

Ministry of Health and Education.

The Royal Audit Authority during the year 2002 had issued ten inspection reports of agencies under the Ministry of Health & Education. The following officials headed the ministry and the departments under it in the year 2002:

Sl. No	Name of Office bearers	Designation
1.	Lyonpo Sangay Ngedup	Minister
2.	Dr. Sangay Thinley	Secretary
3.	Pem Thinley	Director General, Department of Education.
4.	Dr. Gado Tshering	Director, Department of Health Services.
5.	Thinley Wangdi	Head, Administration & Finance Division.

The following table exhibits the summary of the findings in a consolidated form:

Table 1.15 showing summary of the observation by category code and the amount involved.

Sl. No.	Observation in Brief	Amount (Nu.Million)	%	Category code
1.	Outstanding advance.	138.48	99.43	1
2.	Non-deduction of taxes.	0.25	0.18	15
3.	Excess payment.	0.21	0.15	6
4.	Shortage of materials.	0.12	0.09	18
5.	Wrong booking of expenditure.	0.13	0.09	12
6.	Irregular/inadmissible payment.	0.08	0.06	8
	Total	139.27	100	

Major findings:

1. Outstanding advance Nu.138.48 million.

The Ministry of Health & Education had outstanding advances of Nu.138.48 million lying unadjusted/uncollected from various third parties and agencies. Agency wise details of the amount are as given in the table 1.16:

Table 1.16 showing agency wise outstanding advances.

Sl. No.	Agencies	Amount (Nu.Million)
1.	Department of Health (I/A account).	11.65
2.	National Institute of Education, Paro.	0.03
3.	Secretariat, MoHE.	0.15
4.	Regional Referral Hospital, Mongar	0.78
5.	DANIDA Assisted Accounts.	123.78
6.	Education Division.	2.09
	Total	138.48

All dues not collected beyond the admissible period must attract Commercial Interest to be paid by the officers responsible.

Auditees response:

It was submitted that the department would make careful efforts to comply with rules in future and that the recoverable advances would be recovered. It was also stated that irrecoverable advances would be processed for write-off.

Who is accountable?:

Until such time the above amount is liquidated in full all concerned finance officers, project manager and head of Administration & Finance Division are held accountable. The amount must be deposited into Audit Recoveries Account with Commercial Interest from the stipulated due date.

2. Excess payment Nu.0.21 million.

The Ministry of Health & Education had made excess payment to the tune of Nu.0.21 million by way of following:

- A.** One Programme Officer of the IECH Bureau under the Health Department while on training in Bangkok for 46 days was paid in DSA rates instead of Stipend as applicable under the rules. Thus excess payment/expenditure to the tune of Nu.0.11 million was incurred by the department.

Auditees response:

It was submitted that they have written to the UNICEF seeking clarification on the matter and that RAA would be intimated after receiving the confirmation

Who is accountable?:

Until such time the clarification or money paid in excess is received in audit Programme Officer, IECH is held accountable for payment with Commercial Interest.

- B.** The Department of Health also made an excess DSA payment of Nu.0.05 million approximately to health workers who went on a study tour to South India.

Auditees response: *The management submitted that the concerned officials were asked to justify their extra claims.*

Who is accountable?: *Until such time the DSA paid in excess is accounted for in audit with Commercial Interest the finance officer who made the payment is held accountable.*

- C. The Education Division made an excess payment amounting to Nu.0.05 million approximately as inadmissible DSA and to the supplier of wall maps.

Auditees response: *The Education Division submitted that the excess payment will be recovered and deposited into Audit Recoveries Account.*

Who is accountable?: *Until such time the amount in question is accounted for in audit with Commercial Interest the accountability is fixed on Head of Administration & Finance Division.*

3. Shortage of materials Nu.0.12 million.

During the physical verification Sherubtse College had shortage of library books worth Nu.0.03 million approximately.

