenchment, appraisal, pay and service conditions and integrity management system. The extent to which the ACC is able to undertake personnel reform is a function of its level of independence.

## Lessons from successful anti-corruption agencies in other countries

Experiences of other countries suggest that a good deal of independence from the general administration system is necessary. An important intangible consequence of an autonomous personnel system is the impact on the organizational culture that motivates staff to maintain professional standards and excellence. It fosters innovative management practices, procedure and control driven system facilitating result driven operations.

The most cited model of an effective anti-corruption agency is that of the **Independent Commission Against Corruption (ICAC), Hong Kong**. ICAC staff members attribute success, amongst others, to the Commission’s independence and the Commissioner’s authority to appoint and manage, and to dismiss staff. ICAC staff members work on a contractual basis and their employment contracts are independent of the civil service rules. Officers join the ICAC through a special examination. ICAC benefits from low turnover; over half of its officers have been with it for over 10 years, and a stable employee base has contributed to the development of internal expertise in fighting corruption. It is a matter of prestige to work in ICAC.

The Commissioner of **Independent Commission Against Corruption (ICAC), New South Wales (NWS), Australia** has substantial latitude in hiring staff and appointments are exempt from both civil service and industrial relations

regulations. ICAC staff members are appointed by the Commissioner and are taken to be employed by the government of New South Wales in the service of the Crown. ICAC staff members are appointed at the discretion of the Commissioner and are subject to the control and direction of the Commissioner. Recruits may decide to be seconded to a permanent position or come to the ICAC on leave without pay from their parent organization.

International best practice also demand anti-corruption agencies to be legally, functionally, administratively and financially independent with control over its own personnel and other resources.

### Uniformity or efficacy?

Placement of the ACC secretariat staff under an outside agency seems to have been guided by the fact that the government can ill afford to dissect and fragment an already small public service that is working for the same government to achieve the same objectives. While it is acknowledged that the government has lesser number of public servants compared to other countries or even a small sized multi-national corporate body, the choice seems to be clear. The choice is between uniformity ensured through the application of civil service laws across agencies and efficacy through accommodation of special needs determined by the nature of mandate and social and political milieu. Under a uniform personnel management system, creating a stringent compliance program of ethical code of conduct and accountability measures in ACC because

its mandate demands so within the larger milieu of *no-pressure-to-perform-no-accountability-enjoy-benefits-without-hardwork-and-risk* will not be fair on the ACC staff.

The very fact that ACC is established as a separate law enforcement agency though there exist many anti-corruption related law enforcement agencies is recognition that corruption is altogether a different species of problem.

Independence is a key issue in the design of most anti-corruption agencies and remains a continuous concern during their lifetime. Independence is more than structural separation from other agencies, but refers to the capacity to carry out its mission without undesirable influences, that is, functional independence. The freedom of decision-making and the freedom of action are imperative for the ACC, especially for investigating and prosecuting concrete cases of corruption. Any premature, untimely, undue, excessive, unjustified and illegitimate reporting and/or consultation obligation is technically counterproductive and undermines ACC's legitimacy, confidence and credibility.

### Fear of creating a powerful and an unaccountable agency?

If the concern is of losing control over ACC, it is unfounded because it is subject to other control mechanisms. Financially, it is subject to audit to ensure that it functions in accordance with the applicable financial norms of the government. As regards personnel

matters, the Royal Civil Service Commission is empowered to audit the personnel actions in ACC. The ACC also annually reports to His Majesty, Parliament and the Prime Minister on its policies and performances. Citizens and watchdogs such as media could also hold the ACC accountable. Above all, the ACC's action is also subject to judicial review. Besides, unlike other organizations ACC has a stringent Code of Conduct and Ethics compliance program. Further, Commissioners' Disciplinary Enquiry Committee Rule, complaints processing system, operational manual, investigation management system and systems study and asset verification protocols are some tools that are in place for ensuring greater transparency in ACC's operations.

### Independence does not mean working in isolation

Stressing on independence does not at all undermine the importance of working together with institutions: executive, legislature, judiciary, constitutional offices, armed forces, private sector, civil societies and media. ACC fully recognizes that it simply cannot afford not to work in close coordination and cooperation with all if it is serious about fighting corruption. Anti-corruption policies and strategies compel ACC to work with its partners. On its own, it cannot achieve anything at all. Its success lies in being able to mainstream anti-corruption measures in the larger system of governance.

### Not just independence: Other factors

ACC also fully acknowledges that independence is not the only factor that determines performance; it is merely the first step. Healthy organizational culture that inspires sound management practices, effective operational procedures, team building, personnel and professional growth, self leadership and worthiness and participative engagement process, which largely depend on the quality of leadership in an organization, is equally important if not more. Equally critical is also the countervailing checks and balances to ensure that ACC does not abuse its power and that it remains incorruptible.

In consonance with the purpose of ACC's establishment, its independence guaranteed by the Constitution, drawing lessons from the experiences of leading anti-corruption agencies in other countries and its own experience and the social and political milieu, ACC has made persistent submissions, in writing and discussions, to the Parliament, government and other institutions on the important issue of its independence vis-à-vis the Civil Service Bill.

Do the people and the government want a strong, fearless and an effective anti-corruption agency or a vulnerable and an ineffective agency? ACC's ultimate goal is just to be a watch dog and the nation's conscience by nurturing every citizen and agency to be an anti-corruption institution.



## SECTION 3

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# Section 3

## INSTITUTIONAL DEVELOPMENT

### Building a trustworthy & an effective institution

ACC has always endeavored to build an organizational ethos of equality, open communications (no hierarchical barrier) and transparency, empathy, solidarity and loyalty, camaraderie, self-discipline, self-esteem, self-leadership and professionalism. While special program for such behavioral change could not be designed, attempts to raise greater consciousness on such matters through interactions during monthly coordination and divisional meetings and through leading by example by the management are made. ACC has to work hard and resolutely so to be a trustworthy institution, in fulfilling its vision of being the nation's conscience.

The ACC secretariat is responsible for studying the best practices of other countries for adaptation to the domestic situation, building a meritocratic personnel management system and providing general administrative and logistical support to the Commission and the technical divisions. ACC has 52 staff members (refer **Annexure 2**).

### Introspection & action: Assessment of corruption risks in ACC

#### Corruption risk management

After having adapted Corruption Risk Management (CRM) (from South Korea)

as an important in-house management tool, it was first piloted in ACC in March 2010 before sharing it with other agencies. It was facilitated by the Prevention Division. The process engaged all the ACC staff.

Eighteen risks, current and future, were identified. Top 10 risks were selected based on their probable impact and likelihood of occurrence and corresponding remedial measures were recommended. Some of the important risks, remedial measures and their implementation status are:

- Risk of preferential treatment of cases/complaints by the Commission and politicization of the Commission. Transparent case and complaints' management system to be put in place. Appointment process of the commissioners to be rigorous so that only people with the highest level of integrity and professionalism with impeccable service record will assume the important office. Stringent disciplinary process to be in place.

*An investigation management system (IMS), a LAN based software application built in dot net framework is in place now. It has inherent tools for monitoring and checks and balance. With regards to the appointment of commissioners, the secretariat, if there is one, serving the body of 5 people may have to develop a recruitment procedure with clear*

*and transparent criteria. With regards to disciplinary action, as per law, the chairperson will be impeached for any wrong doing. In the case of commissioners, a disciplinary inquiry committee rule is in place.*

- Risk of abuse of authority by the investigation officers (IOs) during investigation and bribery. To develop standard do's and don'ts for IOs.

*Procedures and standards are further being improved in the existing operational manual (dynamic process). Conflict of interest declaration management system is in place and enforced diligently. A tool for probity checks is being developed. The core values of the ACC incorporated into the performance appraisal of IOs. In addition, there is a stringent compliance regime for ACC's Ethical Code of Conduct.*

- Risk of complaints being dropped/destroyed/manipulated either at dispatch section or at the level where the complaint is addressed, e.g. Complaints Evaluation Committee (CEC). Recommended to develop a clear complaints management system.

*The investigation management system addresses most of the risks related to complaints management. A separate record of receipt of complaints, in particular those received through post, is managed by the CEC chair.*

Implementation of the recommendations will be reviewed and monitored by the Prevention Division on a bi-annual basis. Two

reviews have been conducted as of March 2011. Sixty-seven (67.6) percent of the 34 recommendations have been implemented. An impact assessment will be done in 2012, wherever applicable.

## Islands of Integrity

ACC will work towards becoming an island of integrity. The

- (i) administration: *procurement, care for office facilities and their judicious use, personnel administration, monitoring of compliance of ethical code of conduct, service standards and rules and regulation, human resource development, stores management, proper record keeping, hospitality and office discipline and hygiene and*
- (ii) accounts : *enforcement of financial rules, prudent management of funds, timely updating & submission of accounts to Ministry of Finance, timely payment of bills and claims, proper recording keeping,*

being the lifeline of ACC will be the focus in 2011.

## A road map: ACC's corporate plan

The process towards development of an ACC "Corporate Plan" that will be based on the best corporate principles and practices is underway. It will be the compass for ACC in its challenging journey of fighting corruption. The plan envisages building an exemplary institution with transparent systems. It is expected to review existing organizational set-up and practices and



propose measures to enhance its vision, mission and values; specify benchmarking - satisfaction surveys, continuous improvement and change management systems; advise sustainable systems of administration, operation and management at all levels (administrative system – budget, personnel & procurement management, checks & balances; operating system – standards, code of conduct & regulations; and management system – incentives/performance management for a law enforcement agency); identify new forms of corruption that may emerge with changing social behavior, increasing FDIs, mega projects and technological advancement (e.g. legislative and policy corruption, cyber crime, money laundering etc.) and suggest proactive measures; recommend optimum resource level including quality workforce in relation to workload; propose viable recruitment arrangement (deputation, contractual, consultancy, etc.); suggest employees retention strategies, human resource development, training needs assessment and post employment networks; provide management infrastructure to promote ethics and integrity in public & private agencies; advise effective measures for inculcating ownership and mainstreaming anti-corruption practices in public and private agencies; and recommend doable partnership & outsourcing mechanisms at national, regional & international levels.

As there is no in-house capacity to develop the plan, technical assistance is being explored for the important work.

The corporate plan is expected to be ready by the end of this year.

### Small society impact: Recruitment and retention challenges

Every report of the ACC highlighted recruitment and retention of personnel as one of its biggest challenges. And it will continue to be so for reasons that are beyond ACC's means or control. This has gravely impacted upon ACC's performance. Systemic studies and research works have suffered; backlog of cases and follow up action on complaints have increased; efficacy of investigation has been affected; and capacity development has suffered.

Ten officials resigned from service last year, bringing the attrition rate as high as 38%. Vacancy announcement made for 27 positions in September 2010 and a second announcement for 19 positions made in January 2011 were all in vain. Of the 27 positions advertised in 2010, only 2 in-service candidates (7% achievement) were selected as only they fulfilled all the requirements including production of no objection certificate from their parent agencies. Similarly, of the 19 positions advertised in 2011, only a single candidate (5% achievement) was selected as per the set criteria.

Public servants are generally reluctant to join the ACC and more so continue working in it. The main reason for this problem is the difficult nature of ACC's job. In a small society, the threat of reprisal, both directly and indirectly for such actions is indeed real (reported in

the past as well). Doing a good job becomes a major disincentive and cause of concern for officials working in ACC and their families. And organizationally, ACC demands high level of performance from its employees with stringent compliance program of Code of Conduct and Ethics and accountability measures.

International experiences reveal that people who work in anti-corruption agencies constantly suffer from victimization, intimidation, isolation and marginalization, rendering them vulnerable and demoralized. Further, restricted legislative jurisdiction, budgetary restrictions, appointment of ineffective officials, non-cooperation from other agencies and general harassment (also suffered by the employees' families and relatives) aggravate the predicament of the cadre. These become more pronounced in smaller societies. For the anti-corruption cadre to discharge their challenging responsibilities effectively, fearlessly and indiscriminately, they need to feel secure – economically (remuneration), professionally (career growth) and physically (safety for self & family). Further, the vulnerability of ACC employees to corruption and politicization cannot be ignored.

Government must provide favorable service conditions to attract and retain good professionals with high standards of integrity in ACC. ACC also recognizes that success is not totally contingent upon attractive service conditions alone.

In the long run, it may be worth considering delinking enforcement

agencies such as the ACC from the RCSC, allowing it to operate as a truly professional body on corporate governance principles with separate service conditions including pay and allowances. The perception of limited career prospects in small organizations like ACC, an institution of professional diversity, should change. In a truly professional body, career prospects do not only mean hierarchical advancement. It lends credence to opportunities for professional growth, participation in the decision making process, getting paid and receiving due recognition for one's worth and equally important being the opportunity to make a difference to the larger society.

### A strategy: Human resource management

As a long term measure, ACC plans to recruit potential class XII students and send them for specialized courses. It may also propose separate service conditions including pay and allowances within a contractual arrangement where remunerative benefits are fixed on the professional competencies of individuals and not on hierarchical positions held by them with opportunities for continuous professional growth and space for engagement in organizational development. This is not admissible in the civil service.

In the short term, ACC will recruit fresh graduates and impart on-the-job-training. Higher entry level, with tenure obligation could be a strategy to attract promising graduates. However, it is not

permissible within the civil service system. The option of recruiting in-service public servants for a term of 3-5 years in prevention and public education program with the understanding to return to their parent agencies will also be explored. This will require the support of agencies. While the turnover may be expensive to the ACC and may jeopardize its HR development, it will lend to building anti-corruption capacity in other agencies thus facilitating mainstreaming of anti-corruption measures. Their performance in the ACC could be a consideration for fast track promotion or benefits/recognition. In case of in-service public servants desirous of joining ACC on a long term basis, enhancement of entry level (one-two levels) could also be considered.

Further, recruitment of professionals on contract with special mutually beneficial contractual terms and conditions will also be explored. However, such intervention now would unfairly place the existing professionals in the ACC at a disadvantage. The process will depend on whether RCSC or ACC has jurisdiction over the ACC personnel.

The long and short term proposals have been discussed with the RCSC. Options within the civil service system are very, very limited.

### Building Confidence: Capacity development

ACC continues to place great importance on continuous training and making conscious effort in sharing and applying

newly acquired knowledge and skills by its staff members in building its institutional capacity. A total of 29 officials have attended workshops/seminars/trainings in the field of cyber forensics, office productivity management, corruption studies, financial crime prevention, integrity management, criminalization of bribery, etc.

Four officials are undergoing long term courses in governance, digital forensic, ICT and public policy.

### Creating a healthy working environment: Office space

ACC has been operating from hired private premises since its establishment in 2006. The construction of an office building was included in the 10<sup>th</sup> Five Year Plan with financial support from the Government of India (GOI). ACC was fully involved right from conceptualization of the building plans to finalization of every detail of the designs to showcase the whole process as a best practice as well as to construct a utility-based and an energy efficient building.

The tendering processes were done with utmost due diligence. The bid evaluation was done by a team of three people. All information on the contract firms was collected diligently for the bid capacity assessment. On scrutiny, of the 3 bids, 2 lowest bids were eliminated because of inadequate bid capacity and having more than 5 works at hand. The value of only responsive bid was more than Nu. 85.0 million. The rates quoted by the firm for 92 items of works, which form 90% of the



cost of the building were analyzed. The firm's quoted prices for the 92 items were 49.16% higher than the market rates. ACC decided to refloat the tender. With the re-tender, the work was awarded at Nu. 63.9 million, saving more than Nu. 21.0 million.

The bid evaluation report was printed as a Kuensel Supplement to disseminate information and to highlight the importance of transparency in tendering processes. The bid evaluation report is used as a case study on due diligence and bench-marking in procurement in the training course for Certificate in Procurement Compliance conducted by the Public Policy and Procurement Division, Ministry of Finance.

The contract was awarded on 29 October 2009 and the construction started by November 2009. A full time site engineer supervises the construction work. The contract firm cannot start concreting of any major component of the work without the authorization and supervision of the site engineer. All running bills are paid within days of their submission. The understanding with the contract firm is that quality will not be compromised and support to the firm with prompt decisions, payments and other facilitations, where necessary, will be provided by ACC.

The contract cost will be about Nu. 65.0 million. About 75% of the overall external works have been completed. Nu. 20.0 million has been paid to the firm. The scheduled completion date is 30 April 2011, which is likely to extend by another two months.

### Working together: Networking

Networking with other agencies both within and outside the country is one of the strategies for institutional development.

In May 2010, ACC received a 13 member high level delegation from the National Anti-Corruption Commission (NACC), Thailand. Discussions on issues of mutual interest were convened with Royal Audit Authority, Office of the Attorney General, Royal Civil Service Commission, National Assembly and Ministry of Foreign Affairs. A dialogue with the Centre for Bhutan Studies on Gross National Happiness was also organized for the delegation. A Memorandum of Understanding that envisages cooperation in the field of capacity building of anti corruption cadres of the two commissions was signed in



Delegates from NACC, Thailand

Thimphu. A 9 member delegation from the ACC made a reciprocal visit to the NACC, Thailand in November, 2010. During the 3 days official visit, the ACC delegation interacted with various Thai agencies such as the Office of the Attorney General, Supreme Court of Justice's Criminal Division for Persons Holding Political Positions, Office of the Public Sector Development Commission, Special Administrative Authority of Pattaya and Royal Bhutanese Embassy. ACC's future plan includes cooperation in the field of research and development in systemic studies, capacity building in Mutual Legal Assistance (MLA), asset management and ethics and integrity award systems as practiced in Thailand.

Bhutan became a member of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific in September 2007. It has been actively participating in the biannual steering group meetings. A 5 member advisory body, "Small Group on Implementation (SGI)" was formed in September 2009. Bhutan is a member of the group. The last SGI decided to implement programs and activities that build into the United Nations Convention Against Corruption compliance and mainstream into countries' anti-corruption programs, a process that Bhutan has already initiated.

In September 2010, Bhutan was invited to participate in the founding conference of the first international anti-corruption academy titled *"From Vision to Reality: A New & Holistic Approach to Fighting Corruption"* in Vienna. The International Anti-Corruption Academy was formally

launched at the inaugural session of the conference. Its establishment, the first of its kind, is an important milestone in the global fight against corruption; an outcome of a joint initiative of the United Nations Office on Drugs and Crime (UNODC), Republic of Austria, European Anti-Fraud Office (OLAF) and other stakeholders such as the INTERPOL. It is considered as the bastion of reference against the global scourge of corruption, centre of excellence and a symbol of hope for greater transparency and accountability.

The Academy's goal is to create a new generation of topnotch anti-corruption specialists and experts. It will function as an independent centre of excellence in the field of anti-corruption education, training, networking and cooperation and research through a holistic and interdisciplinary, inter-regional, inter-cultural and inter-sectoral approach. Its full program, including academic degree courses, will commence in 2011.

Six hundred delegates from over 108 countries and public and private organizations attended the conference. It was graced by the UN Secretary General. Thirty-five countries and organizations signed the Agreement for the Establishment of IACA as an International Organization. Countries and organizations that signed the Agreement prior to December 31, 2010 will be the founding members of the Academy. Bhutan is yet to sign the Agreement. Member countries will have an important role to play in the governance of the Academy.

Contribution of funds or any kind of support to the Academy is voluntary. The Academy's headquarters is located in Laxenburg, 15km south of Vienna, Austria. Regional branches will follow in due course (visit [www.iaca-info.org](http://www.iaca-info.org) for more information).

Visits were also made to the Federal Bureau of Intelligence Service and Federal Bureau of Anti-Corruption (BAK) of the Ministry of the Interior and the headquarters of UN Office on Drugs and Crime.

In October 2010, ACC was invited to participate and present its experiences at the "Anti-Corruption Strategies and Implementation" workshop organized by OECD-Korean Policy Centre in South Korea.

ACC participated in the 14th International Anti-Corruption Conference (IACC) held in Bangkok, in November 2010, which saw the participation of more than 1,200 people from public, private and nonprofit sectors from around 135 countries. The conference discussed about the causes and consequences of corruption and highlighted successful strategies and practices in controlling corruption revolving around key global challenges:

- (i) Restoring Trust for Peace and Security,
- (ii) Fuelling Transparency and Accountability in the Natural Resources and Energy Markets,
- (iii) Climate Governance: Ensuring a Collective Commitment,
- (iv) Strengthening Global Action for an Accountable Corporate World, and
- (v) Reaching our Millennium Development Goals.

The conference is the premier global forum for global exchange of experience and methodologies in controlling corruption and also serves as an ideal forum for networking and cross-fertilization that are indispensable for effective advocacy and action on a global and national level.

As requested by the host and organizers, Bhutan shared its experiences with respect to UN Convention Against Corruption Self-Assessment.

The Executive Director of Investigations of the Independent Commission Against Corruption (ICAC), New South Wales, visited Bhutan in January 2011. The Commission will visit ICAC, NSW Police Integrity Commission and the Crime and Misconduct Commission of Queensland in April 2011. The visits will pave the way for greater cooperation with the institutions.

### Goodwill and support: Projects

ACC has been fortunate in receiving the generous support of development partners. As a small institution, ACC has confined to few partners. For the 10<sup>th</sup> five Year plan, it has the commitment of Nu. 55 million for the construction of its office and Nu. 107.00 million for all other programs from the Government of India and Swiss Agency for Development and Cooperation (SDC).



# Working together: Networking



ACC, Bhutan and National Anti-Corruption Commission (NACC), Thailand signed in Thimphu a Memorandum of Understanding that envisages cooperation in the field of capacity building of anti corruption cadres of the two commissions.



## SECTION 4

## BEING ACCOUNTABLE: PERFORMANCE EVALUATION

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# Section 4

## BEING ACCOUNTABLE: PERFORMANCE EVALUATION

### Introduction

ACC has been overwhelmed by events to really be able to operate strategically and to implement its planned program effectively. Further, the general lack of public accountability, fear for reprisals in raising voices against unhealthy behavior of individuals in the public and private sectors, general sense of public resignation because of closely knit social fabric, patronage and perception of big-fish-small-fish, public distrust in public servants, culture of territorialism and pervasive indifference to anti-corruption measures, misplaced “compassion” of many senior public servants for inefficient and corrupt people, the convenient notion of fighting corruption being solely ACC’s responsibility and assertion of institutional independence at the cost of cooperation and coordination, sap the ACC’s limited capacity and energy.

Modest impact, however, has been made in raising greater anti-corruption consciousness through public engagement, behavioral change interventions (limited), research (limited), adaption of corruption risk management tools and strengthening of anti-corruption laws and their enforcement. Conscious implementation of the National Anti-Corruption Strategy Framework (NACS) by all stakeholders and with an effective M & E would have lent greater meaning to the government’s

anti-corruption policy of “Zero Tolerance for Corruption.” Bhutan’s international ranking of corruption perception index as measured by the Transparency International (TI) has improved, if it is of any value.

### Where is Bhutan? Corruption Perception Index (CPI) 2010 (TI-CPI 2010)

According to Transparency International (TI), “Its Corruption Perception Index is an aggregate indicator that ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a *composite index* drawing on corruption-related data by a variety of independent and reputable institutions (<http://www.transparency.org>).

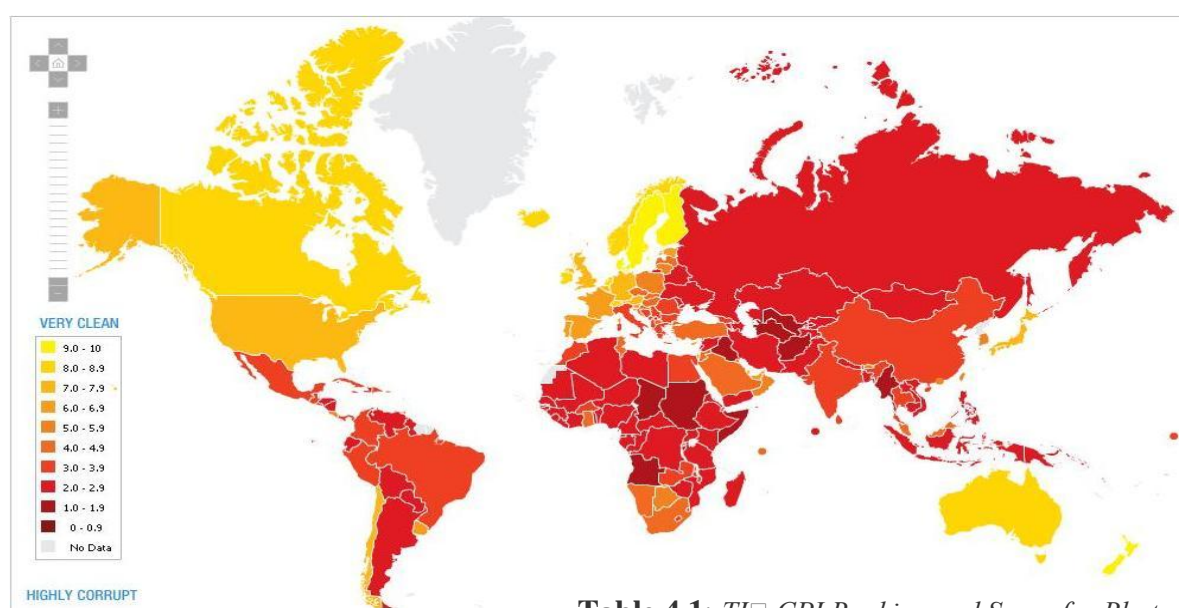
TI-CPI 2010 ranked and scored 178 countries on a scale of zero (perceived to be highly corrupt) to ten (very clean/least corrupt). The TI-CPI 2010 ranked Denmark, New Zealand and Singapore at 1 with a score of 9.3 each. The lowest ranked country was Somalia at 178 with a score of 1.1. Myanmar and Afghanistan were placed at 176 with a score of 1.4 each. Bhutan ranked 36 with a score of 5.7, an improvement over the 2009 score by 0.7 and rank by 13. The reason for the significant recovery could be assigned to factors that are characteristic of a fight against corruption. In fighting corruption, an anti-corruption agency’s work and the



system's responses pass through certain phases as referred in Figure 4.1. Bhutan was never ranked and scored by TI prior to 2006.

To determine the CPI 2010 for Bhutan, TI has used four surveys – Asian Development Bank's Country Performance Assessment Ratings for 2010, Bertelsmann Foundation's Bertelsmann Transformation Index for 2009, Global Insight's Country Risk

Fighting corruption appears to be the sole responsibility of an anti-corruption agency with resistance from the system and institutions to fight it. When corruption cases are unearthed with a system opposed to fighting it, a sense of heightened perception of corruption develops. This phase is represented by the line BC, which represents the initial resistance phase from system and institutions to fight corruption.



**Table 4.1: TI's CPI Ranking and Score for Bhutan**

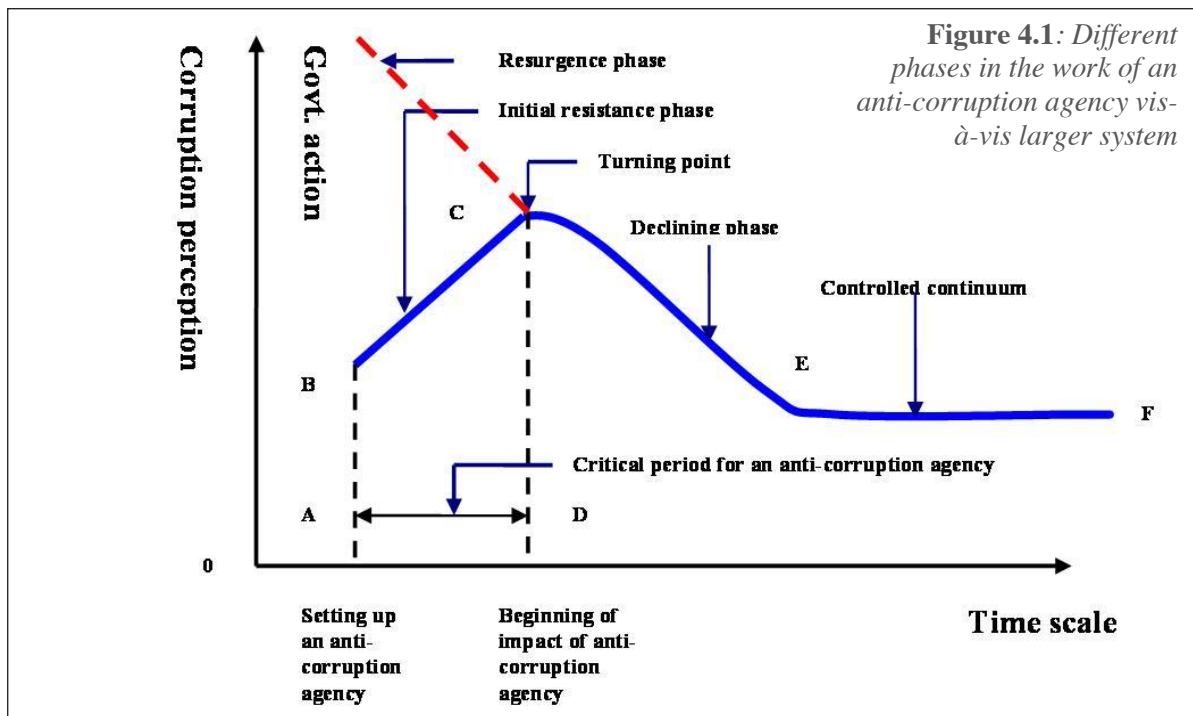
Year	Global Ranking	No. of participating countries	Score (0-10)	Asia Pacific Ranking	No. of Survey Used	Confidence Range
2006	32	163	6.0	7	3	4.1-7.3
2007	46	180	5.0	10	5	4.1-5.7
2008	45	180	5.2	9	5	4.5-5.9
2009	49	180	5.0	10	4	4.3-5.6
2010	36	178	5.7	7	4	5.1-6.6

Ratings for 2010 and World Bank's Country Policy and Institutional Assessment 2010. In addition, TI has used business people opinion surveys and assessment (scores) provided by country experts or analysts.

However, the fight against corruption must continue. Through continued efforts, system and the anti-corruption agency's fight would gain control over corruption. Gradually, a turning point 'C' would be reached. Subsequent pressure on corruption must continue to bring it

under a declining phase, represented by the line CE. The system must continue to keep it under pressure through continuous system improvement to

institutional strengthening of the government machinery has to ensure that adequate check and balance is in place. Check and balance at every hierarchical



reduce corruption to incidence level. This phase is represented by the line EF – the controlled continuum, the most desirable phase under which corruption must be suppressed at all times.

Drawing reference to the above explanation, the CPI 2010 for Bhutan may represent the turning point in the fight against corruption. This turning point may be a transient phase, corruption seemingly being under control. If a constant fight is not continued; if system and institutions become lethargic, the resurgence phase, represented by the dotted red line would be inevitable. Corruption in this resurgence phase would be much more difficult to bring it under control again.

While ACC will continue to spear-head the fight against corruption, system and

level is crucial and has to be strengthened and enforced if corruption has to be minimized. Most importantly, leaders and managers have to lead by example and create the environment in their agencies to effectively and sincerely fight corruption.

## PREVENTION DIVISION

The division has 2 senior system analysts, a senior research officer, an asset declaration administrator and an assistant system analyst. One of the 2 senior system analysts is currently undergoing a 10 month postgraduate course in governance and the other is overseeing the construction of the office building.

## Test of political will: Implementation of National Anti-Corruption Strategy Framework (NACS)

In 2009, the Cabinet endorsed the National Anti-Corruption Strategy Framework (NACS) as a part of the government's anti-corruption drive. The Committee of Secretaries (COS) was entrusted with the responsibility of monitoring its implementation. The National Assembly resolution of the 4<sup>th</sup> session required the government to take ownership of NACS to ensure its timely implementation and also to institute a system of reporting on the implementation status to the Parliament. However, conscious efforts of the stakeholders and the COS in coherently implementing NACS have been much lacking. There is no monitoring mechanism in place. Poor implementation of NACS was highlighted at the Cabinet, COS and ACC meeting in August 2010.

Sessions were also conducted on NACS with the Dratshang Lhentshog, Judiciary, Armed Forces and other stakeholders outside the government. The importance of mainstreaming anti-corruption measures in their agencies was stressed.

Six ministries, viz. the Ministry of Home and Cultural Affairs, Ministry of Education,

Ministry of Foreign Affairs, Ministry of Agriculture and Forest, Ministry of Information and Communications and Ministry of Works and Human Settlement responded to the ACC's request for information on the implementation status of NACS. Conflict of Interest (COI) declaration system and compliance of the general code of conduct (COC) enshrined in Bhutan Civil Service Rules (BCSR) 2006/2010 were reported as adopted. Similarly, Judiciary is reported to function based on the Judicial Service Act.

The agencies recognize the need to operationalize COI and COC. However, the important issue that has to be raised is, have the management and monitoring infrastructure to ensure their implementation, in form and spirit, been established? There is not even a single record of COI declaration in any of the above agencies except for the Ministry of Education in human resource related issues, which is monitored by its Internal Audit Unit (IAU) on a bi-annual basis. A robust COI management system can address among others nepotism, which is a dominant form of corruption in Bhutan



Session with Dratshang Lhentshog (Annual conference)

(Corruption Perception Survey 2007). Similarly, there is no enforcement of COC by agencies as part of an effective management and administrative measure. The Judiciary and Ministry of Home and Cultural Affairs have their own COC, but as mentioned above there is no compliance and monitoring infrastructure in place as in the case with COI. The BCSR 2010 has strengthened its COC chapter but is silent on capacity development, compliance monitoring and accountability mechanisms. Code of conduct is not implementable on its own. RCSC has to take the lead role in building the infrastructure for effective compliance of COC.

On the decision making protocol, only the Ministry of Education has developed one based on which it makes all important decisions.

The NACS is an operative strategy of the government's zero tolerance anti-corruption policy. If there is no conscious effort in implementing it, the policy becomes rhetoric. Political will of leaders, public servants and people without visible action bears no value. The heads of agencies have to take the lead in translating the strategic considerations into actions with close monitoring by COS.

Implementation status of NACS is at **Annexure 3**.

## Plugging loopholes: Systems strengthening

ACC's approach towards preventing corruption has been pursued through systemic corrections (system study) using research findings and tools such as corruption risk management, Standard Cost Model, Regulatory Impact Assessment and development of service standards, management of conflict of interest and code of conduct and ethics compliance regime. A system study protocol has been finalized after the incorporation of comments from the stakeholders. It is now operational (posted on the website and circulated). There are 2 categories of system study, viz: reactive (study undertaken during investigation) and proactive (based on vulnerabilities). The figure 4.2 illustrates the processes.

As per the protocol, all system studies will be followed-up after 6 months of the implementation of the recommendations and their impact assessment will be conducted after 1 year.

The Prevention Division conducted a proactive system study in *Rural Timber Allotment* and reactive system study in *Mines and Minerals Management* and *Health Sector Procurement* in 2009. Two more proactive system studies in *Housing Allotment (NPPF and NHDCL)* and *one stop shop services in payment of bills* will be conducted in 2011. These areas of studies have been chosen due to increasing abuse of authority, which undermines the existing system, fairness and transparency.



Further, in 2010, ACC adapted the corruption risk management (CRM) tool for system studies. CRM is a useful in-house tool adapted from South Korea to identify corruption risks in an agency, their causes and corresponding solutions. It is a management enrichment process that engages all concerned personnel in an agency, which is undertaken regularly. It calls for the political will of the leadership of agencies.

Apart from capacity building of the internal auditors, the Prevention Division also conducted CRM on *Mines and Minerals Management (investigated)*, Department of Geology and Mines (DGM), Construction Development Corporation Limited (CDCL) (investigated), Phuentsholing City Corporation (PCC) and *Rural Timber Allotment*, Department of Forest and Park Services (DFPS).

The impact of the interventions on the employees' and the

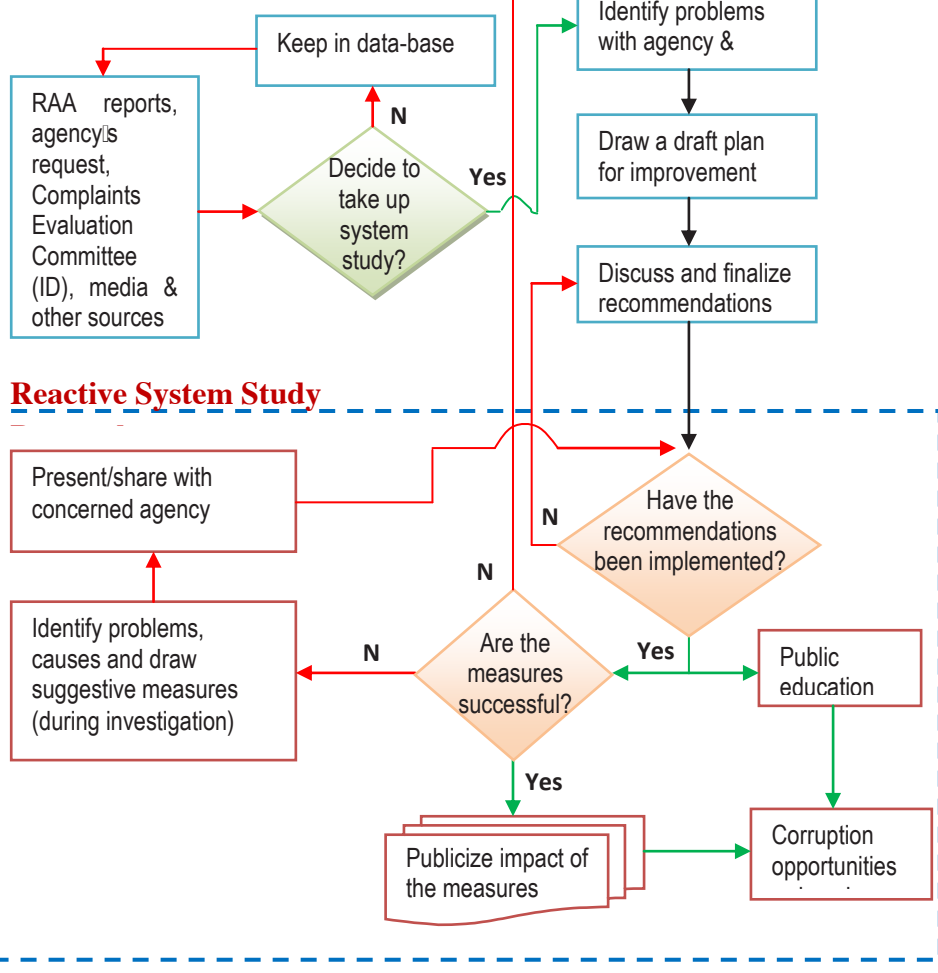
applicants'/promoters' behavior and reduction of corruption opportunities have to be assessed in the future.

