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ROYAL AUDIT AUTHORITY

Bhutan Integrity House

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



RAA/AG-SP/03/2024-25/096

Date: 08.04.2025

The Hon'ble Speaker
National Assembly of Bhutan
Gyalyong Tshokhang
Thimphu.

Subject: Review Reports of Annual Audit Reports 2010, 2012, 2013, 2014, 2015, 2016, 2017 2018, 2019 and 2020

Your Excellency,

Pursuant to Section 42(b) of the Rules of Procedures of the Public Accounts Committee, 2017, the Royal Audit Authority (RAA) has the honor to submit the Review Report of Annual Audit Reports 2010-2020.

These reports have been finalized giving due considerations to the actions taken by the agencies as of 31 March 2025 based on the consultation meetings conducted by the Public Accounts Committee and numerous follow-up carried out by the Royal Audit Authority at various levels.

Out of the total unresolved irregularities of Nu. 14,770.03 million reported in the Annual Audit Reports issued for the year from 2010 to 2020; irregularities aggregating to Nu. 12,347.601 million were resolved as of 31 march 2025 leaving a balance of Nu. 2422.441 million as summarized in the table below and detailed attached in the Review Reports.

Sl. No.	Particulars	Total significant irregularities reported in the AARs (Nu. M)	Total irregularities resolved 31 March 2025 (Nu .M)	Irregularities resolved during the period - 29/02/2024-31/03/ 2025 (Nu. M)	Balance irregularities as on 31/03/ 2025 (Nu. M)	Percentage of irregularities resolved as on 31/03/ 2025
1	AAR 2010	681.59	681.48	-	0.11	99.98
2	AAR 2012	91.01	90.89	-	0.12	99.86
3	AAR 2013	261.46	260.03		1.43	99.45
4	AAR 2014	634.31	633.37	11.78	0.97	99.85
5	AAR 2015	523.74	516.351	43.36	7.389	98.58
6	AAR 2016	1,958.85	1955.53	15.12	3.312	99.83
7	AAR 2017	4,309.76	4285.95	26.22	23.803	99.44
8	AAR 2018	2,376.31	1270.26	14.28	1106.041	53.45
9	AAR 2019	1,795.78	1261.34	29.879	534.443	70.23
10	AAR 2020	2,137.22	1392.4	261.281	744.823	65.15
	Total	14,770.03	12,347.601	401.92	2422.441	83.59

"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

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Looking forward to your Excellency's continued and kind support.

Yours respectfully,



(Tashi)

Auditor General of Bhutan

Copy to:

1. The Hon'ble Prime Minister of Bhutan, Gyalyong Tshogkhag, Thimphu;
2. The Hon'ble Chairperson, National Council of Bhutan, Thimphu;
3. The Hon'ble Opposition Leader, Gyalyong Tshogkhag, Thimphu;
4. The Hon'ble Chairperson, Public Accounts Committee, Gyalyong Tshogkhag, and
5. The Hon'ble Member, Public Accounts Committee, Gyalyong Tshogkhag, Thimphu.

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REVIEW STATUS REPORT OF ANNUAL AUDIT REPORT 2010

(As of 31 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2010

The Royal Audit Authority had submitted the review report of Annual Audit Report 2010 (status as of 31 March 2025) to the 9th Session of the Third Parliament in April 2024. The Review Report had unsettled irregularities of Nu.0.105 million. The RAA had conducted the follow-ups in line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018 and the same remain unresolved as of 31 March 2025 as summarized in the table below.

Table: Showing agency wise unsettled irregularities as on 31 March 2025.

Sl.No	Agency	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
1	Dzongkhag	0.105	-	0.105	-
	Total	0.105		0.105	

The details of the balances are as given below.

PART-II: DETAIL REVIEW REPORT

1. DZONGKHAGS

1.1 Samtse Dzongkhag

The Dzongkhag Administration, Samtse had unsettled irregularity of Nu.0.105 million (status as on 31 March 2024) reported to the Parliament in April 2024. It remained unsettled as on 30 March 2025 as summarized below:

Sl.No	Observation category	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
1	Shortfall, lapses and Deficiencies	0.105	-	0.105	-
	Total	0.105		0.105	

The detailed status of the unsettled irregularity reported to the Parliament in April 2024 which remained unsettled as on 31 March 2025 is as discussed below:

1. Shortfalls, Lapses and Deficiencies – Nu.0.105 million

1.1 Outstanding Advances - Nu. 0.105 million

The outstanding advances of Nu. 0.105 million reported to the Parliament in November 2019 has remained unsettled even after a gap of one year of reporting (**AIN 8816: Para 2.5; Accountabilities: Direct and Supervisory: Individuals concerned**)

Status: Observation not settled. As per the decision of Public Accounts Committee consultative meeting held at Samtse from 30/09/19 – 2/10/19, it was decided to adjust from his (Mr. Dago Tshering, Ex-LRO of

Samtse Dzongkhag) unclaimed NPPF contribution as he was compulsorily retired from service without benefits. It was further reported that the Dzongkhag Administration had discussed the matter with Dago Tshering, Ex-LRO and did not agree for the refund, thus the issue remained unresolved as of 31 March 2024 as no response was received.

The National Pension & Provident Fund, Thimphu has expressed their inability to make the adjustment as they can only process such adjustments based on the complete claim documents as prescribed by the respective member Mr. Dago Tshering. The management was recommended to explore possibility of recovering the amount from gratuity, else, to initiate legal action.

The RAA had made several follow up efforts vide follow up letter. No. RAA/OAAG-Pling/Samtse-Dzo-B1/2023/44 dated 23/01/2023 and letter No. RAA/OAAG-Pling/Samtse-Dzo-B1/2023/413 dated 11/08/2023.

The observation was discussed in the 112th Advisory committee Meeting, separate letter has been issued on 15th January 2025 to Samtse Dzongkhag based on the decision of the Meeting.



REVIEW STATUS RPORT OF ANNUAL AUDIT REPORT 2012

(As of 31 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2012

The Royal Audit Authority had submitted the review report of Annual Audit Report 2012 (status as of 31 March 2024) to the 9th Session of the Third Parliament in April 2024. The Review Report had significant unsettled irregularities of Nu.0.122 million. Despite numerous follow-up at various levels balance of Nu. 0.122 million still remained unresolved as on 31 march 2025 as shown in table below.

Table: Showing agency wise irregularities settled and balances as on **31 march 2025**

Sl. No.	Agency	Irregularities reported to Parliament as on 31/03/2024 (Nu. in million)	Amount settled (Nu. in million)	Balance as on 29/03/2025 (Nu. in million)	% settled
2	Gewogs	0.122	-	0.122	-
	Total (1 to 2)	0.122	-	0.122	-

The detailed review report of the issues is given below.

PART- II: DETAIL REVIEW REPORT

2. GEWOGS

2.1 Gewogs under Chukha Dzongkhag

Logchina Gewog

The Gewog Administration, Logchina had an unsettled irregularity amounting to Nu.0.122 million (status as on 31 March 2024) reported to the Parliament in April 2024. It remains unsettled as on 31 march 2025 as summarized below:

Sl. No.	Category	Unsettled irregularities reported to Parliament as on 31/03/2024 (Nu. in million)	Amount settled (Nu. in million)	Balance as on 31.03.2025 (Nu. in million)	% settled
1	Shortfalls, lapses and deficiencies	0.122	-	0.122	-
	Total	0.122	-	0.122	-

The detailed status of irregularity remained unsettled as on 31 march 2025 is as discussed below:

1. Shortfalls, Lapses and Deficiencies – Nu. 0.122 million

1.1 Inadmissible/excess payment to contractor-Nu. 0.122 million

The Gewog Administration had made an excess payment of Nu. 0.122 million in the construction of Out Reach Clinic (ORC) at Dolepchen due to payment made for items not provided and executed. [AIN: 10085; Para: 3, Accountabilities: Direct: Yonten Norbu, JE, EID No.200507210; Supervisory: Jamyang Dorji, District Engineer, EID No.9207043]

Status: Observation not settled. As per the PAC consultative meeting held at Samtse from 30/09/19–02/10/19, the concerned site engineer was directed to visit Regional Office, RAA, Phuentsholing with additional documents for further review and verification within two weeks from the date of meeting. However, there was no response from Yonten Norbu despite several reminder made through call.

This issue was redeliberated during the PAC consultative meeting virtually held on 7 Oct. 2021 where the Gup reported that Gewog Administration tried to follow up with the contractor but couldn't trace him. Gewog Administration then approached the court and with permission of the court a picture of the contractor was published in news channel (BBS). Further, the gewog administration contacted the Construction Development Board to check his work status and could get the contact number of the contractor, but the contact number was inactive. After the COVID situation started, Gewog Administration couldn't follow up with CDB to check the work status of the contractor.

The PAC directed the Gewog Administration to follow up with CDB by 31 April 2022 to check the work status of the contractor and recover the amount accordingly.

However, the issue remained unresolved as of 31 March 2025 despite several reminder made through call to Yonten Norbu and no response received from the Gewog Administration.



REVIEW STATUS REPORT OF ANNUAL AUDIT REPORT 2013

(As of 30 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2013

The Royal Audit Authority had submitted the review report of Annual Audit Report 2013 (status as of 31 March 2024) to the 9th Session of the Third Parliament in April 2024. The Review Report had significant unsettled irregularities of Nu.1.43 million as at 31 March 2024. Despite numerous follow-up conducted, balance amount of Nu.1.432 million is unresolved as of 31 March 2025.

The agency wise unsettled irregularities as of 31 March 2025 are shown in the table below.

Table: Showing agency-wise unsettled irregularities as on 31 March 2025.

Sl. No.	Agencies	Irregularities reported to Parliament as on 31/03/2024 (Nu. In million)	Amount settled (Nu. In million)	Balance as on 31/03/2025 (Nu. In million)	% settled
1	Ministries	0.266	-	0.266	-
2	Dzongkhags	1.166		1.166	-
Total Budgetary Agencies		1.432		1.432	-

The detailed report of irregularities settled and unsettled ones are given below.

PART-II: DETAILED REVIEW REPORT

1. MINISTRIES

1. Ministry of Foreign Affairs

The Ministry of Foreign Affairs had one unsettled irregularity of Nu.0.266 million (status as on 31 March 2024) reported to the Parliament in April 2024. It remained unsettled as on 31 March 2025 as summarized below:

Sl. No.	Agencies	Irregularities reported to Parliament as on 31/03/2024 (Nu. In million)	Amount settled	Balance as on 31/03/2025	% settled
1	Shortfalls, lapses and deficiencies	0.266	-	0.266	-
Total		0.266	-	0.266	-

The detailed status of irregularity is as discussed below:

1. Shortfalls, lapses and deficiencies – Nu. 0.266 million

The Royal Bhutanese Embassy, Bangkok had an outstanding advances of Nu.0.266 million against various officials and parties. (AIN 11286; Para 2; Accountabilities: Direct: Chenda Tobgay; Supervisory: Gyembo, Councillor (Finance), EID No. 9610061)

Status: Observation not settled. The High Court had convicted Chenda Tobgay and imprisoned him for nine years. However, as per the information obtained from the Office of the Attorney General on 5 Oct. 2020 the defendant had appealed to the Larger Bench of the High Court and the verdict was awaited.

