

Ministry of Health

The Royal Audit Authority during the year 2003 had issued 10 inspection reports of agencies under the Ministry of Health. The following officials headed the ministry and the departments under it in the first half of year 2003:

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

The following officials headed the ministry and the departments under it in the later half of the year 2003:

Sl. No	Name of Office Bearers	Designation
1.	Lyonpo Dr. Jigme Singye	Minister
2.	Dr. Sangye Thinley	Secretary
3.	Dr. Gado Tshering	Director, Department of Health Services
4.	Dr. Dorji Wangchuk	Director, Department of Public Health
5.	Nado Dukpa	Head, Administration & Finance Division

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

Table 1.20 showing summary of the observations by category code and the amount involved.

Sl. No.	Observation in brief	Amount (Nu. Million)	%	Category code
1.	Outstanding advances	52.392	99.75	1
2.	Irregular/inadmissible payment	0.073	0.14	8
3.	Double issue of cement	0.019	0.04	18
4.	Non deduction of tax	0.040	0.08	15
	Total	52.524	100.00	

Major findings:

1. Outstanding advances - Nu.52.392 million.

Agencies under the Ministry of Health had in their books of accounts an amount of Nu.52.392 million lying outstanding against various officials and third parties. Summary of it is shown in the Table 1.20:

Table 1.21 showing agencies that have an Outstanding advances.

Sl. No.	Agencies responsible	Amount (Nu. Million)	Remarks
1.	GOI, Health Construction Project	7.026	Includes OBA of FY 2000-2001
2.	Department of Health	6.037	Officials/third parties
3.	UNFPA Project	6.197	Dzongdags, DMO's, DHSO's & IECH Officials
4.	DANIDA Project, HSPS II	33.122	Officials & Suppliers
5.	DANIDA Project, HSPS II	0.010	
	Total	52.392	

Auditee's response: *The Project Management submitted that most of the outstanding advances reflected in the audit memo are released for the ongoing works and hence could not be adjusted at the time of auditing of the Project accounts. Efforts to recover have been initiated. It was further submitted that sum of Nu. 2.5 million is loaned to General Hospital, Mongar.*

Who is Accountable?: *Until such time all over due advances are recovered with commercial interest of 16% p.a. and deposited into the ARA, the concerned Project /Programme Manager and Head, AFD are held accountable.*

2. Inadmissible/ irregular payment - Nu.0.073 million.

Agencies under the Ministry of Health had made some irregular/inadmissible payment amounting to Nu.0.073 million as summarized in the table below:

Table 1.22 showing agencies who made some irregular payments..

Sl. No.	Agencies responsible	Amount (Nu. Million)	Paid to:
1.	Department of Health	0.016	Dungtsho trainees.
2.	DANIDA Project HSPS-II	0.034	Consultants & Caterers
3.	GOI, Health Project	0.023	Trainees
	Total	0.073	

Brief detail of each instances are as under:

A. The Department of Health had paid an amount of Nu. 0.016 million as porter charges to the Dungtsho trainees during the field attachments. However, the trainees are not entitled for the porter charges.

Auditee's response: *The amount will be recovered and deposited into the RAA.*

Who is accountable?: *The Head, AFD would be accountable till the amount is recovered and deposited into Audit Recoveries Account.*

B. The DANIDA Project HSPS-II had made the payment of Nu. 0.034 million was made on account of incidental expenses of the consultants in contravention to the contract agreement signed between MoHE & Management Service Group, New Delhi.

Auditee's response: *The payment was made due to oversight and the clause not properly reviewed at the time of payment. However, the clause quoted also mentions that it could be paid on prior approval from the client, the MoHE.*

Who is accountable?: *Till the amount is recovered and deposited into Audit Recoveries Account, the Head of AFD is held accountable.*

C. The GOI, Health Project has paid the DSA at dollar rate to the participants, who attended the training conducted in India. As per the rules, DSA payable at dollar rate in India are only to those UN projects & other donor funded projects. As such the

amount of Nu. 0.023 million paid in excess over the actual entitlements is not admissible.

Auditee's response: *The Project Management honored the sanction orders issued by the Health Ministry for the payment of DSA at dollar rate. However, the matter is now being referred to the Personnel Section, Health Department to provide necessary RCSC approval for the training/ Payment of DSA at dollar rates.*

Who is accountable?: *The accountability is fixed on the payee Sonam Wangdi, Electrical Engineer of the GOI, Project.*

3. Double Issue of Cement - Nu.0.019 million.

The Central Store, Phuentsholing had issued cement double the quantity requisitioned to the projects under the same scheme in Zhemgang & Punakha. The value of extra quantity of cement issued was Nu.0.019 million.

Auditee's response: *The concerned Dzongkhags were informed regarding the double issue of cement and both the Dzongkhags have acknowledged the receipt of the same. The above corrections have been incorporated in our books of accounts opened for the new scheme in the same dzongkhags.*

Who is accountable?: *The RAA will have to verify the fact as stated. Therefore, until then accountability is fixed on the Assistant Engineer, Stores.*

4. Non deduction of TDS - Nu.0.040 million.

The DANIDA HSPS-II had not deducted the 2% TDS amounting to Nu. 0.040 million from the gross amount of bills of the various contractors and suppliers.

Auditee's response: *The non-deductions occurred due to advances made by the Department to the various individuals, officers and the organizations. When they made the payments, they were*

probably unaware of the TDS deductions. Whatever the adjustment bills they have submitted, adjustments were made against their advances in the Finance section.

Who is accountable?: *Till the amount is recovered and deposited into Audit Recoveries Account, the Head of AFD is held accountable.*