

## Autonomous & Independent Agencies.

The Royal Audit Authority during the year 2002 had issued seventeen inspection reports pertaining to the following autonomous and independent agencies of the Royal Government of Bhutan.

Sl. No.	Agencies	Headed by:
1.	National Technical Training Authority	Tshering Tobgay
2.	Dzongkhag Development Commission	Dasho Sangay Dorji
3.	Royal Institute of Management	Namgay Wangmo
4.	National Driving Training Institute	Bumchu Wangdi
5.	Dzongkhag Development Commission	Dasho Sangay Dorji
6.	National Museum, Paro	Sonam Tobgay
7.	Royal Technical Institute	Sangay Dorji
8.	Department of Employment & Labour	Pema Wangda
9.	Bhutan Olympic Committee	D.K. chetri
10.	Bhutan Football Federation	K.B Basnet
11.	National Technical Training Authority	Tshering Tobgay
12.	Royal Bhutan Institute of Technology	Kezang Chador
13.	National Environment Commission	Dasho Nado Rinchen
14.	Planning Commission	Daw Tenzin
15.	Army Welfare Sawmill	Phub Dorji
16.	National Assembly Secretariat	Dasho Tashi Phuntsho
17.	Royal Advisory Council	Dasho Rinzin Gyeltshen

*Table 1.44 showing summary of the observation by category code and the amount involved.*

Sl. No.	Observation in brief	Amount (Nu.Million)	%	Category code
1.	Outstanding advances.	5.20	89.69	<b>1</b>
2.	Outstanding credit sales.	0.60	4.48	<b>18</b>
3.	Irregular/inadmissible payment.	0.34	2.54	<b>8</b>
4.	Double/Excess payment.	0.19	1.57	<b>6</b>
5.	Payment for works not executed/without receiving the materials.	0.09	0.90	<b>14</b>
6.	Shortage of materials.	0.07	0.52	<b>18</b>
7.	Non-deduction of tax.	0.02	0.30	<b>15</b>
	<b>Total</b>	<b>6.51</b>	<b>100</b>	

### Major Findings:

#### 1. Outstanding advances Nu.5.20 million.

The autonomous and independent agencies have an advances outstanding reflected against various third party suppliers/employees aggregating to Nu. 5.20 million as summarized in the table 1.45:

**Table 1.45 showing agency wise outstanding advances.**

<b>Sl. No.</b>	<b>Agencies</b>	<b>Amount (Nu.Million)</b>
1.	National Technical Training Authority.	0.03
3.	Royal Institute of Management.	0.09
4.	National Museum, Paro.	0.11
5.	Royal Technical Institute.	0.16
6.	Bhutan Olympic Committee.	0.54
7.	Bhutan Football Federation.	3.11
8.	Royal Bhutan Institute of Technology.	1.08
9.	Planning Commission.	0.03
10.	Army Welfare Sawmill.	0.05
	<b>Total</b>	<b>5.20</b>

**Auditee's response:**

*The RAA was intimated that the respective managements are making efforts to recover the outstanding advances/balances and intimate the audit accordingly.*

**Who is accountable?:**

*Until such time the outstanding advances/balances are fully liquidated, the accountability is fixed on the Head of the management and Finance Officers.*

**2. Shortage of materials/timber Nu.0.07 million.**

The random verification of materials procured by National Technical Training Authority (NTTA) for construction of Training Centre, Vocational Skill Scheme and for general purpose revealed shortages of items valued at Nu.0.06 million. The Army Welfare Sawmill also had a shortage of 149.82 cft of sawn log amounting to Nu.0.01 million.

**Auditee's response:**

*The NTTA submitted that the dealing person was asked to account for the shortages. The management of Army Welfare Sawmill did not respond appropriately to the observation raised.*

**Who is accountable?:**

*Until the shortages are resolved fully, the accountability is fixed on the Finance Officer and Manager of NTTA and Army Welfare Sawmill respectively.*

**3. Payment for works not executed/without receiving the materials Nu.0.09 million.**

The Bhutan Olympic Committee had awarded the work of renovation/extension of Taekwondo hall at the Swimming pool sports complex to M/s R.D.C. Construction. The management had paid Nu.0.09 million for the work not executed at all.

**Auditee's response:**

*The BOC submitted that the case was forwarded to the District Court and that the outcome is awaited.*

**Who is accountable?:** *Until the time the court verdict is heard by RAA or the amount deposited into audit recoveries account with commercial interest the accountability for the lapse is fixed on the Secretary General, BOC.*

#### **4. Non-deduction of tax Nu.0.02 million.**

The Army Welfare Sawmill had also not deducted the tax amounting to Nu.0.02 million from the bills of transporters and suppliers as required.

**Auditee's response:** *It was submitted that the deductions were erroneously overlooked. However, it was stated that the suppliers and transporters were reminded to deposit the tax.*

**Who is accountable?:** *Until such time the amount paid is accounted for in audit the accountability for the lapse is fixed on the manager.*

#### **5. Double/excess payment Nu.0.19 million.**

Autonomous and Independent agencies had made a total of Nu.0.19 million in excess of what is actually admissible. Summary is given in the table 1.46:

*Table 1.46 showing agencies responsible for making double / excess payment.*

<b>Sl. No.</b>	<b>Agencies responsible</b>	<b>Amount (Nu.Million)</b>
1.	Dzongkha Development Commission.	0.02
2.	Bhutan Olympic Committee.	0.08
3.	Bhutan Football Federation.	0.02
4.	Royal Bhutan Institute of Technology.	0.02
5.	Royal Advisory Council.	0.05
	<b>Total</b>	<b>0.19</b>

The descriptive details of the transactions are as follows:

- A.** The DDC had made payment of DSA and porter / pony charges in excess of what is actually admissible under the rule. It amounted to Nu.0.02 million.

