

## MINISTRIES AND DEPARTMENTS

### 6.1 Ministry of Agriculture

The Royal Audit Authority during the year had issued twenty nine Inspection Reports in respect of the Ministry of Agriculture. The total unresolved significant irregularities of the Ministry amounted to Nu. 2.976 million as summarized below:

**Table showing summary of observations with category code and amount involved (Nu. in million)**

Sl. No.	Observation in brief	Amount	Category Code
1	Fraud, Corruption and Embezzlement	0.631	1 & 2
2	Mismanagement	0.107	3
3	Violation of Laws, Rules and Regulations	0.596	4
4	Shortfalls, lapses and deficiencies	0.443	5
5	Outstanding advances	0.945	5
6	Excess payments in constructions	0.051	5
7	Excess payment to employees	0.203	5
	<b>Total</b>	<b>2.976</b>	

#### 1. Fraud, Corruption & Embezzlement – Nu. 0.631 million

The Ministry had cases of the strong indicators of fraud, corruption and embezzlement aggregating to Nu.0.631 million as summarised below:

**Table showing summary of fraud, corruption and embezzlement (Nu. in million)**

SL. No.	Observations in brief	Amount	Para No.	Who are accountable?
1.1	Misuse of revenue	0.567	2 & 2.1	Kesang Dorji, Farm Suptd. T.B. Thapa, Senior Forester
1.2	Payment for works not executed	0.064	1.1	Tashi Wangdi, Dy. Forest Ranger
	<b>Total</b>	<b>0.631</b>		

The cases are explained hereunder:

#### 1.1 Misuse of revenue – Nu. 0.567 million

- a) The Management of Brown Swiss Farm, Bumthang during the period 1<sup>st</sup> July 1999 to 30<sup>th</sup> March 2006 had collected revenues amounting Nu.0.550 million on account of sale of milk and other diary products but was found neither deposited into the account maintained with the Bank of Bhutan (BOB) nor could be physically verified as the Farm Superintendent Kesang Dorji, was on medical leave. No action has been taken against the misuse of funds.

- b) The revenue collection of Nu.0.017 million by the Thrumshingla National Park, Ura on account of royalty and miscellaneous receipts from the Park Range was found neither accounted for in the revenue cash book nor deposited into the RGR account. While the amount was subsequently deposited into Audit Recoveries Account no action as per Rules and Regulations has been taken for the misuse of funds.

### 1.2 *Payment for works not executed- Nu. 0.064 million*

The Divisional Forest Office, Samdrup Jongkhar had paid Nu.0.064 million towards the cost of providing and fixing 209.58 sqm CGI sheets for the renovation and electrification of staff quarter and Range Office at Jomotshangkha without executing the works. While the amount has been recovered, no action has been taken against the payments made for works not executed.

### 2. **Non- realization of sales proceeds– Nu.0.107 million (Para No. 3)**

The Brown Swiss Farm, Bumthang had not realized the sale proceeds of farm products amounting to Nu.0.107 million.

#### *Who is accountable?*

Kesang Dorji, Farm Superintendent

### 3. **Violation of Laws, Rules & Regulations– Nu. 0.596 million**

The Ministry had cases of violation of laws, rules and regulations involving Nu.0.596 million as summarized below:

Table showing summary of violation of laws, rules and regulations (Nu. in million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
3.1	Violation of budgetary norms	0.561	6	Dorji Dukpa, National Co-Director, Dorji Dhap, Project F.O
3.2	Irregular application of leave rules	0.035	2	Dhanapati Donyel, ARO-Cum Administrative Officer,
	<b>Total</b>	<b>0.596</b>		

The cases are explained hereunder:

#### 3.1 *Closing cash balance surrendered to the DBA - Nu. 0.561 million*

The various project implementing agencies of WWMP had surrendered the year end cash closing balance to the Department of Budget and Accounts (DBA) as under:

Sl. No.	Agency	Amount (Nu.)	Remarks
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1	Thimphu Dzongkhag	100,000.00	Deposited vide Vr.No.15 of 24.06.05. Fund released for Bio and Civil engineering structure in Pugzhi under Mewang Gewog.
2	Chukha Dzongkhag	366,489.71	Closing cash balance of the financial year 2004-05 surrendered to DBA vide L.No.KH/Accts-01/2005-06/1334 dt.02.09.2005
<b>Chukha Gewogs</b>			
3	Dungna Gewog	20,295.00	Advance recovery deposited to Non-revenue A/c. Bank of Bhutan, Tsimasham on 29.06.05
4	Lokchina Gewog	36,148.00	Advance recovery deposited to Non-revenue A/c. Bank of Bhutan, Tsimasham on 28.06.05
5	Darla Gewog	4,650.00	Advance recovery deposited to Non-revenue A/c. Bank of Bhutan, Tsimasham on 28.06.05
6	Geling Gewog	15,356.50	Advance recovery deposited to Non-revenue A/c. Bank of Bhutan, Tsimasham on 28.06.05
7	Dungna Gewog	4,095.00	Advance recovery deposited to Non-revenue A/c. Bank of Bhutan, Tsimasham on 12.8.05.
<b>Paro Gewogs.</b>			
8	Dotey Gewog	4,972.00	Deposited to BoB on 23.08.05 and receipt acknowledge by the DBA vide L.No.F/ATM/BF-Deposit/2005-2006/4932 dt.24.11.2005.
9	Naja Gewog	5,867.00	Deposited to BoB on 10.11.05 and receipt acknowledge by the DBA vide L.No.F/ATM/BF-Deposit/2005-2006/4932 dt.24.11.2005.
10	Dopsari Gewog	3,261.00	Deposited to BoB on 23.06.05 and receipt acknowledge by the DBA vide L.No.F/ATM/BF-Deposit/2005-2006/4932 dt.24.11.2005.
<b>Total</b>		<b>561,134.21</b>	

The above amount of Nu.0.561 million surrendered to the DBA/DPA was not reflected in the Fund Release Statement of the Ministry of Finance. No action was taken to rectify the Fund Release Statement.

### 3.2 *Irregular application of leave rules – Nu. 0.035 million*

Some of the officials and staffs of the RNR-RC, Wengkhari were paid LTC amounting to Nu.0.035 million for the probation period which was not admissible as per the Civil Service Rules and Regulations.

#### 4. Shortfalls, lapses and deficiencies– Nu. 0.443 million

The Ministry had cases of shortfalls, lapses and deficiencies involving Nu. 0.443 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
4.1	Non-reconciliation of Accounts	0.119	5.2, 11	Dipendar Ghalley, Finance Officer, Dorji Dhap, Finance Officer,
4.2	Non and short deductions	0.081	3.1	Tshering Phuntsho, Sr. Park Ranger, Karma Thinley, Park Manager
4.3	Double issue of extension kits	0.061	2	Dorji Wangdi, Project Manager
4.4	Payment without bills and receipt	0.045	1.1.2	Dorji Wangchuk, Senior Research Officer.
4.5	Irregular payment	0.105	4	Kesang Dorji, Farm Suptd.
4.6	Non-deduction of house rents	0.032	1.2	Individuals concerned, Sonam Zangpo, ADF, and Om Nath Dhakal, Sr. Fg
	<b>Total</b>	<b>0.443</b>		

The cases are explained hereunder:

##### 4.1 Non-reconciliation of accounts - Nu. 0.119 million

The BAS generated Receipt and Payment Statement of the Department of Livestock had differences between the statutory and other deductions and their remittances as highlighted below:

Sl. No.	Object Name	Collection Annual Progressive (Nu.)	Deposit Annual Progressive (Nu.)	Variation (Nu.) (+) / (-)
i	Revenue Receipts and Remittances	385,499.31	379,578.31	-5,921.00
ii	GPF Employees Contribution	242,879.00	365,800.00	+122,921.00
iii	Group Insurance Scheme	23,300.00	23,260.00	-40.00
iv	Other Insurance Premium	21,435.00	21,315.00	-120.00
v	Loans	423,090.20	426,590.20	+3,500.00
vi	Others	41,769.50	40,529.19	-1,240.31
	<b>Total</b>	<b>1,137,973.01</b>	<b>1,257,072.70</b>	<b>+119,099.69</b>

Note: (+) means excess deposit and (-) means short deposit

No actions were taken to reconcile the differences.

