

MPs seek action on audit violations

PARLIAMENT has demanded "the return of squandered government money" mentioned in the Financial Audit Bureau report.

It is amongst six recommendations suggested by parliament's financial and economic affairs committee after a two-month probe into the bureau's report which documented 346 violations, including 334 administrative along with 14 corruption cases.

Other recommendations revealed yesterday included having the Cabinet take disciplinary action and administrative penalties against violators with-

By MOHAMMED AL A'ALI

out any delay, having the bureau refer all suspected corruption cases to judicial authorities, even those not probed by the Cabinet, and having parliament refer its own list to the Public Prosecution.

The committee also wants to summon responsible government ministers and officials for questioning, and suggested the Cabinet enhance its monitoring and auditing policies.

The committee's probe report will be discussed in detail at parliament's weekly session on Tuesday.

"We have noticed that there are 14 ministries, government bodies and companies that have violations constituting as major and of a suspected corruption nature," read the committee report.

"The Health Ministry has signed contracts with services providers in clear violation of the Tenders and Auctions Board's regulations and failed to take deposits to ensure supply or work, besides following improper criteria to send patients and their companions for treatment abroad.

"The Foreign Affairs Ministry rented the first floor of the Manama Centre

for BD25,830 a year directly and without contacting the board, while signing a contract to furnish and equip the new consular lounge for BD92,894 despite the expiration of the grace period.

"The Education Ministry signed contracts with providers after the expiration of the grace period by a month, while it eliminated low bidders or contractors."

The *GDN* reported last week that five "major" cases of suspected corruption have been referred to the Interior Ministry's anti-corruption and economic and electronic security di-

rectorate by the Cabinet.

Seven other cases of alleged corruption are still being reviewed by the Cabinet's executive committee, which will determine whether criminal or administrative proceedings against offenders are required.

Among the 14 government bodies accused of corruption cases are the former Works Ministry, Social Development Ministry, the former Culture Ministry and the Finance Ministry.

The Land Registration and Survey Bureau, Civil Service Bureau, National Authority for Oil and Gas, the five municipalities, Bapco, Gulf Air and the Information Affairs Authority have also been accused of manipulating contracts.

Parliament has also recommended launching an investigation into the Health Ministry's alleged improper conduct of work.

Total violations were down from 2012, when 462 offences were documented by the Financial and Administrative Audit Bureau – 25 of which resulted in criminal prosecutions, while 404 were deemed administrative and another 33 required further review.

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■ Bahrain Polytechnic honoured four of its students following their success at the 10th International Commercial Mediation Competition in Paris. The week-long contest featured more than 500 participants from around the world, testing their negotiations skills and ability to handle disputes. Above, Bahrain Polytechnic acting chief executive Dr Mohamed Al Aseeri, fifth from right, with participating students and staff at the honouring ceremony.



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Statement of financial position as at 31 December			Statement of comprehensive income for the year ended 31 December			Statement of cash flows for the year ended 31 December		
	2014 BHD'000	2013 BHD'000		2014 BHD'000	2013 BHD'000		2014 BHD'000	2013 BHD'000
Assets			Interest income	1,461	1,860	Cash flows from operating activities		
Cash and balances with the central bank	2,149	2,187	Interest expense	(367)	(467)	Profit / (loss) for the year	38	(160)
Due from banks and financial institutions	3,200	7,800	Net interest income	1,094	1,393	<i>Adjustments for:</i>		
Loans and advances	28,482	36,960	Net fee and commission income	260	219	Depreciation	86	52
Held-to-maturity investments	14,278	11,286	Gain on foreign exchange transactions	76	69	(Reversal of) / provision for impairment of loans and advances	(151)	11
Due from other offices of the Head Office	72,120	66,897	Investments Income	83	83		(27)	(97)
Property and equipment	2,954	2,873	Total operating income	1,513	1,764	Change in balances with central bank	(178)	(60)
Other assets	124	198	Staff costs	(757)	(893)	Change in loans and advances	8,630	740
Total assets	123,307	128,201	Premises costs	(158)	(221)	Change in due from other offices of the Head Office	(1,508)	-
Liabilities			Depreciation	(86)	(52)	Change in other assets	74	(88)
Due to banks and financial institutions	37,864	37,811	Allocation of expenses from Head Office	(233)	(323)	Change in deposits from banks	53	(2,043)
Customers' deposits	56,104	61,529	Other operating expenses	(392)	(424)	Change in due to customers	(5,425)	19,751
Due to other offices of the Head Office	23,810	20,969	Operating expenses	(1,626)	(1,913)	Change in due to other offices of the Head Office	2,841	(2,502)
Other liabilities	491	407	Loss before net impairment charge	(113)	(149)	Change in Other liabilities	84	(1,462)
Total liabilities	118,269	120,716	Reversal of / (provision for) impairment – net	151	(11)	Net cash flows from operating activities	4,544	14,239
Head Office funds			Profit / (loss) for the year	38	(160)	Cash flows from investing activities		
Capital	4,217	4,217	Other comprehensive income	-	-	Purchase of premises and equipment, net of disposals	(167)	(91)
Unremitted profit	821	3,268	Total comprehensive income / (loss) for the year	38	(160)	Net cash used in investing activities	(167)	(91)
Total Head Office funds	5,038	7,485				Profit remitted to Head Office	(2,485)	-
Total liabilities and Head Office funds	123,307	128,201				Net cash used in financing activities	(2,485)	-
Commitments and contingent liabilities	57,208	48,245				Net increase in cash and cash equivalents	1,892	14,148
						Cash and cash equivalents at 1 January	86,763	72,615
						Cash and cash equivalents at 31 Dec.	88,655	86,763

The above statements have been extracted from the annual financial statements of National Bank of Abu Dhabi, Bahrain Branch (licensed by CBB as Retail Bank) for the year ended 31 December 2014 which were approved for issue by the management on 23 March 2015 and audited by KPMG Fakhro who issued an unqualified audit report dated 23 March 2015.