

Chapter V Ministry of Agriculture

The Royal Audit Authority during the year had issued 30 inspection reports of agencies under the Ministry of Agriculture. The following officials headed the Ministry of Agriculture and its Departments under it during the year 2004.

Sl. No	Name of Office bearers	Designation
1.	Lyonpo Sangay Ngedup	Minister
2.	Dasho Sangay Thinley	Secretary
3.	Dasho Dawa Tshering	Director General, Department of Forestry Services
4.	Sherub Gyeltshen	Director, Department of Agriculture
5.	Tenzin Dhondup	Director, DALs
6.	Dr. Pema Chhophel	Director, CORE
7.	Sonam Wangdi	Deputy Secretary, Administration & Finance Division

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

Table 1.19 showing the observations with category code and amount involved.

Sl.No	Observations in brief	Amount (Nu. Million)	%	Category code
1.	Outstanding advance	5.769	81.12	1
2.	Inadmissible/Irregular Payment	0.477	6.71	8
3.	Non-collection of hire charges	0.272	3.83	2
4.	Non deposit of sale proceeds	0.234	3.29	10
5.	Irregular write-off of outstanding advance	0.220	3.09	1
6.	Misappropriation of Funds	0.060	0.84	9
7.	Short deposit of cash	0.050	0.70	10
8.	Excess/ over payment	0.030	0.42	6
9.	Irregularities in allotment of staff quarter	0.000	0.00	16
	Total	7.112	100.00	

Major findings:

1. Inadmissible /irregular payment – Nu. 0.477 million

Various agencies under the Ministry of Agriculture had made irregular payments amounting to Nu. 0.477 million as shown in the table below:

Table 1.20 showing the agencies which had made irregular payments.

Sl. No.	Agency	Amount (Nu. Million)
1.	Quality Control & Regulatory Service	0.080
2.	National Biodiversity Centre, Serbithang	0.070
3.	Bomdeling Wildlife Sanctuary	0.327
	Total	0.477

A. On scrutiny of the payment vouchers of the Quality Control and Regulatory Services (QCRS) revealed that mileage for two wheelers were paid to the officials/staffs who did not own any vehicle. In some cases, TA/DA was paid when the tour was performed within the distance of less than 10 kms. In other instances porter charges were paid while on tour connected by motorable roads. The inadmissible payment amounted to Nu. 0.080 million.

Auditee's response: *The Secretariat submitted that the inadmissible payment of TA/DA claims and Mileage claims would be recovered from the concerned officials and the drawing and disbursing officers of QCRS had been requested to recover and deposit into the Audit Recoveries Account.*

Who is accountable?: *The responsibility to deposit it into Audit Recoveries Account with commercial interest of 16% p.a is fixed on Sonam Wangdi, Dy. Secretary, Head, AFD, Kinzang Wangmo, Finance Officer and Kinley Tenzin, Accountant.*

B. An advance of US \$9100.00 was granted by the Agro Bio-diversity Conservation Project under the National Bio-diversity Centre, Serbithang for study tour to Thailand, Philippines & Vietnam for the seven members of the Royal Advisory Councilors and three members from the Ministry of Agriculture. On verification of the bills it was noticed that an amount of US \$1520.00 was paid on account of the difference of DSA between Philippines and Vietnam for four days, the reason being that they could not visit Vietnam.

Auditee's response: *Response awaited.*

Who is accountable?: *The amount of Nu. 0.070 million should be deposited with commercial interest of 16% p.a. The accountability is fixed on Sonam Leki, SFO, Ministry of Agriculture, currently in RBE, Bangkok.*

C. The management of Bomdeling Wildlife Sanctuary had paid the cost of air ticket amounting to Nu. 0.327 million for three officials nominated for study tour to South Korea, Thailand and Philippines for the duration of 13 days. However, the expenditure pertained to the financial year 2001-02 which needs ex-post facto sanctions from the competent authority. Moreover, air tickets of the officials were not produced for processing the payment and the payment was done earlier than the date shown in the voucher as it is evident from the date reflected in the travel agents money receipt.