**4.2 Non-deduction of house rents- Nu. 0.081 million**

The Jigme Dorji National Park, Damji, Gasa had not deducted the house rent amounting to Nu.0.199 million for the period from January 2004 to 30<sup>th</sup> June 2005 from the salaries of the staff occupying the government quarters as per the rules. Out of Nu.0.199 million, a sum of Nu.0.118 million was deposited leaving a balance of Nu.0.081 million

**4.3 Double issue of extension kits – Nu. 0.061 million**

The ECR-ADP, Zhemgang had incurred expenditure of Nu.0.061 million for the purchase of extension kits to be issued to the officials of the Dzongkhag. However, the Dzongkhag too had approved budget and the extension kits were procured and distributed resulting in double issuance of extension kits.

**4.4 Payment without bills and receipt – Nu.0.045 million**

The Renewable Natural Resources, Research Centre, Jakar had shown Nu.0.045 million as expenditure incurred on farmers training in Mushroom production, marketing, and group formations in Gewogs out of which Nu.0.004 million were not paid to the participants. The payment of balance amount of Nu.0.041 million were found made on hand receipts, which was not verified by the controlling officers.

**4.5 Irregular payment – Nu.0.105 million**

Fertilizers valuing Nu.0.105 million were purchased and stated to have been used in the pastures without making entry in the stock register by the Brown Swiss Farm, Bumthang.

**4.6 Non-deduction of house rents – Nu. 0.032 million**

The Divisional Forest Office, Sarpang had not deducted house rents aggregating to Nu.0.224 million from officials and staffs residing in the government quarters out of which a sum of Nu.0.192 million were subsequently deposited leaving a balance of Nu.0.032 million.

**5 Outstanding advances– Nu. 0.945 million**

The Ministry had cases of overdue advances against officials, staffs and other parties aggregating to Nu.0.945 million as summarized below:

**Table showing summary of outstanding advances (Nu. in million)**

Sl. No.	Agency	Amount	Para No.	Who are accountable?
5 (a)	Department of Agriculture	0.080	05	Individuals concerned , Pema Tamang, Accountant, & Sonam Wangdi, Dy. Secretary, (supervisory)
5 (b)	Department of Livestock	0.167	2	Individuals concerned, Sonam Leki, SFO, and Dipendra Ghalley, F.O (supervisory)

5(c)	Wang Watershed Management Project	0.268	12	Individuals concerned, Jambay Dorji, National Co-Director, (supervisory), and Dorji Dhap, F.O. (supervisory)
5 (d)	AMEPP, PFO, Khangma	0.190	13	Tshering Tenzin, Chief Accountant
5 (e)	SEZAP, PFO, Khangma	0.049	7	Tshering Tenzin, Chief Accountant
5 (f)	CMU, Bumthang	0.120	1.1	Penjor, Officer In-charge
5 (g)	DFO, Mongar	0.071	17	Tshewangla, DCA, and Sither Dorji, DFO (supervisory)
	<b>Total</b>	<b>0.945</b>		

The cases are explained hereunder:

- a) Advances aggregating to Nu.0.848 million were lying unadjusted against various employees of the Department of Agriculture of which Nu.0.768 million were liquidated leaving a balance of Nu. 0.080 million.
- b) The Department of Livestock had advances amounting to Nu. 0.524 million lying unadjusted against various officials and parties of which Nu. 0.357 million were liquidated leaving a balance of Nu. 0.167 million.
- c) The Wang Watershed Management Project, Paro had outstanding advances of Nu.5.592 million granted during the financial year 2004-05 against the Project employees and other project implementing agencies. Against Nu. 5.592 million, a sum of Nu. 5.324 million was liquidated leaving a balance of Nu. 0.268 million.
- d) The PFO, Khangma under the AMEPP had advances amounting to Nu.1.093 million against the employees, suppliers and others parties of which Nu.0.903 million were reported as adjusted/recovered leaving a balance of Nu.0.190 million.
- e) The PFO, Khangma under the SEZAP had advances amounting to Nu.0.569 million lying unadjusted against the employees, suppliers and others parties. Out of Nu.0.569 million, Nu.0.520 million were reported as adjusted/recovered leaving a balance of Nu.0.049 million.
- f) The Central Maintenance Unit (CMU), Bumthang had unadjusted advances of Nu.1.660 million lying against the officials, staffs and the suppliers. The CMU management stated that advances amounting to Nu.1.540 million were settled leaving a balance of Nu.0.120 million. However, the details of adjustment made had not been provided for verification.
- g) The Divisional Forest Office, Mongar had outstanding advances of Nu. 0.511 million against the officials and staff, out of which Nu.0.440 million were reported as liquidated leaving a balance of Nu.0.071 million.

## 6. Over and excess payments to contractors – Nu.0.051 million

The Ministry had cases of over and excess payments aggregating to Nu.0.051 million as summarized below:

Table showing summary of Over and Excess payments (Nu. in million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
6.1	Over payment in extension works of Range Office, Punakha	0.027	1	Nedrup Tshewang, Site Engineer, & Phento Tshering, Chief Forest Officer
6.2	Excess payment to transporters	0.024	1.1	Yeshi Dorji, Accountant, and Karma Gyeltshen, Ex OIC
	<b>Total</b>	<b>0.051</b>		

The cases are explained hereunder:

### 6.1 Over payment in extension work - Nu. 0.027 million

The Divisional Forest Office, Lobesa had made an excess payment of Nu. 0.027 million to M/s Pioneer Construction, Thimphu due to excess measurement for some items of works and for items not provided in the BOQ in respect of extension of Punakha Range Office.

### 6.2 Excess payment to transporters – Nu. 0.024 million

The private transporters who were awarded the work to transport feeds from Phuntsholing to the National Warm Water Fish Culture Center, Gelephu were paid transportation charges for 235 KMs instead of officially approved distance 198 KMs resulting to excess payment of Nu. 0.029 million.

Out of Nu.0.029 million, a sum of Nu.0.005 million was deposited leaving a balance of Nu.0.024 million.

## 7. Excess payments to employees – Nu. 0.203 million

The Ministry had cases of excess payments of Nu.0.203 million to employees as summarized below:

Table showing summary of over payments to employees (Nu. in million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
7.1	Excess Payment of DSA	0.058	2.1	Officials concerned, and Chencho Norbu, Programme Director
7.2	Excess payment of airfare and DSA	0.021	2.2	Officials concerned, Sonam Tobgay, Accountant, and Chencho Norbu, Programme Director

7.3	Irregularities in payment of Airfare and DSA	0.124	1	Officials concerned, and Chencho Norbu, Programme Director
	<b>Total</b>	<b>0.203</b>		

The cases are explained hereunder:

### 7.1 *Excess Payment of DSA - Nu. 0.058 million*

The Sustainable Land Management Project under the National Soil Service Centre, Semtokha had made excess payment of Nu.0.058 million to four officials during their negotiation meeting for Sustainable Land Management Project in Washington DC in November 2005.

### 7.2 *Excess payment of airfare and DSA – Nu. 0.021 million*

The Sustainable Land Management Project under the National Soil Service Centre, Semtokha had made excess payment of Nu.0.021 million on account of airfare and DSA during the visit of Program Director, NSSC to Beijing, China in September 2005 to attend the 15<sup>th</sup> International Plant Nutrition Colloquium.

### 7.3 *Irregularities in payment of Airfare and DSA for study tour - Nu. 0.124 million*

The Sustainable Land Management Project under the National Soil Service Centre, Semtokha had made an irregular payment of Nu.0.124 million (Nu.0.094 million on account of airfare plus Nu.0.030 million on DSA) to 11 officials during their Study Tour to Thailand and Philippines.

