

TABLE OF CONTENTS

INTRODUCTION.....	1
SECTION 1: GENERAL ASSESSMENT OF ACC'S DIRECTION FOR 2009.....	2
SECTION 2: NATIONAL ANTI-CORRUPTION STRATEGY FRAMEWORK (NACS)	6
SECTION 3: INSTITUTIONAL DEVELOPMENT.....	7
3.1. CREATION OF COMPLAINTS AND FOLLOW-UP SECTION	7
3.2. RECRUITMENT OF PERSONNEL.....	7
3.3. HUMAN RESOURCE DEVELOPMENT AND CAPACITY BUILDING.....	7
3.4. RULES OF PROCEDURE FOR COMMISSION MEETINGS.....	8
3.5. CONSTRUCTION OF ACC OFFICE BUILDING	8
3.6. NETWORKING – INTERNATIONAL	8
3.7. PROJECTS.....	9
SECTION 4: PERFORMANCE OF ACC.....	11
4.1. PREVENTION	11
4.2. PUBLIC EDUCATION & ADVOCACY	15
4.3. LEGAL.....	19
4.4. COMPLAINTS MANAGEMENT & INVESTIGATION.....	20
SECTION 5: A FUNDAMENTAL CHALLENGE	31
SECTION 6: CONCLUSION.....	32
ANNEXURES.....	33
Annexure I Direction for 2009 : Action oriented & focused.....	34
Annexure II (a) Work Plan for January to June 2009	35
Annexure II (b) Work Plan for 200 July to 2010 June.....	45
Annexure III (a) Investigation, 2006 (as of September30 2009).....	56
Annuxure III (b) Investigation, 2007 (as of September 30 2009).....	60
Annexure III (c) Investigation, 2008 (as of September 30, 2009).....	68
Annexure III (d) Investigation, 2009 (as of September 30, 2009)	72
Annexure IV Status of RAA Reports (as of August 7, 2009)	75
Annexure V Budget and Expenditure for the Year 2008-09 (million)	81
Annexure VI Approved Budget 2009-2010 (in million).....	82
Annexure VII Staff List (as of October, 2009)	83

**“FIGHTING
CORRUPTION
IS
OUR
SHARED
GOAL”**



Bhutan has the best opportunity and the right conditions to be the least corrupt in the World!

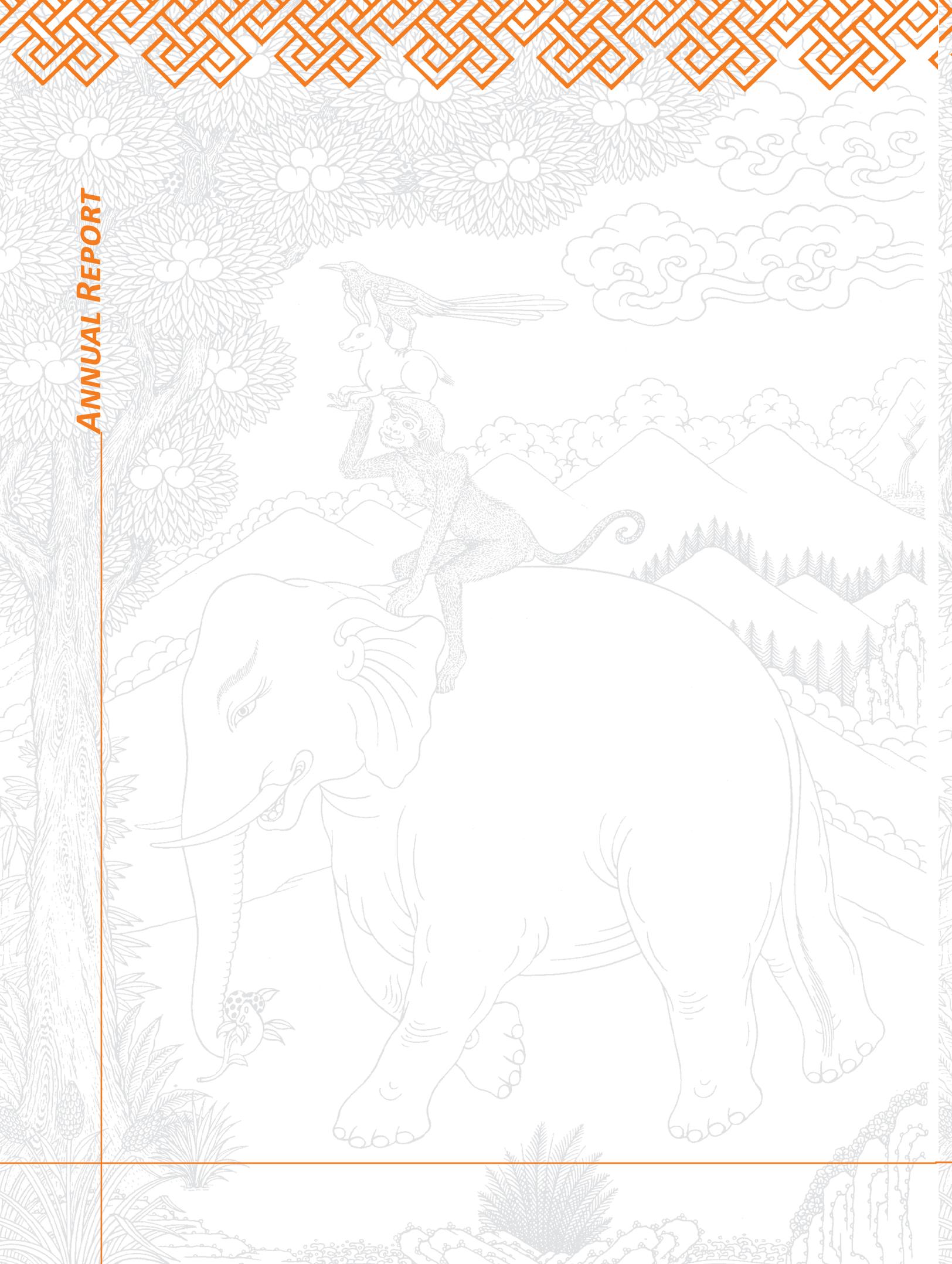


**HOPE IN WORKING TOGETHER WITH A STRONG
SENSE OF PURPOSE AND
MOTIVATION!**

The Anti-Corruption Cadre



ANNUAL REPORT



INTRODUCTION

This is the Anti-Corruption Commission's (ACC) 3rd annual report to the Parliament and the 2nd report to the first Parliament. The objectives of the report are to (i) apprise the Parliament on the trends of corruption and its impact, challenges and opportunities, anti-corruption policies and strategies and (ii) evaluate the performance of ACC in particular and agencies in general and fix accountability for failures or non-performance. The first 2 reports, which covered the initial period of ACC's establishment, focused on broader issues of policies, strategies and analysis. Hereafter, starting with this report, the focus will be on the implementation of specific policies, strategies and activities, challenges and recommendations within the larger framework of institutional development, public education, systems review and investigation by agencies and ACC.

It is submitted that in order to correspond to the work plan, which is based on the financial year, the Commission may be permitted to submit its 3rd report to the summer session (June 2010) of the Parliament.

The report covers the period from October 2008-September 2009. It is divided into 6 sections. *Section 1* dwells on the general assessment of activities vis-à-vis the direction set for 2009 (*Annexure I*) and the implementation of the Parliamentary Ethics and Credentials Committee's 13 recommendations submitted to the 2nd session of the first Parliament.

Conscious and concerted anti-corruption efforts that bring about behavioral change in public servants and citizens is an articulation of the citizens' and the government's political will, which is absolutely critical for fighting corruption. Anti-corruption actors have to be

unified by a shared goal, building the synergy for effective and result-driven partnership. *Section 2* briefly describes the National Anti-Corruption Strategy Framework initiative, a platform for conscious and concerted anti-corruption efforts.

The Secretariat is the lifeline of ACC. It sets the goal, tones the culture and vigor of the institution. It is at the core of institutional development, which is the focus of *Section 3*.

In pursuance of the important mandate of building an awakened citizenry, minimizing opportunities for corruption and making corruption costly and risky, *Section 4* assesses the performance of ACC in viz. Public Education & Advocacy, Prevention, Legal, Complaints Management and Investigation that also includes the status of reports received from the Royal Audit Authority vis-à-vis 2009 (January)-2010 (July) work plan (*Annexure II (a) and (b)*), which are generally based on the 13 recommendations of the Parliamentary Ethics and Credentials Committee.

Fighting corruption is fraught with gripping challenges, which call for greater consciousness, personal leadership, sincerity in commitment to the cause that translate into visible, concerted and result-driven action and at times sacrifice. *Section 5* highlights a fundamental and continuing challenge faced by the ACC in fighting corruption, which has far reaching impact on its efficacy and credibility and ultimately on government's policy of "Zero Tolerance to Corruption."

Section 6 in concluding underpins the fundamental factors that determine the success of the fight against corruption, most important being personal leadership.

SECTION 1:

GENERAL ASSESSMENT OF ACC'S DIRECTION FOR 2009

Details of ACC's performance will be covered under Section 4. This section contains only brief information including the Parliamentary Ethics and Credentials Committee's 13 recommendations, which was the culmination of the 2008 ACC Report, submitted to the 2nd session of the 1st Parliament.

"We must personify integrity and professionalism. We must be the pride of our country and people" is ACC's timeless beacon. The anti-corruption cadre continues to work consciously and conscientiously towards building an awakened citizenry, minimizing opportunities for corruption and making corruption costly and risky to the corrupt. Performance is not quantitative measurement of interventions but more importantly the impact of the interventions on attitude and behavior of public officials and citizens at large.

Direction for 2009 is to be focused and action-driven : institutional development, strengthening of laws, implementation and monitoring of compliance of gift and debarment rules by agencies and public officials, Integrity Pact, Procurement Rules and Regulation and Standard Bidding Document, finalization of national anti-corruption strategy, systems strengthening through integrity assessment, Standard Cost Model, effective asset & liability administration, operationalization of Code of Conduct & Ethics, reinvigoration of delivery

of value education in schools and introduction of professional ethics curriculum in education and vocational institutes, professionalization of complaints management and investigation, enhancement of communications and dialogue with ministries and agencies, recognizing anti-corruption efforts within ACC and beyond and networking and building coalition with one/2 critical target groups.

Institutional development in terms of creating conducive service conditions including physical working environment, building strong organizational culture where senior officers lead by example, professional capacity development (in-house and allies), developing a planned HR program and the not the least of all having clear and transparent operating systems is a continuous endeavor. ACC has been making sustained and conscious effort in creating conducive service conditions such as organizational culture, quality of leadership and team building. A modest impact has been created.

Construction work of a new office building has been awarded.

For corruption to be highly risky and costly, quality of laws is important. Review of Penal Code, Civil and Criminal Procedures Code and the Anti-Corruption Act 2006 by a committee comprising members of Good Governance Committee of the National Council and ACC is

underway. The Prosecution Guideline has been stalled because of the review. Implementation of Debarment Rules has been delayed. ACC has not been able to monitor the compliance of Gift Rules by agencies and public officials. Integrity Pact has been implemented and also integrated into the Standard Bidding Document (SBD). Compliance and efficacy of Procurement Rules and Regulation and SBD are being constantly monitored through complaints, enquiries and investigation.

Works on the National Anti-Corruption Strategy Framework (NACS) has been completed (document being submitted to the 4th session of the Parliament). Success of NACS depends on the government taking ownership of the document and ensuring its smooth and timely implementation, in form and spirit, by all actors.

With regards to systems strengthening, integrity assessment report is expected to be released by December 2009. The report should prompt agencies to take up anti-corruption initiatives. ICT is being exploited to improve the administration of asset and liability declaration of Schedule I (public servants who declare to ACC) and other declarants within the decentralized system. Preparation for capacity development of focal persons in agencies is underway. Reducing red tape and improving service delivery (ACC's focus is transparency and accountability and not service delivery per se) is being institutionalized through the Improving Public Service Delivery System (IPSDS) Project, which is currently under the administration of the RCSC and being spearheaded by the Chief Planning Officer of ACC. Other small and ad hoc efforts have been made through

the complaints management system, enquiries and investigation. Operationalization of Civil Service Code of Conduct & Ethics has not been done. However, effort has been made to institutionalize a system of declaring conflicts of interest through the RAA-IAU-ACC tripartite forum.

With regards to reinvigorating delivery of value education in schools and introduction of professional ethics curriculum in educational and vocational institutes, ACC has only been able to initiate a dialogue with the principal stakeholders, which are taking initiatives in the area. Further, together with the Non-Formal & Continuing Education (NFE) Division of the Education Ministry, issues related to corruption have been included in the NFE program. Its impact will be evaluated at an appropriate time.

Professionalization of complaints management and investigation will be a continuous process. Good degree of professionalism has been achieved through systems and structural changes and stringent compliance regime of the Operational Manual and ACC's Ethical Code of Conduct.

Although ACC has had interactive sessions with few agencies, it has failed to organize planned interactive sessions with ministries and agencies as a whole and to build coalition with one or 2 focused critical target groups.

This year, ACC will establish a system of acknowledging anti-corruption efforts by individuals from within the ACC and beyond. However, it will be subjected to the robustness of the nomination and vetting procedures.

The Parliamentary Ethics and Credentials Committee's 13 recommendations have been listed below for confirmation with their implementation status submitted in italics.

- Government to expedite review and consolidation of anti-corruption laws with recommendation for corresponding changes in other legislation (*in progress*);
- Develop a standard policy and rule making protocol to avoid multiplicity and inconsistency of rules and policies (*GNHC already has a policy making protocol; wrote to the Cabinet Secretariat on rule making protocol*);
- 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. RCSC and ACC to partner in this area (*operationalization of ACC's Ethical Code of Conduct shared with all agencies; conflict of interest declaration form shared with agencies through the RAA-IAU-ACC tripartite forum; an information leaflet on understanding conflicts of interest being developed*);
- Private sector to develop and operationalize Business Code of Ethics (*dialogue initiated with BCCI and MEA since 1.5 years ago; several business associations have drafted business code of ethics and ACC is in the process of taking this further with the new BCCI management*);
- Strengthen and standardize administrative penalties, especially on corruption charges so as to ensure consistency, fairness and transparency;
- Ensure stringent and transparent system for recruitment of right people in leadership positions (*leadership is a strategic anti-corruption consideration; ACC will submit a paper to the RCSC*);
- Fix supervisory accountability to promote the culture of strong and quality leadership in bureaucracy;
- ACC come up with National Anti-Corruption Policy Framework (*completed; an important issue is its ownership and implementation with an effective M&E mechanism*);
- 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) (*MOIC's e-platform and Improving Public Service Delivery System Project are some initiatives of the government towards this*);
- All ministries and agencies to take ownership of decentralized Asset Declaration (AD) system, which is an important tool to prevent corruption and enhance of accountability of public officials (*ACC with the support of RSTA IT officer is developing an on-line declaration system for all declarants; however, more importantly agencies need to consciously manage the information to make AD meaningful; compliance of asset declaration obligation in most agencies are very poor*);
- As long term measures, all education and training institutions to include

integrity development and value education in the curriculum; (initiatives being taken by the government to integrating GNH in school curriculum and Civil Servants behavioural change programme; RUB collaborating with Naropa University)

- Strengthen the Office of Attorney General in terms of manpower (conviction of corruption cases depends on quality of investigation, its reporting and prosecution. Timely prosecution is also a measure of political will in fighting corruption. Quality and timeliness of prosecution depend on quality and number of prosecutors. OAG has only 9 lawyers for drafting and review of laws, providing legal counsel to the government, generating legal awareness and prosecution); and
- ACC be strengthened through conducive service conditions (sustained and conscious effort towards building conducive organizational ethos and professional growth being made; other service conditions such as remuneration and facilitation to perform effectively is not within the powers of the Commission. As a follow up of the resolution of the 2nd session of the Parliament, Speaker wrote to

the Finance Minister among others to “review to provide additional allowances for the officials working in the Anti Corruption Commission and Royal Audit Authority, given the nature of work and the risk factor involved and also to ensure zero tolerance against corruption.”) (TSHOGDU/C-14/2009/7088, February 4, 2009)

The above recommendations have to translate into a visible impact-oriented action plan, which should be owned and driven by the government as a lead anti-corruption actor. Agencies as implementers and ACC as a facilitator have to be bound by that action plan and accountability fixed thereto. For the last two years, ACC has been taking small steps in some of above areas in terms of sensitization, sharing of information and materials on best practices and interacting with agencies; but it is not at all adequate.

In an effort towards building a national anti-corruption drive and to foster greater synergies, ACC through a prolonged consultative process has formulated a national anti-corruption strategy. The Parliamentary Ethics and Credentials Committee’s recommendations are integrated into the National Anti-Corruption Strategy Framework (NACS).

