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Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources

**AIN: 15876**

**Compliance Audit Report on  
The Government Property Management (Disposal) System**

**Audit Period: 01.07.2015 to 30.06.2018**

**APRIL 2019**



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ROYAL AUDIT AUTHORITY  
*Bhutan Integrity House*

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



RAA/CA/CFID/PMM/2019/1020

Dated: 22/04/2019

The Director General  
Department of National Properties (DNP)  
Thimphu

**Subject: Compliance Audit Report on the Government Property Management (Disposal) System for the period 01 July 2015 to 30 June 2018**

Sir,

Enclosed herewith please find the compliance audit report on the Government Property Management (Disposal) System covering the period 01 July 2015 to 30 June 2018. The audit was conducted as required under the Audit Act of Bhutan 2018, and in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

### **Audit Findings and Recommendations**

The compliance audit of selected subject matters of the Government Property Management (Disposal) system revealed certain cases of non-compliances, which are reported under the **Audit Findings and Recommendations**. Pertinent issues of non-compliances observed include:

- ❖ There were cases of non-compliances observed in the auction of seized/confiscated goods by the RRCO, Phuntsholing (**Refer Para IV**);
- ❖ There were no central inventory for land and building since 2015 and also for other non-expendable properties other than land and building (**Refer Para VII**);
- ❖ The DNP had not compiled the required annual reports till date despite its required mandate to do the same (**Refer Para VIII**);
- ❖ None of the sampled agencies had conducted physical verifications and such practice was non-existent in any of the agencies in contravention to the PMM requirement (**Para XIII**);

*"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder." - His Majesty the King Jigme Khesar Namgyel Wangchuck*

- ❖ None of the sampled agencies had system of rationalizing the need of the procurements of properties. The agencies procured properties without proper analysis and requirements, so long budget were available (**Refer Para XIX**); and
- ❖ Also, none of the sampled agencies had registered their non-expendable properties with the DNP and did the codification of the properties procured for the audit period 2015-2018, in contravention to the requirement of the PMM (**Refer Para XX**).

The DNP and the concerned agencies are recommended to review the lapses pointed out in the Audit Report, and institute appropriate check and balance systems to curb such lapses in future. The RAA has reviewed the responses furnished by the management and appropriately incorporated in the report. The RAA would appreciate receiving an **Action Taken Report (ATR)** from the DNP and the concerned agencies within three months from the date of issuance of this report.

The RAA acknowledges the kind co-operation and assistance extended to the audit team by the DNP and concerned agencies, which facilitated the timely completion of the audit.

Yours sincerely,

(Tshering Kezang)  
**Auditor General**

**Copy to:**

1. The Secretary, Ministry of Finance, Thimphu
2. The Registrar General, Supreme Court, Thimphu
3. The Secretary General, Election Commission of Bhutan, Thimphu
4. The Secretary General, Bhutan Olympics Committee, Thimphu
5. The Drangpon, Dungkhag Court, Phuntsholing
6. Director General, DNP, Thimphu
7. Director, Cabinet Secretariat, Thimphu
8. Director, National Assembly Secretariat, Thimphu
9. Director, DoFPS, Thimphu
10. Director, Department of Medical Supplies & Health Infrastructure, Thimphu
11. Director, Royal Education Council, Paro
12. The Regional Directors, RRCO, Paro
13. The Regional Director, RRCO, Phuntsholing
14. The Chief, Central Store Unit, DoR, Phuntsholing

15. The Chief, G2C Office, Cabinet Secretariat, Thimphu
16. The Dy Chief TEO, Thromde, Phuntsholing
17. The Gup, Tsentog Gewog Administration, Paro
18. The AAG, FUCD, RAA, Thimphu
19. The AAG, PP&AARD, RAA, Thimphu
20. Office Copy
21. Guard File

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## Title Sheet

1.	<b>Title Sheet:</b>	Compliance Audit Report on the Government Property Management (Disposal) System
2.	<b>Head of the Department:</b>	Mr. Dawala, Director General (EID No.: 8304041)
3.	<b>Period of Audit:</b>	01.07.2015 to 30.06.2018
4.	<b>Schedule of Audit:</b>	Planned – 10.09.2018 to 07.12.2018 Actual – 10.09.2018 to 07.12.2018 Report – 29.03.2019
5.	<b>Intimation Letter no.:</b>	RAA/CFID/2018-2019/2672 dated 10.09.2018
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10.	<b>Focal Person:</b>	Ms. Tshering Pem
11.	<b>Audit Exit Meeting:</b>	25.02.2019



## **Disclaimer Note**

The coverage of this report is based on the facts, figures and information made available and accessible to the team by the management of DNP, DoFPS, DoMSHI, Cabinet Secretariat, National Assembly Secretariat, G2C Office, BOC, RRCO (Paro), RRCO (Phuntsholing), REC (Paro), Tsento Gewog Administration, Thromde Schools (Phuntsholing Thromde), Central Store Unit (DoR), ECB, DoC & Supreme Court of Bhutan. The opinion of the auditors shall only confine to the period covered and information made available till the time of issue of this report.

This is also to certify that the auditors during the audit had neither yielded to any pressure, nor dispensed any favour or resorted to any unethical means that would be considered as violation of the Royal Audit Authority's Oath of Good Conduct, Ethics and Secrecy of Auditors.

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## ACRONYMS

AAG	:	Assistant Auditor General
AFD	:	Administration & Finance Division
AFS	:	Administration and Finance Services
AIMS	:	Asset Inventory Management System
ATR	:	Action Taken Report
BOC	:	Bhutan Olympics Committee
BM	:	Budget Manual
BMED	:	Biomedical Engineering Division
CID No.	:	Citizenship Identity
CIE	:	Centenary Institute of Education
CFID	:	Corporations and Financial Institutions Division
CSU	:	Central Store Unit
DAG	:	Deputy Auditor General
DNB	:	Department of National Budget
DNP	:	Department of National Properties
DoC	:	Department of Culture
DoFPS	:	Department of Forests and Park Services
DoR	:	Department of Roads
DoMSHI	:	Department of Medical Supplies and Health Infrastructure
DRC	:	Department of Revenue and Customs
ECB	:	Election Commission of Bhutan
EID No.	:	Employment Identity Number
FAM	:	Financial and Accounting Manual
FRR	:	Financial Rules and Regulations
FMM	:	Financial Management Manual
FUCD	:	Follow-up and Clearance Divisions
GRV	:	General Reserve Value
G2C	:	Government to Citizens
MoF	:	Ministry of Finance
MoAF	:	Ministry of Agriculture and Forests
NAS	:	National Assembly Secretariat
PFA	:	Public Finance Act
PMM	:	Property Management Manual
RAA	:	Royal Audit Authority
REC	:	Royal Education Council
RMA	:	Royal Monetary Authority
RRCO	:	Regional and Revenue Customs Office
RSTA	:	Road Safety and Transport Authority

## **PART I: INTRODUCTION**

A major portion of total resources of the Government is spent every year on acquisition, improvement or construction of various kinds of properties. The expenditures incurred on such purposes reflect equivalent amounts of increase in the assets of the Government. It is therefore important for the Government to maintain an updated inventory of its properties at all times and ensure that those are properly maintained and utilized for rightful purposes, that their ownership do not get diluted and that there is always an officer who remains accountable in respect of a property.

Notwithstanding this, equally important is the last phase of the property management – disposal of properties. Disposal occurs when a piece of equipment/properties can no longer provide efficient service or, though still working, has been rendered useless due to obsolescence. Disposal proceedings should be immediately initiated to avoid further deterioration of properties and consequent depreciation in its value. Also, a systematic and timely disposal will yield benefits in terms of among others, a higher appraisal value and by enabling storage areas available for other purposes. While the Department of National Properties (DNP), Ministry of Finance (MoF) or the agency authorized by the DNP is responsible for disposal of properties, the Department of Revenue and Customs (DRC) is responsible for disposal of seized and confiscated goods through public auction or tender.

Procedures for Government Property Management is generally prescribed in Property Management Manual. Procedures for acquisition, improvement or construction of properties have also been prescribed in Procurement Manual, the Finance & Accounting Manual and other relevant guidelines. The Property Management Manual states that all officials and organizations whose functions or duties permit or require possession or custody of Government property shall be accountable for the property and for the safe keeping of the proper in conformity with laws, rules and procedures.

Given all these, the compliance audit on the government property management with fairly more focus on the last phase of the property management – disposal of properties – were identified as the subject matter. The purpose of the audit was to assess the extent of compliance made by the sixteen sampled agencies, thereby rendering basis for increased confidence in the integrity of the information, systems and processes under review.

### **1.1 Audit Mandate**

The Royal Audit Authority derives its mandate to conduct Compliance Audit from Article 25.1 of the Constitution of the Kingdom of Bhutan which state that *“There shall be a Royal Audit Authority to audit and report on the economy, efficiency and effectiveness in the use of public resources”*.

Further Chapter 15 Section 69 of the Audit Act 2018 specifically states that, *“The Authority shall carry out performance, financial, compliance, special audits and any other form of audits that the Auditor General may consider appropriate.”*

Therefore, the RAA draws mandates to conduct compliance audits directly from the provisions of the constitution and the audit act.

## 1.2 Level of Assurance

This compliance audit is a direct reporting reasonable assurance engagement. It provides conclusion with regard to the audit objective on the subject matter. In order to provide reasonable assurance, the auditors ensured that audit risk is contained within 5%. This entails more substantive audit procedures.

## 1.3 Audit Objectives

The objective of the audit is *to ascertain whether the Government Property Management system is in compliance to Property Management Manual, Financial Accounting Manual (relevant excerpts), other relevant/applicable rules and regulations.*”

The three sub-objectives include:

- a) *To ascertain that the Acquisition and issue of Property are in compliance to Property Management Manual, Financial Accounting Manual (relevant excerpts), other relevant/applicable rules and regulations;*
- b) *To ascertain that the Maintenance and Utilization of Properties are in compliance to Property Management Manual, Financial Accounting Manual (relevant excerpts), other relevant/applicable rules and regulations; and*
- c) *To ascertain that the Disposal of Government Properties are in compliance to Property Management Manual, Financial Accounting Manual (relevant excerpts), other relevant/applicable rules and regulations.*

## 1.4 Subject Matter & Scope

The Property Management Manual (PMM), Finance & Accounts Manual (FAM), and other relevant guidelines was the overarching subject matter for the audit.

The audit was conducted for three years i.e. 01.07.2015 to 30.06.2018, and covering the Department of National Properties being the nodal agency for government properties and its management. Fifteen other government agencies, as listed in the table below, were selected as representative samples for the other government agencies for the purpose of this compliance audit:

Sl. No.	Agency	Sl. No.	Agency
1	National Assembly of Bhutan, Thimphu	9	Department of Culture (Properties)
2	Supreme Court, Thimphu	10	Tsento Gewog, Paro Dzongkhag
3	Cabinet Secretariat, Thimphu	11	Dungkhag Court, Phuentsholing
4	G2C	12	Four Phuentsholing Thromde Schools
5	Bhutan Olympic Committee, Thimphu	13	Election Commission of Bhutan
6	Department of Agriculture and Forests	14	Health Procurement Division
7	Central Stores Unit, DOR, Phuentsholing	15	RRCO (Customs), Paro
8	Royal Education Council, Paro	16	RRCO (Customs), Phuentsholing

### ***1.4.1 Subject Matter***

Subject matter of the audit is “*Government Property Management System in relation to Property Management Manual, Finance and Accounts Manual, and other relevant guidelines*” with following three areas of concerns:

- i. Acquisition and Issue of Property;
- ii. Maintenance and Utilization of Properties; and
- iii. Disposal of Government Properties.

Of the three areas of concern of the government property management system, audit focus will be more on the Disposal of the Government Properties. In particular, the focus of the audit will be on all the five categories of non-expendable properties, including:

- i. Land;
- ii. Buildings;
- iii. Vehicles;
- iv. Furniture & Fixtures, and
- v. Computers and Peripherals.

### **1.5 Sources of Audit Criteria**

The criterion for the audit were derived from the following Acts, Rules, Policies and Guidelines during the period under review:

- Property Management Manual (2001 & 2016);
- Financial Management Manual (2001 & 2016);
- Financial and Accounting Manual (2001 & 2016);
- Budget Manual (2001 & 2016);
- Public Auction Guidelines and/or Terms of References;
- Sales & Customs Tax Act of the Kingdom of Bhutan (2001); and
- Other relevant guidelines, notifications and circulars.

### **1.6 Audit Methodology**

- Reviewing and testing internal controls in place;
- Inspection and examination of the records, documents and statements;
- Re-confirmation and Re-calculations;
- Physical inspection of Properties; and
- Seeking relevant information from concerned person inside and outside the organization.

## PART II: AUDIT FINDINGS AND RECOMMENDATIONS

The Royal Audit Authority while reviewing the records, internal controls and operations of the Department of National Properties and fifteen other government agencies compliance to the government property management (disposal) system noted cases of non-compliances. The audit findings duly incorporating the responses of the management are detailed below in the order of three sub-objectives that guided the audit throughout the audit processes:

***Sub-objective III: To ascertain that the Disposal of Government Properties are in compliance to Property Management Manual, Financial Accounting Manual (relevant excerpts), other relevant/applicable rules and regulations***

### 1. Non-surrendering of Obsolete and Unserviceable Properties (5.9.12)

The PRR 2016, clause 6.1.2 states that *the Head of Office shall hand over the properties declared as surplus, obsolete or unserviceable at the earliest to the DNP unless a specific authorization has been obtained from the DNP to dispose-off the properties under own arrangements.*

In addition, the clause 6.1.4 of the PMM stipulates that *in order to ensure that the surplus, obsolete or unserviceable items fetch fair values, the handing over of such materials as well as their final disposal shall be conducted at the earliest after those are declared as such.*

However, during review of the Properties Register and physical verification of the sampled agencies, the RAA team found that there were obsolete/unserviceable properties lying idly in their stores without being surrendered to the DNP, in contravention to the above provisions of the PMM. The details of these obsolete/unserviceable properties are as detailed below:

Sl. No.	Name of the Agency	Name of the Properties	Qty.
1.	Cabinet Secretariat	Desktop (Dell Optiplex 330) with Monitor	1
		Desktop (Dell Optiplex 33)	1
		Desktop (Dell Optiplex GX270)	1
		Desktop (Dell Inspiron 530) with Monitor	2
		Printer (HP Deskjet F2235)	1

Similarly, there were obsolete/unserviceable properties lying idly at the RRCO (Phuntsholing), without being surrendered to the DNP as required by the above provisions of the PMM, as depicted in the picture below:



Therefore, the concerned management is requested to justify for not surrendering these obsolete properties as required by the PMM.

**Auditees’ Response:**

**Cabinet Secretariat:** *The management normally compile the list of obsolete properties and surrender to DNP in bulk unless need immediate replacement. The said properties were included in next surrender list.*

**RRCO (Phuntsholing):** *This is to apprise the RAA that towards the end of the June 2017, this office surrendered two truck full of computers, equipment and furniture. The property depicted in the RAA’s observation is an accumulated unserviceable properties over a year, which, in the opinion of this office, do not merit surrendering as the quantity is too less to be surrendered. This office assumed that the surrendering of property on piece meal basis is not ideal and for that matter auctioning may also require in adequate quantity.*

*Nevertheless, in compliance to the PMM and observation as well, this office will surrender those surplus/obsolete/unserviceable properties to DNP at the earliest possible.*

**Conclusion and recommendation:**

*The responses of the concerned management is duly noted. However, as discussed and agreed during the exit meeting, the issues stands until these obsolete properties (listed/detailed above) are surrendered to the DNP, as required by the PMM (2016).*

*The sections 6.1.2 and 6.1.4 of the PMM (2016), to reiterate, states that the in order to ensure that the surplus, obsolete or unserviceable items fetch fair values, the handing over of such materials should be conducted at the earliest once the properties are declared surplus, obsolete or un-serviceable.*

*Therefore, the concerned management is requested to surrender these observed obsolete properties to the DNP at the earliest for final disposal by the DNP, or get an approval from the DNP if the management has decided to dispose these obsolete properties themselves. Action initiated should be intimate to RAA within three months from the date of issue of this report for verification.*

**Who is accountable?**

Direct Accountability	Mr. Karma Thinley, Store In-charge, EID No.200805003, Cabinet Secretariat Ms. Kencho Lham, GAO, EID No. 200905046, Tsento Gewog Mr. Karma Wangdi, Adm. Officer, EID No. 200705100, RRCO, Pling
Supervisory Accountability	Mr. Tshering Dendup, Asst Adm Officer, EID No. 20130402013, Cabinet Secretariat Mr. Dolay Tshering, Mangmi, CID No. 10810000446, Tsento Gewog Mr. Sonam Dorji, Regional Director, EID No. 2001014, RRCO, Pling

## **2. Incomplete Form (PMM-3) for surrendered properties to the DNP (5.9.17)**

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The Section 6.1.2 of the PMM stipulates that *the Head of Office shall hand over the properties declared as surplus, obsolete or unserviceable at the earliest to the DNP unless a specific*

*authorization has been obtained from the DNP to dispose-off the properties under own arrangements. An abstract of PMM – 3, giving the original cost, written down value, date of purchase etc, shall be attached with the Property Transfer Note (PMM – 4) to be used for the handing over.*

The RAA while verifying the compliance to these provisions found that most of the sampled agencies had surrendered obsolete properties to the DNP without fully completing the PMM-3. The required information pertaining to the surrendered properties mainly its original value, cost of acquisition and the depreciated value were found left blank.