This issue was deliberated during the PAC consultative meeting held on 6 Sept. 2021 in NA conference hall, Thimphu where the MoFA reported that on 15 July 2021 OAG communicated the judgment passed on Chenda Tobgay's case and deadline for the enforcement of the judgement was 28 Oct. 2021. As directed by RAA administrative action against Chenda Tobgay was taken by terminating from service vide termination letter dated 22 July 2021.

It was decided to keep the case status quo until the expiry of the deadlines for the enforcement of judgement passed by the Court. After the expiry of the deadline, MoFA should initiate for enforcement of the judgement and submit an action taken report to RAA accordingly.

The Ministry reported that as per the judgment enforcement letter, Jangchuk Dorji, Office of the Attorney General is yet to process the provident fund and other entitlements of Chenda Tobgay from NPPF as authorised by him. As such the case remained unresolved as of 31 March 2024.

The pending observations against Chenda Tobgay was discussed in the 57th Advisory Committee Meeting, held on 30th Dec. 2022. Chenda Tobgay has been convicted for 9 years & 8 days for 12 counts of embezzlement and 13 counts of official misconduct as per the judgement, further he had restituted Nu.6,525,511.70 out of Nu.17,416,644.44 leaving a balance of Nu.10,891,134.74. The committee decided to retain three observations against Chenda Tobgay from AIN 11286 and

10563 till the completion of restitution of the balance amount and close 10 observations from AIN 8510, 9764.

DZONGKHAGS

1. Dzongkhag Administration, Pemagatshel

The Dzongkhag Administration, Pemagatshel had one unsettled irregularity of Nu.2.970 million (status as on 31 March 2024) reported to the Parliament in April 2024 out of which Nu.1.804 million has been settled leaving a balance of Nu.1.166 million as on 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2024 (Nu. in Million)	Amount settled (Nu. in Million)	Balance as on 31/03/2025	% settled
1	Shortfalls, lapses and deficiencies	2.970	1.804	1.166	-
	Total	2.970	1.804	1.166	-

The detailed status of irregularity is as discussed below:

1. Shortfalls, Lapses and Deficiencies – Nu. 1.166 million

1.1 Non recovery of advances and penalties – Nu. 1.166 million

The Dzongkhag Administration had not recovered the amount of Nu. 2.970 million from the contractor on account of material advances recovery, penalty and forfeiture of performance security on termination of contract. (AIN No. 11833; Para 2; Accountabilities: Direct: Lobzang Tshering, JE, EID No. 200901074; Supervisory: Yeshi Dorji, DE, EID No. 9807057)

Status: Observation not settled as the contractor has been reported absconded. The PAC consultative meeting held at Samdrupjongkhar from 27 to 28/09/19 informed that such absconding cases will be discussed in the proposed meeting of relevant stakeholders like Judiciary, OAG, RBP and RAA.

The issue was redeliberated in the PAC consultative meeting held on 2 Aug. 2021 in DYT hall of Trashigang Dzongkhag and Dzongkhag Adm. Pemagatshel reported that they were following up with Lobzang Tshering for the recovery of an advance taken but no positive response was received. It was reported that the direct accountable person has absconded. Now they have opted for legal recourse in recovering the same.

The RAA expressed that it is necessary to follow up with the Census & Civil Registration to identify whether the person has really absconded or not. It cannot be assumed that a person has absconded merely on the basis that he is not found in some part of the locality. The PAC directed that the Dzongkhag Adm. should follow up the matter and update RAA accordingly by 31 Aug. 2021.

Subsequently the Dzongkhag Administration, Pemagatshel Dzongkhag has re-appealed to Dzongkhag Court, Pemagatshel vide letter No. Peltshel/ThrimthenYigtshang-03/2021-22/ dated 17/08/2021 to verify the properties belonging to Ugyen Dorji Construction, Contractor. The property verification order from the Dzongkhag court is yet to be furnished to RAA. A reminder has been sent vide letter No. OAAGSJ/FOLLOW-UP-02)Dz-PGATSHEL/2022-2023/333 dated 08/02/2023, however, no response received as of 31 March 2023.

The Dzongkhag Administration with accord of arrest warrant finally able to track contractor and on 14.03.2023, he was ordered to reinstitute Nu. 2,970,046.31 within 14.09.2023 by the Dzongkhag court. However, as of date only Nu.1,804,000 has been recovered and balance recoverable amount of Nu. 1,166,046.31 is still pending.



REVIEW STATUS REPORT OF ANNUAL AUDIT REPORT 2014

(As of 31 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2014

The Royal Audit Authority had submitted the review report of Annual Audit Report 2014 (status as of 31 March 2024) to the 9th Session of the Third Parliament in April 2024. The Review Report had significant unsettled irregularities of Nu.12.74 million. The RAA had conducted numerous follow-up at various levels in line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, Balance of Nu. 0.0875 million remains unsettled as on 31 March 2025 as shown in the table below:

Table: Showing agency wise irregularities settled and balances as on 31 March 2025

Sl.No	Agency	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
1	Dzongkhag	11.412		0.052	-
2	Gewog	1.338		0.045	
	Total	12.75		0.97	

As transpired from table above, the Dzongkhag Administration had not settled irregularities of Nu. 0.0875 million as on 31 March 2025. The detailed report is as given below.

PART-II: DETAILED REVIEW REPORT

4.2.2 Dzongkhag Administration, Chhukha

The Dzongkhag Administration Chhukha had unsettled irregularities of Nu.0.064 million (status as on 31 March 2024) reported to the Parliament in April 2024. It remained unsettled as on 31 March 2025 as summarized below:

Sl.No	Agency	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
1	Violation of Laws and Rules	11.412	-	0.052	-
	Shortfalls,lapses and deficiencies	1.338	-	0.045	
	Total	12.75		0.97	

1. Violation of Laws and Rules

1.1 Non-deduction of rebate

The Dungkha Administration, Phuentsholing, had not deducted 5% rebate of Nu. 0.384 million from the final bill in the construction works at Shinchula & Tashilakha. (AIN 12144; Observation 3; Accountabilities: Direct: Thinley Penjor, Municipal Engineer, EID No. 201001177; Supervisory: Tshering Chopel, DE, EID No. 8808013).

Status: Observation not settled. While the principal amount was already liquidated, the 24% pa penalty of Nu. 52,558.53 is yet to be recovered.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in NA conference hall, Thimphu where the Dzongkhag Engineer reported that principal amount was paid and the balance amount of 24% penalty is remaining. Thinley Penjor, accountable person was transferred to Thimphu Thromde and then resigned after serving there. However, it is known that he resides in Phuntsholing.

RAA stated that though Thinley Penjor has been stated resigned from the service, he has not been granted audit clearance certificate yet. This issue shall remain unsettled until the amount is recovered and deposited with the RAA.

The issue remained unresolved as the 24% penalty amounting to Nu. 52,558.53 remained unrecovered as of 31 March 2025.

4.3 GEWOGS

1. Phuentsholing Gewog

The Gewog Administration, Phuentsholing had one unsettled irregularities reported to the Parliament in April 2024. It remained unsettled as the accumulated 24% p.a. penalty was not deposited as on 31 March 2025 as summarized below:

Sl.No	Agency	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
1	Shortfalls, lapses and deficiencies	0.045	-	0.045	-
	Total	0.045		0.045	

The detailed status of is as discussed below:

1.1 Non-deposit & non-collection of rural taxes

The Gewog Administration had not deposited rural taxes amounting to Nu. 0.045 million into CD Account. Further, taxes amounting to Nu. 0.011 million was yet to be collected. (AIN 12188; Observation 2.1; Accountabilities: Direct: Chandra Bdr. Ghalley, Gup, CID No. 10211000579; Supervisory: Chandra Bdr. Ghalley, Gup, CID No. 10211000579).

Status: Observation not unsettled. Although the principal amount of Nu. 44,919.25 was recovered vide and deposited vide receipt No. 01872 dated 19/11/2021 the observation remained unresolved as the accumulated 24% penalty amounting of Nu.78,654.22 was not deposited as of 30 March 2025.



REVIEW STATUS REPORT OF ANNUAL AUDIT REPORT 2015

(As of 31 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2015

The Royal Audit Authority had submitted the review report of Annual Audit Report 2015 (status as of 31 March 2024) to the 9th Session of the Third Parliament in April 2024. The Review Report had significant unsettled irregularities of Nu. 50.75 million. The RAA had conducted numerous follow-up at various levels in line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018. Unsettled balance of Nu.7.389 million as on 31 March 2025 are as shown in the table below:

Table: Showing agency wise irregularities settled and balances as on 31 March 2025.

Sl.No	Agency	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
1	Ministries	8.144	1.486	6.658	18.24
2	Gewogs	0.083		0.083	
3	Autonomous Bodies	20.428	19.78	0.648	96.82
	Total	28.655	21.266	7.389	18.23

As transpired from table above, there is balance of Nu.7.389 million pending as on 31 march 2025. The detailed report is given below

PART - II: DETAILED REVIEW REPORT

1 MINISTRIES

1.1 Ministry of Information & Communications

The Ministry of Information & Communications had two unsettled irregularities under fraud, corruption and embezzlement reported to the Parliament in April 2024. The irregularities remained unsettled as of 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2024 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 31/03/2025 (Nu. in Million)	Percentage settled
1	Fraud, Corruption & Embezzlement	-	-	-	-
	Total	-	-	-	

The detailed status of unsettled irregularities as on 31 March 2025 are as discussed below:

1. Fraud, Corruption & Embezzlement

1.1 Disbursements not supported by documents indicating unauthorized and fictitious payments

The Accountant of the Ministry of Information and Communications had misused Nu.2.171 million from various disbursements made without supporting documents, appropriate approvals, indiscriminate booking of expenditures under various object codes on the basis of availability of fund balances, and improper documentation process with resultant missing of accounting records. The amount was recovered and case forwarded to Anti-Corruption Commission. Further, the individual was terminated from service by the Ministry. (AIN: 12916; Part A, Observation 1 & Part B, Observation 2; Accountabilities: Direct: Pema Chheney, Accountant, EID .No.9704039; Supervisory: Ugyen Tshewang, Senior Accounts Officer, EID No.7609010).

Status: Observation not settled. The Ministry had reported that entire amount had been recovered and deposited into Audit Recoveries A/c. as recommended, the case had been forwarded to the Office of the Attorney General for prosecution but could not institute criminal suit in absence of the defendant, Pema Chheney, Accountant, from the country.

The issue was deliberated during PAC consultative meeting held on 31 Aug. 2021 in the NC conference hall, Thimphu and PAC informed the house that unlike earlier judiciary practice henceforth case can be filed in the Royal Court of Justice even in absence of the defendant. Therefore, the Ministry was advised to follow up the case with the OAG for registration.

However, the issue remained status quo as the person is found to be absconded.