### Rural timber allotment system, Department of Forest and Park Services (DFPS)

The Ministry of Agriculture and Forest has reduced the timber extraction permit validity from 3 years to 2 years and monitoring of rural house construction has been strengthened in the amended Forest and Nature Conservation Rules 2006 (source: MoAF). Timber permit approval has been reduced from 6

**Figure 4.2: System study**

#### Proactive System Study Protocol



is higher as one of the potential risks. In order to manage the distribution of timber more sustainably with reduced opportunities for corruption it was recommended to fix one price for timber allotment (commercial & rural) and to refund the difference of price between the rural and commercial timber to the rural recipient subject to completion of construction on verification by the local administration. This is subject to review by the Ministry.

**Mines and minerals management,  
Department of Geology and Mines  
(DGM)**

Corruption in the mining sector is one of the biggest cases investigated by ACC.

Restitution of money runs into millions of Ngultrum. The modus operandi adopted



was giving preferential treatment to certain applications. Such applications were allocated more lucrative mines, sometimes in the name of ghost applicants, through abuse of authority. Some of the more lucrative mines were operated by people close to those who were involved in processing and granting mining leases. In the process, regulating authorities had become the operators of the mines and mining was indiscriminate to maximize profits. Taxes were not filed. Mitigation measures were not implemented, leaving the huge damage afflicted to the environment unattended.

The irreparable damage caused by mining and its associated activities to the environment, which is further aggravated by poor enforcement and monitoring and collusion between regulators and promoters may far outweigh its contribution to GDP.

While benefits accrue to a small number of people, consequences of the environmental damage is being faced by the general populace. Such a situation calls for re-examining of the policies and detailed impact analysis, economical, social and political, of environmental degradation. This policy issue was brought to the notice of the government vide ACC's letter No. ACC/COM-03/2009/943 of 13 July 2009. The letter mentioned, *"The mining industry is found to be the perpetrator of large-scale environment destruction much beyond the revenue it generates for the people and the country. Watershed ridgelines in the fragile southern belt of the country are disappearing. Indiscriminate mining*

*activities are responsible for changing local hydrology, landslides or debris flow, deforestation and siltation of river beds. The impact of these physical phenomena on the social, cultural and economic fabric of local populace is seen to be devastating."* The letter further stressed, *"as a long-term strategy, economic analysis of the mining sector, its contribution to GDP and what segment of society benefit from it, vis-à-vis the irreparable large-scale destruction of the fragile mountain environment needs to be done."* A good policy review on mining, considering the environmental impacts, revenue generation and benefits sharing is urgently required.

The Ministry of Economic Affairs (MEA) has amended the Mines and Mineral Management Rules 2002 (MMMR) and is currently in the process of reviewing Mines and Minerals Management Act (MMA) 1995. Some of the incorporated recommendations include the establishment of Mines Information and Lease Processing Section for greater efficacy and transparency. The CRM exercise conducted by DGM with ACC also identified anomalies in the dispatch of minerals and favoritism in the approval of mining leases as critical risks and highlighted the importance of better coordination and understanding between the National Environment Commission, dzongkhags, DFPS and DGM.

A mineral development policy has been drafted by MEA and is under review.

## Health sector procurement

In pursuance of the 3<sup>rd</sup> ACC Annual Report, a desk review of the health sector procurement was conducted along with a presentation of the system by senior health officials. There was no intervention from the ACC as the system appeared to be good. However, following the investigation of the procurement of medical equipment and patient referral in 2010, major systemic interventions have been recommended.

ACC studied the health sector procurement system administered by the Drugs, Vaccine and Equipment Division (DVED) in 2010 (details under Investigation Division). The implementation of the recommendations will be followed up.

## Other system studies

As an outcome of the tripartite meeting of the Cabinet, Committee of Secretaries and ACC convened on 23 August, 2010, 34 internal auditors of 25 agencies (10 ministries and 15 corporations) were trained in using the CRM tool to enable them to conduct CRM in their agencies from time to time. The IAUs are expected to conduct CRM proactively within their agencies in identifying corruption risks as a part of their important task of strengthening management and administrative systems of their agencies.

Construction Development Corporation Ltd. (CDCL), Phuentsholing City Corporation (PCC), Royal Insurance Corporation of Bhutan Ltd. (RICBL) and

Road Safety Transport Authority (RSTA) conducted CRM exercise with ACC's facilitation.

## Phuentsholing City Corporation (PCC)

Concealment of illegal construction and encroachment of government land due to lack of standard monitoring, recording and accountability system were major risks identified by PCC. Among others, an effective inspection system was recommended to minimize such risks.

## Construction Development Corporation Limited (CDCL)

Manipulation of muster rolls/bills, pilferage of fuel/spare parts and collusion in procurement were highlighted as major risks. Under the new management, CDCL among others plans to formulate "equipment performance benchmarks," which will not only gauge the performance of its machineries and standardize certain parameters of the operations but also measure the performance of "teams of staff" manning the machineries.

## Royal Insurance Corporation of Bhutan Limited (RICBL)

The CRM workshop in the RICBL identified several risks such as risk of favoritism/nepotism in processing of insurance, collusion between surveyors and clients, workshops and clients, risk of manipulation of accidents and vehicle documents, inspection reports by field officers, misuse of power by underwriters



and risk of bribery of field officers/workshops.

The risks identified elicit that with the involvement of many stakeholders, there is need for closer coordination and sensitization of each other on the developments/changes and to draw up clear and transparent procedures, streamlining of verification of reports, delineate clear roles and responsibilities both within RICBL and stakeholders, streamlining of rules and guidelines, networking for easier verifications, reviewing and revising service standards in the face of competition, rationalizing rates/prices, increasing the role of internal auditors and creating greater awareness among the clients.

Some of the above risks are envisaged to be mitigated by the RICBL's plans of adopting "Key Performance Indicators (KPI)" that is looking at tying up performance of the personnel to that of the products and their profitability. A fairly new idea to contain the risks of collusion/bribery could be the signing of "integrity pacts" with their major players such as the automobile workshops.

### **Road Safety Transport Authority (RSTA)**

RSTA has been working in close collaboration with ACC since 2007 with the initiative of assessing Administrative Burden (AB) through Standard Cost Model (SCM). This initiative was taken with a view to improve public service delivery and more importantly to make its system transparent with greater public accountability. With the implementation

of the recommendations of the study's findings, the time taken for issuing driving licenses has been reduced from 3 months to, on an average, 3 days. A one stop shop had been established at the regional transport office. This manifests the need for willing partners to work together with serious commitment and continuous support. Amongst others, RSTA has also recognized the need to institutionalize internal control measures, specifically to prevent corruption risks since corruption has serious bearing on any agency as has been its own experience.

The corruption risk management workshop in RSTA chose revenue collection and driving license to identify corruption risks and recommend strategic measures. The risks identified during the workshop include collusion between applicants and officials conducting tests, delay tactics in anticipation of bribes, preferential treatment to friends/relatives, bribery for obtaining license without sitting for tests, manipulation of receipts, embezzlement of revenue, intentional delay in deposit of revenues and nepotism in realization of late fees.

These risks indicate that there is a need for closer coordination between the head office and its ancillary offices, frequent random checks, a proper monitoring system, ICTization of systems to reduce human interface and standardization of services to improve the efficiency and increasing the role of internal auditors. The findings further indicate that there is a mismatch of jobs especially in the branch offices that are staffed by just two

officials who carry out not only the technical part of their job but are also required to handle financial transactions.

The action plan for RSTA envisages mechanizing driving test (with simulators), using e-receipt to avoid manipulations and instituting a token system to ensure service delivery on a first-come-first-served basis.

As part of the CRM workshops, agencies have drawn up action plans. The implementation of the plans will be monitored and evaluated jointly by the agencies and ACC, bi-annually.

ACC will continue to assist the Internal Auditors in conducting the 1st CRM exercise in their agencies. CRM exercise will be conducted in a dzongkhag for one common service of dzongkhag administration, which will be identified by the Ministry of Home and Cultural Affairs; it will be replicated in all other dzongkhags.

### Working together: Tripartite forum of RAA, IAUs and ACC

The forum that was conceived by the ACC in 2006 meets bi-annually and has been coordinated by the ACC till date. This forum has been generally useful in building anti-corruption coalition and providing a platform to share experiences, best practices and to improve upon the performance of the agencies. The efforts made by some of the IAUs have to be acknowledged (mentioned above). However, general

weakness of IAUs aggravated by lack of management support and direction and absence of proper handing/taking over of responsibilities on transfers or pursuit of higher learning of/by internal auditors affect the efficacy of the forum.

Some of the positive outcomes of the forum have been: after the introduction of Risk Based Internal Auditing system by the Royal Monetary Authority (RMA), National Pension and Provident Fund (NPPF), Bhutan Development Finance Corporation (BDFC), Bank of Bhutan (BOB) and Bhutan National Bank adopted the system. A 5 member committee of internal auditors has drafted the internal audit charter and standards for companies of Druk Holding and Investments (DHI) and is under review. Also, an audit committee in NPPF has been formed to check on the performance of its IAU as a part of strengthening the internal control mechanisms.

The Internal Audit Coordination Division in the Ministry of Finance has to be strengthened to build the capacity and to provide professional support to the internal auditors. The Ministry as the parent agency of IAUs will, henceforth, coordinate the tripartite meetings.

### Other activities

#### *Laws! Laws! Laws!*

Over the last 1.5 decades, many laws (acts, rules and regulation, executive orders, etc.) have been enacted and have become increasingly complex, which are

often not easy for citizens and entities to grasp. This hampers compliance and is often time-consuming. Multiplicity of laws not only place huge administrative burden on service providers and service users alike but also create opportunities for corruption. Laws should never be an objective in themselves, but a means of achieving public interest. While many laws have been enacted, their enforcement continues to be weak.

In 2008, ACC reported of having conducted 3 pilot studies to assess the administrative costs (cost imposed on business when complying with information obligation stemming from government regulation) borne by both the service providers and users using the Standard Cost Model (a tool developed by a group of European countries in 2003 to help ascertain administrative costs; has a network of about 28 countries) in the issuance of (i) driving license (RSTA), (ii) micro, small and medium enterprise and business start-up process clearances (MEA) and (iii) building drawing clearance (Thimphu City Corporation). It prompted simplification of procedures in the 3 service areas. Following the studies, institutionalization of SCM was approved by the then government. The Ministry of Finance was entrusted with the responsibility of overseeing it as administrative cost reduction could be tied to the budget allocation. However, it never took off.

As reported in the ACC Annual Report 2009, the Multi-Sectoral Task Force (MSTF) on Administrative Burden (AB) study was renamed as Improving Public

Service Delivery Systems (IPSDS) in April 2009 and placed under the Royal Civil Service Commission (RCSC), which was subsequently transferred to the Cabinet (ACC's PPD head was seconded to the project). The IPSDS focused on standardization of 110 services, simplification, harmonization, delegation and ICTization of services and establishment of 5 *Kuenphen Tewas* (one stop shops) with an objective to improve service delivery (government to business and government to citizen services) in 2010. IPSDS has now been dissolved following the creation of Government-to-Citizens (G2C) office under the auspices of Accelerating Bhutan's Socio-Economic Development project (ABSD).

Accelerating Bhutan's Socio-Economic Development project plans to simplify 141 G2C services ranging across 10 ministries, 12 agencies and 20 dzongkhag, reducing service delivery time to at least 70%. Development of an official gazette for lodging complaints if services were not delivered on time is also said to be part of the plan. Establishing community centers in 205 gewogs to provide "many services through one door" is one of their planned activities. These initiatives are expected to be operational by 2012 after internet connectivity reaches all corners of the country (*source: G2C*).

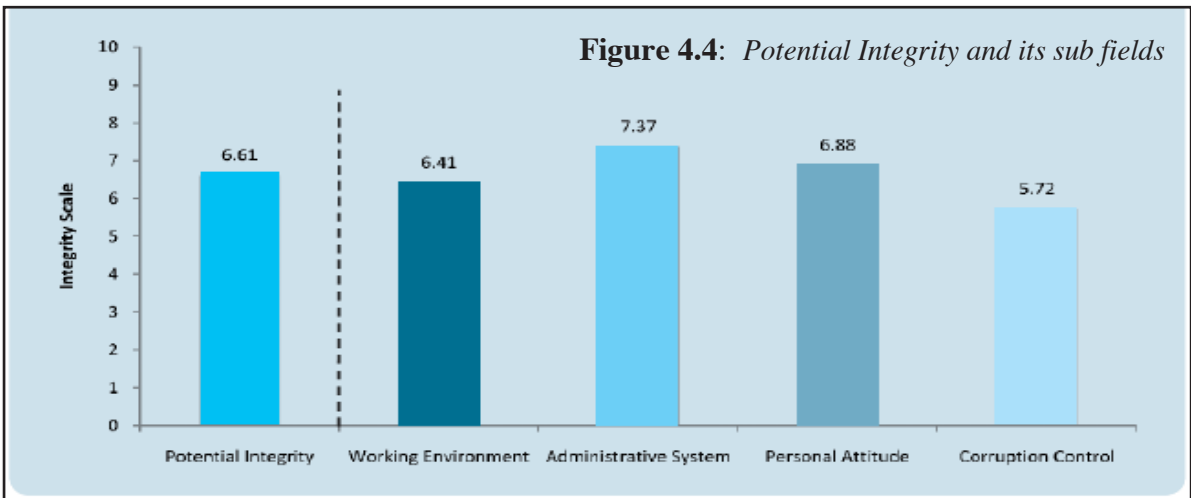
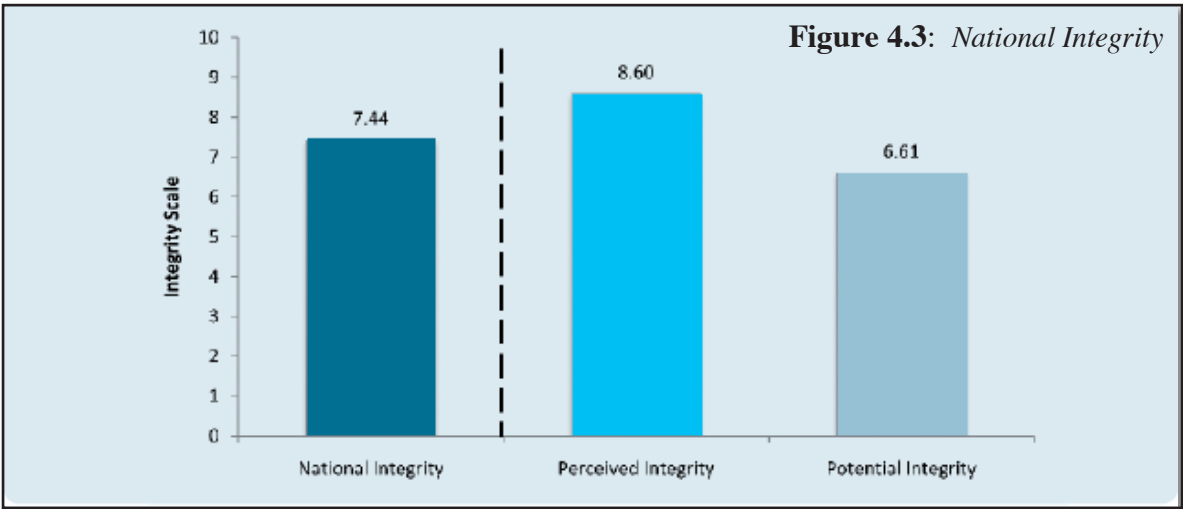
Ensuring transparency in service delivery and not service delivery per se is an area of ACC's interest and it will work together with all stakeholders in enhancing it. SCM forms an integral part of the Regulatory Impact Assessment (RIA), which is steered by a working group (ACC is a member)

under the auspices of Ministry of Economic Affairs. Standard Cost Model helps agencies to draw quantified results of analysis pertaining to administrative costs, making the analysis more comprehensive. However, there is an inherent challenge in monetizing activities.

Regulatory Impact Assessment is a tool used to analyze potential effects of a new regulation or an amendment to an existing one. It involves a detailed analysis of ascertaining whether or not any regulatory intervention would have the desired impact. Regulatory Impact Assessment and SCM are tools to ensure quality regulation.

People’s experience: Integrity Assessment

The Integrity Assessment (IA) survey was conducted in 2009 in collaboration with the National Statistical Bureau. The survey covered 43 services (based on vulnerability, economic and social impact, among others) of 27 public agencies (8 ministries, 6 dzongkhag), 20 gewog (blocks), 3 autonomous agencies and 2 corporations) with a sample size of 6155 (service users’ lists for the year 2008 was obtained from the service providers). The IA Report 2009 was launched in April 2010. IA is an “assessment of whether, in an agency, a public official follows standard procedures in providing public services fairly and transparently and that



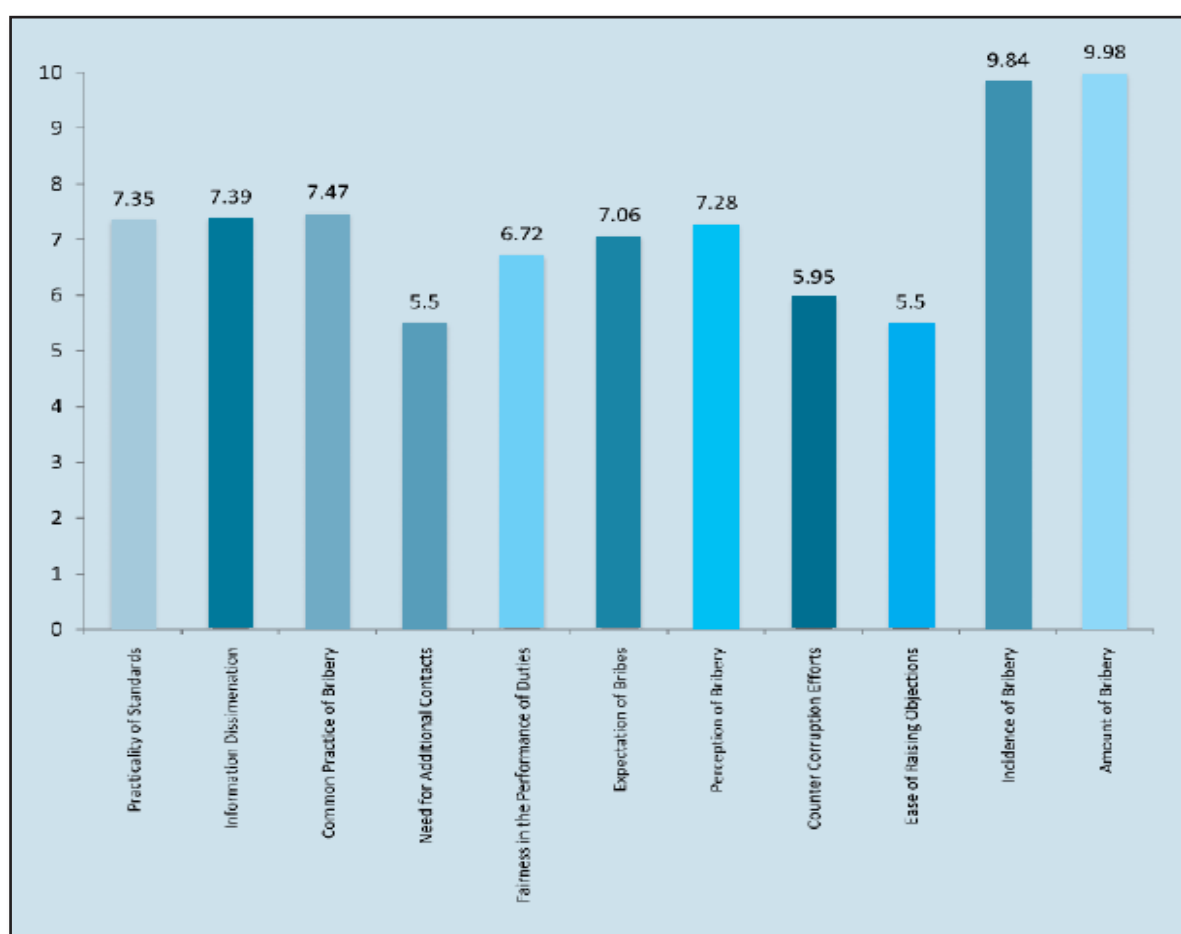


the services are not processed based on personal propensity towards a special condition or inducement.” The report highlights the level of integrity of service providers from the spectrum of perceived and potential integrity, which are further categorized into subfields like perceived corruption, experienced corruption, working environment, administrative system, personal attitude and corruption control measures. IA survey is rationalization of corruption perception survey.

The National Integrity Score was 7.44 on a scale of 0 (highly corrupt) to 10 (highly transparent), indicating a good level of integrity. However, it may be noted that the survey was confined to only 1 aspect of corruption i.e. bribery and respondents

were often reluctant to reveal the truth. Incomplete and incorrect clients’ information maintained by service providers was also a challenge. The survey indicated that 2 out of every 100 service users offered bribes at least twice and amounts ranged from Nu. 5.00 to Nu. 300,000.00 (cash, gifts, entertainments, hospitality, etc.).

While the integrity score is good, ease of raising objection (5.5), counter corruption efforts (5.95) and the need for additional contacts (5.5) while processing for services scored the lowest, indicating high potential for corruption (see Figure 4.5). In other words, incidences of experiencing corruption in daily life may be low but our system has flaws for corruption to perpetuate.



**Figure 4.5:** Overview of sub-fields and their scores

Over fifty six percent (56.25 %) of the respondents offered bribes or “gift, entertainment, hospitality, etc.” (see Table 4.2) to express their gratitude to service providers for doing what they are paid to do. The survey reveals that the act of bribery or other offers is generally triggered from the service recipients’ side and not from the providers’ side (2.5% only). However, a question that arises is whether such a situation is triggered by the behavior of the service providers. Perennial problem of delayed payments of bills and clearance of building drawings in the municipalities testify it.

From Table 4.3, one can deduce direct relationship between dependence and integrity score. Higher the dependency on public services, higher the integrity score. Forty five percent of respondents

offering bribe or “gift, entertainment, hospitality, etc.” to maintain future relationship with service providers also corroborates with the dependency factor, which is bred by general lack of transparency and accountability measures in the system.

**Table 4.2: Reasons for offering bribes**

Reasons for offering bribes or entertainment stated by service users who offered bribes or entertainment	Service users who offered bribes or entertainment (%)
The Officials or employees solicited or demanded bribes	2.5
To facilitate or speed up the processing of the service.	27.5
Wanted to mitigate or avoid punishment for violating laws and regulations	1.25
Wanted to express my gratitude for the service received.	56.25
To facilitate ease of future service delivery.	45
To avoid unnecessary harassment	15
Others <sup>1</sup>	10

<sup>1</sup> Those reasons not listed in the table

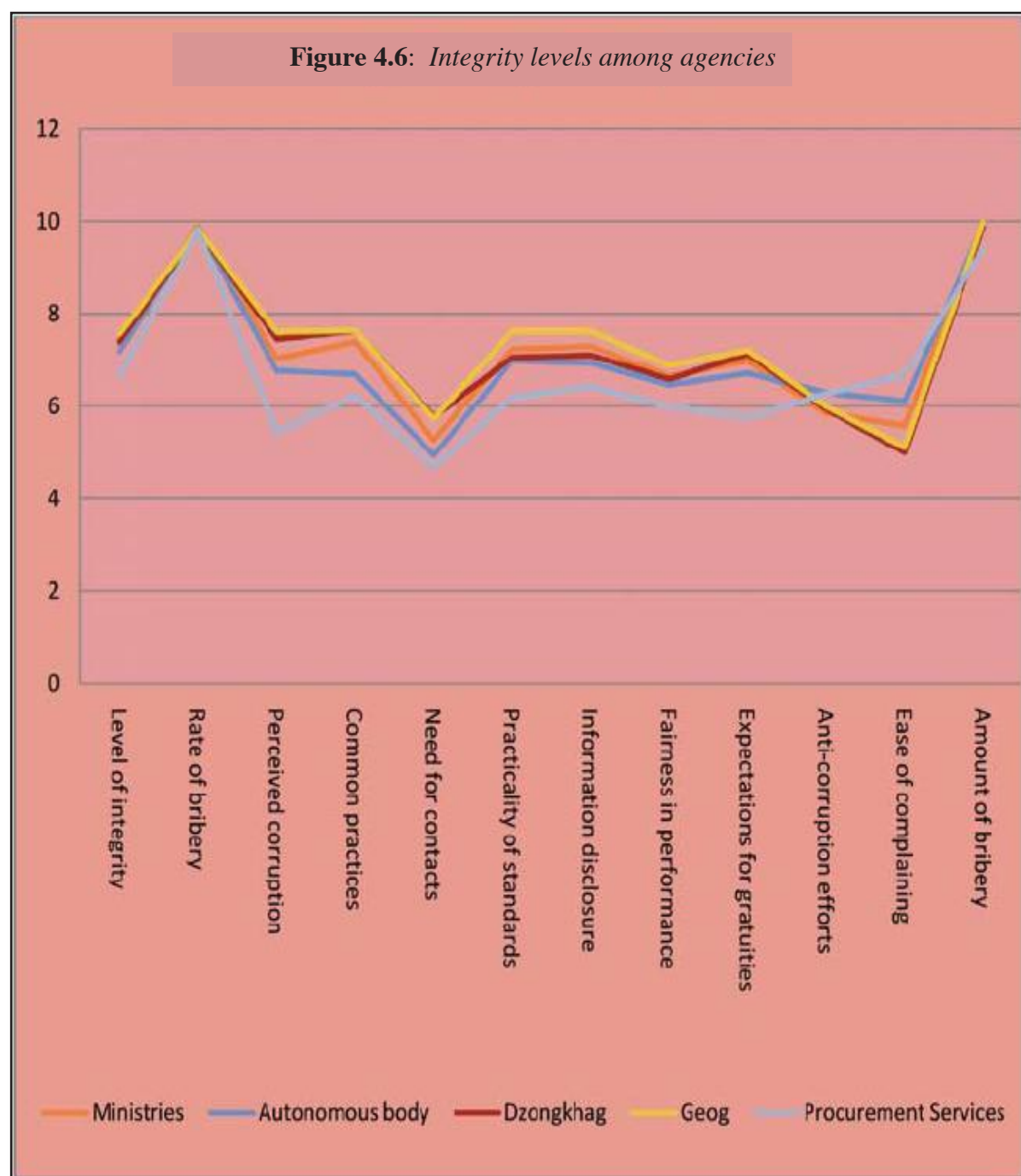
Occupation	Integrity Score
Civil Servant	5.719
Corporate employee	4.361
Business person	7.077
Armed force personnel	4.923
Private employee	6.777
Monk/Nun/Gomchen	5.041
Farmer	7.527
Laborer	5.382
Student	6.030
Housewife	5.472
Others	5.633

**Table 4.3: Occupation and integrity**

The agency-based findings of the survey were shared and presented to the Ministry of Works and Human Settlement, Ministry of Health, Phuentsholing City Corporation, Road Safety and Transport Authority, National Land Commission Secretariat and Druk Air Corporation Ltd. in 2010, highlighting possible areas of improvement (requests made by agencies).

The survey will be enhanced in scope, number of services and parameters and will be conducted after every 3 years. The next survey is scheduled for 2012. It will be a useful bench mark for agencies' ethical performance and their anti-corruption efforts.

**Figure 4.6: Integrity levels among agencies**



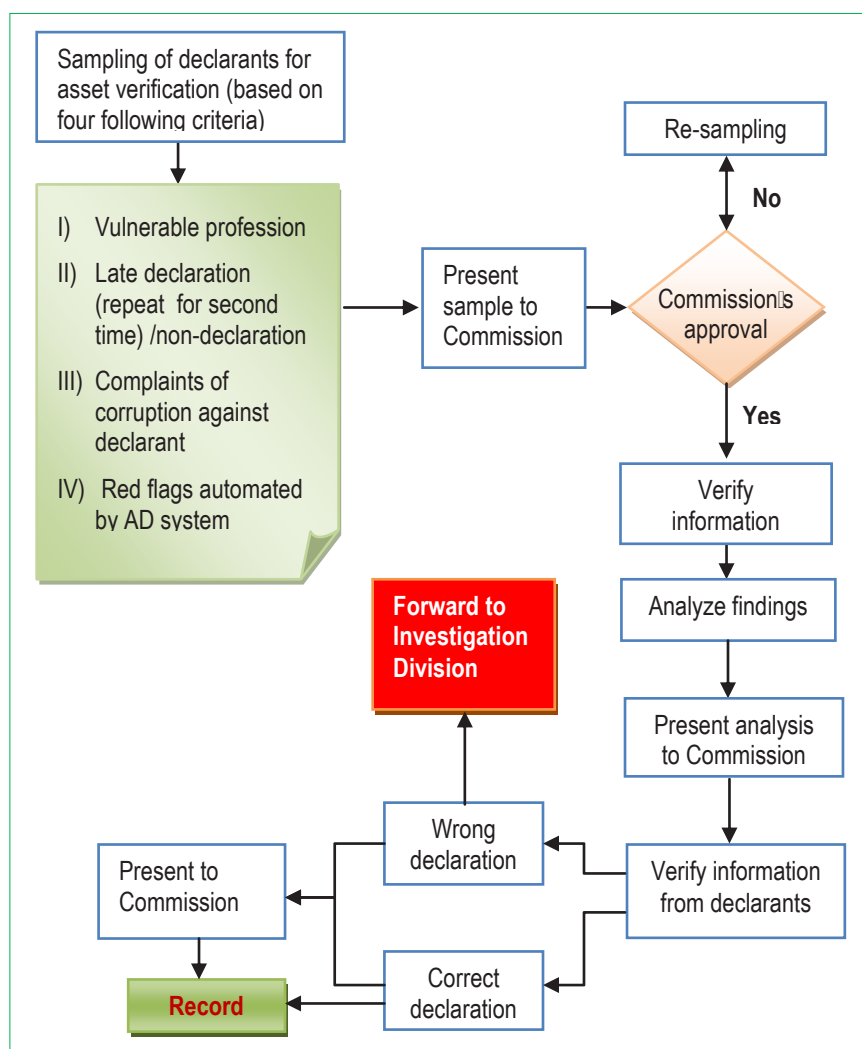
## Ensuring public accountability: Asset declaration (AD)

ACC has endeavored for the last 5 years to demand greater public accountability from the public servants, custodians of public resources, through rigorous implementation of asset and liability declaration (AD). Initially, strengthening of the AD system administration and sensitization was given priority. To reduce burden on both the declarants and administrators, a software based system to declare online was developed. The online AD system is in place now. It is hosted centrally on ACC website. All declarants have access to the system through their respective asset declaration administrators (ADA).

The compliance rate of schedule I public servants increased from 8% in 2006 to 86.86% in 2009 to 30% as of 23/3/2010. Of the 4694 in 2009 and 9686 in 2010 online declarations, only 50 and 55 were from schedule-I. Compliance rate of the decentralized system showed an upward trend after the introduction of online declaration system. However, it is still poor due to non-existence of asset declaration administrators (ADAs)

in most of the agencies, absence of proper handing-taking over system of AD responsibility when ADAs are transferred, weak management of agencies and non-enforcement of AD Rule by the ACC mainly due to the practical difficulty with section 131 of the Anti-Corruption Act of Bhutan 2006, which demands impeachment or removal of non-declarants. In the past, RAA helped ACC to audit the AD compliance by agencies. The monitoring mechanism has to be strengthened.

Two training of trainers AD workshop was conducted for all ADAs and ICT officers (188 in 2009; 125 ADAs/HROs in 2011) on online AD system.



**Figure 4.7: AD Verification Process**



They in turn are required to train the declarants in their agencies.

An AD verification protocol is in place. It will be piloted with schedule I public servants before sharing it with agencies. Establishment of an effective information network between the repositories of information and ACC that is supported by good database is imperative for any meaningful verification of AD. ACC in close consultation with all the stakeholders including the Department of Information and Technology will endeavour to develop a plan of action. The entrenched territorial culture in the governance system will be a challenge to overcome.

The AD Rules 2008 will be revised after the ratification of the AC Bill by the Parliament.

The ACC chairperson's and the commissioners' asset declarations for 2010 are attached as **Annexure 4.1, 4.2 & 4.3**.

### Compliance of Gift Rules 2009

The gift rules was formulated in 2008 and enforced since March 5, 2009 after numerous internal and external consultative processes. Gift is inherently about conflict of interest. Giving and receiving gifts often take refuge in customary tradition and is common in Bhutan. Public servants enjoying hospitality or seeking favors from business entities is not considered a risk of either a potential or perceived conflict of interest. Section 72 of the Gift Rules

requires the head of an agency to designate a gift disclosure administrator. Compliance of Gift Rules by agencies is perceived to be poor largely because public servants are not aware of the rule, more importantly heads of agencies do not create the conditions for enforcement, ACC has failed to create the impact in its advocacy and education program and there is no monitoring system.

### Research capacity

Research is an integral part of fighting and preventing corruption. The areas of research will be on the nature of corruption, levels, causes and impact of corruption, impact of anti-corruption interventions and benchmarking. Another area of research will be on systems which deter or allow corruption, like strategic policy directions, institutional establishment and capacity building, administrative reforms and resources allocation. Research on corruption is crucial to gather and disseminate correct information to citizens so that they appreciate the risks and impact of corruption. Empowerment of the public through correct information dissemination would build an informed citizenry as a strong social capital against corruption. An empowered society would fulfill their natural responsibility of fighting corruption.

The need for research and benchmarking of corruption levels was also highlighted during the 4<sup>th</sup> session of the National Assembly. Research is weak in ACC

primarily because of poor intake of personnel with research experience.

The Corruption Perception survey of 2007, People's Attitude to Corruption survey of 2008 and Integrity Assessment survey of 2009 are some research tools used by the ACC. Within its limitations, ACC will build the capacity of its officials in research methodologies, programming and statistical analysis.

## PUBLIC EDUCATION: Building an awakened and an empowered citizenry

The division was run by a lone chief from April 2010 till January 2011. It now has 3 officers, viz. chief public education officer, a senior communications officer and an assistant public education officer.

An awakened and an empowered citizenry is fundamental to the fulfillment of citizens' basic responsibilities such as upholding justice and acting against corruption (Article 8.9 of the Constitution). Information empowers citizens and builds their confidence. Public dissemination of information on government's policies, laws, plans, programs, budget, decision-making processes and decisions is imperative for social accountability. ACC's public education and advocacy program is a process towards building that social capital.

The Public Education Division constantly endeavors to raise anti-corruption consciousness in the citizens through interpersonal interactions on corruption

issues, anti-corruption measures and topical themes. It also endeavors to create an organizational culture that promotes transparency and accountability through ethical behavior like honesty, fairness, equality, justice, sense of shared responsibility and leaders leading by example as a long term sustainable anti-corruption measure. The public education service is delivered through advocacy & awareness and behavioral change programs.

## Raising greater anti-corruption consciousness: Advocacy and awareness program

### Educating public on the dangers of corruption: Procurement

Procurement of works, goods and services constitutes 45% of the annual budget. Procurement is highly prone to corruption. As greater power, resources and planning and implementation of development works are decentralized to local governance, correspondingly greater opportunities for corruption is also decentralized. Complaints against local public servants largely relate to procurement. Therefore, during the March 2010 Dzongkhag Tshogdu (District Assembly) and Gewog Tshogde (Block Council) chairperson's annual conference held in Thimphu, the chairpersons were alerted on the red flags of contract administration using case studies and stressed on their important role in building public trust.

Similarly, a day's thematic session on contract administration based on case

studies and salient provisions of Procurement Rules and Regulations 2009 was conducted in 2009 and 2010 in Dagana, Tsirang, Samdrup Jongkhar, Pemagatshel, Sarpang and Lhuntse Dzongkhag and Regional Revenue and Customs and Dungkhag Offices in Phuntsholing, where over 550 Dzongkhag Tshogdu members, civil servants and contractors participated.

General corruption issues and anti-corruption measures were also discussed. The Procurement Division, Ministry of Finance, also joined the ACC in 3 dzongkhags.

Three batches of over 200 engineering graduates and staff of Field Division, Department

of Roads and Ministry of Works and Human Settlement were informed of ACC's experiences in contract administration starting from poor planning, stereotype and faulty designs to lack of supervision and vigilance, which impeded quality infrastructure development and entailed huge loss and wastage of resources.

In an effort to enhance capacity in contract and procurement administration in the government, the Ministry of Finance in collaboration with the Royal

Institute of Management (RIM) and the consulting firm Chartered Institute of Procurement and Supply (CIPS), United Kingdom with the World Bank's support has trained over 400 public servants in procurement administration since June 2010. The 5-day training program, Certificate in Procurement Compliance, covers procurement of works, goods and services, Procurement Rules and Regulations 2009 and the Standard Bidding Document. After the end of the project, the certificate course will be offered at the RIM.



Session with engineers

ACC has been an active partner of the Ministry of Finance in improving the regulatory system in procurement management and now in the training program. The session on "Perspective on Public Procurement: Sharing ACC's Experiences" covers procurement related fraud, embezzlement, misrepresentation, bribery, forgery, nepotism/favoritism, other corrupt practices and sanctions. The bid evaluation report of the ACC office building and related works is used as a training material with respect to due

diligence and bench marking in procurement.

Nine batches of 278 trainees have been trained so far. The course was also conducted for the faculty, administrative staff and students (only of Gaeddu College of Business Studies - GCBS) of College of Science and Technology, Rinchending. Modules on procurement management will form part of the colleges' curriculum.

### **General: The interface**

On separate occasions, 184 Gewog Administrative Officers (GAOs) were briefed on transparent and efficient delivery of service to the people, their role in building a strong local governance system that espouse the values of professionalism, transparency, accountability, integrity and humility. As frontline service providers, it was important for them to cultivate the trust of the people, an important capital for a strong democracy.