These information about the surrendered properties are important to determine reserve prices and ultimately in order to ascertain a fair value of the properties by the DNP during auction. Furthermore, the RAA team found that the DNP had acknowledged and accepted the incomplete form PMM-3 accordingly. Therefore, the concerned management is requested to justify for surrendering the obsolete properties without fully completing the PMM-3, as required. Also, the DNP is requested to justify on the acceptance of such incomplete records of the surrendered items.

### ***Auditees' Response:***

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***Cabinet Secretariat:*** Upon consultation with DNP the properties were surrendered as per Form PMM-3. It is submitted that the Secretariat didn't have designated procurement/property official(s), due to which unintended procedural lapses had occurred despite the controls practiced. Henceforth, as per the advice from RAA, the Secretariat shall be duly comply the detail process for surrender and transfer of properties.

***RRCO, Paro:*** Although, we only surrender those items which are really obsolete and unserviceable, which should in fact go straight to the scrap dealers directly, but still we might have failed in recording/capturing the details of the items being surrendered to the DNP, we shall follow the advice of the RAA and the requirement of the PMM strictly from here on. Our management will henceforth record all details of the items being surrendered to the DNP in line with the requirement of the PMM.

***REC:*** As soon as REC is able to register in the central database, this memo will be immediately addressed and updated.

***RRCO, Phuntsholing:*** This is to submit that whatever the properties been last surrendered dates back to the year 2004 and onwards. Upon cross checking the sl. No. reflected in the surrendered list with that of the fixed asset register, most were desktop computers found to have purchased in 2004 onwards. Had there been periodical surrendering of the properties initiated by the former dealing officials, the tracking of the details on any property would have been much easier leading to the proper surrender of the properties using PMM-3. It was difficult even to get identified its serial number and trace its record given the fact that those items were too old let alone for the one without identification code or serial number. However, this office would like to ensure that proper and

*periodical surrender of the government properties using the PMM-3 with all information as required.*

*DNP: The surrendering agency have to provide DNP with detailed information while surrendering the obsolete items. However, some agency shared their grievances that they cannot track the original cost and date of acquisition as some items have been used for many years and also the concern officers failed to maintain the inventory record properly. Unable to trace the records of property at the time of surrendering mainly arise due to stocking of files once auditing is completed. The agencies dumped their files year after year which proves daunting task to retrieve the required file.*

*At the same time, we would immediately notify to the concerned agencies for compliance and the same time, we would like to seek your support in making all agencies to comply as per the PMM without which DNP will not accept hereafter. We assure that such lapses will never be repeated. Therefore we would like to request to kindly drop the observation.*

**Conclusion and recommendation:**

*The responses of the concerned management are duly noted. The shortage of man-power and the lack of records for old properties, as justified by the management, had mainly lead to the agencies not being able to fill all the required information of the PMM-3 as required by the PMM (2016).*

*While the RAA recognizes the reasons and grievances raised by the management for the non-compliances of the same, to reiterate the section 6.1.2 of the PMM (2016) requires the form PMM-3 to be fully filled, while surrendering obsolete properties, providing the original cost, written down value and the date of acquisition amongst other information. These information will facilitate in determining the reserve prices and ultimately ascertain the fair value of the properties by the DNP during auction.*

*Therefore, although the same non-compliance issue is expected to be resolved/taken care with the stabilization of the DNP's new system 'AIMS', as discussed and agreed during the audit exit meeting the surrendering government agencies are required to fill all the information in the PMM-3 (manually) until such time. Also, the DNP as agreed should strictly adhere to this provision by receiving the surrendered properties only when the PMM-3 form is completed in all material respect. The compliances to these PMM (2016) provisions will be verified during the next audit.*

**Who is accountable?**

Direct Accountability	Mr. Karma Thinley, Store In-charge, EID No. 200805003, CS Mr. Kezang, Sr. Adm. Asstt, EID No. 2107120, RRCO, Paro Mr. Sangay Dorji, Adm. Asstt, EID No. 201109062, REC Mr. Karma Wangdi, Adm. Officer, EID No. 200705100, RRCO, Pling Yeshe Zangmo, Asst. Adm. Officer, EID No. 20120500853, DNP
Supervisory Accountability	Mr. Tshering Dendup, Asst. Adm. Officer, EID No. 20130402013, CS Mr. Wangi Drugyel, Regional Director, EID No. 9610059, RRCO, Paro Mrs. Kesang Choden Dorji, Former Director, EID No. 9003005, REC

Mr. Kinga Dakpa, Director, EID No. 9006021, REC Mr. Sonam Dorji, Regional Director, EID No. 2001014, RRCO, Pling Mr. Karma Wangdi, CPO, EID No. 9711005, DNP
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### **3. Non-Compliances noted in Auction of seized and confiscated goods by RRCO, Phuntsholing**

#### **3.1 Issuance of Public Notifications for Auctions without giving adequate time (5.8.14)**

As per section 6.1 (e) of the Rules on the Sales Tax, Customs and Excise Duty 2001 *All confiscated goods shall be disposed-off through auction or tender and such disposal shall be notified by the RRCO at least two weeks before the date of auction.*

However, for the two auctions conducted by the RRCO Phuntsholing i.e. as on 25 March 2015 and 21 December 2015, public notifications were given five days and seven days prior to the two auctions respectively. The public notifications for the two auctions were issued via print media (Kuensel) as on 20 March 2015 and 15 December 2015 respectively.

Issuance of public notifications for auctions without giving adequate time to the public might limit potential bidders from offering competitive bid. Therefore, the concerned management is requested to comment on this contravention of section 6.1 (e).

#### **Auditees' Response:**

**RRCO (Phuntsholing):** *This office would humbly acknowledge the lapses with regard to the inadequate time for the issuance of public notification for the two auctions. The above lapses were occurred due to the sheer ignorance of the rules and regulations and it was overlooked. We assure RAA that such kind of lapses shall not occur in the near future. Therefore, RRA is kindly requested to drop the memo.*

#### **Conclusion and recommendation:**

*The responses of the management of RRCO (Phuntsholing) is duly noted. However, it should be noted that the ignorance of rules and regulations for non-compliances is not tenable in audit.*

*To re-iterate, public notifications should be given at least two weeks prior to the auctions mainly to give equal opportunities to everyone to participate in the auction and to attract as many bidders as possible.*

*Therefore, the RRCO (Phuntsholing) should observe this clause strictly for any auctions of seized/confiscated goods in the future. The compliance of the same will be verified during the next audit.*

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

Direct Accountability	Mr. Kezang Dorji, Dy Collector, EID No. 200212006
Supervisory Accountability	Mr. Sonam Dorji, Regional Director, EID No. 2001014

### 3.2 Delay in the payments for Auctions - Nu. 765,897.00 (5.8.10)

As per Terms of Reference (ToR) for the two auctions conducted by the RRCO Phuntsholing *the highest bidder whose bid has been accepted by the committee shall be required to deposit full amount on the fall of the hammer.*

However, in breach of the above condition required by the ToR, for the two auctions conducted by the RRCO Phuntsholing i.e. as on 25 March 2015 and 21 December 2015, cases where the payments were not made on the fall of the hammer on the auction dates were observed, as detailed in the table below:

Sl. No.	Date of Auction	Date of Payments	No. of days delayed	Amount (Nu.)
1.	26.03.2015	02.04.2015	7 days	224,000.00
2.	21.12.2015	22.12.2015	1 day	541,897.00
<b>Total Amount (Nu.)</b>				<b>765,897.00</b>

Therefore, had the above payments for auctions totaling to Nu. 765,897.00 been received on time as required by the ToR, the deposit in the government revenue account could have been made earlier. Thus, in this connection, the concerned management is requested to justify.

#### **Auditees' Response:**

**RRCO (Phuntsholing):** *The management of this office would like to inform that the auction committee comprised of all Section Heads from RRCO and a representative from the Dungkhag administration has the authority to decide on the payment. As per the request from the bidder and as decided by the committee members, prior permission was given for the late payment of the auctioned goods with a condition that the auctioned goods shall not be released before the full payment is being made. Therefore, RAA is kindly requested to drop the memo.*

#### **Conclusion and recommendation:**

*The responses of the management of the RRCO (Phuntsholing) is duly noted. However, with regard to the delay in collection of auctioned amount of Nu. 765,897.00 (detailed in the table above), the concerned management is requested to furnish the RAA with the supporting documents substantiating the justification/claim that prior permission were given for these late payments amounting to Nu. 765,897.00, documents should be furnished within three months from the date of issue of this Audit for verification.*

*Further, the said Terms of References for Auction was developed in-house, and thus its compliances should be observed. Therefore, any contravention to the Auction's ToR that was developed themselves is non-comprehensible and un-acceptable. Thus, the concerned management should comply with the ToR for any future auctions; collecting the auctioned amount on the fall of hammer. The compliances of the same will be verified during the next audit.*

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

Direct Accountability	Mr. Kezang Dorji, Dy Collector, EID No. 200212006
Supervisory Accountability	Mr. Sonam Dorji, Regional Director, EID No. 2001014

### 3.3 Lack of basis for fixation for Government Reserve Prices (GRV) for Auctions (5.8.1)

One of the terms and conditions of the ToR of the Auctions conducted by the RRCO Phuntsholing states that *The GRV of each confiscated goods as fixed by the Department shall be the base value.*

The RRCO Phuntsholing had fixed the GRV at 60% and 20% of the market value for the two auctions conducted on 26 March 2015 and 21 December 2015 respectively. On further scrutiny, the RAA team observed that the nature of some of the goods of the two auctions were the same including tyres, soaps and oils.

In this regards, the RAA could not comprehend the basis and criteria for fixation of the GRV for the goods auctioned with different GRV of 60% and 20% for the two auctions while the nature of the most of the goods auctioned were the same.

Therefore, the concerned management should furnish to the RAA the clear basis and guidelines used in the fixation of the GRV at 60% and 20%.

#### **Auditees' Response:**

***RRCO (Phuntsholing):*** *This office would like to submit that the fixation of Government Reserve Value (GRV) was carried out as per the existing market price of the goods. Before conducting the auction, the working group makes a point to study the market price and accordingly fix the GRV. 20% GRV was fixed based on the nature of goods and as per the shelf life of the goods. Despite putting it under the auction list, no bidder turned out and in order to clear the stock, 60% fixation was done by the committee members. Therefore, considering the above facts, RAA is kindly requested to drop the memo.*

#### **Conclusion and recommendation:**

*The responses of the management of the RRCO (Phuntsholing) is duly noted that the initial 20% GRV was fixed based on the market price and the shelf life of the goods and the second 60% GRV was fixed in order to clear the stocks which could not be auctioned in the earlier auction lots. In this regard, as discussed and agreed during the exit meeting, the RRCO (Phuntsholing) should furnish the RAA with the supporting documents to substantiate the same; evidencing the office's inability to sell off in earlier auctions lot (GRV fixed at 20%) and thus, the need to fix the GRV at 60% in order to clear these stocks. Related documents should be furnished within three months from the date of issue of this report.*

*Tthe Auction's ToR on GRV states that the GRV of each confiscated goods fixed by the Department shall be value based. However, currently, there are no guidelines on the fixation of GRV for auction of confiscated goods. Therefore, the RRCO (Phuntsholing) should initiate to come up with the guidelines on the fixation of GRV. This will ensure clarity, transparency and accountability in the fixation of GRV for auctions of confiscated goods in the future.*

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

Direct Accountability	Mr. Kezang Dorji, Dy Collector, EID No. 200212006
Supervisory Accountability	Mr. Sonam Dorji, Regional Director, EID No. 2001014

### 3.4 Numbers and Frequencies in the conduct of auctions not consistent (5.8.14)

The RRCO Phuntsholing had conducted two auctions in total for the audit period under review (2015 to June 2018), as detailed below:

Sl. No.	Year	No. of Auctions conducted	Dates of Auctions conducted
1.	2015-2016	2	26.03.2015 & 21.12.2015
2.	2016-2017	0	NA
3	2017-2018	0	NA

As evident from the table above, the numbers and frequencies in the conduct of auctions by the RRCO Phuntsholing is inconsistent; two numbers of auctions conducted in one year while no auctions were conducted at all for the other two years.

As a result of not conducting auctions for the past two years, various goods were found stored in the warehouse including papers, oils, type-writer paper inks, bibles, biscuits, and Air Conditioners. Storing of goods for a longer period of time may lead to chances of further deterioration of the goods, and thus not fetching a fair price.

Therefore, the RRCO Phuntsholing is requested to segregate the goods (auction-able and non-auctionable) and dispose the stored goods accordingly in consultation with the appropriate authorities. In addition, the RRCO Phuntsholing should furnish the RAA with the basis considered for the numbers and frequencies of auctions conducted including not conducted for period under audit review.

#### **Auditees' Response:**

**RRCO (Phuntsholing):** *This office would like to inform that the auctioning of goods was carried out based on the volume of seized goods at the warehouse. Further, we would like to inform that the products like paper, oil, type writer, paper ink, bible, biscuits, R22 air conditioners as observed by the RAA, no bidder was there to bid for the same. A product like R22, bible is restricted and prohibited by law and such items cannot be auctioned off. Therefore, RAA is kindly requested to drop the memo.*

#### **Conclusion and recommendation:**

*The responses of the management of the RRCO (Phuntsholing) is duly noted particularly on its inability to auction the restricted items stored in the warehouse including, R22 and bibles. In this regard, the RRCO (Phuntsholing) should pursue the same with the appropriate authorities and dispose it off accordingly under intimation to the RAA. The compliance of the same shall be verified during the next audit.*

*As for the auctionable goods stored in the warehouse, the Regional Office should auction it off soon, following proper procedures and norms, in order to fetch fair value for the items. Storing of the same for longer periods may result in further deterioration fetching lesser value for these confiscated goods. The compliance of the same will also be verified during the next audit.*

*More importantly, the RRCO (Phuntsholing) should initiate and institute a proper system to ensure there is consistency in the numbers and frequencies of the auctions whilst avoiding storing of items in the warehouse for longer periods.*

### Who is accountable?

Direct Accountability	Mr. Kezang Dorji, Dy Collector, EID No. 200212006
Supervisory Accountability	Mr. Sonam Dorji, Regional Director, EID No. 2001014

### **3.5 Outstanding penalties for seized goods Nu. 312,915.00 (5.8.14)**

The RRCO Phuntsholing had seized the following goods and accordingly levied fines and penalties, as detailed in the table below:

Sl. No.	Seize Id	Seize Date	Commodity	Qty.	Invoice No.	Invoice Date	Fine	Payable Amount (Nu.)
1	PGG201588	3/30/2015	Maize (corn)	20500	4/23/1900	3/27/2015	153,750.00	153,750.00
2	PGG201771	4/29/2017	Other	24300	1/1/1900	4/27/2017	159,165.00	159,165.00
<b>Total</b>								<b>312,915.00</b>

During the review, audit team noted that fine and penalties aggregating to Nu. 312,915.00 had still remained outstanding against the individual/importer.

The concerned person/importer cannot clear the seized goods until and unless the levied fines and penalties are paid off. However, upon verification, the RAA team observed that the corresponding items were not physically available at the warehouse.

