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**REVIEW REPORT ON ANTI-CORRUPTION'S ANNUAL REPORT 2020-2021
BY GOOD GOVERNANCE COMMITTEE TO THE 6TH SESSION OF THE
THIRD PARLIAMENT
(10th December, 2021)**

Committee Members

1. Hon'ble Ugyen Dorji, Dewathang Gomdar Constituency, Chairperson
2. Hon'ble Tenzin, Khatoe Laya Constituency, Dy. Chairperson
3. Hon'ble Ugyen Wangdi, Dramitse Ngatshang Constituency, Member
4. Hon'ble Ugyen Tshering, Lamgong Wangchang Constituency, Member
5. Hon'ble Tshering Choden, Khar Yurung Constituency, Member
6. Hon'ble Hemant Gurung, Lhamoizingkha Tashiding Constituency, Member
7. Hon'ble Dawa, Choekhor Tang Constituency, Member
8. Hon'ble Garja Man Rai, Sergithang Tserang Toe Constituency, Member

REVIEW REPORT BY GOOD GOVERNANCE COMMITTEE ON ANTI-CORRUPTION COMMISSION'S ANNUAL REPORT 2020-2021

As mandated by its Terms of Reference (TOR), the Good Governance Committee has the privilege to submit *the review report on Anti-corruption Commission's Annual Report 2020-2021*. The report mainly consists of the salient aspects of ACC's annual report and the committee's recommendations.

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 2020-2021 is the 14th report being submitted and it covers eighteen months from January 2020 to June 2021.

Before presenting the main report, let me introduce the Committee Members;

1. Hon'ble Ugyen Dorji, Dewathang Gomdar Constituency, Chairperson
2. Hon'ble Tenzin, Khatoe Laya Constituency, Dy. Chairperson
3. Hon'ble Ugyen Wangdi, Dramitse Ngatshang Constituency, Member
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7. Hon'ble Dawa, Choekhor Tang Constituency, Member
8. Hon'ble Garja Man Rai, Sergithang Tserang Toe Constituency, Member

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

1. Section I: Performance of Anti-Corruption Commission
2. Section II: Organizational Outlook
3. Section III: Resolutions of Parliament
4. Section V: Committee's Recommendation
5. Conclusion

SECTION I: PERFORMANCE OF ANTI-CORRUPTION COMMISSION

1. PUBLIC EDUCATION

To build an informed and awakened citizenry through general awareness and advocacy, Anti-Corruption Commission conducted advocacy, awareness programs, interactive and thematic sessions for a diverse group of audiences. Further, supplementing the awareness



programs, the ACC developed Information, Education and Communication Materials to deal with corruption issues and anti-corruption measures and developed Guidelines on Print and Broadcast Media, Crisis Management and Social Media and Website to engage Media for wider awareness during the reporting period. ACC also observed the 17th International Anti-Corruption Day on the theme “Recover with Integrity” on 9th December 2020.

Moreover, to inculcate the values of integrity, discipline and professionalism through Youth Integrity Program, ACC instituted 10 additional Integrity Club in schools taking the total to 20 clubs, one in each Dzongkhag. ACC also introduced Integrity Education for ECCD Children, Developed Value Education Curriculum for classes PP to XII and Developed Module on Ethics, Integrity, and Professionalism for Technical and Vocational Education and Training Institutes in collaboration with Ministry of Education and Ministry of Labour and Human Resources respectively. In promoting ICT enabled learning platforms through e-Learning Course on Ethics and Integrity, the ACC in collaboration with the RCSC and RUB developed the e-Learning course content for Civil Servants and the course will be launched towards the end of 2021.

2. PREVENTION

In the reporting year, the ACC evaluated the Organizational Integrity Plan implementation of 127 agencies in collaboration with the National Technical Committee led by the Government Performance Management Division. Based on the scope of mandate, the NTC evaluated 59 agencies and remaining 68 agencies were evaluated by the ACC. Accordingly, the Internal Auditors conducted Corruption Risk Management for Ministry of Forest and Agriculture, Ministry of Foreign Affairs, Ministry of Health and Samdrup Jongkhar Thromde after being trained by ACC on Corruption Risk Management. Further, during the reporting period, the implementation status of the CRM action plan by Local Government (Gewogs) and Royal Education Council were reviewed and the progress stands at 81.0% and 71.0 % respectively.