1.2 Accrued penalty on the misuse of government funds

The Accountant of the Ministry of Information and Communications had misused government funds from the accounts of the Secretariat and the Department of Information & Media amounting to Nu.4.559 million on which penalty accrued amounted to Nu.0.980 million as follows:

Sl. No.	Observation in Brief	Amount (Nu.in million)	Penalty (Nu.in million)	Observation No.
Part A : Secretariat, MoIC				
1	Non-accountal of cash withdrawn from Bank in the books of accounts	0	0.073	2.1
2	Booking of unauthorized advance and subsequent refunds in cash	0.650	0.123	2.2
3	Unauthorized retention of amounts outside the books of accounts for 209 days	0.700	0.096	2.3
4	Retention of yearend closing cash balances for periods ranging from 21 to 359 days despite being reflected in the Receipts and Payment Statements as surrender to DPA	0.485	0.059	2.4
5	Misrepresentation of refunds of security deposits to parties in the books of accounts and misuse of the amounts through withdrawals of cheques	0.244	0.139	3

6	Charging the amount as expenditure without actually executing the works and misusing the amount withdrawn	0.341	0.262	4
Part B : Department of Information & Media, MoIC				
7	Booking of unauthorized advance and subsequent refunds in cash	0.758	0.121	1.1
8	Misrepresentation of information in the Receipts and Payment Statements by showing surrender of cash balances without actually depositing the amount with the DPA	0.919	0.077	1.2
9	Non-accountal of cash withdrawn from Bank in the books of accounts	0.223	0.030	1.3
	Total	4.559	0.980	

The misused amounts including accrued penalty were recovered and case forwarded to the Anti-Corruption Commission. Further, the individual was terminated from service by the Ministry. (AIN: 12916; Accountabilities: Direct: Pema Chheney, Accountant, EID No.9704039; Supervisory: Ugyen Tshewang, Senior Accounts Officer, EID No.7609010).

Status: Observation not settled. The Ministry had reported that entire amount had been recovered and deposited into Audit Recoveries A/c. as recommended, the case had been forwarded to the Office of the Attorney General for prosecution but could not institute criminal suit in absence of the defendant, Pema Chheney, Accountant, from the country.

The issue was deliberated during PAC consultative meeting held on 31 Aug. 2021 in the NC conference hall, Thimphu and PAC informed the house that unlike earlier judiciary practice henceforth case can be filed in the Royal Court of Justice even in absence of the defendant. Therefore, the Ministry was advised to follow up the case with the OAG for registration.

However, the issue remained status quo as the person is found to be absconded.

4.1.4 Ministry of Health

The Ministry of Health had total unsettled irregularities of Nu.6.658 million (status as on 31 March 2024) reported to the Parliament in April 2024. The irregularities remained unsettled as on 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 29/02/2024	Percentage settled
1	Fraud, Corruption & Embezzlement	5.602	-	5.602	-
2	Mismanagement	1.056	-	1.056	-
	Total	6.658	-	6.658	-

The details of irregularities are as discussed below:

1. Fraud, Corruption & Embezzlement – Nu.5.602million

1.1 Misuse of revenue collections through ‘teeming and lading’

The Office Assistant acting as Accounts Assistant at the Jigme Dorji Wangchuck National Referral Hospital, Thimphu had misused revenue collections through teeming and lading of cash and cheques deposits. It was noted that cash collections were found retained for periods ranging from 3 days to 271 days in contravention to the Revenue Accounting Manual 2004 and the Financial Rules and Regulation 2001. The case was forwarded to Anti-Corruption Commission. (AIN: 12932; Observation 1.1; Accountabilities: Direct: Kinzang Choden, Office Assistant, EID No.200209001; Supervisory: Pema Namgay, Revenue Accountant, EID No.9404026).

Status: Observation not settled. This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in NA conference hall, Thimphu where the President of JDWNRH reported that the case was forwarded to the Office of the Attorney General by Anti-Corruption Commission. However, since the whereabouts of Kinzang Choden was unknown the case was returned to ACC by OAG. The Chairperson of ACC wrote to the Chief of police seeking updates on the missing person, but the status remained the same. Hence, the case could not proceed further.

The PAC informed the house that unlike the earlier practice now a case can be registered even in absence of the defendant. The PAC advised that JDWNRH should follow up with the relevant authorities for pursuing the case.

However, the issue remained status quo as the person is found to be absconded.

1.2 Embezzlement of Government Revenue - Nu.5.579 million

- a) The Office Assistant acting as Accounts Assistant of the Jigme Dorji Wangchuck National Referral Hospital, Thimphu had embezzled government revenue of Nu.5.545 million by misrepresenting the collections as deposits in the Revenue Accounting System. The case was forwarded to Anti-Corruption Commission. (AIN: 12932; Observation 1.2; Accountabilities: Direct: Kinzang Choden, Office Assistant, EID No.200209001; Supervisory: Pema Namgay, Revenue Accountant, EID No.9404026).

Status: Observation not settled. This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in NA conference hall, Thimphu where the President of JDWNRH reported that the case was forwarded to the Office of the Attorney General by Anti-Corruption Commission. However, since the whereabouts of Kinzang Choden was unknown the case was returned to ACC by OAG. The Chairperson of ACC wrote to the Chief of police seeking updates on the missing person, but the status remained the same. Hence, the case could not proceed further.

The PAC informed the house that unlike the earlier practice now a case can be registered even in absence of the defendant. The PAC advised that JDWNRH should follow up with the relevant authorities for pursuing the case.

However, the issue remained status quo as the person is found to be absconded.

- b) The Office Assistant acting as Accounts Assistant of the Jigme Dorji Wangchuck National Referral Hospital, Thimphu had embezzled government revenue of Nu.0.034 million by not accounting the revenue collection in the Revenue Cash Book. The case was forwarded to Anti-Corruption Commission. (AIN: 12932; Observation 1.3; Accountabilities: Direct: Kinzang Choden, Office Assistant, EID No.200209001; Supervisory: Pema Namgay, Revenue Accountant, EID No.9404026)

Status: Observation not settled. This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in NA conference hall, Thimphu where the President of JDWNRH reported that the case was forwarded to the Office of the Attorney General by Anti-Corruption Commission. However, since the whereabouts of Kinzang Choden was unknown the case was returned to ACC by OAG. The

Chairperson of ACC wrote to the Chief of police seeking updates on the missing person, but the status remained the same. Hence, the case could not proceed further.

The PAC informed the house that unlike the earlier practice now a case can be registered even in absence of the defendant. The PAC advised that JDWNRH should follow up with the relevant authorities for pursuing the case.

However, the issue remained status quo as the person is found to be absconded.

1.3 Short-accountal of revenue - Nu.0.023 million

The Office Assistant acting as Accounts Assistant of the Jigme Dorji Wangchuck National Referral Hospital, Thimphu had accounted less government revenue collection of Nu.0.023 million as against the actual amounts reflected in the revenue receipts. The case was forwarded to Anti-Corruption Commission. (AIN: 12932; Observation 1.4; Accountabilities: Direct: Kinzang Choden, Office Assistant, EID No.200209001; Supervisory: Pema Namgay, Revenue Accountant, EID No.9404026)

Status: *Observation not settled. This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in NA conference hall, Thimphu where the President of JDWNRH reported that the case was forwarded to the Office of the Attorney General by Anti-Corruption Commission. However, since the whereabouts of Kinzang Choden was unknown the case was returned to ACC by OAG. The Chairperson of ACC wrote to the Chief of police seeking updates on the missing person, but the status remained the same. Hence, the case could not proceed further.*

The PAC informed the house that unlike the earlier practice now a case can be registered even in absence of the defendant. The PAC advised that JDWNRH should follow up with the relevant authorities for pursuing the case.

However, the issue remained status quo as the person is found to be absconded.

2. Mismanagement – Nu.1.056 million

2.1 Penalty on late deposit of Government Revenue - Nu.1.056 million

The Office Assistant acting as Accounts Assistant of the Jigme Dorji Wangchuck National Referral Hospital had delayed in depositing government revenue for varying periods from 1 day to 333 days during the month and month ends in contravention to the clause 2.4 of the Revenue Accounting Manual 2004. This had led to recoverable late fines of Nu.1.056 million. (AIN: 12932; Observation 1.5; Accountabilities: Direct: Kinzang Choden, Office Assistant, EID No.200209001; Supervisory: Pema Namgay, Revenue Accountant, EID No.9404026)

Status: *Observation not settled. This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in NA conference hall, Thimphu where the President of JDWNRH reported that the case was forwarded to the Office of the Attorney General by Anti-Corruption Commission. However, since the whereabouts of Kinzang Choden was unknown the case was returned to ACC by OAG. The Chairperson of ACC wrote to the Chief of police seeking updates on the missing person, but the status remained the same. Hence, the case could not proceed further.*

The PAC informed the house that unlike the earlier practice now a case can be registered even in absence of the defendant. The PAC advised that JDWNRH should follow up with the relevant authorities for pursuing the case.

However, the issue remained status quo as the person is found to be absconded.

4.3 GEWOGS

4.3.1 Gewogs under Chhukha Dzongkhag

I. Loggchina Gewog

The Gewog Administration, Loggchina had unsettled irregularity of Nu.0.033 million (status as on 31 March 2024) reported to the Parliament in April 2024. It remained unsettled as on 31 March 2025 as summarized below:

Sl.No	Agency	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
1	Shortfalls, lapses and deficiencies	0.033		0.033	-
	Total	0.033		0.033	

The detailed status of irregularity is as discussed below:

1. Shortfalls, lapses and deficiencies – Nu.0.033 million

1.1 Excess payment – Nu.0.033 million

The Gewog Administration had made an excess payment of Nu.0.107million for the electrification of ORCs, grinding mills and construction of boundary fencing at Gewog Office, due to non-deduction of 5% rebate and non-execution of some items of works at site. (AIN: 12761; Observation 2; Accountabilities: Direct: Yonten Norbu, JE, EID No.200507210; Supervisory: Indra Lala Galley, Gup, CID No.20209000581).

Status: *Observation not settled. During the PAC consultative meeting held at Samtse from 30/09/19 - 2/10/19, the site engineer was directed to discuss the issue with the Office of the Assistant Auditor General (OAAG), Phuentsholing with additional documents within two weeks from the date of meeting. However, it was stated that the Site Engineer did report to OAAG, Phuentsholing for discussion.*

The observation remained unsettled as no further action taken for recovering the balance amount of Nu.0.033 million as of 29 Feb. 2024.

As per the resolution of the consultation meeting held on 11/09/2023 under the leadership of AG, the Gewog Administration should produce death certificate/evidence for review. Document is still not produced to RAA as on 31st March 2025.

