

We demand quick action on the Govt. Audit Objections

No to corruption with public money

1. Audit objection of Tk. 50b: The one-tenth of our Annual Development Plan

The Comptroller of Audit General of Bangladesh (hereinafter CAG-BD) prepares the public audit report for the fiscal year 2008-09 to 2010-11 and submits to the President and the Prime Minister of Bangladesh. The main issues in these reports are the financial anomalies and objections on the expenditures of different government sectors and ministries.

The reports raised 605 audit objections costing more than BDT 48 billion.

Though the web site of the Audit General of Bangladesh didn't publish the details of this latest audit reports, but according to the information revealed in the newspaper we have come across the following ministries and development authorities to be involved with the major financial anomalies.

The reports primarily identify financial irregularities of BDT 10.5b committed by the public banks, Internal Resource Division and the divisions & sectors under the Ministry of Finance during 2008-11 fiscal years. BDT 5.5b lies with the banking sector alone. Apart from these, audit objections of BDT 12.9b against the Ministry of Power, Energy & Mineral Resource, BDT 4.23b against the Ministry of Communication, BDT 8.02b against the Ministry of Railway and BDT 5.94b against the Ministry of Housing & Public Works has been raised in this concern.

Though the financial irregularities and corruptions are identified only against a few Ministries in the above mentioned reports of the FY 2008-11, but the fact, almost all of the ministries and sub-sectors of the govt. are widely assumed to be involved in it.

2. Health sector plunders 1.5b in one year

The latest audit report of CAG-BD identifies financial plundering of BDT 1.5b in the HPNSDP (Health, Population and Nutrition Sector development Program) under ministry of Health during last one year. The report says that the offices of different sectors, sub-sectors, authorities, hospitals in districts & sub-districts and the offices of civil surgeons under the Ministry of Health and Family Welfare are directly involved in this financial despoil.

HPNSD is the largest development program in the government health sector. This program is being implemented throughout the country by 32 OPs (Operational Plan) where World Bank and many other

development partners have been financing. The audit process held only in 8 OPs during 16 September to 19 November 2012 identifies this objectionable expenditure of BDT 1.5b and the following points out of which are really alarming.

- **BDT 10.5m is spent for photocopying despite having 2-3 photocopy machines were running in every OP offices.**

- BDT 280.63m is paid to the vendors without any purchasing of equipments and machines.
- Without going abroad for training BDT 1.05m has been cashed in the name of training expenditure.
- BDT 8.1m is received by 14 government physicians in the name of research, but no research papers are submitted.

- **Only 2 officials of OP receive BDT 112,887 a day as training allowance and a total of BDT 20.35m is cased during the above mentioned audit period.**

3. Biman despoils 10b

In the last 6 FY (2007-12) 962 audit objections are issued in the financial transactions of Bangladesh Biman (State-owned Airlines). Only 341 findings out of them have been resolved and BDT 39.5b have been recovered from the foreign companies by realizing the overdue caused by the negligence of the officials. But the cases with what the higher officials are directly involved are never resolved. And this unresolved cases cost BDT 10.38b which remains under a big doubt to be solved in future.

4. Plundering public money in unusual ways

The ADP (Annual Development Plan) is a major filed of plundering public money. Development plans from different Ministries submitted to the ADP surely have an implementation plan and on the basis of what the financial allocation is made. But it's very frustrating that despite of having money allocation the ministries unnecessarily prolong the implementation schedule. As a result, they can spend only 15-20% of the allocation by the first 3-6 months of the respective fiscal year. But by the last three months of the year they spend the rest 80 to 90% of the allocation quite hurriedly by any means.

Pressure from donors and ministries they show as an alibi for the quick and suspicious

expenditure at the end of the year and get involved in despoiling public money by following no rules in implementation.

Most of the ministries of Bangladesh (remarkably LGED, Health, Education and Communication) are involved in this kind of illegal practice and a huge quantity of public money is being wasted every year due to the absence of proper accountability and responsibility to the state and people.

There are some more peculiar ways of plundering public money by the officials of different ministries. For an example, a sum of BDT 23.2m is unexpended from an implemented project on the emergency flood rehabilitation in 2007. The project director transferred the money to another account instead of refunding it to the exchequer without having proper approval. BDT 20m is refunded when the audit comes across this matter but the rest 3.2m is still missing.

The officials of Export Development Bureau hand over around 353m Taka to 5 private companies as an export development grant. But according to the Audit Report those 5 companies exported nothing to the foreign countries in the timeframe.

Now the question is, by which means such a big amount of money is handed over in the name of export development grant and whose interest was served?

5. Government's inaction and slow process in solving objections promote corruption

Deceptive attempts for personal benefits are the main motives behind these plundering and corruptions. There are two ways of doing these, first, negligence to duties for obtaining personal benefits and second, direct corruption.

By exploiting the state mechanism through plundering the public resources these fraud officials, who are deployed to serve the people and the country, have been snipping off the personal benefits. And it causes the government to lose huge resources every year, development planning and growth to be damaged and poverty and socio-economic inequality to be increased.

The audit reports on the government expenditure are produced every year and thousands of audit objections are raised. But most of them remain unresolved as the involved officials are not being accused and go to retirement with fame and all due benefits realized. Only people who pay taxes properly

and get indebted more and more only to provide state resources are being deprived.

Audit objections of BDT 500b have been unsolved since the independence could provide fund for two Padma Bridges.

6. We want to say: financial governance and accountability are the precondition of democracy

The current government forms a Parliamentary Standing Committee to Public Accounts who discuss on 490 audit reports where 5,607 audit objections are raised that value BDT 117.38b. Still it is not clear how the money to be realized.

We believe, government's duty is to end corruption in the country to establish democracy. It is possible for the government to end corruption by resolving all the audit objections timely. We, therefore, uphold the following recommendations in this concern:

- a. Public all the audit reports. Involved ministries, sectors and the officials should be mentioned by name in the reports.
- b. Discuss the measures taken based on the reports in the parliament regularly. All the objections against respective ministries, the progress in resolving it and actions taken must be addressed before the budget session in the parliament. There must be a proper plan on how to resolve the objection issues. Accountability of the public money must be ensured.
- c. Officials involved in plundering the public money and financial irregularities must be brought under law.
- d. The office of Auditor General must audit all the ministries and public the reports. Reports must be updated on a regular basis and to be published in the official web site so that anyone can access it.

Involved Organizations:

AMKS, Arpan, Asset, Bangladesh Kishani Shova, Bangladesh Krishok Federation, Bangladesh Vumihin Shomity, CDP, EquityBD, Humanity Watch, Jatyo Sromik Jote, La Via Campecina Bangladesh Group, Online Knowledge Society, PRAN, Prantojon Trust, Surokha O Agragati Foundation, Udayan Bangladesh, United People's Trust, Unnayandhara Trust, VOICE

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