Therefore, the RRCO Phuntsholing is requested to justify for the outstanding fines totaling to Nu. 312,915.00 for which the seized goods were not physically available at the warehouse.

### **Auditees' Response:**

**RRCO (Phuntsholing):** *This office would like to submit that the above mentioned seized goods were cleared from the customs premises after realizing the fines and penalties. Goods bearing seizure memo no.PGG201588 and PGG201771 were cleared vide money receipt no.186761 dated 31/03/2015 and 499713 dated 01/05/2017 respectively. The copies of the money receipts are enclosed for kind reference. Therefore, RAA is kindly requested to drop the memo.*

### **Conclusion and recommendation:**

*The responses of the management of the RRCO (Phuntsholing) is duly noted. However, the RRCO (Phuntsholing) is requested to furnish a copy of the two money receipts - receipt no. 186761 dated 31 March 2015 and 499713 dated 01 May 2017 – substantiating that the above seized goods, which were physically un-available, were cleared after paying the fines and penalties.*

*The management should furnish two money receipts to RAA within three months from the date of issue of this report.*

### **Who is accountable?**

Direct Accountability	Mr. Kezang Dorji, Dy Collector, EID No. 200212006
Supervisory Accountability	Mr. Sonam Dorji, Regional Director, EID No. 2001014

### **4. Surrendered Vehicles re-allotted to different agencies (5.9.17)**

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The review of the records relating to re-allotment of surrendered pool vehicles to various agencies as on 30 June 2017 revealed that the DNP had re-allotted 27 surrendered pool vehicles to various agencies upon approval by the MoF in contradiction to the Order issued by the Lhengye Zhungtshog vide letter No.C-3/74/778 dated 25 May 2015 to withdraw the required pool vehicles in a phased manner considering the safety of the government officials using pool vehicles owing to its old condition and also considering high emission rate.

Details of surrendered Vehicles Allotted to different agencies are given in Annexure-I. Non-compliance to Lhengye Zhungtshog's order should be justified.

### **Auditees' Response:**

*DNP: The DNP re-allotted those mentioned vehicles as per the approval accorded by the Ministry of Finance. DNP doesn't have the authority to restrain the approval accorded by the higher authorities. The approval to re allocate is based on the critical need of the agency. Thorough assessment of the condition of the vehicle is done prior to approval to re allot. It is re allotted based on the genuine requirement rather than not having at all.*

### **Conclusion and recommendation:**

*The responses of the management of the DNP is duly noted that the re-allocation of these 27 vehicles were done as per the higher authorities (MoF) directives and approval. However, as discussed and agreed during the exit meeting, these 27 vehicles were re-verified by the RAA to segregate between those which were re-allotted within 15 years of use and those which were re-allotted after 15 years of use. Upon re-verification of the same, only six pool vehicles are found re-allotted after more than 15 years of use to other government agencies. The details of the said six vehicles are detailed in Annexure-I.*

*Re-allotment of pool vehicles after more than 15 years of use may raise safety concerns for the government officials using them. Therefore, as agreed during the audit exit meeting, the DNP should withdraw these said six pool vehicles in line with the Lhengye Zhungtshog order no. No.C-3/74/778 dated 25 May 2015. Until such time, the audit observation shall be pursued.*

### **Who is accountable?**

Direct Accountability	Mr. Jigme Namgyel, Director, EID No. 9610070
Supervisory Accountability	Mr. Jigme Namgyel, Director, EID No. 9610070

## **5. Non-surrender of 72 old pool vehicles to DNP by the agencies (5.9.12)**

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The *Lhengye Zhungtshog* vide letter No.C-3/74/778 dated 25 May 2015 had decided to withdraw the required pool vehicles in the phased manner considering the safety of the government officials using pool vehicles owing to its old conditions and also considering high emission rate. As such 290 pool vehicles above 15 years old are required to be surrendered with effect from January 2016. Based on the above letter, the Ministry of Finance had written to all the Agencies in November 2015 to surrender the pool vehicles, which were 15 years old and above to the Department of National Properties latest by 31 March 2016. Accordingly most of the Agencies surrendered the pool vehicles to the DNP.

However, few agencies had not surrendered totaling 72 pool vehicles which were above 15 years old to the Department of National Properties as on 31 July 2017 in contravention to the directives of the *Lhengye Zhungtshog*. The details of 72 pool vehicles not surrendered to the Department of National Properties are given in Annexure-II. Reasons for non-surrender of 72 old pool vehicles to DNP and non-adherence to the *Lhengye Zhungtshog*'s Order must be explained.

### **Auditees' Response:**

*DNP: The actual number of vehicles which are earmarked to be surrendered to DNP is 289 only. Inadvertently there was a mistake of double entry of vehicle bearing registration no. BG-4-0168 of DoFPS, MoAF while compiling the list. For your kind information in between auditing and as on 20 February 2019 (30 vehicles surrendered) we still have 41 vehicles yet to be surrendered to DNP by the agencies as of 20 February, 2019. The detailed are in Annexure-II. DNP would like to request RAA to issue observation to the agencies for non-compliance of the highest executive order. As mandated to dispose government properties, DNP had acted with utmost diligence by serving several reminders and even withdrawing the annual maintenance budget for those vehicles by the Budget Department. Yet 41 vehicles are still retained by agencies and is still using.*

### **Conclusion and recommendation:**

*The responses of the DNP management is duly noted with the updated non-surrendered list of 41 vehicles (as of 20 February 2019) in contradiction to the issued executive order. Also, as agreed, the same to be shared with the Directorate of Services of the Finance Ministry with a copy to the concerned agencies with the request to surrender these 41 vehicles in line with the executive order.*

*As discussed and agreed during the audit exit meeting, the audit observation will be pursued until the said 41 vehicles (detailed in Annexure-II) are surrendered to the DNP in line with the executive order.*

***Sub-objective II: To ascertain that the Maintenance and Utilization of Properties are in compliance to Property Management Manual, Financial Accounting Manual (relevant excerpts), other relevant/applicable rules and regulations***

## **6. DNP's mandate to maintain an update Central Inventory not updated (5.2.19)**

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As per clause 2.2.7(a) of the Financial Management Manual *the DNP is mandated with the responsibilities to maintain an updated central inventory of land, buildings and non-consumable properties of government.* More importantly, as per clause 7.1.3 of the PMM *the DNP shall establish a central database for all non-expendable properties with the provision under Rule. 3.2.2, and continuously update it.*

In order to ensure that the above mandates were fulfilled, as required, the RAA team enquired and requested for documents mainly pertaining to central inventory for land and buildings. Two files as inventory for land and building for the government agencies, as compiled in Annexure III-A & III-B, were provided to the RAA. One file contained all the records of land and building from the earlier system (offline) for the period 2005 to 2009 (Annexure III-A). The second file contained inventory of all agencies' land and building for period 2009 to 2015 (Annexure III-B), that were requested and kept in manual after the earlier system was not functional.

However, there were no inventory for land and building for the government agencies maintained since 2015. Furthermore, accuracy and comprehensiveness of the already existing inventories for land and building, comprising of all the government agencies (compiled in Annexure III-A & III-B) is questionable with the weak recording/updating system. As for the non-expendable properties other than land and building, there were no central inventory maintained with the DNP. Therefore, the comments of the concerned management is invited on this.

### **Auditees' Response:**

***DNP:*** *The management acknowledged a very valid observation on the mandate to establish a central database for all non-expendable properties as per the provision under Rule. 3.2.2, and continuously update it.*

*However, we would like to bring to your kind notice the system developed earlier broke down in 2009 and couldn't be repaired to retrieve any records. To make the case worst, it was developed in Japanese language which was beyond our capacity to understand. However to fulfill the clause 3.2.2 and 7.1.3 of Property Management Manual, DNP came up with a web-based Asset Inventory Management System (AIMs) in 2015. The system was designed to capture the central database of all the Government, Constitutional, Autonomous agencies and Religious bodies. In the years 2015 to 2017, a nationwide consultation cum end user training was conducted wherein we received feedbacks and comments on the features of the system. But on incorporating the comments and feedbacks, the system rejected some of the features as it was an old model. Encountering these technical glitches, we had to shift to a new version that accepted the required features discussed during consultation workshops. Therefore, we could neither enter new data nor update the existing one. To this end, we could not maintain inventory of government agencies since 2015 due to aforementioned unavoidable situations.*

*As of today, we have a new version of system and all the concerned agencies are updating their assets in the system. It generates a code automatically which would be pasted on the item for identification. The DNP in this way have worked our way up to not only to develop a reliable system but also to update as and when deemed necessary. Therefore, we are of the belief that we have always worked hard to fulfill the mandates enshrined under clause 2.2.7(a) of the Financial Management Manual. We will work hard in the future too to update and maintain a proper record of all the inventory of the government agencies. Therefore, we request you to kindly drop this memo.*

*At the same time, we would like to seek your support in making all agencies to comply to use the system mandatorily through your observations during annual auditing. Your issuance of observation on the non-usage of the system would help us move forward in fulfilling one of the important mandates of our office.*

**Conclusion and recommendation:**

*The responses of the DNP management is duly noted that one of the major reasons for not being able to maintain a central inventory, as mandated, was mainly because of technical glitches and system failures. Despite these, the initiatives taken by the DNP with the introduction of new system – Asset Inventory Management System (AIMS) – to capture and update the non-expendable properties of the entire government as central inventory. Also, the DNP’s suggestion for mandatory use of the system by the agency to be verified during the annual auditing is also duly noted by the RAA.*

*One of the primary mandates of the Department of National Properties, is to maintain an updated central inventory of land, buildings and non-consumable properties of government. Therefore, as discussed and agreed during the exit meeting, the audit observation shall be pursued until the current inventory system i.e. AIMS is stabilized and the entire government’s non-expendable properties are fully captured and updated. The compliance of the same will be verified during the next audit.*

**Who is accountable?**

Direct Accountability	Mr. Ram Lal, ICT Associate, EID No. 2005 Ms. Leki Wangmo, Record Asst., EID No. 200311031
Supervisory Accountability	Mr. Karma Wangdi, CPO, EID No. 9711005

**7. Non-Compilation of Annual Report on non-expendable properties by the DNP (5.2.19)**

The clause 7.1.6 of the PMM strictly requires that *at the end of the each fiscal year, the DNP shall compile a report on all non-expendable properties of the government – by agency.* The annual report on non-expendable properties of government – by agency will facilitate to ascertain the requirement for actual procurements and to plan for subsequent procurements, and thus curtail unnecessary and uneconomical procurements.

However, the RAA team upon enquiry and request for such annual report on non-expendable properties, noted that the DNP had not compiled the required annual reports till date despite existing mandate to do the same. Therefore, the concerned management should justify for not compiling annual report on non-expendable properties of the government – by agency - till date.

### **Auditees' Response:**

*DNP: We acknowledge that the report on non-expendable properties was not prepared annually as per the clause 7.1.6 of the PMM. But we have a record of submitting it to the Department of National Budget, Ministry of Finance as and when asked. Though DNP did not compile a report as required however DNB during budget proposal submission by budgetary agencies all government inventory list is mandatory for any new procurement. The DNB focal person can have access to AIMS and may not even required to submit later on.*

*For your kind information DNP plans to provide access through the system to focal budget officers who are responsible to review the proposal submitted by agencies. We already have focal person at the agency level who are mandated to provide the reports on all assets.*

*If required DNP can still provide such report as and when. Once the AIMS is fully rolled out and functional such lapses from budgetary agencies will not happen or minimal. Therefore, we would like to request your good self to kindly drop this memo.*

### **Conclusion and recommendation:**

*The responses of the DNP management is duly noted. As justified, it may be a daunting task to compile and prepare an annual report (manually) in absence of stabilized system (AIMS). However, preparation of annual report on non-expendable properties will greatly help DNP to ascertain the total quantities of non-expendable properties of the government. Accordingly, such annual reports will help plan for subsequent procurements whilst curtailing un-necessary/un-economical procurements. More importantly, DNP is mandated to compile and prepare an annual report.*

*Therefore, as discussed and agreed during the audit exit meeting, with the stabilization of the system 'AIMS', the DNP should prepare and come up with an annual report on non-expendable properties, as mandated,. Until such time, the memo stands and will be pursued as agreed.*

### **Who is accountable?**

Direct Accountability	Mr. Ram Lal, ICT Associate, EID No. 2005 Ms. Leki Wangmo, Record Asst., EID No. 200311031
Supervisory Accountability	Mr. Karma Wangdi, CPO, EID No. 9711005

### **8. Non-submission of a copy of the updated Asset Inventory to DNP (5.9.17)**

*The sections 7.1.4 and 7.1.5 of the PMM states that while submitting budget proposals, the Heads of Departments/ Agencies shall endorse a copy of the updated Asset Inventory to the DNP in Inventory Form Nos. I to V prescribed under the Budget Manual and that the DNP shall verify the Statement of Non-expendable Properties submitted by the Government Agency and ensure that all the Non-expendable properties have been properly accounted for and shall submit the same to DNB by mid-March.*

However, during the course of audit, the RAA team found that in most of the sampled agencies there were no system of endorsing a copy of the updated asset inventory to the DNP while submitting their Budget Proposals. Endorsing a copy of the updated Asset Inventory to the DNP will help control excessive and uneconomical procurements.

Therefore, the concerned management should justify for the blatant non-compliance to the sections 7.1.4 and 7.1.5 of the PMM.

**Auditees' Response:**

**CSU:** *This office ensures that a copy of the updated asset inventory shall be submitted to the DNP during the time of submitting 2019-2020 Budget Proposals.*

**Cabinet Secretariat:** *The Secretariat submits that the details of every stock entry are properly updated in the respective asset register.*

*Following the advice from RAA and upon completion of the registration and codification of the asset under the Secretariat in AIMS, the updating of the inventory in the Central Inventory System shall be duly complied.*

**DoFPS:** *No reply furnished for this memo.*

**DOMSHI:** *DOMSHI will coordinate with the Ministry to issue a circular to all health centers/JDWRH to register any such medical equipment donated to the health centers and for future compliance. A copy of the same shall be submitted to RAA.*

*DMSHI shall henceforth update the inventory list with DNP. Therefore, RAA is requested to kindly drop the memo.*

**Dungkhag Court, Phuntsholing:** *The Dungkhag Court being the small organization with small allocation of budget and mainly for the current activities only. Due to man power shortage, the office is not able to dedicate the independent property officer. However, the accounts and the store management are keeping the record of entries whenever the goods are purchased and issued.*

**National Assembly:** *The NAS would like to clarify that up to 5<sup>th</sup> February, 2015, the updated asset inventory had been submitted to the DNP. The Secretariat will be submitting the updated list, from 5<sup>th</sup> February, 2015 to till date, by the last week of March 2019 after updating all assets procured for the new MPs.*

**G2C Office:** *The transfer of properties was completed following the PMM-4 and accordingly, the details of stock entry from the agencies are updated in the asset register. It is submitted that the Secretariat didn't have designated procurement/property official(s), due to which unintended procedural lapses had occurred despite the controls practiced.*

*Following the advice from RAA and upon completion of the registration and codification of the asset under the Secretariat in AIMS, the updation of the inventory in the Central Inventory System shall be duly complied.*

**RRCO, Paro:** *The management would like to acknowledge that such lapses have occurred due to lack of knowledge of our administrative official, whom we cannot place a blame as he was not trained on such requirements and, hence has no skills to execute such exercises. Neither did we receive any reminders or instructions from the DNP office on such requirements. Hence, it is not our blatant non-compliance, rather it is a sheer ignorance and incapability of our administrative personnel.*

*The management has placed proper plan as per the requirement of the PMM and such lapses will not take place in near future. Hereafter, the management will make sure that such practices of submission of a copy of the updated Asset Inventory to DNP will be carried out.*

**REC:** *As soon as REC is able to register in the central database, this memo will be immediately addressed and updated.*

**Tsento Gewog:** *Auditing team has issued observation stating that the Administration has not sent a copy of the updated asset inventory to the DNP while submitting their Budget Proposals. We would like to state that we didn't do it intentionally and that we were totally unaware of it.*

*So, with today's observation, we have immediately put it into practice and we have submitted an inventory list along with the budget proposal for FY 2019-2020.*

**Supreme Court:** *As mentioned earlier, the Supreme Court in the absence of a Procurement Officer has been doing the manual practice of maintaining stock ledger to update the details of assets which includes name of assets acquired, supplier details, date of acquisition, and cost of asset and source of fund. The Supreme Court didn't submit the copy of acknowledged property transfer note and copy of updated asset inventory to DNP till date. The Judiciary in fact was not aware of the section 7.1.4 and 7.1.5 of PMM. Therefore, we assure to comply with required PMM section to ensure efficient and economical procurement processes. You may kindly drop this memo.*

**RRCO, Phuntsholing:** *This office would like to acknowledge the observation issued. It is believed that the failure might have occurred due to not being mindful on this clause under PMM. This office shall ensure that the copy of budget proposal along with the updated asset inventory is being submitted to DNB for their reference in future.*

**Thromde Schools, Phuntsholing:** *The team made us aware on the submission of the updated asset inventory to DNP as it was not done before. Although we do stock inventory every year, we didn't know of sending it to DNP and we felt it is only for the school purpose. We make use of it each time we make requisition to Thromde.*

*So, toward this, the school informed all the concern in-charges to submit a copy of updated inventory list to DNP henceforth. Therefore, the memo may be dropped based on the above justification.*

### **Conclusion and recommendation:**

*The responses of the management of the agencies are duly noted. Many reasons for the non-compliances ranging from shortage of manpower to lack of hands-on training and lack of awareness on the requirement raised by the concerned agencies are also noted. Furthermore, the DNP's suggestion seeking RAA's co-operation to cover the same issue during the auditing of the concerned agencies is duly noted.*

*However, as pointed out during the audit exit meeting; sheer ignorance of the rules and regulations for non-compliances is not acceptable being a civil/government official. Further, the PMM (2016) is one of the main components of the FRR (2016) which has emanated from the Public Finance Act, and negligence/non-compliance to the PMM (2016) requirements can be deemed violation of the said Act.*

Therefore, the concerned management are requested to strictly adhere to these PMM (2016) requirements manually until the stabilization of the new system 'AIMS'. The compliance as assured by the agencies will be verified during the next audit.