SECTION 2:

NATIONAL ANTI-CORRUPTION STRATEGY FRAMEWORK (NACS)

The formulation of National Anti-Corruption Strategy Framework (NACS) commenced in April 2006 and completed in March 2009. It went through an intensive consultative, internal and external, process. It presents situation analysis, suggests seven strategic considerations and implementation modality. Some of the strategic considerations are promotion of leadership, sustaining political will and review of legal framework. The three branches of the government and their agencies, monastic institutions, constitutional bodies and armed forces should own NACS and should recognize the important need to mainstream it in their overall good governance initiatives. It is also important to establish an effective M & E system. Further, NACS is expected to provide

a platform for sustained dialogue, confidence building and for greater coordination and co-operation that generates a sense of common direction. NACS' success lies in the sincerity of its implementation by all agencies and the effective oversight provided by the Committee of Secretaries (COS). ACC will follow up on the implementation of NACS in close concert with COS. Further, the implementation status of NACS could form a part of the government's annual report to the Parliament in order to assess the conscious articulation of its persuasive policy of "*Zero Tolerance to Corruption.*"

NACS has been submitted to the Parliament together with the annual report.



Cabinet at the National Consultative Workshop on NACS

SECTION 3:

INSTITUTIONAL DEVELOPMENT

The Secretariat to the ACC is responsible for studying the best practices of other countries for adaptation, building a meritocratic personnel management system and providing general administrative and logistical support to the Commission and the divisions. The following are some of the important activities.

3.1. CREATION OF COMPLAINTS AND FOLLOW-UP SECTION

Receiving, recording and sorting complaints, sifting and analyzing information, listening to and counseling complainants, apprising the Complaints Evaluation Committee and the Commission on the complaints, sharing information with divisions in ACC and agencies and following up on the shared information, maintaining a data base, etc. is a huge task in itself, which until early this year was managed by one person. Further, in an environment where delineation of responsibilities and accountability is weak, perseverance, conscious effort and time is required to take investigation of corruption cases to logical conclusion (e.g. some of the court verdicts are yet to be executed). Therefore, a complaints and follow-up section was established in April 2009 under the Investigation Division. The Section is fully functional with 3 people.

3.2 RECRUITMENT OF PERSONNEL

As highlighted in the earlier reports, recruitment and retention of personnel has been one of the biggest challenges facing ACC and will

always be so. This has gravely impacted on the performance of the ACC: absence of sustained planned systemic interventions and dialogue helplessly allowing corruption to perpetuate and increasing reports of complaints leading to huge backlog of cases, which is building public resignation. The Commission recruited 12 officers including 2 in-service civil servants and a retired police officer. However, it has to be noted that the Commission has not succeeded in attracting competent people as warranted by its mandate. The new recruits were given a general induction training of 3 days besides a week's mandatory training imparted to the investigators.

Of the 32 officers, 2 officers, viz. Chief Planning Officer and a Systems Analyst are attached to the Improving Public Service Delivery System (IPSDS) Project of the RCSC.

3.3 HUMAN RESOURCE DEVELOPMENT AND CAPACITY BUILDING

Continuous development of professional and ethical progress of the employees of ACC and its allies is of paramount importance. A total of 29 ACC officials and 3 from other agencies have attended workshops/seminars/trainings in the field of public governance, government anti-corruption methods, international conventions, corruption studies, international regulatory reforms and office management. Officials have also attended various in-country

trainings/workshops/seminars. A long-term human resource development plan will be soon developed to help build in-house expertise in many pressing disciplines while being fully mindful of the reality of attrition of personnel. Possible assistance from an anti-corruption agency in the region is being explored.

3.4 RULES OF PROCEDURE FOR COMMISSION MEETINGS

In an effort to foster greater transparency, accountability and systematic decision making processes, Rules of Procedure for Commission Meetings has been adopted.

3.5 CONSTRUCTION OF ACC OFFICE BUILDING

ACC since inception has been operating from a hired private accommodation. Construction work of a new office building has been awarded. The new office is expected to be a model building that characterizes purity, harmony and respect (*mandala* with a *chorten* in front), environmental consciousness (energy and water conservation) and self discipline.



Model of the new ACC Office

3.6 NETWORKING – INTERNATIONAL

ACC has made continuous efforts, directly and indirectly, in strengthening networks and linkages with other anti-corruption institutions such as the Corrupt Practice Investigation Bureau of Singapore (CPIB), Independent Commission Against Corruption (ICAC) of Hong Kong, Central Bureau of Investigation (CBI) of India, Ombudsman of the Philippines, Anti-Corruption and Civil Rights Commission (ACRC) of Republic of Korea and Malaysian Anti Corruption Academy (MACA). Efforts are underway to establish linkages with one or two leading anti-corruption agencies in the region.



Venerable Dorji Lopen at the ground breaking ceremony

Since September 2007, ACC has been participating in the biannual Steering Group Meeting of ADB/OECD Anti-Corruption Initiative for Asia and the Pacific. Bhutan is recognized as one of the progressive countries in fighting corruption in the region. In March 2009, ACC was invited to share its experiences in “*Media Education on Anti-Corruption*” during the 13th Steering Group Meeting in Macau. Again during the 14th Steering Group Meeting ACC, August 2009, Manila, ACC shared its experience through a thematic presentation titled, “*Corruption and GNH.*” In September 2009, ACC was invited as an observer to the 5th Anti-Corruption Agency Forum (ACA) and as an exemplary recipient of assistance in capacity development to speak on the theme “*Introduction & Application of Best Practices*” at the 2009 APEC Anti-Corruption & Transparency Symposium, Seoul. ACC in close consultation with the Ministry of Foreign Affairs will engage in some of the active regional and international anti-corruption fora in future.



ACC at APEC Anti-Corruption Symposium

3.7 PROJECTS

ACC has received generous support from development partners within its policy of “fewer with greater efficiency.” Both the ACC’s Internal Audit and the RAA commended the internal controls and proper budgetary operations of the projects. Projects funded by DANIDA, UNDP and the Netherlands were closed in March 2009. For the 10th Five Year Plan, ACC has received Nu. 45 million and Nu. 107.00 million from Government of India (GOI) and Swiss Agency for Development and Cooperation (SDC). The details of the ongoing projects are:

SN	Project Name	Main Activities	Amount (million)	Status
1	GOI Support	Construction of ACC's secretariat building	Nu. 45.00	Nu. 1.547 million spent on site preparation & architectural design. Works awarded.
2	Anti-Corruption & Civil Rights Commission, Korea, Jan 2009 to Jun 2010	Institutional & systems improvement (prevention & public education)	Nu. 3.000	ACC's & National Statistical Bureau's capacity in Integrity Assessment (IA) built. IA survey completed; report to be released in December 2009. Corruption Perception Survey conducted. 10% of funds remaining for works related to NACS.
3	SDC Support	Strengthening of anti-corruption laws; mainstreaming anti-corruption; building citizens' initiative; development of a credible & effective ACC.	Nu. 15.000*	Nu. 1.6 million to Thimphu City Corporation (TCC) for online application tracking system. Nu. 5.900 million to Finance Ministry for internal audit services improvement. Institutional development (Nu. 7.050 million).

* Nu. 15.000 million received as the first installment for the period November 1, 2008 to October 31, 2009.

Impact on the service delivery in RSTA (support provided in 2008) and TCC will be assessed at an appropriate time. As ACC secured funds in excess of the 10th Plan outlay

determined by GHNC, an amount of Nu. 9.840 million has been allocated to the Ministry of Finance during the plan period to support good governance activities.

SECTION 4: PERFORMANCE OF ACC

4.1 PREVENTION

The Prevention Division has 6 officers: chief, 2 senior system analysts, 2 assistant research officers and one assistant system analyst. One senior system analyst is currently attached to the Improving Public Service Delivery System (IPSD) Project, RCSC.

ACC has always endeavored to approach prevention of corruption in a systematic and a phased manner: sensitization on corruption, introduction of international and regional corruption prevention tools and consolidation of ideas and tools. However, it has not been really able to make inroads into it firstly because of ACC's own limited capacity, secondly and more importantly because of the pervasive lethargy and indifference in the system.

4.1.1 Collaboration and Partnership Programs for Greater National Integrity

Public Sector being the epicenter of corruption, fighting corruption calls for greater understanding and effective partnership between the RCSC and ACC and between oversight agencies of corporate bodies and financial institutions. RCSC and ACC have now started a dialogue. Leadership and ensurance of rigorous compliance program of public officials' professional and ethical code of conduct form the bedrock of any anti-corruption measure. Therefore, review of

recruitment and selection process for leadership positions, evaluation of their performance and implementation of BCSR Code of Conduct and Ethics, particularly conflicts of interest, have become urgent. These are also some immediate proposals that ACC desires to take up in the public sector.

National integrity not only depends on the integrity of the public sector but also on the integrity of the private sector, an important partner in the development process. Conducting business ethically will not only help prevent corruption in the public sector but will also encourage investments, giving greater impetus to economic development and employment generation. Bhutan Chamber of Commerce and Industry (BCCI), as the apex body for private sector development, has to set clear targets and strive harder and consciously towards achieving those targets. One of the 10th Plan priorities of BCCI is to promote and enhance corporate responsibility in the private sector. Along the same line, BCCI and ACC jointly worked to develop Business Code of Ethics in several business associations. While some associations are apparently working towards operationalizing the business ethical codes, a formal assessment could not be undertaken. ACC is looking forward to working more rigorously with the new management which has indicated its willingness. Forging partnership with business community is also an activity in the NACS.

4.1.2 Integrity Assessment (IA)

Integrity assessment is a systematic approach to fighting corruption. This was first designed by Anti-Corruption and Civil Rights Commission (ACRC) of the Republic of Korea to encourage public organizations to make voluntary efforts against corruption by removing corruption factors from their regulations and laws. Integrity here refers to the degree in which public servants discharge their public duties in a fair and transparent manner as well as in compliance with the laws and procedures without getting involved in misconduct and corruption. IA endeavors to reduce the subjectivity of people's perception, it is more rational than corruption perception surveys.

Integrity survey is an agency-based corruption assessment framework. The survey selects corruption prone public services in a target organization and seeks to measure the actual state of corruption in the organization with a focus on public services. The main purpose of the IA is to assist organizations in setting up effective measures to prevent corrupt practices in corruption prone areas and to encourage them to step up their anti-corruption efforts.

In an effort towards preventing corruption through systemic intervention, ACC launched the IA survey in April 2009. The ACRC assisted ACC in building the National Statistical Bureau's (NSB) and its own capacity in IA prior to outsourcing the survey to NSB. The survey, which has been completed now, includes 24 organizations. The report is expected to be completed by December 2009 and will be presented to the organizations. The study will generate national integrity score of

services and organizations. It can also generate sectoral Integrity Perception Indices.

4.1.3 System Studies

Systems improvement is an important and a logical outcome of complaints management, investigations and enquiries besides proactive initiatives. Much information from complaints and enquiries has been shared with agencies for sensitization and more importantly for initiating systems improvement from within. Further, ACC also shared general anti-corruption related issues and materials with concerned agencies as a sensitization strategy, such as "infrastructure and compliance program on ethics and internal controls systems" with the RCSC, "financial sector discipline" with the Ministry of Finance and RMA, "business ethics" with BCCI, "mechanism for procurement related grievance re-dressal" with the Ministry of Finance and "rule making protocol" with the Cabinet Secretariat.

The Prevention Division has undertaken one pro-active systemic study and few studies based on investigations. A system of assessing initiatives taken by agencies following sensitization or investigation and their impact does not exist currently, but a guideline is being developed. Some of the systemic studies undertaken by ACC are:

Rural Timber Allotment System, Department of Forest, Ministry of Agriculture

Environment being one of the four pillars of Gross National Happiness and the fact that the forestry sector is highly prone to corruption, especially with respect to timber, ACC launched a pro-active systemic study of Rural Timber Allotment System in June

2009. Apparently, a limited system study that was conducted during an investigation in 2007 was also shared with the Ministry. The main objective of the pro-active study was to analyze possible systemic weaknesses that provided opportunities to all actors including the beneficiaries to indulge in corrupt practices by abusing entrusted powers and government subsidies.

Along with the identification of various problems in the system and the detailed analysis of the causes to each problem, ACC provided 7 recommendations to the Ministry of Agriculture to help plug-in the loopholes that served as a fertile breeding ground for corruption. Another important issue that stood out was the non-compliance of the existing forest rules and regulations. Reduction of timber extraction permit validity and ensuring of monitoring functions were some of the recommendations.

The recommendations were timely as the Ministry was in the process of reviewing the Forest and Nature Conservation Rules 2006 and the Timber Pricing and Timber Subsidy Policy. ACC will follow up on the implementation of the recommendations.

Mines and Minerals Management System, Department of Geology and Mines, Ministry of Economic Affairs

Following an investigation in what is known to be one of the biggest scams in the mining industry, ACC carried out a systems study on mines and minerals management in the country. The main objective of this study was to analyze the systemic flaws and provide corrective measures to prevent corruption in the industry from happening again.

Along with legislative review of the Mines and Minerals Management Act 1995 and the Mines and Minerals Management Rules 2002, ACC provided the Ministry of Economic Affairs with recommendations to correct and improve the mines and minerals management systems. Development of a clear-cut policy on mining; adoption of a system for transparent and effective application registration system; obtaining NEC clearance at the initial stage of application process; declaration of conflicts of interest and avoiding stagnation of posts, especially in mines inspection were some of the recommendations.

The Ministry of Economic Affairs has also taken initiatives to improve the system. ACC together with the Ministry will review the implementation of the recommendations in due course of time.

Procurement System of Health Sector Goods, Department of Medical Services, Ministry of Health

In view of the huge annual budget allocation, complaints and the ongoing investigation, ACC is studying the health sector procurement system among others. The report will be shared with the Ministry of Health.

4.1.4 Asset Declaration (AD)

Strengthening of Asset Declaration system as an important corruption prevention tool is being rigorously pursued. The compliance rate of Schedule I, declarations made to the ACC, has increased from 8% in 2006 to 50 % in 2007 and 72 % in 2008. The declaration in 2008 was 100% after extension of the submission deadline. Justifications for failure to declare on time were mainly attributed to lapses of the administration and AD focal persons.

Agencies have not yet taken full ownership of the AD system. Many agencies do not have designated focal persons apparently due to which the AD system has not been fully institutionalized. Rate of AD compliance in the decentralized system is poor in many agencies. ACC needs to work on the formalization of AD focal persons, their capacity development and fixing greater accountability on the heads of agencies. AD provisions in the Anti-Corruption Act are also being revised.

To make the system less burdensome and user-friendly, ACC with RSTA's IT officer's support online declaration was developed and introduced for Schedule-I public officials in 2008. However, apart from ACC employees only few used the facility. Effort has been made to provide greater clarity in the content. Online declaration system for other public servants administered by their respective agencies is being developed and is expected to be in use for the declaration in March 2010. The system will be centrally hosted by ACC for data security, cost-effectiveness and effective maintenance. Agencies will have access to the online system and will continue to administer and monitor the AD of their employees. AD focal persons and IT professionals will be trained to administer the system before the next declaration.

Heads of agencies, as per section 128 of the AC Act, are responsible for their respective agency's AD system. While RAA helps ACC to audit the AD compliance by agencies, ACC has not been able to effectively monitor the compliance rate as its focus initially has been in building the system and creating a culture of "taking responsibilities." Compliance rate

is expected to improve once the online system is introduced and accountability fixed for non-compliance and failing to monitor.

ACC will assist the Election Commission of Bhutan in administering the Asset Declaration of candidates (incumbent public officials) contesting in the upcoming local government elections.

4.1.5 Tripartite Forum of ACC, RAA and IAUs

The tripartite forum of Royal Audit Authority, Internal Audit Units (IAU) of agencies including financial institutions and corporations and ACC is the first coordination forum institutionalized in March 2006. The forum has been instrumental in terms of sharing knowledge, skills and tools on good governance and forging efforts towards building effective partnership, besides avoiding duplications between RAA and IAUs. Absence of a system of managing conflicts of interest, which is a major cause of corruption, has been introduced in a few ministries and corporations and many more may be in the process of introducing it. Based on the IAU Charter, most internal auditors have developed action plans endorsed by the respective concerned authorities. Generally, these action plans are in line with the National Anti-Corruption Strategy Framework, 2009.

As an example of good governance initiative, the Royal Monetary Authority (RMA) conducted a workshop on Risk Based Internal Auditing (RBIA) for all financial institutions and corporations. Such an initiative by RMA is going to continue.

4.1.6 Others

Improving Public Service Delivery System (IPSDS)

Recognizing the importance of efficient public services, the government has strengthened the Multi-Sectoral Task Force (MSTF) on Administrative Burden (AB) initiated by ACC. The MSTF was renamed as Improving Public Service Delivery System Project in April 2009 with the inclusion of new members. It is the lead coordinator for improving public services and is attached to the RCSC. The Project, which is tentatively planned for a period of one year, is manned by representatives from the RCSC (1), MOF (1) and ACC (2).

Besides following up on the recommendations of the three pilot AB studies, the Project is working towards standardization of services, simplification and harmonization of regulations, delegation and decentralization of authority, ICTization of processes and outsourcing of services. Currently, the Project is working with 42 agencies. By July 2010, all agencies are expected to implement Service Delivery Standards (SDS). While many agencies have developed SDS, there are a few which are yet to develop theirs. The Project is also planning to initiate at least five *Kuenphen Tewas* (one Stop Shops) by July 2010.