To facilitate evidence base systemic improvement through system studies and research, ACC conducted National Integrity Assessment in collaboration with National Statistics Bureau. During the reporting period, the National Integrity score is 7.97 which indicate that the agencies are making efforts and undertaking initiatives to improve organizational integrity. The External Integrity score of 8.08 indicates a Very Good level of integrity by the service users and Internal Integrity score of 7.98 indicating only Good level of integrity. The ACC also analyzed actions taken on the complaints against Local Government to streamline the enforcement of administrative actions. Against the total number of 451 complaints shared for action between 1st January 2017 to 31st April 2021, 261 complaints pertained to the LG. The area of most alleged corruption offence is farm road followed by community contribution/donations and procurement.



In addition, ACC initiated program on Promoting ethical business through Business Integrity Initiative of Bhutan to strengthen anti-corruption regime in the business firms and in turn facilitate the business to certify ISO 37001:2016 Anti-Bribery Management System. The ACC also adopted Civil Society Organization Engagement Program in early 2020 to strengthen internal control mechanism in the CSOs and accordingly capacitate to augment the efforts of promoting anti-corruption and justice in the community. To reinforce anti-corruption measures through strengthened legal framework, National Assembly amended and endorsed Anti-Corruption (amendment) Bill of Bhutan 2021 and submitted to National Council. Moreover, the Debarment Rules has been enforced and the United Nations Convention Against Corruption which is the only globally binding legal instruments on corruption has been amended during the 5th Session of the Third Parliament.

3. COMPLAINTS AND REFERRALS-REPORTING CORRUPTION

During the reporting period, a total of 451 complaints were received. On an average, around 25 complaints were received in a month, which is 24% less as compared to 2019. As in the past year, webmail continued to be the most preferred mode for lodging complaint followed by walk-in, Post, WhatsApp, Telephone, and WeChat. Regarding the source of complaints, of the 451 complaints received, 241 complaints were from Anonymous source and the remaining 210 complaints are from known sources. In the reporting period, the percentages of complaints from Anonymous sources have reduced as against the increasing trend in the past few years which indicates the trust and confidence of the complainants in the ACC.

From the total of 451 complaints received, 42 (9.3%) has been qualified for investigation and 15 complaints were referred to agencies. The portion of complaints qualified for investigation is slightly higher than those that qualified for investigation in 2018 which is 5.8% and 6.3% in 2019. Further, from the total complaints received, only 289 ~~were~~ warranted further action while rest 162 were dropped indicating the need to enhance the quality of complaints. Of the 289 complaints, the complaint against management of resources is the highest with 66 followed by complaint against the award of contract and personnel matters with 45 and 24 respectively.

Regarding Corruption Offence, from the total of 289 complaints requiring further actions, maximum complaints are pertaining to Abuse of Function with 160 followed by Embezzlement 27, Conflict of Interest 9 and False Claim with 5 complaints. With regard to complaints against agencies, Gewog Administration constitutes the highest number of complaints with 92 followed by Ministries and Dzongkhag administration with 50 and 24 respectively. With regard to the Ministries, highest complaints were lodged against the MoAF followed by MoE and MoWHS. Further, among the Dzongkhag Administration, Trashigang and Bumthang had the highest complaints with four each followed by Samtse with three. However, the Trongsa Dzongkhag had maintained without complaints for the



second consecutive year. Likewise, ACC received highest number of complaints pertaining to occurrence in Thimphu followed by Wangdue Phodrang, Paro and Chukha and the least in Lhuntse.