### **Who is accountable?**

Refer Exhibit-B: List of Accountability Statement

### **9. No appropriate Properties Register Maintained (5.3.19)**

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The RAA team during the audit observed that few of the sampled agencies had maintained a stock register in order to record details of the non-expendable properties instead of fixed asset register.

As per the clause 3.1.1 of the PMM *a stock register shall be maintained and considered as inventory of properties held in suspense – stock (consumable) account*. For the non-expendable items, a Fixed Asset Register (PMM-2) should be maintained in line with the clause 3.3.1 and 3.3.3 of the PMM.

Therefore, the concerned management must justify for using a stock register, and not a fixed register, to record its non-expendable properties.

### **Auditees' Response:**

**ECB:** *The procurement unit attempted to open a fixed asset register but since the DNP requires inventory to be recorded in the AIMS, it was decided that the record should be made in the AIMS right after acquiring hands on training on the use of inventory management system. As per the Department of National Properties all agencies are required to keep record of all fixed assets in the Asset Inventory Management System (AIMS). The Commission requested the DNP to provide hands on training to staffs under the procurement unit to enable them to use the AIMS.*

**Tsento Gewog:** *Auditing team has issued observation stating that the Administration has not maintained appropriate registers for stationeries and fixed assets as required by PMM. We failed to practice it since we weren't aware of it. Now that it is a new knowledge we promise to maintain proper registers for respective items.*

**Thromde Schools (Phuntsholing):** *It was agreed that few of the stock register maintained by the school in-charges were inappropriately used. Towards this, the school called separate meeting with concerned in-charges and informed to buy the appropriate register and update the list accordingly. Therefore, memo no.6 may be dropped.*

### **Conclusion and recommendation:**

*The responses of the management is duly noted and appreciated with some of the agency's initiative to purchase appropriate property register (PMM-2), and to update it accordingly. However, the maintenance of appropriate asset register is a requirement of PMM 2016 and thus, it needs to be fully complied. More importantly, it was informed by the DNP management that the new system 'Asset Inventory Management System (AIMS)' is yet to be stabilized, and resultantly a manual records of properties were asked to maintain by the government agencies until further notice.*

Therefore, the management's responses on AIMS and the lack of hands-on training on AIMS for the non-maintenance of fixed asset register is not tenable in audit. Further, the PMM (2016) is one of the main components of the FRR (2016) which has emanated from the Public Finance Act, and negligence/non-compliance to the PMM (2016) requirements can be deemed in violation to the said Act. Thus, the concerned management is requested to strictly comply with the requirement of PMM 2016 in maintaining appropriate asset register. The compliance of the same will be verified in the next audit.

### **Who is accountable?**

Direct Accountability	Mr. Sangay Tenzin, Multi-Skilled Person, EID No.201704013, ECB Ms. Kencho Lham, GAO, EID No. 200905046, Tsento Gewog Mrs.Dungay Lhamo, Store Asstt., EID No. 200508067, PTS
Supervisory Accountability	Mr. Thinley Jamtsho, Chief Administrative Officer, EID No. 200608020, ECB Mr. Dolay Tshering, Mangmi, CID No. 10810000446, Tsento Gewog Mr.Tshewang, Principlal, EID No. 9006009, PTS

### **10. Incomplete maintenance of Properties Register (5.3.19)**

The RAA team conducted physical verifications of selected non-expendable properties and accordingly cross-verified with its corresponding Fixed Assets Registers of the agencies. On cross-verification, the RAA team noted that in CSU (Phuntsholing) the physical counts of the properties were more than the records/accounts in the Properties Registers.

As detailed in the table below, for the following non-expendable properties that were physically available, there were no accounts and records in their respective Properties Registers:

Sl. No.	Name of Agency	Type of Properties	Physical Count (No.)	Count as per FA Register Record (No.)	Differences (No.)
1	CSU, DoR, Phuntsholing	Air Conditioners	4	0	4
		Steel Almirah	6	0	6
		Table	1	0	1
		Desktop	2	0	2
		CPU (Dell)	1	0	1
		Laptop	1	0	1
<b>Total (No.)</b>					<b>15</b>

Similarly, for RRCO (Phuntsholing), as detailed in the table below, for the following non-expendable properties that were physically available there were no account and records in their respective Properties Registers:

Sl. No.	Name of Agency	Type of Properties	Physical Count (No.)	Count as per FA Register Record (No.)	Differences (No.)
1	RRCO Phuntsholing	Desktop	107	96	11
		Laptop	41	25	16
<b>Total (No.)</b>					<b>27</b>

Therefore, the Properties Registers were incomplete to the extent for the two agencies. In this connection, the RAA would like to draw the attention of the concerned management to the section

5.1.5 (note) of the PMM which requires that *any variation between the book balance and physical balance found during the physical verification of properties shall be brought to account immediately so that the Property Records and Accounts represent the true position of the properties.*

The concerned management should justify on the differences between the physical count of properties and the records/accounts in the FA registers, besides reconciling the same and intimating it to the RAA.

**Auditees' Response:**

**CSU, DoR:** *The Fixed Asset register of the CS shall be updated based on the assets transferred by way of log stock and barrel, stock transfer from the Ministry and other agencies and new procurements. The same shall be submitted to the RAA for verification and we assure that henceforth all assets procured/received shall be taken into the Fixed Asset Register.*

**RRCO (Phuntsholing):** *The above discrepancies have been emerged apparently because of the lack of co-ordination between the IT section and the Administration section. While procurement was done by the administration section, it was in practice that the record keeping and distribution of computers and laptops were carried out by IT section. Perhaps, the count didn't match because the above figures were obtained from two different sources; physical count from IT and count as per Fixed Asset Register from Administrative Officer.*

*Now, with the transfer of all the IT officials, IT section is currently in the process of preparing handing/taking list of computers, laptops and equipment that are under the IT's custody. This will, in fact, facilitate the reconciliation.*

**Conclusion and recommendation:**

*The responses of the concerned management is duly noted. However, as discussed and agreed during the exit meeting, the issues stands until the properties register are updated (reconciled with the physical count) accordingly to reflect and match with the physical count of properties (as detailed in the tables above).*

*Furthermore, any variation between the book balance and physical balance should be brought to account immediately as per the section 5.1.4 (note) of the PMM 2016. Therefore, the concerned management is urged to update the same in the properties register, and its compliance will be verified in the next audit.*

**Who is accountable?**

Direct Accountability	Ms. Tandin Zangmo, Sr. Adm Asst., EID No. 2109021, CSU Mr. Karma Wangdi, Adm. Officer, EID No. 200705100, RRCO, Pling
Supervisory Accountability	Mr. Om Nath Giri, Principal Engineer, EID No. 8212027, CSU Mr. Sonam Dorji, Regional Director, EID No. 2001014, RRCO, Pling

**11. Incomplete Recording of details of Properties in the Property Register (5.3.19)**

*As per clause 3.3.1 of the PMM a Fixed Asset Register shall be used to record all non-expendable properties. Complete details of the Fixed Assets such as cost of acquisition, specifications,*

*depreciation, present location and the DNP's Identification code shall be recorded. The Fixed Asset Register should be maintained in Form No. PMM – 2 in line with section 3.3.3 of the PMM.*

However, during the field visits of the 16 sampled agencies, the RAA verified the corresponding Properties Register of these agencies in order to ensure compliance to above provisions. On its verification, the RAA team observed that few of the sampled agencies had not fully completed the details of the properties in the Properties Register, as required. The information such as present location of properties, DNP's identification code, maintenance done (if any), depreciation, and transfer/disposal were not recorded.

Therefore, the concerned management should justify for the incomplete record of information for non-expendable properties in the fixed asset register.

### **Auditees' Response:**

***National Assembly Secretariat:*** *The NAS would like to clarify that the Secretariat has been maintaining stock register based on the precedence set by the staff. The administration staff tasked with procurement related works have not received any hands-on training on the 'new ways of doing things'. The Secretariat was alerted that we were not keeping proper record of the public goods in the asset register when the auditors pointed during the auditing period to our staff. The Secretariat will avail hands-on knowledge transfer opportunities in the immediate future and rectify our record keeping system.*

***REC:*** *As soon as REC is able to register in the central database, this memo will be immediately addressed and updated.*

***RRCO (Paro):*** *While it is good to have all details of the assets with us we couldn't carry out with other details, firstly, due to shortage of manpower. We only have one single adm. Personnel. Secondly, he is not trained to learn to compute depreciation of the properties, rate and the method of which may vary. Thirdly, we might have to look into the genuine requirement of carrying out such detailed exercises. We might have to weigh the pros and cons of doing it vis-à-vis the administrative burden and efficiency and cost point of view.*

***Management Action:*** *Nonetheless, our management will ensure that all details of the assets shall be entered into our system as mandated by PMM.*

### **Conclusion and recommendation:**

*The responses of the concerned management is duly noted that the major reasons for this non-compliance is as a result manpower shortage and the lack of hands-on-training on such requirements.*

*As rightly pointed out by the management, while the same issue of this non-compliance is expected to be resolved/taken care with the stabilization of the DNP's new system 'AIMS', until such time the agencies concerned should adhere to the required provisions of PMM (2016).*

*The compliance of the same, as discussed and agreed during the audit exit meeting, will be verified during the next audit.*

**Who is accountable?**

Direct Accountability	Mr. Dorji, Sr. Store Keeper, EID No.9012078, National Assembly Mr. Sangay Dorji, Adm Asstt, EID No. 201109062, REC Mr. Kezang, Sr. Adm. Asstt, EID No. 2107120, RRCO, Paro
Supervisory Accountability	Sangay Duba, SG, EID No. 8905099, National Assembly Ms. Kesang Choden Dorji, Former Director, EID No. 9003005, REC Mr. Kinga Dakpa, Director, EID No. 9006021, REC Mr. Wangdi Drugyel, Regional Director, EID No. 9610059, RRCO, Paro

**12. Non-conducting of Annual Physical Verification as required by the PMM (5.9.8)**

As per the clause 5.1.1 of the PMM *the Head of Department/Agency shall nominate an officer independent of the concerned Property Officer's for conducting the Physical verification of properties at least once in a financial year.*

However, during the field visits of the 16 sampled agencies, the RAA inquired and requested for an annual physical verification report (if any) by these agencies. It was observed that none of the agencies had conducted such physical verifications and the practice annual physical verification of properties was non-existent in any of the agencies.

The clause stipulates that such physical verification should be undertaken in order to:

- a) Establish ownership of properties;
- b) Verify the actual existence of properties in accordance with the book balances and descriptions;
- c) Verify existence of any lien or encumbrance on the properties;
- d) Identify and report on properties that are surplus, obsolete, damaged or unserviceable.

Therefore, the concerned management should justify for not conducting the physical verification, as required, besides instituting such practices in place.

**Auditees' Response:**

***BoC:*** *Noted for future compliance*

***CSU:*** *1. All the furniture and equipment although not reflected in the stock register it is clearly mentioned in the handing taking over note. This office shall update the same and submit to RAA for verification.*

*2. Some of the obsolete items were submitted to DNP and accordingly DNP has auctioned and sold, however, the other items shall be listed and submitted to DNP with a copy to RAA for reference.*

***Cabinet Secretariat:*** *The Secretariat ensures the maintenance of Fixed Asset Records as per existing norms of PMM. While the management acknowledges the requirement of an independent physical verifier, it may kindly be noted that due to resource constraint at the Secretariat, annual physical verification couldn't be arranged.*

*The AFS assures instituting the practice effectively from FY 2018-19, including development of a Standard Operating Procedure for the same.*

**DoFPS:** *As per the OD exercise, the human resources within the technical departments are limited to its technical functions and accordingly, the responsibilities on financial and procurement management lies with the finance and procurement section within the Ministry. Therefore, the department doesn't have human resources to take care of this PMM provision. Nevertheless, the DoFPS will work in collaboration with procurement section on this in the future.*

**DoMSHI:** *The Biomedical Engineering Division (BMED), DMSHI makes inventory of all medical equipment/Non-expendables of all health centers across the nation as per the inclusion criteria. Hereafter, the BMED shall be given an additional responsibility to maintain record of all Non-expendables and register /update the same with DNP.*

*Besides, DMSHI shall also intimate all health centers under the Dzongkhag administration to maintain and register their inventory of all non-expendables with DNP using AIMS and inform BMED, DMSHI.*

**Dungkhag Court, Phuntsholing:** *The management has taken the note of observation and the office will carry out physical verification annually.*

**National Assembly:** *The Secretariat staff who are engaged with the procurement section has no knowledge on the physical verification and there is no one to guide to do annual physical verification which is necessary for the agencies. Further, there is no appointment of independent staff to look after the procurement section and hence, no one to guide the staff properly on any new rules and regulations initiated by Ministry of Finance on procurement.*

*There is no hands-on training or awareness program provided by the parent agency regarding the alteration and amendment of procurement rules and regulations. The officials followed the past practice which was done for more than a decade.*

**G2C:** *AFS ensures stringent transfer of properties in compliance to the existing norms of PMM and completes the process upon receiving stock registry details submitted by the receiving agencies. While the management acknowledges the requirement of an independent physical verifier, it may kindly be noted that due to resource constraint at the Secretariat, annual physical verification couldn't be arranged. Also, with the understanding that the agencies to whom the properties were transferred are public agencies, requiring adherence to the same norms.*

*The AFS assures instituting the practice effectively from FY 2018-19, including development of a Standard Operating Procedure for the same.*

**RRCO, Paro:** *Management Response: We might not have carried out physical counts of the assets, but we do have a proper system in place. Our section heads are entrusted with the responsibility of managing the properties within their respective sections. In fact, they take stock of the goods when a staff leaves the office either on transfer or resignation. Besides, the assistant Adm. Officer keeps record of all new assets procured and the obsolete items surrendered to the DNP.*

**Management Action:** *We shall ensure that the property management system as desired by the RAA, as per PMM, shall be strictly adhered to henceforth.*

**REC:** As hinted in the above two justifications, REC has been focusing mostly on professional matters and somehow this physical verification has been overlooked. However, we pledge to conduct the annual physical verification as mandated in the PMM.

**Tsento Gewog:** Auditing team has issued observation stating that the Administration has not conducted the physical verification annually as required by PMM. We failed to practice it since we weren't aware of it.

However with today's observation, the Administration shall henceforth bring into light the practice needed to be.