The youth as a valuable national capital, whose voices and energy have to be tapped in determining the future of this great nation. In pursuance of ACC's desire to engage the youth as an important stakeholder in the fight against corruption, an

interactive session was convened with 1516 graduates of 2010. Some of the issues highlighted at the session were country's corruption scenario, values of integrity, dignity and self discipline, challenge of seeking, finding and fighting for the truth, commitment and fearlessness to fight corruption (without it, no individual had the moral right to even complain of corruption), fight beginning from within self and Bhutan's vulnerability if corruption prevailed. Radio program was also hosted by the youth (Bhutan Broadcasting Service) with ACC on "Youth and Their Responsibility in Fighting Corruption."

Teachers as moulders of a nation's character have a critical role in instilling basic human values and pride of being a Bhutanese, a strong sense of nationalism in the children. They can be effective role models for their children. They are natural anti-corruption agents. Integrity, honesty, justice, and fairness are integral to the "Educating for Gross National Happiness," a movement that the education fraternity has started. In January 2011, ACC met with 945 teachers



Session with nation builders and future leaders



at the Bhutan Board of Examination Evaluation camp in Punakha.

A talk on GNH values and anti-corruption was delivered to 610 students (classes 9 and 10) and teachers of Motithang Higher Secondary School. Among others, trust, harmony, honesty, integrity, justice and responsibility are important attributes of GNH and long term anti-corruption strategy.

Interactive sessions were also held with over 147 teachers and 950 students of Chodden, Changangkha, Chang Rigphel (only teachers), Zilukha, Changzamtog and Jigme Namgyel Lower Secondary Schools (LSS). Basic human values of honesty and fairness, role models, corruption as deeper problem of a person's character, costs of corruption, corruption scenario in Bhutan, responsibilities of youth and educators, self introspection and vision for the nation were some of the issues of the interactions.

### **Gewog awareness and advocacy**

In pursuance of the National Assembly's resolution of its 4th session, ACC mobilized resources to resume its gewog advocacy and awareness program in 2010. The program covered 49 gewogs of Haa, Paro, Punakha, Wangdue and Thimphu Dzongkhags. Over 1681 community leaders and service providers in the gewogs participated. The program focused on corruption scenario, complaints related to local governance and larger problems underpinning them and understanding their rights and duties.

### **Expression of solidarity: Commemorating international anti-corruption day & national corruption free week**

The UN General Assembly designated December 9 as the International Anti-Corruption Day (IAD) (resolution 58/4 of October 31, 2003) to raise people's awareness of corruption and of the role of the United Nations Convention against Corruption (UNCAC) in combating and preventing it. UNCAC is the first legally binding international anti-corruption instrument that provides a chance to mount a global pressure on corruption. Bhutan has been commemorating the Day since 2004 (initiated by the Royal Audit Authority). In 2006, December 9 to 17 was declared as the "National Corruption Free Week" (NCFW).

The fight against corruption has to first start from within and with "self." "Am I Corrupt?" was adopted as the theme in 2009 to awaken the inner voice of public servants in government institutions, media and civil societies, business community and citizens at large. Solidarity walks and marathon in Tashigang and Haa Dzongkhags and Phuntsholing Dungkhag brought together over 750 participants from all walks of life. Bulk SMS of "I will not be corrupt and I will not tolerate corruption in others" and "Refrain, Resist and Report Corruption" were sent out to mobile phone subscribers. UNDP partially funded the program.

Integrity is the bed rock of all anti-corruption programs. In 2010, "Integrity

in public service” was adopted as the theme for the Day to create greater consciousness of the importance of integrity in institutions of public trust, gradually fostering a culture of integrity and intolerance for corrupt behavior.

A panel discussion on the theme was organized in collaboration with Bhutan Centre for Media and Democracy. Representatives from the National Council, Judiciary, Royal Civil Service Commission, civil society organization and private sector comprised the distinguished panel. Over 350 participants from government organizations, corporations, private sector and international organizations actively participated in the forum. A quick online poll on integrity in public service was conducted by Kuensel Corporation (see Figure 4.8).

An advisory on managing conflicts of interests, an inherent problem in the public service, was issued as a supplement in Kuensel. A system of declaring conflict of interest (positive and negative) and managing the information is an important corruption prevention strategy that ensures professionalism, transparency and accountability.

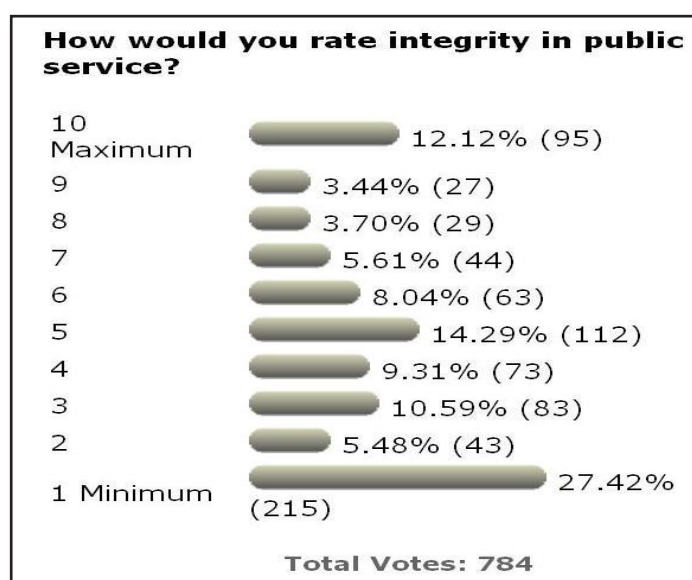
Other highlights of the Day were a live panel discussion on BBS TV (Dzongkha and English) with representatives from DHI, RCSC and ACC, publication of voices of the people and the youth as news supplements (4 papers) and distribution of over 10,000 printed

materials of corruption tree and anti-corruption messages.

Code of conduct and ethics is a vehicle in building a culture of integrity in agencies. RCSC and agencies need to make conscious effort in developing compliance and training program, effective implementation plans and monitoring systems to lend any meaning to the code of conduct and ethics and to bring about behavioral change.

### The fight from within: Behavioral change program

Behavioral change program seeks to produce honest new generation through ethics and integrity education and training program and to create an organizational culture that promotes transparency and accountability through ethical behavior like honesty, fairness, equality, social justice and the sense of shared responsibility. However, much desires to be done and achieved in this area.



**Figure 4.8: Level of integrity in public service**  
Source: Kuensel, (1-8 December 2010)

The thrust of the program is development of modules on ethics and integrity catering to school children, university students and pre-service and in-service candidates. Collaboration with some stakeholders has not gone beyond preliminary dialogue.

There is no in-house capacity in the ACC. Technical assistance is being explored to develop effective and meaningful behavioral change program in academic institutions in close collaboration with the stakeholders.

The module on corruption developed in collaboration with the Non-Formal and Continuing Education (NFE) Division in 2009 for the non-formal learners is now being used as instructional materials by the NFE instructors. Its impact on the behavior of learners will be evaluated at an appropriate time.

A proposal on instituting “Integrity Award” was developed last year to honor those individuals and institutions that espouse the highest ethical standards and have made sustained efforts in building a culture of ethics and integrity in his/her professional and social environment. The draft has been posted on the ACC website for public debate and enrichment. It has also been shared with other anti-corruption members through the Asia-Pacific ‘Integrity in Action’ Network for further enrichment.

The division, with more people now, will step up its efforts in building an awakened citizenry through close collaboration with other divisions in the

ACC and beyond. A media and communication strategy will be drafted. As a sustainable measure against corruption, development of ethics and integrity modules in academic institutions will be undertaken.

## LEGAL SERVICES

The legal division has 3 staff, an increase by one in 2010. The division, among others, advises the Commission and other divisions in the ACC on legal issues arising from investigation and other anti-corruption interventions. It also contributes to the progressive development of anti-corruption laws, regulations and administrative measures.

### Making corruption highly risky and costly: Operationalizing zero tolerance for corruption

The amendment of the Anti-Corruption Act 2006 (ACA) was a major work in 2010. An extensive process underpinned the drafting of the Anti-Corruption Bill 2010 (ACB). The preliminary work was carried out very briefly by a 5-member joint review committee of the Good Governance Committee, National Council and ACC. The ACB was posted on the ACC’s website soliciting comments from the general public for more than 5 months. Only one comment was received. The ACB was scheduled to be tabled before the National Council in its winter session of 2010. However, in pursuance of the National Council’s resolution, the Commission fast-tracked the drafting of the ACB for submission to the Council in its summer session of 2010.

Both the houses of the Parliament have adopted the Bill with some significant revisions. It is yet to be passed by the Parliament. The Bill proposes to implement some of the recommendations concerning criminalization and law enforcement of the UN Convention Against Corruption Self-Assessment Report.

Some significant provisions of the Bill which both the houses did not endorse are related to:

- (i) the independence of the ACC (in compliance with the Civil Service Bill). The important reasons for genuine independence of the ACC in terms of operations, finance, people and adequacy of resources have been repeatedly submitted by the Commission to all concerned authorities,
- (ii) the proposal of selective post-employment restrictions for a determinate period. Such a restriction was proposed to assure that public servants on leaving office do not abuse information, influence, or access developed in public service for personal and financial gain and as an unfair advantage over other persons in the private sector and
- (iii) the proposal to make *thrimthue* ineligible for those convicted of corruption in line with the government's zero tolerance anti-corruption policy. It also breeds social inequality and injustice as rich could buy out their jail term while the poor have no option but to get incarcerated.

There also exist substantial disagreements between the houses, notably, on the sentence terms for offences, which is at **Annexure 5**.

ACC has proposed for stiffer sentence terms for corruption offences than those provided in the existing laws to make corruption high risk, high cost and low return offence in order to concretize the much acclaimed policy of "zero tolerance for corruption" into tangible actions. The proposal is in tandem with the general sentencing policy of the country and other comparable jurisdictions (see **Annexure 6**). The National Council has endorsed the proposed sentence terms and also added 'value-based sentence', wherever applicable, giving courts of law an option to apply higher penalties. However, the National Assembly has substantially lowered the proposed sentence terms. All the sentence terms have been reduced from felony to misdemeanor with the exception of bid rigging (as the discussion on the Bill happened to be just after the Works and Human Settlement Minister's question hour session), the sentence term for which has also been reduced from the proposed 3<sup>rd</sup> to 4<sup>th</sup> degree felony. Will such sentence terms make corruption high risk, high cost and low return activity? Are they in line with the government's policy of "zero tolerance for corruption"? It is unfortunate that the parliamentarians consider tobacco smoking more harmful than corruption to the nation's well being.

Corruption is not always about embezzlement of funds. Abuse of



authority is a prevalent form of corruption in the system and it underpins many other forms of corruption. It undermines good governance and public trust and causes greater harm to the system and nation than embezzlement or bribery. Policy corruption will be a potential threat to the system of governance. The laws are either unclear or lenient on such forms of corruption.

### Adopting best practices: UNCAC Self-Assessment (UNCAC SA) Report

The Self-Assessment was carried out simultaneously with the drafting of the ACB. This voluntary exercise systematically compares Bhutan's legislative, regulatory, policy and institutional measures with the UNCAC standards. The primary aim of the assessment was to use its findings and recommendations as the main source of information for the Bill to strengthen the domestic legal and policy framework for preventing and combating corruption. An incidental benefit is the country's readiness to ratify the legal instrument when the government so decides. UNCAC is the comprehensi

ve international governance framework that seeks to address corruption, not only through law enforcement, but also through prevention, international cooperation and asset recovery.

Under the stewardship of the legal division of the ACC, an 18 member multi-disciplinary team of technical experts (TTE) consisting of legal and other relevant professionals (see **Annexure 7**) drawn from the Parliament, ministries, independent agencies and financial institutions drove the process forward on a full time basis for over 1.5 months. The TTE also held consultations and discussions with public officials and specialists in various sectors including non-governmental actors, wherever necessary. International experts provided relevant international best practices and held a series of consultations from May 14 and 17-21, 2010 with as many as 37 state and non-state actors such as Parliament, ministries, departments, independent institutions, civil society organizations, private sector, media, and



UNCAC Self Assessment Validation Workshop

development partners. The report was presented to and approved by the final validation workshop in October 2010 which saw the participation of over 50 professionals representing various stakeholders, including local governments.

The report confirms that Bhutan has complied fully with a good number of measures required by the UNCAC. For instance, an anti-corruption agency has been established, most of the offences specified in the UNCAC chapter 3 are criminalized, asset declaration and gifts rules were operationalized in 2008 and 2009, respectively for all public officers, among other measures. However, the report also reveals that there are several measures which need to be put in place. For example, many of the requirements of UNCAC chapters IV and V which provide for measures for international cooperation and asset recovery, respectively, have not been implemented. There is also a need to enact comprehensive and effective laws for protection of witnesses, confiscation and forfeiture of proceeds of crime, money laundering and the right to information. Further, domestic law on mutual legal assistance, transfer of prisoners, and transfer of criminal proceedings may also be required. The existing law on extradition also needs to be updated and the usefulness of asset declaration as an anti-corruption tool should be enhanced by providing for an efficient and effective method of verifying declarations.

An implementation matrix (Matrix) identifying general objectives, specific implementation actions, key actors and time frames has been prepared to translate the report into concrete action and tangible results. The Matrix was also presented to the final validation workshop. Written comments were solicited on the Matrix from relevant stakeholders before finalization. The findings and recommendations of the report, which are integral to the National Anti-Corruption Strategy Framework (NACS), will be presented to the government.

Agencies tasked with implementing the report will be required to inform the ACC or other appropriate authorities as may be designated within the set timelines in the implementation status of the report. The individual reports will be consolidated and submitted to the Parliament as part of the ACC's annual report for more detailed review and follow-up actions. The ACB will implement most of the findings and recommendations specifically required to be implemented by the ACC, which mainly relates to criminalization and law enforcement.

There is political will to combat corruption but this in itself is not sufficient. The political will has to translate into visible actions and results, concerted actions and meaningful cooperation of/between state and non-state actors such as Parliament, ministries, departments, independent institutions, civil society, private sector, media, and development partners.

Implementing agencies should be monitored regularly through performance appraisals, parliamentary reviews and proper monitoring and evaluation system.

### Status: Regulations and guidelines

The drafts of Debarment Rules 2009 (*to ensure that public agencies conduct business only with responsible persons or entities through establishment of a debarment committee and its procedures, causes for debarment or suspension and the consequences thereof, guarantee parties involved due process of law and create a debarment registration system*) and Commissioners' Disciplinary Inquiry Committee Rules 2009 (*governing the establishment of the committee, its rules of procedures and other guidance. Should there be a common rule for the constitutional offices?*) have not been adopted yet because of the ACB. These drafts will be revised and enforced in line with the ACB and in consultation with the stakeholders upon its ratification by the Parliament.

The draft Prosecution Referral Guideline 2009 (*to ensure consistency, fairness, transparency and objectivity in its prosecution referral decisions*) has been reviewed and endorsed by the Commission for implementation.

Operationalization of the ACB will entail in the drafting of numerous regulations, procedures, guidelines besides the revision of the AD Rules 2008 and the Gift Rules 2009 to align them with the

provisions of ACB after enactment by the Parliament.

Both the ACB and the Self-Assessment Report will be finalized, printed and made available widely to the general public as well as international audiences for information dissemination.

## INVESTIGATION DIVISION

The division has a total of 16 officers: a chief, 1 deputy chief, 2 senior investigation officers, 4 investigation officers and 8 assistant investigation officers. One officer is pursuing a master's program in forensic science.

One of the ACC's missions is to make corruption a high risk and high cost crime, which is fulfilled by investigating allegations of corrupt behavior without fear or favor, followed by prosecution and conviction of corrupt individuals without exception. The year 2010 has been yet another busy year for the ACC. In spite of the draining fatigue, frustration and sometimes helplessness, investigators have generally displayed great courage, dedication and commitment all along.

The 2010 saw the unfolding of grand corruption cases involving tens of millions of Ngultrum in bribe payments. A noteworthy success is the exposure of such a case in the Puna Tsangchhu Hydropower Project through controlled delivery.

ACC has been making conscious efforts to minimize collateral damages of investigation on a small population. Careful planning of investigations with concrete deskwork in information processing is mandatory. Investigators consciously internalize and practice the core values of sensitivity, patience, courtesy, integrity and humility during investigations.

In summary, in 2010, 280 people were summoned and 358 were interviewed. Seventy court orders were sought and 220 financial transactions were examined. Thirty nine people's asset were traced. Eleven people were detained. Two investigation teams were also fielded abroad.

### Building a transparent and professional operating system: Complaint and investigation management

#### Transparency and efficiency in complaint management

ACC is highly vulnerable to corruption. Recognizing this risk, Corruption Risk Management (CRM) exercise was conducted. Following the recommendations of the CRM exercise, the members of the Complaints Evaluation Committee (CEC) has been increased from 4 to 6 to enhance efficiency, collective decision, transparency and check and balance. The CEC reviews the complaints, decides and makes recommendations to the Commission based on the Pursuability Value Rating Form.

All investigations are conducted in accordance with the Constitution, AC Act 2006, Civil and Criminal Procedure Code and the check list provided in the Operational Manual, among others. Summons, searches, seizures and detentions are authorized either by the courts of law or the Commission. Conflicts of interests, both positive and negative, are declared in writing in a form prior to any enquiry or investigation. Investigations are done by a team of at least 2 investigators, under constant supervision of the superiors. Investigation diaries are used to record daily activities for subsequent reviews and evidential purposes. All decisions on investigations are recorded. The Commission reviews the progress of each investigation regularly.

There is also a potential risk in the registration and processing of complaints. The LAN based Investigation Management System (IMS), which is a centralized complaints database is in use to minimize such a risk. IMS enables supervisors to track, plan, monitor and review the status of each complaint with respect to follow ups, discreet inquiries and investigations. The data security being one of the top priorities, the IMS audit trails track any user activity. The IMS will enhance efficiency, security, accountability, transparency and professionalism in complaints and investigation management through recording of all decisions and securing information from tampering and loss through audit trails and password-based restricted access.



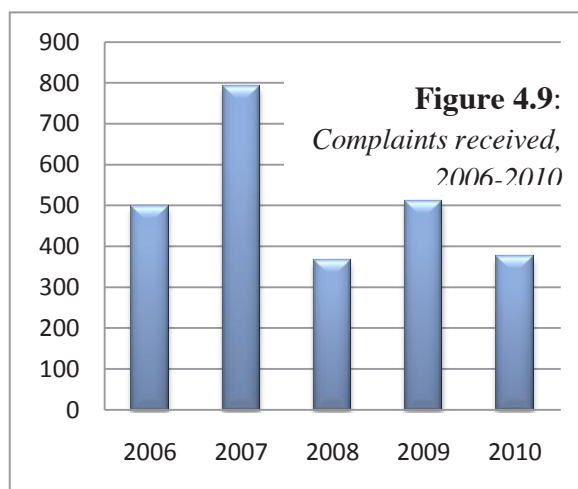
### Channel of complaint filing

There are 5 different channels for public to file complaints to ACC. Number of complaints lodged to ACC through each channel for 2010 is shown in Table 4.4:

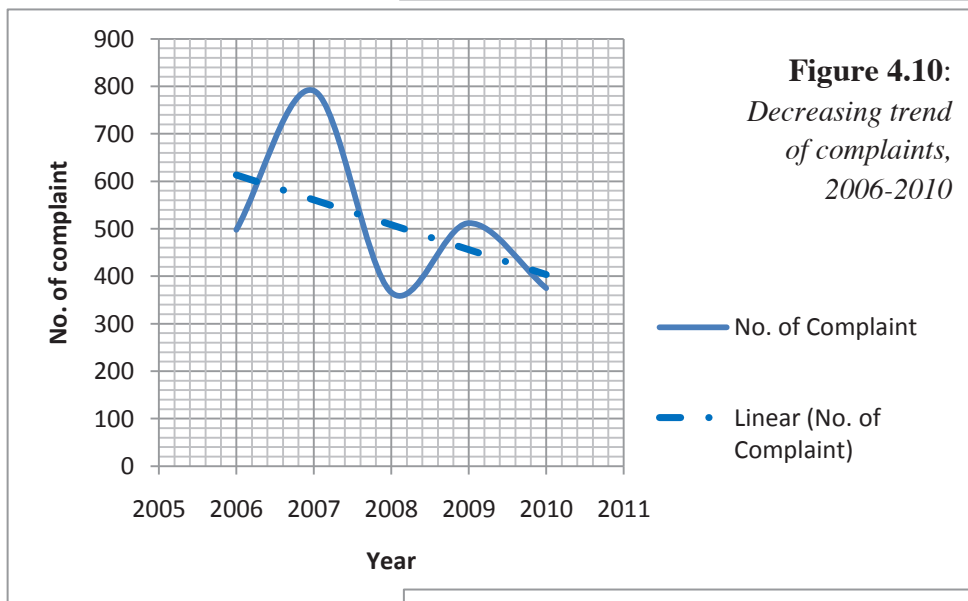
Sl. No.	Channel	Total
1	ACC Website	151
2	Fax	43
3	Post	102
4	Telephone	21
5	Walk-in	44
	<b>TOTAL</b>	<b>361</b>

**Table 4.4:** Details of complaints lodged in 2010 through each channel

26% compared to 2009, which was a significant increase of 39% compared to 2008. There is a discernible decrease of complaints over the last 5 years, especially in comparison to 2007.



ACC also receives RAA reports if there is an element of corruption. It received 14 reports in 2010. The total number of complaints including RAA reports was 375.

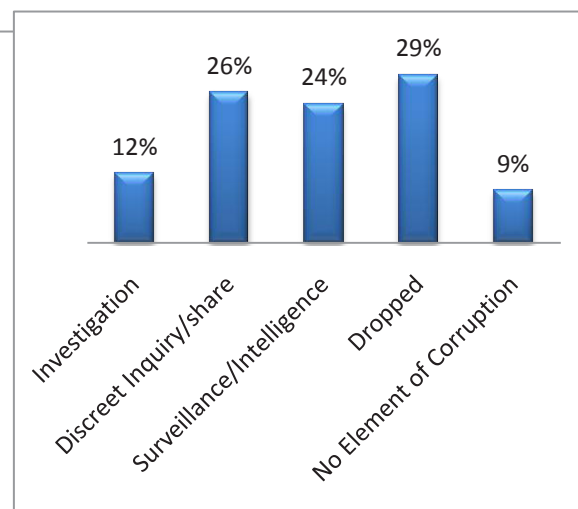


The ACC website and post are the 2 most popular channels of lodging complaints with ACC. Walk-in complaints have been steadily increasing over the years.

### What do the complaints reflect? Analyses of complaints

#### General trend of complaints

In 2010, 375 complaints (including RAA reports) were received, a decrease by



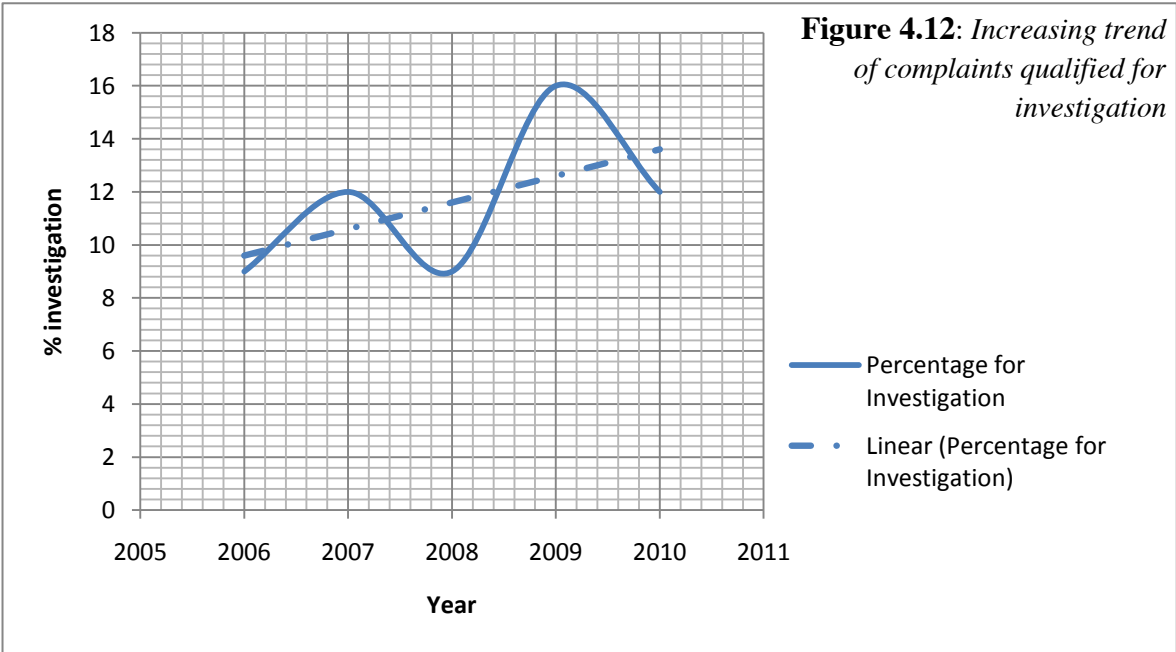
**Figure 4.11:** Complaints over the years classified by actions

**Trend of complaints qualified for investigation**

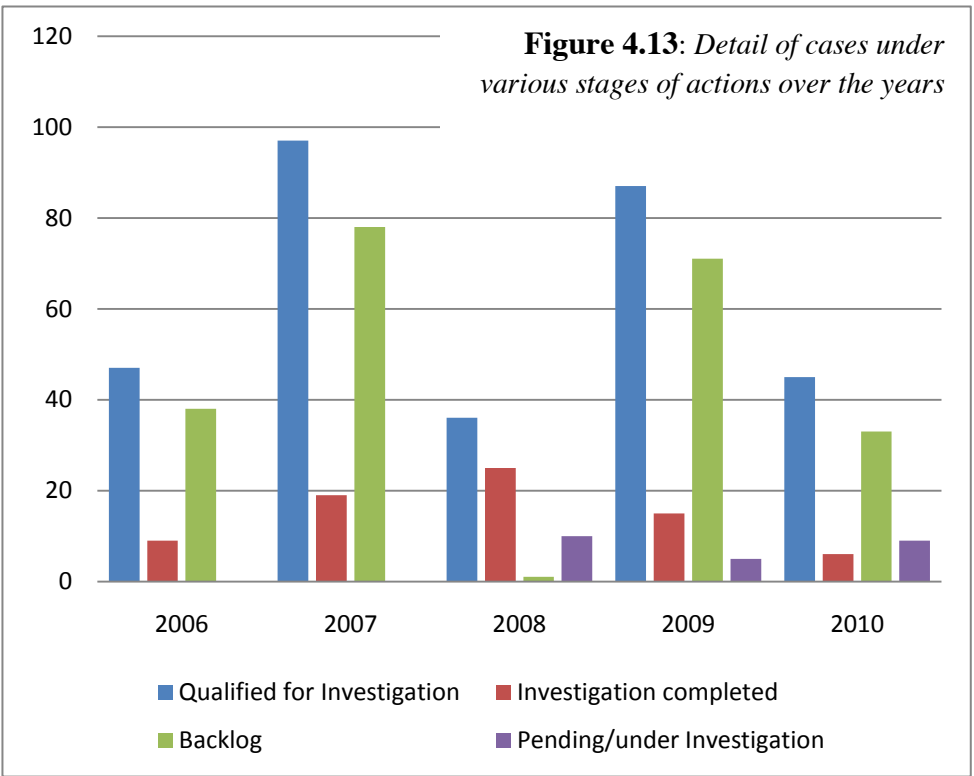
The number of complaints that have qualified for investigation has been decreasing with the decreasing number of complaints. However, the decrease in number of complaints qualified for investigation is slower than the decrease

enhanced awareness of the people about lodging complaints and corruption.

Of the 2542 complaints received from 2006-2010, 312 complaints have qualified for investigation. In 2009, 2 cases branched into 3 independent cases. Similarly, in 2010, one case branched into 4 independent cases.



in number of complaints. The percentage of complaints that have qualified for investigation over the years has been increasing. Such trends indicate that the quality of complaints has improved over the years because of



With such bifurcation of cases, total backlog of cases for investigation has increased to 319. On an average, 12% of complaints qualify for investigation every year. However, ACC is able to investigate much less number of cases in a year than the number of cases qualified for investigation. By the end of 2010, 74 investigations had been completed and 24 investigations had been either stalled or were under investigation.

There is a backlog of more than 221 complaints to be investigated. Given the present resource situations, the backlog would take ACC more than 10 years to clear. It is a serious concern for the ACC and places tremendous pressure on it.

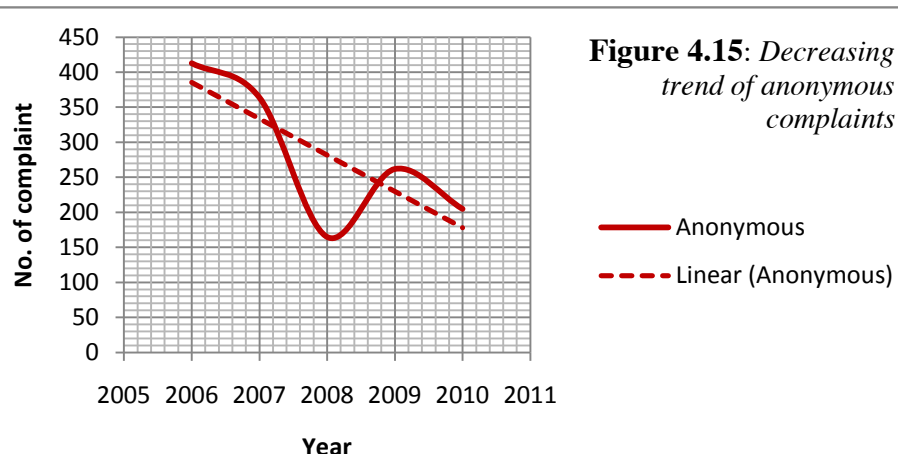
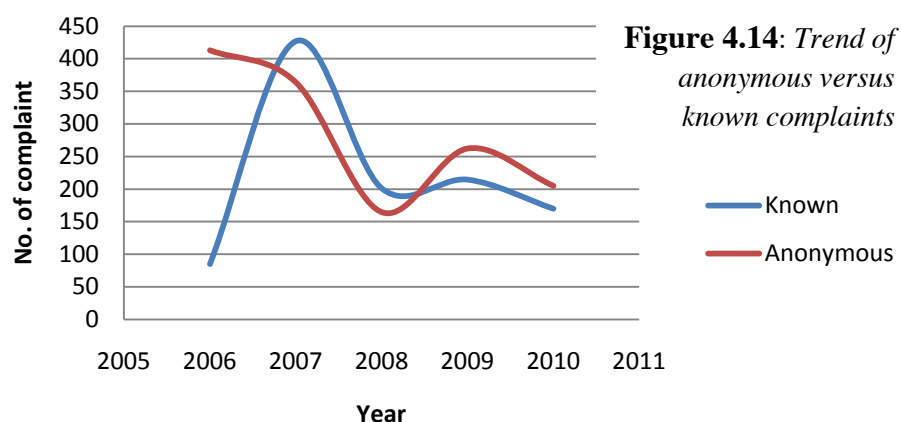
To reduce the number of backlog cases, ACC conducts 'mop up operations' where different teams go to the field to dispose off complaints based on preliminary investigations if there is no element of corruption. The

teams work closely with agencies, wherever appropriate. The last 'mop up operation' was conducted in 2008 in Samtse and Phuentsholing.

Over 10 cases were disposed off. The plan for such annual operations has been affected by limited human resources and ongoing investigations.

### ***Trend of anonymous against known complaints***

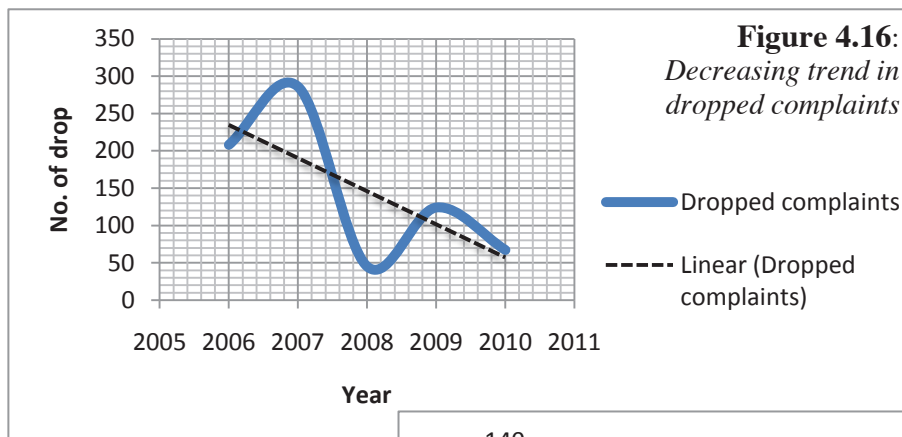
Compared to 2006, there is a drastic reduction in anonymous complaints and corresponding increase in known complainants. This trend continued except in 2009 which saw a slight increase but in 2010 again the number of anonymous complaints decreased. One of the plausible reasons for decrease in anonymous complaints may be people's growing confidence in the ACC because of its advocacy program. This trend is in accord with the increasing percentage of complaints qualifying for investigation.



Such a positive development is slow but encouraging. ACC has to sustain it through various strategies.

### ***Trend in dropped complaints***

Complaints are not pursued further if they are found baseless or there is “No Element of Corruption” (NEC) upon evaluation by the Complaint Evaluation



Committee and approved by the Commission. In 2007 and 2008, 101 and 109 complaints, respectively, with NEC were received. Such complaints are dropped from the list or referred to concerned agencies, if of any administrative value.

The significant decreasing trends in dropped and NEC complaints indicate the maturity of complaints due to better information dissemination.

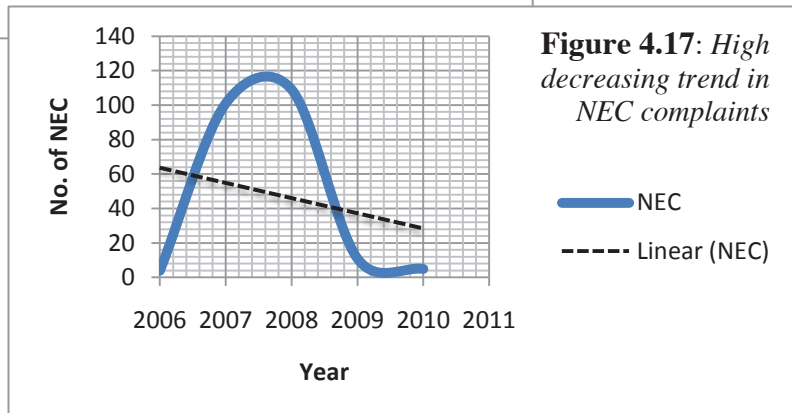
### ***Trend in discreet inquiry/shared complaints***

Discreet inquiries are carried out on complaints when the information

provided therein is unclear or inadequate for evaluation but there appears to be an element of potential corruption. After the discreet inquiries, complaints are upgraded to full investigation or dropped or shared with relevant agencies, depending on the information enrichment. Complaints are shared with relevant agencies either for investigation or taking appropriate action or both. Sometimes, complaints may also be

shared with relevant agencies after ACC's investigation for taking appropriate action.

The high increase trend in ACC



sharing complaints with agencies reflects system deficiencies in dealing with governance and administrative issues. It also indicates that there is a general inefficiency in correcting the systemic weakness through transparent, accountable and other remedial measures. The trend may also be attributable to people's conviction in ACC in exerting some pressure on the agency for action.

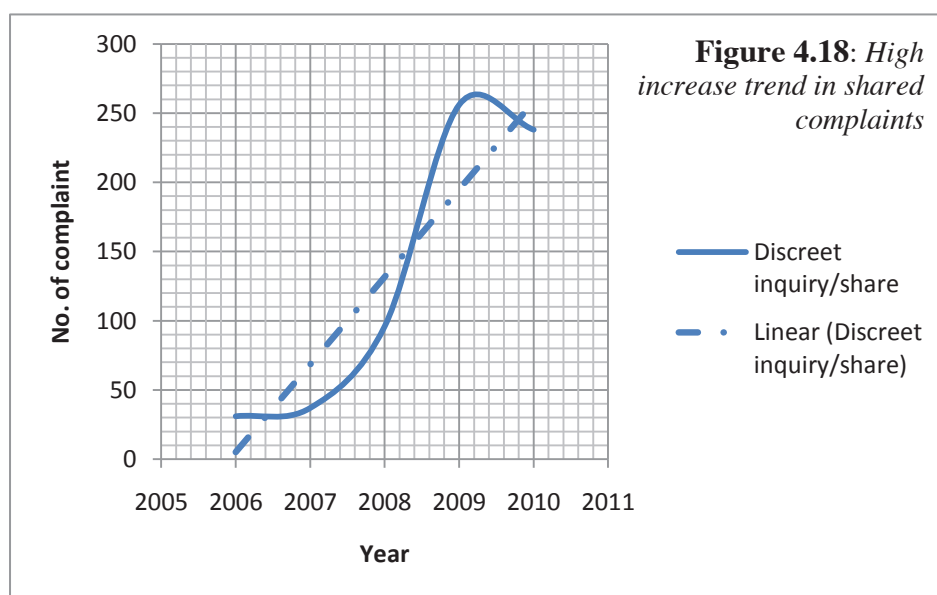


Actions taken by agencies pursuant to shared complaints, however, raise a number of serious issues. While some agencies have taken prompt actions, others have simply failed to act or delayed considerably to deny justice to the aggrieved parties. Besides, there is no sense of equity in actions taken by agencies as different agencies impose different disciplinary sanctions under the same rule though cases are similar in nature. There have also been instances of inequity in actions taken within an agency. Some agencies impose minimal sanctions of warning to the officials irrespective of the seriousness of misconduct while others enforce the disciplinary rules stringently. Such wide discrepancies create a sense of injustice and inequity and demoralize and demotivate

public servants. Inaction and misplaced “compassion” send a message of tolerance for misconduct, which invariably induces corruption.

There is a potential to capitalize upon the high increasing trend of sharing of complaints with agencies. Administrative sanctions delivered promptly and with equity across and within agencies would strengthen the system to deal with corruption. This would be a move towards collective fight against

corruption rather than an anti-corruption agency’s lone crusade against it. Given the large proportion of complaints falling under administrative category, agencies’ conscious efforts have a huge potential to reduce corruption. Anti-corruption strategists propound that corruption must be reduced to an incidence level through a strong governance and administrative system and not let it exist at system level. Therefore, the role of the apex bodies like the Royal Civil Service Commission and other line agencies that administer the civil service system assume great importance and relevance.