Gewogs under Trongsa Dzongkhag

1. Langthil Gewog

The Gewog Administration, Langthel had unsettled irregularity of Nu. 0.050 million (status as on 31 March 2024) reported to the Parliament in April 2024. The same remained unsettled as on 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 29/02/2024 (Nu. in Million)	Percentage settled
1	Shortfalls, lapses and deficiencies	0.050	-	0.050	-
	Total	0.050	-	0.050	-

The detailed status of irregularity is as discussed below:

1. Shortfalls, lapses and deficiencies – Nu.0.050 million

1.1 Outstanding advances – Nu.0.050 million

The Gewog Administration had an overdue outstanding advances of Nu.0.050 million against the official. (AIN: 12795; Observation 1; Accountabilities: Direct: Lham Dorji, Gup, CID No.: 11703000465; Supervisory: Lham Dorji, Gup, CID No.: 11703000465).

Status: Observation not settled. This observation was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT hall of Trongsa Dzongkhag where the current Gup reported that this issue was reported during the time of former Gup (Lham Dorji) and with a big intention to resolve the issue, present Gup followed up with the former Gup but there was no positive response from him. Hence, the Gewog Administration decided to take legal recourse against M/s Yangka Hiring Agency (as the advance was against the agency) but unfortunately due to the transfer of legal officer the case couldn't be initiated. It was also shared that there is no legal officer in the Dzongkhag Administration since last nine months.

The PAC directed the Gewog Administration to take legal recourse and report the same to RAA by 31 Aug. 2021.

However, the observation remained unresolved as no further developments have been reported by the Gewog as of 31st March 2025.

4.4.5 Gross National Happiness Commission

The Gross National Happiness Commission had unsettled irregularity of Nu.0.684 million (status as on 31 March 2024) reported to the Parliament in April 2024. It remained unresolved as on 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2022 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 29/02/2024 (Nu. in Million)	Percentage settled
1	Violations of laws and rules	0.684	-	0.684	-
	Total	0.684	-	0.684	

The detailed status of irregularity is as discussed below:

1. Violations of laws and rules – Nu.0.684 million

1.1 Non-production of documents - Nu.0.684 million

The Gross National Happiness Commission did not produce supporting documents for the expenditure of Nu.1.385 million incurred for Rural Education Foundation (REF) as deposit work from UNDP-Bhutan with assistance from CSO Authority. (AIN: 13310; Observation 1; Accountabilities: Direct: Thinley Namgyel, GNHC, EID No.8905025, Karwang Yobhzen, Executive Director, REF, CID No.11902001156; Supervisory: Rinchen Wangdi, Chief Programme Coordinator, GNHC, EID No.9407090).

Status: Observation not settled. The balance amount of Nu.0.684 million remained unsettled. As per the letter No.GNHC/Audit/2020/2151 dated 14/09/2020 the proprietor of REF had gone to USA and his return was not sure. Therefore, GNHC had put up the matter to the Ministry of Finance requesting for write off.

This issue was deliberated during the PAC consultative meeting held on 9 Sept. 2021 in NA conference hall, Thimphu where the Director of GNHC reported that being the central agency, GNHC coordinated the work but the work was implemented by another agency. Against the total amount of Nu.1.385 million, Nu.0.701 million was settled and balance amount of Nu.0.684 million remained unsettled. Further, the actual accountable person was reported at large.

An amount of Nu.700,500.00 has been settled vide letter no. GNHC/SSD-Audit/2898 dated 27/9/2017

A Follow up Report was sent vide letter No. RAA/FUCD(W25-GNHC)2022/352 dated 01/04/2022, however, the issue remained unresolved as the balance amount remained unsettled as of 31 march 2025. A person is reported as missing vide letter dated email dated 19 December 2024 from Dasho Thinley Namgyel. Accountability against the other officials were released from the system.



REVIEW STATUS REPORT OF ANNUAL AUDIT REPORT 2016

(As of 31 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2016

The Royal Audit Authority had submitted the review report of Annual Audit Report 2016 (status as of 31 March 2024) to the 9th Session of the Third Parliament in April 2024. The Review Report had total significant unsettled irregularities of Nu.3.312 million as on 31 March 2025.

Table: Showing agency wise irregularities settled and balances as on 31 March 2025.

Sl.No	Agency	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
	Ministry	0.315	-	0.315	
	Gewogs	0.497	-	0.497	
	Autonomous Bodies	1.805	-	1.805	
	Financial Institution	0.695		0.695	
	Total	3.312		3.312	

The detail report of the irregularities resolved and outstanding as of 31 March 2025 are given below.

PART-II DETAILED REVIEW REPORT

4.1 MINISTRIES

4.1.2. Ministry of Information & Communications

The Ministry of Information & Communications had unsettled irregularity of Nu.0.278 million (status as on 31 March 2024) reported to the Parliament in April 2024. The irregularity remained unsettled as on 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2024 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 31/03/2025 (Nu. in Million)	% Settled
1	Shortfalls, lapses and deficiencies	0.315	-	0.315	-
	Total	0.315	-	0.315	-

The detailed status of unsettled irregularity as on 31 march 2025 is as discussed below:

3. Shortfalls, lapses and deficiencies – Nu. 0.388 million

3.4 Double payment for RRM perimeter fencing wall - Nu. 0.388 million

The Department of Air Transport had made double payment of Nu. 0.388 million for RRM perimeter fencing wall on the construction of perimeter fencing and access road to Gelephu Domestic Airport. The double payment had occurred due to repeated measurement of the RRM front wall running 50.75 meters in length with width of 0.85 meters followed by another claim with average width of 1m and the quantity imported from measurement sheet to the abstract cost measured for 391.09 meters³ instead of 328.89 meters³ as per the measurement. (AIN: 14249; Para 1.1; Accountabilities: Direct: Jamyang T Dorji, Deputy Executive Engineer, EID No. 201101166; Supervisory: Ugyen Dorji, Principal Engineer, EID No. 8908106).

Status: Observation not settled.

PAC consultative meeting held from 25 to 26/11/19 at National Assembly Hall, Thimphu directed the Department to recover the balance amount within 1st December, 2019 and share the update with RAA. However, the RAA was yet to receive the said amount as of 31 Aug. 2021.

The issue was redeliberated during the PAC consultative meeting held on 31 Aug. 2021 in the NC conference hall, Thimphu where the Ministry reported that the amount could not be recovered from the contractor as of date due to various reasons. The PAC directed the Ministry to take an action on or before 30 Sept.2021 and report to the RAA.

The RAA had reviewed the responses and noted that against the recoverable amount of Nu.387,847.22, the DoAT management had deposited Nu.110,395.00 into ARA on 28/08/2017, thus leaving a principal balance amount of Nu.315,564.66 as of 31/03/2025.

4.3 GEWOGS

4.3.1. Gewogs Administration under Chhukha

IV. Phuentshogling Gewog

The Gewog Administration, Phuentshogling had one unsettled significant irregularity under shortfalls, lapses and deficiencies reported to the Parliament in April 2024. The same remained unsettled as on 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 29/02/2024 (Nu. in Million)	% Settled
2	Shortfalls, lapses and deficiencies	-	-	-	
	Total	-	-	-	

The detailed status of unsettled irregularity is discussed as below:

2. Shortfalls, lapses and deficiencies

2.3 Non-registration of land occupied by ORC at Limbukha, Serina

The Gewog Administration, Phuentshogling had not registered one-acre land occupied by the Out Reach Clinic at Limbukha, Serina owing to non-receipt of original new lag-thram from the National Land Commission by the owner. (AIN: 14259; Para 3; Accountabilities: Direct: Ram Prasad Rai, Tshokpa, CID No. 20211001152; Supervisory: Birkha Bdr. Rai, Gup, CID No. CID No. 20211000312).

Status: Observation not settled.

As per the PAC consultative meeting held at Samtse from 30/09/19 – 02/10/19, the Gewog Administration was instructed to submit the documents relating to transfer of ownership to RAA after they receive Thram from National Land Commission.

However, upon contacting with Gup over the phone on dated 17/11/2023 it was reported that Lag Thram was under process with the NLCS. The Gewog had not submitted the status as on 31 march 2025..

4.3.3. Gewogs Administration under Bumthang

II. Ura Gewog

The Gewog Administration, Ura had unsettled irregularity of Nu.0.365 million (status as on 31 March 2024) reported to the Parliament in April 2024. It remained unsettled as on 31 march 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 29/02/2024 (Nu. in Million)	% Settled
1	Shortfalls, lapses and deficiencies	0.365	-	0.365	0
	Total	0.365	-	0.365	

The detailed status of unsettled irregularity is as discussed below:

1. Shortfalls, lapses and deficiencies – Nu. 0.365 million

1.1 Outstanding Advances - Nu. 0.365 million

The Gewog Administration, Ura had overdue outstanding advances of Nu.0.463 million against the Ex-Gup. (AIN: 14223; Para 1; Accountabilities Direct: Dorji Wangchuk, Former Gup, CID No. 10104001577; Supervisory Dorji Wangchuk, Former Gup, CID No. 10104001577).

Status: Observation not settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug.2021 in the DYT hall of Trongsa Dzongkhag where the Gewog Adm. reported that former Gup expired before the amount could be recovered. When present Gup joined the service, ADM was transfers and Mangmi had resigned. Upon approaching the family members of the deceased to recover the amount from them,

it was found that they were financially unstable. Therefore, it was requested that this issue to be given consideration.

RAA stated that it is important to identify for what purpose the advances were released. Whether it was a personal advance or an advance released for some official works (like construction purposes) to be carried out. If the advance was released for a construction purpose, this issue can be dropped backed by the evidence of the works being completed and the documentation of the same.

The PAC directed the Gewog Administration to figure out for what purpose the advance was released and resolve this issue accordingly and update RAA by 31 Aug. 2021.

However, the observation remained unresolved as the recommend actions were not taken by the Gewog as of 31 March 2025.

4.3.5. Gewogs Administration under Trongsa

I. Korphoog Gewog

The Gewog Administration had unsettled irregularity of Nu.0.097 million (status as on 31 March 2024) reported to the Parliament in April 2024. The irregularity remained unsettled as on 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2024 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 31/03/2025 (Nu. in Million)	% Settled
1	Shortfalls, lapses and deficiencies	0.097	-	0.097	-
	Total	0.097	-	0.097	

The detailed status of unsettled irregularity is discussed as below:

2. Shortfalls, lapses and deficiencies – Nu. 0.097 million

2.1 Excess payment to community contractor – Nu. 0.097 million

The Gewog Administration, Korphoog had made excess payment of Nu.0.187 million to the community contractor in the construction of footpath and improvement of drainage at Korphu Chiwog. The excess payment had occurred due to payment at rates for RCC drainage covers instead of rates for the construction of footpath measuring 79.50 meters. *(AIN: 13425; Para 1; Accountabilities: Direct: Dorji Phuntsho, JE, EID No.20140103501; Supervisory Tshetrim Dorji, Gup, CID No.11702000957).*

Status: *Observation not settled.*

The unsettled balance of Nu.97,598.01 reported last had not been realized as on 5 Aug.2021.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT hall of Trongsa Dzongkhag where the Gewog Adm. reported that the remaining amount of Nu.97,598.01 couldn't be recovered from the contractor. The case was forwarded to the Dzongkhag legal officer

but has been pending as there is no legal officer in the Dzongkhag as of now. The PAC directed the Gewog Adm. to initiate legal action and update RAA by 31 Aug. 2021.