Money Laundering

With globalization of economy, organized crime cannot be avoided. Money Laundering (ML) is one such major concern for ACC. An interactive session was convened between ACC and RMA. Anti-ML laws exist but enforcement and oversight services are weak. Proposals for structural and legal reforms are underway in effectively addressing ML and related issues.

In general, preventive measures are as effective as the degree of commitment and cooperation from agencies. The Division will focus more on facilitating the implementation of NACS by the stakeholders.

4.2 PUBLIC EDUCATION & ADVOCACY

Public Education Division is responsible for creating an awakened citizenry and enlisting public support in combating corruption. This is done through two pronged approach of advocacy and awareness and behavioral change program using tools and strategies such as mass media, interactive sessions, program development and collaborative partnerships. The Division is manned by 2 officers: chief public education officer and an assistant public education officer.

4.2.1 Advocacy and awareness program

Nation and common citizens are the ultimate victims of corruption. To uphold justice and to fight corruption is the constitutional duty of all citizens. Citizens, therefore, have to be informed and empowered to fulfill their sacred duty. ACC's advocacy program is to create that awareness amongst the citizens, about the vices of corruption and ways and means to combat it. The program is delivered through interactive sessions, panel discussions and sensitization through mass media.

With increased public awareness of forms, causes and impact of corruption, the focus now has shifted to specific issues such as quality of complaints, compliance of code of conduct in particular management of conflicts of interest and contract administration, which includes procurement rules and regulation, through case studies.

As more resources and authority are decentralized to local governance institutions, which is important, decentralization of corruption is inevitable and it cannot be ignored. If it is of any indication, complaints related to local governance, the frontline service provider, is the highest (**Figure 7**). As this is a major concern for ACC, especially with the 10th Plan budget being over Nu. 140 million, meeting with local governance officials and people has become a compelling priority for ACC. In continuation to the past interactions with *Gups* and Geog Administrative Officers, in mid 2009, 2 teams visited 24 *Geogs* to meet with all *Geog* officials. Besides, the teams also met with several farmers.

Generally, all *Geog* officials and the public are aware of ACC and corruption. Offerings of *chhangje* to local officials and frequent *dhulang* that are generally unaccounted for have reportedly decreased implying greater awareness of the anti-corruption policies and compliance thereof. Lack of transparency and instruments of check and balance are major problems in local governance that is

aggravated by uninformed and fearful public. ACC has shared the general issues of local governance and in particular causes of failed projects with the Ministry of Home & Cultural Affairs, GNHC and its project consultants for inclusion in its capacity development program and systems improvement. Visits to other remaining *Geogs* will be carried out subsequently.

Further, 11 dedicated interactive sessions were conducted. Together with the Ministry of Finance, interactive sessions were held with Dzongkhag Tshogdu and *Geog* Tshogde members, sector heads and contractors in Mongar, Tashiyangtse, Tashigang and Tongsa Dzongkhags. Sessions have also been conducted with the Bank of Bhutan (annual conference), Gaedug College of Business Studies, Royal Monetary Authority (limited) and Sherubling Higher Secondary School, Tongsa. Two rounds of focused group discussion were held with graduates during the National Graduates Orientation Program 2008 and 2009.



Interaction with Dzongkhag, *Geog* Officials and Contractors



Interaction with Chairpersons, Dzongkhag Tshogdu and Gewog Tshogde

An exhaustive public sensitization program was carried out through mass media. In our continued effort to keep the general public informed, a new contract has been signed with the BBSC for a year, starting July 2009. Quarterly News Update (print), a way for generating anti-corruption movement, is another avenue for informing people.

Commemoration of the International Anti-Corruption Day

December 9 is the International Anti-Corruption Day, a day for self-introspection, evaluation and for forging national unity

to fight corruption without fear and favor. The Day was commemorated with the Centenary Marathon with the theme “*Run against Corruption*” in conjunction with the Coronation and Centenary celebrations. The mass participation was an expression of overwhelming public support to the fight against corruption. As people are at the core of democracy and fighting corruption, citizens were invited to take the centre stage in presence of senior public officials, a farmer gracing the occasion and youth and citizens voicing their views on corruption and integrity.



Interaction with Nation builders, teachers and students of Sherubling H.S School, Trongsa



Run against Corruption

The Day also marks the beginning of the National Corruption Free Week in Bhutan. Its main objective is to offer an opportunity for public officials and agencies to seriously assess their ethical health, to recognize weaknesses, if any, and make conscious effort in addressing them. However, this has not happened even after the third year of commemoration. Alternative strategies are being explored.

An aggressive public awareness program was carried out on Kuzoo FM, Radio Valley, BBS radio (3 radio drama and 2 radio jingles) and BBS TV with messages of fighting corruption first with self, “Resist, Refrain and Report” corruption. Advocacy materials were distributed.

The shift from the dominance of anonymous complaints in 2006 to more identified and walk-in complaints and the increasing institutional demand for anti-corruption services could be indicators of increased public awareness and greater consciousness that has generated some level of trust and confidence of the general public in ACC.

4.2.2 Behavioral Change Program

Corruption is a behavioral pattern with moralistic and ethical underpinnings. A long term anti-corruption measure is character

development and behavioral change. Character of a society determines the character of a nation. Character development and behavioral change call for sustained and conscious effort of all stakeholders, most importantly leaders, parents, educationists and trainers, spiritual institutions, policy makers and media personnel.

Preliminary consultations have been done with the Royal Institute of Management, Royal University of Bhutan (RUB), Ministry of Education and Dratshang to explore the way forward to integrating professional ethics in the training and educational curricula and making value education more dynamic and meaningful. The Royal University of Bhutan in collaboration with the Naropa University, Colorado, is developing a part time diploma program in professional counseling based on contemplative psychology and one or 2 modules on mind and mindfulness to be introduced across the University.

Further, ACC in collaboration with the Non-Formal and Continuing Education Division has developed a module on corruption as part Non-Formal Education (NFE) curriculum. The module defines corruption, its manifestations, causes and consequences including penalties if convicted corrupt. There are about 13,000 trainees enrolled in the program. It is expected

to create some impact on behavioral change in the trainees and those that fall within the sphere of their social, economic and political interaction.

Implementation of NACS is expected to generate greater synergy among the actors of behavioral change program.

4.3 LEGAL

The Legal Division has 2 people: a chief legal officer and a legal assistant. The Division not only tenders legal advice to the Commission and other Divisions but also formulates new laws and reviews the existing ones in close consultation with concerned agencies. The Division has formulated a number of new laws and reviewed few existing ones.

4.3.1 The Amendment of the Anti-Corruption Act

While the Anti-Corruption Act 2006 (ACA) is fairly a recent legislation, as informed by the ACC's practical experience in its implementation for the past three years, there are areas for further improvement. After consultation with an expert and agencies earlier this year as initial steps to amend the ACA, the 5-member Review Committee (3 from the National Council and 2 from ACC) is currently drafting the amendment Bill under the auspices of the Good Governance Committee of the National Council. The amendment Bill will tentatively be ready for the second reading by the National Council in its forthcoming session and is expected to be passed by the Parliament in 2010.

4.3.2 The Prosecution Referral Guidelines

Initiated in the later part of 2008, the formulation of the Prosecution Referral Guidelines

(the Guidelines) has been completed after consultations with concerned agencies and an external expert. It was reported last year that the Draft Guidelines would be adopted soon. However, it has not been adopted mainly because it has to be attuned to the provisions of ACA, which is being amended. Further, the Office of Attorney General (OAG) is also drafting its Prosecution Guidelines with which ACC's Guidelines has to be consistent. As a result, ACC's Guidelines will be finalized and operationalized only after the enactment of the amendment Bill and the completion of OAG's Prosecution Guidelines. The Guidelines is expected to achieve consistency, fairness, transparency and objectivity in the ACC's prosecution referral decisions.

4.3.3 Gift Rules

Section 138(h) (ii) of ACA prohibits retention of gifts by public servants. The Gift Rules came into force on March 5, 2009. The Gift Rules guides a public servant in deciding what are prohibited gifts and the procedures for disposal thereof, gifts that can be accepted, procedures for public disclosure of gifts and penalties for breaches thereof. So far, it may be only the Ministry of Economic Affairs that has appointed a gift disclosure administrator as required by the Rules. Implementing agency heads as well as ACC have to step up public awareness, capacity development and compliance monitoring.

4.3.4 Debarment Rules

The draft Debarment Rules is yet to be operationalized. Public comments on the draft have been solicited. Due to competing demands for services of the Division with a lone officer, the final consultative workshop with stakeholders to finalize the draft Rules

had to be postponed. However, it has now been rescheduled for the end of this year. It is expected to ensure that public agencies conduct business only with a responsible person.

4.3.5 Commissioners' Disciplinary Inquiry Committee Rules

The draft Rules has been shared with other constitutional offices including the Office of Attorney General for comments. Its adoption has been deferred due to the reprioritization of the amendment of ACA.

4.3.6 Ratification of the UN Convention against Corruption (UNCAC)

Two activities had been planned, namely, (i) gap analysis between UNCAC and national anti-corruption laws, and (ii) obtain government's approval for ratification of the Convention. As ACA is being reviewed it would be appropriate to conduct the gap analysis simultaneously. International assistance will be sought to commence the work at least by the end of the year. Recommendations will be submitted to the government after the analysis.

4.4 COMPLAINTS MANAGEMENT & INVESTIGATION

Complaints management and investigation are deterrents, which form part of the core activities of ACC. These demand the highest level of integrity, selflessness and professionalism. These also demand clear, transparent, effective operating systems, infrastructure and tools. Complaints managers and investigators are guided by the complaints management system, Investigation Manual which provides standard operating procedures and are bound by a stringent regime of Ethical

Code of Conduct. Capacity development of investigators is an important priority for ACC.

The Division is manned by 16 officers (with 3 in the Follow-up Section): chief investigation officer, deputy chief investigation officer, 4 senior investigators, 3 investigators and 7 assistant investigators.

4.4.1 Mandatory Competency Training for New Recruits

Investigation is challenging and sensitive that calls for a fine balance between individual rights and efficacy of investigation. Investigators have to undergo the mandatory competency training before they are assigned any task. In 2009, 7 officers who were inducted into the Division underwent a week long training which among others, included training on "must know provisions" of the relevant laws being fully cognizant of the due process, investigation guidelines and various forms and templates. The training also included sessions with the Judiciary, Office of the Attorney General and Royal Bhutan Police. An in-house training manual for new recruits has been developed.

4.4.2 Improvement of Investigation Manual

The Investigation Manual was revised to further harmonize with Civil and Criminal Procedures Code 2001, Evidence Act 2005 and Anti-Corruption Act 2006. It is a live document that will be constantly reviewed as investigations go on and new realities emerge on the ground. In order to standardize report writing and other operational procedures for arrest, detention, seizures, etc. 40 forms have

been developed and are in use. Standardization of working procedures through the Manual is expected to enhance greater professionalism of the investigators.

4.4.3 Complaints Management System

Complaints is an important source of information, a lifeline for investigation and hence its quality and timeliness become crucial. Much work needs to be done in invoking a sense of larger responsibility in the people that is beyond the self and nature of relationship with the perpetrators of corruption while reporting corruption.

Complaints management system has been strengthened. Complaints are put through vigorous processes of evaluation and validation

with multiple checks through registration, evaluation by the Complaint Evaluation Committee and review and approval by the Commission. Depending on the ‘Pursuability Score,’ complaints are categorized under: (i) investigation, (ii) discreet/share with agency, (iii) under surveillance/database, or (iv) drop. Creation of the Follow-up Section has greatly facilitated in managing complaints and the data system more effectively.

4.4.4 Analysis of Complaints

ACC has received 2073 complaints since 2006 till September 30, 2009. It may be noted that invariably each complaint contains at least 2 to 3 discrete complaints, maximum being as high as 7. The year wise information on complaints is plotted below, **Figure 1**.

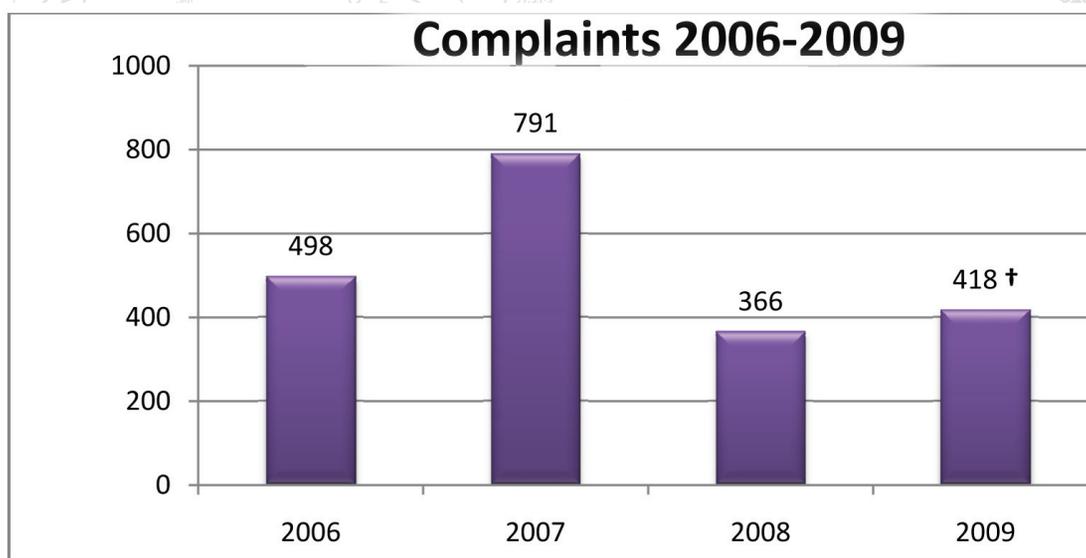


Figure 1: Trend of complaints 2006-09 (30th Sept)

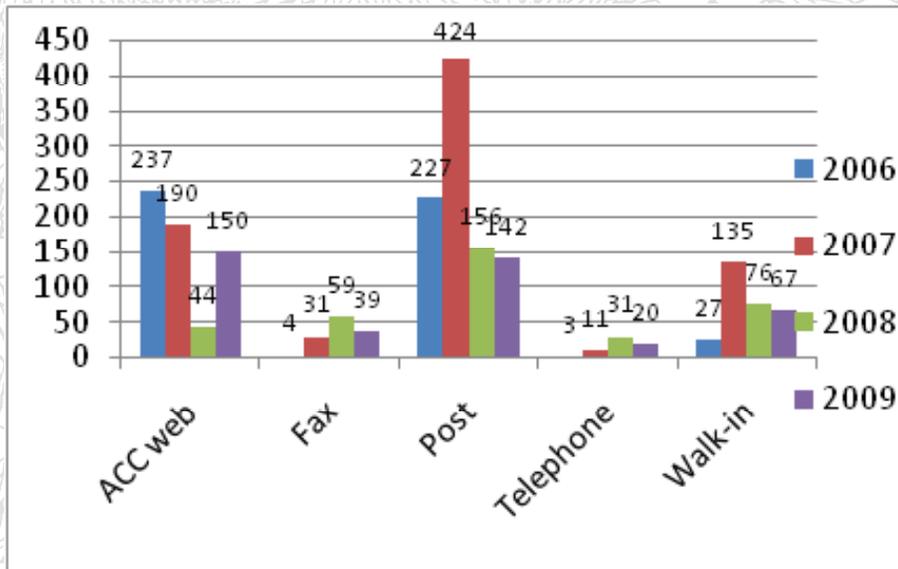


Figure 2: Complaints received through various channels

Channel of Complaints

The most popular channel of lodging complaints is by post. Walk-in complaints have sustained between 16% to 20%.

In 2006, anonymous complaints was as high as 83% (413 complaints out of 498). In 2007, it dropped to 46% (361 complaints out of 791),

44% in 2008 (165 complaints out of 366) and in 2009, it rose to 54% (183 complaints out of 418, which is as of September 30). The trend could either indicate growing public trust and confidence in ACC or the new political dispensation instilling greater consciousness of rights and sense of empowerment.

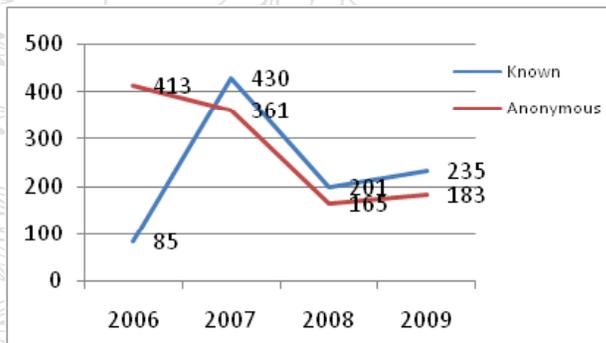


Figure 3: Anonymous vs Known

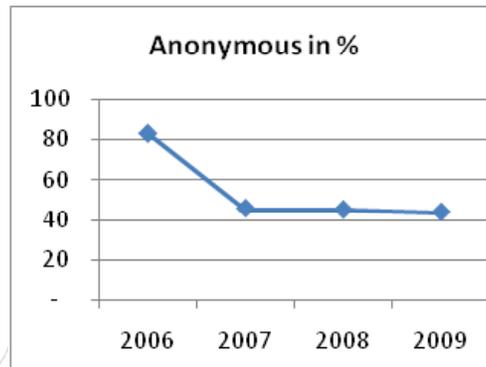


Figure 4: Trend of Anonymous

Trend of Complaints from Dzongkhag
 Prevalence or origination of complaints by Dzongkhag are shown below, **Figures 5 and 6**. As major economic hubs and administrative/financial centres, it is not surprising that the largest numbers of complaints originate from Thimphu and Chukha Dzongkhag and

the least from Gasa Dzongkhag with 0.4%. It could also be inferred that Gasa is either the least corrupt Dzongkhag or the general public are not aware of corruption reporting mechanism or presence of ACC or do not perceive corruption as a social menace.

