

## **REPORT OF THE GOOD GOVERNANCE COMMITTEE**

As mandated by its Terms of Reference (TOR), the Good Governance Committee has the privilege to submit *the review report on Annual Anti-corruption Commission Report 2018*. The report mainly consists of the salient aspects of ACC's annual report and the committee's feedback and recommendations.

### **I. The Anti-corruption Commission's Annual report:**

The Commission's annual report is being submitted to the Parliament in accordance with Article 27 (4) of the Constitution of the Kingdom of Bhutan and Section 169 (1) of Anti-corruption Act of Bhutan 2011. The Annual report 2018 is the 12<sup>th</sup> report being submitted and it covers from January to December 2018.

### **The committee's report shall highlight on the following areas:**

1. The ACC as an institution;
2. The ACC's performance
3. Challenges
4. National Assembly Resolution follow up; and
5. Recommendations
6. Conclusion.

### **Section 1. ACC as an institution:**

During the year 2018, the Anti-Corruption Commission has made significant improvements in furthering the cause of preventing and combating corruption in the country. With the significant achievement made in strengthening democratic values and the government institutions, Bhutan has improved its Transparency International's Corruption Perception Index (TI-CPI 2018) ranking to 25th out of 180 countries with a score of 68. Moreover, Bhutan ranked 6th position in the Asia Pacific region and the cleanest country in the SAARC region.

#### **(a) Recruitment**

Despite the challenges of not attracting professionals in the ACC, the year 2018 was witnessed as the highest number of recruitment (27). Majority of the recruits were for the core functions of the Commission. It is an indication that the ACC is becoming a preferred institution to work for the civil

servants and employment seekers. Therefore, it is a positive improvement compared to the past year.

**(b) Enhancing coordination and networking with key partners**

Recognizing that timely access to accurate and updated information is critical for investigation, the ACC initiated discussion with the key stakeholders who are the custodians of government or public database. Subsequent to this, the ACC has put in place internal protocols and identified focal persons in the respective agencies to facilitate the investigation.

**(c) MoU with the Office of the Attorney General (OAG) and the Royal Bhutan Police (RBP)**

The revised tripartite Memorandum of Understanding (MoU), between the ACC, OAG and RBP incorporated the investigation and prosecution of corruption offences in the private sector, wherein the RBP, as an interim measure to take up investigation of corruption (embezzlement) cases in the private sector involving pecuniary value of Nu. 10 m and below with the technical assistance from the ACC. It is observed that such an arrangement could be an interim/alternative option, but may contradict with the mandates of the RBP.

**(d) Conduct research on “*Corruption in Policy Making*”**

It is a notable initiative of the Commission to develop a concept paper to detect and prevent any potential corruption risks in policy formulation in line with the recommendation of the 17th Session of the National Council. It is observed that in a democratic Such a measure could prevent the Government from making policies and decisions favourable to its interests.

**(e) Financial Security**

Although the Government has allocated adequate budget to the Commission for the implementations made for plans and programmes in the 12 FYP, the Commission has been exploring financial support of development partners to supplement the RGoB contributions. Therefore, ACC is encouraged to do so, to augment its financial resources.

**(f) Annual review of the annual performance target 2017-2018**

The ACC conducted comprehensive in-house annual review of its annual performance target (APT) for the year 2017-2018. The ACC scored 87 out of 100 for its financial year performance which falls under “very good” category of the Government Performance Management System (GPMS). We would like to applaud the Commission for its performance rating and encourage to make further improvements in the future so that other agencies could look up to.

**(g) Human capital Development**

A total of 51 out of 106 staff availing ex-country trainings with the support of regional counterparts, development partners and RGoB is a remarkable achievement. However, it is also equally important to report that there is no budget earmarked for the specialized and long term HRD requirements. Therefore, necessary budgetary support for the long term training may be provided.

**(h) Building the character of the ACC through Ethical Code of Conduct**

The ACC’s policy of ‘*zero tolerance*’ to any breach of the Code of Conduct is manifested by prosecuting its officer on suspected false claim and conviction by the Court. It is a clear indication that ACC conduct its business with the highest ethical and professional standards. Therefore, we would like to applaud the ACC for taking stringent action against its own employee.

**Section 2: The ACC’s Performance:**

**(a) General advocacy and interactive sessions**

During the year, the ACC has been conducting a series of advocacy programmes and interactive sessions to build an informed and awakened citizenry and garner support in fighting against corruption. A total of 101 sessions covering 22,145 participants from schools, colleges, training institutes, government agencies, corporate or private sectors, civil society organizations and the general public were conducted. Out of which 43.9% were female participants that indicates a fair and gender representation in the awareness programs. Therefore, the ACC has conducted adequate advocacy program during the year.

**(b) Enhancing the establishment of Integrity Clubs in schools towards behavioral change**

The implementation status of the action plans adopted by the 10 Clubs in the schools for the academic year 2018 which was 92.9% has helped to reduce disciplinary issues in the respective schools and promoted transparency and accountability in the management system. The ACC's Integrity Clubs through its varied activities to promote moral values of integrity, trust, respect, ownership, leadership, teamwork, gratitude, generosity and patriotism in the students and staff, will combat corruption in the future. Therefore, ACC is encouraged to establish such integrity clubs in many schools.

**(c) Corruption Risk Management- *Mainstreaming risk based integrity measures in public sector***

The ACC's measure for self-assessment and management tool to identify potential corruption risks in an organization has been developed and the agencies have implemented by adopting strategic measures to mitigate the risks. Therefore, ACC is encouraged to continue its integrity measures in many more agencies.