ATR reminder letter served to the agency vide letter RAA-BT/Fus-01/2022/343 dated 29/06/2023, however, so far no Action Taken Report was submitted by the Gewog to RAA as of 31 March 2025.

4.3.10. Gewog Administration under Lhuentse

I. Gangzur Gewog

The Gewog Administration, Gangzur had unsettled significant irregularity of Nu.0.035 million (status as on 31 March 2024) reported to the Parliament in April 2024. It remained unsettled as on 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2024 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 31/03/2025 (Nu. in Million)	% Settled
1	Fraud, Corruption & Embezzlement	0.035	-	0.035	-
	Total	0.035	-		

The detailed status of irregularity is as discussed below:

1. Fraud, Corruption & Embezzlement – Nu. 0.035 million

1.1 Misuse of revenue - Nu. 0.035 million

The Gaydrung of the Gewog Administration, Gangzur had misused revenue of Nu.0.035 million on rural taxes collected from the public. The lapses had occurred due to lack of internal control system. The Gewog Administration had reported the case to RBP, Lhuentse which was further forwarded to the Anti-Corruption Commission. *(AIN: 14160; Para 1; Accountabilities: Direct: Karma Tshewang, Former Gaydrung, CID No. 10603000138; Supervisory: Karma, Former Gup, CID No. 1010100353).*

Status: *Observation not settled.*

As per the PAC consultative meeting held at Samdrupjongkhar from 27 to 28/09/19, RAA agreed to discuss the issue in the bilateral meeting with ACC and convey the decision to Gewog Administration and PAC.

This issue was redeliberated during the PAC consultative meeting held on 3 Aug. 2021 in the DYT hall of Trashigang Dzongkhag where the Gewog Adm. reported that Karma Tshewang, former Gaydrung misused the fund from the Gewog's CD A/c by forging the signature of Gup. As soon as the Gewog Adm. knew about the issue, they filed a case against the defaulter and the court directed the defaulter to pay an amount of Nu. 35,000/- and directed to initiate a corruption charge as it was a case of embezzlement. Then the issue was forwarded to ACC.

The RAA reported that, upon consultation with ACC it was decided that since the amount involved was very small it was felt that no separate investigation was required to be carried out by ACC and the decision was made to settle the case as per the investigation conducted by RAA. The PAC advised the Gewog Adm. to recover the amount on or before 31 Aug. 2021 besides imposing administrative action against him for the act of fraud.

Several reminder letters were served to Gewog vide letter No. RAA/BT/Fus-01/2022/345 dated 29/06/2022; RAA/DAG/022/59 dated 25/08/2022 and letter No. RAA/BT/Fus-01/2023/86 dated 04/10/2023. However, the observation remained unsettled as the RAA did not received any ATR from the Gewog Administration as of 31 March 2025.

4.4 AUTONOMOUS AGENCIES

2. Shortfalls, lapses and deficiencies – Nu. 1.805 million

2.1 Shortages in physical balances - Nu. 0.255 million

The Austrian funded Hotel and Tourism Management Training Institute construction project had shortages of electronic equipment worth Nu.0.255 million as observed during the joint physical verification carried out on 20th and 21st July 2016. (AIN: 14100; Para: 2; Accountabilities: Direct: Sonam Tshering, Sr. Instructor, EID No.:200309021; Supervisory: Dakar Dorji, Principal, EID No.:200201258).

Status: *Observation not settled.*

The PAC consultative meeting held from 25 to 26/11/19 at National Assembly Hall, Thimphu directed the TCB to seek the advice of Governing Body and accordingly share the minutes of Board meeting to RAA for further update.

This issue was redeliberated during PAC consultative meeting held on 9 Sept. 2021 in NA conference hall, Thimphu where the Director of TCB reported that the management has decided to write off this issue. However, TCB stated that they will follow up with the former project manager for resolving it.

It was decided that TCB should take an appropriate action under intimation to RAA and update PAC by 31 April 2023.

The issue was re- deliberated in the Advisory Committee Meeting held on 31st August 2023 and as per the decision of the meeting it was agreed that the management should submit write off approval for the missing items as tracing of the missing items seems impossible by now. Therefore, the management of HTMTI/TCB should obtain a write off approval from a competent authority and furnished to RAA for review and appropriate decision.

However, the observation remained unresolved as of 29 Feb. 2024, as no further action taken report was received from the TCB as of 29 Feb. 2024. A Follow up Report was served vide letter No. RAA/FLSD(8-MoICE)DTuR/2023/512 dated 21/09/2023.

The issue was re- deliberated in the Advisory Committee Meeting held on 31st August 2023 and as per the decision of the meeting it was agreed that the management should submit write off approval for the missing items as tracing of the missing items seems impossible by now. Therefore, the management of HTMTI/TCB should obtain a write off approval from a competent authority and furnished to RAA for review and appropriate decision.

2.2 Wasteful Expenditure - Nu. 1.550 million

The Austrian funded Hotel and Tourism Management Training Institute construction project had incurred wasteful expenditure of Nu.1.550 million on procurement and installation of IT equipment and software for the Royal Institute for Tourism and Hospitality in Motithang. The software had not been utilized even once. (AIN: 14100; Para: 3; Accountabilities: Direct: Sonam Tshering, Sr. Instructor, EID No.:200309021; Supervisory: Dakar Dorji, Principal, EID No.:200201258).

Status: Observation not settled.

The PAC consultative meeting held from 25 to 26/11/19 at National Assembly Hall, Thimphu directed the TCB to seek the advice of Governing Body and accordingly share the minutes of Board meeting to RAA for further update.

This issue was redeliberated during PAC consultative meeting held on 9 Sept. 2021 in NA conference hall, Thimphu where the Director of TCB reported that the management has decided to write off this issue. However, TCB stated that they will follow up with the former project manager for resolving it.

It was decided that TCB should take an appropriate action under intimation to RAA and update PAC by 31 April 2023.

The issue was re- deliberated in the Advisory Committee Meeting held on 31st August 2023 and as per the decision of the meeting it was agreed that the management should submit write off approval for the missing items as tracing of the missing items seems impossible by now. Therefore, the management of HTMTI/TCB should obtain a write off approval from a competent authority and furnished to RAA for review and appropriate decision.

However, the observation remained unresolved as of 29 Feb. 2024, as no further action taken report was received from the TCB as of 29 Feb. 2024. A Follow up Report was served vide letter No. RAA/FLSD(8-MoICE)DTuR/2023/512 dated 21/09/2023.

The issue was again deliberated in the Advisory Committee Meeting held on 31st August 2023 and as per the decision of the meeting it was agreed that the management should submit write off approval for the missing items as tracing of the missing items seems impossible by now and the huge expenditure incurred for the software. Therefore, the management of HTMTI/TCB should obtain a write off approval from a competent authority and furnished to RAA for review and appropriate decision.

4.6 FINANCIAL INSTITUTIONS

4.6.1. Bhutan Development Bank Limited

Bhutan Development Bank Limited had unsettled irregularity of Nu.0.695 million (status as on 31 March 2024 reported to the Parliament in April 2024. It remain un-settled as of 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as on 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 29/02/2024 (Nu. in Million)	% Settled
1	Mismanagement	0.695		0.695	-
2	Shortfalls and Lapses and deficiencies	-	-	-	-
	Total	0.695	-	0.695	

The detailed status of irregularities reported to the Parliament in April 2024 which remained unsettled as on 31 March 2025 are as discussed below:

1. Mismanagement -0.695 million

1.2 Disbursement of loans to inactive member of NPPF clients – Nu.0.695

The Bhutan Development Bank Limited, Panbang, Zhemgang had disbursed Government Employee loans amounting to Nu.0.695 million to three inactive members of the NPPF in violation to the prescribed loan disbursing norms and procedures. (AIN: 13714; Para: 2; Accountabilities: Direct: Pema Youden, Branch Assistant, CID No.11608002935; Karma Dendup, Branch Assistant, CID No.10905001513; Supervisory: Jamyang Tenzin, Manager, CID No. 12008002350).

Status: Observation not settled.

The issue was deliberated during the PAC consultative meeting held on 1 Sept. 2021 in NC conference hall, Thimphu where BDBL CEO reported that Panbang Branch had sanctioned employee loans amounting to Nu. 0.695 million to three inactive members of NPPF. The branch management has managed to follow-up and close all three accounts.

It was decided that BDBL should submit the loan closure documents to RAA by 30 Sept. 2021 for review and appropriate decision.

However, the observation remained unresolved as required documents were not received by the RAA as of 29 Feb. 2024. The reminder follow-up letter was served vide letter No.RAA/BT/Fus-01/2022/344 dated 29/06/2022, however no ATR has been received as of on 31 March 2025



**REVIEW STATUS REPORT OF
ANNUAL AUDIT REPORT 2017**

(As of 31 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2017

The Royal Audit Authority submitted the review report of the Annual Audit Report 2017 (status as of 31 March 2024) to the 9th Session of the Third Parliament in April 2024. The Review Report had total significant unsettled irregularities of Nu.23.803 as on 31 march 2025 as shown in the table below.

Table: Showing agency-wise irregularities settled and balances as of 31 march 2025.

Sl.No	Agency	Unsettled irregularities reported to Parliament as on 31.03.2024	Total amount settled (Nu. In Million)	Balance amount as on 31/03/2025	% Settled
1	Dzongkhag	-	-	-	
2	Gewogs	2.066	0.858	1.208	41.529
3	Autonomous Bodies	18.842	14.159	4.683	75.14
4	Non-Governmental Organisation	18.034	0.122	17.912	0.676
	Total	38.942	15.139	23.803	

The detailed review report of the irregularities as of 31 march 2025 are given below.

PART-II DETAILED REVIEW REPORT

1.1.2.1. DZONGKHAG ADMINISTRATION, TRONGSA

The case of mismanagement is as indicated below:

1.2. LAPSES IN THE OPERATION OF THE DECENTRALIZATION SUPPORT PROGRAMME FUND

The Department of Local Governance, MoHCA through the Dzongkhag Administration, Trongsa had allocated the UNDP, UNCDF, SNV, and Danida funded 'Decentralization Support Programme' (DSP) fund to Drakteng Gewog for the establishment of the dairy farm in October 2003. Upon completion of the project in December 2006, the Revolving Fund Account was maintained. The DSP fund was utilised as interest-free loans to beneficiaries for the purchase of jersey cows and the beneficiaries were required to repay the amount in three installments in three years.

However, there were lapses in the operation of the Revolving Fund as there was no documentation and details such as operational guidelines or terms of references, bank statements. The total funds made available to Gewog or released by the donors were also not documented by the Gewog office or the Livestock Sector of the Dzongkhag. Proper books of accounts were neither maintained by the Dzongkhag Administration nor the Gewog Administration.