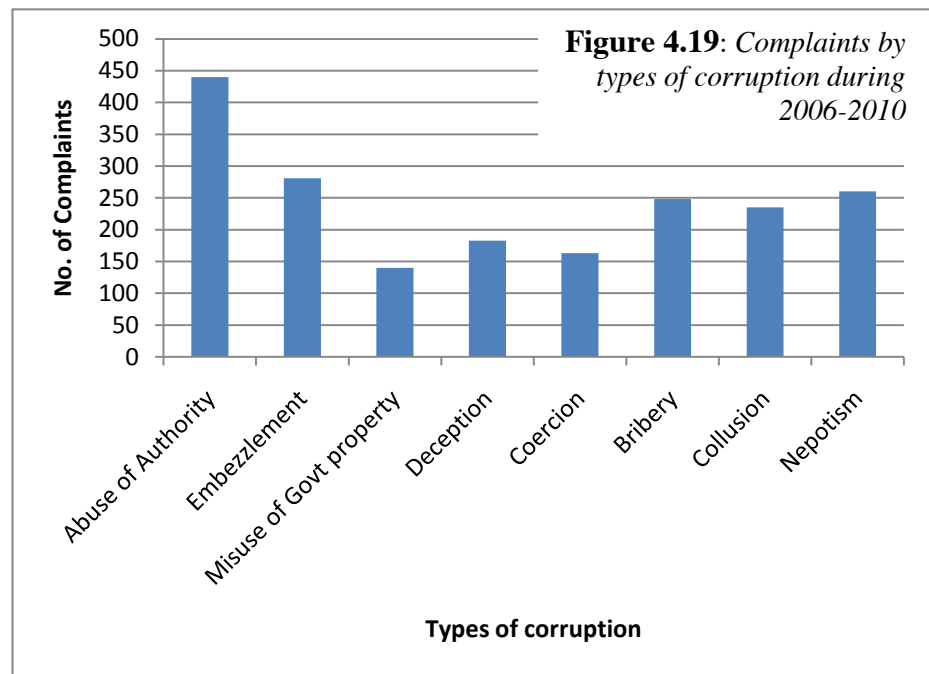


### ***Analyses of complaints by types of corruption***

The domestic corruption scenario is best reflected by the types of complaints. Analyses of the types of complaints reveal that abuse of authority is a common type of corruption topping the list of types of corruption reported from 2006-2010. Other types of corruption that occur with varying levels of abuse of authority are misuse of government properties, nepotism and collusion.

Beside abuse of authority, other notable corruption types are embezzlement, bribery, deception and coercion. Embezzlement of public funds takes place by fraudulent siphoning, double payment, excess payment,

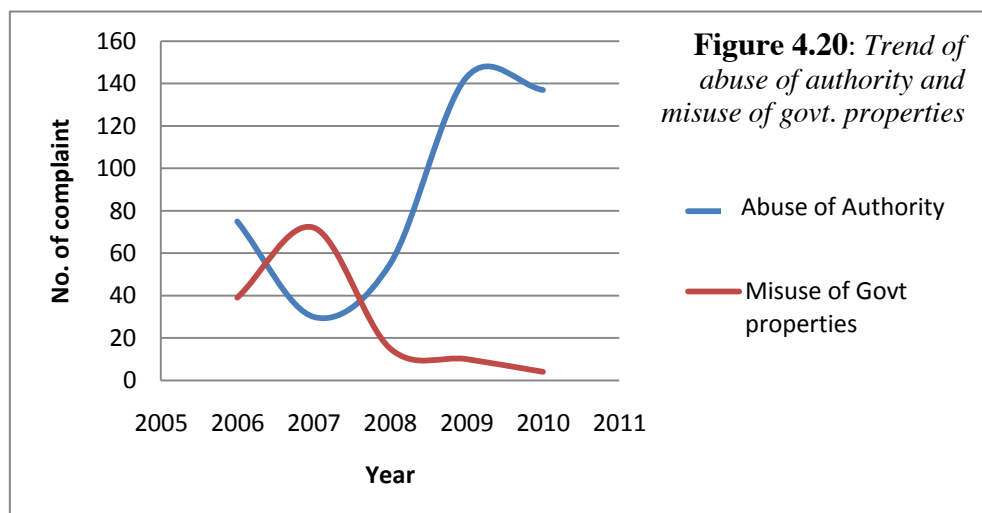
payment for fictitious goods, services and works, under a weak supervisory and accountability environment. 'Borrowing without repayment' for an "urgent" and a "noble" cause is one form of bribery in the local context. "I have to conduct *chogo* (religious rituals) at home, I have to send my parents on *neykor* (pilgrimage), my kids to college and I am building a house" are some of the often repeated noble and urgent causes for 'borrowing without repayment.' Such borrowings take place at the time of making payments to contractors, suppliers or service providers, which often is unduly delayed for reasons best known to the public servants who do so. Receiving



money 'under the table' with 'arm-twisting' techniques is another method. Planned and collusive bribery is an emerging trend. Deception, coercion and forgery are means to corruption.

#### ***Trend of complaints by type of corruption***

Abuse of authority has been significantly increasing over the years. Such a trend reflects the lack of transparency and accountability in the system. The check and balance mechanisms are not followed.

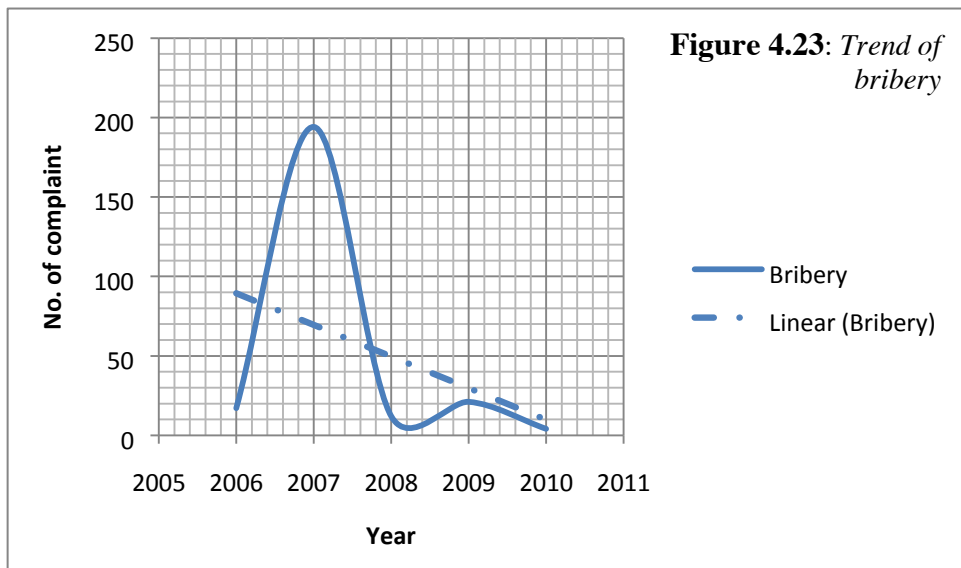
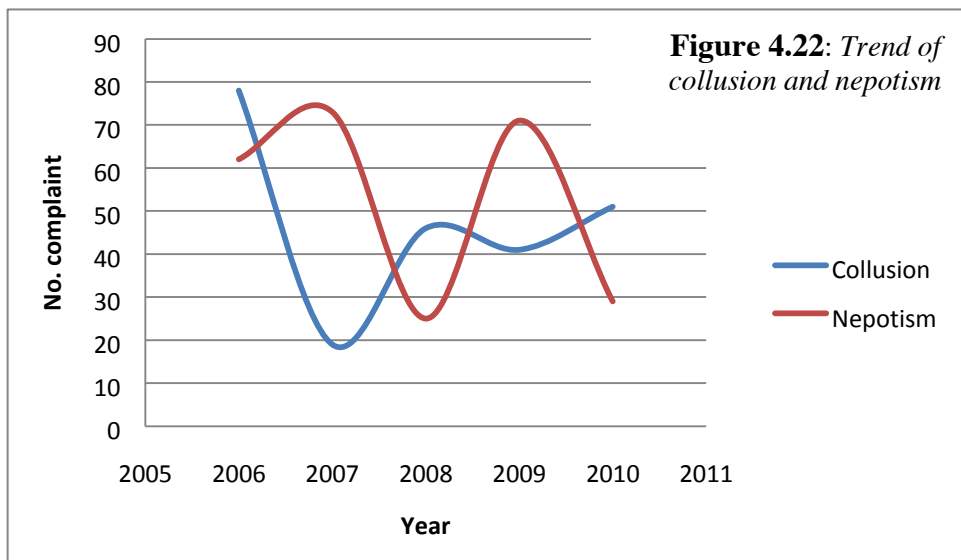
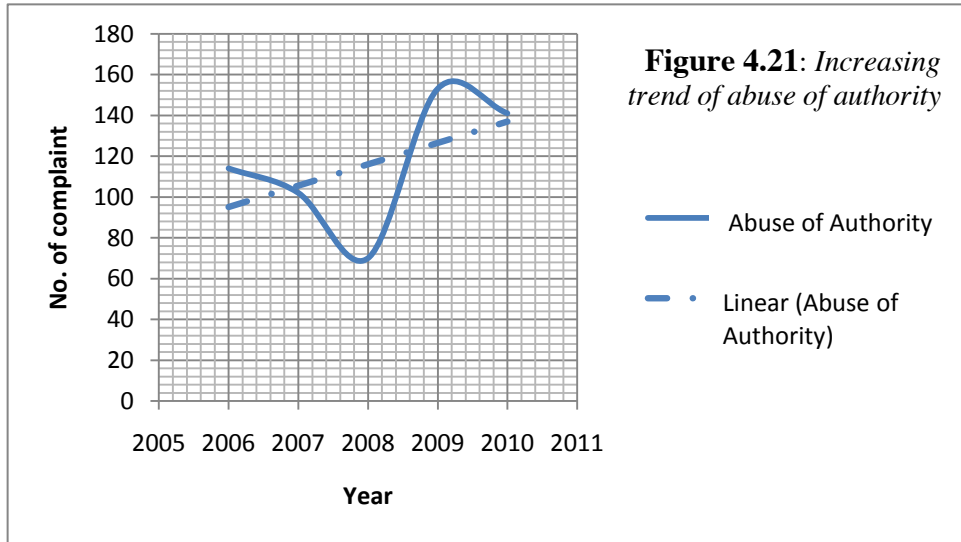


When the top management abuses authority, subordinates down the hierarchy emulate them. On the other hand, misuse of government properties

shows a significant decrease. Misuse of government properties by nature is a visible offence and people largely notice what properties are misused by whom. The high visibility coupled with the notion that it is a corruption offence may be the reason for the decreasing trends.

As collusion and nepotism have largely fluctuated over the years it is difficult to discern a definitive trend. Bribery in the forms of 'commissions' or 'borrowings' may be decreasing.

However, planned, collusive and hardcore bribery cases are emerging and would be challenging to deal with.



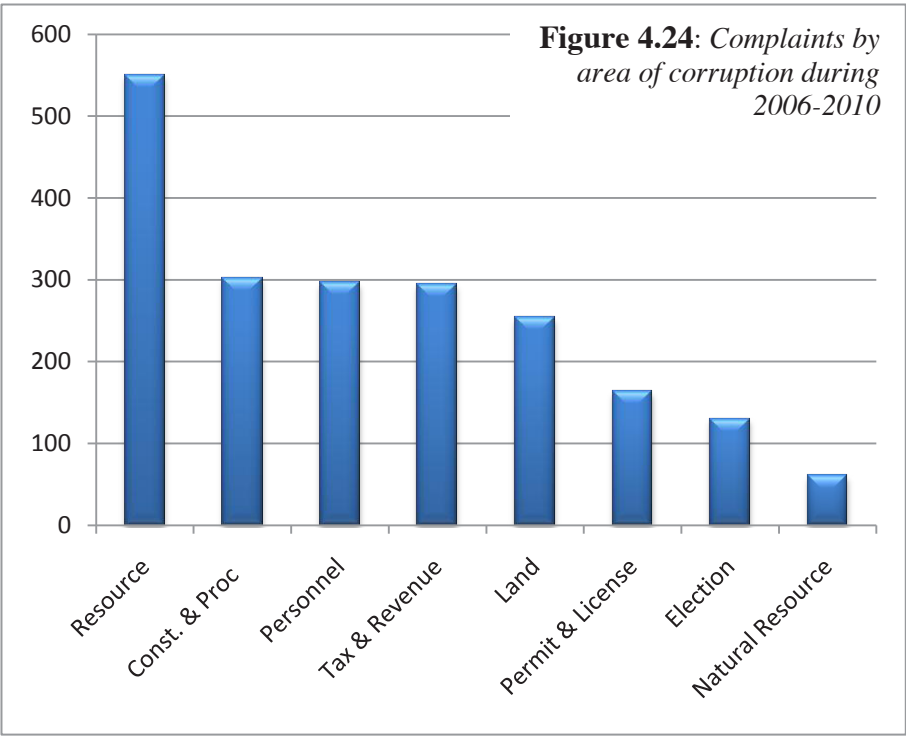
**Analyses of complaints by area of corruption**

The analyses of complaints by area reflect the vulnerabilities in the general governance and administrative system. According to the complaints, corruption in management of resources tops the list followed by construction and procurement, personnel, tax and revenue and land management. When seen in conjunction with the corruption types, abuse of authority, embezzlement, nepotism, collusion, deception and bribery reflect the corruption scenarios in the country. Major areas of corruption underpin weaknesses in financial and contract management. Siphoning, embezzlement, excess payment, payment for fictitious works, goods and services are problems in resource management. Such problems mainly take place due to failure of oversight bodies to supervise in an environment where chain of command and line of responsibility are not clear and transparency and accountability measures are not enforced.

Corruption in construction and procurement is characterized by bid rigging, preferential treatment, tampering of bid documents, nepotism, unfair bid selection and bribery through

collusion, disclosure of bid information and business partnerships between contractors/suppliers and public servants. In order to secure contracts, the required documents like the work completion certificates, curricula vitae of key technical personnel and bank guarantees are forged, which is further aggravated by lack of due diligence in verifying the documents by tender committees.

Problems in personnel management must be seen through the lens of nepotism/favoritism. Helping one’s kith and kin and those of one’s cronies is considered to be normal. Under such a system, capability and suitability of candidates are not the criteria for selection, promotion and transfer to lucrative posts. Corruption related to land management is characterized by encroachment into government land, tampering or deletion of land records and forgery of documents through collusion and bribery.





Tax and revenue collection is a growing problem as the economy diversifies and becomes broad based. Tax evasion and fraud occur due to a weak monitoring system and weak enforcement. Corruption occurs with lesser frequencies in permits and

licenses, election and natural resources management.

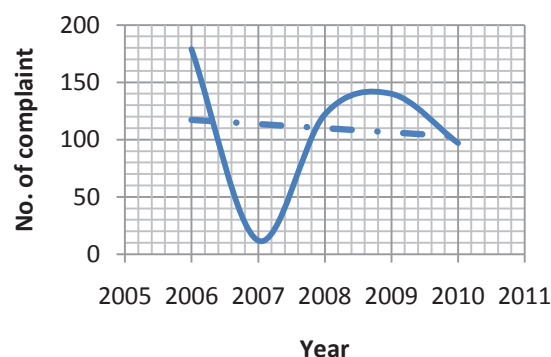
### **Trend of complaints by area**

Corruption in resource (fund and property) management fluctuates but has consistently topped the list over the years. Similar trend is visible in construction and

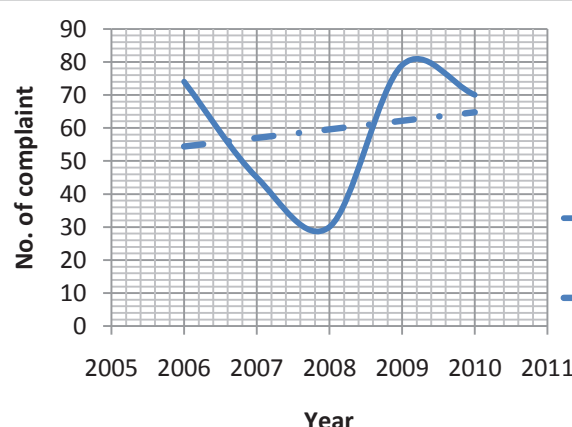
procurement. These areas consistently receive maximum budget allocations.

Corruption in personnel

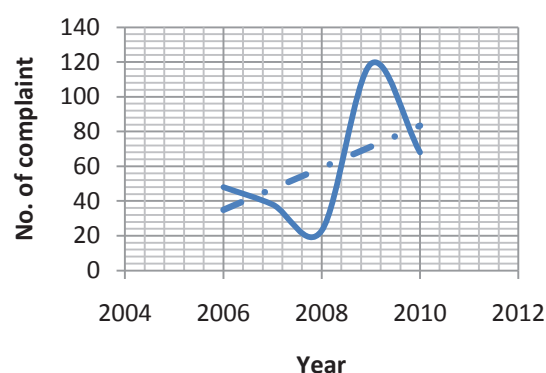
management has been increasing over the years. Abuse of authority and nepotism are the two most entrenched



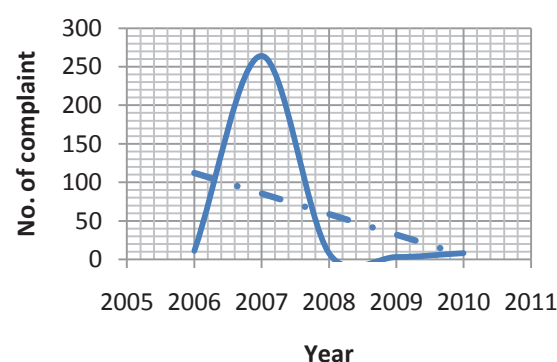
**Figure 4.25:** Trend of corruption in resource management



**Figure 4.26:** Trend of corruption in Construction and Procurement



**Figure 4.27:** Trend of corruption in personnel management

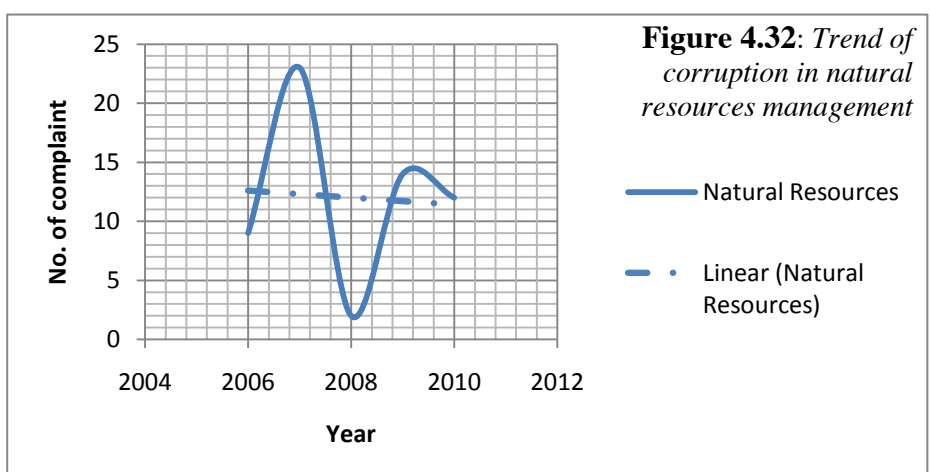
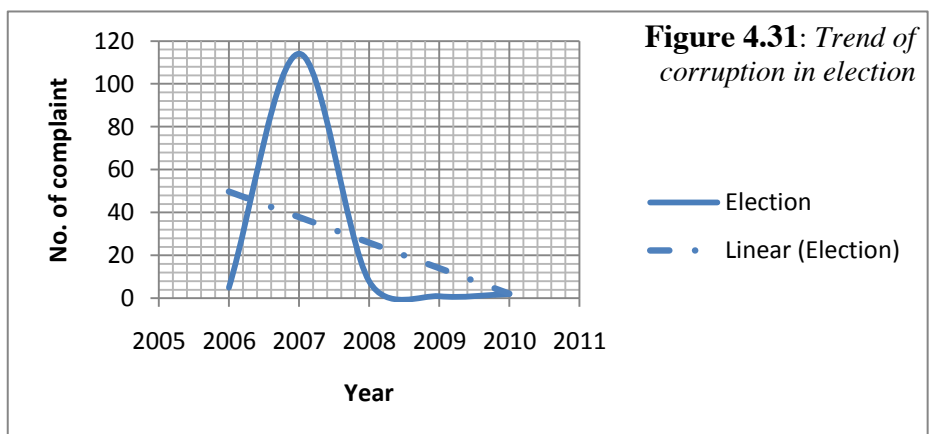
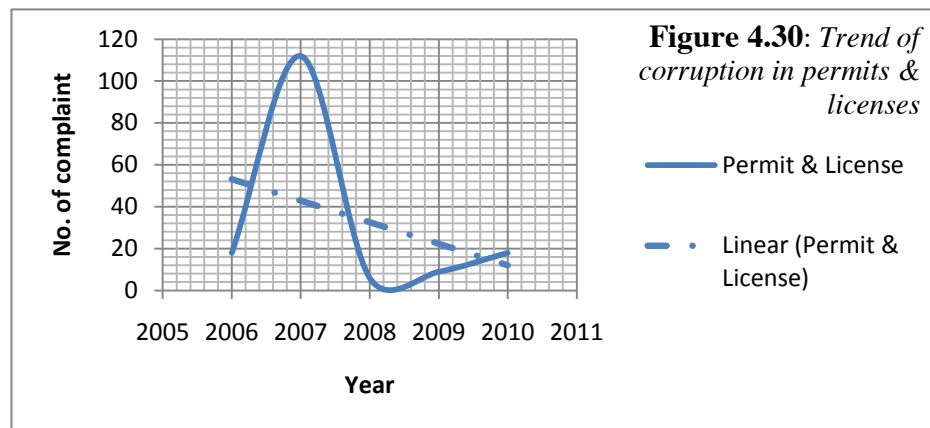
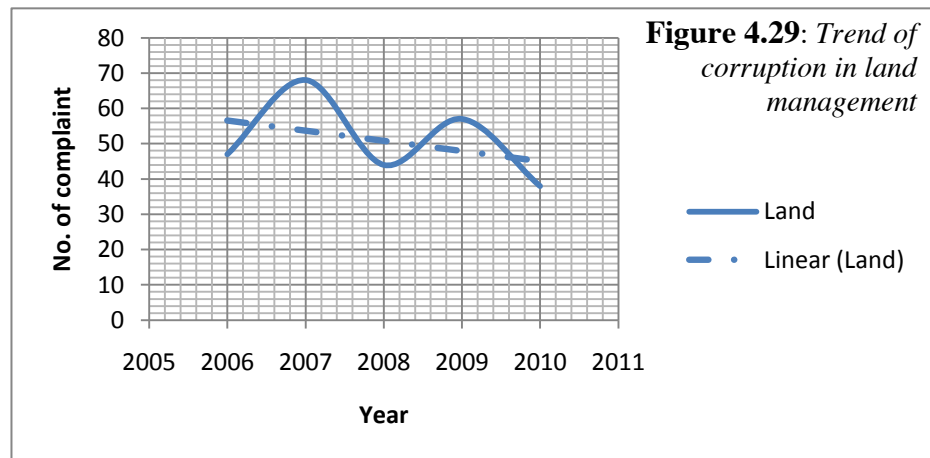


**Figure 4.28:** Trend of corruption in tax & revenue

forms of corruption in this area. Corruption in tax and revenue administration has been significantly decreasing over the years. However, opportunities for corruption may potentially increase with the broadening of tax and revenue base, which may require urgent attention.

Corruption in land management has been slowly decreasing over the years. However, the number of complaints over the years has been substantial, indicating that land is central to everyone's life. Corruption in permits and licenses has been significantly decreasing over the years.

Corruption in election shows a



trend characteristic of elections. Complaints on election grow before and during an election and subside over the years. Corruption in natural resources highly fluctuates though overall it has been decreasing over the years. But, even a petty corruption or a few instances of corruption in natural resources management and concessions could have huge adverse impacts on the society and its environment.

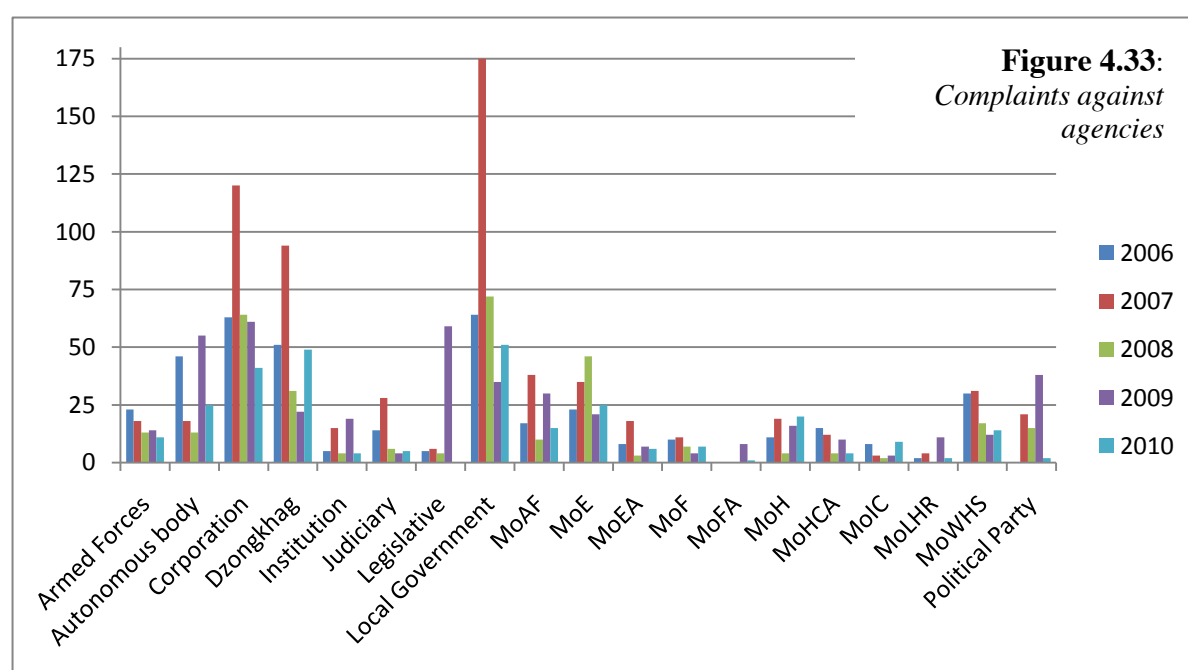
### ***Analyses of complaints against agencies***

The analyses of complaints against agencies show that no agency is free of corruption. However, the degree and level of corruption across agencies vary. Some agencies are highly prone to corruption because of the nature of their mandates, level of interface with people, regulatory responsibility, resource allocation and weak management and accountability systems.

Four most corruption prone agencies are the local governments, corporations,

dzongkhag administration and autonomous bodies. With greater decentralization, local governments and dzongkhag administration have more power and funds to implement development programs without the corresponding capacity to manage them. More power and funds also mean more opportunities for corruption. Similarly, corruption in corporations and autonomous agencies may be mainly attributed to huge financial outlays and their service delivery functions.

The next in rank are the ministries, viz. Ministry of Education, Ministry of Agriculture and Forests, Ministry of Works and Human Settlement and Ministry of Health. The nature of mandates, level of interface with public, management of concessions, subsidies and natural resources, management of equipment, construction and procurement functions present opportunities for corruption. Corruption in armed forces and in political parties is also significant.

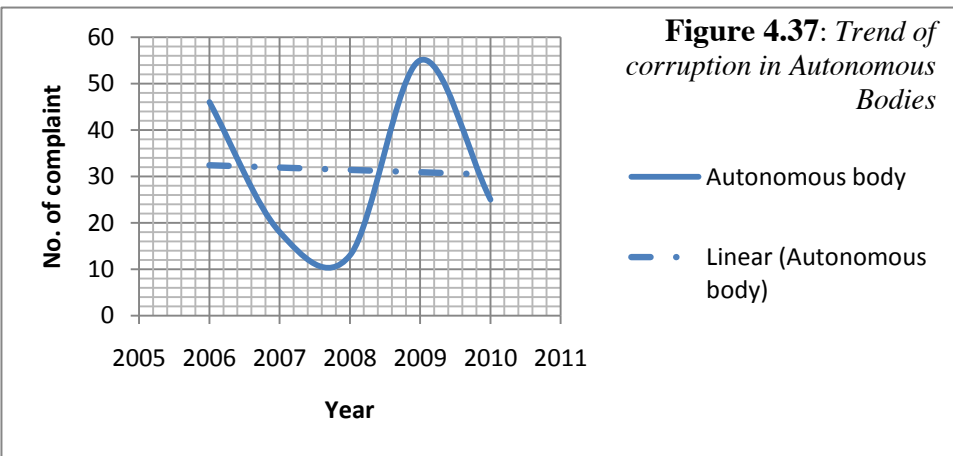
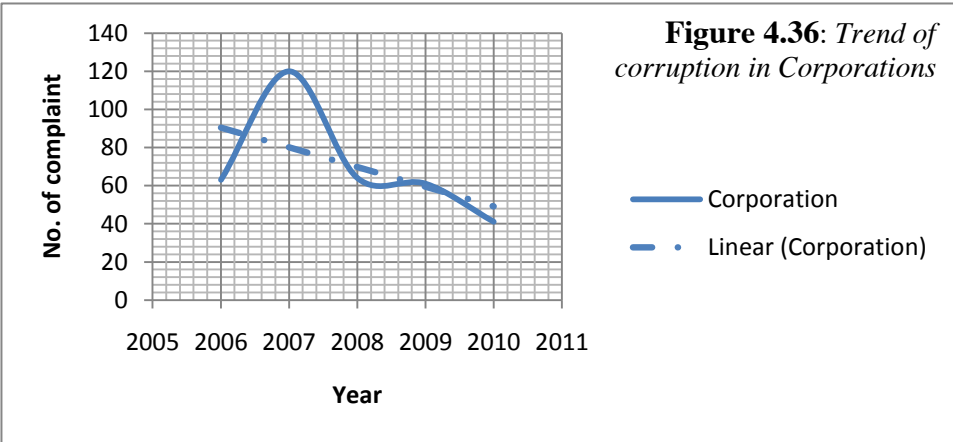
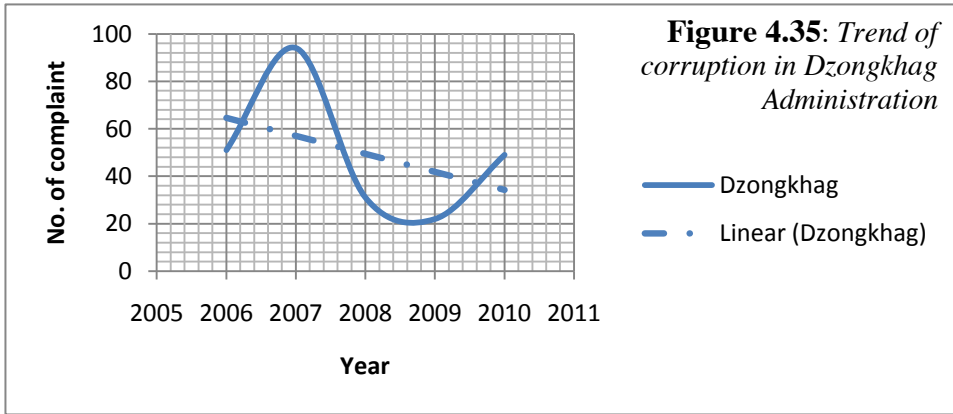
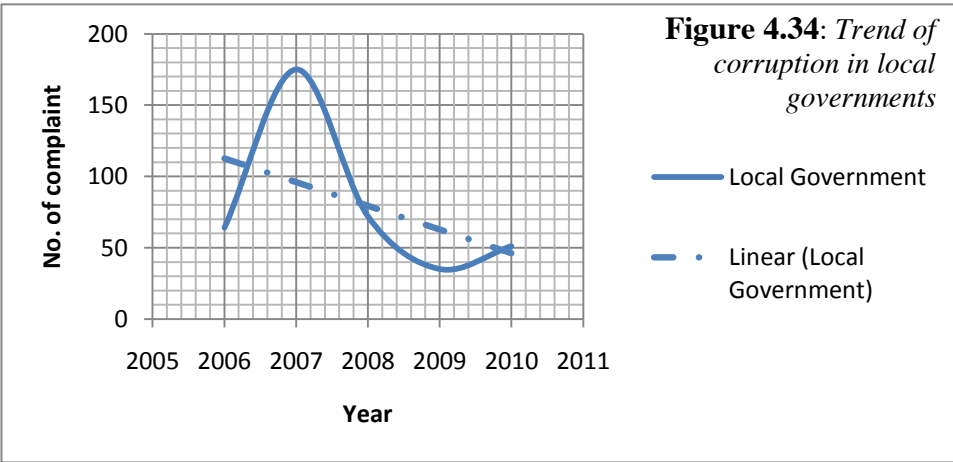


Trend of complaints against agencies

bodies. This indicates that corruption in both agencies would persist.

Corruption in local governments has been decreasing over the years. However, as more and more power and funds are decentralized to the local governments coupled with lack of capacity and proper financial and regulatory systems, this sector remains potentially vulnerable to corruption.

Although corruption in corporations and autonomous agencies has been decreasing, the number of complaints against corporations is higher than those against autonomous



## Making corruption risky and costly: Investigation of corruption cases

ACC on an average investigates 20 cases a year. Some of the major cases investigated during the period of this report are summarized below:

### Investigation in the Ministry of Health

The procurement of equipment and medicines in the Ministry of Health has serious systemic flaws, enforcement weakness and serious management problems. Millions of Ngultrum of limited public resources was wasted through procurement of sub-standard, defective and incomplete equipment at exorbitant prices. Such procurement not only compromised value for money, but undermined quality public service.

The guardians of the system were enticed and won over by bribes and gratifications. The internal control systems of checks and balances, transparency, accountability were rendered dysfunctional. Full payments against purchase orders were made in advance for third country purchase with a mere 10% bank guarantee, that too not enforceable in Bhutan. Government and public interests were compromised with non-compliance of all safety features of procurement. Goods received were not tested and commissioned properly and in time. In return, officials were entertained with lavish foreign trips, a sweetening process for some and reconfirmation of past ties for others. Gifts such as watches, television sets, jewelries, expensive cars

to construction materials changed hands besides hard cash.

The prevalent culture of suppliers, contractors and other business entities “offering” hospitality, gifts and favours to public servants must change as it is a serious conflict of interest.

ACC also conducted systemic reviews of the procurement, inventory and patient referral systems and engaged the ministry in strengthening its operating systems and management.

The ministry is making efforts in improving efficiency and transparency in the procurement system, among others. ACC will monitor the implementation of its recommendations and also assess the impact.

### ***Study tour or paid holiday?: Strategies to gain businesses***

Sponsoring foreign trips for key health officers was a strategy to build new and strengthen old business ties. Six senior officers’ 10 day travel (each trip) to China and Europe was sponsored by a bidder allegedly on the pretext of study tours prior to the evaluation of tenders. Two officers were on both the trips. The actual visits to sites or factories were only for few hours. The Germany trip originated in Kolkata and executed via Bangkok, Amsterdam and Zurich for the final destination to Tuttlingen. The approvals for the travel and nominations were improperly obtained from the ministry without transparent and prior consensual



decision of the Human Resource Committee.

The “study tours” had no reports. The total cost of travel, hospitality and ‘pocket money’ borne by the bidder may be over Nu.1.273 million. After the trips, the supplier was rewarded with Nu. 180 million worth of orders even when the bidder’s quoted rates were not the lowest.

### **Corruption in procurement of equipment**

ACC studied tender documents of 8 medial departments (partial) (there are about 11 departments in Jigme Dorji Wangchuck National Referral Hospital - JDWNRH), procurement procedures, distribution systems and inventories of equipment in hospitals and health facilities around the country. There is a strong reason to believe that the procurement in the Ministry of Health is moved by suppliers.

ACC discovered the procurement system was fraught with fraud and corruption for a very long time. The investigation revealed irregularities right from indenting, tender document preparation, selection process, award and the implementation of contract. Of

Nu. 300 million worth of procurement in 2007-2008, money lost to fraud and corruption was Nu. 75.279 million. For example, equipment worth Nu. 1.583 million were not delivered; Nu.15.352 million worth were defective; Nu.12.469 million worth were supplied incomplete and about Nu. 45.875 million worth were not as per specifications.

Officials accepted vital equipment like baby incubators even though they were defective. Instead of disqualifying the supplier and rejecting the incubators, officials placed more orders for incubators from the same supplier. Tender documents did not indicate number of equipment to be purchased, leaving huge room for manipulation and collusion. Why was it so? Purchase of the very equipment which remained unopened in the stores is a manifestation of corrupt intent and a very weak and unaccountable management in the hospitals, in particular in JDWNRH and the ministry. It is alleged that as many as

**Table 4.5: Approved Budget and Expenditure of MoH**

Approved Budget	2005-06	2006-07	2007-08	2008-09	2009-10
Essential Drugs	96.500	97.000	104.900	105.000	131.250
Expendable materials	65.000	68.000	70.000	74.000	85.080
Equipments	75.000	82.000	104.900	103.050	110.182
<b>Annual Total (Nu. in millions)</b>	<b>236.500</b>	<b>247.000</b>	<b>279.80</b>	<b>282.050</b>	<b>326.512</b>
<b>Expenditure</b>					
Essential Drugs	63.141	96.999	67.300	104.898	130.865
Expendable materials	63.042	67.999	69.958	73.856	90.648
Equipments	74.202	81.321	67.300	89.579	90.278
<b>Annual Total (Nu. in millions)</b>	<b>200.385</b>	<b>246.319</b>	<b>204.558</b>	<b>268.375</b>	<b>311.791</b>
<b>Cumulative Total (Nu. in millions)</b>	<b>200.385</b>	<b>446.704</b>	<b>651.262</b>	<b>919.637</b>	<b>1,231.428</b>

**Note:** In addition to Nu. 279.00 million in 2007-2008, the ministry had Nu. 300.00 million under the Government of India assistance.

over 15 officials on about 51 occasions received bribes amounting to few millions.