**(d) Annual Performance Agreement**

A total of 6,412 civil servants were sensitized on various ethics and integrity management tools as part of APA implementation. The implementation was rated 97.8% for 45 APA signatories. Therefore, the ACC is encouraged to continue to integrate APA measures into the overall planning as a mandatory component to reduce and streamline the corruption risk in future.

**(e) Asset Declaration to strengthen accountability**

ACC's tool aiming at enhancing transparency and accountability of public employees as custodians of public resources and declaring one's own assets has a huge potential in detecting and preventing illicit enrichment. Although, ACC has faced tremendous challenges in managing AD effectively, efforts are underway to upgrade AD unit to Asset Declaration Management Division. Further, ACC for its strict compliance of AD rules, penalties

amounting to Nu 1.66 million was imposed on late declarants. Therefore, we support the ACC to upgrade its AD unit to AD management division.

**(f) Complaints and Referrals- *Reporting Corruption***

During the reporting year, the ACC received 333 complaints with an average of 28 complaints per month with the highest number of complaints pertaining to resources. Further, the majority of the allegations on abuse of functions were in the area of resources against Local Governance, Dzongkhag Administration and Ministry of Education. The ACC have also taken decision on 330 out of 333 complaints. Therefore, the ACC is encouraged to continue focussing on preventive strategies including awareness on corruption offences to achieve the National Key Result Areas of the 12th FYP (*Corruption Reduced*).

**(g) Investigation and Referrals**

During the reporting year, the ACC have completed investigation of 27 cases out of 39 cases achieving overall turnover of 69.2%. Five cases were referred to the relevant agencies for administrative actions while 18 cases were referred to OAG for prosecution. Moreover, the average turnaround time(TAT) for investigation was about 102.6 working days with three-members assigned for three cases in the year. As of December 2018, 21 cases are under review by the OAG. Therefore, we applaud the ACC for completing most of the cases and encourage to expedite the investigation of pending cases.

### **Section 3. Challenges**

#### **1. Human Resource Management and Development**

The ACC has reportedly experienced under-staffing owing to difficulties in recruiting professionals with appropriate skills and retaining the existing staff. The capacity and resource constraints combined as reported undermines the work of ACC and credibility of Government's anti-corruption efforts. The current financial incentives are considered inadequate to attract and retain professionals in ACC. The fact that the ACC professionals are not being supported by the RGoB to avail long term studies in specialized anti-corruption studies is directly affecting the attraction and retention of professionals in the

ACC. Therefore, we would like to submit to the House to consider the possibility of enhancing financial incentives to the ACC employees.

## **2. Collective efforts to achieve the national goal ‘*corruption reduced*’ in the 12th FYP**

The rising corruption trend in the LG functionaries are mostly of abuse of functions. The decentralization process in the country is expected to aggravate the corruption vulnerabilities with more authority and resources being given to the LG functionaries. Therefore, the ACC is asked to come up with appropriate measures to combat corruption in the LG functionaries.

## **Section 4. Resolution of the 11th Session of the Second Parliament- *National Assembly follow-up***

The 11th Session of the Second Parliament adopted and mandated the ACC to implement 10 resolutions. It has been observed that 9 of the 10 resolutions are fulfilled either partially or fully. Therefore, the committee applauds the ACC for its successful implementation of those resolutions and reminded to implement those partially implemented.

On the other hand, the past resolution of the establishment of Office of Ombudsman within the ACC is still under review. Therefore, the Committee urges the Commission to expedite its establishment so that the ACC could concentrate on its main mandate of combating corruption.

## **Section 5. Committee’s Recommendations**

1. Adequate financial incentives and budgetary support to be provided to attract and retain professional staff.
2. Most of complaints received (54.7%) were abuse of functions hence, NKRA ‘*Corruption Reduced*’ of the 12th FYP be made mandatory in all APA and APT agencies.
3. With the decentralization process, Local Government Authorities are seen as more vulnerable to corruption. Therefore, ethical competence of leaders to

create enabling environment for promoting ethics, integrity and professionalism should be improved.

4. Similarly, greater transparency and accountability mechanisms in the LG to safeguard from corruption vulnerabilities and capacitate LG functionaries with relevant skills/Knowledge should be enhanced.
5. Section 167 of the Anti-Corruption Act regarding suspension of an accused from the public office on the grounds of corruption charges be applied uniformly.
6. To ensure the uninterrupted court proceedings, a separate Bench viz. '*Corruption Bench*' be designated in a court whenever a corruption case is registered.
7. The ACC expedite the establishment of the Ombudsman office as recommended by the 11th Session of the Second Parliament to handle the administrative nature of complaints.
8. The ACC to review the Tripartite MoU signed amongst RBP, OAG and ACC to ensure that investigation of corruption cases in the private sector by RBP does not contradict with its mandate.
9. Around Nu. 187.96 m is still pending to be restituted as per the verdict of the Court. Government's scarce resources lying with the accused is a concern. Therefore, the ACC is urged to follow up with the Office of the Attorney General to expedite the restitution.

## **Section 6 . Conclusion**

The Good Governance Committee expects that the proposed recommendations would enhance effective and efficient functioning of the Commission and to achieve NKRA (Corruption Reduced) in the 12th FYP for further achievement of its vision to build *a happy, harmonious and corruption free society* . Therefore, The Committee sincerely urge our Hon'ble members to consider the recommendations seriously and support for its adoption.