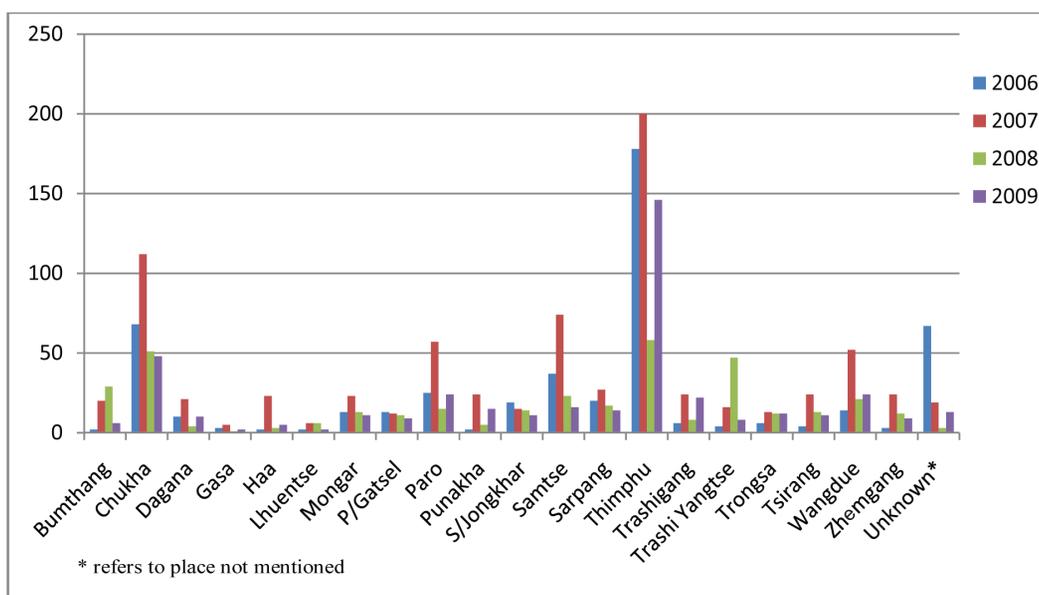


Figure 5: Trend of complaints from Dzongkhag

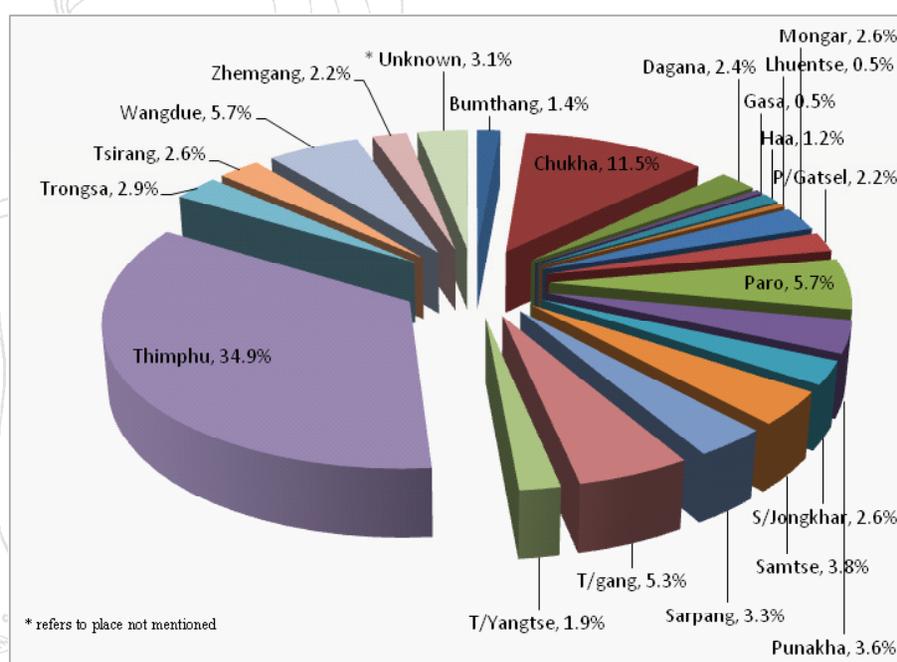


Figure 6: Complaints in % for 2009 Dzongkhag-wise

Trend of Complaints Against Agencies

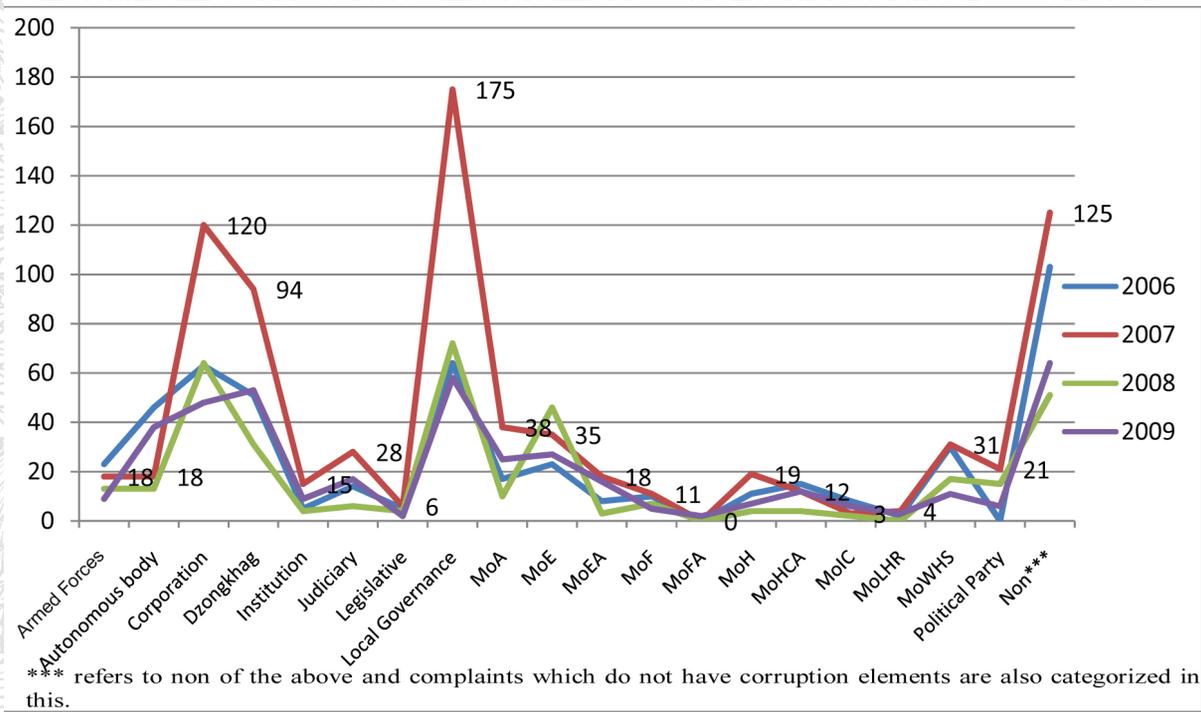


Figure 7: Trend of complaints against agencies

Similarly, complaints received against agencies are shown below, **Figure 7**.

Citizens have to deal with local officials more frequently than perhaps desirable. Complaints against local governance have persistently remained the highest. Abuse of authority, embezzlement of funds, misuse of public properties, involvement in contract works, lack of transparency and accountability in use of funds which include *dulang* and in award of works are the general nature of complaints against local office bearers. With greater decentralization of powers and resources in the 10th Plan, the risks correspondingly will be greater if timely administrative interventions including monitoring are not made.

Corporate governance, which is close on the heels of local governance, also draws attention to the need to enhance greater transparency, accountability and effective oversight.

Judiciary and the police in many countries are deeply mired in corruption and politics. Considering complaints as a measure of prevalence of corruption in an organization, it could be inferred that the Judiciary and Royal Bhutan Police are not as corrupt. However, these are very vulnerable institutions and conscious efforts need to be made to protect the sanctity of the very institutions that are expected to instill a sense of security and well being in the citizens at large.

Trend of Complaints by Type of Corruption

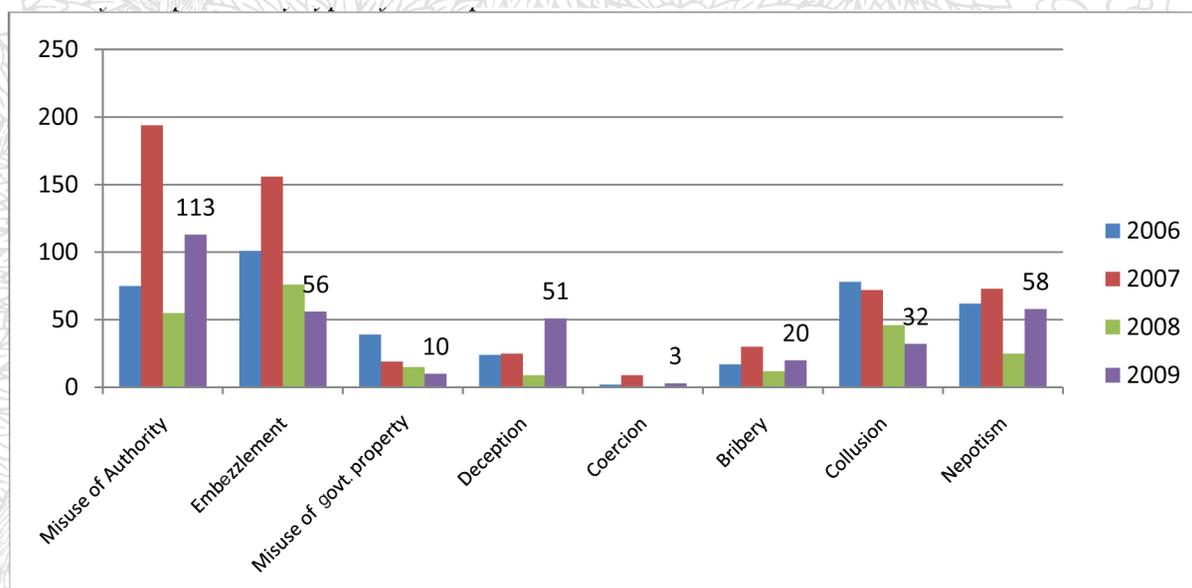


Figure 8: Trend in types of corruption

The most prevalent type of corruption is misuse of authority (abuse of public trust for private gains), which is inherent in most types of corruption. The prevalence could be attributable to poor accountability system and absence of compliance program for code of conduct and ethics. Complaints on embezzlement could indicate that the control systems are still weak and that intrinsic values of honesty, contentment and *lay jumdre* (cause

and effect) are waning. Perceived and potential risk of nepotism/favoritism in a small society is expected to be inherently high and it is so. It should counsel oversight institutions such as the RCSC, ACC, RMA, DHI and BCCI to institutionalize a culture of declaring conflicts of interest in the system and managing them transparently and professionally. Conflict of interest is an important aspect in all codes of conduct and ethics.

Trend of Complaints by Area

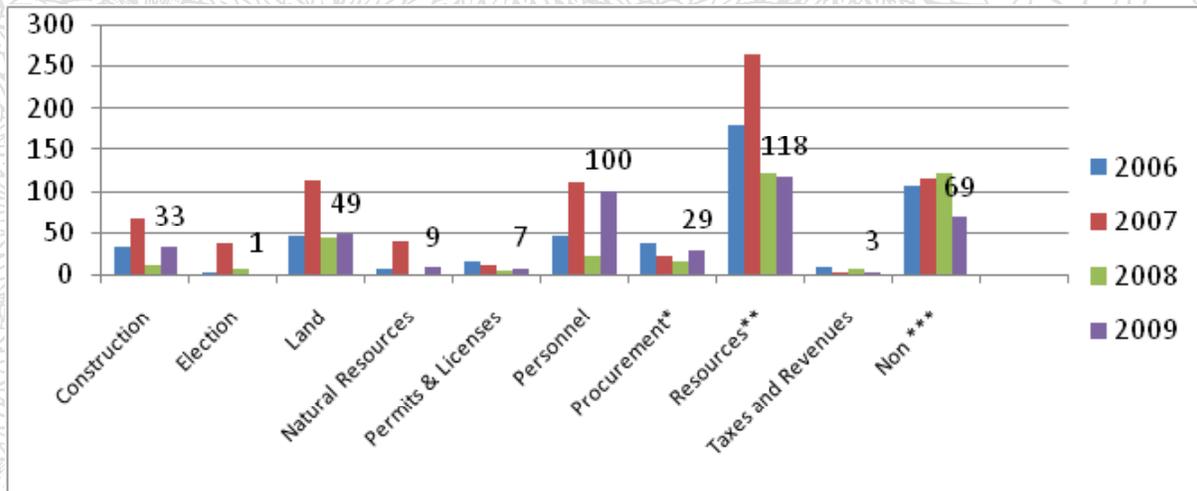


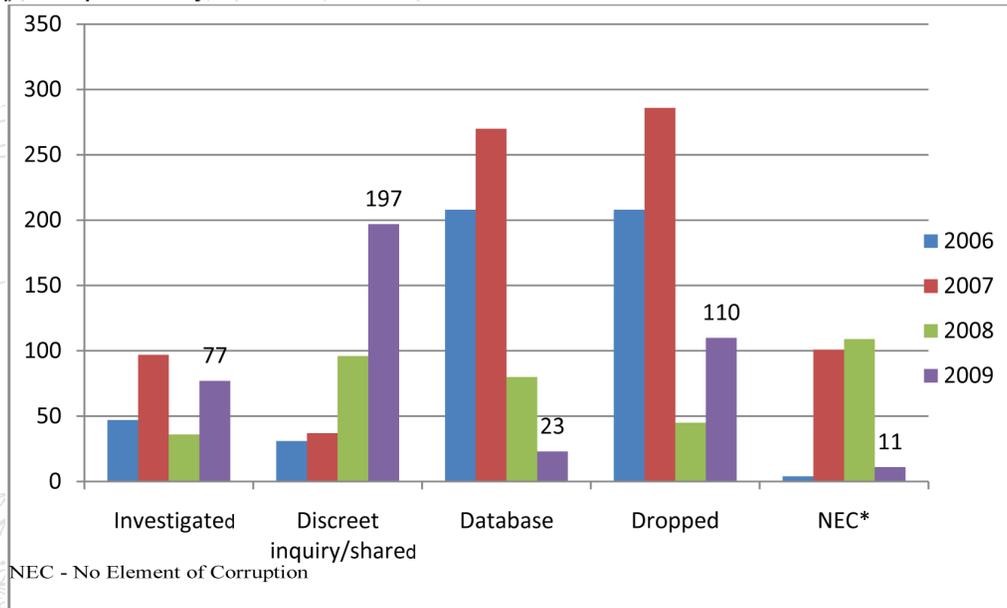
Figure 9: Complaints by area of corruption

* Goods and services, ** Public resources other than land & natural resources, ***those complaints which do not have elements of corruption.

Figure 9 highlights resources (funds, human resource and public properties; time is an important resource and the public perception of how public officials generally use this resource is not healthy. 16-18% of the annual budget is for personnel emoluments with average annual budget of Nu. 2636 million. ACC has

not devoted itself in this area yet), personnel, land and procurement (construction, goods & supplies) as major areas of complaints, which largely corroborates with the areas of investigation. Number of complaints not related to corruption, “Non,” is substantive.

Trend of Complaints by Action



NEC - No Element of Corruption

Figure 10: Trend of complaints by action

Processing of complaints is a tedious and a time consuming task. Till date, 12% of the complaints have qualified for investigation, 18% for discreet inquiry or for sharing with agencies, 70% either kept in the database or dropped for lack of adequate information or had no element of corruption. Seventy percent is too high to be ignored. This may be indicative of either the ignorance of general public on what constitutes corruption and how to report or simply irresponsible behavior. Has ACC failed to adequately educate people and raise awareness among general public about corruption and about how and what to report?

This year (till September 30), out of 418 complaints 18% (77) have qualified for investigation, 31% (128) have been shared with agencies, 17% (69) qualified for discreet enquiry of which 20 inquiries have been conducted and 34% (143) did not either contain adequate information or elements of corruption.

4.4.5 Investigation

Like any other conventional crime, whether corruption will occur or not will depend on (i) risk of being caught, (ii) cost of being caught and (iii) benefit one derives out of a corrupt act. Investigation increases the risk.