**Supreme Court:** Till today, the Store In-Charge has been verifying the assets and reports on properties that are surplus, obsolete, damaged or unserviceable. Hence, as required by PMM, we will nominate independent officer to conduct physical verification of properties procured to avoid unnecessary issues in the future. Therefore, we request you to kindly consider this memo.

**RRCO, Phuntsholing:** This is to submit that the physical verification was apparently not conducted or either deferred due to the fact that it was not been so long since the taking over of the custody of the properties by new Administrative officer on transfer. The handing/taking of the incoming and outgoing Administrative officers were executed on 15/02/2017 during which, in management's opinion, both the incumbents must have carried out the physical count of the properties. And whatever the surplus/obsolete/unserviceable proprieties were sorted out and surrendered towards the end of the June 2017.

This office shall ensure that the physical verifications are conducted in line with the PMM in future.

**Thromde Schools, Phuntsholing:** In the discussion, the school informed the team that concerned in-charges do the physical verification and prepares quarterly inventories of all the assets in school. However, as reflected we will conduct annual physical verification led by the procurement committee. So, the school would like the team to kindly drop the memo no.5.

### **Conclusion and recommendation:**

The responses of the management of the various government agencies are duly noted. Several reasons for the non-compliance, and the agencies' initiatives and commitment to comply with the PMM (2016) requirement to conduct annual physical verification of the properties is duly acknowledged.

As highlighted, the main objective for conducting annual physical verification is to; establish ownership of properties, verify actual existence of properties in accordance with the book balances /descriptions, verify existence of any lien or encumbrance on the properties, and to identify/report on properties that are surplus, obsolete, damaged or unserviceable.

Therefore, in line with the section 5.1.1 of the PMM, the management is recommended to conduct annual physical verification of properties after appointment of an independent officer by the head of the agency/department. The compliances of the same, as discussed and agreed during the audit exit meeting will be verified during the next audit.

### **Who is accountable?**

Refer Exhibit-B: List of Accountability Statements

### 13. Non-utilization of Properties to its full useful life as prescribed by the PMM (5.9.17)

The RAA team during field visits of the sampled agencies verified whether the properties were utilized responsibly and judiciously as per the prescribed useful life of the PMM. It was noted that properties were used for less than its prescribed useful life at the REC, as detailed in the table below:

Sl. No.	Name of the Agency	Name of the Employee	Type of Properties	Years used for	Prescribed Useful Life	Remaining Useful life
1	Royal Education Council, Paro	Karma J. Lepcha	Computer	3 years (2011 – 2013)	6 years	3 years
		Ugyen Dorji	Computer	4 years (2013 - 2016)	6 years	2 years
		Dr. Dawa Gyeltshen	Computer	4 years (2013- 2016)	6 years	2 years
		Mr. Sangay Tshering	Computer	4 years (2013- 2016)	6 years	2 years

As evident from the table above, there were still estimated useful life ranging from two to three years left un-used for the above properties when the items were surrendered. Such practices often leads to frequent procurement of properties contributing to injudicious expenditures.

Therefore, such instances indicate lack of supervision and accountability at management level and a lack of responsibility at individual level in utilizing it properly by those allotted with such properties. In this regard, the RAA would like to draw the relevant excerpts of the PMM 1.3.6 and 4.2.2 which states that *Every Government official shall handle and use Government property with the same degree of diligence and care, which he would exercise in handling and using his own property and The Head of Office shall ensure that utilization of all Government property are monitored and controlled, only judicious and prudent expenditures are incurred and that unnecessary, excessive, extravagant and irregular expenditure are not incurred on the utilization of properties.*

Therefore, the concerned management and officials should justify for the lack of due diligence/care and proper monitoring/control which has possibly resulted into the use of the government properties for less than the useful life prescribed by the PMM.

#### **Auditees' Response:**

*REC: This happened when the initiative to replace the desktop computers with laptops for professionals CAPSD/DCRD was being initiated since officials found it unwieldy and cumbersome to lug around during workshops. However, the desktop computers replaced were used to replace the old computers used by the support staff, not directly surrendered to the DNP.*

#### **Conclusion and recommendation:**

*The responses of the management of the REC is duly noted about the under-utilization of the computers as a result of the REC's initiative to replace the desktop computers with the laptops. The concerned management is requested to furnish the RAA with supporting documents and evidence to substantiate the initiative taken and for the issuance of these computers (listed in the table above) to the support staff replacing their old computers to RAA for review and validation of the claim.*

### **Who is accountable?**

Direct Accountability	Mr. Karma Jigme Lepcha, Curriculum Developer (CD), EID No. 9910109, REC Mr. Ugyen Dorji, Chief Program Officer, EID No. 9607091, REC Mr. Dawa Gyaltsen, CD, EID No. 2001086, REC Mr. Sangay Tshering, CD, EID No. 200501410, REC
Supervisory Accountability	Ms. Kinzang Peldon, ICT Technical Associate, EID No. 200807042, REC Mr. Ugyen Dorji, Chief Program Officer, EDI No. 9607091, REC

### **14. Handing/Taking of Properties to New Employees not updated in the FA Register (5.3.19)**

As per the section 6.2.4 of the PMM *When property is transferred from one officer/employee to another within the same Government Agency, the transfer shall be recorded in the corresponding Property Register. The old receipt shall be cancelled and/or returned to the former holder of the equipment, and a new receipt shall be obtained from the officer/employee to whom the property is re-issued.*

However, during the course of audit it was found that the fixed asset register of the Dungkhag Court (Phuntsholing) was not updated when an out-going (transferred/separated) employees had handed over the properties to the incoming employees. The fixed asset register reflected the properties in the name of the old (transferred/separated) employees while the properties were physically available with the new employees.

Therefore, the concerned management is requested to justify for non-updating the asset register as required by the clause 6.2.4 of the PMM.

### **Auditees' Response:**

***Dungkhag Court (Phuntsholing):*** *The management has taken note of the observation and we will adhere to proper handing taking and recording of the asset while staff moves on transferred. The proper entry shall be made while issuing to new one who joins the office.*

### **Conclusion and recommendation:**

*The commitment of the management to comply with the requirement is duly noted. To reiterate, it is imperative that the corresponding property register updated whenever there is transfer of employees to ensure accountability and proper maintenance of properties.*

*Therefore, the audit observation shall be pursued until the update to the property register have been effected and intimated to RAA, besides ensuring such lapses do not occur in future.*

### **Who is accountable?**

Direct Accountability	Ms. Rinzin Om, Dispatcher, EID No.20131004895, Dungkhag Court, Pling
Supervisory Accountability	Dasho Sonam Phuntsho, Drangpon, EID No.8904030, Dungkhag Court, Pling

## 15. Issuance of more than one Computers to the employees (5.9.17)

As per the prevailing government norms and requirements, an official should be provided with one computer – either a laptop or a desktop.

However, in breach of the above prevailing requirement, the RAA team noted that the REC had supplied more than one computers to an individual official, as tabulated below:

Sl. No.	Name of the Agency	Name of the Employee	Computers Issued	Total Nos. Issued
1	Royal Education Council, Paro	Norbu Wangchuk	1 MacBook	2
			1 Laptop	
		Dorji	1 Laptop i7	2
			1 Lenovo Laptop	
		Wangpo Tenzin	1 Laptop i7	2
			1 Desktop Optiplex390	
		Ugyen Dorji	1 Laptop i7	2
			1 Dell Desktop	
		Kinzang Peldeon	1 Dell Desktop	5
			1 Acer Desktop	
			1 Desktop Optiplex 360	
			1 Sony Viao Laptop	
		Pedup Dukpa	1 Laptop i7	2
			1 Desktop i2	
		Geewanath Sharma	1 Laptop i7	2
			1 HP Laptop 22305	
		Kinga Dakpa	1 Dell i7 Laptop	3
			1 Macbook Pro i5	
1 Desktop Optiplex 390				
Sangay Dorji	1 Desktop Optiplex 390	2		
	1 iMac			

The RAA could not comprehend the issue and the need for two to three computers by these employees. Therefore, the concerned officials and management should justify on this.

### Auditees' Response:

*REC: The computers have been received from the official concerned before the conduct of the audit, however, the records of the receipts were not captured in the stock register due to the absence of dedicated procurement officers then. The office would immediately update the register and share a copy with your office for kind consideration.*

### Conclusion and recommendation:

*The responses of the management of the REC is duly noted along with the commitment to update properties register for the return of these multiple computers to the store by the concerned officials. However, the management should produce the copy of the updated stock register within three months from the date of issue of this report. The REC should avoid such practices of issuing more than one computer to its employee, the compliance of which shall be verified during the next audit.*

## **Who is accountable?**

*Refer Exhibit-B: List of Accountability Statements*

***Sub-objective I: To ascertain that the Acquisition and issue of Property are in compliance to Property Management Manual, Financial Accounting Manual (relevant excerpts), other relevant/applicable rules and regulations***

### **16. No need analysis done for the procurements of properties (5.9.17)**

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The RAA on review of the procurement vis-à-vis the budgeting system of the sampled agencies for the audit period under review, it was observed that none of the sampled agencies had system of rationalizing the need of the procurements of properties. It was noted that, normally, the agencies submits the budget to the DNB based on the estimated proposal without going through proper need analysis and requirements. The agencies procured properties without carrying out proper need analysis and requirements, so long there were adequate budget available.

In this connection, the RAA would like to draw the attention of the concerned management to the clause 2.1.2 of the Budget Manual which elucidates that the *budgeting, essentially is determining for a future period of time what is to be done, what is to be accomplished, the manner in which it is to be done, and the cost of doing it. It requires that the broad objectives of the agency be broken down into detailed work plans for each programme/sub-programme/activity/project and for each unit of the agency. Thus, the budget is a monetary definition of the future plans of the agency.*

Therefore, the non-rationalization of need analysis of procurement of properties and the budgeting prepared based on an estimate may result into uneconomical and un-necessary procurements of properties. The comments and justification of the concerned management is solicited on this.

#### **Auditees' Response:**

***CSU, DoR:*** *We agree to the fact that the procedures mentioned in the Budget Manual were not followed in its true spirit. It was basically due to the fact that CS was treated like a post office for receiving and dispatching the goods without giving the due importance and also without making a due effort to utilize its services in the best possible manner to achieve the value for money in procurement.*

*It is stated that with the merging of CS with the Directorate Services, set and outlined procedures have been followed. The CS has been given a clear mandate for not merely receiving goods, but also to ensure the quality of the materials, time, dispatch and carry out need analysis before initiating the procurement process. The standard budgeting procedures are being followed clearly indicating the need of the activity und the amount required to carry out such activities. In the last fiscal year, we had clearly outlined our requirement for CCTV and compound lighting in our budget and based on the approval accorded, the tasks have been accomplished.*

*The procurement of furniture and office equipment were not done on ad-hoc basis. It was done after critically assessing the need and based on the savings from current budget lines. When the DS took over the CS, the office was in shambles and the employees did not have proper furniture, equipment*

*and basic working tools. This could have been avoided if only the previous management had acted as per the set rules and procedures in terms of budgeting and expenditure planning.*

**Cabinet:** *The activities of Cabinet Secretariat / Prime Minister's Office are mostly carried out on ad-hoc basis. Most of the procurements were made as per the directives received from PMO, upon sanction of administrative approvals.*

**DoFPS:** *The overall need analysis of the Department is done during the annual budget preparation as all the budget proposals have detailed justifications. Additionally, for the projects, procurement plans are an integral part of the project documents. The procurement plan of each project details out the activities and equipment/items to be procured with their intended use and beneficiaries. Therefore, the DoFPS is of the opinion that annual budgeting itself is procurement planning and the Budget proposals take care of the need analysis for the procurement. In some unforeseen cases where electronic equipment breaks down, replacements are made whenever required. In other instances, procurements made by functional division are distributed to the field offices. However, henceforth, the department will endeavor to scrutinize and ensure that double procurements are not made to avoid making uneconomical and un-necessary procurements of properties.*

**DoMSHI:** *The Department of Medical Services (DMS) does the planning (indenting, utilization, and disposal), coordinating and controlling, mobilization and disposal (ownership) of Non-Expendables (medical equipment) as the end users/health centers are administratively and technically under its purview. Therefore, the needs and capacity of Sub-post, BHUs and Hospitals are distinctively defined, executed, monitored and controlled by the DMS as per the approved services standards*

*The DMSHI only carries out the functions of budgeting, procurement and distribution of all kinds of medical supplies after the Bill of Quantity is endorsed by the Department of Medical Services.*

*Therefore, the system is in place to define and identify needs, make thorough assessment of needs, concurring approval as per the service standards and eligibility of every health centers.*

*The bill of quantity being derived from the indents and reference prices of goods form the basis for budgeting by the DMSHI. The procurement is then carried out as per the PRR 2009 (revised 2015), Standard Bidding Documents for Goods and other relevant circulars in vogue. The procurement functions are correlated to AKRA of the Ministry of Health.*

**Dungkhag Court, Phuntsholing:** *The Budget preparation made is based on the past expenditure and keeping certain projection for future. The procurement is done base on the proposal of section heads requirement after verification of the genuineness which are incorporated during the budget proposal.*

**National Assembly:** *The procurement of properties for the Parliament of Bhutan is executed by the following agencies:*

- 1. The National Assembly Secretariat (NAS) for the office equipment, office furniture and office supplies to parliamentarians and staff.*
- 2. DNP's Maintenance Unit for all chadi items and consumables to common facilities like the NA hall, courtyard, corridors, washrooms and conference halls.*
- 3. RBP Security Division for all security related equipment and fire hydrants as deposit works from NAS' approved budget.*

*Detailed work plan and annual performance target is prepared every year. The plan, objectives and target are aligned and rationalized to the nearest possible to secure annual budget. All procurement and activities are linked with the APT. Few ad-hoc purchases crops up occasionally as certain office furniture and equipment break down unexpectedly. But we ensure that due processes are followed for such procurement. The list of stock inventory is submitted to Department of National Budget during the time of budget proposal.*

*The Secretariat gives its best to procure properties based on careful need analysis and budget estimates. The budget proposals are discussed in the Management and Coordination Meeting (MCM) of the Secretariat and also referred to the House Committee for its review as required under the provisions of the Rules of Procedure of the National Assembly of Bhutan, 2014. There may have been shortcomings mainly because the NAS does not have a trained procurement officer. The existing administration staff who are at supervisory position levels are tasked with procurement related works and none of them have undergone any training on the procurement process.*

*The Secretariat notes the observations made by RAA and will avail training opportunities for our administration staff in the immediate future.*

***RRCO, Paro:*** *Firstly, this office isn't provided with a trained budget officer, neither do we have a full-fledged Adm. Officer who could carry out a detailed budgeting, or a proper procurement analysis as desired by the RAA. However, we do our best to carry out a necessary administrative steps that are requires to find out the need for procurement. All the office items those were procured using the government budget are being utilized in discharging the office works.*

*Management Action: Our Management will ensure such requirement as pointed out by the RAA shall be followed henceforth.*

***REC:*** *Given the circumstances in which the new REC was formed with more focus on professional matters, on dedicated official on procurement was appointed. Further, the present store-in-charge has been working closely with the management to ensure the procurement is not unnecessary and uneconomical through the open tender and evaluation by tender committee. As per the REC Operational Framework 2018 a requisition form is dully filled by the official concerned, which is counter signed by the finance officer, administrative Officer, the store in-charge, and Director. Henceforth, the organization will do the need analysis of procurement prior to the call for open tender.*

***Tsento Gewog:*** *The auditing team has issued observation stating that the Administration has not done any need analysis for making procurements. The procurements are always made based on need basis of the staffs with verbal consultation. We failed to maintain the documentation since we weren't aware of it. However with today's observation, the Administration shall document the need analysis while making procurements.*

***Supreme Court:*** *We acknowledge that the Judiciary does not have a strategic need analyses carried out to capture the needs of Judiciary of Bhutan. The need analyses could not be conducted due to financial constraints despite several attempts. We attempted to develop a strategic plan document specifying the objectives and requirements of the Judiciary but it got de-prioritized every time it was proposed.*