ACC notes with serious concern that corruption in procurement not only squandered government's scarce financial resources but also exposed the general public to high risks associated with defective equipment. Payment of Nu. 19.742 million to the suppliers has been frozen and deposited in Non-Revenue Account to prevent further financial loss to the government.

Two bidders have been temporarily debarred from participating in any tender. 2009-2010 tenders of the bidders were cancelled (one department's tender value alone without quantification was Nu.24 million; special arrangements were made by the ACC for drugs that the ministry claimed to be urgent and essential). Few local suppliers have been acting as fronts for the bidders after the temporary debarment.

Some of the recommendations for systemic improvement were:

- review of organizational structure to ensure clear lines of authority and accountability;
- development of procurement plan linking strategic objectives to DVED organizational mandate;
- development of written guidelines/instruction to ensure better coordinated and consistent implementation of procurement activities;

- establishment of proper needs assessment and authorization process prior to approving purchases;
- establishment of medical equipment management;
- standardization and central inventory systems to support and facilitate rationalized and transparent procurement decisions;
- institutionalization of corruption risk management process;
- conduct monitoring and evaluation at the end of every procurement cycle and assess performance;
- enhancement of in-house capabilities in contract management (continuous training regime);
- enforcement of quality inspection and standards regime to ensure effective certification process during the supply delivery;
- promulgation of stringent policies on ethical code of conduct for procurement staff, stakeholders and suppliers and reporting mechanisms;
- strict compliance of procurement rules; and
- conduct awareness trainings and strengthen internal audit resources.

The ministry has made several interventions to strengthen the procurement management system.

### **Corruption in Health Liaison Office, Kolkata**

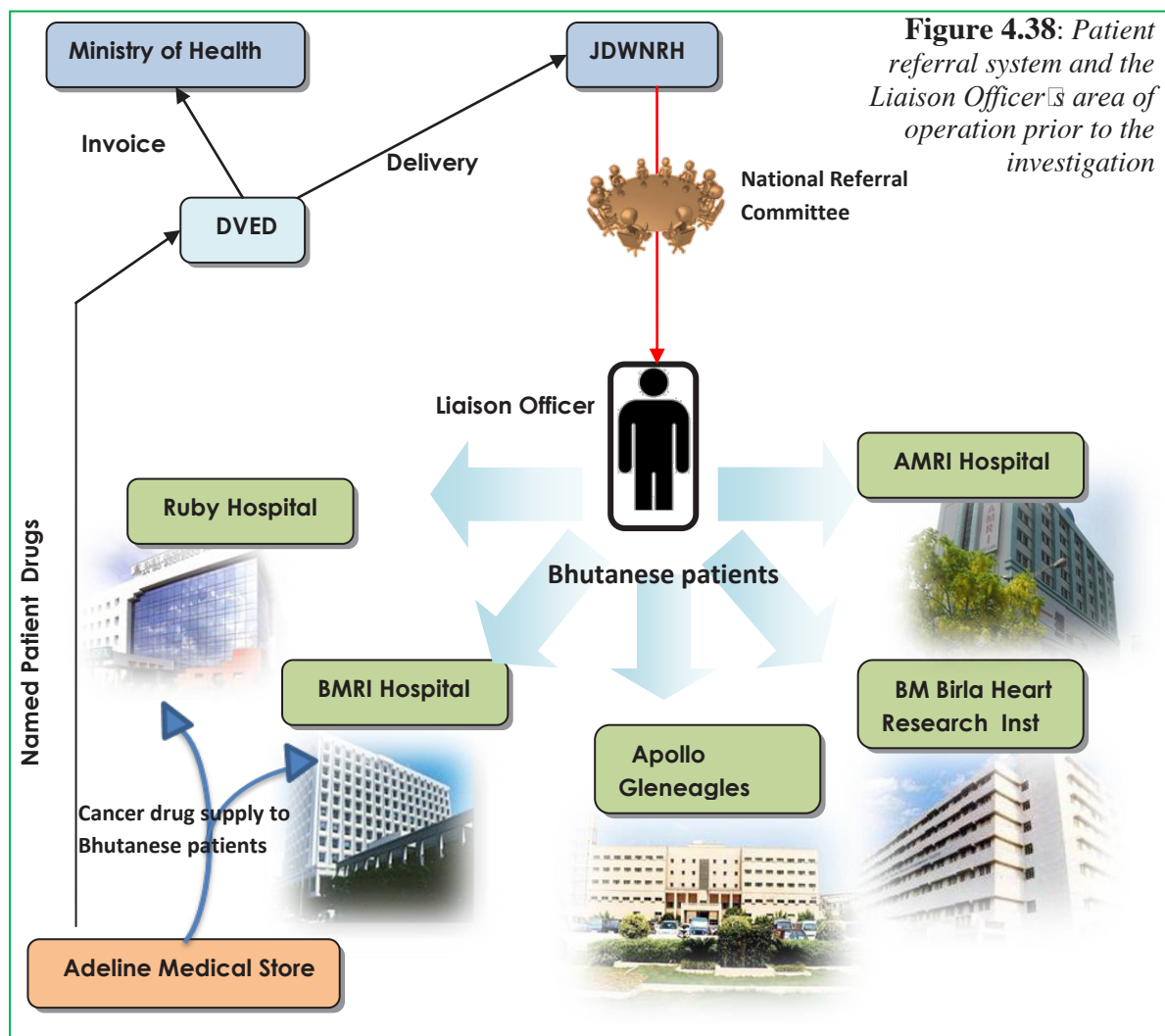
The government incurred an average annual expenditure of Nu.85 to Nu.88 million for treatment of Bhutanese patients in India during 2005-2009 (4 financial years). The cost was expected to increase over Nu.95 million during 2009-2010. Treatment expense in Kolkata alone accounted for about 50% of the total expenditure.

The investigation revealed that an officer had solicited and accepted bribes. His predecessor who held the same post from 2006 to February 2009 was also investigated. This particular officer is alleged to have siphoned significant

amount of funds. Besides, he was also found to have accumulated wealth worth more than Nu. 7.5 million during his tenure in Kolkata. The case is under trial.

The Figure 4.38 illustrates the patient referral system and the Liaison Officer's area of operation prior to the investigation.

Some of the key systemic flaws and gaps that encouraged corruption to thrive undetected for a long period were: "kidu-based" recruitment system, empanelled hospitals maintained over a decade without any review mechanism, leaving them totally in the hands of the Liaison Officer, unprofessional and unclear fund disbursements, lack of financial



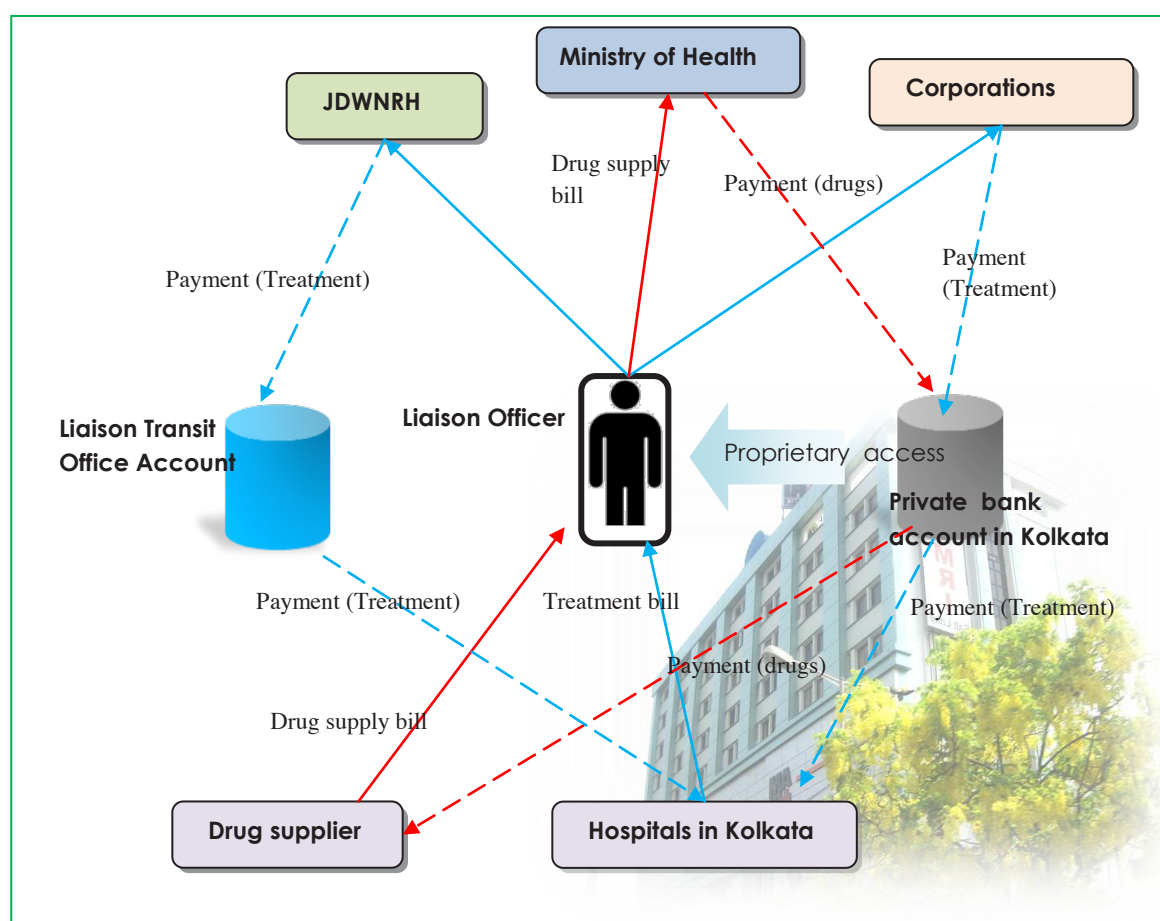
procedure for patients of corporations, very poor (almost absent) oversight and reporting management, unclear responsibility and accountability which led to the Liaison Officer not only dealing with patients but also, collecting and verifying bills, making payments, handling accounts, buying drugs, etc., lack of regular auditing and absence of internal control mechanisms.

Figure 4.39 illustrates financial operations prior to the investigation.

The ministry has implemented a number of corrective measures, such as: have a new empanelment of hospitals in Kolkata, instituted a system of reviewing their services regularly to ensure better care for the patients and cost efficacy for the government, effective empanelling

process, treatment procedures rationalized to minimize personal contacts between liaison and hospitals' officials; streamlined financial operation mechanisms for the management of fund release and settlement process; enhanced oversight control and supervision on the official function of the Liaison Officer under the Royal Bhutan Consulate; established periodical reporting requirements to controlling authority i.e. JDWNRH; and recruitment rule enforced. Hospital service cost reported to have reduced substantially and payment of bills is speedy. It is hoped that the patients are getting better and timely care at a lesser cost.

**Figure 4.39:** Financial operations prior to the investigation



### **Corruption in Construction Development Corporation Limited (CDCL)**

The CDCL's major areas of operations are procurement of construction equipment and their spares, outsourcing of equipment, management of repair support services, production and fabrication and quarrying. It operates from 4 regional offices. In early 2010, it had 396 employees, 274 machineries and an asset worth Nu.503,710,824.00. Its annual budget increased from Nu. 166.215 million in 2006 to Nu.249.8843 million in 2010.

Investigation into the operations of the CDCL revealed entrenched corruption in the agency like in the Ministry of Health. Manipulation of tendering process, disclosure of bid information, bid rigging, stores (mis)management, nepotism (appointing relatives) and corrupt management fraught the agency. Key officials allegedly orchestrated tendering process worth millions of Ngultrum for private gain. Those officials allegedly received bribes and commissions (ranging between 0.5-7.5%) worth over Nu. 6.0 million from the suppliers. Payment of Nu. 1.13 million to a supplier has been frozen to prevent further financial loss to the government. Further, there was a serious conflict of interest in a spouse operating business in procurement of heavy earth moving machinery. The case is at the final stage of report writing.

Here again, suppliers "offering" hospitality, gifts and favours to the officials was a norm. Spouses of public servants operating businesses, which

have potential and perceived conflict of interest is prevalent in the system because of weak enforcement of rules (if they are clearly understood), weak management (in some instances corrupt management) and absence of monitoring of compliance of service rules by oversight authorities.

### **Corruption in construction of vocational training institute (VTI) complex, Rangjung**

The initial contract price of the works increased from Nu. 48,065,003.17 to Nu. 66,127,193.83 because of variations and compensations following the floods in 2004. Contract period was extended till 2007 but the works were actually completed in March 2008. Against the contractor's total claim of Nu. 114,950,618.66, the project management cleared the payment of Nu. 93,482,978.69 to the contractor. The actual payment made to the contractor was Nu. 74,035,743.22. It was revealed that an excess payment of Nu. 13,008,971.43 was paid to the contractor. Further, loss to the government from insurance was Nu. 257,264.28.

The bribe amount is alleged to be over Nu. 1.5 million. The project was embroiled in embezzlement and false claims. Besides the financial losses, government and the students and instructors of the VTI suffered inconveniences due to the delay in the completion of works.

The project management and its representatives at the construction site



not only failed to perform their official responsibilities, but extended undue favors to the contractor. The project displayed sheer lack of supervision and monitoring by the oversight authorities. Further, rebuilding the institute in the flood prone area also raises questions. The case has been forwarded to Office of Attorney General.

Field verification of works was conducted with assistance from the Royal Audit Authority and Standard and Quality Control Authority. The origin of the case is RAA report.

### **Corruption in construction of Zimzorong-Kengkhar farm road**

The construction sector is highly prone to corruption, which is further perpetuated by weak enforcement of laws and monitoring. Far flung project sites face even greater risks due to poor visibility. Collusion, forgery, bribery and civil servant-contractor business partnership plague the sector.

The estimate was allegedly bloated to Nu. 19.2 million for formation cutting alone for a 10.4 km farm road. The lowest bid of Nu. 16.3 million was rejected; bid of Nu. 17.5 million was designed to win the tender. The immediate loss to the government was Nu. 1,117,490.26. Oversight and monitoring were inadequate and there was no conscious effort from the management to exercise safeguards.

After ACC's intervention, contract was terminated as per procedure and the

contractor was paid Nu. 4.5 million for the construction of 2.5 km of the farm road. Revised estimate for the remaining 7.8 km with retaining walls and stone soling was prepared at Nu. 11.0 million. Contract was awarded for Nu. 6.9 million, which included retaining walls and stone soling. Saving to the government because of cost reduction was approximately Nu. 11.44 million (from Nu. 17.5 million, which was the cost of formation cutting only). In addition, Nu. 2.6 million was recovered from the contractor as a penalty for breach of contract. This case further sparked investigations into the construction of Narang BHU, Narang BHU Water Supply, Balam Gup's Office and Udaric principal's quarter in the same dzongkhag. The bribe amount is alleged to be few millions. The report will be sent to the Office of the Attorney General soon.

### **Narang Basic Health Unit (BHU) built to crumble**

The Narang BHU II, which was completed at the end of 2007, was razed to the ground during the September 2009 earthquake. The investigation revealed that even without the tremor, the structure would not have stood for long.

The contract was awarded to the highest bidder allegedly through manipulation of bid evaluation. Monitoring of works was poor. The investigation also revealed that reinforcement was not used as designed, mountain sand was used instead of river sand, ratio of cement and sand used was 1:8 and not the design ratio of 1:4 and unseasoned timber was used.

The cost escalated from Nu. 5,483,989.83 to Nu. 7,079,562.00 (29%). Bills were allegedly fabricated and forged by the parties to cheat the government.

Investigation will be completed soon.

Status of cases under investigation and trial is at **Annexure 8**.

### Postmortem of cases (limited to time taken)

Investigation of corruption cases is ACC's responsibility. Examination of the investigation reports and charge-sheet for prosecution is the responsibility of the Office of the Attorney General (OAG). The cases charge-sheeted for prosecutions are adjudicated by the Judiciary through its Royal Courts of Justice.

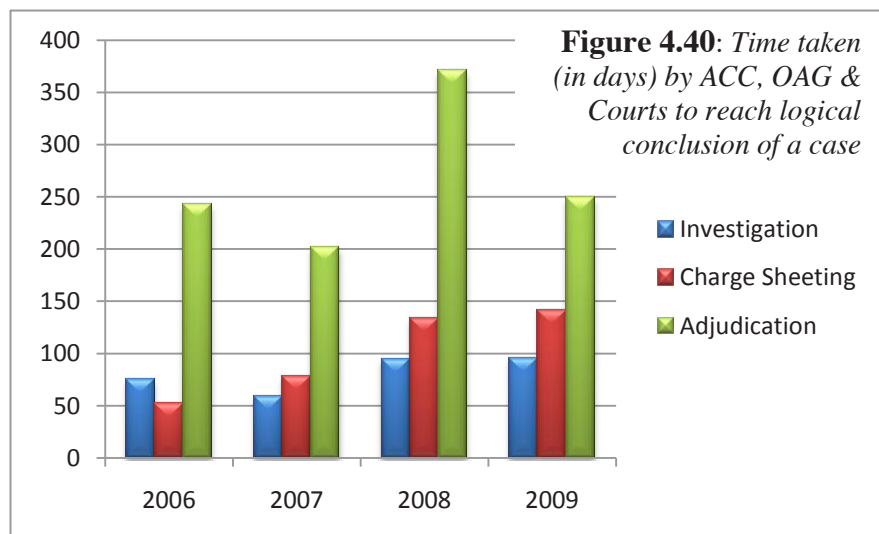
An analysis of average time taken by each agency to investigate, charge-sheet and to adjudicate cases from the court of first instance reveals that ACC takes about 50-100 days to complete an investigation and OAG takes 50-140 days to study and charge-sheet a case in a court of law. Number of cases forwarded to OAG has increased with no commensurate increase in lawyers in the OAG. On an average, the courts take 200-370 days to deliver judgment from the court of first instance. Speedy dealing of corruption cases has a strong deterrence effect and prolonged processes undermine it.

### Nipping the problem in the bud: Proactive intervention

ACC attaches great importance in preventing lapses that would fester into larger corruption cases. Complaints that have the potential to develop into larger corruption cases and are occurring at the time of filing complaints are given immediate attention. Some of the interventions are given below. Some may appear petty, which seemingly could have been easily addressed by the concerned agencies and their oversight bodies and could even question ACC's intervention. These seemingly petty matters are not isolated cases but are common. These cases illustrate larger problems of lack of transparency and avenue for fair hearing, nepotism and abuse of authority.

### Procurement of survey equipment

The National Land Commission Secretariat (NLCS) had advertised the procurement of survey equipment, Total Station and GPS Reference Station. It was found that the tender call was not in keeping with the Procurement Rules and Regulation 2009. As a result, a glaring



lapse was a two-stage, two-envelope procurement had become single stage based on financial bids alone. Another major lapse was absence of quantification of the equipment to be procured. A potentially greater threat was that the procuring agency had entered into negotiations with both the lowest and the second lowest bidders.

In the closed door negotiation, the lowest bidder was called first; he reduced the bid by a small percentage. The next negotiation was with the second lowest bidder, who reduced his original quoted price by more than 50%, from Nu. 900,000.0 to about Nu.400,000.0 bringing him slightly below the lowest bidder's negotiated price. The same negotiation procedure was adopted for the second package of purchase. Again the second lowest bidder brought his negotiated price below the lowest bidder, offering a substantial percentage in rebate. Such incidences do not happen unless there is leakage of information through collusion.

With these findings, the NLCS was advised to take decisions in line with the procurement norms, which was also the Finance Ministry's advice (NLCS had sought a 2<sup>nd</sup> opinion). Accordingly the tender was refloated. Saving to the government was substantial.

It may be worth noting that generally in the local context government may be incurring far higher cost through the existing procurement process than what it may incur through direct procurement (e.g. procurement of computers). Would it be worth exploring other plausible procurement alternatives that will not

only minimize corruption opportunities but also ensure cost efficacy?

### **Consultancy for health helpline centre**

The Ministry of Health was procuring a consultancy service to develop an ICT based Health Helpline Centre. The open tender call was not in line with the Procurement Rules and Regulations 2009 despite the ministry being under active investigation by the ACC. The Instructions to Bidders, General Conditions of Contract and Special Conditions of Contract of the normal Standard Bidding Document were not complied with. Hence, important provisions to administer the contracts were missing. There were other lapses in accepting the bids. Bids without or inadequate earnest money were accepted after opening them. When opened, financial bids found 'not comparable' and 'incomplete' were accepted with advice to 'resubmit' them with corrections. When corrected and resubmitted, bid price changed from Nu. 80.0 million to Nu. 32.154 million, the highest bidder becoming the lowest with other costs being hidden. Bank Guarantee submitted by the firms was not enforceable in Bhutan.

The acceptance and legalization of non-responsive bids were done contrary to procurement norms. In addition, there were no provisions like payment schedules, penalty and termination clauses, and more importantly, conditions for key personnel for a contract of consultancies. Without these minimum or basic terms and conditions, with already signs of favoring a certain firm in regularizing its non-responsive bid, a

multi-million Ngultrum contract was headed for a huge compromise during implementation. ACC advised the ministry to take decisions in line with the procurement norms. The procurement of consultancy service was retendered after the ministry sought a second opinion from the Ministry of Finance, which concurred with the ACC's advice. Such intervention has potentially saved the government millions of Ngultrum.

Recurrence of such incidence highlights serious management problems.

### **Procurement of bridge parts and components**

The Department of Roads had invited open tenders for procurement of bridge parts and components. There were some lapses in the multi-million Ngultrum tender call. The national open tender call was changed through an addendum allowing non-Bhutanese firms to bid. The requirement to hand deliver 2% of the bid security to the procurement officer created a possibility of leaking bid information. The question of enforceability of the Bank Guarantee provided by the non-Bhutanese firm in Bhutan exposed the government to huge risks. Finally, though the award of contract was supposed to be package or lot-wise, based on the lowest bids, this criterion was not complied with during award causing loss to the government. ACC brought these issues to the attention of the Ministry of Works and Human Settlement and advised it to comply with the procurement norms. The ministry awarded the contract in accordance with the procurement norms.

### **Selection of non-short listed candidate**

The Army Welfare Project (AWP) had advertised the vacancy for sales executive. The advertisement prescribed Class XII Commerce with Economics as the eligibility criteria based on which 9 candidates were short listed by the Selection Committee for interview. One particular candidate was not shortlisted because of failure to meet the prescribed eligibility criteria. However, the candidate was interviewed upon the recommendation of the Regional Head, Department of Employment, Phuentsholing, who was one of the selection committee members. This disqualified candidate was even selected at the cost of other qualified candidate. This is a classic example of recruitment based on whom the candidates knows rather than what they know.

ACC conveyed its findings to the Ministry of Labor and Human Resources and AWP. The ministry reprimanded its Regional Head. AWP appointed the qualified candidate to the post.

### **Selecting wrong hotel for catering service**

The Dzongkhag Administration, Dagana had called quotations for catering services. Two quotations from M/s Welcome Hotel and M/s Sangay Hotel were received. Both the quotations were rejected arbitrarily, stating "as per procurement rules and regulations" and "on grounds of public interest and "the Hotel not based in the town area" as reasons for doing so. The catering service was awarded to M/s Dratshang Zakhang at the rates quoted by M/s Welcome

Hotel and M/s Sangay Hotel. M/s Dratshang Zakhang is reportedly co-owned by M/s Sangay Hotel.

The ACC's enquiry found that the rejection of quotations "as per procurement rules and regulations" was because of the prohibition against legal dependents of public servants from doing business though M/s Welcome Hotel was legally owned by the sister in-law of a civil servant; she was not a legal dependent of that civil servant. Dzongda reportedly directed the Tender Award Committee that they have to be aware of public opinion of quotations being secured by relatives of civil servants.

The Tender Award Committee was forced to come up with arbitrary and flimsy reasons to exclude M/s Welcome Hotel. M/s Welcome Hotel owner's civil servant relative, who had assisted ACC in writing the Dzongdag's wife's statement had been transferred to Lhamoizingkha.

Transfer and bid rejection, could these be manifestations of reprisals suffered by some civil servants for standing up and abuse of authority by senior civil servants for being challenged?

ACC conveyed its findings to the Ministry of Home and Cultural Affairs. The catering service was given to M/s Welcome Hotel.

### **Transparency in mega projects**

A macro review of hydropower development in Bhutan was done as a system review component of the investigation of bribery in Puna

Tsangchhu Hydropower Project. The review examined:

- (i) how technical studies were conducted,
- (ii) how contracting was awarded and implemented,
- (iii) joint investment modalities and
- (iv) capacity development of Bhutanese technical personnel in the project cycles of hydropower development in Bhutan.

The technical studies and contracting are done by consultants with minimal involvement of counterparts from the Royal Government of Bhutan (RGoB). The investment conditions for the RGoB have become tighter - 70%:30% - 70% loan and 30% grant from 60%:40% - 60% grant and 40% loan. The capacity development, on the other hand has been rudimentary, considering that Chukha Hydropower Project was commissioned in the eighties.

The mega hydropower development projects are carried out with a certain discernable trend. The Detailed Feasibility Reports and Designs are prepared by consultants. Works are carried out by contract firms from outside Bhutan due to lack of local capacity. Important data like design parameters and important information like the 'as built drawings' are not readily available to the national counterparts in full details. The national counterparts are mainly involved in supervising works like constructing access roads and residential colonies. Senior national counterparts are rarely involved in construction of main infrastructures like the dam, tunnel and power house.



As has also been recognized by the Ministry of Economic Affairs and its allied institutions, there is the urgent need to develop local capacities. The private sector has to play a greater and a more responsible role in this important area. It assumes greater relevance and importance given that hydropower is the backbone of Bhutan's economy and investments in this resource demands better local planning and management.

Mega projects in general, hydro or non-hydro, have a huge potential for corruption. Greater transparency in their operations through institutionalization of robust and transparent internal control systems and public accountability measures are imperative.

### Review of audit reports

As required by law, the Royal Audit Authority (RAA) endorses its reports to ACC if there is an element of corruption.

Dealing with audit reports has not been logical and satisfactory due to a number of reasons. The first reason is the tripartite nature of action required. The audit report gives a timeframe to the agencies concerned to answer and resolve the findings. To initiate any action within this timeframe is neither desirable nor possible, given ACC's heavy workload. On the other hand, with the passage of time, the essence of the findings loses importance. When issues need concerted efforts by a number of agencies, coordination becomes another problem. In the process of taking actions by different agencies with different understanding of the audit findings, the

end product raises more issues. The action taken is non-uniform and inequitable across/within cases and agencies.

Such handling of the audit reports has become a serious concern to ACC. RAA and ACC have an understanding of proactive intervention by the latter if incidences of potential corruption is observed by the auditors during auditing. However, because of ACC's compelling limitations this has not been possible despite RAA's communications. Further, a tripartite meeting of agencies, RAA and ACC is imperative for greater understanding, coordination and cooperation. RAA has planned one this year. RCSC also has to ensure uniform understanding and application of BCSR 2010 across and within agencies. A common understanding on how to deal with audit reports based on the BCSR 2010 must be reached soon among all stakeholders.

The status report is attached as **Annexure 9**.

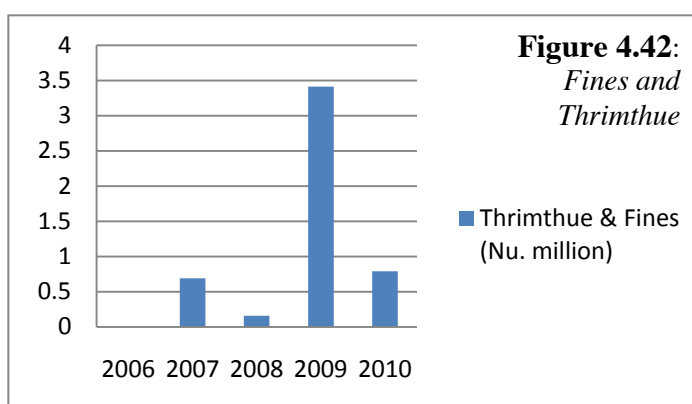
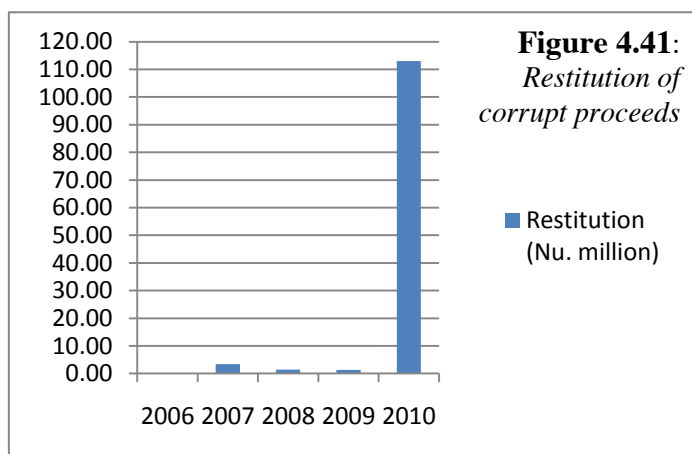
### Restitution

ACC has restituted approximately Nu. 119.0 million of corrupt proceeds till date. Approximately, Nu. 5.0 million has been collected as fines and *Thrimthue* (in lieu of imprisonment). The restitution figures, fines and *Thrimthue* are based on the judgment from the court of first instance. More than Nu. 110.0 million in 2010 is from Samste mining case. In addition, 53.38 acres of land have been deregistered and are under different stages of reverting to government land.

## Challenges of investigation

Swift investigation followed by swift (not at the cost of justice) prosecution and adjudication form the three cornerstones of the effective fight against corruption. For swift investigations to take place, human resources, both in quality and number are crucial. As highlighted earlier, recruitment and retention of qualified and committed professionals in ACC has been the biggest challenge. And capacity building, which is a continuous process, to remain committed and relevant at all times in a fast changing environment, adds another dimension to the challenge. If ACC is to be effective and stay relevant, the need to develop human resources assumes top priority.

In a fast changing world driven by economic successes, values and priorities of a society change, people become smarter. New and more sophisticated ways and means for corrupt acts will emerge. Such a trend will compel investigation infrastructure to become sophisticated and developed. In a globalized world where corrupt acts are committed with a push of a command button, staying relevant and a step ahead of criminals have no substitute. Technological sophistication is expensive as well as fast changing. Constant efforts to update and upgrade are required against the backdrop of looming threats from money laundering and cyber crimes.



The impact of money laundering on a small economy will be devastating.

While the threats from beyond are real and urgent, forming of coalitions to strengthen institutions is mired in turf wars. With pervading territorialism and self preservation, simple matters such as sharing and accessing of information and being supportive of each other is a very big challenge, especially for investigation where time is critical. Investigation planning and progress depends on information and cooperation of agencies. In the absence of prompt responses from them, ACC's efforts are rendered ineffective.

Other pressing challenge is the implementation of court's judgment and its monitoring. The status of cases (**Annexure 8**) will attest it.

# Implementing National Anti-Corruption Strategy Framework (NACS)

- mainstreaming anti-corruption measures in Dratshang Lhentshog, ultimate measure being taming of the mind



## SECTION 5

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### A CHALLENGE

“Zero Tolerance for Corruption”: Words or Action?..... Page 74



# Section 5

## A CHALLENGE

### “Zero Tolerance for Corruption”: Words or action?

The last report highlighted the difficulty of recruitment and retention of good professionals as a fundamental challenge that was adversely impacting on ACC’s performance. Not reporting the same in this report does not mean that the problem has been addressed. It continues to be a serious challenge and will remain so for a long, long time.

This report highlights the high level of societal tolerance for corruption as a challenge. It is a serious impediment to the efforts of minimizing corruption in the system. Leniency and inconsistency of actions taken against perpetrators of crime of corruption by senior public servants and agencies is symptomatic of the culture, which blight the government’s intolerant anti-corruption policy. People in general do not report or act against corruption unless they are directly affected by it. Often, reports of corruption are filed to ACC/agencies due to sheer jealousy or inequities created by such acts, but not because of loyalty, care or concern for fellow citizens or the country.

There has been a steady increase in the number of complaints with known identity and walk-in complainants. However, anonymous complaints still constitute a sizeable number, indicating a general reluctance to come in the open. This is because of fear of reprisal, which is real as revealed by some of the investigations. Some agencies instead of establishing the facts of a case, they try to find out the complainant and “fix” him/her while perpetrators of corruption continue to enjoy the agency’s patronage. This is a strong indication of tolerance for corruption on one hand and intolerance for voices of dissent on the other.

ACC has been advocating the importance of collective responsibility of agencies and citizens in the fight against corruption. The Constitution defines fighting corruption as a fundamental duty of every citizen. However, the general perception that fighting corruption is the responsibility of the ACC still pervades. There is a serious lack of commitment on the part of the public officials and agencies in particular and the citizens in general to fight corruption. Costs of corruption to a small country and her people can be dire.



Some agencies forward cases of corruption to the ACC when they can easily deal with them. There are also instances where perpetrators of corruption are actually protected by agencies by pardoning their corrupt behavior without any reform program, even if they are repeat offenders, or transferred to another agency only to further perpetrate the offence. Reprimand, withholding of promotions and increments or trainings for 6 months to one year are the normal administrative sanctions imposed upon corrupt public servants by agencies. Recovery of embezzled funds (theft of public funds) is considered as an administrative sanction, even by some courts. Risks and costs of being corrupt are very low in the prevailing culture of impunity and lack of accountability. The loss is not only of funds but trained people who could have been salvaged had they been guided, monitored and removed from vulnerable areas by their supervisors and peers. The intangible and far reaching loss from corruption is of public trust in the institutions of governance, the very foundation of a strong democracy.

Fighting corruption is on the national agenda and recognizing the imperative need to combat it, the Anti-Corruption Act 2006 has been amended to make corruption a highly “costly” and “risky” crime. However, lowering of penalties from felony to misdemeanor for most forms of corruption by the National Assembly

is not commensurate with the policy of “Zero Tolerance for Corruption.” Smoking is considered to be more injurious to the nation than corruption! Further, the often heard grouse of agencies and the government that ACC impedes their development programs and stifles initiative also creates a fertile ground for corruption. Anti-corruption measure is about minimizing opportunity for dishonest behavior through legislation of laws, enforcement of laws, establishment of transparent and simple operating systems, dissemination of information and engagement of public in the decision making process and being accountable for one’s action or inaction. In essence, it is about building an ethical culture. So, how does honesty stifle initiative?

The high level of societal tolerance for corruption may perpetuate a society that looks up to people who have become affluent and influential because of corruption and look down on those who are honest but are not affluent or influential and who are considered as “non-achievers” in life (*tshakha matshuep*). It will be a society without values and ethics.

The challenge, however, can be overcome if leaders in the society and in the institutions of governance: legislature, judiciary, executive, constitutional offices, corporate bodies, private sector, civil societies, political parties and media change. On a practical level, the change must

happen from within the bureaucracy as a primary functionary of the system of governance. It may not be wrong to opine that the culture that RCSC as the oversight institution of bureaucracy articulates and the culture that the leaders that RCSC appoints in the bureaucracy espouse impact on the behavior of bureaucrats, private sector and citizens.

Therefore, as highlighted in the earlier sections of the report, appointment process of senior bureaucrats has to be rigorous and effective to ensure that only individuals with demonstrated leadership traits, highest level of integrity and impeccable service record are recruited and ensure that there is a capacity development regime for them. Further, an effective and meaningful performance appraisal has to be institutionalized where the “hows” and “whats” are clearly understood by all and in particular the senior bureaucrats with an effective monitoring system. The attitude of everything-is-there-in-our-rules has to give way to thinking how those rules can be clearly understood by the implementers and those who are affected by them, effectively enforced and monitored. Such a performance appraisal system must engender the culture of meritocracy, efficiency, transparency and accountability, which ultimately will lend to building a truly dynamic, inspired, honest, responsible,

professional and committed bureaucracy.

Conviction, mindfulness, toughness and perseverance of leaders and the will of the people only can take the policy of “Zero Tolerance for Corruption” beyond mere statement, reinforcing the efforts towards building an honest, contented, harmonious and a happy Bhutanese society.

# SECTION 6

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## CONCLUSION

# Section 6

## CONCLUSION

The establishment of parliamentary democracy has indeed strengthened the system of governance. Much has been achieved and much remains to be desired and achieved. ACC has completed 5 very fulfilling years. The fight against corruption has just begun and it is going to be a long and arduous journey. As is common knowledge, corruption perpetuates poverty, injustice, inequity and instability, which afflict many developing countries. Bhutan as a small and a peaceful nation cannot afford such a destabilizing situation. All citizens, rich and poor, powerful and humble, farmers and urbanites, young and old and male and female should wake up to their call of duty to act against corruption now, building a strong system of governance. In the stability and security of the nation lies their own security and well being.

If the citizens in general and public officials in particular are concerned, concerted efforts need to be mobilized and fight corruption as a strong team. If the perpetrators of corruption are protected by some, the conscious and dedicated efforts of others to penalize them would be futile and demotivating. The anti-corruption policy must be upheld by all, in mind, body and speech.

The government's National Anti-Corruption Strategy Framework provides a platform for concerted efforts. It has to translate into concrete actions and the important responsibility lies with heads of institutions and public servants. If they cannot fulfill their natural responsibility, they must certainly fulfill their contractual responsibility as they are paid!