## 6.2 Ministry of Education

The Royal Audit Authority during the year had issued seven Inspection Reports in respect of the Ministry of Education. The total unresolved significant irregularities of the Ministry amounted to Nu.4.458 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	2.755	1 & 2
2	Shortfalls, lapses and deficiencies	0.376	5
3	Outstanding advances	1.032	5
4	Over and excess payments in constructions	0.295	5
	<b>Total</b>	<b>4.458</b>	

## 1. Fraud, Corruption and Embezzlement – Nu. 2.755 million

The Ministry of Education had cases of forgery, tampering of documents, payments made without conducting workshops and without receiving goods aggregating to Nu.2.755 million, which were strong indicators of the existence of fraud and corruption as below:

### 1.1 Fictitious payments for workshops not conducted – Nu. 0.589 million

The Ministry had cases of fictitious payments made for workshop not conducted amounting to Nu.0.589 million as summarized below:

Table showing summary of workshop not conducted (Nu. in million)

SL. No.	Programmes	Amount	Para No.	Who are accountable?
1	Advocacy, Planning & Management workshop at Wangduephodrang Dzongkhag	0.157	1 (b) & 2 (b)	Namgay Tshering, DEO, Wangduephodrang Dzongkhag
2	Advocacy, Planning & Management workshop at Trashiyangtse Dzongkhag	0.110	1(c)	Dorji Wangchuk, Jt. Director, NFCED
3	Advocacy, Planning & Management workshop at Samtse Dzongkhag	0.112	1(d)	Karma Dendup, DEO, Samtse Dzongkhag
4	Advocacy, Planning & Management workshop at Mongar Dzongkhag	0.135	1 (e)	Dorji Wangchuk, Jt. Director & Sangay Dorji, ADEO, Mongar
5	Advocacy, Planning & Management workshop at Samdrup Jongkhar Dzongkhag	0.024	1 (i)	Passang Dorji, DEO, Samdrup Jongkhar Dzongkhag
6	Study on NFE Policies and Practices	0.051	7.1	Rinchen Dorji, Sr. Programme Officer, NFCED
	<b>Total</b>	<b>0.589</b>		

The cases are explained hereunder:

- a) The Department of Adult and Higher Education had booked expenditure aggregating to Nu.0.457 million without conducting the Workshop on Advocacy, Planning and Management under the *Expanded Basic Education Programme* for the Head Teachers in five Dzongkhags of Wangduephodrang, Trashiyangtse, Samtse, Mongar and Samdrup Jongkhar.
- b) An expenditure of Nu.0.082 million was booked without conducting the workshop for the Local leaders in Wangduephodrang.
- c) Expenditure of Nu.0.051 million was booked without conducting the workshop on NFE Policies and Practices for the non-formal instructors under *IA* account.

The DEO of Wangduephodrang, Samtse, and the Joint Director of Non-Formal and Continuing Education Division (NFCED) deposited in total

Nu 0.430 million leaving a balance of Nu.0.159 million yet to be deposited. The service of the former Joint Director NFCED was terminated and case has been forwarded to the Office of the Attorney General for appropriate actions. In case of other officials, the Ministry of Education had taken only administrative actions besides recovering the amounts partly.

## 1.2 *Forgery of signatures and tampering of documents – Nu. 1.971 million*

The Ministry had cases of forgery of signature and tampering of documents aggregating to Nu.1.971 million as summarized below:

**Table showing summary of forgery of signature and tampering of documents (Nu. in million)**

Sl. No.	Name of workshop	Amount	Para No.	Who are accountable?
1	Advocacy, Planning & Management workshop in Trongsa Dzongkhag	0.031	1 (f)	Dorji Wangchuk, Jt. Director, NFCED
2	Advocacy, Planning & Management workshop at Pemagatshel Dzongkhag	0.058	1 (g)	Dorji Wangchuk, Jt. Director, NFCED
3	Advocacy, Planning & Management workshop at Haa Dzongkhag	0.021	2 (b)	Dorji Wangchuk, Jt. Director, NFCED
4	Advocacy, Planning & Management workshop at Samtse Dzongkhag	0.043	2 (c)	Dorji Wangchuk, Jt. Director, NFCED
5	Advocacy, Planning & Management workshop at Zhemgang Dzongkhag	0.108	2 (d)	Dorji Wangchuk, Jt. Director, NFCED
6	Advocacy, Planning & Management workshop at Tsirang Dzongkhag	0.043	2 (e)	Dorji Wangchuk, Jt. Director, NFCED
7	Inadmissible adjustments	0.179	1 (o) & 2 (f)	Dorji Wangchuk, Jt. Director, NFCED
8	Enrolment Campaign in 10 Dzongkhags	0.257	3	Dorji Wangchuk, Jt. Director, NFCED
9	Dzongkha EVS in Chhukha, Bumthang & Pemagatshel Dzongkhags	0.137	4 (a), (d) & (g)	Phurba, Lecturer, Paro College of Education
10	Dzongkha EVS in Trashigang, Trashiyangtse & Zhemgang Dzongkhags	0.123	4 (c), (e) & (f)	K.D. Yeshey, Lecturer, Paro College of Education
11	Dzongkha EVS in Mongar, & Samdrup Jongkhar Dzongkhags	0.025	4 (b) & (h)	Dorji Wangchuk, Curriculum Officer, CAPSD
12	Material Development Workshop at Thimphu	0.023	5(a)	Dorji Wangchuk, Jt. Director, NFCED
13	Iron Supplementation Programme, Samtse	0.004	5 (b)	Sonam Jamtsho, former ADEO, Samste Dzongkhag
14	International Literacy Day Celebration-2003	0.017	5 (c)	Dorji Wangchuk, Jt. Director, NFCED
15	Early Childhood Care & Development (ECCD)	0.020	5 (d)	Dorji Wangchuk, Jt. Director, NFCED

	workshop			
16	Material Development Workshop on ECCD at Thimphu	0.016	5(e)	Dorji Wangchuk, Jt. Director, NFCED
17	Cluster Based In-Service Programme workshop	0.008	5 (f)	Dorji Wangchuk, Jt. Director, NFCED
18	Pre-Testing of NFE Training Manual at Thimphu & Mongar	0.021	5 (g)	Dorji Wangchuk, Jt. Director, NFCED
19	Clusters Based In-service Programme	0.012	5 (h)	Dorji Wangchuk, Jt. Director, NFCED
20	Planning & Management Workshop at Mongar	0.036	5 (i)	Dorji Wangchuk, Jt. Director, NFCED
21	Training of Trainers (TOT) workshop on NFE	0.030	5 (j)	Dorji Wangchuk, 'B', Programme Officer, NFCED
22	Multi Grade workshop at Bajothang Cluster	0.026	5 (k)	Rajman Tamang, EMO, DSE
23	Payment at higher grades	0.070	7 (i)	Programme Officers
24	Basic Unit Leaders Training in Haa Cluster	0.025	1.5A(i) & (ii)	a) Tshering Ngedup, ADEO, Haa b) Thinley Wangmo, Programme Coordinator
25	Basic Unit Leaders Training in Samdrup Jongkhar Cluster	0.059	1.5B (i) & (ii)	a) Passang Dorji, DEO, S/Jongkhar b) Thinley Wangmo, Programme Coordinator
26	Basic Unit Leaders Training in Mongar Cluster	0.039	1.5C (i) & (ii)	Dorji Sangay, DEO, Mongar
27	Basic Unit Leaders Training in Paro Cluster	0.007	1.5D (i)	Wangchuk Namgyel, DEO, Paro
28	Basic Unit Leaders Training in Punakha Cluster	0.015	1.5E (i) & (ii)	Phurba Wangdi, VP, Khuruthang MSS
29	Basic Unit Leaders Training in Trashigang Cluster	0.026	1.5.F (i)	a) Ugyen Tshomo, ADEO, Trashigang b) Jigme Yangtse, DEO Trashigang
30	Basic Unit Leaders Training in Phuntsholing Cluster	0.006	1.5 G (i)	Namgay Dorji, ADEO, Chukha
31	Basic Unit Leaders Training Trashiyangtse Cluster	0.005	1.5.H (i)	Thinley Wangmo, Programme Coordinator
32	Training of Trainers (TOT) on Life Skill Workshop in Shaba LSS	0.051	2.1, 2.2	a) Chenchomo, Drugyel LSS, b) Pema Jamtsho, Peljorling HSS, Sibsu c) Thinley Wangmo, Programme Coordinator, and d) Sangay Passang, Head Teacher Shaba LSS
33	Training of Trainers (TOT) on	0.040	3.1, 3.2	Thinley Wangmo,