*In this case, we have no solution than to carry out ad-hoc need analyses based on the submissions/requirements put up by the judicial personnel across the country and purchase/carry out activities. But we have always ensured that the items procured or activities carried out are of specific need of our offices. In case of projects, the requirements are reflected in the project document and it is approved by the Project Steering Committee. In this way, we have made every effort to rationalize the purchase of items for our offices. However, if there had been some non-rationalized procurement of items without proper analysis, we kindly acknowledge our short comings with a firm stand that such practices, henceforth will not occur in the procurement of items. Therefore, we would like to request the team to kindly drop this memo.*

***RRCO, Phuntsholing:*** *This is to submit that whatever is procured, be it furniture; computers, laptops or equipment are not procured on whim of a single individual. The need analysis is firstly done at the section level and then put up to the management during the internal budget discussion. The management, if viewed as genuine need, the requirement of such property is being incorporated during the preparation of budget for the budget year.*

*In absence of the scheduled rate prior to any procurement, the estimate is the only ideal way to take into consideration for budgeting purpose. Thus, the procurement of certain goods, in fact, is prioritized based on the availability of approved budget. Quite often, the proposed budget is partially denied let alone the unnecessary procurement.*

***Thromde Schools, Phuntsholing:*** *The team pointed out of the need of need analysis while carrying out any procurement, toward this the school in-fact submits requirement based on the inventory submitted by concerned in-charges and then school level procurement committee verifies the requirement and made the requisition based on the budget allocated to Thromde Administration through proper channel. And the Thromde procurement division does all the procurement. However, the school management would keep in mind and carry out need analysis when we make any procurement. Therefore, memo may be dropped based on the above justification.*

***BOC:*** *We would to submit that unlike other Ministries/Agencies we did not have a dedicated Procurement Officer from Ministry of Finance who coordinates with the PPPD. Hence, we are not aware of the function of PPPD. Nevertheless, we had been following the Procurement Rules and procurement is being done by calling yearly quotation and place orders of the goods as and when required. So procurement of uneconomical purchases and blockage of funds is well taken care in our case.*

### **Conclusion and recommendation:**

*The responses of the management of the agencies concerned are duly noted with varying reasons for the non-compliances and the existing practices followed within the respective agencies. However, as pointed out during the audit exit meeting, fulfilment of tendering procedures required in the Procurement Rules & Regulations (PRR) should not be misunderstood and misconstrued as fulfilling the requirement of need analysis prior to the procurements stipulated in section 2.1.2 of the Budget Manual of the FRR (2016).*

*Furthermore, ignorance of rules and regulations is not acceptable justification in audit. It is to be noted that Budget Manual is one of the main components of the Financial Rules & Regulations (2016) which in turn emanates from the Public Finance Act, and thus negligence/non-compliance to the BM (2016) requirements is a violation of the Act.*

*Also, as a result of lack of need analysis prior to the procurements, instances of deliberate booking its expenditures in other heads or wrong booking of expenditure for procurements and bulk procurements of properties made towards the end of financial year to avoid lapse of funds were noted during the field visits.*

*Therefore, as discussed and agreed during the audit exit meeting, the agencies concerned are recommended to strictly adhere to the said provision outlining the need for need-analysis to be conducted for any procurements of properties mainly to ensure judicious use of the already limited government resources. The compliance of the same, as agreed, will be verified during the next audit.*

### **Who is accountable?**

*Refer Exhibit-B: List of Accountability Statements*

### **17. Non-registration and non-codification of properties (5.9.9)**

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The section 3.2.1 of the PMM requires that *Except for items mentioned under Rules 3.1.1 and 3.1.3, acquisition of other Non-expendable properties, either from a Suspense – Stock account or from other sources, shall be registered with the Department of National Properties (DNP) by submission of the details of the Name of the Office/Department, Name of the item acquired, Class/ make/model of the item, date of acquisition, cost of the item, source of finance, and location.*

Furthermore, the sections 3.2.2 & 3.2.3 of the PMM requires that *the DNP shall register the item in their central inventory and allot an identification code to each item. The identification code shall be suitable established by the DNP to indicate the use agency, type and class of the property, year of construction / manufacture / procurement and DNP's registration number.*

The RAA team during the field visits of the sampled agencies tried to verify the compliance to above provisions of the PMM on the registration and codification of properties. On review it was observed that none of the sampled agencies had complied with the above requirements. All sampled agencies had neither registered their non-expendable properties with the DNP nor codification done on each of the properties procured for the audit period 2015-2018.

Furthermore, the DNP as the key agency with the mandate to maintain/update the central inventories of the non-expendable properties, have also not monitored and insisted on registration and codification of non-expendable properties from the government agencies.

Therefore, the concerned management should furnish the RAA with justification on non-compliance to these requirements on the registration and codification of the non-expendable properties.

### **Auditees' Response:**

**CSU, DoR:** *We were not aware of obtaining identification code to each item once separated from DoR; therefore no one to guide us as we did not have any Officer attached for store.*

*This office shall prepare the list of all items and seek DNP's identification code and submit to RAA for further verification to drop the memo.*

**Cabinet Secretariat:** The process for registration and codification of the asset for the Secretariat was initiated through the Asset Inventory Management System (AIMS) of Department of National Properties, Ministry of Finance. However, due to technical issues (AIM system & server crash), the process couldn't be completed, despite several attempts to redo the entire process. It may kindly be noted that the Secretariat will comply to the requirement as required by AIMS.

**DoFPS:** On the issue of non-registration and non-codification of non-expendable properties with the DNP, the procurements are centralized and made through procurement section of the Ministry and therefore records on inventory are maintained there. In the absence of an independent finance section within the department, there is lack of awareness on the PMM within the department and its offices. For this, the Department would like to request the RAA to recommend to MoF to sensitize the agencies on procurement manuals and for the DNP to lead and notify agencies on a regular basis for registration and codification of properties as per the requirements under PMM.

**DoMSHI:** The DoMSHI does the procurement and distribution of all kinds of non-expendables for all health centers except JDWNRH and the Biomedical Engineering Division maintains record of all the equipment based on the inclusion criteria developed by the department. JDWNRH being an autonomous body maintains its own record. However, certain items which are donated directly are not informed to DMSHI. Therefore, DMSHI will coordinate with the Ministry to issue a circular to all health centers/JDWNRH to register any such medical equipment donated to the health centers.

**Dungkhag Court, Phuntsholing:** The management has taken the note and we will carry out the codification of the items and inform the RAA accordingly.

**National Assembly:** The NAS would like to clarify that it is not an intended disregard and non-compliance of the NAS on the registration and codification of the non-expendable properties. As explained under memo 1, the Secretariat does not have a trained procurement officer like in ministries and agencies.

As of date no training was provided for interlinking of central inventory with DNP for the registration of the goods. After providing half day training to the staff on registration and codification of the properties, the DNP officials were supposed to demonstrate it practically and show the procedures to the staff but the officials from DNP were engaged elsewhere.

The codification system initiated by DNP has been suspended temporarily as they are upgrading the system due to which the interlinking could not be done.

**G2C Office:** The Administration and Finance Services (AFS), Cabinet Secretariat facilitates and provides the secretarial support for administration and procurement. In line with the arrangement, a separate fixed asset register is maintained by the AFS for the G2C Office.

The submission from the AFS states that the process for registration and codification of the asset for the Secretariat was initiated through the Asset Inventory Management System (AIMS) of Department of National Properties, Ministry of Finance. However, due to technical issues (AIM system & server crash), the process couldn't be completed, despite several attempts to redo the entire process.

It may kindly be noted that AFS will comply to the requirement along with the compliance of the whole Secretariat's asset and as required by AIMS.

**RRCO, Paro:** *Management Response: It was a sheer case of unawareness of existence of such a requirement rather than a disregard. Neither did the DNP office inform us on such a requirement from our side.*

*Management Action: Our management will ensure that such requirements are adhered to henceforth.*

**REC, Paro:** *The office of the DCRD was under the preview of the ministry of Education and all procurement and HR matters was directly looked after by the Ministry. The government executive order reference number C-2/54/601 dated 12 December 2014, merged DCRD and erstwhile REC into the newly formed REC, however, no dedicated procurement official was appointed.*

*One administrative assistant has been allocated as the store in-charge who also looks into the procurement. There was no point of reference from him; and the first and only short term training on 'Inventory Management and AIMS' of three days duration was attended in hotel holiday home, Paro, in September 2018. Immediately after the training, realizing the need to register with the Department of National Properties, he tried several times to update the inventory in the online Asset and Inventory Management System (AIMS). However, due to system failure the data migration to the central data center could not be done. The officials of DNP are well aware of the system failure issue and are trying to address it. Once the central system is fully functional REC will be able to address this observation and ensure no further lapses on non-registration and non-codification.*

**Tsento Gewog:** *Auditing team has issued observation stating that the Administration has breached the section 3.2.1, 3.2.2 & 3.2.3 of the PMM since the Administration has failed to register and ask for allocation of identification code to each item with DNP. We would like to state that the act is absolutely unintentional and that we were not aware of it. We thought that maintaining stock register at Gewog level was enough.*

*However with today's observation, the Administration shall make registration and allocate identification code to the assets in consultation with DNP.*

**Supreme Court:** *The Royal Court of Justice, Supreme Court of Bhutan would like to acknowledge that our properties have not been registered with and therefore, not codified. We were supposed to register our procured properties of 2015-2018 with Asset Inventory Management System developed and maintained by the Department of National Properties, Ministry of Finance.*

*We couldn't do it as the Judiciary at first had no Procurement Officer till 2017 to take this task to keep the government assets on track. Different officers looked after the assets but somehow couldn't get into the system to update our assets as they had no overall knowledge of the system. The Judiciary now has a Procurement Officer and we have already asked the concerned officer to look into registering our assets as required. We assure that this will soon be implemented and we will be able to provide a system-generated report on the assets the next time we submit report to you. Therefore, we would like to request you to kindly consider this.*

**RRCO, Phuntsholing:** *As transpired in the above memo, this office do have the system of maintaining the internal codification which in our opinion is more convenient to trace the details of the property. The codification in practice navigates through a page on a fixed asset register on which the property is recorded and the details on its cost, model, acquisition year, etc can be found. Therefore, this office viewed that the current practice of maintaining internal codification system is*

*equally adequate to monitor the details of the property as the objective of the codification is primarily to keep the track of the property.*

*However, this office will not limit to our codification only. We will submit the list of non-expendable properties henceforth for the registration and central codification to DNP in line with the PMM and RAA's instruction.*

***Thromde Schools, Phuntsholing:*** *In the schools whatever properties we have may it be expendable or non-expendable, it is all made proper stock entry with proper issue records. We also have the school level codification done for all the stocks received. However, during the visit we were informed of the registration to be made to DNP but we do surrender the unserviceable properties to DNP when require through consultation of Thromde Administration. Since Procurement Division does major chunk of the procurement and we only received and verified the stock supplied and felt whether school would be the right entity to response to the memo or not. Further, it was deliberated during your visit and we recommended team to have a kind of awareness program by DNP to school, as the school personnel are not financially sound.*

*However, close consultation with finance and procurement division, the school would sort out what needs to be registered and seek codification code from DNP. Therefore, school would like to request to kindly drop the memo based on above justification.*

***BOC:*** *As submitted, we are not aware of such rules. We will try our best to comply with the rules. We had been maintaining stock registers and goods are entered in the relevant stock register.*

*Further, we would like to request RAA to kindly advice DNP (PPPD) to kindly include BOC also whenever they conduct workshops/seminar on procurement rules.*

***DNP:*** *The DNP developed and implemented web-based Asset Inventory Management System (AIMs) in 2015 to capture the central database of all the Govt. agencies. But as mentioned above, the use of system was delayed due to the justification provided in response 1. With the delay of the use of the system, the update was delayed and this ultimately led to non-provision of codes for the items.*

*However, at present most of the agencies have started to update data in their system and identification codes are being generated. Strictly following as per PMM the agencies are required to write the codes on the individual item. During the training of the end users, we informed the trainees to paste the codes mandatorily. The code is generated by the system based on the classification of the properties like vehicle, land, building, furniture and equipment. We would like to report that it is not a deliberate disregard and non-compliance to the established rules in place. In the process it happens unintentionally.*

*However, as a follow up, we assure to insist all the agencies to enter data in the system and generate code for each item to be pasted or written as required. Therefore, you may kindly drop this memo.*

### **Conclusion and recommendation:**

*The responses of the management of the various agencies are duly noted. The non-stabilization of the web-based inventory system – Asset Inventory Management System – has primarily contributed to the non-compliance of the same, as pointed out by the concerned agencies. More importantly, as pointed out by the concerned agencies, the issue to get the registration and codification done for the*

*non-expendable properties as required by the PMM can be resolved with the stabilization and use of AIMS by the government agencies.*

*Further, the reason for not complying due to unawareness of the requirement of PMM is not tenable in audit.*

*As agreed during the audit exit meeting, until the stabilization of the system, the agencies as requested by the DNP so far are urged to get the registration and codification done manually. Registration and codification of properties is essential for any agency to trace and account the properties owned by the entity. The compliance of the same, as agreed during the audit exit meeting, will be verified during the next audit.*

### **Who is accountable?**

*Refer Exhibit-B: List of Accountability Statements*

### **18. Grants In-Kind Received by the Government Agencies not updated in Central Inventory (DNP level) and the Agency's Asset Register (2.3.6)**

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*The section 2.7.1 of the PMM states that Properties received in the form of Grants or loans from the Development Partners shall be recorded and accounted for by the Government Agency in accordance with the provisions of Chapter VIII of FAM.*

*Accordingly, the section 8.1.2 of the Finance and Accounting Manual states that the Broad Head 'Grants in Kind (BHC -3)' shall be used to record the value of "In-Kind" goods or services received generally in projects. As the name implies, the value of goods or services received through only Assistance or Grants from the donors shall be booked under this head.*

*In addition, the section 2.7.3 of the PMM states that Properties of any kind received directly or indirectly by a Government Agency or Official in their official capacity shall be deemed to be Government property and shall be duly recorded and accounted for in accordance with the provisions of this manual.*

*Furthermore, the PMM's section 3.2.1 requires that Except for items mentioned under Rules 3.1.1 and 3.1.3, acquisition of other Nonexpendable properties, either from a Suspense – Stock account or from other sources, shall be registered with the Department of National Properties (DNP).*

*In summary, the above provisions of PMM and FAM on the 'Grants In-Kind' requires the corresponding properties received as grants in-kind to be recorded and accounted for by the government agencies and accordingly registered with the DNP.*

*However, the DoMSHI had received various health related equipment from various donors (as detailed in Annexure-IV), for which there were no corresponding records and accountal in their respective Fixed Asset Register, besides not registering with the DNP.*

*Also, for most of these properties received as grants in-kind there were no corresponding values, as evident from the Annexure-IV. In this connection for valuation of the grants in-kind received, the section 8.1.2 of the FAM states that a journal voucher shall be prepared on the basis of either of the following records: i. a statement of expenses on a project sent by the donor or information received*

from the GNHC or DMEA/DPA, duly verified by the project manager; ii. A copy of a paid invoice received from the donor, duly verified by the project manager; iii. Assessed value of the goods or services received.

Similarly, Tsento Gewog had received properties as grants in-kind which was found not registered with the DNP for which there were no corresponding values assigned as detailed in the table below:

Sl. No.	Name of Agency	Properties Received as Grants In-kind	Observation
1.	Tsento Gewog, Paro	Five Power Tillers received from FMCL	Not registered with the DNP

Also, the four Thromde Schools of Phuntsholing Thromde had received various properties as grants in-kind from various Donors, for which there were no corresponding records and accountal in their respective Fixed Asset Register besides not registering with the DNP. Moreover, for the properties received as grants in-kind it was observed that there were no value.

Therefore, the concerned management is requested to justify for non-compliance to these provisions of the PMM on the grants received in-kind.

**Auditees' Response:**

**DoMSHI:** DMSHI will coordinate with the MoH to issue a circular to all health centers/JDWNRH to register any such medical equipment donated to the health centers and for future compliance. A copy of the same shall be submitted to RAA. Therefore, RAA is requested to kindly drop the memo.

**Thromde Schools (Phuntsholing):** In school we do receive few donations from the elite parents and it is all for the school purpose only. During the visit, we were advised to check and make the necessary stock entry. Toward this, the school has already done physical verification and informed the teacher to intimate office on any kind of donation received. And once it finalized, the school will forward the list to DNP for the record and sought necessary support for future. Looking at the above justification, memo no.4 may be dropped.

