

## Chapter VIII Ministry of Health

The Royal Audit Authority during the year had issued 6 inspection reports of agencies under the Ministry of Health. The following officials headed the Ministry and departments under it during the year 2004:

Sl No	Name of the Office bearers	Designation
1.	Lyonpo Dr. Jigme Singye	Minister
2.	Dr. Sangay Thinley	Secretary
3.	Dr. Gado Tshering	Director, Department of Health Services
4.	Dr. Dorji Wangchuk	Director,
5.	Dr. Tobgyal Wangchuk	Superintendent
6.	Nado Drukpa	Head, Administration & Finance Division

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

Table 1.24 showing the summary of the summary of the observations by category code and the amount involved.

Sl.No	Observations in brief	Amount (Nu. Million)	%	Category code
1.	Outstanding advance	4.725	96.82	1
2.	Excess payment	0.115	2.36	6
3.	Non deduction of TDS	0.040	0.82	13
	<b>Total</b>	<b>4.880</b>	<b>100.00</b>	

### Major Findings:

#### 1. Outstanding advances - Nu. 4.725 million

Various agencies under the Ministry of Health had in their books of accounts outstanding advances amounting to Nu. 4.725 million as detailed below.

Table 1.25 showing the agencies which had not adjusted the advances.

Sl.No.	Agency	Amount (Nu. Million)	Overdue advances (Nu. Million)	Remarks
1.	Department of Medical Services (I/A WHO Accounts)	3.800	3.280	Some advances dated back to 1991 & 1998
2.	UNFPA Project BHU/02/PO1	5.900	0.045	
3.	UNFPA Project BHU/02/PO4 & PO7	0.700	0.100	
4.	I/A UNICEF Accounts	1.500	1.300	
	<b>Total</b>	<b>11.900</b>	<b>4.725</b>	

Some of these amounts were lying outstanding against various officials, suppliers and contractors since 1991.

**Auditee's response:** *The Ministry submitted that since health activities are conducted in Dzongkhags, advances cannot be avoided and is trying its best to reduce old advances through the process of time barred approval. It was also submitted that new advances are not given without settling the previous advances.*

**Who is accountable?:** *The response is not acceptable. The balance should be adjusted or deposited into the Audit Recoveries Account with commercial interest of 16 % p.a. The accountability is fixed on Dr. Sangay Thinley, Secretary, Dr. Gado Tshering, Director, Bikash Thapa, DCFO, Thinley Wangdi, Head of AFD, Tshewang Tobgay, SFO and Tshewang Dorji, AFO.*

## 2. Excess payment - Nu. 0.115 million

Verification of the travelling claims revealed payment of Nu. 0.115 million to the Health officials from the I/A UNICEF accounts on account of DA, porter and pony charges beyond the number of days fixed by the Dzongkhags for attending workshops/seminars.

**Auditee's response:** *The Ministry submitted that the AFD would have further discussions with the programs/Division and intimate to RAA.*

**Who is accountable?:** *Since the health officials have not claimed as per the days fixed by the Dzongkhags, the amount of Nu 0.115 million needs to be deposited into the Audit Recoveries Account with commercial interest of 16% p.a. The accountability is fixed on Dr. Gado Tshering, Director, Bikash Thapa, DCFO, Thinley Wangdi, Head of AFD, Tshewang Tobgay, SFO, Tshewang Dorji, AFO and B.K Sharma, Project Accountant*

## 3. Non deduction of TDS - Nu. 0.040 million

The TDS amounting to Nu. 0.040 million were not deducted from the suppliers/hoteliers and foreign suppliers from the I/A WHO Accounts. Such non-deductions were in contravention to Taxation Rules of the Government.

**Auditee's response:** *The Ministry submitted that clarification was sought from DRC as the rule was unclear for deduction of TDS for cash purchases since the limit of petty cash purchases is not specified in the revenue rule. It expressed its difficulty to collect the TDS as the suppliers were scattered all over the country and assured that TDS would be collected for all cash purchases above Nu. 10,000.*

**Who is accountable?:** *The RAA had referred the clarification sought from DRC and found out that TDS is liable for cash purchases above Nu. 10,000.00 and for procurements made on bills, quotations and supply order basis. Since, MOH had done all the procurements on bills, the TDS amounting to Nu. 0.040 million should be deposited into the Audit Recoveries Account with the penal interest of 24% p.a. The accountability is fixed on Dr. Gado Tshering, Director, Bikash Thapa, DCFO, Thinley Wangdi, Head of AFD, Tshewang Tobgay, SFO, Tshewang Dorji, AFO and B.K Sharma, Project Accountant.*