	Life Skill Workshop in Shaba MSS			Programme Coordinator
34	Training of Trainers (TOT) on Life Skill Workshop in Khuruthang MSS	0.028	4.1, 4.2	a) Phurba Wangdi, AP, Khuruthang, b) Chenchu Wangmo, Logodama PS, c) Sangay, Gyensa CPS. d) Singye Dorji, Buli PS, and e) Nima Tshering Rukuji CPS
35	Training of Trainers (TOT) on Life Skill Workshop in Rangjung HSS	0.033	5.1	Thinley Wangmo, Programme Coordinator
36	Multi-grade Workshop in 5 Dzongkhags	0.062	6.1, 6.2	Karchung, Curriculum Officer, CAPSD
37	Non-Formal Education (NFE) Policies & Practice Survey	0.085	7.2, 7.3	Rinchen Dorji, Sr. Programme Officer
38	Workshop on Planning and Management	0.173	8.1, 8.2	Dorji Wangchuk, Jt. Director, NFCED
39	Regional Level Cultural Competitions	0.009	9	Tenzin Rabgay, Cultural Education Coordinator
	<b>Total</b>	<b>1.971</b>		

The cases are explained hereunder:

- a) Amount aggregating to Nu.0.483 million was found siphoned off by forging the signatures of the participants in respect of Workshop on Advocacy, Planning and Management conducted for the Head Teachers and the local leaders of sixteen Dzongkhags and seven Dzongkhags respectively under the *Expanded Basic Education Programme*. Out of Nu.0.483 million, a sum of Nu.0.010 million was deposited leaving a balance of Nu.0.473 million

The service of the former Joint Director of the Non-Formal and Continuing Education Division (NFCED) was terminated and case has been forwarded to the Office of the Attorney General for appropriate actions.

- b) Out of a total expenditure of Nu.0.266 million booked for conducting enrollment campaign in 10 Dzongkhags under the *Expanded Basic Education Programme*, the Programme Officer had fraudulently adjusted Nu.0.257 million by showing payments through forged signature of participants, enhancing the rate of sitting fee from Nu.200.00 per head to Nu.300.00 and booking expenditure without signature of the participants.

The service of the former Joint Director of the Non-Formal and Continuing Education Division (NFCED) was terminated and case has been forwarded to the Office of the Attorney General for appropriate actions

- c) The Dzongkha EVS workshop was conducted in nine Dzongkhags by three different Programme Coordinators. Scrutiny of expenditure revealed that payments aggregating to Nu. 0.285 million were claimed fraudulently by the Programme Coordinators. The modus operandi of manipulations was payments shown against the teachers who did not exist and teachers who did not attend the workshop. The amount has been deposited and the Ministry of Education had taken only administrative actions against the officials for fraudulent claims.
- d) Similarly, in cases of other workshops, the Programme Officers had fraudulently claimed Nu.0.213 million for additional participants and against the officials who did not actually attend the workshop. Out of Nu.0.213 million, a sum of Nu.0.118 million was recovered leaving a balance of Nu.0.095 million. While the service of the former Joint Director was terminated and the case forwarded to the Office of Attorney General, the Ministry of Education had taken only administrative actions in case of other officials.
- e) The participants of various workshops had made excess claim of allowances of Nu.0.169 million by manipulating grades of the officials. Out of Nu.0.169 million, a sum of Nu.0.099 million was recovered leaving a balance of Nu.0.070 million. Further, nine of the teachers intimated that they did not attend the workshop and inflate the grade and were not responsible for repayment. The Ministry had issued reprimand letters to all the Program Coordinators for the excess claims.
- f) Payments aggregating to Nu.0.182 million were fraudulently made against the names of teachers who did not attend the Basic Unit Leaders Training conducted in 8 Dzongkhags by forging the signatures and manipulating the documents in IA accounts. Out of Nu.0.182 million, a sum of Nu.0.033 million was deposited leaving a balance of Nu.0.149 million. No actions have been taken for the forgery of signatures and manipulation of documents till date.
- g) Training of Trainers on Life Skill Workshop under IA Accounts was conducted in four different locations of Shaba LSS, Shaba MSS, Khuruthang MSS and Rangjung HSS during the Financial Year 2004-05. Expenditure aggregating to Nu.0.152 million was fraudulently claimed by the Programme Officer through forgery of signatures of teachers who did not attend the training. Further, payments were shown against some teachers who actually did not exist in the schools mentioned. No actions have been taken for the forgery of signatures and manipulation of documents till date.
- h) Multi-grade Workshop in five Dzongkhags of Mongar/Lhuentse, Trashigang, Punakha, Pemagatshel and Trongsa was conducted

by Karchung, Evaluation and Monitoring Officer under IA Accounts. Payments amounting to Nu.0.062 million were claimed through forgery of signatures of teachers who did not attend the workshop. No actions have been taken for the forgery of signatures and manipulation of documents till date.

- i) Non-Formal Education (NFE) Policies & Practice Survey was carried out by Rinchen Dorji, Programme Officer of the Non-Formal & Continuing Education Division (NFCED). Out of expenditure of Nu.0.255 million reported, Nu.0.085 million were fraudulently claimed in the name of NFE instructors who did not take part in the survey through submission of forged documents. No actions have been taken for the forgery of signatures and manipulation of documents till date.
- j) Participants of the Workshop on Planning and Management conducted at Ugyen Academy, Punakha were paid travel allowance both from the workshop and as well as from the respective Dzongkhags aggregating to Nu.0.138 million. Further, Nu.0.034 million was claimed through forgery of signatures in respect of four participants who did not attend the workshop. No actions have been taken for the forgery of signatures and manipulation of documents till date.
- k) The Regional Level Cultural Competitions was conducted in Chukha, Wangdue and Trashigang Dzongkhags and Nu.0.005 million was shown as TA/DA paid to two teachers who did not actually exist in the school mentioned and Nu.0.004 million was claimed by inflating the grades of participants from BCSR IX to VIII. No actions have been taken for the forgery of signatures and manipulation of documents till date.

### **1.3 Payment made without receiving goods – Nu. 0.116 million (Para No. 1.1)**

Payments aggregating to Nu.0.116 million were made to suppliers without supplying the library books under the *Education Development Project*. Out of Nu. 0.116 million, a sum of Nu. 0.072 million had been deposited and the balance amount of Nu.0.044 million was being deposited in monthly installment of Nu. 1,529.00. The Ministry had not initiated appropriate actions against the officials for the lapses.

### **1.4 Manipulation of documents- Nu.0.079 million (Para No. 06)**

Kids Athletics Programme for Children of Armed Forces was conducted by Dorji Tenzin, National Athletic Coach in seven places of Wangdue, Thimphu, Paro, Punakha, Tsirang, Haa and Phuentsholing in January 2005. An expenditure of Nu.0.079 million was claimed against blank cash memos and inflating the number of participants and rates of refreshment items. An amount of Nu.0.054 million was deposited into Audit Recoveries Account. The Ministry had taken administrative action only for the manipulation of accounts.