In the reporting year, 74 complaints were qualified for Information Enrichment based on findings of the complaints shared for action to various agencies and based on the findings of the Information Enrichment; five complaints were further shared for action with the respective agencies taking total number of complaints shared for action to 122 in the reporting year. The ACC received 11 reports from the Royal Audit Authority related to suspicions of corruption offences. Moreover, in addition to 42 complaints qualified for investigation based on findings of complaints shared for Action and Information Enrichment, another 15 complaints qualified for investigation in the reporting year which increased to 57 complaints qualified for investigation. Of the 57 complaints that qualified for investigation, only 20 complaints could assign for investigation during the reporting period besides 16 other complaints of previous year 2020. Currently there are 96 complaints which are yet to be assigned for investigation.

4. INVESTIGATION AND REFERRALS

In the last 18 months, the ACC opened a total of 29 new cases adding to the 25 spillover cases brought forward from the previous reporting year. In addition, anticipating prolonged restrictions of the pandemic situation that limits the field investigation, the ACC investigators were also assigned with 35 backlog complaints qualified for investigation to undertake desk review. Of the total of 54 caseloads, the ACC completed 27 cases, 6 cases forwarded to OAG for prosecution, 9 shared with relevant agencies for administrative action and the remaining 12 cases were either closed or drop in absence of any substantive evidence. The overall achievement in terms of bringing the case to a logical conclusion in this reporting period is 50%.

With regard to search/seizure and detention, the ACC conducted a total of eight search/seizure related to seven cases between January 2020 to June 2021. However, the ACC did not detain any person in the process of investigation for the reporting period. Similarly, in the reporting year, six cases were forwarded to the OAG for prosecution and of the total cases forwarded to OAG till date, 11 are under review and 45 are under various trial courts. Various Courts have passed 58 judgments from January 2020 to June 2021 related to 34 cases which the majority of the cases were related to embezzlement. A total of 116 defendants were charged for corruption and other criminal offences, 71 were convicted, 24 acquitted and 21 deferred.



Regarding the M/s JPLP case, the ACC investigated M/s JPLP for alleged tax evasion and was prosecuted by the OAG before the Dungkhag Court, Phuentsholing. The ruling by trial Court was subsequently amended by the Bench III of High Court who sentenced the defendant to five years non compoundable imprisonment and ordered to reinstitute Nu. 126.897 million. However, upon appeal by the defendant, the Larger Bench of the High Court upheld the trial Court's judgement but the restitution amount was brought down to Nu. 14.487 million with a fine of Nu. 7.875 million. Since, the OAG refused to appeal further, the ACC appealed before the Supreme Court in August 2019. After three rounds of hearing, the Supreme Court convicted and sentenced the proprietor of M/s JPLP to imprisonment for five years and ordered to pay Nu. 154,619,635.00 to the Revenue Account of the Royal Government within one month from the date of judgement.

As of June 2021, a total of Nu. 863.068 million was ordered for restitution. From the total of 3.17 acres of State land ordered for restitution, 3.02 acres of State land have been restituted to the State. However, a total of Nu. 315.497 million related to 45 cases are under appeal in various Courts. Hence, the actual restitution pending was Nu. 412.374 million as of June 2021.

5. OVERALL INSTITUTIONAL TARGET AND PERFORMANCES

In the reporting period, the ACC have conducted an assessment to gauge the level of organizational development and performance with respect to institutional reforms and initiatives undertaken since 2011. The assessment included evaluation of its 10 year strategic roadmap referred to as the ACC's Institutional Development Plan 2011-2020 along with a comprehensive review of the existing strategies, system, and procedures. The review of Institutional Development Plan concluded that 93% of the recommendations have been successfully implemented and the remaining unachieved recommendations were mostly related to enhancing human resource management and development of the ACC and two specific pertained to establishment of a monitoring system for Gift Rules and online system to report the status of complaints.

During the mid-term review of the 12th FYP, the ACC achieved almost 70% of the indicators at the NKRA and AKRA level. The score of Transparency International's Corruption Perceptions Index has increased from 67 in 2017 to 68 in 2020. Bhutan's score has improved steadily over the years also improving its rank from 26th in 2017 to 24th in 2020. The score of National Integrity Assessment has increased from 7.95 in 2016 to 7.97 in 2019. With respect to financial performance, the ACC achieved 58.11% of the approved current outlay and 39.51% of the capital outlay in the reporting period.



