



**Independent Joint Anti-Corruption  
Monitoring & Evaluation Committee**

## **Oversight and Accountability at the Afghanistan Telecommunications Regulatory Authority (ATRA)**

### ***The revenues and expenses of communication companies declared to tax authorities should be cross-referenced with those that are stated in their respective audit reports***

Communication companies are obligated to have their revenues and expenses independently audited annually and are also required to declare their revenues and expenses in tax documents submitted to the Ministry of Finance. However, there is reportedly a difference between the revenues and expenses declared by companies, leading to concerns that bribes are being paid for lower tax bills. A comparative assessment is required to identify any malfeasance that may be occurring.

**Recommendation 7.11:** The Ministry of Communications and Information Technology should provide the Ministry of Finance – and MEC - with the financial audit reports conducted on communications companies between 2008 - 2012. The Ministry of Finance should comparatively evaluate the financial audit reports with the respective tax documents filed by the companies to identify any discrepancies. The Ministry of Finance should share corresponding tax documents from this period with MEC to allow it to make an independent assessment.

**Benchmark:** Audit reports shared with the Ministry of Finance and MEC within 2-months and Ministry of Finance evaluation completed within 3-months. The Ministry of Finance shares tax documents with MEC within 2-months.

**Expected Outcome:** Identification of potential discrepancies between reported incomes and the identification of potential corrupt practices.

### ***The non-competitive appointment of ATRA's Board raises questions about its independence***

ATRA's Board consists of 5 members who are recommended by the Minister of Telecommunications and Information Technology and approved by the President. However, the current process for identifying and recommending members is not competitive or based on merit, which undermines the independence of ATRA.

**Recommendation 7.12:** The Ministry of Communications and Information Technology – with the cooperation of the Independent Administrative Reform and Civil Service Commission – should develop procedures for vetting, short-listing, and recommending members of ATRA's Board for appointment by the President based on the principles of competence, merit, equal opportunity and the needs of consumers.

**Benchmark:** Procedures developed within 4-months.

**Expected Outcome:** A competitive vetting process will enhance independence of the ATRA Board and make it less susceptible to improper influence.



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***Regulatory gaps in the governance of ATRA and the Telecommunication Development Fund increases the vulnerability to corruption***

The *Law for Regulating Telecommunication Services* generally determines the duties and authorities of ATRA. This law is not clear about the frequency, duration, quorum, basis for decision making and independence of ATRA. Although these issues have been regulated by a Code of Conduct, the Code does not have the status of law or regulation. The law also fails to address the governance of the Ministers' Committee of ATRA, which is responsible for overseeing licensing and the approval of ATRA's structure and budget. Finally, the Law does not adequately set out how the Telecoms Development Fund, which consists of cash donations from communions operators, is to be used.

**Recommendation 7.13:** The Ministry of Communications and Information Technology – with support from ATRA – should propose a regulation that:

- Converts the Code of Conduct for ATRA's Board into a regulation;
- Clearly governs the meeting frequency, duration, quorum, decision making, and other related issues of ATRA's Board and Ministers Committee; and
- Governs the use of the Telecommunications Development Fund in a transparent and accountable manner.

**Benchmark:** Regulation developed and submitted to the Council of Ministers within 6-months.

**Expected Outcome:** Strengthened governance, accountability and transparency for ATRA and the Telecommunications Development Fund.

***ATRA's employee appointment process is in need of a precise vulnerability to corruption assessment***

ATRA employees are not appointed by the Independent Administrative Reform and Civil Service Commission and are directly hired by ATRA. The salaries of ATRA staff are higher than that of other government staff and illegal interferences in the process of appointment have made appointments non-transparent.

**Recommendation 7.14:** ATRA with cooperation of the Independent Administrative Reform and Civil Service Commission should conduct a vulnerability to corruption assessment of its employee appointment process and implement measures to address identified vulnerabilities.

**Benchmark:** Vulnerability to corruption assessment completed within 4-months and measures implemented with 8-months.

**Expected Outcome:** A vulnerability to corruption assessment will help strengthen the appointments process.



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***The collection and use of Telecommunications Development Fund revenue should be audited in detail to ensure that there have not been past abuses***

ATRA has responsibility for monitoring and evaluating the Telecommunications Development Fund and the Supreme Audit Office evaluates the expenses of the Fund. However, given the importance of the Telecommunications Development Fund and the limitations of past audits, the Supreme Audit Office needs to assign more experienced auditors to review past expenditures.

**Recommendation 7.15:** The Supreme Audit Office should conduct a comprehensive and in-depth forensic review of the collection and use of the Telecommunications Development Fund from its inception to the present, inform MEC of its results, and publish a summary.

**Benchmark:** Audit performed, MEC informed of the results, and summary published within 6-months.

**Expected Outcome:** Verification that the Telecommunications Development Fund has been used appropriately.