*□National prosperity hinges on quality of governance and quality of governance on quality of leadership."*

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# ANNEXURES

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Annual Work Plan for the Financial Year 2009 - 2010	:	<b>Annexure 1.1</b>
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# Educating Officials and Contractors on red flags of procurement



## Annual work plan for the financial year 2009 - 2010

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Responsible
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
<b>1</b>	<b>SECRETARIAT SERVICES</b>															
<b>1.1</b>	<b>Direction and management</b>															
1.1.1	General administrative functions	efficient support to technical divisions														
1.1.2	Implementation of the HR plan for 2009-10 - number of slots implemented.	77	Professionalism and capacity of ACC cadre enhanced for effective control of corruption.													
1.1.3	Performance Planning															
1.1.4	Performance Evaluation															
1.1.5	Commission to continue dialogue and sort out issues of organisational and independent status of ACC															
<b>1.2</b>	<b>Support logistics to divisions</b>															
1.2.1	Budget and award tender (Amended AC Act)- support to LD	1														
1.2.2	Budget and award tender (UNCAC)- support to LD	1														
1.2.3	Budget and award tender (Debarment rules) - support to LD	1														
1.2.4	Budget and award tender (Witness Protection rules) - support to LD	1														
	Print and disseminate (Anti-Corruption Poster/Sticker) - support to PED															
	Budget and award tender (Annual Report) - support to PPD															
<b>1.3</b>	<b>Construction of ACC Building</b>															
1.3.1	Tender Opening / Evaluation															
1.3.2	Work Award															
1.3.3	Work Implementation															



## Annual work plan for the financial year 2009 - 2010

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Responsible	
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
1.4	Work Plans and review																
1.4.1	Coordinate and formulate weekly work plan meetings	Work plans submitted on time															
1.4.2	Coordinate periodical monthly meetings and follow ups	Meetings minutes circulated on time	Ad hoc activities minimised. Focused and timely achieved														
1.4.3	Coordinate development of 2010-2011 Work Plan in line with 10th Plan document	1															
1.4.4	Circulate final version of 2010-2011 Work Plan with indicators																
1.5	Annual report																
1.5.1	Prepare draft content topics & get its approval		ACC's transparency and accountability enhanced.														
1.5.2	Divisions submit content, charts, activities progress, etc	Divisional write-ups															
1.5.3	Consolidate divisional inputs & get comments	Draft report after divisional comments															
1.5.4	Send for draft layout design and supervise the work																
1.5.5	Submit draft copy for proof reading	Draft report after layout															
1.5.6	Liaise with Credential & Ethics and Governance Committees for distribution	Presentation format finalised															
1.5.7	Post it in the website and distribute to all	ACC's report accessed in website															
1.6	Projects																
1.6.1	Submit UNDP/ACRC Project quarterly progress report (QPR)	4															
1.6.2	Submit GoI Project quarterly progress report (QPR)	4	Project funds used transparently and on time														
1.6.3	Coordinate SDC Project Review Committee (PRC) meetings	1															

## Annual work plan for the financial year 2009 - 2010

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Responsible
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
1.6.4	Submit bi-annual progress report	1														
1.7	Regional networking															
1.7.1	Liaise with regional/international anti-corruption institutions	Focal person for ADB/OECD Anti-Corruption Initiative acted														
1.7.2	Establish linkage with SEA anti-corruption institution	1 institutional linkage established	Working relationship enhanced													
1.8	Office management system (OMS)															
1.8.1	Publish NIT and award OMS development contract	OMS contract signed														
1.8.2	Software vendor develops OMS															
1.8.3	Receive OMS for testing	OMS for testing														
1.8.4	Test software	Feedback on OMS shared to OMS developer	Use of paper reduced by 50%. Information sharing procedure eased.													
1.8.5	Release final payment of the contract	Working OMS in place														
2	LEGAL DSERVICES															
	Amendment of the Anti-corruption Act															
	Finalize amendment	Final Amended Act														
2.1	Accession to UN Convention Against Corruption															
2.1.1	Submit to Commission															
2.1.2	Consult MOFA															
2.1.3	Get government approval	1	Enhanced cooperation with other member States.													
2.1.4	Plan UNCAC gap analysis	1														
2.2	The Debarment Rules															
2.2.1	Conduct National Consultative Workshop	1	The Government deals only with honest individuals or firms.													
2.2.2	Finalize Rules	1														

# ANNEXURE 1.1

## Annual work plan for the financial year 2009 - 2010

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter												Responsible
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
<b>2.3</b>	<b>The Witness Protection Act/Rules</b>															
2.3.1	Consult with RBP, OAG and others	3														
2.3.2	Identify working group	1														
2.3.3	Commence drafting	Draft Rules														
2.3.4	Conduct National Consultative Workshop	Workshop held	Increased the number of conviction rates.													
2.3.5	Finalize Rules	1														
<b>3</b>	<b>PUBLIC EDUCATION AND ADVOCACY SERVICES</b>															
<b>3.1</b>	<b>AWARENESS &amp; ADVOCACY PROGRAM</b>															
<b>3.1.1</b>	<b>Workshop/Interactive session on Revised Procurement Manual, SPD, AC Act, Asset Declaration Rules, Gift Rules &amp; how to lodge quality complaint. (Dzongkhags)</b>															
3.1.1.1	Consult dzongkhags & arrange resource persons & logistics															
3.1.1.2	Conduct workshop	6														
3.1.1.3	Review feedback and make necessary changes															
<b>3.1.2</b>	<b>Public sensitization on corruption issues (Mass Media)</b>															
3.1.2.1	Broadcast TV spot "the state and the common people will loose from collusion & bribery"	10														
3.1.2.2	Broadcast TV spot "Corruption is evil" (CICCC on BBS)	15														
3.1.2.3	Broadcast Music Video of the ACC Theme song "Resist & refrain from corruption"	15														
3.1.2.4	Broadcast TV Spot "Keep Bhutan Clean from Corruption"	10														
3.1.2.5	Broadcast Radio Jingle "Fighting corruption is a collective responsibility"	15														
3.1.2.6	Broadcast Radio Jingle "Say no to corruption"	10														

Public Education  
Division (PED)





## Annual work plan for the financial year 2009 - 2010

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Responsible	
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		Mar
3.1.3.5	Publish the final copy												
3.1.3.6	Document soft & hard copy for reference & publish on ACC website												
3.1.4	Anti-Corruption Poster/Sticker	2											
3.1.4.1	Research and select a topic with a concept poster												
3.1.4.2	Share the theme concept for comments & endorsement												
3.1.4.3	Send for layout design												
3.1.4.4	Share the draft design for comment & endorsement												
3.2	BEHAVIOUR CHANGE PROGRAM												
3.2.1	Operationalization of Value Education Curriculum (School)	1											
3.2.1.1	Assist in development of the modules												
3.2.1.2	Strengthen/operationalize the value education curriculum in school												
3.2.1.3	Draft monitoring and evaluation design												
3.2.1.4	Monitor & evaluate program												
3.2.1.5	Compile & share report												
3.2.2	Integrity Education for Tertiary Institution (AC Act, Code of Ethics, Conflict of Interest, Integrity Pact & how to report corruption	1											
3.2.2.1	Support develop relevant course module												
3.2.2.2	Institute/incorporate integrity education curriculum in the tertiary institutions												
3.2.2.3	Draft monitoring and evaluation design												
3.2.2.4	Evaluate program												
3.2.2.5	Compile & share report												

# ANNEXURE 1.1

## Annual work plan for the financial year 2009 - 2010

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Responsible	
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
3.2.3	Integrity Education for Public Officials (AC Act, BCSR, Financial Manual, Procurement Manual, Code of Ethics)	1	An informed citizenry public behavior is observed: Youths in school resent cheating and foul play & attach high regard for honest people; efficient and courteous service delivery in the public offices & high regard for public officials as honest and professional workers by the general public.														
3.2.3.1	Support develop relevant course module																
3.2.3.2	Institute/incorporate mandatory integrity education courses for public officials HRD																
3.2.3.3	Draft monitoring and evaluation design																
3.2.3.4	Evaluate program																
3.2.3.5	Compile & share report																
3.2.4	Integrity Education for Rural Public (AC Act, Citizen's Right, How to Report	1															
3.2.4.1	Support develop relevant course module																
3.2.4.2	Institute integrity education course modules into NFSCD curriculum																
3.2.4.3	Draft monitoring and evaluation design																
3.2.4.4	Evaluate program																
3.2.4.5	Compile & share report																
3.2.5	Integrity Education for Vocational Training Institute	1															
3.2.5.1	Support develop relevant course module																
3.2.5.2	Institute integrity education course modules into Vocational Training curriculum																
3.2.5.3	Draft monitoring and evaluation design																
3.2.5.4	Evaluate program																
3.2.5.5	Compile & share report																
3.2.6	Strengthen networking with the media (Regular program/feature stories on good governance integrity to be instituted in the policy)																
3.2.6.1	Prepare and organize a consultative workshop																
3.2.6.2	Prepare report and endorse agreement																







## Annual work plan for the financial year 2009 - 2010

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Responsible
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
	b) Service Delivery system in gewog	1														
	b) Service Delivery system in gewog report															
<b>4.6</b>	<b>Asset Declaration</b>															
4.6.1	Administer and Manage AD system	1	AD system strengthened.													
4.6.2	Assess AD system effectiveness and report	1														
<b>5</b>	<b>INVESTIGATION SERVICES</b>															
<b>5.1</b>	<b>Complaints Management</b>															
5.1.1	Development of software for complaints and investigation management.															
<b>5.2</b>	<b>Intelligence Networking and Surveillance</b>															
5.2.1	Development of operational frame work															
<b>5.3</b>	<b>Investigation</b>															
5.3.1	Investigation of complaints	20														
5.3.2	Pro-active Investigations	3														
5.3.3	Provide feed back to PD on systems improvement	4														

# ANNEXURE 1.2

## Annual work plan for the financial year 2010-2011

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Responsible
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
<b>1</b>	<b>SECRETARIAT SERVICES</b>															
<b>1.1</b>	<b>Direction and management</b>															
1.1.1	General administrative functions - recruitment, promotion etc	efficient support to technical divisions														
1.1.2	Implementation of HR plan of the Commission - # of slots implemented	83	professionalism and capacity enhanced for effective control of corruption.													
1.1.3	Performance Planning	1														
1.1.4	Performance evaluation	1														
1.1.5	Building a long term HRD plan with technical assistance															
<b>1.2</b>	<b>Construction of ACC office building</b>															
1.2.1	Work implementation															
1.2.2	Handing/taking over of building															
1.2.3	Conduct of ramney/drup and shifting of office															
<b>1.3</b>	<b>Institution Building</b>															
1.3.1	Formulation of procedures for complaints against ACC															
<b>1.4</b>	<b>Work Plans and review</b>															
1.4.1	Coordinate and formulate weekly work plan meetings	Work plans submitted on time														
1.4.2	Coordinate periodical monthly meetings and follow ups	Meetings minutes circulated on time														
1.4.3	Coordinate development of 2010-2011 Work Plan in line with 10th Plan document	1	Ad hoc activities minimised. Focused and timely achieved													
1.4.4	Circulate final version of 2010-2011 Work Plan with indicators															
1.4.5	Coordinate quarterly review meeting of 2010-2011 Work Plan															
1.4.6	Coordinate half yearly review meeting of 2010-2011 work plan															
1.4.7	Coordinate annual review meeting of 2010-2011 Work Plan															
<b>1.5</b>	<b>Annual report</b>															
1.5.1	Prepare draft content topics & get its approval															
1.5.2	Divisions submit content, charts, activities progress, etc	Divisional write-ups														
1.5.3	Consolidate divisional inputs & get comments	Draft report after divisional comments														
1.5.4	Send for draft layout design and supervise the work															
1.5.5	Submit draft copy for proof reading	Draft report after layout	ACC's transparency and accountability enhanced.													
1.5.6	Liaise with Credential & Ethics and Governance Committees for distribution	Presentation format finalised														
1.5.7	Post it in the website and distribute to all	ACC's report accessed in website														
<b>1.6</b>	<b>Projects</b>															
1.6.1	Submit UNDP/ACRC Project quarterly progress report (QPR)	1														

# ANNEXURE 1.2

## Annual work plan for the financial year 2010-2011

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Responsible
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
1.6.2	Submit GoI Project quarterly progress report (QPR)	4	Project funds used transparently and on time													
1.6.3	Coordinate SDC Project Review Committee (PRC) meetings	1														
1.6.4	Submit bi-annual progress report	1														
1.7	<b>Regional networking</b>															
1.7.1	Maintain up-to-date institutional linkage with ADB/OECD Anti-Corruption Initiative Secretariat	No. of country reports submitted/ coordinated. No. of best practices sharing coordinated.														
1.7.2	Draft memorandum of understanding (MoU) for institutional linkages		Working relationship enhanced													
1.7.3	Seek the Commission's clearance and consult with MoFA	Areas of cooperation identified. MoUs with NSW ICAC & SG														
1.7.4	Coordinate consultations with the ACC/MoFA and Regional anti-corruption institutions to finalize the MoU	CPIB, India CBI and ACC/MoFA signed														
1.7.5	Coordinate signing of the MoUs															
1.7.6	Coordinate smooth implementation of MoUs															
2	<b>LEGAL DSERVICES</b>															
2.1	<b>Amendment of the Anti-corruption Act</b>															
2.1.1	Public consultation/stakeholders workshop															
2.1.2	Seek technical assistance															
2.1.3	Finalize the Bill															
2.1.4	Translate into Dzongkha															
2.1.5	Submit the Bill to National Council for its 3rd reading															
2.2	<b>UN Convention Against Corruption</b>															
2.2.1	UNCAC gap analysis															
2.2.2	Consult MoFA on accession to UNCAC															
2.2.3	Accession to UNCAC															
2.3	<b>Witness protection</b>															
2.3.1	Consult with RBP, OAG & others															
2.3.2	Identify nodal agency															
2.3.3	Cooperate in drafting of witness protection laws															
3	<b>PUBLIC EDUCATION AND ADVOCACY SERVICES</b>															
3.1	<b>AWARENESS &amp; ADVOCACY PROGRAM</b>		Awakened citizenry													
3.1.1	Technical session/Workshop for Public agencies and officials on the provisions of NACS, Revised Procurement Manual, SPD, AC Act, Asset Declaration Rules, Gift Rules and sharing of corruption case stories	10	Public agencies identify corruption risks and prevent them													
3.1.2	Public awareness and advocacy (geog) (Corruption issues, ACC investigation, Reporting corruption, Must Know legal provisions and other GG issues)	100	People's awareness of corruption increase, quality complaints													

# ANNEXURE 1.2

## Annual work plan for the financial year 2010-2011

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Responsible
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
3.1.3	Public awareness on corruption issues (Mass Media)		Public support to fight corruption enlisted													
3.1.3.1	Broadcast of TV programs	200 (hrs)														
3.1.3.2	Broadcast of Radio programs	200 (hrs)														
3.1.4	Develop Television, radio and print advocacy that convey the determination of the Commission to fight corruption and to enlist public support		Public support enlisted													
3.1.4.1	TV Spots	3														
3.1.4.2	Radio series	3														
3.1.4.3	Print (brochures, stickers)	3														
3.1.5	Coordinate and collaborate with media houses															
3.1.6	Observance & Commemoration of the International Anti-Corruption Day & National Corruption Free Week	1														
3.1.7	Coordinate the publication of ACC Quarterly News Update	4														
3.2	BEHAVIOUR CHANGE PROGRAM		Values and integrity promoted in the school culture													
3.2.1	Value Education (School)															
3.2.1.1	Provide relevant input to GNH Infusion into school curriculum															
3.2.2	Draw and design mass education program on value and															
3.2.3	Integrity and Ethics (Tertiary Institutes)															
3.2.3.1	Facilitate the operationalization of Code of Conduct and Ethics															
3.2.3.2	Facilitate the promotion of Conflict of Interest															
3.2.4	Promotion of Island of Integrity	10														
4	PREVENTION SERVICES															
4.1	System studies															
4.1.1	Investigation related	20	Corruption incidents reduced													
4.1.2	Govt. Housing allotment system (NHDC and NPPF)	2	Equity													
4.2	Coordination and collaboration															
4.2.1	Organize RAA/IAU/ACC tri-partite coordination meeting	2	Enhanced coordination and transparency among RAA, ACC and IAs.													
4.2.2	Encourage development of sectoral Code of Conduct and implement		Enhanced compliance of Code of Conduct/BCSR.													
4.3	NACs implementation (ACC)		Incidents of corruption													
4.3.1	Monitoring anti-corruption measures bi-annually in:															
4.3.1.1	Ministries															
4.3.1.2	Judiciary															
4.3.1.3	Armed forces															
4.3.1.4	Autonomous agencies															
4.3.1.5	NGOs															

## Annual work plan for the financial year 2010-2011

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter				Responsible
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun					
4.4	Review of legal framework and draft/coordinate drafting of new relevant laws																		Legal	
4.4.1	i) review PCB/ACA																			
4.4.2	ii) Formulation of Anti-money Laundering Act.																			
4.5.1	develop and disseminate value and integrity materials																			
4.6.1	quarterly coordination meeting																		PED	
4.7	Coordinate, educate and encourage CSO																		PD	
4.7.1	half yearly coordination meeting																			
4.8	Coordinate and encourage business houses to refrain, resist and report corruption																		PD	
4.8.1	sensitization																			
4.9	Coordinate and collaborate with Dratshang Lhentshog																		PD/PED	
4.9.1	Coordinate dissemination of ill effects of corruption.																			
4.1	Regional and international anti-corruption initiatives																		Sect./Legal	
4.10.1	Formalise institutional networks with regional anti-corruption agencies (ICAC, HK, ICAC, Aus, CBI, Ind, CPIB, S/pore, etc)																			
4.11	Asset Declaration																			
4.11.1	Monitor decentralised online AD system	10	AD System strengthened.																	
4.11.12	Assess random AD correctness		Enhanced correct declaration																	
5	INVESTIGATION SERVICES																			
5.1.1	Investigation of complaints	20																		
5.1.2	Conduct of discreet inquiries	20																		
5.1.3	Sharing complaints with relevant agencies and with PD of ACC																			
5.1.4	Compilation and production of monthly, quarterly and annual summary of complaints	17																		
5.1.5	Operationalization of IMS																			
5.1.6	Adoption of integrity vetting and privilege information disclosure on voluntary basis																			
5.1.7	Preparation of Road Map for establishment of Computer Forensic Lab																			



## Staff strength

Sl. No.	Name	Designation	Qualification	Joined ACC on:
<b>Commission</b>				
1	Neten Zangmo	Chairperson	M.Tech (Ed.)	1-Jan-2006
2	Thinlay Wangdi	Commissioner	M.Sc	15-Feb-2006
3	Kezang Jamtsho	Commissioner	M.E	4-Oct-2007
<b>Secretariat</b>				
4	Rinzin Dorji	Director	MPA	8-Oct-2007
<b>Investigation Division</b>				
5	Dorji Thinlay	Chief Investigation Officer	B.Pharm	25-Oct-2007
6	Gyeltshen	Dy. Chief Investigation Officer	MBA	29-Oct-2007
7	Techoo Dorji	Dy. Chief Investigation Officer	Diploma in Forestry	1-Sep-2006
8	Kin Dorji	Sr. Investigation Officer	MCEIM	28-Jan-2008
9	Tshering Penjor	Investigation Officer	B.Com, PGCFM	22-Oct-2007
10	Ugyen Tshering	Investigation Officer	B.A, PGCE	17-Mar-2006
11	Leki Dendup	Investigation Officer	B.Com, PGCFM	1-Sep-2006
12	Tashi Phuntsho (on Long-term study)	Asstt. Investigation Officer	B.Com (Hons)	15-Mar-2007
13	Karma Gyeltshen	Investigation Officer	B.E	1-Apr-2009
14	Phuntsho Namgyel	Asstt. Investigation Officer	BBA	2-Apr-2009
15	Sangay	Asstt. Investigation Officer	B.Com (Hons)	4-Apr-2009
16	Tshering Wangchuk	Asstt. Investigation Officer	B.Com, PGDPA	1-Jan-2010
17	Tashi Dorji	Asstt. Investigation Officer	B.A, PGDPA	2-Jan-2010
18	Thinlay Tobgay	Asstt. Investigation Officer	B.A, PGDPA	3-Jan-2010
19	Namgay Wangchuk	Asstt. Investigation Officer	B.A, PGDFM	1-Jan-2011
20	Jurmin Tenzin	Asstt. Investigation Officer	B.A, PGDFM	1-Jan-2011
<b>Public Education Division</b>				
21	AK Rinzin	Chief Communications Officer	M.Sc	24-Apr-2008
22	Jigme Choden	Sr. Communications Officer	B.E	15-Oct-2010
23	Rinchen Namgay	Assistant PE Officer	B.Sc	1-Feb-2011
<b>Prevention Division</b>				
24	Loday Tsheten (on Long-term study)	Sr. Prevention Officer	MBA	9-Oct-2007
25	Chhimi Wangmo	Asstt. Research Officer	BA (Hons)	19-May-2006
26	Ugyen Gyeltshen	Sr. System Analyst	B.E	1-Apr-2009
27	Tshering Wangmo	Sr. Reseach Officer	B.Com (Hons), PGCE	1-Jan-2011
28	Dema Lhamo	Asstt. System Analyst	MA	3-Apr-2009
<b>Policy and Planning Division</b>				
29	Karma Thinlay (on Long-term study)	Chief Planning Officer	B.Tech	19-Mar-2006
30	Kinlay Wangmo	Assistant Planning Officer	B.A, PGDPA	1-Jan-2011
<b>Legal Division</b>				
31	Choining Dorji	Chief Legal Officer	LLM	13-Apr-2008
32	Sherub Tharchin	Assistant Legal Officer	PGDNL	1-Jan-2010
33	Sonam Dhendup	Legal Assistant	Diploma in National Law	14-Jan-2008
<b>Administration and Finance Division</b>				
34	Nawang Gyeltshen	Administrative Officer	B.A, PGCE	01/01/2011
35	Kunzang Norbu	Accounts Officer	B.Com, PGCFM	3-Jan-2010
36	Tashi Tobgay	ICT Officer	B.Tech (IT)	1-Jan-2010

## ANNEXURE 2

37	Kunzang Dorji	Dzongkha Coordinator	BA (Dzongkha)	1-Jan-2008
38	Pasang Dema	Assistant HR Officer	B.A, PGDPA	1-Jan-2011
39	Rinzin Pem	Personal Assistant	Certificate	1-Jan-2006
40	Yeozer Dolma (on <b>Long-term study</b> )	Asstt. ICT II	DIMS	1-Jul-2006
41	Karma Chhophel	Asstt. Accountant II	DFM	5-Aug-2010
42	Yangzom	Personal Assistant	ISC	5-May-2006
43	Khankhu	Driver	Certificate	15-Jun-2006
44	Langala	Driver I	Certificate	1-Jan-2006
45	Sangay Namgay	Driver II	Certificate	21-Jun-2006
46	Tshewang Eden	Receptionist	Class-XII	24-Jan-2008
47	Tshering Dorji	Driver	Class XII	17-Apr-2008
48	Sonam Tshewang	Driver	Class XII	5-Jan-2010
49	Ugyen Dorji	Driver	Class X	5-Jan-2010
50	Tenzin Dorji	Driver	Class X	5-Jan-2010
51	Chhimi Wangdi	Driver	Class VIII	5-Jan-2010
52	Kelzang Dema	Dry Sweeper	NFE	1-Mar-2006

Proposed Strategy/Activity	Objective	Output	Proposed timeframe	Responsibility	Status
<b>Strategic Consideration 1. Promoting leadership</b>					
Include 'integrity' as an integral part of recruitment process, especially for leadership positions. Institute robust recruitment processes with appropriate tools including effective selection panels for leadership positions.	To have credible leaders in civil service organizations who can be looked up to as role models.	Robust selection and recruitment system for leadership positions.	Regular basis for recruitment and promotions	RCSC and agencies.	RCSC's intervention in leadership, performance management system, operationalization of COC and implementation of NACS discussed with RCSC in April 2010 (leadership concept paper also shared).  Much remains to be desired.
<b>Strategic Consideration 2. Ensure Sustained Political Will</b>					
In accordance with His Majesty's vision of corruption free Bhutan, Government to adopt and sustain a definite policy on corruption.	To mainstream anti-corruption strategies into programs and activities.	A definite policy on corruption (manifesto already contains it) Continuity of this policy	Throughout 10 <sup>th</sup> Five Year Plan (July 2008-July 2013)	Government	Ownership of NACS with the government.  Implementation of NACS slow.
<b>Strategic Consideration 3. Review of Legal Frameworks to make Corruption High Risk Offence.</b>					
Review Penal Code of Bhutan (PCB), Anti-Corruption Act (AC Act) & Civil and Criminal Procedure Code (CCPC) for corruption offences and sanctions therein and also review other anti-corruption legislation in the Kingdom (in progress). Draft new laws such as contract, access to information and Anti-	To make corruption high cost, high risk and low benefit offence To deter people from corruption by clear and stringent laws	A consolidated Act on corruption or Harmonized clauses in laws on corruption	To be readied for 2010 Parliament session	Good Governance Committee of the National Council & Legislative committee of the National Council in collaboration	AC Bill, PCB and CCPC under review by Parliament.  Drafting of contract and access to information laws initiated.  Financial Service Bill which covers provisions of anti-money laundering under review by Parliament (Regulations and

### ANNEXURE 3

Money Laundering Acts (1 <sup>st</sup> & 2 <sup>nd</sup> already initiated).						with the ACC	guidelines will come into force upon enactment of Financial Service law).
<b>Strategic Consideration 4. Review and Strengthen Institutional Capacity</b>							
Agencies should review their institutional capacity in line with their respective mandates and workloads to improve it based on the identified weaknesses and gaps (capacity to implement assessment of corruption risks, pro-activeness in addressing systemic loopholes and detecting corrupt conduct and ensuring compliance by employees).	To build a robust institutions with adequate manpower, skills and knowledge.	Clean institutions with professional capacity and credibility.				By respective organizations and Government to support in terms of budgetary needs.	CRM conducted in ACC, PCC, DGM, CDCL, RSTA, DFPS and RICBL.  34 internal auditors (10ministries and 15 other agencies) trained on CRM. Internal auditors to conduct CRM in their agencies.  ACC to facilitate the conduct of 1 <sup>st</sup> CRM exercise in each agency, if requested.
<b>Strategic Consideration 5. Review and Refine Systems</b>							
<i>Procurement:</i> Review and reform of Government Procurement System, develop training and advocacy program and institute grievance re-dressal mechanism.	To develop a simple and transparent procurement system.	A standard and transparent procurement rules.				Ministry of Finance	Amongst other trainings conducted, a Certificate on Procurement Compliance course conducted for 422 participants by MoF. ACC conducted a session of the program. MoF amended the PRR 2009 (dynamic process).
<i>Strengthen public financial management system:</i> Examine ICT as a viable option to reduce human interactions in financial transactions.	To reduce human interactions in financial transactions to curb fraud, bribery and embezzlement.	An efficient financial management system with less human interactions.				All financial institutions in collaboration with RMA and MoF	Multi-Year Rolling Budget (MYRB) and Public Expenditure Management System (PEMS) of MoF operational.
<i>Simplify procedures and regulations:</i> Reduce red tape using effective tools such as SCM, RIA to measure AB. Enhance transparency & efficiency in service delivery through development of service standards and establishment of	To reduce cost of services delivery and incidences of bribery and graft.	Clear, simple and effective regulations with reduced costs	Institutional ze SCM by 2009-10 and continue thereafter.			RCSC in coordination with all concerned agencies (IPSDS) to facilitate)	Process towards institutionalizing RIA in progress (led by MEA).  RIA Rules and Guidelines drafted. PPD focal persons trained. SCM an effective tool to measure administrative costs forms an integral part of RIA.

# ANNEXURE 3

OSS.							Government's G2C project to improve service delivery in good progress. IPSDS dissolved. ACC will continue the activities not covered by any project.
<i>Minimize discretionary powers of decision-makers:</i> Review current decision making process, examine transparency and collective decision-making. Introduce decision making protocol.	To reduce misuse of power and authority	Clear decision/ rule making protocols.	By July 2010	All respective agencies	Only MoE makes all decisions based on the general decision making protocol.		
<i>Policy and Rule Making Protocol:</i> Establish clear & transparent protocol on policy and rule aking.	To improve efficiency and transparency.	Clear-cut protocol on policy and Rule making	By July 2010	Cabinet Secretariat	Government in the process of institutionalizing RIA coordinated by MoEA to ensure quality laws, but no rule making protocol in place. Policy screening protocol initiated by GNHC operational.		
<i>Enforce code of conduct and ethics:</i> Agencies should formulate their own code of conduct and enforce it. Train employees to understand the code, its enforcement process and their obligations.	To reduce general corrupt conduct through fixing accountability.	Appropriate code of conduct with sanction provisions.	By Jan 2010	All respective ministries and agencies.	Implementation infrastructure of COC and code of conduct & ethics nonexistent.		
<i>Enforce declaration of conflict of interest:</i> Implement a compulsory system of declaring conflict of interests and enforce it. Train employees to ensure compliance.	To reduce general corrupt conducts through transparency mechanism	A compulsory system of declaring conflict of interests	By December 2009	All respective ministries and agencies	Actual implementation of COI absent (no record of COI declared in 2010 except for MoE).		
<b>Strategic Consideration 6. Long term Educational Strategy for an Awakened Citizenry</b>							
Improve schools' curricular content on value education including delivery. Develop curricular content on	To inculcate moral values through education system. To build an	An awakened citizenry that do not	By February 2012.	MoE, REC, RUB. MLHR, RCSC & RIM.	Both MoE and RIM in the process of strengthening/developing a curriculum on value education and professional ethics.		



### ANNEXURE 3

value education and professional ethics. Draw and design training for in-service civil servants on integrity and professional ethics. Draw and design mass education program on value and integrity.	incorruptible civil service. To disseminate information to general citizen about the menace of corruption.	tolerate corruption.		ACC for corruption education program	Not done.  49 gewogs of the 10 dzongkhags educated by ACC and remaining gewogs will be covered within 2011.
<b>7. Promoting Partnership with Stakeholders.</b>					
<i>I. Media.</i> Coordinate and collaborate with all media houses.	As a medium of public education, public expressions and to expose corruption.	Media reports on corruption	On a regular basis	ACC & Media	Dialogue with media on the need to expose corruption and build public awareness on corruption resumed but no progress. Adhoc program conducted.
<i>ii. Private sector.</i> Coordinate and encourage business houses to resist, refrain and report corruption	To encourage clean business practices through enhanced business ethics.	Improved business ethics	On regular basis	ACC & BCCI	BCCI developed model code for businesses in collaboration with ACC. However, enforcement is poor. Discussed with MEA to incorporate requirement for such codes during registration of business licenses.
<i>iii. Civil Society and NGO.</i> Coordinate, educate and encourage Civil Society to oppose and report corruption. (fundamental duty as enshrined in the Constitution)	To exert pressure and defy corruption in the society.	External check and balance and build on the culture of intolerance to corruption.	On regular basis	ACC & CSOs	Involved in the formulation of NACS and UNCAC self assessment report. Work needs to be done on building collaboration.
<i>iv. Spiritual Institutions</i> Value education like “THA DHAM TSE & LAY JUMDRAY” in all religious discourse and discourage corruption.	To educate people that corruption is bad and that one should not indulge in it	Better and informed citizenship	On regular basis	Dratshang Lhentshog & ACC	Discussed with Dratshang Lhentshog and Chief Internal Auditor of Zhung Dratshang on the need to inculcate values of “THA DHAM TSE” & “LAY JUMDRAY” as a part of anti-corruption measures in all religious discourses. Presented NACS to Lhentshog during its annual conference. Covered under Dratshang-MOE’s spiritual development programme in schools.

ASSET, INCOME AND LIABILITY DECLARATION FORM

I. REASON FOR DECLARATION

Indicate it by ticking on an appropriate box

1. Assumption of Office☐
2. Annual Declaration☒
3. Vacation of Office☐

II. Details of the declarant and his/her spouse, children and dependents

In this part, please provide your personal information. If applicable, provide your spouse, children and dependents' personal information. Please tick the appropriate box to indicate your relationship.

Name	Relationship	CID No	EID No	Date of Birth	Employing Agency	Permanent Address and Phone/Mobile No
Neten Zangmo	Self	11107002058	8606007	23/09/1961		Dewathang Throm, Dewathang, Samdrup Jongkhar 334870(O), 334865(F), 324779(R), 77269533(M)

III. Declaration of Asset, Income and Liabilities

In this part, please provide the details of assets owned by you, your spouse, children and dependents. However you need not provide the details in respect of your spouse, children and dependents, if they have to declare to their respective organisations.

A. Immovable Properties such as Land and Building/House

Owner's Name	Relationship	Asset Type	Plot/Thram No	Location	Current Market Value	Acquisition		
						Cost	Year	Mode
Total						0.00		
						Source of Finance		

B. Shares & Stocks

Owner's Name	Relationship	Certificate / CD No	No of Shares / Stocks	Company Name	Current Market Value	Acquisition		
						Cost	Year	Mode
Total						0.00		

C. Vehicle / Machineries

Owner's Name	Relationship	Type of Vehicle / Machinery	Model & Year of Manufacture	Registration No	Current Market Value	Acquisition			
						Cost	Year	Mode	Source of Finance
Neten Zangmo	Self	Hyundai (Atos)	2002	BP-4-0276	327,000.00	327,000.00	2002	Purchased	Salary
Total					327,000.00	327,000.00			

D. Interest Bearing Deposits

Owner's Name	Relationship	Type of Deposit	Account No	Name of Bank / Financial Institution / Company	Amount	Source of Deposit
Neten Zangmo	Self	RD/AC	60200220319010010	BoB	155,000.00	Salary
Neten Zangmo	Self	SB/AC	10200220188760010	BoB	759,970.58	Salary & Terminal Benefits
Neten Zangmo	Self	FD	50100220188760021	BoB	500,000.00	Terminal Benefits
Total					1,414,970.58	

E. Convertible Assets

Convertible Assets such as the work of arts, jewellery, gold and other objects **EXCEEDING** a value of Nu. 100,000/- per item.

Owner's Name	Relationship	Type of Assets	Current Market Value	Acquisition			
				Cost	Year	Mode	Source of Finance
Total			0.00				

F. Commercial Activities and Intellectual Properties

Owner's Name	Relationship	Name of Activities	License No	Current Market Value	Acquisition			
					Cost	Year	Mode	Source of Finance
Total			0.00					

IV. Income statement.

In this part, please provide income statement of your, your spouse, children and dependents for the past year. However, you need not provide income statement in respect of

Annexure 4.1

your spouse, children and dependents, if they have to declare to their respective organizations.

Earner's Name	Relationship	Income From							Grand Total
		Employment	Consultancy / Business	Rentals	Deposits / Securities	Share Holdings	Hire Charges	Other Sources	
Neten Zangmo	Self	711,414.00	0.00	0.00	0.00	0.00	0.00	0.00	711,414.00
<b>Total</b>		<b>711,414.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>711,414.00</b>

V. Liabilities.

In this part, please provide your, your spouse, children and dependent's liabilities. However, you need not provide details of liabilities in respect of your spouse, children and dependents, if they have to declare to their respective organizations.

Name of Debtor	Relationship	Creditor (Financial Institutions / Individuals)	Loan Amount (actual)	Loan Repayment (as of date)	Loan Outstanding in the past year)	Remarks (if any)
Total			0.00	0.00	0.00	

VI. Educational Expenditure of the Declarant's Children and Dependent(s)

Child's Name	Relationship	Name of School, Institute, Place	Course	Annual Expenditure	Remarks (if any)
Total				0.00	

AFFIDAVIT

I swear or confirm that all the information that I have written on this form is true, correct and complete to the best of my knowledge, information and belief. I understand that I can be prosecuted for perjury if I have intentionally given false information. I also know that I may be asked to show proof of any information I have given. I also hereby authorize the Commission or its duly authorized agency to obtain and secure from all appropriate agencies, including the Department of Revenue and Customs, such documents that may show such income, assets, and liabilities, including those of my spouse(s), children and dependent(s), covering previous years, including the year I first assumed office.

**Submission Date** February 02, 2011  
**Designation** Dasho Chairperson  
**e-Mail Address** rinzinpem@anti-corruption.org.bt

ASSET, INCOME AND LIABILITY DECLARATION FORM

I. REASON FOR DECLARATION

Indicate it by ticking on an appropriate box

- ☐ 1. Assumption of Office
- ☒ 2. Annual Declaration
- ☐ 3. Vacation of Office

II. Details of the declarant and his/her spouse, children and dependents

In this part, please provide your personal information. If applicable, provide your spouse, children and dependents' personal information. Please tick the appropriate box to indicate your relationship.

Name	Relationship	CID No	EID No	Date of Birth	Employing Agency	Permanent Address and Phone/Mobile No
Kezang Jamtsho	Self	10905006022	8901056	24/12/1961	Anti-Corruption Commission	Nangkor, Shumar, Pema Gatshel 334867(O), 334865(F), 17600906(M)
Sangay Lhamo	Spouse	11312003050	9108096	22/11/1966	Ministry of Education	Shershong, Shershong, Sarpang , 17623828(M)
Kinley Phyntso	Child	11312003057		11/01/1993		Shershong, Shershong, Sarpang
Dheychong Tselden	Child	11312003058		02/06/1996		Shershong, Shershong, Sarpang
Kindhey Jamtsho	Child	11312003059		06/01/1999		Shershong, Shershong, Sarpang

III. Declaration of Asset, Income and Liabilities

In this part, please provide the details of assets owned by you, your spouse, children and dependents. However you need not provide the details in respect of your spouse, children and dependents, if they have to declare to their respective organisations.



**A. Immovable Properties such as Land and Building/House**

Owner's Name	Relationship	Asset Type	Plot/Thram No	Location	Current Market Value	Acquisition			
						Cost	Year	Mode	Source of Finance
Kezang Jamtsho	Self	Two storey building with 24 dec. land	34/B/1102	Gelephu	3,700,000.00	800,000.00	2000	Purchase	Loan and saving
Kezang Jamtsho	Self	14 dec. land	171/PT/B; 49A	Samteling, Thimphu	2,100,000.00	490,000.00	2003	Purchased	savings
<b>Total</b>					<b>5,800,000.00</b>				

**B. Shares & Stocks**

Owner's Name	Relationship	Certificate / CD No	No of Shares / Stocks	Company Name	Current Market Value	Acquisition			
						Cost	Year	Mode	Source of Finance
Kezang Jamtsho	Self	1000324	150	PCAL	100,000.00	17,250.00	1999	Purchased	Savings
Kezang Jamtsho	Self	108854	30	BNBL	16,000.00	12,000.00	2004	Purchased	Savings
<b>Total</b>					<b>116,000.00</b>				

**C. Vehicle / Machineries**

Owner's Name	Relationship	Type of Vehicle / Machinery	Model & Year of Manufacture	Registration No	Current Market Value	Acquisition			
						Cost	Year	Mode	Source of Finance
Kezang Jamtsho	Self	Terracan	2006	BP-1B-0757	1,000,000.00	850,000.00	2006	Purchased	Loan and savings
<b>Total</b>					<b>1,000,000.00</b>				

D. Interest Bearing Deposits

Owner's Name	Relationship	Type of Deposit	Account No	Name of Bank / Financial Institution / Company	Amount	Source of Deposit
Kezang Jamtsho	Self	Saving account (SB)	10200435083610023	BoB, Gelephu	260,000.00	Rental income
Kezang Jamtsho	Self	Saving account (SB)	102002220201390014	BoB, Thimphu	250,000.00	Salary income
Total					510,000.00	

E. Convertible Assets

Convertible Assets such as the work of arts, jewellery, gold and other objects **EXCEEDING** a value of Nu. 100,000/- per item.