Investigation till date has been conducted based on complaints after preliminary enquiries and audit reports. It is challenging with limited resources such as investigators, lawyers, infrastructure, skills, tools and facilities for mobility and more so in a small and closely knit society. It is also important to state that the general perception of differential treatment between what is popularly termed “big fish” and “small fish” is a misperception as far as ACC is concerned. A case is investigated based on its merit and not the face(s) in it and in total deference to the Royal Decree of His Majesty the 4th Druk Gyalpo, “*The Chairperson of the Anti-Corruption Commission must discharge*

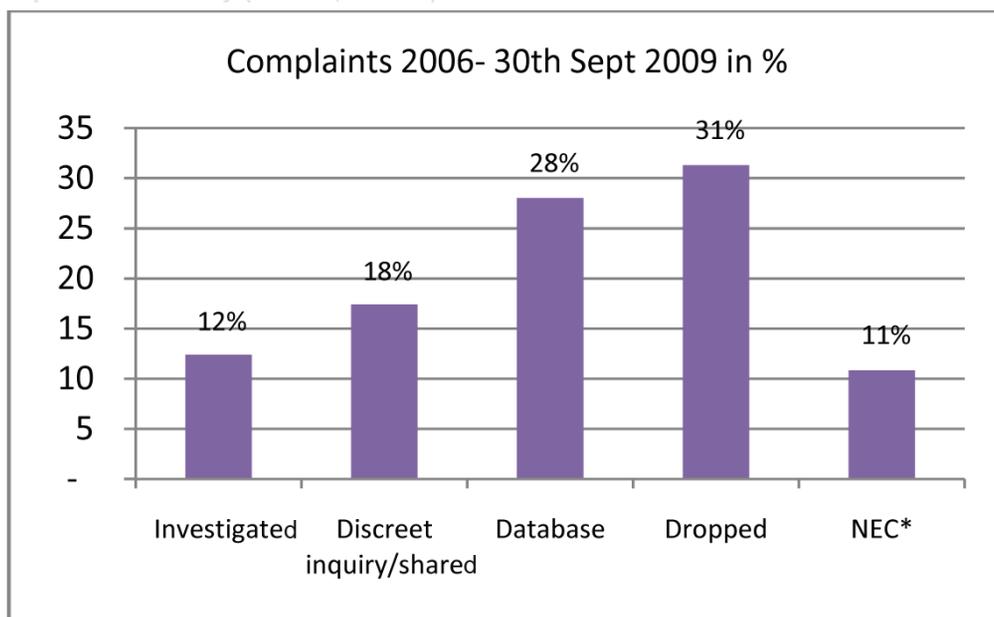


Figure 11: Complaints classified into action groups (%)

her responsibilities with utmost loyalty and dedication to the government and the people, unaffected by any consideration for those in positions of power and influence, showing full transparency and no discrimination whatsoever in the line of her work. The Anti-Corruption Commission must fulfil its responsibility of curbing and rooting out corruption through timely and effective checking on private utilization of public funds and persons engaged in unauthorized use of public resources. Towards this end, the Chairperson of the Anti-Corruption Commission is authorized to carry out investigations on any person in Bhutan, regardless of status or position, in the course of discharging her important responsibilities.”

Table 1 reveals that of the 249 complaints that qualified for investigation, 61 complaints have been investigated. With the investigation of 17 RAA reports, the total number of investigation is 78. There is a back log of 188 complaints yet to be investigated; the investigation rate is low at 24.5% (61 of 249). Out of 78 cases investigated so far, 35 cases each have been forwarded to the Office of the Attorney General (OAG) and the agencies, which gives an efficiency rate of 89.7%. However, the prolonged responses and inaction of agencies, prolonged review of cases by OAG and prolonged trials undermine the efficiency rate. Of the 35 cases forwarded to OAG, 2 have been returned making the prosecution rate, as of now, 94% (33/35). The rate of conviction in 2006 was 20.4% (2 although acquitted of

Table 1: Status of cases investigated (as of September 30, 2009)

Details	2006	2007	2008	2009	Total
No. of cases investigated	9	20	34	15	78
Discreet enquires conducted	Not available	18*	9	20	47
No. of cases forwarded to OAG	8	10	14	3	35
No. of cases shared with agencies	1	10	8	5	24
Judgment passed by courts on cases	6	6	0	0	12
No. of cases under trial/judgment awaited	0/2	0/3	3/1	1/0	4/6
No. of cases under investigation	0	0	0	7	7
No. of cases returned by OAG	0	0	2	0	2
No. of cases closed following investigation/shared with agencies after preliminary findings	0	1	1/11●	0	1/11

●12 (1/11) cases investigated during a mop up operation; 1 dropped since information was incorrect; 11 shared with agency after an interactive dialogue for agency to take greater responsibility and to put in place corrective measures including taking administrative action against defaulting civil servants.

* 15 by ACC, 3 by other agencies

criminal charges, administrative action taken by the respective agency was upheld; low rate because of the acquittal of 72 RICBL employees) and 92.1% in 2007 (3 people acquitted of criminal charges but upheld the administrative action taken by the agency). Low investigation rate and prolonged review and prosecution of cases not only indicate the limited capacity of the Judiciary, OAG and ACC but also the need to critically explore structural, legal and systems reforms besides building greater synergies among principal stakeholders such as the RCSC, ministries and ACC in effectively implementing/enforcing anti-corruption measures.

Action on cases referred to the agencies take unduly long and in some cases unheeded (**details in Annexure III**). Agencies in general have a long way to go in building the culture of “Zero Tolerance to Corruption” and before conscious anti-corruption efforts become clearly visible. Responsibilities, authority and accountability need to be clearly delineated and enforced. As is evident from the cases,

perpetrators of corruption are penalized but not the people who have allowed such perpetration, who should bear greater moral responsibilities.

At least, every third case investigated is regarding embezzlement of funds and procurement (**ref. Table 2**). Institutionalization of professional recruitment system and accountability tools and stringent compliance program of code of conduct and ethics and training in it, revamping internal control systems including strengthening of the Internal Audit Units, aggressive exploitation of ICT to enhance efficiency and transparency, simplification of procedures and removal of obsolete and unnecessary conditions that engender unhealthy behavior of public servants and private sector and institutionalization of an effective grievance redressal mechanism are some measures to minimize such forms of corruption.

Details of investigations conducted from 2006 to 2009 are presented in **Annexure III**.

Table 2: Areas of investigation

SN	AREA/TIME	2006	2007	2008	2009	TOTAL
1	Embezzlement	4	7	14	3	28
2	Construction & other procurement	1	6	11	7	25
3	Land	4	3	1	1	9
4	Mis-use of Public Property	0	1	1	3	5
5	Natural Resources	0	1	3	1	5
6	Political Corruption	0	2	2	0	4
7	Personnel	0	0	2	0	2
TOTAL		9	20	34	15	78

Action taken on RAA Reports

As required by law, RAA endorses its reports with incidences of possible corruption to ACC. As of September 30, 2009, ACC has received 55 reports (**Annexure IV**). Sifting for evidence of corruption through the general report to establish cases of corruption in post-audit investigations are extremely time consuming and difficult. It is also burdensome for the agencies being audited or investigated. Status of the reports is given below in **Table 3**.

RAA will now highlight potential and perceived incidences of corruption in the reports endorsed to the ACC for easy reference and evaluation. Efforts are being made to reduce post audit investigations; but it will continue until agencies become more responsive and ACC is fully reinforced. Going by the current trend, on an average ACC receives 18 reports annually. RAA conducts about 500 audits in a year.

Table 3: Status of RAA Reports

SN	DETAILS	NUMBERS	REMARKS
1	Total reports received	55	
2	Reports for RAA to follow up with agencies (active)	16	1 on systems
3	Reports investigated by ACC	17	Part of report 7426
4	Reports pending for action by ACC	2	Part of Report 7426
5	Reports processed for prosecution by agencies	7	
6	Reports closed after action by agencies/RAA/ACC	25	Part of Report 7426.

SECTION 5:

A FUNDAMENTAL CHALLENGE

ACC faces many challenges, the most pressing being recruitment and retention of people with the highest standards of integrity, motivation and professionalism. The Commission has desperately and persistently voiced it for the last three years with numerous proposals to higher authorities including the Pay Commission. Dismal response, in number and quality, to the repeated efforts of the Commission to recruit people in the past and the high attrition rate underpin the challenge. In 2006, the office operated with 11 officers (including 3 commissioners). That year, 10 posts including that of the director's was advertised twice; response was dismal. Only 2 officers were recruited. Response to 2007 advertisement of 13 posts again including the director's was also dismal. Only one officer was recruited. For some time, the Commission did not allow itself to be taken hostage by the situation.

Three people resigned from office in 2007, leaving the office with just 8 officers. After the repeated failure of the Commission to recruit people, as a special case, the Royal Government commanded the appointment of 13 in-service civil servants (including a commissioner). In 2009, 12 more officers were recruited but yet again ACC failed to attract people with the desired qualities, thus seriously compromising on its efficacy.

Two officers of the 13 handpicked resigned in July 2009 and many more will leave in due

course of time. Fulfilling the government's intolerant policy of "*Zero Tolerance to Corruption*," people's expectations, meeting targets of growing work load and compelling capacity development needs is indeed a pressing challenge. Under such a situation, building a strong and effective anti-corruption agency that is nourished by public trust and confidence seems a far cry. A weak ACC potentially spells inefficiency relegating "*Zero Tolerance to Corruption*" to rhetoric, risks of perpetration of corruption in the very agency that is mandated to fight it, politicization and abuse by the powerful and the rich.

Anywhere in the world, a strong and effective anti-corruption agency is a vulnerable target of the corrupt, powerful and rich people. Bhutan cannot afford and should not allow such a situation. The government has to take bold decisions in sustaining ACC as a strong and effective institution if corruption has to be curbed at all and also importantly, in ensuring that ACC does not abuse its power. The government should facilitate the anti-corruption cadre to perform well without the distractions of shortcomings beyond the controls of the Commission and protect them, in particular the investigators and their family from malicious afflictions simply for doing their job. The risk is real and it has to be recognized by the government. Bold interventions have to be made before ACC is rendered ineffective or dies a premature death.

SECTION 6:

CONCLUSION

Fighting corruption alone and in a highly defensive, protective and where everything is so personalized is indeed one of the biggest challenges facing the anti-corruption cadre. Fighting corruption is perceived as an ACC battle, thus enhancing the risk of malicious afflictions by those affected by the cadre's work, their friends and relatives. Without the concerted and conscious effort of all actors, the cadre's lone battle against corruption will continue to remain an action of sorts at best and a mockery at worst.

The report highlights that fighting corruption through institutional and systems reforms, generation of public awareness and sense of citizenship and investigation, warrant greater appreciation of the shared goal by the principal actors, strong sense of partnership, effective cooperation and coordination, a roadmap with clear milestones and an effective system of M & E that the actors are committed to in body, speech and mind. It may not be wrong to say that this has not happened because of the failure to operationalize the much applauded political will of the people and the government and ACC's ineffectiveness.

His Majesty's simple rule of "*I will not be corrupt and I will not tolerate corruption in others*" and the government's persuasive policy of "*Zero Tolerance to Corruption*," probe the inner voice, the conscience. These compellingly call for cultural and mindset shift, reform of the self, of character. But, sadly, even as systems review, awareness

program, prosecution and conviction continue, corruption simply prevails.

A measurement of Gross National Happiness is national integrity, which depends on the integrity of institutions – social, religious, political, public and private, which in turn depends on the integrity of individuals in these institutions – citizens, parents, teachers, students, scholars, monks, nuns, leaders, politicians, judges, *gups*, civil servants, corporate workers, business men and women, policemen and women, army men and women and media personnel. Bhutan has the right conditions and the opportunity to be the cleanest in the world, a role model for the world that is impoverished with the gap between the rich and the poor widening, afflicted by sickness and conflicts because of deep distrust, insatiable greed and blinding power-lust. As a small country that is spiritually rich and pursuing happiness as the ultimate goal of development and life as such, corruption should have no place at all and should not be tolerated.

Government, therefore, has to lead the anti-corruption drive. Citizens should wake up to fulfill their fundamental duty and hold the government accountable. There has to be a cultural change in the way public offices function. For this, leaders must lead the way and lead by example.

Corruption should be made highly costly and risky and leaders should expound it!

ANNEXURES

Annexure I

January 01, 2009

Direction for 2009 : Action oriented & focused

WE MUST PERSONIFY INTEGRITY & PROFESSIONALISM. WE MUST BE THE PRIDE OF OUR COUNTRY & OUR PEOPLE (timeless)

- Institutional development – continue work on conducive service conditions; building strong organizational culture (heads have a critical role to play); recruitment; better planned HR programme; mandatory training; wherever possible extend assistance to allies (*HM during the December 26 audience stressed on the importance of institution building and not being dependent on personalities. He said that systems and institutions must continue to perform long after personalities/individuals have left. His Majesty expects constant performance and hard work from us. His Majesty recognizes the challenges of fighting corruption in a small society but He reiterates that it must be fought and the larger goal of a vibrant democracy achieved*);
- Office building (exemplary);
- Strengthening of laws – implementation of prosecution guideline; for this to be meaningful review other corresponding laws (ACC has to do the ground work); revision of ACC Act and consolidation of other laws (ultimate motive being making corruption costly and risky) – may even explore possibilities of reviewing PC;
- Implementation of rules & monitoring – gift, debarment, IP, procurement manual & SBD, etc.;
- NACS – critical, political push & platform for coordination & mainstreaming anti-corruption measures;
- Systems strengthening – integrity assessment, CRM, institutional improvement, SCM/RIA, effective asset & liability administration (*e.g. reducing red tape & improving service delivery, creating an enabling environment for a vibrant economy; operationalization of Code of Conduct & Ethics*);
- Institutionalizing values, integrity – program for public servants; activate value education in schools, code of conduct and ethics in training institutes;
- Professionalizing complaints management & investigation – greater impact & satisfaction (more effort has to be made to be more thorough with the operational manual & relevant acts including AC; poor record keeping including log sheets of cases; thoroughness missing; poor follow up);
- Communications & dialogue – critical since misunderstanding due to misconception & skewed information; sessions with ministries & agencies; sensitization on anti-corruption laws and strategies;
- Recognition of anti-corruption efforts within ACC and beyond; and
- Networking & coalition – one/2 focused critical target groups.

Being in the ACC is a great opportunity to make a difference to the lives of our fellow citizens in particular the common citizens (a smile on the face of a person, who gets back his property after a long, long and hard battle with the system is indeed an immeasurable incentive). Let us continue to work consciously and conscientiously towards building an awakened citizenry, minimizing opportunities for corruption and making corruption costly and risky to the corrupt. In our service to the people, we fulfill our King's noble aspirations.

**Annexure II (a)
Work Plan for January to June 2009**

Sl. No.	ACTIVITY	OUT PUT INDICATORS	Impact	1st Quarter			2nd Quarter			RESPONSIBILITY
				Jan	Feb	Mar	Apr	May	Jun	
1	SECRETARIAT SERVICES									
1.1	Direction and Management									
1.1.1	Creation of Follow Up Section under ID	Section created	Pending cases of complaints and timely follow up contributes to efficient management of cases.							
1.1.2	Recruitment of personnel									
1.1.3	Institute Recognition systems		Institutionalization of a recognition system contributes to high morale of the employees and thereby bringing about high productivity.							
	Draft Concept paper	1								
	Circulate concept paper and seek feedback									
	Conduct meeting to endorse	2								
	Finalize recognition system	1								
1.1.4	Performance Planning	1								
1.1.5	Submission of promotion forms	1								
1.1.6	Commission to initiate dialogue with the concerned agencies on the organizational status and independence of ACC									

1.6.2	Complete HR system work flow description	Document containing HR system work flow																		
1.6.3	Complete Office Procedure work flow description	Document containing Office Procedure work flow																		
1.6.4	Complete Inventory Management system work flow description	Document containing Inventory Management system work flow																		
1.6.5	Consolidate OMS contract document	OMS contract document																		
2	LEGAL SERVICES																			
2.1	Amendment of the Anti-corruption Act																			
2.1.1	Seek Experts comments	3																		
2.1.2	Conduct National Consultative Workshop	1																		
2.1.3	Draft amendment	Drafting commenced																		
2.2	The Gifts Rules																			
2.2.1	Consult with the Royal Civil Service Commission	1																		
2.2.2	Finalize Rules	1																		
2.3	The ACC's Prosecution Referral Guidelines																			
2.3.1	Seek Experts comments	Comments obtained																		
2.3.2	Finalize Guidelines	1																		
2.4	The Commissioners' Disciplinary Inquiry Committee Rules																			
2.4.1	Consult with the ECB and RCSC																			
2.4.2	Identify working group	2																		
2.4.3	Circulate draft Rules for review/comments	Draft Rules circulated																		
2.4.4	Finalize Rules	Final Rules																		

4.4.1	Conduct RAA/IAU/ACC tri-parite coordination meeting	1	Enhanced coordination and transparency among RAA, ACC and IAs.							PD
4.4.2	Institutionalize									
	a) Code of Conduct in ministries	3	Enhanced compliance of Code of Conduct/BCSR.							
	b) Conflict of Interest in ministries	2								
4.5	System studies									
4.5.1	Carry out System correction recommendations (Investigation related)	3	Systems and practices updated.							PD/ID
4.5.2	System correction recommendations (proactive):	1								
4.5.3	Review of recruitment criteria for Leadership Positions	1								PD/RCSC
4.5.4	Study service Delivery system in gewogs	2								PD/MOHCA
4.6	Asset Declaration									
4.6.1	Introduce On-line AD	1	AD system strengthened.							PD
4.6.2	Manage AD									PD
4.6.3	Assess AD software system effectiveness and report	1								PD
5	Investigation services									
5.1	Looking back at 2008									
5.1.1	Winding-up Case 22 and 23	2								
5.1.2	Reflections on 2008	1								
5.2	Operationalisation of Investigation Manual									
5.2.1	Develop guidelines for arrest, detention, search and seizure	1								
5.2.2	Develop guidelines for suspension of incumbents	1								
5.2.3	Develop suspension guidelines and freeze of business entities and accounts	1								
5.2.4	Standardisation of Investigation Report format, Field Book and Case Log Sheet	1								

**Annexure II (b)
Work Plan for 200 July to 2010 June**

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	SECRETARIAT SERVICES															
1.1	Direction and mangement															
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 organizational and independent status of ACC															
1.2	Support logistics to divisions															
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															

Annexure III (a) Investigation, 2006 (as of September 30 2009)

SN	Case Details	Judgment/Findings	Further Appeals	Status of Case	Execution of Judgment/Findings	Remarks
1	NRTI : payment of Nu. 19,200/- to a workshop without replacement of vehicle parts, implicated 3 people	Shared with NRTI. 2 persons - increment withheld for 5 & 3 years; private entity refunded Nu. 19200.00 & for breach of trust, NRTI ceased doing business with the entity.		Closed		Investigated following inaction of agency. Administrative action taken by NRTI.
2	Gelephu : Illegal transfer of 45.50 acres of land, implicated 4 people	Dungkhag Court convicted all 4 people; sentence ranged from 5 - 9.5 years imprisonment.	3 appealed to Dzongkhag Court, which upheld Dungkhag Court's verdict. 1 further appealed to High Court, which upheld verdict.	Case closed but restitution of land not yet completed.	Dungkhag Administration has directed owners to hand over land to Department of Forest (04/08/09).	4 people detained; 1 released after brief detention based on health documents/certificate. Is there a perceptual/inconsistency in application of law wrt buyers vis-à-vis similar cases in other Dzongkhag?