The bank balance as of 29th November 2016 was Nu.0.015 million against the total fund of Nu.2.100 million received (as acknowledged by the Gewog officials) for which there were no supporting documents. Out of the total fund, Nu.0.584 million was utilized for the construction of the ORC & Retention Wall at Tashidingkha. The Dzongkhag Administration as a central authority has been advised to initiate appropriate review and confirm the status of the funds. *AIN: 14570; Observation: 25; Accountabilities: Direct: Galey Chophel, Ex-Gup, EID. 9912537u; Supervisory: Kinzang Dorji, Gup, CID No.11701001704.*

Status: Observation Not Settled.

The PAC consultative meeting held at Gelephu on 9 September 2019 directed the Dzongkhag and Gewog authorities to conduct a thorough review of the issues and submit relevant documents to OAAG Bumthang within the same month, which remains to be submitted. Direct accountability was transferred from Kinzang Dorji, Gup to Galey Chophel, Ex-gup, as it pertained to observation from the tenure of Galey Chophel, Ex-gup as per letter No.DGA/53/2019-2020/155 dated 11/09/2019 of the Dragten Gewog Adm. and also as per the decision of the consultative meeting held at Gelephu with PAC Members & Trongsa Dzongkhag.

The issue was redeliberated during the subsequent PAC consultative meeting held on 5 Aug. 2021 in the DYT hall of the Trongsa Dzongkhag where the Dzongkhag Administration reported that they believed that this issue was resolved, however, it was acknowledged that there were lapses from the Gewog Administration, Dragten for not maintaining proper documentation for the same. Despite several attempts, documents could not be traced but is yet to be completed. It was decided that Gewog Administration in consultation with RAA Bumthang should recast the complete cash book and resolve this issue by 31st August 2021.

1.1.3. GEWOGS ADMINISTRATION

GEWOGS ADMINISTRATION UNDER PARO DZONGKHAG

I. WANGCHANG

The Gewog Administration, Wangchang had a total unsettled irregularities of Nu.0.980 million (status as of 31 March 2024) reported to the Parliament in April 2024. The irregularities remained unsettled as of 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to the Parliament as of 31/03/2024 (Nu. in Million)	Amount Resolved (Nu. in Million)	Balance as of 31/03/2024	% Resolved
1	Mismanagement	0.500	-	0.500	-
2	Shortfalls, lapses and deficiencies	0.480	-	0.480	-
	Total	0.980	-	0.980	

The detailed status of irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Mismanagement – Nu.0.500 million

There were cases of mismanagement involving Nu.0.500 million as summarised below:

Sl. No.	Observation in Brief	Unsettled reported as of 31/03/2024 (Nu. in million)	Settled (Nu. in million)	Unsettled as of 31/03/2024 (Nu. in million)
1.1.	Irregularities in providing and fixing 30 HP Centrifugal Pumps	Unsettled	-	Unsettled
1.2.	Unjustified & extravagant payment for 30HP Electric Motor pumps – Nu.0.500	0.500	-	0.500
	Total	0.500	-	0.500

The cases of mismanagement are as indicated below:

1.1. IRREGULARITIES IN PROVIDING AND FIXING WATER PUMPS AND HDPE PIPES

The Centrifugal Pumps with the specification of one 50-horsepower (HP) electric motor pump were found changed to two 30-HP electric motor pumps and the diameter of HDPE pipes was increased from the specified 180mm to 200mm. *AIN: 14596; Observation: 1.6; Accountabilities: Direct: Kencho Wangdi, Engineer, EID No. 200409002; Supervisory: Thinley Dorji, Ex-Gup, CID No. 10811002122.*

Status: Observation not settled.

The PAC consultative meeting held on 25/7/2019 reviewed the case including making site visits. The present Gup was instructed to convey to Ex-Gup the Committee's desire to conduct either a public hearing or consultation meeting with them as the government expenditure had been rendered waste. The Gup was also instructed to find out the whereabouts of the contractor and inform the PAC at the earliest. However, no progress had been reported to RAA as of 10 Sept.2021.

This issue was redeliberated during the PAC consultative meeting held on 10 Sept. 2021 in the NA conference hall, Thimphu where the Gup reported that during the previous meeting with PAC, a call was made to Kencho Wangdi (Engineer) and he acknowledged to report to RAA and resolve it. He requested PAC to write a letter to his current organization regarding the requirement of his presence. The accountable person failed to report to RAA to resolve it. Therefore, it was requested that RAA resolve this issue with the submission of the work completion report by the Gewog Administration.

As per the decision of the PAC consultative meeting held on 10 Sept. 2021, the RAA has written a letter No.RAA/FUCD(R18)2021/1677 dated 14 Sept. 2021 to the Gewog Adm. to explore the possibility of securing resources to make the water supply systems functional and sustainable for the benefit of the users at the earliest. A Follow-up report No.RAA/FUCD(R18) WangchangGw/2022/1624 dated 12/9/2022 was issued reminding the Gewog Administration to take action to resolve the issue.

Further, a Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by DASHO DZONGDAG, officials of the Dzongkhag and Gewogs where the RAA Team was informed by the former Wangchang Gup that they encountered difficulties in tracing M/s Ghana Construction, and the Site Engineer was also transferred to DOR, Tingtibi. Efforts were made to contact the Site Engineer for follow-up, but he requested an official letter for relief from his office and did not turn up. The former Wangchang Gup emphasized that the Site Engineer holds direct accountability for the matter. Additionally, he mentioned that the drawing for the construction of the water pump was prepared by the Ministry of Agriculture and Forests (MoAF), and the Ministry of Works and Human Settlement (MoWHS) Secretary assured that the work would be completed.

Furthermore, the present Wangchang Gup informed the RAA Team that the case was reviewed by the Public Accounts Committee of the Parliament. The review meeting decided that the proprietor of M/s. Ghana Builders, Thimphu, will be registered as a missing person, while the case of Kencho Wangdi, the Site Engineer, will be handled separately. In the meantime, the observation shall remain unresolved until such time that the issue is being dealt with as per the rules and regulations of the country and brought to a proper conclusion.

In the mean while the observation shall remain unresolved until such time that the issue is being delt as per the rules and regulations of the country and brought to a proper conclusion.

1.2. UNJUSTIFIED & EXTRAVAGANT PAYMENT FOR 30HP ELECTRIC MOTOR PUMPS – Nu.0.500 MILLION

The Gewog Administration had procured two 30 HP electric motor pumps at Nu.0.500 million (Nu.0.250 million each) against the specification of one 50 HP electric motor pump with a quoted rate of Nu.0.065 million which had additional financial implication of Nu. 0.435 million. This resulted in an unjustified & extravagant payment for one 30 HP electric motor pump. The lapses had occurred apparently due to the laxity of the dealing officials in exploring the most competitive prices when the rate for the alternative pump was abnormally high. *AIN: 14596; Observation: 1.7 & 1.8; Accountabilities: Direct: Kencho Wangdi Engineer, EID No. 200409002; Supervisory: Thinley Dorji, Ex-Gup, CID No. 10811002122.*

Status: *Observation not settled.*

The PAC consultative meeting held on 25/7/2019 reviewed the case including making site visits. The present Gup was instructed to convey to Ex-Gup the Committee's desire to conduct either a public hearing or consultation meeting with them as the government expenditure had been rendered waste. The Gup was also instructed to find out the whereabouts of the contractor and inform the PAC at the earliest. However, no progress had been reported to RAA as of 10 Sept.2021.

This issue was redeliberated during the PAC consultative meeting held on 10 Sept. 2021 in the NA conference hall, Thimphu where the Gup reported that during the previous meeting with PAC, a call was made to Kencho Wangdi (Engineer) and he acknowledged to report to RAA and resolve it. He requested PAC to write a letter to his current organization regarding the requirement of his presence. The accountable person failed to report to RAA to resolve it. Therefore, it was requested that RAA resolve this issue with the submission of the work completion report by the Gewog Administration.

As per the decision of the PAC consultative meeting held on 10 Sept. 2021, the RAA has written a letter No.RAA/FUCD(R18)2021/1677 dated 14 Sept. 2021 to the Gewog Adm. to explore the possibility of securing resources to make the water supply systems functional and sustainable for the benefit of the users at the earliest. A Follow-up report No.RAA/FUCD(R18) WangchangGw/2022/1624 dated 12/9/2022 was issued reminding the Gewog Administration to take action to resolve the issue.

Further, the Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by DASHO Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by the former Wangchang Gup that they encountered difficulties in tracing of M/s Ghana Construction, and the Site Engineer was also transferred to DOR, Tingtibi. Efforts were made to contact the Site Engineer for follow-up, but he

requested an official letter for relief from his office and did not turn up. The former Wangchang Gup emphasized that the Site Engineer holds direct accountability for the matter. Additionally, he mentioned that the drawing for the construction of the water pump was prepared by the Ministry of Agriculture and Forests (MoAF), and the Ministry of Works and Human Settlement (MoWHS) Secretary assured that the work would be completed. Furthermore, the present Wangchang Gup informed the

RAA Team that the case was reviewed by the Public Accounts Committee of the Parliament.

The review meeting decided that the proprietor of M/s. Ghana Builders, Thimphu, will be registered as a missing person, while the case of Kencho Wangdi, the Site Engineer, will be handled separately. In the meantime, the observation shall remain unresolved until such time that the issue is being dealt with as per the rules and regulations of the country and brought to a proper conclusion. In the mean while the observation shall remain unresolved until such time that the issue is being delt as per the rules and regulations of the country and brought to a proper conclusion.

2. Shortfalls, lapses, and deficiencies - Nu.0.480 million

There were cases of shortfalls, lapses, and deficiencies involving Nu.0.480 million as summarised below:

Sl. No.	Observation in Brief	Unsettled reported as of 31/03/2023 (Nu. in million)	Settled (Nu. in million)	Unsettled as of 29/02/2024 (Nu. in million)
1.1.	Non-accountal of extracted materials	0.446	-	0.446
1.2.	Excess payment	0.034	-	0.034
1.3	Defective Work	Unsettled	-	Unsettled
	Total	0.480		0.480

The cases of shortfalls, lapses, and deficiencies are as indicated below:

I.1. NON-ACCOUNTAL OF EXTRACTED MATERIALS - NU.0.446 MILLION

The Gewog Administration, Wangchang had paid Nu.0.446 million on account of hard rock cutting at an analyzed rate of Nu.348.46 per cubic meter for 1,280.30 cubic meter (40% of 3199.94 cubic meter of earthwork excavation). However, the hard rock extracted was neither found accounted for in the 'Material at Site' (MAS) register, nor was the value of hard rock adjusted from the payments to the contractor. The lapses had occurred apparently due to negligence on the part of the Site Engineer in making necessary record entries in the MAS register. *AIN: 14596; Observation: 1.1; Accountabilities: Direct: Kencho Wangdi Engineer, EID No. 200409002; Supervisory: Thinley Dorji, Ex-Gup, CID No. 10811002122.*

Status: *Observation not settled.*

The PAC consultative meeting held on 25/7/2019 reviewed the case including making site visits. The present Gup was instructed to convey to Ex-Gup the

Committee's desire to conduct either a public hearing or consultation meeting with them as the government expenditure had been rendered waste. The Gup was also instructed to find out the whereabouts of the contractor and inform the PAC at the earliest. However, no progress had been reported to the RAA as of 10 Sept. 2021.

