

Bhutan Power Corporation.

The contents of the report under this corporation include those inspection reports of the agencies under the then Department of Power. The following personnel occupied the various portfolios of the corporation in the year 2003:

| Sl. No. | Name of Office Bearers | Designation |
|---------|------------------------|---------------------------|
| 1. | Lyonpo Yeshey Zimba | Chairman |
| 2. | Sonam Tshering | Managing Director |
| 3. | Gautam Khanna | General Manager (Finance) |

Summary of the significant observations is given in the table below:

Table 1.35 showing summary of the observations by category code and the amount involved.

| Sl. No. | Observation in brief | Amount (Nu. Million) | % | Category code |
|---------|-----------------------|----------------------|---------------|---------------|
| 1. | Outstanding revenue | 0.283 | 42.05 | 2 |
| 2. | Non-deduction of tax | 0.025 | 3.71 | 15 |
| 3. | Avoidable expenditure | 0.099 | 14.71 | 5 |
| 4. | Outstanding advance | 0.266 | 39.52 | 1 |
| | Total | 0.673 | 100.00 | |

Major findings:

1. Outstanding revenue/energy charges - Nu. 0.283 million.

The Electricity Supply Division, BPC, Monggar had a sum of Nu.0.283 million lying outstanding against various consumers on account of energy charges.

Auditee's response: *The management had submitted that Corporation has taken over all the Assets & Liabilities of the erstwhile department.*

Who is accountable?: *Since the outstanding amount pertained to the period prior to 30th June 2002, amount must be recovered with Commercial Interest of 24% p.a for which the accountability shall fall on the Manager, BPC, Monggar.*

2. Non-deduction of tax - Nu. 0.025 million.

The Electricity Services Division, Paro had failed to effect statutory deduction amounting to Nu. 0.025 million from one M/s A.K.Electronics, Kolkatta for the supply of electrical goods.

Auditee's response: *The Electricity Services Division, Paro had not responded on this issue as of date.*

Who is accountable?: *By not effecting tax deduction, government is deprived of the revenue by Nu.0.025 million. The management must deposit the tax amount with commercial interest into Audit Recoveries Account and the responsibility for the lapses shall fall on Manager, ESD, Paro.*

3. Avoidable expenditure - Nu.0.099 million.

M/s K.R Enterprise, Thimphu had supplied electrical materials to Electricity Services Division, Paro. The rates charged by M/s K.R. Enterprise was more than the rates usually being charged by the Central Stores Division. Had the order been placed to the Central Stores Division, the office could have saved Nu.0.099 million.

Auditee's response: *The Electricity Services Division, Paro had not responded on this issue as of date.*

Who is accountable?: *The accountability for not procuring materials through the Central Stores & incurring loss is fixed on the Manager, ESD, Paro.*

4. Outstanding advance - Nu. 0.266 million.

A. The BPC, Trashigang had outstanding advances aggregating to Nu. 0.018 million lying against the officials/staff and other third parties.

Auditee's response: *The management submitted that immediate follow-up shall be taken to recover/adjust the amount.*

Who is accountable?: *All over due amount must be recovered with commercial interest of 16 % p.a. for which the accountability is fixed on the Managing Director & Manager, BPC, Trashigang.*

B. The Power Project Implementation Unit, Lhuentse had an outstanding advance of Nu.0.080 million lying against the employees and other third parties.

Auditee's response: *The Project Management had submitted that reminders were sent for early recovery/adjustment.*

Who is accountable?: *All over due amount must be deposited into Audit Recoveries Account with commercial interest of 16 % p.a.*

C. The Electricity Services Division, Bumthang had a total advance of Nu.0.168 million remaining unsettled against different suppliers and individuals. It is noticed that some outstanding advances were paid as far back as 1996-1997.

***Auditee's
response:***

The concerned parties are intimated for the recovery of the remaining amount.

***Who is
accountable?:***

The amount must be deposited with commercial interest of 16% p.a into Audit Recoveries Account for which the accountability is fixed on the Manager, BPC, Bumthang.