

NON-GOVERNMENT ORGANISATIONS

The Royal Audit Authority during the year 2006 had issued five inspection reports pertaining to the Non-Government Organizations (NGOs) and total unresolved significant irregularities amounted to Nu. 11.655 million as detailed below:

6.1 Bhutan Chamber of Commerce & Industry (BCCI)

The Royal Audit Authority during the year had issued one inspection report pertaining to Bhutan Chamber of Commerce and Industry (BCCI) including its Regional Office, Phuentsholing. The total unresolved significant irregularities amounted to Nu.0.054 million as summarized below:

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

Sl. No.	Observations in brief	Amount	Category Code
1	Shortfalls, lapses & deficiencies	0.054	5
	Total	0.054	

1. Outstanding Advances– Nu. 0.054 million (Para 1.4)

Advances amounting to Nu.0.090 million were lying outstanding against the officials of BCCI out of which BCCI reported liquidation of Nu. 0.036 million leaving a balance of Nu.0.054 million.

Who are accountable?

- a) Kinley Tenzin, Asstt. Accountant, and
- b) Chhimi Dorji, Finance Officer, (Supervisory)

6.2 Construction Association of Bhutan (CAB)

The Royal Audit Authority during the year had issued one Inspection Report in respect of the Construction Association of Bhutan (CAB). The total unresolved significant irregularities amounted to Nu.5.242 million as summarized below:

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

Sl. No.	Observations in brief	Amount	Category Code
1	Fraud, Corruption and Embezzlement	0.100	1 & 2
2	Shortfalls, lapses and deficiencies	5.142	3
	Total	5.242	

1. Non-accountal of collection – Nu.0.100 million (Para No. 3)

Out of Nu.0.175 million collected by the General Secretary of the CAB from money receipts 10051 to 10058, Nu.0.075 million only was accounted for resulting to non-accountal of Nu.0.100 million. No action was taken on the above non-accountal.

Who is accountable?

Game Tshering, General Secretary.

2. Shortfalls, lapses and deficiencies- Nu. 5.142 millions

CAB had cases of shortfalls lapses and deficiencies amounting to Nu.5.142 million as summarized below:

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

Sl. No.	Observation in brief	Amount	Para No.	Who is accountable?
2.1	Non-collection of Slab Rate Levy (SRL)	2.942	1	Game Tshering, General Secretary.
2.2	Non-collections of Membership fees	2.200	2	Game Tshering, General Secretary.
	Total	5.142		

2.1 Non-collection of Slab rate Levy – Nu. 2.942 million

Out of total amount of Nu. 4.279 million towards Slab Rate Levy collectable from the bills of the contractors for the years 2003 to 2005, Nu.1.337 million only was collected resulting to non-collection of Nu.2.942 million.

2.2 Non-collection of endorsement fee- Nu. 2.200 million

The CAB had not collected Membership Fee amounting to Nu.2.200 million from contractors whose license was found renewed by the Construction Development Board upon endorsement in the standard Forms by the CAB.

Further, there were other irregularities and inconsistencies like improper maintenance of recording the details of endorsement, absence of identified and authorized signatories, absence of consistent system of regular follow-up and endorsement of Forms for the current year without realizing the old dues. No actions had been taken on the above non-collections.

6.3 Youth Development Fund (YDF)

The Royal Audit Authority during the year had issued one inspection report in respect of the Youth Development Fund (YDF), Thimphu. The total unresolved significant irregularities amounted to Nu.6.359 million as summarized below:

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

Sl. No.	Observations in brief	Amount	Category Code
1	Fraud, Corruption and Embezzlement	1.365	1 & 2
2	Mismanagement	0.322	3
3	Shortfall, lapses & deficiencies	4.672	5
	Total	6.359	

1. Embezzlement of YDF Fund- Nu.1.365 million (Para No. 13)

During the years 2003 and 2004, Namgay Tshering, Driver cum Office Assistant of YDF had stolen four leaflets of cheque and withdrawn Nu.1.100 million by forging the signatures from A/c # 31555 maintained with the Bank of Bhutan Ltd, Thimphu Branch.

He had also embezzled sale proceeds of Bhutan National Lottery amounting to Nu.0.260 million and Nu.0.005 million from the YDF Shop account. YDF was yet to recover Nu.0.991 million out of the total embezzled amount of Nu.1.365 million.

Who is accountable?

Yangdey Penjor, Director (Supervisory)

2. Mismanagement – Nu. 0.322 million

YDF had cases of mismanagement amounting to Nu.0.322 million as summarized below:

Table showing summary of mismanagement (Nu. in million)

Sl. No.	Observations in brief	Amount	Para No.	Who are accountable?
2.1	Non-collection of sale proceeds of lottery tickets	0.180	1	Chhimi Palky, Finance Coordinator, Rinchen Namgay, Ex-Finance Coordinator & Yangdey Penjor, Director.
2.2	Pending Deposits of Lottery Collections	0.142	9	Rinchen Namgay, Ex-Finance Coordinator
	Total	0.322		

The cases are explained hereunder:

2.1 *Non-collection of sale proceeds of lottery tickets – Nu. 0.180 million*

Out of 15,000 numbers of Bhutan National Lottery tickets of Nu. 100.00 each received by the YDF for the 9th Draw from Bhutan National Lottery 1,800 tickets valuing Nu.0.180 million were issued to Bumthang, Chhukha, Punakha and Wangdiphodrang Dzongkhags. Neither the sale proceeds nor the unsold tickets were received from the Dzongkhags

though the lottery was held on 02.06.2003. No action was taken on the non-collection of sale proceeds of lottery tickets.

2.2 Non-collection of sale proceeds of lottery tickets – Nu. 0.142 million

YDF had not deposited the sale proceeds of Bhutan National Lottery tickets in respect of 8th Draw, 9th Draw and 10th Draw amounting to Nu. 0.110 million. Further, sale proceeds amounting to Nu.0.032 million were yet to be collected. No action was taken for the non deposit and non-collection of the amounts.

3. Outstanding advances - Nu. 4.672 million (Para No.14)

Advances aggregating to Nu.4.672 million were lying outstanding against the officials disbursed for various purposes. No effective actions were taken to liquidate the outstanding advances.

Who are accountable?

- a) Gama Namgyal, Jr. Program Officer;
- b) Dorji Ohm, Program Officer;
- c) Tashi Choden, Jr. Program Officer, &
- d) Yangdey Penjor, Director (supervisory).