Owner's Name	Relationship	Type of Assets	Current Market Value	Acquisition		
				Cost	Year	Mode
Total			0.00	Source of Finance		

F. Commercial Activities and Intellectual Properties

Owner's Name	Relationship	Name of Activities	License No	Current Market Value	Acquisition		
					Cost	Year	Mode
Total			0.00				
				Source of Finance			

IV. Income statement.

In this part, please provide income statement of your, your spouse, children and dependents for the past year. However, you need not provide income statement in respect of your spouse, children and dependents, if they have to declare to their respective organizations.

Earner's Name	Relationship	Income From						Grand Total
		Employment	Consultancy / Business	Rentals	Deposits / Securities	Share Holdings	Hire Charges	Other Sources
Kezang Jamtsho	Self	615,775.00	0.00	138,000.00	0.00	15,000.00	0.00	0.00
Total		615,775.00	0.00	138,000.00	0.00	15,000.00	0.00	768,775.00

V. Liabilities.

In this part, please provide your, your spouse, children and dependent's liabilities. However, you need not provide details of liabilities in respect of your spouse, children and dependents, if they have to declare to their respective organizations.

Name of Debtor	Relationship	Creditor (Financial Institutions / Individuals)	Loan Amount (actual)	Loan Repayment (as of date)	Loan Outstanding in the past year)	Remarks (if any)
Kezang Jamtsho	Self	NPPF	500,000.00	388,600.00	296,017.00	As of 2 March 2011
Total			500,000.00	388,600.00	296,017.00	

VI. Educational Expenditure of the Declarant's Children and Dependent(s)

Child's Name	Relationship	Name of School, Institute, Place	Course	Annual Expenditure	Remarks (if any)
Kinley Phyntso	Child	MHSS	XII	5,000.00	Miscellaneous expenses
Dheyichong Tselden	Child	LMSS	VII	5,000.00	Miscellaneous expenses
Kindhey Jamtsho	Child	Early Learning Centre	V	28,500.00	Fees and miscellaneous expenses
Total				38,500.00	

AFFIDAVIT

I swear or confirm that all the information that I have written on this form is true, correct and complete to the best of my knowledge, information and belief. I understand that I can be prosecuted for perjury if I have intentionally given false information. I also know that I may be asked to show proof of any information I have given. I also hereby authorize the Commission or its duly authorized agency to obtain and secure from all appropriate agencies, including the Department of Revenue and Customs, such documents that may show such income, assets, and liabilities, including those of my spouse(s), children and dependent(s), covering previous years, including the year I first assumed office.

Submission Date02/03/2011

DesignationCommissioner

e-Mail Addressjamtsho@acc.org.bt

ASSET, INCOME AND LIABILITY DECLARATION FORM

I. REASON FOR DECLARATION

Indicate it by ticking on an appropriate box

- ☐ 1. Assumption of Office
- ☒ 2. Annual Declaration
- ☐ 3. Vacation of Office

II. Details of the declarant and his/her spouse, children and dependents

In this part, please provide your personal information. If applicable, provide your spouse, children and dependents' personal information. Please tick the appropriate box to indicate your relationship.

Name	Relationship	CID No	EID No	Date of Birth	Employing Agency	Permanent Address and Phone/Mobile No
Thinlay Wangdi	Self	11704002957	7605005	18/12/1955	Anti-Corruption Commission	Taba, Thim Throm, Thimphu , 334865(F), 325657(R), 17117808(M)
Ugyen Choedon	Spouse	11311001205	NA	07/04/2011	NA	Sarpangtar, Shompangkha, Sarpang , 325657(R)
Chimi Palky	Child	11311001207	NA	19/06/1981	YDF	Sarpangtar, Shompangkha, Sarpang , 325657(R), 17609696(M)
Gyeltsen Tobden	Child	11311001208	NA	12/07/1986	Kuenphen Technology	Sarpangtar, Shompangkha, Sarpang , 325657(R)

III. Declaration of Asset, Income and Liabilities

In this part, please provide the details of assets owned by you, your spouse, children and dependents. However you need not provide the details in respect of your spouse, children and dependents, if they have to declare to their respective organisations.

A. Immovable Properties such as Land and Building/House

Owner's Name	Relationship	Asset Type	Plot/Thram No	Location	Current Market Value	Acquisition			Source of Finance
						Cost	Year	Mode	
Thinlay Wangdi	Self	Land	48PT/B 203 B	Taba	2,800,000.00	224,000.00	2001	purchase	bank loan
Total					2,800,000.00				

B. Shares & Stocks

Owner's Name	Relationship	Certificate /	No of	Company	Current Market	Acquisition
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	CD No	Shares / Stocks	Name	Value	Cost	Year	Mode	Source of Finance
C. Vehicle / Machineries								
Total				0.00				

Owner's Name	Relationship	Type of Vehicle / Machinery	Model & Year of Manufacture	Registration No	Current Market Value	Acquisition		
						Cost	Year	Mode
Thinlay Wangdi	Self	Kia Sorento	2003	BP 1 6755	550,000.00	790,000.00	2003	purchase
Total					550,000.00			bank loan

D. Interest Bearing Deposits

Owner's Name	Relationship	Type of Deposit	Account No	Name of Bank / Financial Institution / Company	Amount	Source of Deposit
Total					0.00	

E. Convertible Assets

Convertible Assets such as the work of arts, jewellery, gold and other objects **EXCEEDING** a value of Nu. 100,000/- per item.

Owner's Name	Relationship	Type of Assets	Current Market Value	Acquisition		
				Cost	Year	Mode
Total			0.00	Source of Finance		

F. Commercial Activities and Intellectual Properties

Owner's Name	Relationship	Name of Activities	License No	Current Market Value	Acquisition		
					Cost	Year	Mode
Total			0.00				
				Source of Finance			

IV.Income statement.

In this part, please provide income statement of your, your spouse, children and dependents for the past year. However, you need not provide income statement in respect of your spouse, children and dependents, if they have to declare to their respective organizations.

Earners Name	Relationship	Income From	Grand Total
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		Employment	Consultancy / Business	Rentals	Deposits / Securities	Share Holdings	Hire Charges	Other Sources	
Thinlay Wangdi	Self	592,152.00	0.00	0.00	0.00	0.00	0.00	0.00	592,152.00
<b>Total</b>		<b>592,152.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>592,152.00</b>

**V. Liabilities.**

In this part, please provide your, your spouse, children and dependent's liabilities. However, you need not provide details of liabilities in respect of your spouse, children and dependents, if they have to declare to their respective organizations.

Name of Debtor	Relationship	Creditor (Financial Institutions / Individuals)	Loan Amount (actual)	Loan Repayment (as of date)	Loan Outstanding in the past year)	Remarks (if any)
Thinlay Wangdi	Self	Bank of Bhutan	300,000.00	66,758.00	233,242.00	repayment monthly installment of 5300 per month
Thinlay Wangdi	Self	RICBL	750,000.00	65,610.00	684,390.00	Card loan against the land at Taba
Thinlay Wangdi	Self	NPPF	350,000.00	655.00	349,345.00	7700 monthly installment
<b>Total</b>			<b>1,400,000.00</b>	<b>133,023.00</b>	<b>1,266,977.00</b>	

**VI. Educational Expenditure of the Declarant's Children and Dependent(s)**

Child's Name	Relationship	Name of School, Institute, Place	Course	Annual Expenditure	Remarks (if any)
<b>Total</b>				<b>0.00</b>	

**AFFIDAVIT**

I swear or confirm that all the information that I have written on this form is true, correct and complete to the best of my knowledge, information and belief. I understand that I can be prosecuted for perjury if I have intentionally given false information. I also know that I may be asked to show proof of any information I have given. I also hereby authorize the Commission or its duly authorized agency to obtain and secure from all appropriate agencies, including the Department of Revenue and Customs, such documents that may show such income, assets, and liabilities, including those of my spouse(s), children and dependent(s), covering previous years, including the year I first assumed office.

**Submission Date**  
**Designation**  
**e-Mail Address**

10/02/2011  
 Commissioner  
 mangdichu@gmail.com

## Status of sentence terms

Term of Sentences				
Offences	The Bill	National Council	National Assembly	Remarks
Impersonation	Misdemeanor	Deleted	Misdemeanor	
Disclosure of confidential information	Misdemeanor	Misdemeanor	Misdemeanor	
Possession of unexplained wealth	Misdemeanor	Misdemeanor	Misdemeanor	
Active bribery of public servants	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Passive bribery of public servants	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Active bribery of foreign public servants	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Passive bribery of foreign public servants	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Active bribery in relation to auctions	3rd degree felony	Not agreed	Misdemeanor or value-based sentence	
Passive bribery in relation to auctions	3rd degree felony	Not agreed	Misdemeanor or value-based sentence	
Embezzlement of funds or property by public servants	4th degree felony	4th degree felony or value-based sentence	Misdemeanor or value-based sentence	
Active trading in influence	4th degree felony	4th degree felony or value-based sentence	Misdemeanor or value-based sentence	
Active trading in influence involving public servants	4th degree felony	4th degree felony or value-based sentence	Misdemeanor or value-based sentence	
Passive trading in influence	4th degree felony	4th degree felony or value-based sentence	Misdemeanor or value-based sentence	
Passive trading in influence involving public servants	4th degree felony	4th degree felony or value-based sentence	Misdemeanor or value-based sentence	
Commission amounting to abuse of functions	4th degree felony	4th degree felony	Misdemeanor or value-based sentence	
Omission amounting to abuse of functions	4th degree felony	4th degree felony	Misdemeanor or value-based sentence	
Active commercial bribery	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Passive commercial bribery	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Embezzlement of funds or property in the private sector	4th degree felony	4th degree felony or value-based sentence	Misdemeanor or value-based sentence	
Active bribery in relation to bids	3rd degree felony	3rd degree felony or value-based sentence	4th degree felony or value-based sentence	
Passive bribery in relation to bids	3rd degree felony	3rd degree felony or value-based sentence	4th degree felony or value-based sentence	
Active bribery in relation to contract	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Passive bribery in relation to contract	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Concealment of corruption proceeds	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Failure to declare conflict of interest	Misdemeanor	Misdemeanor	Petty misdemeanor	

False declaration with a view to conceal	Misdemeanor	Misdemeanor	Misdemeanor	
Offences relating to witness	Misdemeanor	Misdemeanor	Misdemeanor	
Money laundering by converting or transferring corruption proceeds	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Money laundering by concealing or disguising corruption proceeds	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Money laundering by acquiring, possessing or using corruption proceeds	3rd degree felony	3rd degree felony or value-based sentence	Misdemeanor or value-based sentence	
Participation in an offence	Misdemeanor	Misdemeanor	3rd degree felony in respect of 1st & 2nd degree felony, and 1/2 of sentence in respect of other offences.	
Abuse of privileged information	Misdemeanor	Misdemeanor	Misdemeanor	
Protection of public property and revenue	Fine 2 times of amount claimed or value-based sentence	Fine 2 times of amount claimed or value-based sentence	Fine 2 times of amount claimed or value-based sentence	
False claim by public servants	Fine 2 times of amount claimed or value-based sentence	Fine 2 times of amount claimed or value-based sentence	Fine 2 times of amount claimed or value-based sentence	
Failure to report acts of corruption	Petty misdemeanor	Petty misdemeanor	Petty misdemeanor	
Penalty for false report	Petty misdemeanor	Petty misdemeanor	Petty misdemeanor	
Failure to provide information	Misdemeanor	Misdemeanor	Petty misdemeanor	
Obstruction of justice	Petty misdemeanor	Petty misdemeanor	Petty misdemeanor	
Offence of victimization	Petty misdemeanor	Petty misdemeanor	Petty misdemeanor	
Disclosure of identity of collaborators	Petty misdemeanor	Petty misdemeanor	Petty misdemeanor	
Offence of interference with international cooperation	Petty misdemeanor	Petty misdemeanor	Petty misdemeanor	

**Sentence range**

3rd degree felony = 5 years to less than 9 years

4th degree felony = 3 years to less than 5 years

Misdemeanor = 1 year to less than 3 years

Petty misdemeanor = 3 months to less than 1 year

If there is an option, higher one applies

## Sentencing Guideline

The Royal Government has declared a policy of “zero tolerance for corruption”. An appropriate legal intervention is required to realize such a laudable policy by making corruption a “high risk, high cost and low return” offence. The Penal Code of Bhutan (PCB) is mild on penalties for corruption offences besides being limited (para.10.3).

The PCB is a general law which could be superseded by a special law such as the Anti-Corruption Act according to the cannon of statutory interpretation. The PCB was legislated at a time when corruption was not a major issue. As the social values change, so must our legal environment. When the use of tobacco which mainly affects individual smoker could be made highly costly, corruption which affects the wellbeing of the Bhutanese society and the nation should be made even more costly.

The proposed sentence terms in the Anti-Corruption Bill 2010 was informed by our existing sentencing policy and that of other countries that have recently enacted their anti-corruption legislations in tandem with international standards. This is as presented below:

Offences	Sentence Range (in years)			Remarks
	Other Statutes	Other Countries	AC Bill	
Impersonation (§ 32)	PCB: <ul style="list-style-type: none"> <li>• Military officials-4<sup>th</sup> degree felony</li> <li>• Other officials- Misdemeanour</li> </ul> Election Act: 4 <sup>th</sup> degree felony		Misdemeanour	In most countries, sentences are in addition to fines
Disclosure of confidential information (§ 35)	PCB: Official misconduct- misdemeanour		Misdemeanour	
Possession of unexplained wealth (§ 44)		Hong Kong: 10 Sierra Leon: 3	Misdemeanour	PCB does not criminalize
Active bribery of public servant (§ 45)	PCB: <ul style="list-style-type: none"> <li>• Value-based</li> <li>• Election bribery-4<sup>th</sup> degree felony</li> </ul> NC Act: min. wage =5 Election Act: 4 <sup>th</sup> degree felony RSTA Act: 25 units	Australia: 10 Malaysia: 20 Sierra Leon: 3 Spain: 2-6 UK: 12 Cayman Island: <ul style="list-style-type: none"> <li>• Public officials-14</li> <li>• election bribery- 10</li> </ul> Mauritius: 10 Singapore: 5 South Africa: 5-life	3 <sup>rd</sup> degree felony	1 unit= Nu. 50

# ANNEXURE 6

		Swaziland: 10		
Passive bribery of public servant (§ 46)	PCB: <ul style="list-style-type: none"> <li>• Value-based</li> <li>• Extortion-3<sup>rd</sup> degree felony</li> <li>• Election bribery-4<sup>th</sup> degree felony</li> </ul> Election Act: 4 <sup>th</sup> degree felony RSTA Act: 50 units	Australia: 10 Spain: 2-6 UK: 12 Cayman Island: 10 Sierra Leon: 3 South Africa: 5- life India: 6 mn -5 Malaysia: 20 Mauritius: 10 Singapore: 5 South Africa: 5- life Swaziland: 10	3 <sup>rd</sup> degree felony	1 unit= Nu. 50
Active bribery of foreign public servant (§47 )		Malaysia: 20 Australia:10 Korea: up to 5 UK: 12 Cayman Island: 14 South Africa: 5- life	3 <sup>rd</sup> degree felony	
Passive bribery of foreign public servant (§ 48)	PCB: <ul style="list-style-type: none"> <li>• Value-based</li> <li>• Extortion-3<sup>rd</sup> degree felony</li> </ul>	South Africa: 5- life Malaysia: 20 Australia: 10 UK: 12	3 <sup>rd</sup> degree felony	
Embezzlement of funds or property by public servant (§ 49)	PCB: <ul style="list-style-type: none"> <li>• petty misdemeanour to 4<sup>th</sup> degree felony</li> <li>• Unauthorized use of property- petty misdemeanour &amp; misdemeanour if there is damage to property</li> </ul> Election Act: 4 <sup>th</sup> degree felony Bhutan Postal Corp Act: 5	Sierra Leon: 3	4 <sup>th</sup> degree felony	
Active trading in influence (§ 50)		Mauritius: 10 Sierra Leon: 3	4 <sup>th</sup> degree felony	PCB does not criminalize
Active trading in influence involving		Sierra Leon: 3 India: 6 mn -5	4 <sup>th</sup> degree felony	PCB does not criminalize



# ANNEXURE 6

public servant (§51 )		Mauritius: 10		
Passive trading in influence (§ 52)		Sierra Leon: 3 India: 6 mn -5 Mauritius: 10	4 <sup>th</sup> degree felony	PCB does not criminalize
Passive trading in influence involving public servant (§ 53)		Sierra Leon: 3 India: 6 mn -5 Mauritius: 10	4 <sup>th</sup> degree felony	PCB does not criminalize
Commission amounting to abuse of function (§ 54)	PCB: Official misconduct-misdemeanour	Sierra Leon: 3 Malaysia: 20 Mauritius: 10 Australia: 5	4 <sup>th</sup> degree felony	PCB does not criminalize
Omission amounting to abuse of function (§ 55)	PCB: Official misconduct-misdemeanour	Sierra Leon: 3 Malaysia: 20 Mauritius: 10 Australia: 5	4 <sup>th</sup> degree felony	PCB does not criminalize
Active commercial bribery (§ 56)		Singapore: 5 Hong Kong: 7 Malaysia: 20 Mauritius: 10 Sierra Leon: 3 South Africa: 5- life Swaziland: 10	3 <sup>rd</sup> degree felony	
Passive commercial bribery (§57)		Singapore: 5 Hong Kong: 7 Malaysia: 20 Mauritius: 10 Sierra Leon: 3 South Africa: 5- life Swaziland: 10	3 <sup>rd</sup> degree felony	
Embezzlement of fund or property in the private sector (§ 58)	PCB: Petty misdemeanour to 4 <sup>th</sup> degree felony Bhutan Postal Corp Act: 5		4 <sup>th</sup> degree felony	
Active bribery in relation to bid (§ 59)		Sierra Leon: 3 Malaysia: 20 Hong Kong: 10 South Africa: 5- life	3 <sup>rd</sup> degree felony	PCB does not specifically criminalize

## ANNEXURE 6

		Swaziland: 10		
Passive bribery of in relation to bid (§ 60)		Sierra Leon: 3 Malaysia: 20 Hong Kong: 10 South Africa: 5- life Swaziland: 10	3 <sup>rd</sup> degree felony	PCB does not specifically criminalize
Active bribery in relation to contract (§ 61)		Hong Kong: 10 Sierra Leon: 3 Mauritius: 10 South Africa: 5- life Swaziland: 10	3 <sup>rd</sup> degree felony	PCB does not specifically criminalize
Passive bribery in relation to contract (§ 62)		Hong Kong: 10 Sierra Leon: 3 Mauritius: 10 South Africa: 5- life Swaziland: 10	3 <sup>rd</sup> degree felony	PCB does not specifically criminalize
Concealment of corruption proceed (§ 63)		Australia: 5, 12, 25 Korea: 3 Malaysia: 7 Sierra Leon: 3	3 <sup>rd</sup> degree felony	PCB does not specifically criminalize
Failure to declare of conflict of interest (§ 64)	Labor and Employment Act: petty misdemeanour LG ACT: violation, that is, 90 days minimum wage	Mauritius: 10 Sierra Leon: 3 Swaziland: 10	Misdemeanour	PCB does not specifically criminalize
False declaration with a view to conceal (§ 65)			Misdemeanour	PCB does not specifically criminalize
Offences relating to witness (§ 66)	PCB: Assault is violation & if misdemeanour aggravated	South Africa: 5- life Swaziland: 20	Misdemeanour	
Money laundering by converting or transferring corruption proceed (§ 68)	PCB: value-based	Korea: 5 Sierra Leon: 3	3 <sup>rd</sup> degree felony	
Money laundering by concealing or disguising	PCB: value-based	Korea: 5 Sierra Leon: 3	3 <sup>rd</sup> degree felony	

corruption proceed (§ 69)				
Money laundering by acquiring, possessing or using corruption proceed (§ 70)	PCB: value-based	Korea: 5 Sierra Leon: 3	3 <sup>rd</sup> degree felony	
Participation in an offence (§ 72)			Misdemeanour	
Protection of public property and revenue (§ New)		Sierra Leon: 3 Swaziland: 10	Fine 2 times of amount claimed or value-based sentence	PCB does not specifically criminalize
False claims by public servant (§ New)			Fine 2 times of amount claimed or value-based sentence	
Improper use of restricted information for an advantage (§ New)			Misdemeanour	PCB does not specifically criminalize
Active bribery in relation to auction (§ New)		Hong Kong: 7 Sierra Leon: 3 South Africa: 5- life Swaziland: 10	3 <sup>rd</sup> degree felony or value-based sentence	PCB does not specifically criminalize
Passive bribery in relation to auction (§ New)		Hong Kong: 7 Sierra Leon: 3 South Africa: 5- life Swaziland: 10	3 <sup>rd</sup> degree felony or value-based sentence	PCB does not specifically criminalize
Duty to report acts of corruption (§ 73)	PCB: • Failure to report crimes-Petty misdemeanour • Hindering prosecution-Petty misdemeanour	Malaysia: 10	Petty misdemeanour	
Penalty for false information (§ 76)	PCB: petty misdemeanour		Petty misdemeanour	
Power of Commission to request information (§ 89)	Election Act: 4 <sup>th</sup> degree felony		Misdemeanour	

Obstruction of justice (§ 108)	<p>PCB:</p> <ul style="list-style-type: none"> <li>• Obstruction of public service-Petty misdemeanour</li> <li>• Assault is violation &amp; misdemeanour if aggravated</li> <li>• Battery-Petty misdemeanour and misdemeanour if aggravated</li> </ul> <p>Election Act: 4<sup>th</sup> degree felony</p> <p>Immigration Act:</p> <ul style="list-style-type: none"> <li>• False representation-misdemeanour</li> <li>• contempt-misdemeanour</li> </ul> <p>Labor and Employment Act: Misdemeanour &amp; 4<sup>th</sup> degree felony if aggravated</p>	<p>Cayman Island: 3</p> <p>Malaysia:10</p> <p>South Africa: 3</p>	Petty misdemeanour	
Offence of victimization (§ 111(9))			Petty misdemeanour	PCB does not specifically criminalize
Disclosure of identity of collaborators (§ 114(5))			Petty misdemeanour	PCB does not specifically criminalize
Offence of interference with international cooperation orders (§ 149)		<p>Cayman Island: 3</p> <p>Malaysia:10</p>	Petty misdemeanour	PCB does not specifically criminalize

**Sentence range:**

- 3<sup>rd</sup> degree felony = 5 years to less than 9 years
- 4<sup>th</sup> degree felony = 3 years to less than 5 years
- Misdemeanour = 1 year to less than 3 years
- Petty misdemeanour = 1 month to less than 1 year
- If there is an option, the higher one applies.

## UNCAC SELF-ASSESSMENT REPORT

## Members of the Team of Technical Experts

Sl. No.	Name	Designation	Organization
1	Pelzore Rumba	Head, Banking Operation	Bhutan National Bank Ltd.
2	Kinley Dorji	Chief Legal Officer	Ministry of Home & Cultural Affairs
3	Damche Tenzin	Chief Legal Advisor & Company Secretary	Bank of Bhutan Ltd.
4	Jurminla	Procurement Officer	Public Procurement Division, MoF
5	Yangzom	Procurement Officer	Public Procurement Division, MoF
6	Kinley Tenzin	Sr. Legal Officer	National Council Secretariat
7	Tashi Chenzom	Sr. Legal Officer	Ministry of Labor & Human Resources
8	Tashi Delek	Sr. Attorney	Office of Attorney General
9	Tshering Dhendup	Examining Officer	Royal Monetary Authority
10	Ugyen Penjor (late)	Legal Officer	Bhutan Infocomm and Media Authority
11	Phub Dorji	Registrar	High Court, Thimphu
12	Sonam Yangchen	Legal Officer	Royal Audit Authority
13	Rinchen Dema	Legal Officer	Ministry of Foreign Affairs
14	Dema Lham	Legal Officer	National Assembly Secretariat
15	Chhimi Tshoke Dorjee	Legal Officer	Ministry of Education
16	Kunzang	Legal Officer	National Environment Commission
17	Choining Dorji	Chief Legal Officer	Anti-corruption Commission
18	Sherub Tharchen	Asst. Legal Officer	

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Table: Case Log Sheet

Case Log Sheet for the year 2006

Case Details		Status	Remarks
SN	Case #		
1	Case-01/2006		<b>Natural Resources Training Institute (NRTI):</b> Payment of Nu. 19,200.00 to a workshop without replacement of vehicle spare parts. 3 people implicated.
2	Case-02/2006	Shared with NRTI for administrative action	Annual increment of 2 persons withheld for 3 and 5 years respectively. Nu. 19,200.00 restituted from the workshop.
3	Case-03/2006	Convicted	45.50 acres of land restituted. 4 people convicted and sentenced to imprisonment terms ranging from 5 to 9.5 years.
4	Case-04/2006	Convicted	7 people convicted and sentenced to imprisonment terms ranging from 1 year to 6 years. Sentence on 1 charged deferred. 1 person reprimanded and promotion withheld for 2 years. Thram record updated but physical demarcation pending after 2.5 years. TCC claims limited surveyors as reasons for non-implementation of the judgment. TCC has implemented 9 judgments out 10.
5	Case-05/2006	Acquitted	RICBL as directed submitted corrective measures adopted on 23 March 2009 to improve the system of claiming allowance. RICBL recovered Nu. 219,762.72 and took administrative action against 3 senior employees but no action was taken against management.
6	Case-06/2006	Acquitted	Dzongkhag court sentenced the alleged to 1 year imprisonment and fined Nu. 3,000.00. The accused appealed to High Court. High Court acquitted him on grounds of administrative action taken by Royal Civil Service Commission, which was reprimand & transfer to Department of Budget from Bumthang.
		Pending in High Court	4.5 acres land restituted.

## ANNEXURE 8

7	Case-07/2006	<b>Haa Dzongkhag:</b> Misuse of Nu. 83,773.00 by 8 people in Gyensa farm road construction. 8 people implicated.	Convicted	8 people sentenced to 1 month imprisonment. All 8 paid Thrimthue of Nu. 3,000.00 each and refunded Nu. 83,773.00.
8	Case-08/2006	<b>Nyshio Gewog, Wangdue:</b> Embezzlement of Gewog fund of Nu. 439,143.50. 1 person implicated.	Convicted by High Court	The accused appealed to His Majesty (pre Supreme Court period). The Zimpon's Office has referred the case back to the High Court and the case is under review once again.
9	Case-09/2006	<b>Drugyegang Gewog, Dagana:</b> Illegal conversion of <i>sokshing</i> and misuse of authority. 1 person implicated.	Convicted	Accused sentenced to 1 year imprisonment but fined Nu. 40,000.00. Accused paid Thrimthue of Nu. 36,000.00 in lieu of imprisonment. 2 acres land deleted from the Thram of the accused.
<b>Case Log Sheet for the year 2007</b>				
1	Case-01/2007	<b>Zhemgang Dzongkhag:</b> Forgery, collusion, and tampering of Buli-Tsaidang farm road construction bid document to make a higher bid lowest to award work & official misconduct. 3 people implicated.	Convicted	3 people sentenced to imprisonment for 0.5 to 2 years. Paid Thrimthue by all 3 in lieu of imprisonment. 3 people's promotion withheld for 2 to 3 years. 2 construction firms suspended for 1 year. 1 person terminated without benefits.
2	Case-02/2007	<b>Construction Association of Bhutan:</b> Embezzlement of Nu. 679,887.00 and misuse of authority. 1 person implicated.	Convicted	Accused sentenced to 2 years imprisonment and paid Thrimthue. Accused refunded Nu. 511,668.00 and subsequently compulsorily retired from service.
3	Case-03/2007	<b>Bajo New Town:</b> Unfair allotment of plots in new Bajo town through nepotism.	Shared with Ministry of Works and Human Settlement.	MWHS to revisit the criteria and to re-allot the plots. Problem in plot allotment persists.
4	Case-04/2007	<b>Youth Development Fund:</b> Embezzlement of Nu. 2,621,108.00 through forgery of signatures, double booking, non deposit of funds and expenditure without supporting documents. 1 person and Bhutan National Bank Limited implicated.	Convicted	Accused sentenced to 9 years imprisonment and to refund Nu. 1,160,895.56. Bhutan National Bank Limited and Youth Development Fund paid Thrimthue in lieu of 1 year imprisonment. BNB to refund Nu. 591,213.10 to the YDF.
5	Case-05/2007	<b>Haa Dzongkhag:</b> Illegal timber extraction, commercialization of rural timber, forgery and criminal misappropriation of government timber. 7 people implicated.	Convicted	8 people sentenced to imprisonment for 6 to 13 months. All paid Thrimthue. 3 people appealed to High Court, which upheld the lower court's judgment. 750 cft of timber handed over to Ministry of Agriculture and Forests. Rural timber concession under review after a systems report was shared.

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6	Case-06/2007	<b>Ministry of Works &amp; Human Settlement:</b> Claiming of material at site without materials, double claim of mobilization advance, claiming for bulking of soil in “widening of Doebum Lam.” project Implicated 2 people and members of tender evaluation committee.	Shared with Ministry of Works and Human Settlement. Closed.	1 person’s promotion withheld for 3 years. One contract firm suspended for 6 months. MWHS recovered Nu. 25,413.00 along with 24% interest from one contractor. Contractor fined Nu. 2,000.00 for facilitation by the Ministry of Economic Affairs.
7	Case-07/2007	<b>Dagana Dzongkhag:</b> Collusion, excess payment and misuse of authority in Construction of Babythang to Tshangkha farm Road. 1 person implicated. (RAA report 6459)	Convicted	Accused appealed to the High Court & subsequently to the Supreme Court. Both upheld the lower court’s judgment. Accused paid Thrimthue in lieu of 1 year imprisonment and terminated without benefits. Contract firm to refund Nu. 1,767,807.43 by February 20, 2011. Not paid. 2 persons annual increment withheld for 1 and 2 years. OAG appeared in the High Court on 29/3/2011 for petition on the execution of judgment debt.
8	Case-08/2007	<b>Ministry of Health:</b> Misuse of government vehicle and building materials by a senior officer.	Shared with Ministry of Health	Officer expressed his concern and stated that it happened during his absence and warned his staff not to repeat such acts in future.
9	Case-09/2007	<b>Mendregang Middle Secondary School, Tsirang:</b> Submission of forged bills for secured material advance of Nu. 7,354,348.00 by a contractor, subcontracting and breach of contract. 3 people implicated.	Convicted	4 people sentenced to imprisonment terms from 5 months to 5 years. 2 appealed to the High Court and sentenced reduced to 3 years. 2 people’s annual increment withheld for 1 year. 2 contract licenses cancelled by the High Court.
10	Case-10/2007	<b>Trashiyangtse Dzongkhag:</b> Embezzlement of Nu. 928,094.79 of government revenue. 3 people implicated (RAA report AIN No. 6721)	Convicted	3 people sentenced from 3 months to 3 years imprisonment. All paid Thrimthue. 2 people refunded Nu. 728,630.78. 1 person terminated from service with benefits.
11	Case-11/2007	<b>Bunthang Dzongkhag:</b> Fabrication of transportation bills for Nu. 30,610.00 from Kurje Lhakhang Drupchen fund. 2 people implicated	Shared with Drupchen organizers and Ministry of Home and Cultural Affairs	No element of corruption found but the means adopted was neither permissible nor ethical. 3 people reprimanded.
12	Case-12/2007	<b>Trashiyangtse Dzongkhag:</b> Alleged private land encroachment through misuse of authority and prejudiced decision.	Closed	Ignorance of complainant about land regularization procedures.

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13	Case-13/2007	<b>Food Corporation of Bhutan, Samdrup Jongkhar:</b> Non account of sale proceeds, fictitious claims of transportation charges, irregular cash purchases. 3 people implicated (RAA report AIN no. 6617)	Shared with Food Corporation of Bhutan pointing out the system flaws and to put corrective measures in place.	1 person compulsorily retired by FCB. 2 people reprimanded and bonuses forfeited. Contractor's security deposit of Nu. Nu.100,000.00 forfeited.
14	Case-14/2007	<b>Gelephu Dzongkhag:</b> Sale of 3 acres of land without the knowledge of the person in whose name the land is registered. 5 people implicated.	Convicted	4 people sentenced to imprisonment terms for 6 months to 2 years and 11 months. All 4 paid Thrimthue. 1 person acquitted. Complainant also found guilty.
15	Case-15/2007	<b>Widening of Chunzom-Isuna Highway:</b> Lapse in contracting procedure allowing excess claim of Nu. 9,875,438.32 by 4 contract firms. 4 persons implicated (RAA report AIN no. 7207).	Shared with Ministry of Works and Human Settlement	4 people reprimanded. Ministry of Works and Human Settlement recovered Nu. 9,875,438.32 from 4 contractors. Parties to the case to resolve through arbitration in line with the directives of District Court, Bench V, Thimphu.
16	Case-16/2007	<b>Tashichhodzong-Babesa Expressway:</b> Excess payment of Nu. 7,145,980.72 against Dense Bituminous Macadam and Asphalt Concrete and breach of contract. 3 people implicated (RAA report AIN No. 7207)	Shared with Ministry of Works and Human Settlement	3 people reprimanded. Ministry of Works and Human settlement to recover Nu. 7,145,980.72 from the contractor. Contractor has sued MWHs.
17	Case-17/2007	<b>Ministry of Education:</b> Fictitious claims of TA/DA amounting to Nu. 1,158,901.00 on behalf of teachers who did not attend workshops conducted by coordinators. 17 people implicated. (RAA report AIN No. 6474 & 6694)	Convicted	14 people sentenced to imprisonment for 1 to 19 months. 3 acquitted but administrative action taken against them by MOE upheld. 9 people terminated. 1 person's promotion withheld for 1 year.
18	Case-18/2007	<b>Pemagatshel Dzongkhag:</b> Allegation of bribery during political campaign. 2 people implicated.	Shared with the Election Commission of Bhutan	ECB held 1 person morally responsible for the objectionable behavior and cautioned against recurrence in future. Amount paid to individuals by 1 person forfeited and warned.

## ANNEXURE 8

19	Case-19/2007	Ministry of Works and Human Settlement, Ministry of Health, Ministry of Economic Affairs and Druk Holding Investments: Award of contract to Class A contract firm contrary to Construction Development Board rule of maximum of five contracts at any time and misrepresentation in declaring number of works at hand by the contractor.	Shared with agencies.	MWHS is awaiting court's judgment on supreme court construction to take action on the contractor.
<b>Case Log Sheet for the year 2008</b>				
1	Case-01/2008	<b>Gelephu Dzongkhag:</b> Circulation of selected text from a paper titled, "Bhutan a Kingdom Besieged" during political campaign. 1 person implicated.	Shared with Election Commission of Bhutan	Election Dispute Settlement Body disqualified the candidate.
2	Case-02/2008	<b>Paro Town Phase I:</b> Irregularities in payment for the work amounting to Nu. 2,380,000.00. 2 persons implicated. (RAA Report AIN 7104)	Under trial	1 person left civil service & out of the country. Trial deferred.
3	Case-03/2008	<b>Ministry of Foreign Affairs:</b> Non account and embezzlement of Nu. 1,189,600. 1 person implicated. (RAA Report AIN 7161)	Deferred	Deferred judgment. Accused transferred from Passport Section to Protocol Section and withheld training and transfers to missions/embassies for 2 years. Accused reinstated.
4	Case-04/2008	<b>Royal Bhutan Embassy, Delhi:</b> Double booking of bills, unsubstantiated booking of expenditure, fictitious payment of expenditure and non-account of statutory deduction amounting to Nu. 847,620.36 and US\$ 135.00. 1 person implicated. (RAA Report AIN 6953)	Convicted	Alleged sentenced to 18 months imprisonment and paid Thrimthue. The alleged terminated from services without benefits and refunded Nu. 830,339.36 and US \$ 135.00.
5	Case-05/2008	<b>Department of Geology and Mines (Dagachhu Project):</b> Embezzlement of government funds by making fictitious entries in the muster roll amounting to Nu. 329,600.00. 3 people implicated. (RAA Report AIN. 6715)	Convicted	All sentenced to 1 year imprisonment and paid Thrimthue in lieu of imprisonment. Terminated without post retirement benefits. Refunded Nu. 329,600.00 in total. 1 person however, received full post retirement benefits as <i>Kidlu</i> from the HM Secretariat.

## ANNEXURE 8

6	Case-06/2008	<b>Divisional Forest Office, Sarpang:</b> Misappropriation and embezzlement of government fund of Nu. 1,076,870.00. 1 person implicated (RAA report AIN No. 7197)	Closed	ACC informed by Ministry of Agriculture and Forests on 28 May 2008 that 1 person was terminated without benefits, when the investigation had been completed. OAG & ACC closed the case. Person should have been prosecuted.
7	Case-07/2008	<b>Construction of Mendregang MSS (Phase I), Tsirang:</b> Irregularities in the tender evaluation process leading to a financial implication of Nu. 4,962,000.00 to government (RAA report AIN No. 7426)	OAG sent back the case for administrative action. Shared with Ministry of Education.	Ministry of Education reprimanded 1 person involved in tender evaluation.
8	Case-08/2008	<b>Ghumaaney Gewog, Samtse Dzongkhag:</b> Misuse of government and community resources during renovation works of an irrigation channel. 2 people implicated.	Deferred	Court deferred judgment since primary documents used in misuse of resources were missing. 1 person acquitted.
9	Case-09/2008	<b>Samtse Dzongkhag:</b> Inappropriate land deal by a person through misuse of authority. 1 person implicated.	Shared with Ministry of Home and Cultural Affairs MHCA)	MHCA took administrative action against 1 person and transferred him to another Dzongkhag; withheld promotion for 2 years.
10	Case-10/2008	<b>Sipsu Dungkhag, Samtse Dzongkhag:</b> Illegal transfer of land at Sipsu Dungkhag. 1 person implicated.	OAG returned the case.	Further enquiry required.
11	Case-11/2008	<b>Samtse Dzongkhag:</b> Embezzlement of Nu. 222,280.00 allotted for farmers' awareness campaign workshop and Nu. 955,800.00 allotted for surveying, plotting and clearance of jungles (resettlement program). 3 people implicated (RAA Report AIN No. 6819, Part I)	Convicted by lower court. Appealed to High Court.	All convicted and sentenced to imprisonment terms for 3 to 11 months. Refunded Nu. 9,11,000.00 in total.
12	Case-12/2008	<b>Samtse Dzongkhag:</b> Inadmissible payment with manipulation of documents w.r.t. construction of aqua privy toilet. 1 person implicated (part of RAA report AIN No. 6819)	Shared with Samtse Dzongkhag Administration.	1 person's annual increment withheld for 2 years and 1 person reprimanded. CDB suspended the contractor's license for 1 year.
13	Case-13/2008	<b>Samste Dzongkhag:</b> Manipulation of funds in plantation and farmers' training program. 1 person charged. (RAA report AIN No. 6819; Livestock, Part V)	Acquitted by lower court. Appealed to High Court.	ACC and OAG appealed for equity since similar case merits similar judgment.