This issue was redeliberated during the PAC consultative meeting held on 10 Sept. 2021 in the NA conference hall, Thimphu where the Gup reported that during the previous meeting with PAC, a call was made to Kencho Wangdi (Engineer) and he acknowledged to report to RAA and resolve it. He requested PAC to write a letter to his current organization regarding the requirement of his presence. The accountable person failed to report to RAA to resolve it. Therefore, it was requested that RAA resolve this issue with the submission of the work completion report by the Gewog Administration.

As per the decision of the PAC consultative meeting held on 10 Sept. 2021, the RAA has written a letter No.RAA/FUCD(R18)2021/1677 dated 14 Sept. 2021 to the Gewog Adm. to explore the possibility of securing resources to make the water supply systems functional and sustainable for the benefit of the users at the earliest. A Follow-up report No.RAA/FUCD(R18) WangchangGw/2022/1624 dated 12/9/2022 was issued reminding the Gewog Administration to take action to resolve the issue.

Further, the Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by the former Wangchang Gup that they encountered difficulties in tracing M/s Ghana Construction, and the Site Engineer was also transferred to DOR, Tingtibi. Efforts were made to contact the Site Engineer for follow-up, but he requested an official letter for relief from his office and did not turn up. The former Wangchang Gup emphasized that the Site Engineer holds direct accountability for the matter. Additionally, he mentioned that the drawing for the construction of the water pump was prepared by the Ministry of Agriculture and Forests (MoAF), and the Ministry of Works and Human Settlement (MoWHS) Secretary assured that the work would be completed. Furthermore, the present Wangchang Gup informed the RAA Team that the case was reviewed by the Public Accounts Committee of the Parliament.

The review meeting decided that the proprietor of M/s. Ghana Builders, Thimphu, will be registered as a missing person, while the case of Kencho Wangdi, the Site Engineer, will be handled separately. In the meantime, the observation shall remain unresolved until such time that the issue is being dealt with as per the rules and regulations of the country and brought to a proper conclusion. In the mean while the observation shall remain unresolved until such time that the issue is being delt as per the rules and regulations of the country and brought to a proper conclusion.

I.2. EXCESS PAYMENT - NU.0.034 MILLION

The Gewog Administration, Wangchang had made an excess payment of Nu.0.034 million for items of works not executed as per Bill of Quantities (BoQ). The lapses had occurred due to improper verification of the contractor's claims without ascertaining the

actual quantity of work executed as per BoQ by the Site Engineer. *AIN: 14596; Observation: 1.4; Accountabilities: Direct: Kencho Wangdi Engineer, EID No. 200409002; Supervisory: Thinley Dorji, Ex-Gup, CID No. 10811002122.*

Status: Observation not settled.

The PAC consultative meeting held on 25/7/2019 reviewed the case including making site visits. The present Gup was instructed to convey to Ex-Gup the Committee's desire to conduct either a public hearing or consultation meeting with them as the government expenditure had been rendered waste. The Gup was also instructed to find out the whereabouts of the contractor and inform the PAC at the earliest. However, no progress had been reported to the RAA as of 10 Sept.2021.

This issue was redeliberated during the PAC consultative meeting held on 10 Sept. 2021 in the NA conference hall, Thimphu where the Gup reported that during the previous meeting with PAC, a call was made to Kencho Wangdi (Engineer) and he acknowledged to report to RAA and resolve it. He requested PAC to write a letter to his current organization regarding the requirement of his presence. The accountable person failed to report to RAA to resolve it. Therefore, it was requested that RAA resolve this issue with the submission of the work completion report by the Gewog Administration.

As per the decision of the PAC consultative meeting held on 10 Sept. 2021, the RAA has written a letter No.RAA/FUCD(R18)2021/1677 dated 14 Sept. 2021 to the Gewog Adm. to explore the possibility of securing resources to make the water supply systems functional and sustainable for the benefit of the users at the earliest. A Follow-up report No.RAA/FUCD(R18) WangchangGw/2022/1624 dated 12/9/2022 was issued reminding the Gewog Administration to take action to resolve the issue.

Further, the Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by DASHO DZONGDAG, officials of the Dzongkhag and Gewogs where the RAA Team was informed by the former Wangchang Gup that they encountered difficulties in tracing M/s Ghana Construction, and the Site Engineer was also transferred to DOR, Tingtibi. Efforts were made to contact the Site Engineer for follow-up, but he requested an official letter for relief from his office and did not turn up. The former Wangchang Gup emphasized that the Site Engineer holds direct accountability for the matter. Additionally, he mentioned that the drawing for the construction of the water pump was prepared by the Ministry of Agriculture and Forests (MoAF), and the Ministry of Works and Human Settlement (MoWHS) Secretary assured that the work would be completed. Furthermore, the present Wangchang Gup informed the RAA Team that the case was reviewed by the Public Accounts Committee of the Parliament.

The review meeting decided that the proprietor of M/s. Ghana Builders, Thimphu, will be registered as a missing person, while the case of Kencho Wangdi, the Site Engineer, will be handled separately. In the meantime, the observation shall remain unresolved until such time that the issue is being dealt with as per the rules and regulations of the country and brought to a proper conclusion. In the mean while the observation shall remain unresolved until such time that the issue is being delt as per the rules and regulations of the country and brought to a proper conclusion.

I.3. DEFECTIVE WORKS

The Gewog Administration, Wangchang had not directed the contractor to rectify defects noted in the Electric Water Pump system as follows:

- a. Cracks had developed and the layer of cement plaster on the floor and partition of the RRM wall of the Reservoir tank was peeling off;
- b. the HDPE pipe joints were found dislocated/detached at several joints; and
- c. The RRM wall and plinth protection at Water Pump House had developed major cracks.

The lapses had occurred due to poor workmanship and lack of proper supervision and monitoring of work by the concerned site supervisor. *AIN: 14596; Observations: 1.5 & 1.9; Accountabilities: Direct: Kencho Wangdi, Engineer, EID No. 200409002; Supervisory: Thinley Dorji, Ex-Gup, CID No. 10811002122.*

Status: *Observation not settled.*

The PAC consultative meeting held on 25/7/2019 reviewed the case including making site visits. The present Gup was instructed to convey Ex-Gup of the Committee's desire to conduct either a public hearing or consultation meeting with them as the government expenditure had been rendered waste. The Gup was also instructed to find out the whereabouts of the contractor and inform the PAC at the earliest. However, no progress had been reported to the RAA as of 10 Sept.2021.

This issue was redeliberated during the PAC consultative meeting held on 10 Sept. 2021 in the NA conference hall, Thimphu where the Gup reported that during the previous meeting with PAC, a call was made to Kencho Wangdi (Engineer) and he acknowledged to report to RAA and resolve it. He requested PAC to write a letter to his current organization regarding the requirement of his presence. The accountable person failed to report to RAA to resolve it. Therefore, it was requested that RAA resolve this issue with the submission of the work completion report by the Gewog Administration.

As per the decision of the PAC consultative meeting held on 10 Sept. 2021 the RAA has written a letter No.RAA/FUCD(R18)2021/1677 dated 14 Sept. 2021 to the Gewog Adm. to explore the possibility of securing resources to make the water supply systems functional and sustainable for the benefit of the users at the earliest. A Follow-up report No.RAA/FUCD(R18) WangchangGw/2022/1624 dated 12/9/2022 was issued reminding the Gewog Administration to take action to resolve the issue.

Further, the Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by the former Wangchang Gup that they encountered difficulties in tracing M/s Ghana Construction, and the Site Engineer was also transferred to DOR, Tingtibi. Efforts were made to contact the Site Engineer for follow-up, but he requested an official letter for relief from his office and did not turn up. The former Wangchang Gup emphasized that the Site Engineer holds direct accountability for the matter. Additionally, he mentioned that the drawing for the construction of the water pump was prepared by the Ministry of Agriculture and Forests (MoAF), and

the Ministry of Works and Human Settlement (MoWHS) Secretary assured that the work would be completed. Furthermore, the present Wangchang Gup informed the RAA Team that the case was reviewed by the Public Accounts Committee of the Parliament.

The review meeting decided that the proprietor of M/s. Ghana Builders, Thimphu, will be registered as a missing person, while the case of Kencho Wangdi, the Site Engineer, will be handled separately. The observation remains unresolved until the time the issue is dealt with as per the prevalent rules and regulations and brought to a logical conclusion.

I. LUNANA

The Gewog Administration, Lunana had total unsettled irregularities of Nu.0.038 million (status as of 31 March 2024) reported to the Parliament in April 2024. It remained unsettled as of 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to the Parliament as on 31/03/2023 (Nu. in Million)	Amount Resolved (Nu. in Million)	Balance as on 29/02/2024	% Resolved
1	Shortfalls, lapses and deficiencies	0.038	-	0.038	-
	Total	0.038	-	0.038	

The detailed status of irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 is as discussed below:

1. Shortfalls, lapses, and deficiencies – Nu.0.038 million

1.1. IRREGULAR ADJUSTMENT/PAYMENT – Nu.0.038 MILLION

The Gewog Administration, Lunana had made an excess payment of Nu.0.038 million due to an arithmetical error in the bill submitted by the Gewog Administrative Officer for repairing the drilling machine used in the construction of a farm road from Goentsephu to Ramina. The lapses had occurred apparently due to the negligence of concerned officials in processing the payments without proper scrutiny of the supporting documents. *AIN: 14809; Observation: 2.2; Accountabilities: Direct: Sherab Chophel, GAO, EID No. 200705080; Supervisory: Gyembo Tshering, Ex-Gup, CID NO. 10404000122; Kaka, Gup, CID No. 10404000432.*

Status: *Observation not settled.*

The Follow-up Reports were served vide letter Nos. RAA/FUCD(Q3-3)/Gewog-Lunana/2022/1451 dated 23/08/2022 and vide RAA/FLSD (12GASADz)/ Gewog-Lunana/2023/1058 dtd.08/12/23 for initiating the course of further action to resolve the issue.

The observation remains unresolved due to the absence of payment details and acknowledgment which were not provided by the Gewog Administration for verification to the current audit team.

1.1.3.1. GEWOG ADMINISTRATIONS UNDER MONGGAR DZONGKHAG

I. SALING

The Gewog Administration Saling had unsettled irregularity of Nu.0.190 million (status as of 31 March 2024) reported to the Parliament in April 2024. It remained unsettled as of 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to the Parliament as of 31/03/2023	Amount Settled (Nu. in Million)	Balance as of 29/02/2024 (Nu. in Million)	% Resolved
2	Shortfalls, lapses and deficiencies	0.190	-	0.190	-
	Total	0.190		0.190	

The detailed status of irregularity reported to the Parliament in April 2023 which remained unsettled as of 31 March 2025 is as discussed below:

2. Shortfalls, lapses and deficiencies - Nu.0.190 million

The cases of shortfalls, lapses and deficiencies is as indicated below:

2.1. NON DEDUCTION OF REBATE OFFERED - NU.0.190 MILLION

The Gewog Administration, Saling had not deducted Nu.0.303 million offered as lump sum rebate by the contractor in the construction of Meeting Hall at Lingmithang. The lapses had occurred apparently due to improper verification and certification of contractor's bills for payment by site engineer which is indicative of lack of internal controls. *AIN: 14568; Observation: 4(a); Accountabilities: Direct: Lobzang Tshering, JE, EID No. 200901074; Supervisory: Choney Dorji, Gup, CID No. 10704001091.*

Status: *Observation not settled.*

The PAC consultative meeting held at Samdrupjongkhar from 27 to 28/09/19 instructed the Gewog Administration to follow up with the Contractor to recover the rebate.

