Auditors uncover 118 unapproved projects

Auditors have uncovered 118 state investment projects amounting to more than 1.146 trillion kip, which were carried out without approval from the National Assembly (NA), following auditing of the 2013-2014 budget plan.

Dr Viengthong Siphandone addresses the ordinary session.

President of the State Auditing Organisation (SAO) Dr Viengthong Siphandone presented findings of the audit to the ongoing NA ordinary session yesterday.

The auditors also found 58 approved and 43 unapproved projects were implemented without undergoing a proper bidding process.

These projects were prior invested by private companies with the government's relevant sectors to repay the companies at later dates.

Such action contravened a Prime Ministerial Order issued on April 18, 2013 that prohibited the implementation of unapproved projects and projects with prior investment by the private sector.

In addition, the auditors found 36 state investment projects totalling almost 60 billion kip whose implementation did not coincide with the correct steps as approved by the Ministry of Planning and Investment.

The Bank of the Lao PDR was found releasing more than 187 billion kip in loans to disburse to nine state investment projects in the provinces – the action contravenes the mandate of the bank as its function is to act as final loan provider for commercial banks, Ms Viengthong to ld the law makers.

Inappropriately, 26 state investment projects amounting to more than 1.517 trillion kip were found approved in the 2013-2014 fiscal year, despite the fact the projects were categorised as grade ‘F,' meaning that their returns or benefits were low and not effective, Dr Viengthong said.

Additionally, the auditors uncovered some 382 state investment projects amounting to more than 15.458 trillion kip were approved without first undertaking assessments on the projects as required by the State Investment Law.

“Consideration towards approving state investment projects must be done in line with conditions as stipulated in Article 25 and Article 26 of the State Investment Law,” she told the parliament.

Also, the auditors discovered that the relevant sectors included 12 unapproved projects amounting to almost 28 billion kip the implementation of which took place after December 31, 2012 into their debt-payment plan, which is prohibited by the NA.

The NA has resolved that those unapproved projects carried out earlier than December 31, 2012 are allowed to be included into the debt-payment plan financed by state budget. But those departments carrying out projects without approval from the parliament after December 31, 2012 are required to take responsibility for the debt they have created.

In the 2013-2014 fiscal year, the SAO audited budget plan implementation at 116 organisations included ministries, state departments, provinces, Vientiane administration, state-funded projects, state banks, state enterprises, and projects financed by grants and loans.

By Times Reporters
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