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14	Case-14/2008	<b>Samtse Dzongkhag:</b> Embezzlement of rural insurance claims of Nu. 160,000.00 to 4 aggrieved house owners. 1 person implicated.	Shared with Ministry of Home and Cultural Affairs	Aggrieved parties moved the court & court's judgement not enforced (even after 2 years). Dzongkhag charged the accused in court again. Nu. 160,000.00 recovered. Ministry, RICBL & Dzongkhag Administrations sensitized on the need to improve effective & transparent disbursement of insurance claims.
15	Case-15/2008	<b>Bhutan Post:</b> Unprofessional selection and appointment of Chief Executive Officer (bordering on unethical conduct)	Shared with Ministry of Finance and Cabinet Secretariat	A minister reprimanded by the Prime Minister. Acting Secretary reprimanded by the minister. Bhutan Post Board disbanded and Board Members reprimanded. CEO appointed under probation of 1 year. Chief Executive Officer appointment's regularized on 8 April 2010.
16	Case-16/2008	<b>National Council of Bhutan:</b> Allegation of corrupt practices in the election of its chairperson.	Shared with the Secretary General, National Council	Report highlighted systemic flaws.
17	Case-17/2008	<b>Ministry of Education:</b> Collusion and misuse of authority in procurement of text books. 3 people implicated.	Under trial	
18	Case-18/2008	<b>Department of Geology &amp; Mines, Samtse Dzongkhag:</b> Manipulation of mining application procedures, forgery, misrepresentation, collusion and misuse of authority, among others. 17 persons implicated (1 person to be dealt by DRC & other deferred by ACC).	Convicted by lower court. Accused & OAG appealed to High Court (OAG appealed against 1 person only).	12 people sentenced to imprisonment from 1 year to 7.5 years. 3 acquitted. Restitution of about Nu. 113 million.  ACC recommended administrative action against 4 persons. Action taken by MEA against them.
19	Case-19/2008	<b>Royal Bhutan Army, Tencholing:</b> Misuse of public resources through abuse of authority by a senior officer.	Shared with Royal Bhutan Army	Commission received information that the Officer would be severely reprimanded.
20	Case-20/2008	<b>Ura Middle Secondary School:</b> Misuse of school fund and mess stock, double promotion of the student related to the teacher of the school & vice principal's son, principal's distance education assignments done by teachers and engaging students for teacher's private work.	Shared with Ministry of Education	1 senior teacher reprimanded and transferred. Administrative action against 1 teacher deferred by Ministry of Education till Royal University of Bhutan communicated its stand on distance education assignments.
21	Case-21/2008	<b>Bjimen, Thimphu Dzongkhag:</b> Illegal renewal of lease agreement by Department	OAG returned the case to ACC.	Matter of interpretation of law.

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		of Forest.			
22	Case-22/2008	Case details withheld		Pending investigation	Pending due to other pressing cases
23	Case-23/2008	-do-		-do-	-do-
24	Case-24/2008	-do-		-do-	-do-
25	Case-25/2008	-do-		-do-	-do-
26	Case-26/2008	-do-		-do-	-do-
27	Case-27/2008	-do-		-do-	-do-
28	Case-28/2008	-do-		-do-	-do-
29	Case-29/2008	<b>Samtse:</b> Illegal construction in the buffer zone (Discreet Inquiry: D1)		Closed	
30	Case-30/2008	<b>Samtse:</b> Sale of resettlement land at Ghumaaney.		Closed	
31	Case-31/2008	Case details withheld		Pending investigation	Pending due to other pressing cases
32	Case-32/2008	-do-		-do-	-do-
33	Case-33/2008	-do-		-do-	-do-
34	Case-34/2008	<b>State Trading Corporation of Bhutan Limited (D7)</b>		Closed	
35	Case-35/2008	<b>Bank of Bhutan Limited (Discreet Inquiry: D8)</b>		Closed	
<b>Case Log Sheet for the year 2009</b>					
1	Case-01/2009	<b>Royal Bhutan Police, Thimphu:</b> Arbitrary tender evaluation leading to rejection of 8 competitive bids, some lower than the selected bid of construction of family quarters.		Shared with Royal Bhutan Police	Contract revoked and refloated. Concerned officials reprimanded.

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2	Case-02/2009	<b>Royal Bhutan Police, Thimphu:</b> Forgery of bidder's experience certificate, performance security and bank guarantee for mobilization advance by a contractor in construction of 18 units each in Tsirang & Tashigatshel and Chief's residence extension at HQ. 2 firms implicated.	Under trial	2 contract firms license suspended.
3	Case-3A/2009	<b>Department of Livestock, Ministry of Agriculture and Forests:</b> Forgeries of bank guarantees in construction projects and other irregularities. 14 persons implicated.	Convicted/under trial	10 people convicted and sentenced to imprisonment for 6 months to 18 months. All paid Thrimthue in lieu of imprisonment. 9 contract licenses suspended for 1 to 2 years by the Construction Development Board. 4 people under trail. 1 person appealed to High Court. 1 person terminated from service.
4	Case-3B/2009	<b>Department of Livestock, Ministry of Agriculture and Forests:</b> Administration and operation of the Government of India project account. 1 person implicated.	Shared with Ministry of Agriculture and Forests and Department of Revenue and Customs	Department of Revenue and Customs to recover tax on hire of vehicles. Ministry of Agriculture and Forests issued notice on hire of vehicles. 1 person refunded Nu. 54,577.06.
5	Case-3C/2009	<b>Pemathang Gewog, Samdrup Jongkhar Dzongkhag:</b> Forgery of work completion certificates in the construction of BHU Grade II. 2 persons implicated.	Convicted/ under trial	1 person sentenced to 1 year imprisonment and paid Thrimthue. 1 person under trail. 2 contract licenses suspended by the Construction Development Board.
6	Case-04/2009	<b>Haa Dzongkhag:</b> Fictitious TA/DA claims under workshop on breast feeding and childcare (Bali BHU). 4 people implicated.	Shared with Ministry of Health	2 persons' training stopped for 2 years and 2 warned. Excess payment recovered and unused funds refunded to Ministry of Health. Release of funds streamlined.
7	Case-05/2009	<b>Gaselo Middle Secondary School:</b> Embezzlement of caretaker's salary and parenting education workshop's fund. 1 person implicated.	Convicted	1 person sentenced to imprisonment for 1 year and paid Thrimthue. Terminated without benefits.
8	Case-06/2009	<b>National Environment Commission &amp; Ministry of Health:</b> Dashboard of vehicle No. BG-1-1073 exchanged with a private owner for Nu. 6000.00. 2 persons implicated.	Shared with NEC and Ministry of Health	2 persons terminated by the agencies. Workshop warned and fined Nu. 2,000.00.

## ANNEXURE 8

9	Case-07/2009	<b>Dawakha Stone Quarry:</b> Allegation of forgery of signatures of local people to obtain public clearance.	Shared with Paro Dzongkhag, Ministry of Home and Cultural Affairs, DGM and NEC	Investigation revealed that there was no system of obtaining public consent. Promoters usually went door to door to get people's consent, which was unhealthy and prone to corruption. MHCA, DGM and NEC to institute procedures to obtain public consent or clearance.
10	Case-08/2009	<b>Bartsham, Trashigang Dzongkhag:</b> Allegation of collusion in diversion of feeder road,	Shared with Trashigang Dzongkhag	Dzongkhag informed to put in place a system of public consultation process for transparency and dissemination of decision taken.
11	Case-09/2009	<b>Trashigang Dzongkhag:</b> Retention of rural electrification items by a contractor. 1 person implicated.	OAG returned the case for administrative action. Shared with BPCL.	A fine of Nu. 450,000.00 equivalent to 50% of the total amount of electrical items imposed on the contractor by BPCL. Firm suspended for 2 years by Construction Development Board.
12	Case-10/2009	<b>Chukha Dzongkhag:</b> Allegation of efforts to occupy government land.	Verdict passed by the court. Under investigation	Prima facie case of corruption.
13	Case-11/2009	<b>Construction Development Corporation Limited:</b> Misuse of government vehicle, bribery and collusion in procurement of equipment and spare parts.	Under investigation	One person suspended & 1 absconded.
14	Case-12/2009	<b>Ministry of Labour and Human Resources:</b> Misappropriation and irregular payment to the contractor in basic skills development project. 3 people implicated.	Under trial in Trashigang Dzongkhag Court.	
15	Case-13A/2009	<b>Ministry of Health:</b> Bribery of Liaison Officers, Kolkata. 3 people implicated.	Under trial in Thimphu Dzongkhag Court.	
16	Case-13B/2009	<b>Ministry of Health:</b> Sponsored trips for health officials to Germany and China by a bidder.	Under investigation	
17	Case-13C/2009	<b>Ministry of Health:</b> Bribery in procurement of medical equipment and consumables.	Under investigation	
18	Case-14/2009	<b>Jigme Dorji Wangchuk National</b>	Shared with Ministry	1 person compulsorily retired from service and refunded Nu.

# ANNEXURE 8

		<b>Referral Hospital, Thimphu:</b> Misuse of materials and equipment. 1 person implicated.	of Health	516,609.00.
19	Case-15/2009	<b>Thimphu City Corporation:</b> Suspected collusion in securing works of operation and management of parking fee collection within Thimphu city for 2009-2010.	Closed	
20	Case-16/2009	<b>Eastern Bhutan Coal Company Limited:</b> Fraudulent operation	Under investigation	
<b>Case log Sheet for the year 2010</b>				
1	Case-01/2010	<b>Mongar Dzongkhag:</b> Construction of Kengkhar to Zimzorong farm road.	Under investigation	One license suspended. Nu. 2.6 million paid as penalty by contractor for breach of contract. Work retendered. 2.5 km of road completed & contractor paid. Works awarded at far lesser cost. Case sparked 6 more investigations.
2	Case-02/2010	<b>Department of Public Accounts and Department of National Budget:</b> Procurement of laptops	Closed	No element of corruption since the procurement was governed by the Asian Development Bank's Procurement Guidelines.
3	Case-3A/2010	<b>Dagana Dzongkhag:</b> Award of works without bid capacity in construction work of Tshangkha lower secondary school & subletting in Daga middle secondary school. 3 persons implicated.	Closed	Contract work of Tshangkha LSS terminated. 3 contract firms suspended for 1 to 2 years by the Construction Development Board.
4	Case-3B/2010	<b>Dagana Dzongkhag:</b> Forgery in bidding in construction work of Dagana higher secondary school and Pangna community primary school. 4 persons implicated.	Convicted/under trial	2 persons sentenced to 1 year imprisonment and paid Thimthue in lieu of it. Refunded Nu. 721,004.36 in total. 1 contract license deregistered by the Construction Development Board. 2 persons under trial in Dagana and Trashiyangtse Dzongkhag courts. 1 license suspended.
5	Case-3C/2010	<b>Dagana Rabdey:</b> Award of contract for construction of guest house without following transparent procedures.	Shared with Dratshang Lhentshog	Request made to Dratshang Lhentshog for re-verification of works executed which will be reviewed by ACC during its visit to the Dzongkhag.
6	Case-3D/2010	<b>Dagana Dzongkhag:</b> Abuse of public resources by 1 person.	Under review by OAG.	

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7	Case-04/2010	<b>Punatsangchhu Hydro Power Authority:</b> Solicitation of bribe or gratification by Authority's engineers from a firm & delaying payments and other decisions.	Under trial	Hot pursuit of bribery by engineers. 1 person absconded. Authority permitted movement of an accused from station without court's permission (case was under trial).
8	Case-05/2010	<b>Bhutan Power Corporation:</b> Fraudulent up-gradation of license by means of deceptive practice to secure three Rural Electrification contract packages. Case detail withheld	Under review by the Office of the Attorney General	
9	Case-06/2010		Pending investigation	
10	Case-07/2010	<b>Mongar Dzongkhag:</b> Construction of Narang-Dramtse farm road.	Under investigation	
11	Case-08/2010	<b>Mongar Dzongkhag:</b> Construction of principal's quarter at Udaric.	Under investigation	
12	Case-09/2010	<b>Mongar Dzongkhag:</b> Construction of Gup's Office at Balam Gewog.	Under investigation	
13	Case-10/2010	<b>Mongar Dzongkhag:</b> Construction of Narang BHU.	Under investigation	
14	Case-11/2010	<b>Mongar Dzongkhag:</b> Construction of retaining wall for Narang BHU	Under investigation	
15	Case-12/2010	<b>Mongar Dzongkhag:</b> Construction of water supply to Narang BHU.	Under investigation	



## Status of RAA Reports as of 31 December 2010

Sl. No.	Particular of Audit Report	Action by ACC	Action by RAA and Agencies	Status
1	<b>AIN: 7499; 23/06/2008</b> National Jersey Breeding Centre, Samtse. <b>Period: 1/07/04 □ 30/06/07</b>	Wrote to MAF in September 2010 to take appropriate action in keeping with the laws of the land based on the audit report besides recovering the amount embezzled.	Received a letter from MAF inquiring on the status of the case.	With MAF.
2	<b>AIN: 7886; 06/04/2009</b> <b>(Two reports)</b> ADB Funded Basic Skills Development Project, VTI, Rangjung, MLHR. <b>Period: 01/07/07 □ 30/06/08</b>	Investigated case involving Dangling Construction firm. Sent the case report to OAG for prosecution.	RAA provided additional information on the case and assisted in the investigation. MLHR forwarded case involving siphoning of fund by Project Manager and Accountant to court.	Under trial
3	<b>AIN: 7992; 10/08/2009</b> Department of Geology & Mines, Ministry of Economic Affairs. <b>Period: 1/07/06 - 30/06/08</b>	Investigated - Leasing of Reshore Coal Mine (also part of Samtse mining case)		Discussion with OAG.
4	<b>AIN : 8205; 15/09/2009</b> <b>Para: 2.1 &amp; 2.2</b> Department of Survey and Land Records, Thimphu <b>Period: 01/07/07 -30/06/08</b>	13 CEC on 21/04/10 qualified the report for investigation. 11 CM on 29/04/10 endorsed CEC's decision. To discuss with RAA on further action along with other reports.	<b>Para 2.1:</b> NLC recovered excess payments of Nu.8900.00 from surveyors. NLC deposited Nu.8900.00 into RAA account leaving a balance of Nu.6600.00 from a deceased surveyor. NLC requested RAA to drop the balance amount. RAA to drop Nu.6600.00 as the incumbent was dead. Surveyors and the Project Manager warned. <b>Para 2.2:</b> Fictitious claims of TA/DA of Nu.52,950.00 by two survey engineers deposited into RAA account.	With RAA and NLC.

# ANNEXURE 9

			Officials reprimanded.	
5	<b>AIN: 8257; 26/10/2009</b> <b>Para 1:</b> Food Corporation of Bhutan, Phuntsholing. Period: 1/1/07 - 31/12/08	No action taken as case was charge sheeted	FCB forwarded case to court. Para 1 not dealt by FCB in court.	In court Para 1 under review
6	<b>AIN: 8410; 04/01/2010</b> <b>Para: 2.3</b> Special Audit of Gaylongkhar- Minjiwoong Farm Road, Samdrup Jongkhar Dzongkhag. <b>Period: December 2009.</b>	ACC requested RAA to take further action as it was overstretched.	RAA forwarded case to court through OAG	Case appealed to High Court by contractor.
7	<b>AIN: 8431; 08/01/2010</b> <b>Para: 1.1 &amp; 1.2</b> Certification report of DANIDA funded Project “DNRM” 205.01/01/011/1786-PLC. <b>Period: 01/07/08 - 30/06/09</b>	Wrote to Secretary, MAF to take appropriate action in keeping with the laws of the land based on the audit report besides recovering the amount embezzled	Ministry recovered Nu. 161215.00 against construction of store. Amount retained with park management to be deposited as community fund for the ‘Ura Mushroom Conservation and Tourism Group’ to be used for future festivals. Ministry recovered Nu. 6000.00 against foreign drinks. This amount to be deposited with RAA as audit recoveries. Expenses against Tokha found to be genuine. Ministry reprimanded all involved.	With ACC
8	<b>AIN: 8449; 13/91/2010</b> <b>Para: 1.1</b> Construction of Khangkhu Middle Secondary School executed by M/S Mindu construction, Paro all though the work was awarded to	ACC wrote to CDB; examined the contracts of football ground. No liability on contract firms	CDB issued warning letters to the proprietors of M/s Bhutan Builders and M/s Mindu Construction	Closed

# ANNEXURE 9

	<p>M/S Bhutan Builders Thimphu. The construction of football ground left incomplete due to non arability of fund after incurring expenditure of nu.1988006.00 <b>Period:01/07/08 - 30/06/09.</b></p>				
9	<p><b>AIN:8451; 09/01/2010</b> <b>Para: 1.1 &amp; 1.2</b> Non-deposit of Nu. 494,000 into to revenue account and misuse by Officer-in-charge P/ling check post. Non-reconciliation of Nu. 572238.50 against revenue collections of 2007-08 and 2008-09 with the opening balance from 2006-07 of Nu. 140900.00 with possibility of misuse of money. <b>Period: 01/07/07 □ 30/06/09</b></p>	<p>7 CEC meeting qualified it for investigation. Wrote to Secretary, MHCA to take appropriate actions in keeping with the laws of the land based on the audit report besides recovering the amount embezzled with penal interest.</p>		With MHCA	
10	<p><b>AIN: 8510; 26/02/2010</b> <b>Para: 1</b> Royal Bhutanese Embassy, Bangkok. <b>Period: 01/07/07 - 30/06/09.</b></p>	<p>Wrote to Secretary, MFA to take appropriate actions in keeping with the laws of the land based on the audit report besides recovering the amount embezzled with penal interest. Wrote to MFA to take up the case as discussed with Director, Thinley Penjor by Offtg. Chairperson, ACC, Thinlay Wangdi.</p>	<p>RAA and MoF still working on the issue and feedback from the RAA is awaited. Ambassador, RBE confirmed cash shortage of Baht 768,581.70 and USD \$ 4,604.10. Received a letter asking ACC to take up the case since Mr. Yeshey Dorji, Asst. Accounts Officer was instructed to report to MoF and MFA did not have direct administrative control on him. Received a copy of letter from MFA forwarding the case to OAG (agencies have to take responsibilities).</p>	With OAG and MFA	

## ANNEXURE 9

			Received a copy of letter written to Offg. Foreign Secretary, MFA by RAA on transfer of supervisory accountability		With RAA and MoAF.
11	<b>AIN: 8565; 26/03/2010</b> <b>Para 1, 2 &amp; 3.3</b> Department of Agriculture. Ministry of Agriculture and Forest. <b>Period: 1/07 07 - 30/06/09.</b>	17 CEC recommended administrative action for SN 1 & 3. S.N no.2- claims inflated intentionally. A case of embezzlement and recommended for investigation. 14 CM - put under mop up operation.	Double claims of leave encashment by five engineering staff deposited into RAA account. Officials warned. Administrative action against Pema Tamang taken: training withheld for 6 months. Amount pertaining to irregular claims of porter/pony charges by drivers were all deposited into RAA account. 4 drivers reprimanded.		
12	<b>AIN:8661;14/05/2010</b> <b>Para:1 &amp; 2</b> Gross National Happiness Commission, Thimphu <b>Period: 01/04/04 - 30/06/09</b>	17 CEC, 19/05/10 recommended for investigation. 14 CM, 20/05/10 endorsed and put under mop up operation. However, wrote to GNHC to take appropriate actions in keeping with the laws of the land based on the audit report besides recovering the amount embezzled with penal interest.	GNHC recovered Nu.63680.00 and paid to rightful recipients.		
13	<b>AIN: 8662; 14/05/2010</b> <b>Para:1</b> Office of the Attorney General, Thimphu. <b>Period: 01/07/07 - 28/02/10</b>	17 CEC, 19/05/10 recommended for investigation. 14 CM, 20/05/10 endorsed and put up in mop up operation. Wrote to OAG to take appropriate actions in keeping with the laws of the land based on the audit report besides recovering the amount embezzled with penal	OAG withheld Deputy Chief Accountant's two annual increments and training for 18 months.		
14	<b>AIN: 8713; 10/06/2010</b> <b>Para: 1.1 &amp; 1.2</b> Ministry of Foreign Affairs, Thimphu.	20 CEC, 17/06/10 noted Tshering Tobgay being prosecuted for similar charges. As additional charge. To discuss with OAG. Embezzlement by Yeshey Tshering to be	Yeshey Tshering's case forwarded to OAG. Amount deposited with penal interest into RAA account.	With OAG.	

# ANNEXURE 9

	<b>Period : 01/07/07 - 30/06/09</b>	investigated. Wrote to Secretary, MFA to take appropriate actions in keeping with the laws of the land based on the audit report besides recovering the amount embezzled with penal interest.		Differed judgment passed by Thimphu District Court on Tshering Tobgay's case.	
15	<b>AIN: 8702; 15/06/2010</b> <b>Para: 1.1 &amp; 2.2</b> Regional Revenue & Custom, Samtse. <b>Period: 01/07/08 - 30/06/09</b>	Case was being prosecuted in Samtse Court. Internally shared with Prevention Division to examine oversight accountability in tax and revenue administration		Case forwarded by DRC to OAG	In court
16	<b>AIN: 8777; 01/07/2010</b> <b>Para: 1.1, 1.2, 1.3, 1.4 &amp; 2</b> Bhutan Agro Industries Ltd (BAIL) <b>Period: 01/08/07 - 31/12/09</b>	2 CEC, 21/07/10, qualified for investigation. 22 CM, 22/07/10 endorsed the decision. Wrote to Chairman, BAIL to take appropriate actions in keeping with the laws of the land based on the audit report besides recovering the amount embezzled with penal interest.		Mr. Ugyen Dendup deposited Nu. 548851.00 and Nu. 147441.00 into the Company Account. BAIL filed the case in court Mr. Pema Losel was issued a warning letter after recovering the amount of Nu.54, 500.00 Supervisor Mr. Chimi Dorji issued a warning letter with instructions to perform duties as per the revised job delegation.	In court
17	<b>AIN: 8778; 09/07/2010</b> <b>Para: 1 &amp; 2</b> Wood Craft Centre Limited, Lanjopakha, Thimphu <b>Period 01/01/08 - 31/12/08.</b>	26 CEC, 28/07/10, to investigate. 23 CM, 29/07/10 endorsed it. Wrote to CEO, WCCL to take appropriate actions in keeping with the laws of the land based on the audit report besides recovering the amount embezzled with penal interest		Nu. 29316.26 recovered from Ms. Yeshey Dem. Mr. Sangay Dorji suspended with effect from 27/09/2010 & his case forwarded to court.	In court
18	<b>AIN: 8849; 09/08/2010</b> <b>Para: 1.1, 1.2 &amp; 1.3</b> Serzhong Vocational Training Institute, Gelephu <b>Period 01/07/07 - 30/06/09</b>	29 CEC, 19/08/10, to investigate. 26 CM, 26/08/10, endorsed. Wrote to Secretary, MLHR to take appropriate actions in keeping with the laws of the land based on the audit report besides recovering the amount embezzled with		Mr. Namgay Dukpa suspended from services after being charge-sheeted	In court

## ANNEXURE 9

		penal interest.		
19	<b>AIN: 8678; 12/08/2010</b> <b>Para: 1</b> Paro College of Education, Paro, Royal University of Bhutan <b>Period 01/07/08 - 30/06/09.</b>	30 CEC, 25/08/10, to investigate. 26 CM, 26/08/10, endorsed.		With RUB
20	<b>AIN: 8877; 25/08/2010</b> <b>Para: 1.1,1.2,1.3,1.4,2.1 &amp; 2.2</b> Bank of Bhutan Limited, Head Office Phuntsholing, Branch Office: Thimphu, Paro & Haa <b>Period: 01/01/08 - 31/12/09.</b>		A copy of letter on resolving of 7 paras out of 10 paras endorsed to ACC by RAA.	Under review
21	<b>AIN: 8931; 21/09/2010</b> Department of Medical Services (DMS), Ministry of Health, Thimphu <b>Period 01/07/08 - 30/06/09.</b>			Under review
22	<b>AIN:8930; 05/10/2010</b> <b>Para: 1 &amp; 2</b> Bhutan Chamber of Commerce & Industry, Thimphu. <b>Period 01/01/07 - 31/12/009.</b>	35 CEC, 20/10/2010, to be dealt by concerned agency and RAA.	BCCI made some deposits into RAA account.	Under review



# ANNEXURE 10.1

## Budget and Expenditure for the Financial Year 2009-2010 (Million)

SN	Title	Revised Budget		Expenditure s as on 30 June 2010	Remarks
		Current	Capital		
<b>0001</b>	<b>RGOB FINANCING</b>				
1.01	Pay & Allowances	12.050		11.341	
2.01	Other Personnel Emoluments	0.132		0.132	
11.01	Travel - Incountry	2.650		2.620	
12.01	Utilities -Telephones, Telex, Fax, E-mail, Internet	0.580		0.281	
12.02	Utilities -Telegram, Wireless Transmission, Postage	0.150		0.150	
12.03	Utilities - Electricity, Water, Sewerage	0.096		0.091	
13.01	Rental of Properties - Buildings	0.656		0.655	
14.01	S & M - Office Supplies, Printing, Publications	0.630		0.619	
15.01	Maintenance of Property - Buildings	0.010		0.009	
15.02	Maintenance of Property - Vehicles	0.529		0.509	
15.05	Maintenance of Property - Equipment	0.050		0.039	
15.07	Maintenance of Property - Computers	0.033		0.028	
17.01	Op. Exp. - Advertising	0.250		0.234	
17.02	Op. Exp. - Taxes, Duties, Royalties, Handling Charges, Bank Charges	0.001		0.001	
18.01	Hospitality & Entertainment	0.435		0.431	
24.03	Contributions - Provident Fund	0.796		0.785	
25.01	Retirement Benefits	0.604		0.604	
53.01	Purchase of Vehicles	3.434		3.433	
54.02	Office Equipment		0.250	0.241	
54.01	Furniture		0.121	0.121	
54.03	Computers & Peripherals		0.315	0.315	
93.05	PWA:Others			0.219	(Suspense a/c)
<b>2312</b>	<b>ACC-KICAC INSTITUTIONAL DEVELOPMENT</b>				
45.02	Training - Others		4.607	0.319	
95.01	Deposit Works			1.133	(Suspense a/c)
<b>2359</b>	<b>SDC FOR GOOD GOVERNANCE</b>				
14.01	S & M - Office Supplies, Printing, Publications	0.720		0.716	
17.08	Op. Exp. - Incountry Meetings and celebration	0.480		0.239	
45.01	Training - Human Resource Development		7.500	5.572	
45.02	Training - Others		3.000	2.998	
54.02	Office Equipment		0.300	0.016	
54.03	Computers & Peripherals		0.350	0.072	
55.01	Professional Services		3.000	0.092	
93.05	PWA:Others			0.023	(Suspense a/c)
95.01	Deposit Works			0.500	(Suspense a/c)
<b>2278</b>	<b>STRENGTHENING OF OFFICE OF ACC (GOI Funded)</b>				
51.01	Exp. on Structure - Buildings	15.831		8.269	
93.07	PWA: Suppliers - Secured Advances			1.410	(Suspense a/c)
93.06	PWA:Suppliers - Mobilisation Advances			4.424	(Suspense a/c)
	<b>Total</b>	<b>40.117</b>	<b>19.443</b>	<b>40.932</b>	

# The Total Expenditures do not include the suspense account mentioned above

## ANNEXURE 10.2

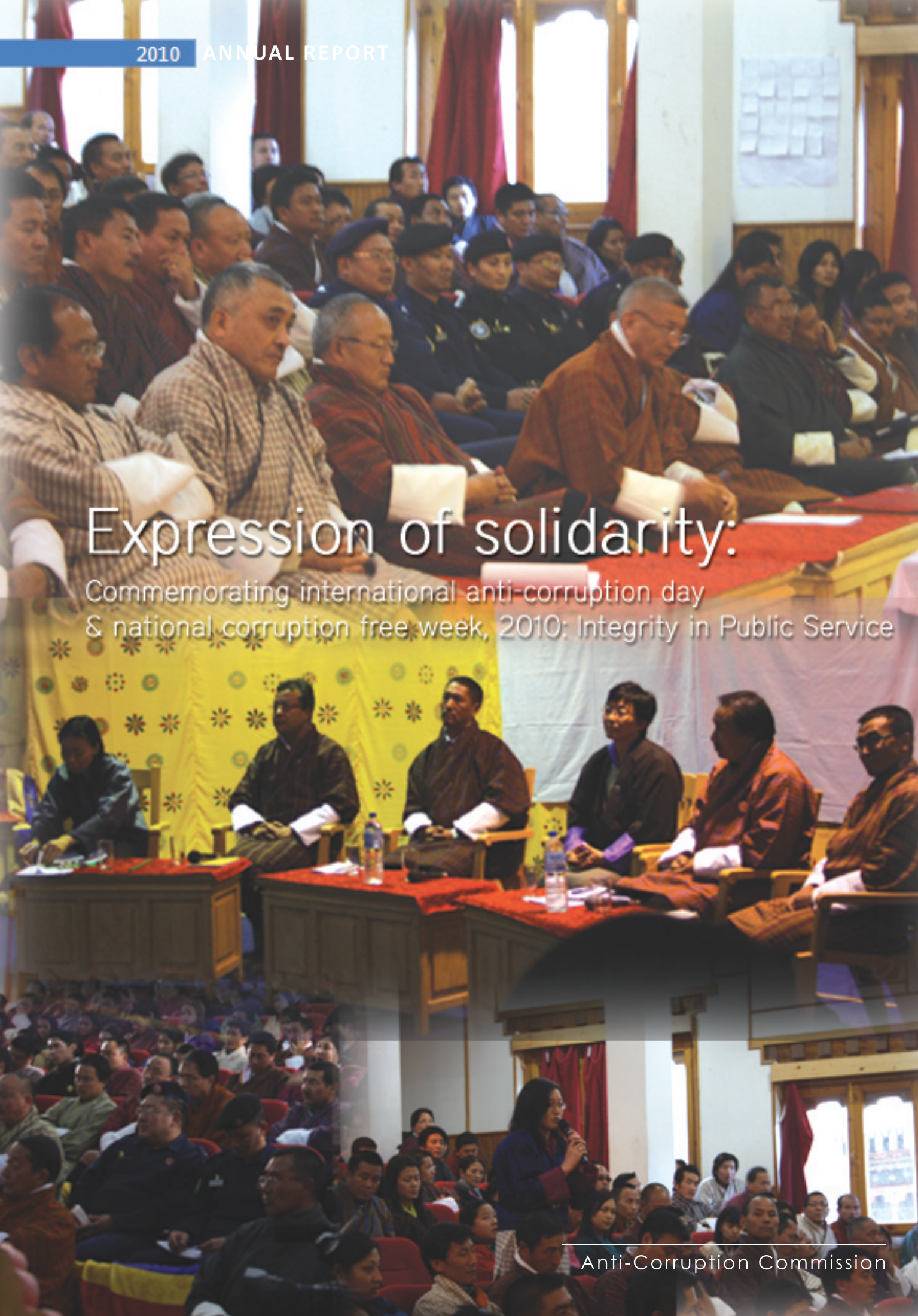
### Budget and Expenditure for the Financial Year 2010-2011 (Million)

SN	Title	Revised Budget till 31 January 2011		Expenditures as on 31 January 2011	Remarks
		Current	Capital		
<b>0001</b>	<b>RGOB FINANCING</b>				
1.01	Pay & Allowances	12.422		7.610	
2.01	Other Personnel Emoluments	0.130		0.104	
11.01	Travel - Incountry	2.991		1.732	
12.01	Utilities -Telephones, Telex, Fax, E-mail, Internet	0.739		0.278	
12.02	Utilities -Telegram, Wireless Transmission, Postage	0.189		0.074	
12.03	Utilities - Electricity, Water, Sewerage	0.094		0.056	
13.01	Rental of Properties - Buildings	0.684		0.393	
14.01	S & M - Office Supplies, Printing, Publications	0.600		0.322	
15.01	Maintenance of Property - Buildings	0.030		0.004	
15.02	Maintenance of Property - Vehicles	0.902		0.402	
15.05	Maintenance of Property - Equipment	0.099		0.057	
15.07	Maintenance of Property - Computers	0.059		0.004	
17.01	Op. Exp. - Advertising	0.310		0.018	
17.02	Op. Exp. - Taxes, Duties, Royalties, Handling Charges, Bank Charges	0.018		0.006	
17.03	Op. Exp. - Transportation	0.100		0.091	
17.04	Op. Exp. - Incountry Meetings and Celebrations	0.293		0.110	
18.01	Hospitality & Entertainment	0.500		0.141	
24.03	Contributions - Provident Fund	0.800		0.626	
25.01	Retirement Benefits	1.587		1.095	
54.01	Furniture		0.200	0.018	
54.02	Office Equipment		0.200	0.019	
54.03	Computers & Peripherals		0.200	0.000	
93.01	PWA Employees			0.003	(Suspense a/c)
93.05	PWA Others			0.220	(Suspense a/c)
88.01	Personal Advance			0.401	(Suspense a/c)
<b>2359</b>	<b>SDC FOR GOOD GOVERNANCE</b>				
14.01	S & M - Office Supplies, Printing, Publications	0.263		0.163	
17.01	Op. Exp. - Advertising	0.500		0.470	
17.02	Op. Exp. - Taxes, Duties, Royalties, Handling Charges, Bank Charges	0.001		0.001	
17.08	Op. Exp. - Incountry Meetings and celebration	2.925		0.127	
45.01	Training - Human Resource Development		5.000	2.529	
45.02	Training - Others		5.000	0.810	
54.02	Office Equipment		0.300	0.256	
54.03	Computers & Peripherals		0.600	0.071	
55.01	Professional Services		2.670	0.633	
93.01	PWA Employees			0.010	(Suspense a/c)
93.05	PWA Others			0.076	(Suspense a/c)
88.01	Personal Advance			0.270	(Suspense a/c)
<b>2278</b>	<b>STRENGTHENING OF OFFICE OF ACC (GOI Funded)</b>				
51.01	Exp. on Structure - Buildings		50.000	12.265	
93.06	PWA Suppliers- Mobilisation Advances			2.225	(Suspense a/c)
93.07	PWA Suppliers - Secured Advances			0.911	(Suspense a/c)
	<b>Total</b>	<b>26.236</b>	<b>64.170</b>	<b>18.220</b>	

# The Total Expenditures do not include the suspense account mentioned above

# Expression of solidarity:

Commemorating international anti-corruption day  
& national corruption free week, 2010: Integrity in Public Service





# ACC'S LOGO

## Personifying Fearlessness, Integrity and Professionalism

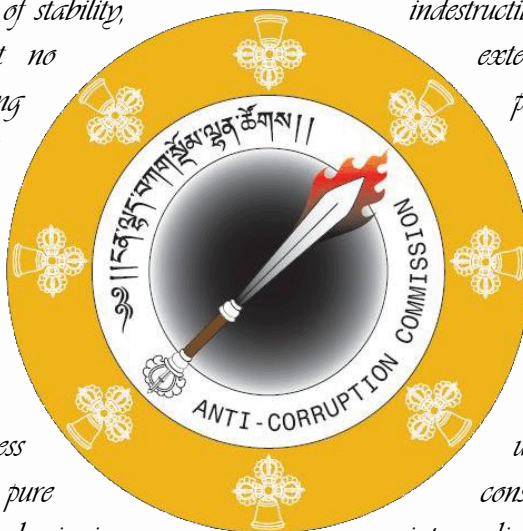
*The logo is a circular depiction to showcase incessant and seamless unity, togetherness and solidarity of the Anti-corruption Commission. At core as the theme is a flaming sword of wisdom which is encased in three circles with different hues.*

*The yellow outer circle is a symbol of rootedness and endurance just as the strength of the mother earth. The circle is placed with eight thunderbolt scepter or dorji and bell or drillbu crosses representing the Eight Fold Noble Path of Lord Buddha, which constantly reminds every Shutanese that life, should be governed by principles and values.*

*The drillbu is to remind people to be wary of corruption and stay away from it just as the sound of the bell drives away the evil spirits. It also epitomizes the far-reaching effect of the prevention and public education program.*

*The dorji is a symbol of stability, purity of actions that no can upset the unwavering. It also embodies investigation just as it ethereal forces during*

*The middle circle is implying or associated underlying the non-openness and awareness distinction with pure space, without beginning, universe.*



*indestructibility, incorruptibility and external force and influence position of the commission. deterrent measures of is used to subjugate the the rituals.*

*the wheel of law with true nature conceptuality, the total unclouded by conceptual consciousness as infinite as intermediate, or end: a natural law of*

*The white middle layer symbolizes total transparency in the business and conduct of the commission and its noble aspiration for a responsible society to act against corruption.*

*The dark inner circle represents the realm of ignorance and greed, the cause of corruption. This is made to appear fading with the glowing blaze of the sword to imply the effect of the commission in eliminating corruption just as the light dispelling the darkness.*

*The sword or raddri symbolizes the commission's tenacious approach and conduct in fighting against corruption and its causes just as the sword is capable of subduing the enemy. The flaming sword placed diagonally in a cutting posture denotes the vigor and dauntlessness of the Anti-corruption Commission in combating corruption.*