3	<p>Thimphu City Corporation: forgery, illegal transaction and criminal misappropriation of 1.3853 acres of land and official misconduct. Implicated 7 people</p>	<p>7 people convicted; sentence ranged from 1 – 6 years imprisonment. 1 person acquitted but District Court (DC) convicted him in another case, which was not charge sheeted by ACC/OAG.</p>	<p>OAG & 3 persons appealed to High Court (HC); HC upheld DC's verdict on the acquittal of person against OAG's charge but deferred on additional charge made by DC. 1 person acquitted by HC on grounds that others in the case were not charged; ordered agency to take administrative action. 1 person sentenced to 4yrs & 1 month against DC's verdict of 3 yrs 4 months; additional charge made by HC related to another case & sentenced to 2 yrs & 9 months. 1 person HC reduced sentence from 6 yrs to 1.5 yrs; ordered agency to take appropriate administrative action.</p>	<p>Case closed but land still not restituted.</p>	<p>5 persons terminated (Feb. 2008); 1 person's promotion withheld for 2 yrs & seriously reprimanded (July 2008). Deletion & updation in thram record on paper done but physical demarcation pending even after over 1.5 years. TCC claims limited surveyors as reasons for non-implementation of judgment.</p>	<p>Case handed over by RBP; 5 people suspended, of whom 3 were detained & 2 agency refused to suspend.</p>
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4	<p>RICBL: Forgery, deception and official misconduct involving total amount of Nu.2,385,762.08[- (medical and travel claims). Implicated 72 employees including 4 former employees removed by management. Private firm charged for forgery of RICBL's letter pad, seal and signature of the Head of Credit Division</p>	<p>Dungkhag Court (DC) acquitted all on grounds of failing to prove beyond reasonable doubt that original bills are required to claim reimbursement for lodge, travel and medical expenses under the service rules in force. Dzungkhag Court upheld DC's verdict on the same grounds.</p>	<p>OAG appealed; Dzungkhag Court upheld DC's verdict. OAG appealed to High Court. a) Officials charged for travel claim were all acquitted; b) wrt medical claim, found guilty of embezzlement and management directed to take administrative action against them & to improve system within 3 months; recovery of Nu. 219,762.72 to be made.</p>	<p>Closed</p>	<p>RICBL submitted corrective measures to prevent recurrence of problem on 23.03.09 to HC. Nu. 219,762.72 recovered from 6 people (14.01.09).</p>	<p>Agency did not suspend (67) its employees. ACC wrote to agency to take administrative action against 3 senior employees for breaching loan conditions & inefficient management on 13.02.08. No action was taken. 5 employees who made false medical claims resigned in 2009. Charge against private firm reportedly dropped by prosecutor.</p>
5	<p>Bumthang Dzungkhag: Bribery of Nu.65,000/-, alteration of evaluation document by inserting 7% rebate amounting to Nu.1,59,673.29/- making 3rd lowest bidder to lowest bidder and issuance of work completion certificate to a contractor who was not awarded the work (sublet) by an employee</p>	<p>Dzungkhag Court sentenced him to 1 year's imprisonment & fined Nu. 3,000/- for issuing a work certificate to contractor, who was not awarded the work.</p>	<p>Alleged appealed to High Court: acquitted on grounds that RCSC's reprimand was sufficient for the offence committed.</p>	<p>Closed</p>	<p>Reinstated. RCSC transferred him to Department of Budget.</p>	<p>Suspended him.</p>

6	Phobjikha, Wangdue: Illegal transaction of 4.5 acres government land. Implicated 4 people.	Acquitted the accused by Dzongkhag Court on ground that investigating agency could not prove the accused having gained material benefit from their alleged conduct.	OAG appealed to High Court.	Open (Judgment awaited)	-	Although 2 people were terminated temporarily, 2 were not suspended by concerned agencies. Person suspended. ACC investigated following Dzongkhag Administration's claim of complaint being baseless.
7	Gyensa Fram road construction, Haa: Misuse of Nu.83,773/- by 8 people	All 8 sentenced to a month's imprisonment. Paid Nu.3000/-each in lieu of the imprisonment	-	Closed	3 people's increment withheld.	
8	Nyshio, Wangdue: Embezzlement of Geog fund of Nu.439,143 by a person	Dzongkhag Court acquitted the accused on grounds that OAG & ACC had applied law retroactively.	OAG appealed to High Court on 28.01.08; HC convicted him. Accused appealed to Zimpoen's Office.	Open (judgment awaited).	-	
9	Drugyegang Geog, Dagana: Illegal conversion of Sokshing ; misuses of authority by a person	Dzongkhag Court sentenced him to 1 year imprisonment; fined Nu.40,000/- for illegal use and sale of government land & to be paid within a month from date of judgment. Land to be restituted.	Accused appealed to High Court but latter withdrew the case.	Closed	Paid Nu. 36000 in lieu of imprisonment. ACC wrote letter to Dagana Dzongda 14/09/2009 asking him to delete the thram and re - register as a government land. No information from Dzongkhag.	

Annexure III (b) Investigation, 2007 (as of September 30 2009)

1	<p>Buli- Tsaidang farm road, Zhemgang: Forgery, tampering of bid document to make a higher bidder the lowest & official misconduct; collusion. 3 people implicated.</p>	3 people convicted from 0.5-2 years imprisonment. Thrimthue paid in lieu of imprisonment; contract license to be suspended for one year from May 16, 2007.	Closed	Administrative action taken against 3 other persons. License suspended for 1 year by CDB. MHCA recommended withholding DTC Chairman's promotion for 3 years to RCSC but dismissed & DTC Chairman only reprimanded (similar problems in previous place of posting). Action against other tender committee members awaited from RCSC, MOA & MOF' till date. Person implicated in case terminated without benefits.	Suspended. No mention made of Nu.100, 00.00 though charge sheeted.
2	<p>Construction Association of Bhutan (CAB): Embezzlement of Nu. 679,887.00 from CAB's impress account & abuse of authority; implicated 1 person (RAA Report AIN No. 6500).</p>	Convicted for 2 years; to refund Nu. 5,11,668.	Closed	Paid thrimthue in lieu of 2 years imprisonment. Nu. 5,11,668 was recovered (last installment paid on 09.01.09).	Person appealed to High Court but withdrew subsequently

<p>3</p>	<p>Bajo, Wangdue: Unfair allotment of plots in Bajo town. Nepotism by the Town Tshogpas & ambiguity in set criteria.</p>	<p>Report shared with MWHS.</p>	<p>Closed</p>	<p>The report highlighted poor planning & ambiguity in criteria setting. Policy issue in general on plot allotment to Dratshang was also highlighted for greater transparency & accountability. Although the case is closed as far as ACC is concerned, there are still some aggrieved parties.</p>
<p>4</p>	<p>Youth Development Fund (YDF): Embezzlement of Nu. 2,621,108.00 through forgery of signatures, double booking, non-deposit of funds & expenditure without supporting documents. A bank charged of negligence; damage claim. 1 person & bank implicated (RAA Report AIN No. 6829)</p>	<p>1 person sentenced to 3 years imprisonment & was ordered to refund Nu. 1,169,895.56/- within 10 days from the date of judgment, failing which he would have to serve 9 years imprisonment. Bank acquitted since court could not establish material facts. High Court sentenced the bank to 1 year imprisonment; also to refund Nu. 5,91,213.10/- to YDF. YDF sentenced to 1 year imprisonment for oversight failure.</p>	<p>OAG appealed to High Court against the bank.</p>	<p>Bank & YDF paid thrimthue.</p>

5	<p>Haa: Illegal timber extraction & commercialization of rural timber through forgery of thumb prints of thram holders & criminal misappropriation of timber belonging to government; implicated 7 people.</p>	<p>8 people convicted from 6 months – 13 months. Charge only against 7 people; 8th person charged by Court for forgery. Court upheld the reprimanded Dzongkhag Forest Officials & Gups & officials instructed to institute appropriate mechanism to prevent recurrence of such corrupt practices in future.</p>	<p>3 people appealed to the High Court, which lower court's judgment.</p>	<p>Closed</p>	<p>Wrote to MOA to check the conduct of some officials; response awaited. 750 cft of timber handed over to MOA. A report on systems was shared with MOA.</p>	<p>Subsequently, another proactive report was shared with MOA. Interventions, if any, not monitored & neither evaluated. MOA indicated that related rules were being reviewed.</p>
6	<p>Thimphu, Doebum Lam: Contractor claimed Nu. 1,608,391.20/- without materials at site; fictitious bills from a firm; double claim of mobilization fund of Nu. 7,7419,884.40; excess claim of Nu. 3,442,744.80 for earthwork in formation cutting & transportation. Bid evaluation considered cost of only one under pass (actually 2) @ Nu. 3,965,255.60. Implicated 2 people & members of tender evaluation committee.</p>	<p>Report shared with MWHS for action. MEA imposed penalty of Nu.2000/- on the company for facilitation. 24% interest charged to the contractor for undue claims (Nu.25,413/-). Action to be taken against 2 persons & committee members.</p>	<p>Closed</p>	<p>1 person's promotion withheld for 3 years; was placed under suspension from 7 August 2007.</p>	<p>MWHS & ACC met on 3/10/2007.</p>	

7	Dagana: Alleged collusion in construction of Babythang-Tshangkha farm road entailing a loss of about Nu.17,50,000/- to the government; 3 people implicated (RAA report 6459).	1 person sentenced to 2 years imprisonment by Dzongkhag Court but recovery of loss was excused on grounds of collective responsibility.	OAG appealed to High Court.	Under trial	1 person - withheld promotion for 6 years for failing to perform his duty; 2nd person, 1 year's increment withheld.	1 person suspended.
8	JDWNRH : Misuse of government vehicle & building material by a senior officer.	Wrote to MOH.		Closed		The senior officer expressing his concern, stated that it happened in his absence & warned his staff not to repeat such things in the near future.
9	Mendegang MS school, Tsirang: Sub-let (breach of contract) & submission of forged bills for material secured advance of Nu.7,354,348.00 by the contractor (sublet); 3 persons implicated.	3 persons sentenced to 10 months – 5 years imprisonment. 1 person appealed to High Court & he was sentenced to 3 years imprisonment & fined Nu. 108,000/-.	1 person appealed to High Court & further to Zimpoen's office, which dismissed the appeal.	Closed	Recovery of excess payment on the mobilization amount with 24% interest per annum yet to be confirmed.	2 people suspended. They were reprimanded; 1 year's increment withheld. MHCA briefed on urgent resumption of works.

10	<p>Tashiyangtse: Embezzlement of Nu. 9,28,094.79 of government revenue; 3 persons implicated (RAA Report AIN No. 6721).</p>	<p>3 people sentenced from 3 months – 3 years imprisonment. 4th person charged (separate case) following new information during the trial.</p>	Closed	<p>Thrimthue paid in lieu of imprisonment. Tender evaluation team reprimanded.</p>	<p>3 people suspended. 1 person terminated with post retirement benefits.</p>
11	<p>Bumthang: Fabrication of transportation bills of Nu.30610.00 from funds of Kujey Dupchen; 2 persons implicated.</p>	<p>Report shared with Dupchen organizer & MOHCA</p>	Closed		<p>Investigation revealed that there was no corrupt intention but the means adopted was neither permissible nor ethical. Only 1 person warned.</p>
12	<p>Tashiyangtse: Alleged encroachment of private land, misuse of authority & prejudiced decision.</p>		Closed		<p>Complainant had not understood the land regularization procedures.</p>
13	<p>FCB, Samdrup Jongkhar: Non- account of sale proceeds, fictitious claims of transportation charges & irregular cash purchases. 3 persons implicated (RAA Report AIN No. 6617).</p>	<p>Wrote to FCB pointing out systemic flaws & to put in place corrective measure to prevent such problem in future.</p>	Closed	<p>ACC has not assessed the interventions, if any, on systems improvement. A committee instituted to review the case. 1 person compulsorily retired & 2 persons reprimanded. Contractors security deposit forfeited.</p>	<p>Case closed for lack of evidence, difficulty of validation of information of events in India & time gap (typical problem of post audit investigation).</p>

14	<p>Gelephu: Sale of 3 acres of land without knowledge of person in whose name it is registered. 6 persons implicated.</p>				<p>Complainant also charged for knowingly reporting false information to a lawful authority with the intent to deceive that authority. 1 person suspended & another was not (2nd incidence by the same agency). Letter of non-compliance sent to the agency.</p>
15	<p>Widening of Chunzom-Isuna road: Excess claims of Nu. 4,802,990/- & Nu.5,072,448.15 for bulking of soil by 4 contractors. 4 persons implicated.</p>	<p>Case forwarded to MWHHS for action & recoveries.</p>	<p>Closed</p>	<p>Excess claims adjusted against bills. 4 persons reprimanded after more than a year & on ACC's final notice. RAA's figure of Nu.23 million reconciled with ACC's figure of Nu.9.875 million.</p>	<p>RAA and ACC met with MOWHS.</p>
16	<p>Tashichodzong-Babesa Expressway : Breach of contract & overpayment of Nu. 7.146 million for works not executed on the Dense Bituminous Macadam and Asphalt Concrete. 3 persons implicated (RAA Report AIN No. 7207)</p>	<p>Case forwarded to MWHHS for action.</p>	<p>Open</p>	<p>MWHS wrote to the contractor to refund Nu. 7.146 million (RAA & ACC reconciled amount). No recovery till date. 3 persons reprimanded only after ACC's final notice & after over a year.</p>	<p>Core sampling done jointly with MWHHS, contractor's engineer, RAA & ACC. RAA's amount of Nu.10.314 million reconciled with ACC's figure of Nu. 7.146 millions.</p>

<p>17</p>	<p>Ministry of Education: Fictitious claims on behalf of teachers who did not attend workshops conducted by coordinators amounting to Nu.1,158,901/-, 17 persons implicated (RAA Report AIN Nos. 6474 & 6694).</p>	<p>14 persons sentenced to 3 months - 18 months imprisonment. 3 acquitted but administrative action taken against them by agency upheld.</p>	<p>OAG & 3 persons appealed to High Court.</p>	<p>Closed</p>	<p>All paid thrimthue in lieu of imprisonment. 9 persons terminated & rest either demoted or annual increment withheld.</p>	<p>Case was withdrawn from OAG by MOE after RCSC's intervention. ACC investigated following inconsistent action vis-a-vis other cases charged in court. Enforcement & uniform application of BCSR have to be ensured by the RCSC & all agencies.</p>
<p>18</p>	<p>Political corruption, Pemagatshel: Allegation of bribery. 2 persons implicated.</p>	<p>Report shared with ECB.</p>	<p>Closed</p>	<p>ECB held 1 person morally responsible for the objectionable behavior of party workers & cautioned against recurrence in future. Amount paid to individuals by the other person forfeited & person warned.</p>		

	<p>Non-compliance to CDB rule: Contract awarded contrary to CDB rule of 5 works in hand for Class A contractors & under-declaration of works in hand by a contractor in 3 instances (obtained work order worth Nu. 30 cores)</p>	<p>Case forwarded to MWHS, MOH, MEA & DHI for action.</p>	<p>Open</p>	<p>MOH clarified its stand; MEA & DHI reprimanded a person. MWHS could not act because of a related case being in the court. No action till date by MWHS.</p>	<p>Typical case of lack of due diligence in contract administration. CDB has to improve its data management for effective monitoring.</p>
<p>20</p>	<p>Political corruption, Gelephu: Circulation of paper titled “Bhutan a Kingdom Besieged” (select text). 1 person implicated.</p>	<p>Report forwarded to ECB.</p>	<p>Closed</p>	<p>Election Dispute Settlement Body disqualified the candidate.</p>	<p>Clear procedures on information sharing, surveillance and investigation need to be established between ECB & ACC for greater impact.</p>

Annexure III (c) Investigation, 2008 (as of September 30, 2009)

SN	Case Details	Judgment/ Findings	Status of Case	Remarks
1	Surveillance on Political Corruption: Report on coercion & deception, bribery, other breach of rules & asset tracing in Chhukha, Samtse, Lhuentse, Mongar, T/gang, T/Yangtze, S/Jongkhar, P/gatshel, Tsirang, S/pang Dzongkhag.	Shared with ECB	Closed	
2	Paro Town Phase I: Irregular payment of Nu. 2.38 million; 2 people implicated (RAA Report AIN 7104).	Report on systemic flaws shared with Paro Dzongkhag Administration	Being reviewed by OAG	
3	Ministry of Foreign Affairs: Non-account & embezzlement of Nu.11, 89,600; 1 person implicated (RAA Report AIN 7161)		Under trial	1 person suspended. Initially MOFA just transferred the alleged person from Passport Section to Protocol Section, withheld training & transfer to missions/embassies for 2 years (20.12.07).
4	RBE, Delhi, MFA: Double booking of bills, unsubstantiated booking of expenditure, fictitious payment of expenditure and non-account of statutory deduction amounting to Nu. . 8, 47,620.36 & US\$135/-; 1 person implicated (RAA Report AIN 6953).		Under trial	A report on systems flaws was shared with MFA & RBE Delhi on 30 May 2008. Within 2 weeks RBE Delhi streamlined the management of the guest house with proper check & balance including a monthly internal audit of its accounts.
5	Department of Geology & Mines (Dagachu Project): Embezzlement of Nu. 3,29,600/- through fictitious entries in muster roll. 3 people implicated (RAA Report AIN 6715)		Under trial	RAA & ACC figures reconciled (RAA figure dropped by Nu.29,200/-). 3 persons suspended.