Auditee's response: *The management had submitted that this had happened due to the fact that the management of Bomdeling Wildlife sanctuary had several Construction activities in far-flung areas of the park and also that the budget release was not regular and often the balance fund remained unadjusted due to unsettlement of the bills from one funding agency to the other.*

Who is accountable?: *Until the relevant air tickets and regularization order are produced Tshewang Samten, Accountant and Chado Tshering, Former Park Manager will be held accountable.*

2. Excess/over payment – Nu. 0.030 million

The Bhutan German Sustainable RNR Development Project, Lobesa awarded the construction of Nahi Feeder Road, Phase-II to M/s Dawa Tshering construction at the quoted value of Nu. 6.874 million. Joint measurement by the audit team and the project officials revealed differences in quantity of work executed and the quantity claimed in the bills for providing and laying NP2 class RC pipes and HDPE pipes which resulted into excess payment of Nu. 0.030 million.

Auditee's response: *The Management submitted that the excess payment would be deducted from the security deposit money upon completion of defects liability period.*

Who is accountable?: *The excess payment should be deposited into the Audit Recoveries Account with commercial interest of 16% p.a. The accountability is fixed on Abilal Baskota, National Project Manager and Lal Bahadur Chhetri, Forester, GTZ Site Supervisor.*

3. Irregular write-off of outstanding advances - Nu 0.220 million

Outstanding advances of the Secretariat amounting to Nu 0.220 million was written-off by the Hon'ble Minister, Ministry of Agriculture. The details of the outstanding are as given in the table:

Sl. No.	Agency/Supplier/Contractor	Amount (Nu. Million)
1.	M/s BOD/Against Vehicles	0.060
2.	M/s STCBL (Thimphu & P/ling)	0.160
	Total	0.220

The write off should be processed only in event such amounts become irrecoverable after having exhausted all means of recovery. Besides, M/s BOD and M/s STCBL are doing sound and healthy business.

Auditee's response: *The Secretariat submitted that the old outstanding advances could not be recovered despite all its efforts so the matter was put up to the Ministry for approval for write-off.*

Who is accountable?: *The Ministry should justify the write-off by producing documentary evidence of having exhausted all measures of recovery. The accountability is fixed on Dasho Sangay Thinley, Secretary, MOA and Sonam Wangdi, Dy. Secretary, Head, AFD.*

4. Outstanding advances – Nu. 5.769 million

Some of the agencies under the Ministry of Agriculture had not adjusted the advance amounting to Nu. 5.769 million as shown in the table below:

Table 1.21 showing the agencies which had not adjusted the advances.

Sl. No.	Agency	Amount (Nu. Million)
1.	Secretariat, Ministry of Agriculture	0.113
2.	PPD & DRDS, MOA	0.021
4.	RVEC	0.120
6.	Department of Forest	0.030
7.	Agriculture Central Stores, Phuntsholing	1.395
8.	National Biodiversity Centre, Serbithang	0.195
9.	Department of Agriculture and Livestock Support Service	0.620
10.	National Artificial Insemination Programme & Semen Processing Centre, Wangchutaba	0.948
11.	Renewable Natural Resources Extension Support Project	1.200
12.	Department of Research & Development Service	0.388
13.	Divisional Forest Office, Bumthang	0.037
14.	Renewal Natural Resource Research Centre, Bumthang	0.142
15.	Central machinery Unit, Bumthang	0.314
16.	Central Machinery Unit, Bumthang	0.120
17.	Bomdeling Wildlife Sanctuary	0.105
18.	Land Use and Statistics Section	0.021
	Total	5.769

Auditee's response: *While some agencies stated that they are in the process of recovering the amount, some are yet to respond on this issue.*

Who is accountable?: *The outstanding advances should be liquidated/ adjusted at the earliest and intimated to RAA. The concerned Head of agencies, Drawing & Disbursing Officers and Finance Officers are accountable to recover and deposit into Audit Recoveries Account with commercial interest of 16% p.a on the overdue amount.*

5. Non- deposit of sale proceeds into revenue account - Nu 0.234 million

A. During the period 2001-2002, the Vaccine Production Section, Royal Veterinary Epidemiology Centre, Serbithang realized Nu. 0.210 million on account of sale of locally produced vaccines. However, it was observed that the amount was deposited into the Revolving Fund Account maintained by Ministry of Agriculture instead of depositing in the Revenue Account.

Auditee's response: *The RVEC has submitted that they have requested AFD, Ministry of Agriculture to refund the amount and after receipt of the said amount, it would be deposited into the Audit Recoveries Account.*

Who is accountable?: *The amount of Nu. 0.210 million to be deposited into the Audit Recoveries Account with commercial interest of 16% p.a. The accountability is fixed on Dr. Phuntsho Wangdi, Manager.*

B. On scrutiny of revenue receipts of various ranges offices under the Divisional Forest Office, Thimphu it revealed that an amount of Nu 0.024 million was not deposited into the Government Revenue Account by Rinzin Dorji, Deputy Ranger.