**Tsento Gewog:** Auditing team has issued observation stating that the Administration has not updated the grants received in kind in accordance with FAM and PMM. We failed to maintain it since we weren't aware of it. However with today's observation, the Administration shall maintain the grants received in kind once we receive it.

**Conclusion and recommendation:**

The responses of the concerned management is duly noted and appreciated with its assurance to comply with the required provisions of the PMM (2016) for the grants in-kind henceforth. To reiterate, besides getting the grants in-kind registered both at agency and DNP (central inventory) level, the agency needs to get the valuation done for the grants in-kind based on either a statement of expenses or a copy of paid invoices. In the event of absence of either one of them, then the value of the goods/services should be assessed taking fair market value as the basis.

Therefore, for the grants in-kind received, the concerned agencies should comply with these provisions on the PMM (2016). The compliances to these provisions will be accordingly verified during the next audit.

**Who is accountable?**

Direct Accountability	Mr. Som Bdr Darjee, Dy Chief Program Officer, EID No.8504075, DoMSHI Mrs.Tshering Zangmo, Store Asstt., EID No. 200902028, PTS Ms. Kencho Lham, GAO, EID No. 200905046, Tsento Gewog
Supervisory Accountability	Mr. Tandin Dorji, Chief Program Officer, EID No. 9601018, DoMSHI Mrs.Yanki Dem, Principial, EID No. 9108100, PTS Mr. Dolay Tshering, Mangmi, CID No. 10810000446, Tsento Gewog

**19. No proper record for gifts received (2.3.6)**

Clause 2.7.2 of the Property Management Manual 2016 states *the property received shall be reported to the Head of Office by the Government official within 15 days from the date of receipt. All relevant paper witnessing the receipt of the property or a certificate thereof indicating the value of the property shall be submitted to the accounting unit*.

The gifts received by the then Honorable Speaker during the Financial Year 2017-2018 were not recorded properly in the Office’s accounts. Moreover, the value of gifts were not reflected in the recorded sheet. Upon enquiry, the then Honorable Speaker's Personal Secretary just mentioned the gifts list in a plain sheet and the value of the gifts were not submitted to the accounts division. Thus, gifts received were found not shared to the accounting division.

This was found in contravention to the above PMM (2016) requirement to report to accounting division within 15 days after the receipt of gifts. Moreover, due to such improper/un-systematic system to record the gifts, the total number and value of gifts received during the period could not be ascertained and verified by the RAA. Therefore, the concerned management must justify on the above lapses observed by the RAA team.

**Auditees’ Response:**

**National Assembly Secretariat:** *The Gift Rule 2017 under Chapter V Clause 60 stipulates that public disclosure for each gift shall be reported in the following manner:*

- a. *The name and position of the recipient public servant;*
- b. *A brief description of the gift;*
- c. *Date of acceptance;*
- d. *Estimated fair market value;*
- e. *Current disposition or location;*
- f. *The identity, if known , of the giver and the name and position of the individual who presented the gift;*
- g. *The circumstances justifying acceptance; and*

*h. Whether the gift is being returned to the giver or retained for official or personal use.*

*On the other hand, as pointed by RAA, Clause 2.7.2 of the Property Management Manual 2016 states, 'The property received shall be reported to the Head of Office by the Government official within 15 days from the date of receipt. All relevant paper witnessing the receipt of the property or a certificate thereof indicating the value of the property shall be submitted to the accounting unit'.*

*Going by the two as stated above, it is difficult to comprehend the procedure of recording the gifts presented to the Hon'ble Speaker. Although PMM states that the value of property shall be submitted to the accounting unit, the Gift Rule 2017 does not mandate to be submitted to accounts section.*

*The NAS would like to clarify that although we have designated staff identified for keeping records of gifts received, there was no advocacy or training and neither clear instruction received by the concerned officials for maintaining the record and valuation of the gifts in the books of account. The Secretariat found it very difficult to assess the value of the gifts as most of the gifts are provided by the foreign dignitaries and no market value for such gift is readily available. The concerned official is maintaining the record of the gifts as the Gift Rule except the value of the gifts. All the gifts have been retained in the Hon'ble Speaker's Office and some of them are on display in the glass case.*

### **Overall Justification**

*In view of the above, the National Assembly Secretariat would like to request RAA to kindly drop the memos. We will ensure that proper rules and regulations are followed and inventory systems are updated as per the prevailing procedures hereafter. Furthermore, we would also like to inform RAA that we will ensure that the personnel dealing with the procurements are given proper training in the immediate future to overcome the above shortcomings.*

### **Conclusion and recommendation:**

*The responses of the management of the National Assembly Secretariat is duly noted. However, it may be pointed out that unless the Gift Rule of 2017 supersedes the provisions of PMM, the agencies are expected to comply with the requirements of all relevant stipulations. As such, the justification of the management on non-complying with PMM provisions due to Gift Rules is not tenable in audit.*

*As for the values of the gifts to be recorded in Gift Register/Property Register is concerned, the clause 8.1.2 of the FAM (FRR) states grants received in-kind can be valued based on either a statement of expenses (given by donor) or a paid invoice or at an estimated market value. Therefore, concerned management of the secretariat must adhere to the provisions of relevant rules to record and reflect the value of the gifts received.*

*The compliances of these requirement will be verified during the next audit.*

### **Who is accountable?**

Direct Accountability	Ms. Kuenzang Wangmo, PS, EID No.20080801, National Assembly
Supervisory Accountability	Sangay Duba, SG, EID No. 8905099, National Assembly

## 20. Transfers of Properties between government agencies not updated in their respective Asset Registers (5.4.5)

The section 6.2.2 of the PMM requires that *entries in the property records shall be made based on Property Transfer Note to record the details of transfer of property. Copy of the Fixed Assets Register entries in respect of the transferred Non-expendable Properties shall be made available to the transferee, which shall enter the relevant information in their own Fixed Assets Register.*

However, in contravention to the above clause, the REC had transferred properties to other government agencies without getting the transfers updated in the corresponding Property Registers as detailed in the table below:

Name of the Agency	Type of Property Transferred	Quantity (No.)	Agency Transferred to	Remarks (if any)
Royal Education Council, Paro	Dell Desktop	7	Bayta Primary School	22.08.2016
	Ceiling Projector Hanger	1	Bitekha MSS	24.06.2017
	Desktop Dell Optiplex GX 260	1	-do-	Nil
	HP Compaq Intel Core 2 Duo	2	-do-	Nil
	Photocopier Machine-Sharp AR 5516	1	Olathang PS	Nil
	Computer Model No. DCNE	1	-do-	Nil
	HP laserjet Printer 3005d	1	Taju PS	Nil

The same was found not shared and updated at the central inventory (DNP) level, resulting in non-compliance of the clause 6.2.1 of the PMM which requires the *agencies to send a copy of the acknowledged property transfer note to DNP for updating their records.*

Therefore, the records of Properties at the agency and at the DNP level were found inaccurate to the extent. In this connection, the concerned management is requested to justify for non-updating of transfers of properties in their respective records and with the DNP.

### Auditees' Response:

**REC:** *Without a dedicated procurement official, REC directly transferred certain properties with the assumption that it would still be within the government agency (as the transfer was from one government agency to another). However, along with the inventory a letter of transfer and a letter of receipt was retained for documentation purpose. The Royal Education Council will update the transfer of inventory using the PMM 4 and update it with the DNP.*

### **Conclusion and recommendation:**

*The responses of the concerned management is duly noted. However, there are specific procedures and requirements that the government agency need to comply when transferring non-expendable properties to another government agency – clause 6.2.2 of the PMM (2016). This specific clause requires the transferring agency to update the transfers, and correspondingly at the transferee register, besides sharing the transfer details with DNP for updating in its record*

*Therefore, until the compliance of the same to update at the REC and at the Transferees' Register takes an effect, besides updating with the central inventory system maintained by the DNP; the audit observation will be pursued.*

### **Who is accountable?**

Direct Accountability	Mr. Sangay Dorji, Adm Asstt, EID No. 201109062, REC
Supervisory Accountability	Ms. Kesang Choden Dorji, Former Director, EID No. 9003005, REC Mr. Kinga Dakpa, Director, EID No. 9006021, REC

### **21. Transfers of Property without using PMM-4 and updating at Central Inventory (DNP) level (5.4.5)**

The section 6.2.1 of the PMM states that the *Property Transfer Note (PMM - 4) shall be used to record transfer of property from one Government Agency to another, which are transferred either with or without cost, depending on the decision of the Government. A Copy of the acknowledged Property Transfer Note shall be send to the DNP for updating their records.*

However, in contravention to the above, the Royal Education Council had transferred various properties without using the required PMM-3 and without having it updated at the DNP, as detailed in Annexure-V.

Similarly, the G2C Office had transferred various properties without using the required PMM-4 and without having it updated at the DNP, as detailed in the table below:

Sl. No.	Agency Name	Name of the Properties	Agency Transferred to	Ref. No.
1	G2C Office	Computers	DCRC	Dv.3.21 of 28/03/2018
		Scanner	DCRC	Dv.3.7 of 01/03/2018
		Desktop Computers	Dzongkhag	Dv. 6.34 of 25/06/2018
		Desktop Computers	Dzongkhag	Dv.6.42 of 28/06/2018
		Computers	Dzongkhag	Dv.8.10 of 13/05/2016
		Computers	Thromdue	Dv.8.10 of 13/05/2016
		Computers	Thromdue	Dv.6.32 of 29/06/2016

Therefore, the concerned management should justify for not complying with the above required provision of the PMM while transferring the properties to other government agencies.

**Auditees’ Response:**

**G2C Office:** *The transfer of properties was completed following the PMM-4 and accordingly, the details of stock entry from the agencies are updated in the asset register. It is submitted that the Secretariat didn’t have designated procurement/property official(s), due to which unintended procedural lapses had occurred despite the controls practiced.*

*Following the advice from RAA and upon completion of the registration and codification of the asset under the Secretariat in AIMS, the updation of the inventory in the Central Inventory System shall be duly complied.*

**REC:** *Without a dedicated procurement official, REC directly transferred certain properties with the assumption that it would still be within the government agency (As the transfer was from one government agency to another). However, along with the inventory a letter of transfer and a letter of receipt was retained for documentation purpose. The Royal Education Council will update the transfer of inventory using the PMM 4 and update it with the DNP.*

**Conclusion and recommendation:**

*The responses of the concerned management is duly noted and the efforts to update the transfers of properties is duly acknowledged. However, there are specific procedures and requirements that the government agencies need to comply when transferring non-expendable properties to another government agency – clause 6.2.1 of the PMM (2016). This requires the use of appropriate form for transfers – PMM 4 and the transfers of properties to be updated both at the agency and at the DNP (central inventory) level.*

*Therefore, the concerned management is requested to adhere to the above clause 6.2.1 of the PMM (2016) for any transfers of non-expendable properties in the future, and the compliance of the same will be verified during the next audit.*

**Who is accountable?**

Direct Accountability	Mr. Karma Thinley, Store In-charge, EID No.200805003, G2C Mr. Sangay Dorji, Adm Asstt, EID No. 201109062, REC
Supervisory Accountability	Mr. Tshering Dendup, Asst Adm Officer, EID No. 20130402013, G2C Ms. Kesang Choden Dorji, Former Director, EID No. 9003005, REC Mr. Kinga Dakpa, Director, EID No. 9006021, REC

**22. No clearance obtained from DIT for the specification of Computers procured (4.4.37)**

Property Management Manual 2016, clause 2.2.1.a. stipulates “A clearance from the Division of Information Technology shall be obtained for the specification of computers and software before initiating the procurement.”

However, the RAA team during the course of audit observed that the Dungkhag Court (Phuntsholing) and the Bhutan Olympics Committee (BOC) had procured computers – desktops and laptops without obtaining specification clearance for computers from the DIT. On enquiry, it was noted that the specifications were prepared by personnel without technical background. Such negligence can result into obtaining products of inferior quality and resultant wastage of government resources.

Therefore, the concerned management should justifying for the above lapses.

**Auditees’ Response:**

**Dungkhag Court (Phuntsholing):** *The management has taken the note and in future the office will obtain necessary approval from DIT while procuring computers and peripherals.*

**BOC:** *We are in the opinion that laptops in the markets will have DIT’s certification as they supply mostly to the Government agencies. The advice of the RAA is noted for future compliance.*

**Conclusion and recommendation:**

*The commitment to comply with the requirement to obtain clearance from DIT for specifications for future procurements of computers by the Dungkhag Court (Phuntsholing) is duly noted.*

*Section 2.2.1 of the PMM (2016) requires for a clearance from the DIT for the specification of computers and software before initiating the procurement, however; on the contrary it may be pointed out that there is no requirement of DIT’s certification for import of IT equipment by the suppliers as asserted by the BOC management. Therefore, the management must comply with the said provision for future procurements, the compliance of which will be verified during the next audit.*

**Who is accountable?**

Direct Accountability	Ms. Rinzin Om, Dispatcher, EID No.20131004895, Dungkhag Court, Pling Ms. Chimi Wangmo, Adm. Asstt, EID No. 11504001243, BOC
Supervisory Accountability	Dasho Sonam Phuntsho, Drangpon, EID No. 8904030, Dungkhag Court, Pling Mr. Nim Dorji, Dy Chief Accounts Officer, EID No. 7905009, BOC

**23. Acceptance of computers certified by other than IT personnel (4.4.37)**

The Property Management Manual 2016 states that *“The Property Officer and /or a technically competent official nominated by the Head of Office shall inspect and examine the properties prior to acceptance to ensure that the quantity is correct and quality and other specifications have been complied with. The supplier shall be given the opportunity to be present at the time of examination/verification.”*

However, upon enquiry, in contravention to the above requirement, for the Dungkhag Court (Phuntsholing) and the Tsento Gewog (Paro) inspection of computers prior to accepting it were

found done by other than IT personnel. Inspection of computers by other than IT personnel would result into receiving inferior products and at times the items may not be as per the specification or quoted samples.

Therefore, the respective management should justify on the above and should ensure that technical officials are involved while receiving such items.

**Auditees’ Response:**

***Dungkhag Court (Phuntsholing):*** The office has purchased few computer during the financial year from 2015-2018. The office do not have IT personnel, however, while procuring the computers and peripherals the office sought help from other organization and IT firms.

***Tsento Gewog (Paro):*** Auditing team has issued observation stating that the Administration has not verified the computers procured by technical staffs. We make the IT officer to cross check the computers procured as and when we go to Dzongkhag Administration. But we have failed to do it formally. Luckily we have not received any computers against the ordered specifications. However with today’s observation, the Administration shall formally make the IT officer to verify the computers procured.

**Conclusion and recommendation:**

The responses of the concerned management is duly noted. To reiterate, as per the PMM’s required clause, a technically competent official (IT personnel) should inspect/examine the computers prior to its acceptance. It is mainly to ensure that computers are received as per the supply order in terms of quantity, quality and specification, at all times.

The required clause needs to be observed and complied with by the agencies concerned throughout; getting the IT personnel (from Dungkhag/Dzongkhag administration) to verify the computers prior to its acceptance for every procurement. Therefore, as discussed and agreed, the memo will be pursued until such time the RAA is assured of the compliance to requirements of the PMM.

**Who is accountable?**

Direct Accountability	Mr. Pema Wangchen, Accountant, EID No.9704047, Dungkhag Court, Pling Ms. Kencho Lham, GAO, EID No. 200905046, Tsento Gewog
Supervisory Accountability	Dasho Sonam Phuntsho, Drangpon, EID No. 8904030, Dungkhag Court, Pling Mr. Dolay Tshering, Mangmi, CID No. 10810000446, Tsento Gewog

## PART III CONCLUSION

Based on the audit, the RAA observed that all the sixteen sampled agencies had generally complied with the PMM (2001/2016), relevant excerpts of FAM (2001/2016), and other applicable rules and regulations.

However, there were certain cases of non-compliances with regard to property management under all three phases – acquisition and issue, maintenance and utilization, and the disposal of properties - which needs to be addressed for effective management of government properties. The cases of non-compliances along with conclusions and recommendations have been discussed in detail in the main report under Part II.

The concerned management has acknowledged the issues pointed out in the report and provided assurance to take corrective actions accordingly. Implementation of audit recommendations will help further improve compliance to applicable authorities.

