

Chapter VI Ministry of Education

The Royal Audit Authority during the year had issued 3 inspection reports of agencies under the Ministry of Education. The following officials headed the Ministry and its Department under it during the year 2004:

SI No	Name of the Office bearers	Designation
1.	Lyonpo Thinley Gyamtsho	Minister, Ministry of Education
2.	Pema Thinley	Secretary, Ministry of Education
3.	Kinlay Dorji	Director, Department of Youth, Culture & Sports
4.	Tshewang Tandin	Director

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

Table 1.22 showing the summary of the observations by category code and the amount involved.

Sl.No	Observations in brief	Amount (Nu. Million)	%	Category code
1.	Irregular payment	0.236	59.00	8
2.	Non remittance of TDS	0.066	16.50	13
3.	Non deduction of TDS	0.061	15.25	13
4.	Late adjustment of advance	0.037	9.25	1
	Total	0.400	100.00	

Major findings:

1. Non deduction of TDS - Nu. 0.061 million

A. The Ministry of Education had not deducted 5% TDS from the house rent on account of the office building hired for School Planning & Building Division and flats occupied by the officials as residence during the year 2001 amounting to Nu. 0.024 million.

Auditee's response: *The Ministry submitted that as per the Income Tax Act of the Kingdom of Bhutan wherein it was mentioned that taxes shall be deducted at source with effect from 01.01.02 in the manner and rates prescribed in the notification no. DRC/TAX-TDS/2001-2043 date 26.11.01, TDS was not deducted.*

Who is accountable?: *The amount needs to be deposited into the Audit Recoveries Account with penalty of 24% p.a. Until such time the amount is deposited, the accountability is fixed on Tshewang Dorji, Assistant Finance Officer(AFO).*

B. The Ministry of Education had not deducted 2% TDS on cash purchases above Nu. 10,000 when conducting in-country trainings, meetings, workshops, etc. amounting to Nu. 0.037 million.

Auditee's response: *The Ministry submitted that as per the notification letter no. DRC/TAX-TDS/2001-2043 dated 26/11/01, 2% TDS was not deducted as it does not mention any specific amount or limit as to the cash purchases.*

Who is accountable?: *The amount needs to be deposited into the Audit Recoveries Account with penalty of 24% p.a. Until such time the amount deposited, the accountability is fixed on Tshewang Dorji, AFO.*

2. Late adjustment of advance - Nu. 0.037 million.

An advance of Nu. 0.177 million was given to Pema Wangdi, BBE on 16th July 2002 for the moderation Meeting for Classes 8 & 10 Examination Papers held from 16th July to 20th July

2002. However, it was noticed that the adjustments of Nu. 0.140 million was effected only on 30th June 2003 after a lapse of almost one financial year and leaving a balance of Nu. 0.037 million.

Auditee's response: *The Ministry submitted that after discussions with the BBE officials, the unspent money was retained as pool money to meet the TA/DA, emergency postage expenditures and others, since it was within the financial year.*

Who is accountable?: *Since it is highly irregular, the balance amount should be deposited into the Audit Recoveries Account with commercial interest of 16% p.a. Till it is deposited the accountability is fixed on Pema Wangdi, SSO.*

3. Irregular payment - Nu. 0.236 million

The Non Formal Education Division of the Department of Adult and Higher Education had conducted numerous trainings, meetings and workshops for the Non- Formal Instructors throughout the country. While reviewing the payments made to the catering services, it revealed that payments amounting to Nu. 0.236 million were made on hand receipts of computer printouts without original bills. Since payments were made without obtaining original bills, the genuineness of the bills could not be authenticated.

Auditee's response: *It was submitted that since the programmes were conducted in the Dzongkhags, there were no standard hotels with proper bill/receipts maintained. Therefore, the bills were prepared and printed by the coordinator. It was also submitted that the coordinators had confessed that payments made were genuine.*

Who is accountable?: *Since receipts were also not obtained from the hotels located in the urban towns like Phuentsholing and Paro, the justifications is not acceptable. The accountability is fixed on Chador Wangdi, Joint Director, Programme Division for the deposit of the amount into the Audit Recoveries Account.*

4. Non-remittance of TDS - Nu. 0.066 million

A sum of Nu. 0.066 million was recovered from various suppliers and contractors but was neither remitted to the Department of Revenue & Customs nor deposited into the Non-Revenue Account .

Auditee's response: *Response awaited.*

Who is accountable?: *The non-remittance of TDS should be deposited with penalty of 24% p.a into the Audit Recoveries Account. Sonam Dorji, Chief Accountant, is held responsible for the recovery and deposit of TDS.*