## 2. Shortfalls, lapses and deficiencies – Nu. 0.376 million

The Ministry had cases of shortfalls, lapses and deficiencies involving Nu. 0.376 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observations in brief	Amount	Para No.	Who are accountable?
2.1	Non-imposition of liquidated damages	0.125	13.4	Tender Committee
2.2	Non-availability of acknowledgement	0.229	15.3	Minjur Dorji, Chief Procurement Officer
2.3	Inadmissible payment	0.022	1.5 C (iii), 1.5 F (ii),	Dorji Sangay, DEO, Pema, Teacher, Ranjung HSS,
	<b>Total</b>	<b>0.376</b>		

The cases are explained hereunder:

### 2.1 *Non-imposition of liquidated damages- Nu. 0.125 million*

The consultancy fee for the drawing and design of Phase II of construction of the Youth Centre was increased by Nu.0.300 million to enable the works to be completed within 4 months i.e., by 31<sup>st</sup> March 2005. However, the work got delayed by 17 months but liquidated damages amounting to Nu.0.125 million were not imposed as per the provision of the Procurement Manual.

### 2.2 *Non-availability of acknowledgement – Nu. 0.229 million*

The Ministry had delivered library books worth Nu.0.229 million to various schools but did not obtain acknowledgment from the recipient schools. No actions were taken against the lapses.

### 2.3 *Inadmissible payment of daily allowance -Nu.0.022 million*

The participants of the Basic Unit Leaders Training who were from within the radius of 10 Kilometers were paid full TA/DA aggregating to Nu.0.022 million, which was not admissible as per the Bhutan Civil Service Rules and Regulations.

## 3. Outstanding advances – Nu. 1.032 million

The Ministry had cases of outstanding advances aggregating to Nu.1.032 million as summarized below:

Table showing summary of outstanding advances (Nu. in million)

SL. No.	Agency/Account	Amount	Para No.	Who are accountable?
3 (a)	IA Account	0.812	12	Individuals concerned, Tshen Norbu, F.O (supervisory)
3 (b)	Expanded Basic Education Programme	0.220	7 (ix)	Individuals concerned, Sherab Gyeltshen, Accountant (supervisory)
	<b>Total</b>	<b>1.032</b>		

- a) Advances amounting to Nu.3.656 million were lying unadjusted against which Nu.2.844 million were adjusted leaving a balance of Nu.0.812 million. Some of the advances pertained to the financial year 2002-03.
- b) Advances amounting to Nu.0.295 million was lying unadjusted against various officials and staff against which a sum of Nu.0.075 million was reported as liquidated leaving a balance of Nu.0.220 million. The Ministry had reminded the concerned officials vide letter No. MOE/AFD/2006-07/91 of 5/7/2006 and MOE/AFD/2006-07/3396 of 15/11/2006 to deposit the advances.

#### 4. Excess payments to contractors - Nu. 0.295 million

The Ministry had cases of excess payments to contractors aggregating to Nu.0.295 million as summarized below:

Table showing summary of excess payments to contractors (Nu. in million)

SL. No.	Observations in brief	Amount	Para No.	Who are accountable?
4.1	Inadmissible payment to consultants	0.037	13	Karma Sonam, Project Engineer
4.2	Excess payment of consultancy fees	0.080	13.1	Karma Sonam, Project Engineer
4.3	Excess payment to the contractor	0.178	14.1	Kul Bhadhur, Site Engineer,
	<b>Total</b>	<b>0.295</b>		

The cases are explained hereunder:

##### 4.1 *Inadmissible payment of remuneration of Technical Assistants – Nu. 0.037 million*

M/s Tashi Dawa Associates, Consultants of the construction of Youth Center had been paid consultancy fee which included the remuneration of 3 technical assistants amounting to Nu.0.037 million. This was not admissible as per the financial bid evaluation report.

#### 4.2 *Excess payment of consultancy fee – Nu. 0.080 million*

M/s Tashi Dawa Associate was paid consultancy fees for Phase-I and Phase-II at the original contract value of Nu.1.423 million and not at the reduced contract value of Nu.1.342 million resulting in excess payment of Nu.0.080 million.

#### 4.3 *Excess payment to the contractor – Nu. 0.178 million*

An excess payment of Nu.0.178 million was made to the contractor of the construction of Youth Centre buildings due to certification of excess quantity of work by the Site Engineer.

### 6.3 Ministry of Finance

The Royal Audit Authority during the year had issued six inspection reports in respect of the Ministry of Finance which included the Regional Revenue & Customs Offices of Gelephu, Samdrup Jongkhar, Phuentsholing, Samtse, Paro and the Duty Free Shop. The total unresolved significant irregularities of the Ministry amounted to Nu. 1.500 million as summarized below:

Table showing summary of observations category and amount involved (Nu. in million)

Sl. No.	Observation in brief	Amount	Category Code
1	Outstanding advances	0.282	5
2	Outstanding taxes and revenue	1.093	5
3	Shortfalls, lapses and deficiencies	0.077	5
4	Excess payments to employees	0.048	5
	<b>Total</b>	<b>1.500</b>	

#### 1. **Non-adjustment of advances - Nu. 0.282 million**

The Ministry of Finance had cases of non-adjustment of advances aggregating to Nu.0.282 million as summarized below:

Sl. No.	Name of agency	Amount	Para No.	Who are accountable?
1	RRCO, Gelephu	0.025	2.1	Individuals concerned, and Tshewang Tashi, Regional Commissioner (supervisory)
2	LTO, Kolkata	0.257	6.4	Individuals concerned, and Kesang Dorji, LTO (supervisory)
	<b>Total</b>	<b>0.282</b>		

The cases are explained hereunder:

- a) Advances aggregating to Nu.0.083 million were lying outstanding against the officials and staff of the RRCO, Gelephu of which Nu. 0.058 million were deposited leaving a balance of Nu.0.025 million.
- b) Advances aggregating to Nu.0.257 million were lying unadjusted in Liaison & Transit Office (LTO), Kolkata against the officials and other parties.

## 2. Overdue taxes and revenue – Nu. 1.093 million

The Ministry had cases of overdue taxes and revenue aggregating to Nu.1.093 million as summarized below:

Table showing summary of outstanding taxes and revenue (Nu. in million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Overdue CIT	1.023	1.1	Kezang Deki, Head Tax Adm., and Choyzang Tashi, RC (Supervisory)
2.2	Outstanding CIT & BIT	0.070	1.1	Bimal Kr. Pradhan, Assistant Director, Anok Kr. Rai Assistant Director, Anil Pradhan, Assistant Director, Ganish Lama Dy. Director, and Tenzin Norbu, RC, (Supervisory)
	<b>Total</b>	<b>1.093</b>		

### 2.1 Overdue taxes and revenue -Nu. 1.023 million

Chukha Hydro Power Corporation Ltd. had not paid Corporate Income Tax amounting to Nu.1.023 million for the income years 1998 to 2003 in spite of reduction of the original assessed tax from Nu.77.809 million to Nu.1.023 million.

### 2.2 Outstanding taxes -Nu. 0.070 million

Corporate and Business Units under the jurisdiction of the RRCO, Samtse had outstanding CIT and BIT of Nu.1.315 million and Nu.1.336 million respectively for the income years 2003 and 2004. Out of total outstanding amount of Nu.2.651 million, a sum of Nu.2.581 million was recovered leaving a balance of Nu.0.070 million.

## 3. Shortfalls, lapses and deficiencies – Nu. 0.077 million

The Ministry had cases of shortfalls, lapses and deficiencies involving Nu.0.077 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
3.1	Missing of revenue receipts	-	1	Pema Wangchen, Asstt. Commissioner
3.2	Inadmissible payment of residential telephone charges	0.036	3.1	Jambay Dorji, Regional Commissioner
3.3	Irregular payments	0.041	4	Tshering Dorji, Accountant
	<b>Total</b>	<b>0.077</b>		

The cases are explained hereunder:

### 3.1 *Missing Revenue Receipts*

The revenue receipts Nos. 1748294 and 1748357 were found missing on verifying the various revenue receipts under the RRCO, Paro. The Ministry is conducting an investigation on the missing revenue receipts.

### 3.2 *Inadmissible payment of residential telephone charges -Nu. 0.036 million*

The RRCO, Samdrup Jongkhar had paid the residential trunk call charges of the Regional Commissioner aggregating to Nu.0.036 million directly from the office without segregating the officials and private calls.