Similarly, the physical verification of the Regional Referral Hospital Construction Project in Mongar found a material shortage of Nu.0.21 million. Items that were missing include 1166 square feet of carpet, 1649.69 kilograms of Angle Iron Post and 210 pieces of CGI Sheets. However, on being pointed out by RAA a sum of Nu.0.08 million approximately was deposited into Audit Recoveries Account.

Auditees response: *Sherubtse College had not responded on this issue till date. The Regional Referral Hospital Construction Project in Mongar had submitted that necessary stock entries have been made and sum of Nu.0.05 million approximately have been deposited leaving a balance amount of Nu. 0.09 million approximately still to be accounted for.*

Who is accountable?: *Until such time the balance amount with Commercial Interest is fully accounted for in audit the accountability is fixed on the Project Manager and for the shortage of Library books the responsibility is fixed on Deputy Chief Accountant.*

4. Wrong booking of expenditure Nu.0.13 million.

It was observed that Nu.0.13 million approximately was incurred from the HRD Fund of the DANIDA assisted accounts for the entertainment purposes. The expenditure was incurred on the recognition of Health Personnel who have served more than 25 years of their services to the nation and the people of Bhutan. Approval to meet the expenditure from the HRD DANIDA Fund was accorded by the Hon'ble Minister, Ministry of Health & Education. The Financial Rule, however, does not allow incurring of expenditure from the Capital Budget (HRD Fund) for Current/Revenue Expenditure (Entertainment) purposes.

Auditees response: *The project management submitted that the procedures have been overlooked, budget offences have been committed and financial integrity could not be maintained.*

Who is accountable?: *Financial discipline must be respected, therefore, accountability for the lapses is fixed on the Head of Administration and Finance Division.*

5. Non-deduction of tax Nu.0.25 million.

Statutory deductions as required by the taxation policy of the Royal Government amounting to Nu.0.25 million were not effected by the Education Division from the bills of various suppliers.

Auditees response: *It was submitted that the tax deductible shall be recovered from the supplier. It was also submitted that since the amount is quite huge the supplier may resist.*

Who is accountable?: *Statutory deductions must be made at all cost. Until such time the above tax is accounted and received in audit with Commercial Interest the accountability for the lapses is fixed on the Head of Administration and Finance Division for failure to discharge his duty and the amount be refunded to Ministry of Finance.*

6. Irregular/inadmissible payment Nu.0.08 million.

- A.** There is a circular from the Royal Civil Service Commission which states the inadmissibility of teaching allowances to employees under teaching cadre during training/study and maternity leave except on permissible vacation. In contravention to this rule the National Institute of Education, Paro had made the inadmissible payment of Nu.0.09 million to lecturers.

Similarly, the National Institute of Education, Samtse made an inadmissible payment of Nu.0.21 million to its lecturers.

Auditees response: *The National Institute of Education, Paro and Samtse submitted that the payment was made due to oversight but stated that recovery of Nu.0.05 million have been effected and that the balance amount would be recovered and deposited into audit recoveries account. The NIE, Samtse also stated that the institute had recovered Nu.0.18 million leaving a recoverable balance of Nu.0.04 million and that the balance amount would be recovered.*

Who is accountable?: *Until such time the balance amount of inadmissible payment made is fully accounted for in audit the accountability is fixed on the directors of the two institutes.*

B. The Education Division made an inadmissible payment of Nu.0.04 million approximately to the teachers who were called for the evaluation at Punakha and Paro. The rule states that those teachers who are based/posted in these two places but called for the evaluation would not be admissible for DSA.

Auditees response: *It was submitted that the amount is being adjusted/deposited on a case by case basis.*

Who is accountable?: *Until such time the inadmissible payment made is fully accounted for in audit the accountability is fixed on lecturers (payees), NIE Paro.*

The Royal Audit Authority hopes that the Ministry will institute effective internal control measures in particular effective control of donor funds.