In the reporting period, Annual Performance Target for two FYs 2019-2020 and 2020-2021 were evaluated to assess performance of the organization based on the targets set by ACC. The year-end evaluation of the ATP scored 90.85 for FY 2019-2020 and 93.27 for the FY 2020-2021. The score of the FYs ranked the ACC in the category 2, which is “Very Good” group in the Agency Categorization Framework of the Government Performance Management System.

6. INTERNATIONAL STANDING

Bhutan has made steady improvement in the Transparency International Corruption Perception Index score and rank since 2012. In 2020, Bhutan attained higher achievement improving the rank from 25th in the previous year to 24th in 2020. Bhutan’s score of 68 is much above the global average of 43 and Asia Pacific average of 45 which also make Bhutan the cleanest country in the SAARC region. The Corruption Perception Index report 2020 reveals that most countries have made little to no progress in combating corruption for nearly a decade with more than two-thirds of countries scoring 50. However, Bhutan’s steady rise in the ranking is indicative of the unstinted political will of the government in preventing and combating corruption, the stagnant score of 68 for the past three years is equally indicative that Bhutan needs to redouble effort in the fighting corruption.

SECTION II: ORGANIZATIONAL OUTLOOK

1. RECRUITING, RETAINING, AND DEVELOPING HUMAN RESOURCES

During the reporting, over the last 18 months, 24 new staff with diverse experiences and position levels joined ACC. On the other hand, 14 officials separated from the ACC with net increase in the staff strength by only 10. Hence, the total staff strength as of 30th June 2021 stands at 128 against the projected strength of 152 by July 2020 and the proposed staff strength was 174 in the 12th FYP.

2. NURTURING CONDUCTIVE WORK ENVIRONMENT

During the reporting period, the ACC implemented the revised OIP with effect from July 2020 and the review of the ACC’s OIP highlights that 86.7% of its OIP were implemented in the FY 2020-2021. One of the activities under the OIP includes management and administration of gifts as per Gift Rules 2017. To promote the ACC as an ‘Employer of Choice’ the ACC initiated to construct Housing Colony for staff, adopted Staff Welfare Scheme, and Childcare Facility for working parents.

3. ENHANCING PARTNERSHIP AND NETWORKING WITH KEY AGENCIES

At the National Networking level, the ACC and OAG jointly developed a revised MoU identifying renewed common area of interest and challenges to enhance coordination and



collaboration for effective investigation and prosecution of corruption cases. Likewise, recognizing potential for institutional collaboration to promote Rule of Law and prevention of corruption in the country, ACC and Jigme Singye Wangchuk School of Law decided to sign an MoU.

Regarding Regional and International networking, the ACC initiated dialogue with International Anti-Corruption Academy of Austria to sign MoU to facilitate anti-corruption education and training of professionals from all sectors around the world. Moreover, the ACC also developed networking with Independent Commission Against Corruption of Mauritius and Independent Commission Against Corruption of Hong Kong.

SECTION III: RESOLUTIONS OF PARLIAMENT

During the 5th session of the 3rd Parliament, House passed three resolutions related to Anti-Corruption Commission of which only one resolution has been implemented. The resolutions on designating a separate Bench for corruption cases and to expedite the recovery of assets were in the stage of discussion with relevant agency.

SECTION IV: COMMITTEE'S RECOMMENDATIONS

1. With increase in corruption cases over the years and to expedite the resolution of corruption cases delayed in prosecution, the Committee recommends the RCJ to create designated and separate Bench for Corruption cases.
2. Given the enormous outstanding amount of Nu. 412.374 million to be restituted (as of June 2021), the Committee reiterates its previous recommendation and reminds the OAG and ACC to expedite the restitution of the outstanding amount. Further, to make the resolution more practicable, measurable and doable, the Committee recommends the Institutions (OAG and ACC) to specify the amount restituted between now and the next reporting year.
3. As highlighted in all its Annual Reports, ACC is plagued with the challenges of not getting the required manpower both in terms of quality and quantity. In view of this perpetual challenge, the Committee recommends the RCSC to provide ACC with the required manpower (till such time as the ACC is provided complete operational independence).

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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.

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