As evident and detailed in Part II, these non-compliances observed had resulted mainly because of the following:

- i. Lack of awareness on the requirements of the property management;*
- ii. Lack of training on the required procedures of property management;*
- iii. Lack of competent personnel dealing with/for property management; and*
- iv. Non-stabilization of the system 'Asset Inventory Management System (AIMS)'.*

Therefore, in order to address these root causes that will prevent and avoid the recurrence of these non-compliances in the future, the RAA recommends the following:

- a) The Department of National Properties should initiate to provide awareness and training on the Property Management, its requirements and procedures to all the budgetary agencies;*
- b) The Department of National Properties should expedite the stabilization of its new system 'Asset Inventory Management System (AIMS)'. Once the AIMS is stabilized, the DNP should acquaint and train the concerned officials of all the budgetary agencies at length on AIMS; and*
- c) The concerned agencies with no designated procurement and properties related officials should initiate redeployment of officials within their available human resources for effective property management.*

## Exhibit-A: Profile

Property management generally consist of three primary phases including; acquisition and issue of properties, utilization and maintenance of properties, and disposal/transfer of properties. Property may be acquired by a Budget Agency in any of the following ways: purchase, construction, production/manufacture, confiscation or Seizure, transfer from one Government Agency to another, and grant/donation/gifts. As for utilization of properties, it is prescribed that all Government properties shall be used for the purposes for which they were acquired and issued. The official responsible for Government property shall ensure that the properties are safeguarded from loss, misuse, and unauthorized disposal.

Disposal occurs when a piece of equipment/properties can no longer provide efficient service or, though still working, has been rendered useless due to obsolescence. Disposal proceedings should be immediately initiated to avoid further deterioration of properties and consequent depreciation in its value. Also, a systematic and timely disposal will yield benefits in terms of among others, a higher appraisal value and by enabling storage areas available for other purposes. While the Department of National Properties (DNP), Ministry of Finance (MoF) or the agency authorized by the DNP is responsible for disposal of properties, the Department of Revenue and Customs (DRC) is responsible for disposal of seized and confiscated goods through public auction or tender.

Procedures for Government Property Management is generally prescribed in Property Management Manual. Procedures for acquisition, improvement or construction of properties have also been prescribed in Procurement Manual, the Finance & Accounting Manual and other relevant guidelines. The Property Management Manual states that all officials and organizations whose functions or duties permit or require possession or custody of Government property shall be accountable for the property and for the safe keeping of the proper in conformity with laws, rules and procedures.

Accordingly, compliance audit on the government property management with fairly more focus on the last phase of the property management – disposal of properties – were conducted with the following sixteen sampled agencies:

Sl. No.	Agency	Sl. No.	Agency
1	National Assembly of Bhutan, Thimphu	9	Department of Culture (Properties)
2	Supreme Court, Thimphu	10	Tsento Gewog, Paro Dzongkhag
3	Cabinet Secretariat, Thimphu	11	Dungkhag Court, Phuentsholing
4	G2C	12	Four Phuentsholing Thromde Schools
5	Bhutan Olympic Committee, Thimphu	13	Election Commission of Bhutan
6	Department of Agriculture and Forests	14	Health Procurement Division
7	Central Stores Unit, DOR, Phuentsholing	15	RRCO (Customs), Paro
8	Royal Education Council, Paro	16	RRCO (Customs), Phuentsholing

## Exhibit B - List of Accountability Statements

The details of direct and supervisory accountability against the corresponding memos are detailed hereunder:

### 8. Non-submission of a copy of the updated Asset Inventory to DNP

#### Who is accountable?

Direct Accountability	<p>Mrs. Tandin Zangmo, Sr. Admin. Assistant, EID No. 2109021, CSU            Mr. Karma Thinley, Store In-charge, EID No. 200805003, CS &amp;G2C            Mrs. Khandu Gyem, Store In-charge, EID No. 9412041, DoFPS            Mr. Lalit Monger, Sr. Bio-Medical Engineer, EID No. 20140103246, DoMSHI            Mrs. Rinzin Om, Dispatcherr, EID No. 20131004895, Dungkhag Court, Phuntsholing            Mr. Dorji, Sr. Store Keeper, EID No. 9012078, National Assembly Secretariat            Mr. Kezang, Sr. Adm. Asstt, EID No. 2107120, RRCO, Paro            Mr. Sangay Dorji, Adm Asstt, EID No. 201109062, REC            Mr. Nim Tshering, Asst. Finance Officer, EID No. 20160106469, REC            Mrs. Kencho Lham, GAO, EID No. 200905046, Tsento Gewog            Mr. Rinchen Dorji, Store Assistant, EID No. 20140103443, Supreme Court            Mr. Karma Wangdi, Adm. Officer, EID No. 200705100, RRCO, Pling            Mrs. Yangki Dem, Principal, EID No. 9108100, Phuntsholing Thromde School            Mr. Tshewang, Principal, EID No. 9006009, Phuntsholing, Thromde School            Mr. Dorji Tshering, Principal, EID No. 200207381, Phuntsholing Thromde School            Mr. Tshewang Rinzin, Principal, EID No. 8202003, Phuntsholing Thromde School</p>
Supervisory Accountability	<p>Mr. Om Nath Giri, Principal Engineer, EID No. 8212027, CSU            Mr. Tshering Dendup, Asst. Adm. Officer, EID No. 20130402013, CS &amp;G2C            Mr. Sherab Phuntsho, Asst. Procurement Officer, 20095040, DoFPS            Mr. Tashi Penjore, Chief Engineer, EID No. 2101070, DoMSHI            Dasho Sonam Phuntsho, Drangpon, EID No. 8904030, Dungkhag Court, Pling            Dasho Sangay Duba, SG, EID No. 8905099, National Assembly S            Mr. Wangi Drugyel, Regional Director, EID No. 9610059, RRCO, Paro            Mrs. Kesang Choden Dorji, Former Director, EID No. 9003005, REC            Mr. Kinga Dakpa, Director, EID No. 9006021, REC            Mr. Dolay Tshering, Mangmi, CID No. 10810000446, Tsento Gewog            Mr. Tashi Dendup, Accounts Officer, EID No. 200807054, Supreme Court            Mr. Sonam Dorji, Regional Director, EID No. 2001014, RRCO, Pling            Mrs. Yangki Dem, Principal, EID No. 9108100, Phuntsholing Thromde School            Mr. Tshewang, Principal, EID No. 9006009, Phuntsholing, Thromde School            Mr. Dorji Tshering, Principal, EID No. 200207381, Phuntsholing Thromde School            Mr. Tshewang Rinzin, Principal, EID No. 8202003, Phuntsholing Thromde School</p>

## 12. Non-conducting of Annual Physical Verification, as required by the PMM

### Who is accountable?

<p>Direct Accountability</p>	<p>Ms. Chimi Wangmo, Adm. Asstt, EID No. 11504001243, BOC  Mrs. Tandin Zangmo, Sr, Admin. Assistant, EID No. 2109021, CSU  Mr. Tshering Dendup, Asst. Adm. Officer, EID No. 20130402013, CS &amp;G2C  Mrs. Khandu Gyem, Store In-charge, EID No. 9412041, DoFPS  Mr. Som Bdr. Darjee, Dy Chief Program Officer, EID No. 8504075, DoMSHI  Mr. Rudra Mani Dhimal, Chief Procurement Officer, EID No. 2001022, DoMSHI  Mrs. Rinzin Om, Dispatcher, EID No. 20131004895, Dungkhag Court, Pling  Mr. Dorji, Sr. Store Keeper, EID No. 9012078, National Assembly S  Mr. Kezang, Sr. Adm. Asstt, EID No. 2107120, RRCO, Paro  Mr. Sangay Dorji, Adm Asstt, EID No. 201109062, REC  Mrs. Kencho Lham, GAO, EID No. 200905046, Tsento Gewog  Dasho Tshering Dorji, Registrar General, EID No. 9511031 Supreme Court  Mr. Karma Wangdi, Adm. Officer, EID No. 200705100, RRCO, Pling</p> <p>Mrs. Yangki Dem, Principal, EID No. 9108100, Phuntsholing Thromde School  Mr. Tshewang, Principal, EID No. 9006009, Phuntsholing, Thromde School  Mr. Dorji Tshering, Principal, EID No. 200207381, Phuntsholing Thromde School  Mr. Tshewang Rinzin, Principal, EID No. 8202003, Phuntsholing Thromde School</p>
<p>Supervisory Accountability</p>	<p>Mr. Nim Dorji, Dy Chief Accounts Officer, EID No. 7905009, BOC  Mr. Om Nath Giri, Principal Engineer, EID No. 8212027, CSU  Mr. Lobzang Dorji, (then) Director, EID No. 9711015, CS &amp; G2C  Mr. Sherab Phuntsho, Asst, Procurement Officer, 20095040, DoFPS  Mr. Tandin Dorji, Chief Program Officer, EID No. 9601018, DoMSHI  Dasho Sonam Phuntsho, Drangpon, EID No. 8904030, Dungkhag Court, Pling  Dasho Sangay Duba, SG, EID No. 8905099, National Assembly S  Mr. Wangi Drugyel, Regional Director, EID No. 9610059, RRCO, Paro  Mrs. Kesang Choden Dorji, Former Director, EID No. 9003005, REC  Mr. Kinga Dakpa, Director, EID No. 9006021, REC  Mr. Dolay Tshering, Mangmi, CID No. 10810000446, Tsento Gewog  Dasho Tshering Dorji, Registrar General, EID No. 9511031 Supreme Court  Mr. Sonam Dorji, Regional Director, EID No. 2001014, RRCO, Pling  Mrs. Yangki Dem, Principal, EID No. 9108100, Phuntsholing Thromde School  Mr. Tshewang, Principal, EID No. 9006009, Phuntsholing, Thromde School  Mr. Dorji Tshering, Principal, EID No. 200207381, Phuntsholing Thromde School  Mr. Tshewang Rinzin, Principal, EID No. 8202003, Phuntsholing Thromde School</p>

## 17. Issuance of more than one computers to the employees

### Who is accountable?

Direct Accountability	Mr. Norbu Wangchuk, Unit Head, EID No. 9312025, REC Mr. Dorji, CD, EID No. 200201261, REC Mr. Wangpo Tenzin, Dean & CD, EID No. 8607019, REC Mr. Ugyen Dorji, Chief Program Officer, EID No. 9607091, REC Ms. Kinzang Peldon, ICT Tech Associate, EID No. 200807042, REC Mr. Geewanath Sharma, CD, EID No. 9811047, REC Mr. Kinga Dakpa, Director, EID No. 9006021, REC Mr. Pedup Dukpa, Sr. Research Officer, EID No. 20160607279, REC Mr. Sangay Dorji, Adm Asstts, EID No. 201109061, REC
Supervisory Accountability	Ms. Kinzang Peldon, ICT Tech Associate, EID No. 200807042, REC Mr. Ugyen Dorji, Chief Program Officer, EDI No. 9607091, REC

## 18. No need analysis done for the procurements of properties

### Who is accountable?

Direct Accountability	Mr. Thinley Penjor, Account Asstt, EID No. 9107023, CSU Mr. Tshering Dendup, Asst. Adm. Officer, EID No. 20130402013, Cabinet Secretariat Mrs. Khandu Gyem, Store Incharge, EID No. 9412041, DoFPS Mr. Som Bdr. Darjee, Dy Chief Program Officer, EID No. 8504075, DoMSHI Mr. Rudra Mani Dhimal, Chief Procurement Officer, EID No. 2001022, DoMSHI Mr. Pema Wangchen, Accountant, EID No. 9704047, Dungkhag Court, Pling Mr. Ngawang Norbu, Dy Chief Adm, EID No. 8703006, National Assembly Mr. Kezang, Sr. Adm. Asstt, EID No. 2107120, RRCO, Paro Mr. Sangay Dorji, Adm Asstt, EID No. 201109062, REC Mrs. Kencho Lham, GAO, EID No. 200905046, Tsento Gewog Mr. Karma Wangdi, Adm. Officer, EID No. 200705100, RRCO, Pling Mr. Ugyen Tshomo, Lab Asstt., EID No. 200207277, PTS Ms. Chimi Wangmo, Adm. Asstt, EID No. 11504001243, BOC Dasho Tshering Dorji, Registrar General, EID No. 9511031Supreme Court
Supervisory Accountability	Mr. Om Nath Giri, Principal Engineer, EID No. 821202027, CSU Mr. Lobzang Dorji, Director, EID No. 9711015, Cabinet Secretariat Mr. Sherab Phuntsho, Asst. Procurement Officer, EID No. 20095040, DoFPS Mr. Tandin Dorji, Chief Program Officer, EID No. 9601018, DoMSHI Mr. Dasho Sonam Phuntsho, Drangpon, EID No. 8904030, Dungkhag Court, Pling Mr. Duba, Director, EID No. 9901007, National Assembly Mr. Wangdi Drugyel, Regional Director, EID No. 9610059, RRCO, Paro

	<p>Ms. Kesang Choden Dorji, Former Director, EID No. 9003005, REC  Mr. Kinga Dakpa, Director, EID No. 9006021, REC  Mr. Dolay Tshering, Mangmi, CID No. 10810000446, Tsento Gewog  Dasho Tshering Dorji, Registrar General, EID No. 9511031 Supreme Court  Mr. Sonam Dorji, Regional Director, EID No. 2001014, RRCO, Pling  Mr. Dorji Tshering, Principal, EID No. 200207381, PTS  Mr. Nim Dorji, Dy Chief Accounts Officer, EID No. 7905009, BOC</p>
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## 19. Non-registration and non-codification of properties

### Who is accountable?

Direct Accountability	<p>Ms. Tandin Zangmo, Sr. Admin. Asstt., EID No. 2109021, CSU  Mr. Karma Thinley, Store In-charge, EID No.200805003, CS &amp; G2C  Mrs. Khandu Gyem, Store In-charge, EID No. 9412041, DoFPS  Mr. Lalit Monger, Sr. Bio-Medical Engineer, EID No. 20140103246, DoMSHI  Mrs. Rinzin Om, Dispatcher, EID No. 20131004895, Dungkhag Court, Pling  Mr. Dorji, Sr. Store Keeper, EID No. 9012078, National Assembly Secretariat  Mr. Kezang, Sr. Adm. Assistant, EID No. 2107120, RRCO, Paro  Mr. Sangay Dorji, Adm. Assistant, EID No. 201109062, REC  Mrs. Kencho Lham, GAO, EID No. 200905046, Tsento Gewog  Mr. Rinchen Dorji, Store Assistant, EID No. 20140103443, Supreme Court  Mr. Karma Wangdi, Adm. Officer, EID No. 200705100, RRCO, Pling  Mrs. Santa Maya, Store Assistant, EID No. 201109153, PTS  Ms. Chimi Wangmo, Adm. Asst., EID No. 11504001243, BOC  Mr. Ram Lal, ICT Associate, EID No. 200507043, DNP  Mrs. Leki Wangmo, Record Assistant, EID No. 200311032, DNP</p>
Supervisory Accountability	<p>Mr. Om Nath Giri, Principal Engineer, EID No. 8212027, CSU  Mr. Tshering Dendup, Asst. Adm. Officer, EID No. 20130402013, CS &amp;G2C  Mr. Sherab Phuntsho, Asst. Procurement Officer, EID No. 20095040, DoFPS  Mr. Tashi Penjore, Chief Engineer, EID No. 2101070, DoMSHI  Dasho Sonam Phuntsho, Drangpon, EID No. 8904030, Dungkhag Court, Pling  Dasho Sangay Duba, SG, EID No. 8905099, National Assembly Secretariat  Mr. Wangi Drugyel, Regional Director, EID No. 9610059, RRCO, Paro  Mrs. Kesang Choden Dorji, Former Director, EID No. 9003005, REC  Mr. Kinga Dakpa, Director, EID No. 9006021, REC  Mr. Dolay Tshering, Mangmi, CID No. 10810000446, Tsento Gewog  Mr. Tashi Dendup, Accounts Officer, EID No. 200807054, Supreme Court  Mr. Sonam Dorji, Regional Director, EID No. 2001014, RRCO, Pling  Mr. Tshewang Rinzin, Principal, EID No. 8202003, PTS  Mr. Nim Dorji, Dy Chief Accounts Officer, EID No. 7905009, BOC  Mr. Karma Wangdi, CPO, EID No. 9711005, DNP</p>