**Auditee's response:** *The DDC had not responded on the recovery status as at 30.9.03.*

**Who is accountable?:** *Until such time the excess amount paid is accounted for in audit the accountability for the lapse is fixed on the manager.*

- B.** The Bhutan Olympic Committee (BOC) had awarded the work of renovation/extension of Taekwondo hall at the Swimming Pool Sports Complex to M/s R.D.C. construction. The management had paid Nu.0.08 million in excess of what was actually admissible.

**Auditee's response:** *The RAA was intimated that the contractor was asked to refund the excess amount paid.*

**Who is accountable?:** *Until such time the excess amount paid is accounted for in audit the accountability for the lapse is fixed on the Secretary General, BOC.*

- C.** The Bhutan Football Federation (BFF) had paid Nu.0.02 million to the contractor in excess of what was admissible on account of fixing of partition walls and making of racks in the BFF office.

**Auditee's response:** *The BFF management had not responded on this issue.*

**Who is accountable?:** *Until such time the excess amount paid is accounted for in audit the accountability for the lapse is fixed on the Secretary General, BFF.*

- D.** The Royal Bhutan Polytechnic had paid a stipend to 88 final year students placed on the OJT with different agencies for 45 days. However, review of payment vouchers revealed a sum of Nu. 0.02 million approximately paid in excess of their actual entitlement.

**Auditee's response:** *The Royal Bhutan Institute of Technology informed the RAA that the payment was made due to oversight and that it is difficult to recover since their whereabouts cannot be traced out.*

**Who is accountable?:** *Since the response submitted is not tenable the accountability is fixed on the Principal and Finance Officer, Royal Bhutan Polytechnic.*

- E.** The Royal Advisory Council paid excess DSA to officers/staffs amounting to Nu.0.05 million for which the RAA had fixed the responsibility on the paying officer.

**Auditee's response:** *It was submitted that an attempt would be made to recover from the councillors who are already resigned.*

**Who is accountable?:** *Since it was the responsibility of the paying and disbursing officer to verify the admissibility prior to the release of the amount, the accountability is fixed on the Drawing and Disbursing officer.*

## 6. Irregular/inadmissible payment Nu.0.34 million.

The following agencies had made irregular / inadmissible payment aggregating to Nu.0.34 million. Summary is outlined in the table 1.47:

*Table 1.47 showing agencies responsible for making irregular payments.*

<b>Sl. No.</b>	<b>Agencies responsible</b>	<b>Amount (Nu.Million)</b>
1.	Dzongkha Development Commission.	0.03
2.	Department of Employment & Labour.	0.04
3.	Bhutan Football Federation.	0.24
4.	Bhutan Football Federation.	0.03
	<b>Total</b>	<b>0.34</b>

The descriptive details of the transactions are as follows:

- A.** The DDC had made a payment of Nu.0.03 million approximately to Motion Picture Association on account of Swimming Pool Stage rental charges. This was paid on the ground that the association had suffered a loss by staging the Dzongkhag Movies during off season. The agreement between Motion Picture Association and the DDC did not specify that the loss, if any, sustained would be compensated by DDC.

**Auditee's response:** *The DDC had so far not responded on this matter after the issue of the inspection report.*

**Who is accountable?:** *Until such time the irregular payment made is accounted for in audit the accountability for the lapse is fixed on the Secretary, DDC.*

- B.** The Department of Employment & Labour while procuring one Daewoo Musoo vehicle through M/s Chundu Automobiles had paid Nu.0.70 million including Customs handling charge of Nu.0.04 million. On verification the payment was not supported with bills for custom handling charges.

**Auditee's response:** *The DEL had submitted that either the amount would be recovered or obtain justification from the supplier.*

**Who is accountable?:** *Until such time the irregular payment made is accounted for in audit the accountability for the lapse is fixed on the Director, DEL.*

- C.** The Bhutan Football Federation had paid Nu.0.24 million as honorarium to the committee /executive members including civil servants for the volunteer services rendered to the federation. Audit opines that the term honorarium normally implied as one

time lump sum payment and not through out the year round on a monthly basis. Similarly volunteer means rendering services for free of cost.

**Auditee's response:** *The BFF had so far not responded on this matter after the issue of the inspection report.*

**Who is accountable?:** *Until such time the irregular payment made is accounted for in audit the accountability for the lapse is fixed on the General Secretary, BFF.*

**D.** The Bhutan Football Federation had paid Nu.0.03 million to the nominees for attending seminars / workshops as DSA which was not admissible as per the rules.

**Auditee's response:** *The BFF had so far not responded on this matter after the issue of the inspection report.*

**Who is accountable?:** *Until such time the irregular payment made is accounted for in audit the accountability for the lapse is fixed on the General Secretary, BFF.*

## **7. Outstanding Credit Sales Nu.0.60 million.**

Review of records relating to sales of sawn timber and sale of apple boxes by Army Welfare Sawmill and subsequent realisation of proceeds revealed that an amount aggregating to Nu.0.60 million were lying outstanding. Some of the outstanding pertains to the period as early as 1979. It was also noticed that some of the parties were entertained fresh credit sales without liquidating the previous balances.

**Auditee's response:** *The RAA was informed that the management had recovered/collected Nu.0.32 million thereby leaving a balance of Nu.0.28 million.*

**Who is accountable?:** *Until such time outstanding sales is recovered and deposited in audit recoveries account the accountability is fixed on the manager, Army Welfare Sawmill.*

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