6	Office of Division Forest, Sarpang Dzongkhag: Mis-appropriation and embezzlement of government revenue of Nu. 1,076,870/-; 1 person implicated (RAA Report. AIN No. 7197).		Closed	MOA took long to act seriously on the huge embezzlement. MOA wrote to ACC on May 28, 2008 (after case was forwarded to OAG) informing the transfer of 1 person from a managerial post to a section head (same grade) & 1 person was terminated on 01/04/2008. OAG & ACC noted MOA's lack of due diligence; closed the case as the highest administrative sanction was imposed. ACC received RAA report on 29/11/07.
7	Construction of Mendregang MSS (phase 1), Tsirang (SPBD, MOE): Irregularities in the tender evaluation process leading to financial impact to Nu. 4.962 million to the government (Part of RAA Report AIN No. 7426).		Closed	OAG sent back the case for administrative action. ACC wrote to MOE twice to take administrative action against officials involved in tender evaluation & award of works. One person reprimanded as MOE felt unfair to act otherwise since members of oversight committee were equally responsible & 1 of the senior members was not under its jurisdiction. Besides loss to the government perceived to be notional.
8	Renovation of irrigation channel, Ghumouny, Samtse: Fictitious muster roll & embezzlement of fund allotted for renovation of irrigation channel.		Under review by OAG	OAG returned case to ACC on grounds that primary documentary evidence was missing. ACC conducted a meeting with MCHA, MWHS, RCSC, MOA & GNHC on 1-July 2009. Highlighted systematic flaws. Case sent back to OAG.
9	Land Case, Samtse: Inappropriate land deal by a person (abuse of authority)	(record clear)	Closed	Shared with MHCA; took administrative action against the individual.
10	Land Case, Sipsu: Inappropriate transfer of land at Sipsu Gewog, above Telecom Office; implicated 1 person (abuse of authority).		Under review by ACC	Case returned by OAG. Being reviewed by the investigation officer.
11	Resettlement, Samtse: Embezzlement of Nu. 2,22,280 allotted for farmers' awareness campaign workshop & Nu. 9,55,800 allotted for surveying, plotting and clearance of jungles; implicated 3 person (Part of RAA Report AIN No. 6819).		Under review by OAG	Though the case was returned to ACC, OAG now reviewing it.

12	Construction of aqua privy toilets, Samtse: Some manipulation of official documents and inadmissible payment made to contractor; implicated 1 person (part of RAA report AIN No. 6819)	Shared case findings with Dzongkhag Administration on 24/07/08 and CDB	Closed	2 annual increment withheld for 1 person & another reprimanded. CDB suspended contractor's license for a year.
13	Live Stock, Samtse: Embezzlement of Nu.1,26,710/-from funds meant for farmers' mass awareness workshop of different Geog through forged & fictitious (DSA) bills; 1 person implicated (Part of RAA Report AIN No. 6819)		Under review by OAG	Along with the investigation, other misconducts was noted and administrative action against 33 defaulting employees of the Dzongkhag Administration was taken by agency.
14	Embezzlement of Rural Insurance Claims, Samtse: Non-payment of rural fire insurance claim of Nu 1,60,000/-to 4 aggrieved house owners.	Shared with MHCA on 22 July 2008	Closed	MHCA directed Dzongkhag to charge the person in the Court. ACC wrote to MHCA, RICBL & all Dzongda to improve the system for transparent & quick delivery of service, especially in the hour of great need. Money recovered from the accused on Jan 6, 2009.
15	Recruitment, Bhutan Post: Unprofessional selection and appointment of Chief Executive Officer (bordering on unethical conduct of a person)	Shared with MOF & Cabinet Secretariat on 15 Sept. 2008.	Open	A minister reprimanded by Honorable Prime Minister; 1 person reprimanded by the Information & Communications Minister & removed from Acting Secretary's post; Board disbanded & members reprimanded; & CEO placed under probation for 1 year. ACC to write to MOIC on the assessment of CEO's performance & his status in BPCL.
16	Election of Chairperson of NC: Allegation of corrupt practice in the election of the Chairman, National Council.	Shared with Secretary General, National Council Secretariat.	Closed	Report highlighting systemic flaws shared with Secretary General. Such important institutions of governance have to lead by example & lead exemplarily.
17	Procurement of Text Books, Ministry of Education: Alleged collusion & misconduct.		Under review by OAG	

18	Mining Operations, Samtse : Manipulation of mining application procedures among others.	Wrote to NEC and MEA. A preliminary report on systemic flaws with recommendations shared with MEA. Wrote to MEA to take administrative action against 8 people & NEC for action against 1 person.	Under trial.	6 persons & 2 business entities suspended. Administrative action against 7 persons taken by MEA. 6 mining & surface collection applications & 4 active mines suspended. Action against 1 person still pending. No action taken by NEC till date.
19	RBA Tencholing : Misuse of public resources & abuse of authority by a senior officer, RBA Wing, Wangdue Phodrang.	Report shared with RBA.	Closed	Conveyed that the officer would be severely reprimanded.
20	Ura Middle Secondary School : Misuse of school fund and mess stock, undue promotion of a senior teacher's son by the teacher, a senior teacher's distance education assignments done by other teachers.	Shared with Ministry of Education on 15 August 2008.	Open	A senior teacher reprimanded & transferred to another school. Administrative action against the other senior teacher deferred by MOE till it heard from RUB (on distance education assignments). RUB's response awaited till date. ACC investigated following Dzongkhag Committee's failure to establish the facts.
21	Stone Quarry Jimena : Alleged illegal extension of lease agreement by Department of Forest		Under review by OAG	ACC revoked lease agreement of Jimena stone quarry but injunction order issued by High Court over ruling the revocation. HC accorded 3 months to the promoter to regularize the operations. On 13.08.09, MEA sought HC's guidance subsequent to the expiry of the 3 months (15.08.09).

One case will be sent to OAG duly.

Annexure III (d) Investigation, 2009 (as of September 30, 2009)

SN	Case Details	Judgment/Findings	Status of Case	Execution of Judgment/Findings	Remarks
1	Construction of RBP family Quarter, Thimphu: Arbitrary tender evaluation leading to disqualification of 8 bids, some lower than the selected bid.	Shared with RBP on 16/01/2009. Contract terminated on 21.01.09.	Closed	Tender recalled. Concerned people reprimanded.	The selected contractor has been working with RBP for a very long time. Work in progress. RBP Chief has organized aggressive sensitization and training of its personnel in contract management. ACC also launched sensitization program.
2	Construction of 18 units each in Tsirang, Tashigatshel and Chief's residence extension at HQ: Forgery of bidder's experience certificate, performance security & bank guarantee for mobilization advance by a contractor & rental of license.		Under trial	-	Contract terminated on 05 Feb. 2009. License of 2 contractors suspended.
3	Department of Livestock, MOA: Forgeries of bank guarantees in construction projects and other irregularities.		Under review by OAG		8 licenses suspended. Lack of due diligence, poor accountability & probable collusion prompt such situations. The case has 3 parts. Investigation of the 2nd part is completed & the 3rd part is still under investigation. Investigation has been affected due to diversion of resources to other cases.

4	<p>Bali BHU, Haa: Fictitious TA/DA claims (workshop on breast feeding and child care). 4 persons implicated.</p>	<p>Shared with MOH for action against the 4 persons & systems correction.</p>	<p>Closed</p>	<p>-</p>	<p>Timely intervention pre-empted full embezzlement of workshop budget. Excess payment recovered & unused fund refunded to MOH. MOH stopped training for 2 people for 2 years & 2 people warned. However, such action will not help if systems that allow such behavior are not corrected (e.g. funds being channeled through private accounts). Large number of workshops & advocacy program, which may be important, are conducted at huge costs, which are largely wasted in elaborate ceremonies & lavish stationeries & hospitality & most often than not such funds are embezzled through different means. Government has to rationalize it. Impact of such program also needs to be closely monitored & evaluated.</p>
5	<p>Gaselo Middle Secondary School: Embezzlement of caretaker's salary & parenting education workshop's fund.</p>		<p>Under review</p>	<p>-</p>	<p>Schools & other educational institutes as character builders just cannot afford to be breeding grounds for corruption. Corruption cannot & should not be tolerated in schools & institutes. Complaints have been shared with MOE for general systems improvement.</p>
6	<p>Sale of dash board of government vehicle: Dash board of government vehicle (BG - 1- 1073) exchanged with a private Hilux (Nu.6000/-). 2 people implicated.</p>	<p>Shared with NEC & MOH</p>	<p>Closed</p>	<p>-</p>	<p>2 people terminated by the agencies. Workshop fined Nu. 2000 & warned. Pilferage of vehicle parts & fuel and manipulations in maintenance & misuse of government vehicles are rampant. As a short term measure administration of use of pool vehicles & machineries by each agency has to be revamped & policy on pool vehicle itself may have to be revisited to determine long term solutions. Government spends on an average Nu. 154 million on maintenance of vehicles & Nu. 11.7 million on vehicle rentals annually. Government has a fleet of 4016 vehicles.</p>

7	<p>Dawakha Stone Quarry: Allegation of forgery of signature of people of Dawakha in order to obtain public clearance.</p>	<p>Shared with Paro Dzongkhag, MCHA, DGM & NEC</p>	<p>Closed. However, systems improvement verification will be conducted in future.</p>	<p>-</p>	<p>The allegation was not true. However, investigation revealed that in reality there was a serious flaw in obtaining people's consent. The trend and the practice of the promoters visiting door to door to get people's consent is unhealthy & unprofessional & more importantly it increases the risk of bribery and coercion. MHCA, DGM & NEC should delineate clear procedures if it does not exist & if it does, it should be enforced stringently.</p>
8	<p>Feeder Road , T/gang: Diversion of Feeder Road Project in Bartsham. Allegation of collusion.</p>	<p>Shared with Tashigang Dzongkhag Administration.</p>	<p>Closed</p>		<p>Timely intervention of Dzongkhag Administration (DA) would have resolved the problem. DA to put in place a proper system of monitoring & check and balance in order to avoid recurrence of such flaws in future.</p>
9	<p>Rural electrification (BPC), Tashigang: Retention of electrification items by a contractor.</p>		<p>Under review by OAG</p>		

6 cases are under investigation.

Annexure IV
Status of RAA Reports (as of August 7, 2009)

SN	DETAILS OF RAA REPORT	STATUS (7/8/2009)
1	Inspection Report of <i>Dzongkhag</i> Administration, Dagana July 2006 for the period of 01/07/2004 to 30/06/2005 AIN no. (6459); recd. on: 17.07.2006	Refer case serial no. 7, 2007. High Court's judgment awaited.
2	Inspection report on the audit of Expanded Basic Education Programme implemented by the Ministry of Education period 01/07/2003-30/06/2006 AIN no. (6474); recd. on: 17.08.2006	Refer case serial no.17,2007. Case closed.
3	Accounts and Investigation report of <i>Geling Gewog (Chhukha Dzongkha)</i> for the period 01/07/2004-30/06/2005 AIN no. (6477); recd. on : 08.08.2006	Case forwarded to Court by Dzongkhag Administration. Case closed.
4	Inspection Report on the Audit of Accounts and Operations of Gewog Administration Chimung, Pemagatshel, for the period 01/07/2004 – 30/06/05. AIN no. (6592); recd. on: 09.08.2006	RAA to follow up with the Dzongkhag Administration.
5	Audit Certification and Inspection Report on Construction Association of Bhutan for the period 01/01/2005 to 31/12/2005. AIN no. (6500); recd. on: 04/09/2006	Refer Case serial no. 2, 2007. Case closed.
6	Special Audit report on the Audit Accounts and Operation of the Gewog Administration, Mewang, and Thimphu for the period 01/10/02-31/10/05. AIN no. (6584); recd. on: 27.09.2006	Settled
7	Audit of accounts and operations on the Reproductive Health and Information and Communication Bureau, MoH, for the period 01/01/2005-31/12/2005 AIN no. (6286); recd. on: 29.09.2006	Settled
8	Report on the Audit on Accounts of Tshento Gewog, Paro, for the period 01/07/03 to 30/06/2005 AIN no. (6608); recd. on: 19.10.2006	Settled
9	Report on the Audit on Accounts and Operations of the FCB Samdrup Jongkhar for the period 01/07/2003 to 31/06/2005 AIN no. (6617); recd. on: 20.10.2006	Refer case serial no. 13, 2007. Case closed.
10	Report on the Audit of Account Shaba Gewog, Paro for the period 01/07/03 to 30/06/2005. AIN no. (6607); recd. on: 20.10.2006	Settled

11	Inspection Report on the Audit of Accounts and Operations of RBA, Lungtenphu, Thimphu. For the period 01/07/03 to 30/06/2005. AIN no. (6636); recd. on: 31.10.2006	Case forwarded by MOF to OAG. Case under trial.
12	Report on the Audit of Account and Operations of the International Assisted Projects, MoE for the period 01/07/04 to 30/06/06. AIN no. (6694); recd. on: 25.12.2006	Refer case serial no. 17, 2007. Case closed.
13	Audit Certification and Inspection Report on the Accounts and Operations of the Youth Development Fund for the period 1/01/2006-31/12/2006 AIN no. (6829); recd. on: 11.03.2007	Refer case serial no. 4/2007 Case closed.
14	Auditors report on the Financial statement of the Bara Gewog Administration, Samtse, for the period 01/07/2004 to 31/06/2005. AIN no. (6788); recd. on: 17.03.2007	RAA to follow up with the Dzongkhag Administration.
15	Auditors Report on the Financial Statement of the Biru Gewog Administration, Samtse, for the period 01/07/2004 to 31/06/2005. AIN no. (6789); recd. on: 17.03.2007	Settled
16	Auditors Report on the Accounts and Operations of Extensions of DANIDA HSPS-II Construction Project Phase III which expires on 30/Nov.2006 AIN no. (6723); recd. on: 19.03.2007	Settled
17	Inspection Report on the Audit of Accounts and Operations of the Samtse <i>Dzongkhag</i> Administration for the period 01/07/04 – 30/06/06). AIN No.(6819); recd. on 19.03.2007	ACC investigated following agencies inaction. One section was not related to corruption. Refer case serial nos. 11, 12 13/2008 under review by OAG
18	Report on the Audit of Accounts and Operation of the <i>Dzongkhag</i> Administration, Bumthang, for the period 10/07/05 – 30/06/06. AIN no. (6818); recd. on 20.03.2007	RAA to follow up.
19	Report on the Audit of Accounts and Operations of the GOI funded projects “Construction of 350 bedded hospital at Thimphu and 150 bedded hospitals at Mongar, MoH for the period 01/07/03 - 30.06/06. AIN no. (6724); recd. on 31.03.2007	Settled

20	Report on the Audit and Operations of <i>Dzongkhag</i> Administration, Trashiyangtse for the period 1/07/2004 to 30/06/06. AIN no. (6721); recd. on 09.04.2007	Refer case serial no. 10, 2007 Case closed.
21	Report on the Audit of Accounts and Operations of the <i>Dzongkhag</i> Administration, Sarpang for the period 1/07/2005 to 30/06/06. AIN no. (6785); recd. on 11.04.2007	RAA to follow up.
22	Report on the Audit of Accounts and Operations of <i>Dzongkhag</i> Administration, Zhemgang for the period 1/07/2005 to 30/06/06. AIN no. (6869); recd. on 17.04.2007	RAA to follow up.
23	Report on the Audit of Accounts and Operations of the <i>Dzongkhag</i> Administration Pemagatshel for the period 1/07/2005 to 30/06/06. AIN no. (6875); recd. on 19.04.2008	Settled
24	Audit report of <i>Dzongkhag</i> Court, Jakar for the period 01/07/2004-30/06/2006. AIN no. (6876); recd. on 25.04.2007	ACC to write again to the agency & RAA to follow up on it.
25	Audit Inspection report on AWP Head office, Samtse Unit & BHW, P/ling and Thimphu for the period 01/07/2003-30/06/2004. AIN No.(6503); recd. on 07.05.2007	RBA to take up the matter & RAA to remind.
26	Audit of account and operations of AWP from 01/01/2005 to 31/12/2005. AIN no.(6928); recd. on 07.05.2007	RBA to take up the matter & RAA to remind.
27	Report on the audit of accounts and operations of the Secretariat, MoE Thimphu for the period 01/07/2005-30/06/2007. AIN no. (6926); recd. on 05. 07.2007	Case prosecuted by agency. Procurement officer & supplier sentenced to 2 & 1 year imprisonment, respectively. Money recovered. Case closed.
28	Report on the Audit of Accounts and Operation of The <i>Dzongkhag</i> Administration Lhuntse for the period 01/07/05 to 30/06/06. AIN no.(7031); recd. on 10.07.2007	Case closed since person implicated has passed away.
29	Inspection Report on the Audit of accounts and operations of the department of Geology and Mines, Ministry of Trade and Industry, for the period 01/07/2003 to 30/06/2006 AIN no;(6716); recd. on 09.07.2007	Refer case serial no. 05, 2008. Under trial.