### 3.3 *Irregular payments- Nu. 0.041 million*

The RRCO Gelephu had remitted Nu.0.041 million from the LC account of the current year to make good the revenue remitted short in the previous financial year. No actions were taken on the above cases.

## 4. **Excess payment of Carriage Charge- Nu. 0.048 million**

The RRCO, Gelephu had paid carriage charges amounting to Nu.0.054 million beyond the admissible limit which was contrarary to the RCSC circular RCSC/S-4/00/8 dated 10/08/2000. Out Nu.0.054 million, a sum of Nu.0.006 million was recovered leaving a balance of Nu.0.048 million.

### *Who are accountable?*

- a) Individuals concerned
- b) Tshewang Tashi, Regional Commissioner (supervisory)

## 6.4 **Ministry of Health**

The Royal Audit Authority during the year had issued eight inspection reports in respect of the Ministry of Health which included the Medical Supply Depot, Trashigang General Hospital, Regional Referral Hospital, Mongar and the Jigmi Dorji Wangchuck National Referral Hospital, Thimphu. The total unresolved significant irregularities of the Ministry amounted to Nu.0.251 million as summarized below.

Table showing summary of observations with category code and amount involved (Nu. in million)

Sl. No.	Observation in Brief	Amount	Category Code
1	Fraud, Corruption & Embezzlement	0.014	1 & 2
2	Mismanagement	0.214	3
3	Shortfalls, lapses and deficiencies	0.023	5
	<b>Total</b>	<b>0.251</b>	

### 1. Misuse of cash refunds – Nu. 0.014 million (Para No.8)

Advances amounting to Nu.0.014 million refunded by Dorji Dakpa of Medical Supply Depot, Phuntsholing had not been accounted for in the books of account for which no action had been taken.

***Who is accountable?***

Chundu Dorji, Accountant

### 2. Loss of Government Revenue - Nu. 0.214 million (Para No.1.1)

Based on the instruction of the Phuentsholing City Corporation, the RWSS, Central Store, Phuentsholing had vacated the old PWD Quarters for new housing construction project. However, the new housing project was neither started nor the Government quarters dismantled by the Phuentsholing City Corporation resulting to loss of Government Revenue of Nu.0.214 million.

### 3. Non-levy of liquidated damages - Nu. 0.023 million (Para No. 6)

The Medical Supply Depot, Phuentsholing had not levied liquidated damages aggregating to Nu.0.023 million for delay in supply of wooden boxes by M/s. Ongdi Saw Mill, Thimphu as per the contract. No action had been taken for non-levy of liquidated damages.

***Who is accountable?***

Gyeltshen Wangdi, Procurement Officer

## 6.5 Ministry of Home & Cultural Affairs

The Royal Audit Authority during the year had issued three inspection reports in respect of the Ministry of Home & Cultural Affairs which included the Ministry, Department of Culture and National Museum, Paro. The total unresolved significant irregularities of the Ministry amounted to Nu.12.744 million as summarized below:

Table showing summary of observation with category code and amount involved (Nu. in million)

Sl. No.	Observation in brief	Amount	Category Code
1	Fraud, Corruption & Embezzlement	0.488	1 & 2
2	Violation of Laws, Rules & Regulations	0.025	4
3	Shortfalls, lapses and deficiencies	0.919	5
4	Outstanding advances	10.781	5
5	Over payments in construction	0.481	5
6	Over payments to employees	0.050	5
	<b>Total</b>	<b>12.744</b>	

## 1. Fraud, Corruption and Embezzlement – Nu. 0.488 million

The Ministry of Home & Cultural Affairs had cases strong indicators of fraud, corruption and embezzlement aggregating to Nu.0.488 million as summarized below:

Table showing summary of fraud, corruption and embezzlement (Nu. in million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Misrepresentation of facts	0.207	2.1	Thinley Jamtsho, Principal, RAPA
1.2	Non accountal of stocks	0.231	3.1	Gem Tshering, Conservator, and Darick Dorji, Accountant
1.3	Revenue not deposited	0.050	1.1	Dorji Wangchuk, Conservator
	<b>Total</b>	<b>0.488</b>		

The cases are explained hereunder:

### 1.1 *Misrepresentation of facts in procurement - Nu. 0.207 million*

The Department of Culture had paid Nu.0.207 million towards procurement of dance costumes and repair charges of old uniform. Review of the supporting documents indicated misrepresentation of facts and inconsistencies such as signature of the both buyer and seller was same and name of the firm indicated in the bills and cash memos varied. No action had been taken for the misrepresentation of facts and inconsistencies.

### 1.2 *Non-accountal of stocks - Nu. 0.231 million*

The National Museum, Paro had not accounted goods valuing Nu.0.231 million in the stock register for which no action had been taken.

**1.3 Revenue not deposited - Nu. 0.050 million**

It was found that revenue collection of National Museum for the month of October 2005 amounting to Nu.0.050 million shown as deposited was actually not deposited. Action on the non deposit of revenue was awaited.

**2. Irregular application of leave rules - Nu. 0.025 million (Para No. 2.2)**

Some officials and staff of the National Museum, Paro during the probation period were allowed encashment of leave amounting to Nu. 0.025 million which was not admissible as per the Civil Service Rules. Refunds of inadmissible payments had not been made.

***Who is accountable?***

Dorji Wangchuk, Conservator

**3. Shortfalls, lapses and deficiencies – Nu. 0.919 million**

The Ministry had cases of shortfalls, lapses and deficiencies aggregating to Nu.0.919 million as summarized below:

**Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)**

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
3.1	Non-levy of liquidated damages	0.895	1.9	Thinley Jamtsho, Principal (supervisory), & Leki Wangchuk, Project Engineer
3.2	Wasteful expenditure	0.024	6.2	Phurba Dorji, Program Co-ordinator
	<b>Total</b>	<b>0.919</b>		

The cases are explained hereunder:

**3.1 Non-levy of liquidated damages - Nu. 0.895 million**

M/s. K.T Construction had delayed the completion of girl's dormitory construction by 171 days. As per the terms and conditions of the contract documents the liquidated damages amounting to Nu.0.895 million were not levied. Deposit of liquidated damages was awaited.

**3.2 Wasteful expenditure - Nu. 0.024 million**

The Royal Academy for Performing Arts under the Department of Culture had procured 300 Nos. CDs (Kongthang Nyenpai Lunang) from M/s. Phuensum Entertainment, Thimphu to present as souvenir to the visiting Chinese Delegation. However, the stock verification revealed that the entire CDs were not presented to the visiting delegations and lying unused. The same were not properly accounted for.

#### 4. Unjustified accumulation of advances - Nu. 10.781 million

The Ministry had cases of accumulation of advances aggregating to Nu. 10.781 million as summarized below:

Table showing summary of outstanding advances (Nu. in million)

Sl. No.	Agency	Amount	Para No.	Who are accountable?
1	Secretariat, MoHCA	8.412	1.1	Individuals concerned, and Nob Tshering, Dy. Secretary, (supervisory), Ngawang Pem, Personnel Officer, (supervisory), Kinga Ongmo, Procurement officer, (supervisory), Tshering Dorji, FO (supervisory),
2	Royal Academy for Performing Arts (RAPA)	2.369	5.1 & 5.2	Thinley Jamtsho, Principal (supervisory)
	<b>Total</b>	<b>10.781</b>		

The cases are explained hereunder:

- Advances aggregating to Nu.11.274 million was lying unadjusted against the suppliers, government officials, dzongkhags, private parties and staff of the Ministry for long periods of time against which Nu.2.863 million had been reported as adjusted and recovered leaving a balance of Nu.8.412 million.
- The Royal Academy for Performing Arts (RAPA) had unadjusted advances of Nu.0.246 million on account of visa fees, freight charges and for many other miscellaneous purposes from the SBA account, out of which a sum of Nu.0.062 million were recovered and adjusted leaving a balance of Nu.0.184 million.