Auditee's response: *The office submitted that the amount would be recovered from the concerned individual and deposited into the Audit Recoveries Account.*

Who is accountable?: *The amount should be deposited with penal interest of 24% p.a into Audit Recoveries Account besides, ensuring prompt deposit of revenue in future. The accountability is fixed on Passang Wangchen Norbu, DFO till September 2003, Lobzang Dorji, DFO till date and Karma, Accountant.*

6. Short deposit of cash - Nu. 0.050 million

On reconciliation of the cash collected and deposited to the SBA of the revolving fund account of the Ministry of Agriculture, a short deposit of Nu. 0.050 million was noted.

Auditee's response: *A sum of Nu. 0.120 million had been recovered from Sangay Duba, Senior Accountant vide Non-revenue receipt no. 876694 dt 23/04/04 and deposited into the Medicine Revolving SBA/205/03/08/001(6097).*

Who is accountable?: *The short deposit of Nu. 0.050 million with commercial interest of 16% p.a be deposited into the Revolving Fund Account without further delay under intimation to RAA for which the accountability is fixed on Sonam Leki, SFO, currently in RBE, Bangkok.*

7. Irregularities in allotment of staff quarter

The Bhutan Forestry Institute, Taba had 12 government quarters of different class. It was found out that one Quarter- Class 1(A) was occupied by Dasho Sherub Gyeltshen, Thimphu Dzongdag, and Quarter – Class 1 (B) by Dr. Lungten Norbu, RNRRC, Yusipang. It was not understood why the quarters were allotted to the officials who didn't work for BFI. Another class III and IV quarters were lying vacant.

Auditee's response: *The Institute submitted that Dr. Lungten Norbu, RNRRC, Yusipang had occupied the quarter when he was the Head of Forest Research Division at Taba. In 1995 the office was shifted to Yusipang he continued to occupy the house with deduction of rent till June 2003. However, rent was not deducted after that for the reason that the measurement of carpet area would be informed to him by DNP or BFI. But the measurement was not*

done by BFI on the assumption that it would be done by RNRRC, Yusipang. BFI informed that it would now be done by them. Regarding the quarter occupied by Dasho Sherub Gyeltshen, it was submitted that the quarter given by the Hon'ble Lyonpo, MoA vide letter no. AFD/DFS/16/2002/3900 dt. 28/02/02 for period of two to three months but was not vacated till now. BFI has already intimated to the Department. It was informed that the two vacant quarters are already occupied.

Who is accountable?: *The house rent from Dr. Lungten Norbu should be deducted from July 2003 deposited into the Audit Recoveries Account. With regard to the quarter occupied by Dzongdag, the actions taken by the Department of Forestry Services to be intimated to RAA.*

8. Non-collection of hire charges- Nu. .0.272 million

The Central Machinery Unit, Bumthang has a sum of Nu. 0.272 million lying outstanding on account of hire of machinery for the year 2000.

Auditee's response: *The Unit submitted that the non-collection pertained to the hire charges of machinery by Dhendup Tshering, Bumthang. The management had made every effort to realize the amount and despite several reminders the case had been forwarded to the Royal Court of Justice, Bumthang.*

Who is accountable?: *Until such time the court verdict is intimated, the accountability to settle is fixed on Jambay Yonten, Officer in-charge.*

9. Misappropriation/ misuse of fund/ embezzlement - Nu. 0.060 million

The Integrated Community Development Program unit under Bomdeling Wildlife Sanctuary, Trashiyangtse had conducted various workshops and training for the people residing in the sanctuary incurring total expenditure of Nu. 0.220 million. However, scrutiny of the bills revealed that only Nu. 0.060 million were spent for the activities carried out and the balance of Nu. 0.160 million was claimed using false bills of which Nu. 0.100 million has already been deposited into Audit Recoveries Account.

Auditee's response: *The management stated that the expenditures were incurred for the intended purposes. The printed bills and the cash memos were printed in lieu of hand receipt which the management thought auditors would not accept. Further, it has been stated that in the absence of particular heads against such entertainment, they were being compelled to follow adjustment with faulty claims and booking.*

Who is accountable?: *Till the balance of Nu.0.060 million is deposited into Audit Recoveries Account, Tshewang Samten, DCA, Mr. Ugyen Tshering, Deputy Warden and Chado Tshering, Former Park Manager will be held accountable. The Ministry should take administrative action on all the defaulting officials.*