30	Inspection report on the Audit of Accounts and operations of the <i>Dzongkhag</i> Administration, Haa for the period 01/07/05 to 30/06/06. AIN no;(7033); recd. on 17.07.2007	Settled
31	Report on the Audit of Accounts and operations of the <i>Dzongkhag</i> Administration, Mongar for the period 01/07/05 to 30/06/2006. AIN no (6905); recd. on 08.05.2007	RAA to follow up.
32	Inspection Report on the Audit of Accounts and operations of the Royal Bhutanese Embassy, new Delhi for the period 01.07.03 to 30.06.2006. AIN No.(6953); recd. on 16.06.07	Refer case serial no. 4, 2008. Judgement awaited.
33	Inspection report on the Accounts and Operations of the <i>Dzongkhag</i> Administration, Chukha for the period 01/07/05 to 30/06/2006. AIN No (6969); recd. on 07.06.2007	RAA to follow up.
34	Review Report on the Audit of Accounts and Operations of the Resettlement Programme, Ministry of Home and Cultural Affairs. Period Not Applicable. AIN no: no AIN; recd. on 09.08.2007	Settled
35	Report on the Audit of accounts and operations of the “UNICEF, UNDP and UNIFEM (NCWC), Ministry of Health, Thimphu.” for the period 01/07/2005-30/06/2006. AIN no. (7098); recd. on 22.8.2007	Settled
36	Inspection report on BOBL(P/Ling) for the period 01/01/06 to 31/12/06. AIN no: (7101); recd. on 27.08.2007	Settled
37	Report on the audit of Accounts and operations of the World Bank Assisted Projects titled Development of Paro Town. AIN no: 7104; recd. on 28.08.2007	Refer case serial no. 02/2008. Being reviewed by OAG.
38	Report on the audit of Accounts and Operations of the Thrimingla National Park. MoA, Ura, Bumthnag. for the period 01/01/2006-30/06/2007. AIN No. (7131); recd. on 15.10.2007	Case prosecuted by agency. Official imprisoned for 8 months. Case closed.
39	Report on the System Audit and Land Pooling Procedure implemented by the Thimphu City Corporation No AIN no.; recd. on 27.11.2007	RAA to review in line with Land Pooling Manual (systems review).
40	Inspection Report on the Audit of Accounts and Operations of the Secretariat, MOFA for the period 01/07/2005-30/06/2007. AIN No: (7161); recd. on 27.11.2007	Refer case serial no. 3, 2008. Under trial.

41	Report on the Audit of Divisional Forest Office Sarpang for the period 1/7/2005-30/06/2007 AIN N o.(7197); recd. on 29.11.2007	Refer case serial no. 6, 2008. Agency acted only after the investigation & prosecution referral was underway (agency should have been more responsible). Case closed following agency's action (termination).
42	Inspection Report on the Audit of Accounts and Operations of the Department of Roads Ministry of works and Human Settlement. AIN No: (7207); recd. on 7.12.2007	Refer case serial 16, 2007. Tripartite meeting of RAA, MWHS & ACC held on Oct. 2, 2008. Recoveries yet to be made from the contractor.
43	Audit report on the Accounts and Operations of the Dzongkhag Administration Samtse for the period 01/06/2006 -30/07/2007. AIN No. (7226); recd. on 10.01.2008	RAA to follow up.
44	Report on the Audit of Accounts and Operations of the <i>Dzongkhag</i> Administration Lhuntse for the period 01/07/2006-30.06.2007. AIN No: (7274); recd. on 5.2.2008	Case prosecuted by Dzongkhag Administration. Person implicated has passed away. Case closed.
45	Report on the Audit of Accounts and Operations of the Dzongkhag Administration, Tsirang for the Period 01/07/2006 to 30/06/2007 AIN No. (7426); recd. on 17.05.2008	Refer case serial number 7, 2008 w.r.t Mendregang school construction, phase I. Forwarded to agency for action following OAG's advice for administrative action against defaulting persons. Action on paras 1.1-1.3 is pending.
46	Audit Report on the Audit of Accounts and Operations of the National Jersey Breeding Center, Samtse for the period 1.07.2004 - 30.06.2007 AIN No (7499); recd. on 23.06.2008	Pending with ACC. No action taken by agency yet.
47	Inspection Report on the Audit of Accounts and Operations of the Department of Labor and Human Resources(MOHLR), Thimphu for the period 01.07.2005-30/06/2007. AIN No (7542); recd. on 07.07.2007	RAA to follow up.

48	Report on the Audit of Accounts and Operations of the Royal Bhutanese Embassy, Bangkok for the period 01/07/2003 to 30/06/2007. AIN No. (7597); recd. on 04.09.2008	RAA to follow up.
49	Report on the Audit of Accounts and Operations of the Army Welfare Project, P/ling and Samtse for the period 01/01/2006 to 31/12/2007. AIN No. (7602); recd. on 10.09.2008	RBA to take up & RAA to follow up.
50	Report on the Audit of RIM Fund Accounts and Operations of the Royal Institute of Management (RIM), Simtokha for the period 01/07/2003 to 31/06/2008 AIN No. (7761); recd. on 30.01.2009	RAA to follow up.
51	Audit report on the LC Accounts and Operations of the Department of Adult and Higher Education (DHAE) Ministry of Education (MoE), for the period 01/07/2003 to 30/06/2008. AIN No. (7805); recd. on 17.02.2009	Case prosecuted by agency.
52	Audit Report on the Accounts and Operations of ADB funded Basic Skills Development Project, 1830 BHU implemented by the Department of Human Resources, MLHR, for the period 01/07/2007 to 30/06/2008 AIN No. (7886); recd. on 06.04.2009	Refer case serial no. 12, 2009. Under investigation.
53	Audit Report on the Accounts and Operations of the Secretariat, MWHS for the period 01/07/2006-30/06/2008. AIN No. (7903); recd. on 15.04.2009	MOWHS black listed M/s D.K. Traders forever vide letter no. MWHS/DCFO-01/2008-2009/4359 dated February 12, 2009.
54	Report on the Audit of Accounts and Operations of the Post Offices under Bhutan Post Samdrup Jongkhar for the period 01.01.2007- 31.12.2008 AIN no (8095); recd. on 29.06.2009	Case taken up by Bhutan Post.
55	Review of Audit Report AIN No. 7086, August, 2007 (MLHR) Recd. on 13.08.09	Under Investigation Refer case serial no.12,2009

Annexure V
Budget and Expenditure for the Year 2008-09 (million)

SN	Title	Approved Budget		Expenditure (as of 30 June, 2009)	Remarks
		Current	Capital		
	RGOB Financing				
a)	General Adm.& Direction Services				
1	Pay & allowance	7.953		7.780	
2	Other-personnel Emoluments	0.114		0.103	
3	Travel-In-country	1.925		1.806	
5	Utilities-Telephone, Telex, Fax, E-mail, Internet	0.575		0.305	
6	Utilities-Telegram, Wireless Transmission, Postage	0.160		0.141	
7	Utilities-Electricity, Water, Sewerage	0.146		0.089	
8	Rental of Properties-Buildings	0.431		0.431	
9	S&M-Office Supplies, Printing, Publications	0.610		0.564	
10	Maintenance of Property-Vehicle	0.522		0.439	
11	Maintenance of Property-Buildings	0.050		0.030	
12	Maintenance of Property-Equipments	0.050		0.017	
13	Maintenance of Property-Computers	0.050		0.009	
14	Op. Exp.-Advertising	0.650		0.310	
15	Op. Exp.-Taxes, Duties, Royalties, Handling Charges, Bank Charges	0.008		0.002	
16	Hospitality & Entertainment	0.400		0.156	
17	Contributions-Provident Fund	0.492		0.488	
18	Office Equipment		0.250	0.229	
19	Computers & peripherals		1.120	1.071	
20	Furniture		0.401	0.180	
b)	Workshop & Seminars				
1	Training- others		1.800	0.196	
	UNDP Fund Project				
a)	Training-others		0.500	0.381	
b)	Office Equipment		0.075	0.050	
c)	Professional Services		0.850	0.369	
	UNDP-ACRC Fund Project				
a)	Training-others		8.500	5.916	
	SCM Fund Project				
a)	Training- Others		0.800	0.618	
	SDC Fund Project				
a)	Training- Others		8.500	8.345	
b)	Training-Human resource Development		1.000	0.586	
	GOI Fund Project				
a)	Exp. on Structure-Buildings		25.000	0.806	
	Total	14.022	48.796	31.417	

Annexure VI
Approved Budget 2009-2010 (in million)

SN	Title	Approved Budget		Remarks
		Current	Capital	
	RGOB Financing			
a)	General Adm.& Direction Services			
1	Pay & allowance	11.073		
2	Other-personnel Emoluments	0.130		
3	Travel- In-country	2.000		
5	Utilities-Telephones, Telex, Fax, E-mail, Internet	0.580		
6	Utilities-Telegram, Wireless Transmission, Postage	0.050		
7	Utilities-Electricity, Water, Sewerage	0.080		
8	Rental of Properties-Buildings	0.469		
9	S&M-Office Supplies, Printing, Publications	0.400		
10	Maintenance of Property-Vehicle	0.541		
11	Maintenance of Property-Equipments	0.050		
12	Maintenance of Property-Computers	0.033		
14	Op. Exp.- Advertising	0.250		
15	Op. Exp.-Taxes, Duties, Royalties, Handling Charges, Bank Charges	0.008		
16	Hospitality & Entertainment	0.400		
17	Contributions-Provident Fund	0.851		
18	Purchase of vehicles		0.950	
19	Furniture		0.250	
20	Office Equipment		0.200	
21	Computers & peripherals		0.315	
	SDC Fund Project			
1	S&M-Office Supplies, Printing, Publications	0.500		
2	Op. Exp.-Advertising	0.300		
3	Op. Exp.- In-country meetings & celebration	0.500		
4	Training-Human resource development		2.500	
5	Training-others		1.000	
6	Office Equipment		0.300	
7	Computers & peripherals		0.350	
8	Professional Services		3.000	
	KICAC Fund Project			
a)	Training- Others		3.474	
	GOI Fund Project			
a)	Exp. on Structure-Buildings		15.000	
	Total	18.215	27.339	

Annexure VII
Staff List (as of October, 2009)

SN	NAME	DESIGNATION	QUALIFICATION	DT. OF JOINING ACC
COMMISSION				
1	Neten Zangmo	Chairperson	Masters (Tech. Ed.)	1-Jan-2006
2	Thinlay Wangdi	Commissioner	M.Sc.	15-Feb-2006
3	Kezang Jamtsho	Commissioner	M.Engg. (Irrigation Engineering and Management)	4-Oct-2007
SECRETARIAT				
4	Rinzin Dorji	Director	MPA	8-Oct-2007
INVESTIGATION DIVISION				
5	Dorji Thinlay	Chief Investigation Officer	Bachelors in Pharmacy	25-Oct-2007
6	Gyeltshen	Dy. Chief Investigation Officer	MBA	29-Oct-2007
7	Techoo Dorji (Head, Follow-up Section)	Senior Investigation Officer	Diploma in Forestry	1-Sep-2006
8	Kin Dorji	Senior Investigation Officer	MA (Construction Mgt.)	28-Jan-2008
9	Chhimi Dorji (resignation submitted)	Senior Investigation Officer	Post Graduate Diploma in Quantity Surveying	2-Oct-2007
10	Tshering Penjor	Senior Investigation Officer	PGCFM	22-Oct-2007
11	Ugyen Tshering	Asstt. Investigation Officer	PGCE	17-Mar-2006
12	Leki Dendup	Investigation Officer	PGCFM	1-Sep-2006
13	Tashi Phuntsho	Asstt. Investigation Officer	B.Com (Hons)	15-Mar-2007
14	Karma Gyeltshen	Investigation Officer	B.E (Electrical and Electronics)	1-Apr-2009
15	Pema Wangchuk	Asstt. Investigation Officer	B.A	1-Apr-2009
16	Sherub Tenzin	Senior Investigation Officer	B. A	1-Apr-2009
17	Phuntsho Namgyel	Asstt. Investigation Officer	BBA	1-Apr-2009
18	Karma Gyeltshen (Follow-up Section)	Asstt. Investigation Officer	B.Com (Hons)	1-Apr-2009
19	Sangay (Follow-up Section)	Asstt. Investigation Officer	B.Com (Hons)	1-Apr-2009
20	Sangay Dorji	Asstt. Investigation Officer	B.Com (Hons)	1-Apr-2009
PUBLIC EDUCATION DIVISION				
21	AK Rinzin	Chief PE Officer	MSc (Agriculture system)	24-Apr-2008
22	Karma Gyeltshen	Asstt. PE Officer	MA (Buddhist studies)	1-Apr-2009
PREVENTION DIVISION				
23	Tshewang Dorji	Chief Prevention Officer	Master in HRD	12-Oct-2007
24	Loday Tsheten	Prevention Officer	MBA	9-Oct-2007
25	Chhimi Wangmo	Asstt. Research Officer	BA,Eco (Hons)	19-May-2006
26	Ugyen Gyeltshen (IPSDS)	Sr. System Analyst	B.E (Civil)	1-Apr-2009
27	Pema Dechen	Asstt. Research Officer	B.Com (Hons)	1-Apr-2009
28	Dema Lhamo	Asstt. System Analyst	MA	1-Apr-2009

POLICY & PLANNING DIVISION				
29	Karma Thinlay (IPSDS)	Chief Planning Officer	B.Tech. (Electrical)	19-Mar-2006
30	Karma Yangdon	Asstt Planning Officer	B.Com (Hons)	1-Apr-2009
LEGAL DIVISION				
31	Choining Dorji	Chief Legal Officer	LLM	
32	Sonam Dhendup	Legal Assistant	Diploma in National Law	14-Jan-2008
ADMINISTRATION & FINANCE DIVISION				
33	Tashi Wangyel (resignation submitted)	Head, AFD	MBA	16-Dec-2008
34	Kunzang Dorji	Dzongkha Coordinator	BA (Dzongkha)	1-Jan-2008
35	Rinzin Pem	Personal Assistant	Certificate	1-Jan-2006
36	Yeozar Dolma (higher studies)	Asstt. ICT II	Diploma in Information Management System,	1-Jul-2006
37	Ugyen Tshomo	Asstt. Accountant II	Diploma in Financial Management	10-Jul-2006
38	Yangzom	P.A.	Diploma in Commercial Accounting	5-May-2006
39	Khankhu	Driver	Certificate	15-Jun-2006
40	Langala	Driver I	Certificate	1-Jan-2006
41	Sangay Namgay	Driver II	Certificate	21-Jun-2006
42	Tshewang Eden	Receptionist	CI.-XII	24-Jan-2008
43	Tshering Dorji	Driver	Class XII	17-Apr-2008
44	Kelzang Dema	Dry Sweeper	Non Formal Education	1-Mar-2006
45	Dorji Gyeltshen	Security Guard	Ex RBA	17-Apr-2008