Further the RAPA had unadjusted advances of Nu.2.311 million from the LC accounts against which Nu.0.126 million were recovered and adjusted leaving a balance of Nu.2.185 million. Some advance pertained to as far back as 1999 remaining unadjusted. This revealed weakness in internal control system.

#### 5. Over and excess payments in constructions – Nu. 0.481 million

The Ministry had cases of over and excess payments in constructions aggregating to Nu.0.481 million as summarized below:

Table showing summary of over payment to contractors (Nu. in million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
5.1	Payment for items not provided	0.165	1.3, 1.6	Leki Wangchuk, and Phuchu Dukpa, Site Engineer
5.2	Payment for works not executed	0.295	1.1, 1.2	Phuchu Dukpa, Site Engineer
5.3	Excess refund of security deposit	0.021	1.2	Darrick Dorji, Accountant
	<b>Total</b>	<b>0.481</b>		

The cases are explained hereunder:

### **5.1 Excess payments to contractor – Nu. 0.165 million**

The joint measurement and verification of records pertaining to the construction of the girls' hostel, RAPA and Archive Building of National Library revealed an excess payment amounting to Nu.0.165 million to the contractor. Excess payments included payments made for items not executed and items executed in excess of the actual quantities of work. No action had been taken for the excess payments.

### **5.2 Payment for works not executed - Nu. 0.295 million**

Verification of quantity of work executed at site and contractor's bill revealed payment for works not executed amounting to Nu.0.166 million and inadmissible payment amounting to Nu.0.129 million due to difference in height of wall and column in the construction of Archive Building under the National Library. Action for the works not executed was awaited.

### **5.3 Excess refund of Security Deposit - Nu. 0.021 million**

The National Museum had refunded Nu.0.021 million twice against the same security deposit resulting into the excess refund of security deposit. No action had been taken for the excess refund of security deposits.

## **6. Over and excess payment to employee – Nu. 0.050 million (Para No. 3.5)**

The Department of Culture had paid full salary beyond 12 months to an official who had undertaken long-term studies on private scholarship resulting in excess payment of Nu.0.071 million which was in contravention to BCSR 2002. Out of Nu.0.071 million, a sum of Nu.0.021 million was recovered leaving a balance of Nu.0.050 million.

### ***Who is accountable?***

Tshering Uden Penjor, Curator

## 6.6 Ministry of Information & Communication

During the year the Royal Audit Authority had issued four Inspection Reports in respect of the Ministry of Information & Communications which included the Ministry, the Department of Civil Aviation, the Road Safety & Transport Authority, Gelephu and Samdrup Jongkhar. The total unresolved significant irregularities of the Ministry amounted to Nu. 1.498 million as summarized below:

Table showing summary of observation with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Mismanagement	1.124	2
2	Outstanding advances	0.314	5
3	Shortfalls, lapses and deficiencies	0.060	5
	<b>Total</b>	<b>1.498</b>	

### 1. Non-realization of registration fee- Nu. 1.124 million (Para No. 2)

The Regional Office of the Road Safety & Transport Authority, Gelephu had outstanding vehicle registration fees aggregating to Nu.1.948 million lying against the various government agencies and private vehicle owners. Out of Nu.1.948 million, a sum of Nu.0.824 million were recovered leaving a balance of Nu. 1.124 million.

#### *Who are accountable?*

- a) Damber Thapa, Regional License Officer, and
- b) Bola Gyeltshen, RTO

### 2. Outstanding advances – Nu. 0.314 million (Para No. 1.1.1 & 1.3.1.1)

Advances aggregating to Nu.1.138 million were lying unadjusted against the officials, staff and the private parties in the Ministry against which Nu.0.856 million were liquidated leaving a balance of Nu.0.282 million.

Similarly, advances aggregating to Nu.0.032 million were lying unadjusted since 2003-2004 against the employees and suppliers in the Department of Civil Aviation, Paro. No actions were taken to liquidate the advances.

#### *Who are accountable?*

- a) Individuals concerned;
- b) Phala Dorji, Director (supervisory), and
- c) Dasho Tashi Phuntsho, Secretary, (supervisory)

### 3. Double payments - Nu. 0.060 million (Para No. 1.1.1.1)

Jigme Rinchen, Sr. Fire Officer of the Department of Civil Aviation attended the seminar on Airport Management and Operations in Dhaka, Bangladesh and was paid Nu.0.060 million towards DSA, air fare and other incidental expenses vide voucher No. 147 dated 30/6/05. However, he was again paid Nu.0.060 million vide voucher No. 170 of 30/5/05 towards DSA and Air fare for the same trip resulting to double payment of Nu.0.060 million. No action had been taken to recover the double payments.

#### *Who are accountable?*

- a) Purna Bahadur Chhetri, Accountant, and
- b) Phala Dorji, Director (supervisory)

## 6.7 Ministry of Labour & Human Resources

The Royal Audit Authority during the year issued eight Inspection Reports in respect of the Ministry of Labour and Human Resources. The total unresolved significant irregularities of the Ministry amounted to Nu. 15.413 million as summarized below.

Table showing summary of observation with category code and amount involved (Nu. in million)

Sl. No.	Observation in brief	Amount	Category Code
1	Violation of Laws, Rules & Regulations	1.549	4
2	Shortfalls, lapses and deficiencies	0.078	5
3	Outstanding advances	13.459	5
4	Over and excess payments	0.327	5
	<b>Total</b>	<b>15.413</b>	

### 1. Improper feasibility studies -Nu. 1.549 million (Para No. 4.1)

The flash flood of August 2004 at Buna, Trashigang had washed away almost all the on-going structures of the Vocational Training Institute valuing Nu.5.952 million. This was mainly attributed by the improper feasibility studies carried out for the construction of massive structures. A team of Civil Engineers from Royal Bhutan Polytechnic carried out only the Plate Load Test for the buildings and not the detailed feasibility studies. Beside there were various adverse reports on Geo-tech, Soil test and Hydrology for which the Ministry had ignored and had relocated the construction of the Vocational Training Institute, Buna in the same place.

**Who are accountable?**

- a) Karma Dhendup, Project Engineer, and
- b) Karma Thinley, Construction Manager

**2. Non-deduction of TDS - Nu. 0.078 million (Para No. 1 & 11.2)**

The National Institute for Zorig Chusum (NIZC) had not deducted TDS aggregating to Nu.0.078 million from the suppliers.

**Who are accountable?**

- a) Jamtsho, Accountant, and
- b) Sangay Phuntsho, Sezo Instructor.

**3. Outstanding advances – Nu. 13.459 million**

The Ministry had unresolved cases of advances aggregating to Nu.13.459 million as summarized below:

Table showing cases of outstanding advances (Nu. in million)

Sl. No.	Agency	Amount	Para No.	Who are accountable?
3 (a)	Project Implementation Unit	9.279	5.7.1.	Tshering Tobgay, Project Director, Phuntsho Wangmo, Project Manager. (supervisory)
3 (b)	National Institute for Zorig Chusum	4.180	2 & 14	Jamtsho, Accountant, Sangay Phuntsho, and Jigme Cholen Yoezer, Principal (supervisory)
	<b>Total</b>	<b>13.459</b>		

The cases are explained hereunder:

- a) Advances aggregating to Nu.23.757 million were lying unadjusted in the Project Implementation Unit under MoLHR against various employees, suppliers and contractors. Out of Nu.23.757 million, a sum of Nu.14.478 million was adjusted/recovered leaving a balance of Nu.9.279 million. Most of the advances pertain to the constructions of VTI, Buna which was suspended for about a year after the flash flood in August 2004. Now the constructions have been completed and recoveries of advances are awaited from the running bills.
- b) The National Institute for Zorig Chusum (NIZC) had advances of Nu.1.375 million lying unadjusted against the employees, suppliers and contractors and Nu.0.203 million not accounted for in the books of account. Further, advances amounting to Nu.2.602 were lying unadjusted from the SDA account against employees, suppliers and contractors.

#### 4. Over and Excess payment to contractor - Nu. 0.327 million (Para No. 04)

An excess payment of Nu.0.327 million was made to the contractor for the construction of VTI, Buna mainly due to payments made for items of works not executed.

##### *Who are accountable?*

- a) Karma Dhendup, Project Engineer, and
- b) Karma Thinley, Construction Manager

## 6.8 Ministry of Trade & Industry

The Royal Audit Authority during the year had issued three inspection reports in respect of the Ministry of Trade and Industry which included the Secretariat MTI, Department of Tourism and the RTIO, Phuentsholing. The total unresolved significant irregularities of the Ministry amounted to Nu.0.754 million as summarized below:

Table showing summary of observation with category code and amount involved (Nu. in million)

Sl. No.	Observation in brief	Amount	Category Code
1	Violation of Laws, Rules and Regulations	0.120	4
2	Shortfalls, lapses and deficiencies	0.634	5
	<b>Total</b>	<b>0.754</b>	

#### 1. Wrong classification of expenditure- Nu.0.120 million (Para No. 5.2)

Capital expenditure of Nu.0.120 million on the Plant & equipment – Telecommunications, PABX system was wrongly booked in the current expenditure - Utility Telephone. Booking of capital expenditure under current expenditure was a gross violation of Budgetary and Financial Accounting norms.

##### *Who is accountable?*

Dorji Tshering, DCFO

#### 2. Outstanding advances – Nu. 0.634 million

The Ministry had unresolved cases of advances amounting to Nu.0.634 million as summarized below:

Table showing summary of outstanding advances (Nu. in million)

Sl. No.	Agency	Amount	Para No.	Who are accountable?
2 (a)	Secretariat, MTI	0.021	3	Individuals concerned, and Tenzin Wangda, AFO (supervisory)
2 (b)	Department of Tourism	0.613	1.2	Tshewang Loday, Accountant, (supervisory) Karma Wangdi, Sr. Foreign Exchange Officer (supervisory)
	<b>Total</b>	<b>0.634</b>		

The cases are explained hereunder:

- a) Advances aggregating to Nu.0.175 million were lying outstanding against officials, staffs and other parties of the Secretariat, MTI out of which Nu.0.154 million were liquidated subsequently leaving a balance of Nu.0.021 million.
- b) Against the total outstanding advances of Nu.2.493 million against various tour operators in the Department of Tourism, a sum of Nu.1.880 million were liquidated leaving a balance of Nu.0.613 million.

## 6.9 Ministry of Works & Human Settlement

The Royal Audit Authority during the year had issued fifteen Inspection Reports of agencies under the Ministry of Works & Human Settlements. The total unresolved significant irregularities of the Ministry amounted to Nu.1.967 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. million)

Sl. No.	Observation in brief	Amount	Category code
1	Mismanagement	0.443	3
2	Violation of Laws, Rules & Regulations	0.588	4
3	Outstanding advances	0.062	5
4	Excess payment to contractors	0.788	5
5	Excess payments to employees	0.086	5
	<b>Total</b>	<b>1.967</b>	

### 1. Non-collection of house rent – Nu. 0.443 million (Para No. 1.1.1.1)

The Thrompon, Phuentsholing City Corporation had notified for the proposed demolition of old semi-permanent buildings around the PWD Housing Colony. There were still some quarters that were not demolished but occupied by the staff of the Field Division, Department of Roads,

Phuentsholing without paying rental charges aggregating to Nu.0.443 million. No action had been taken on non-payment of rent.

***Who are accountable?***

- a) Pema Lhaden, Junior Engineer, and
- b) Tsheten Dorji, Executive Engineer

**2. Violation of Laws, Rules & Regulations– Nu.0.588 million**

The Ministry had cases of violations of laws, rules and regulations involving Nu.0.588 million as summarized below:

**Table showing summary of violation of Laws, Rules & Regulations (Nu. million)**

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Procurement in excess of requirement	0.517	1 (c)	Tshewang Phuntsho, Regional Manager, Sonam Dorji, Joint Director
2.2	Non-levy of liquidated damages	0.034	1 (d) i & ii, 5.1.2.2	Tandin Wangyel, Astd. Engineer, Sonam Dorji, Joint Director, Sonam Tashi, Junior Engineer, R.S. Ram, Dy.E.E
2.3	Irregular payment	0.037	5(b)	Phuntsho Wangdi, Director
	<b>Total</b>	<b>0.588</b>		

**2.1 Procurement in excess of requirement – Nu. 0.517 million**

The Eastern Regional Workshop, Lingmethang had procured CGS 680 welding rods without assessing its actual requirements and without routing the requisitions through the Mechanical Division, HQ as required. This had resulted into procurement of CGS welding rods worth Nu.0.517 million in excess of requirements.

**2.2 Non levy of liquidated damages to the suppliers - Nu. 0.034 million**

The Mechanical Division had not levied liquidated damages of Nu.0.034 million to M/s. Caterpillar S.A.R.L Singapore Branch, 14 Tractor Road, Singapore for the delay in supply of caterpillar spare parts by one month.

**2.3 Irregular payment – Nu. 0.037 million**

The Mechanical Division had reimbursed registration fee of USD 850.00 equivalent to Nu.0.037 million to the participant of the 15<sup>th</sup> World Meeting, International Road Federation (IRF) held in Bangkok which were not supported by relevant document. Action taken for payment without the supporting documents was awaited.

### 3. Outstanding advances – Nu. 0.062 million (Para No. 2.2.1)

The City Corporation, Phuntsholing had advances amounting to Nu.0.081 million lying outstanding against various officials against which Nu.0.019 million was deposited leaving a balance of Nu.0.062 million.

#### *Who is accountable?*

R.S Tamang, Dy. Director (supervisory)

### 4. Over and excess payments to contractors – Nu. 0.788 million

The Ministry had cases of over and excess payments aggregating to Nu. 0.788 million as summarized below:

Table showing summary of over and excess payments (Nu. million)

Sl. No.	Observation in brief	Amount	Para No.	Who are accountable?
4.1	Excess payments in constructions	0.673	1.1.1.2	Sonam Dhendup, Sub-overseer, Karchung Dukpa, Sub-overseer, Karsang Norbu, JE, (supervisory) and Yeshe Wangdi, JE (supervisory)
4.2	Inadmissible and irregular payment in construction	0.115	2.2.2.1, 5 (a)	Rinchen Pelzang, AE, Tshewang Rinzin, AE, Hari Sharma, AE, Tsheten Dorji, Executive Engineer, Karma Rinzin, Project Manager, Jangchuk Tenzin, EE, Field Division, & Sonam Dorji, Joint Director,
	<b>Total</b>	<b>0.788</b>		

#### 4.1 Excess payment in constructions – Nu. 0.673 million

The Corporation had also made an excess payment of Nu.0.923 million to a contractor for laying 4” GI pipe line from Kuengacholling to Changedaphu. The contractor was paid for more than the actual quantity of work done at the site. Out of Nu.0.923 million, a sum of Nu.0.250 million was deposited leaving a balance of Nu.0.673 million.

#### 4.2 Inadmissible and irregular payments – Nu. 0.115 million

- a) In terms of the Bhutan Specification for Road works, the item work viz. premix carpeting involving Bitumen Emulsion and Bitumen 80/100 encompasses surface preparation and cleaning works prior to application of the above items. However, the Field Division, Phuentsholing had made excess payment of Nu.0.041 million by treating brooming work as a separate item of work.
- b) The Mechanical Division had paid hire charges for the deployment of vehicle & machineries on government holidays and Sundays

aggregating to Nu.0.074 million in contravention to the terms & conditions of the hire agreement.

**5. Excess payments to employees – Nu. 0.086 million (Para No. 1.1)**

The Field Road Maintenance Division, Sarpang incurred an expenditure of Nu.0.346 million on account of TA/DA and Muster Roll payments as evident from the advance and adjustment details submitted by the Department of Geology and Mines, Thimphu. However, DA at full rates was paid for continuous halts beyond 30 days resulting to excess payments of Nu.0.086 million which was not admissible.

***Who are accountable?***

- a) Dorji Wangdi, EE, and
- b) A.K Pankajan, Accountant