The issue was redeliberated during the PAC consultative meeting held on 3 Aug. 2021 in the DYT hall of Trashigang Dzongkhag and the Gewog Adm. reported that the amount could not be recovered so far as the final bill was still pending as a case relating to this construction is under litigation in Mongar Court. The PAC advised the Gewog Administration to follow up with Mongar Court and submit an update to RAA by 31 Aug. 2021. A follow-up reminder letter was also served vide letter No.RAA/DAG/022/59 dated 25/08/2022 for taking action to resolve the issue.

A sum of Nu. 113,184.04 was deposited into ARA vide R/No.469051 dated 08/09/2017. However, as per the Mongar Court's verdict, a sum of Nu. 389,264.52 should be recovered from the contractor & deposit into ARA,

However, the contractor had deposited a sum of Nu. 25,911.00 vide R/No.02172 dated 15/07/2022, thereby leaving the balance amount of Nu. 375,272.16 and the reminder letter was served vide letter No.RAA/DAG/022/59 dated 25/08/2022 but still there is no further response as of 15th March 2023.

AUTONOMOUS AGENCIES

1.1.3.2. THIMPHU THROMDE

Thimphu Thromde had unsettled irregularities of Nu.0.110 million (status as of 31 March 2023) reported to the Parliament in April 2024. It remained unsettled as of 31 March 2024 as summarized below.

Sl. No.	Observation Category	Irregularities reported to Parliament as of 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as on 29/02/2024	% Settled
2	Violation of laws and rules	-	-	-	-
3	Shortfalls, lapses and deficiencies	0.110	-	0.110	-
	Total	0.110	-	0.110	

The detailed status of irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Violation of Laws & Rules

2.2 IRREGULARITIES IN AWARDING OF WORK AND NON-PRODUCTION OF DOCUMENTS

Thimphu Thromde had irregularities in awarding the construction of a stormwater drain at Yangchenphug High School and maintenance of city drains. The Bid Evaluation Committee had initially disqualified all the bids as none of the firms submitted the details of equipment and human resources. However, the committee later decided to award the work to M/s Yardak Construction based on his lowest financial bid and ignoring the technical capacity.

Further, the deposit of EMD of Nu.0.180 million which was forfeited due to failure to execute the work by the contractor into the RGR Account could not be verified due to non-production of related documents. *AIN: 14467; Observation: 19; Accountabilities: Direct: Sonam Wangchuk, Asstt. Land Registrar I, EID No. 200605039; Supervisory: Sonam Wangchuk, Asstt. Land Registrar I, EID No. 200605039.*

Status: *Observation not settled.*

Thimphu Thromde was asked to furnish evidence of having forfeited the EMD of Nu.180,000.00 and deposited it into a government account. Based on the decision of the PAC consultative meeting held from 25 to 26/11/19 at National Assembly Hall, Thimphu, the bilateral meeting between RAA and Thimphu Thromde was held on 20/12/19. However, Thimphu Thromde had not taken action as of 30 Aug. 2021 as

per the decision of the bilateral meeting held on 20/12/2019.

The issue was redeliberated during the PAC consultative meeting held on 30 Aug. 2021 in the NC conference hall where Thimphu Thomde reported that an accountable person has gone to Australia for studies. Upon receipt of the follow-up letter from RAA, Thomde communicated the same to the accountable person's wife but no response was received. However, Thomde is planning to recover the amount from Sonam Wangchuk's retirement benefits.

The RAA stated that this issue had remained unresolved for many years and Thomde had not taken any legal recourse as mandated by Financial Rules & Regulation whereby the head of the agency is mandated to take legal recourse against any financial irregularities remaining pending for more than a year. In such cases, if legal recourse is not taken the head of the agency shall be held accountable.

It was decided that Thomde should either communicate with Sonam Wangchuk or recover the amount from him or his retirement benefit. In case of failure to recover the amount from him by 15 September 2021, Thomde should take legal recourse.

However, in despite of the decision passed and assurance made during the bilateral meeting held on 20 December 2019, the Thomde has not initiated any course of action as of 29 February 2024.

Therefore, the RAA urges Thimphu Thomde to expedite the necessary actions in depositing the amount into the ARA. Until such time, the observation shall remain unresolved.

Reasons submitted by the management that clearance has been issued for Sonam Wangchuk is not accepted as he had availed clearance for separation purpose on 17.10.2016, however the audit report was issued on 23.03.2017. the management should initiate the actions to address the issues.

3 Shortfalls, lapses & deficiencies – Nu.0.110 million

3.2 EXCESS PAYMENT - NU.0.110 MILLION

- a) Thimphu Thomde had made an excess payment of Nu.0.110 million to M/s Thuenlam Construction for intermediate wall and slope stabilization works at Youth Development premises. The excess payment had occurred due to payment for quantities in excess of quantities actually executed at the site. *AIN: 14467; Observation: 10; Accountabilities: Direct: Teknath Karaia, Dy. Executive Engineer, EID No. 201001178; Supervisory: Tshering Peljore, Forest Officer, EID No. 9211045.*

Status: *Observation not settled.*

Based on the decision of the PAC consultative meeting held from 25 to 26/11/19 at National Assembly Hall, Thimphu, the bilateral meeting between RAA and Thimphu Thomde was held on 20/12/19. However, the issue remained unresolved as of 30 Aug. 2021.

The issue was redeliberated during the PAC consultative meeting held on 30 Aug. 2021 in NC Conference Hall, Thimphu where the Thomde reported that upon following up with the contractor for the recovery of the amount, the contractor verbally acknowledged to pay the amount but had not paid yet. The contractor was reported to be in Thimphu and Thomde is insisting on the recovery of the amount.

The PAC advised Thomde to recover the amount from the contractor by 15 Sept. 2021 if not take legal recourse.

Despite agreements and assurances provided on multiple occasions, the Thimphu Thomde so far has not acted upon.

As such, the Thomde must take immediate steps to recover the amount and deposit it into the ARA. Until such time, the observation shall remain unresolved.

Reasons submitted by the management that clearance has been issued for Sonam Wangchuk is not accepted as he had availed clearance for separation purpose on 17.10.2016, however the audit report was issued on 23.03.2017. the management should initiate the actions to address the issues.

1.1.3.3. DRATSHANG LHENTSHOG

Dratshang Lhentshog had unsettled irregularities of Nu.16.499 million (status as of 31 March 2024) reported to the Parliament in April 2024. Balance of Nu.2.340 Million remained unsettled as of 31 march 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as of 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as of 29/02/2024 (Nu. in Million)	% Settled
1	Violation of laws	2.340	-	2.340	-
	Total	2.340	-	2.340	

The detailed status of irregularities reported to the Parliament in April 2024, which remained unsettled as of 31 march 2025 is as discussed below:

1. Violation of laws and rules - Nu.2.340 million

The case of violation of laws and rules is as indicated below:

1.1. AVOIDABLE EXPENDITURE ON CONSULTANCY FEE - Nu.2.340 MILLION

The Dratshang Lhentshog had incurred an avoidable expenditure of Nu.2.340 million on account of a consultancy service fee of Nu.0.060 million per month paid to M/s Basic Consultancy hired as the Supervision Consultant for the construction of *Losel Yanchenling Anim Zhirim Lobdra Tewa* at Yagpogang, Monggar. The Consultant was paid for 39 months even after the expiry of the contract duration on 19th February 2014 and the work progress was delayed by more than three years at the time of Audit in April 2017.

The delay in completion of works by the contractor was aggravated by the failure of the Supervision Consultant in its responsibility and thus the payment of consultancy service fee for supervision was not justifiable. *AIN: 14751; Observation: 1.2; Accountabilities: Direct: Rinzin Phurba, Project Engineer, EID No. 9507029; Supervisory: Ugyen Tshering, Project Manager, EID No. 200901028.*

Status: *Observation not settled.*

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Project Manager reported that the Government of India funded four major projects in Bhutan. Out of the four projects, one was executed in Mongar. Since the project was executed in Mongar and the supervisory personnel were stationed at Thimphu (Management of Dratshang Lhentshog) a need was felt to deploy an employee to Mongar to supervise the execution of the works. Due to a shortage of manpower, a consultation firm was sent to Mongar to supervise the work for timely and quality execution of work.

The PAC advised Dratshang Lhentshog to submit all the justifications related to this issue to RAA by 30 Sept. 2021 for review and appropriate decision.

A follow-up report was sent vide letter No. RAA/FuCD(S1-1)2021/2431 dated 23/12/2021.

Since Dratshang Lhentshog has not submitted the justifications as per PAC Decision dated 13/9/2021 to deploy an employee to Mongar to supervise the execution of the work, the issue remains unresolved as of 29 February 2024.

The Dratshang Lhentshog had not submitted any documents even upon the resolution passed by the PAC.

1.1.3.4. PHUENTSHOLING THROMDE

Out of the total unsettled irregularities of Nu.2.233 million (status as of 31 March 2024) reported to the Parliament in April 2024, Phuentsholing Thromde had not settled the amount as of 31 March 2025. However, one issue without involvement of monetary amount was resolved as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as of 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as of 29/02/2024 (Nu. in Million)	% Settled
1	Mismanagement	2.233	-	2.233	-
	Total	2.233	-	2.233	

The detailed status of irregularities reported to the Parliament in April 2024, irregularity settled thereafter and unsettled one as of 31 March 2025 is as discussed below:

1. Mismanagement – Nu.2.230 million

1.1. OUTSTANDING LAND TAXES - Nu.2.230 MILLION

Phuentsholing Thromde had outstanding urban land taxes amounting to Nu.3.051 million lying unsettled for the extended areas under Phuentsholing and Sampheling Gewog. *AIN: 14426; Observation: 1.4; Accountabilities: Direct: Deki, Adm. Asstt., EID No. 2009008; Supervisory: Sherub Tenzin, SSE, EID No. 200901218.*

Status: *Observation not settled.*

The PAC consultative meeting held at Samtse from 30/09/19–02/10/19 asked the Thromde to make an announcement in the media on outstanding land taxes and if people do not turn up after that, then Thromde should coordinate with NLC, and explore next course of action. However, the Thromde reported no progress as of 31 March 2023.

This issue was redeliberated during the PAC consultative meeting virtually held on 7 Oct 2021 where the Land Record Officer reported that Thromde through an announcement in BSS directed the private land owners to pay the outstanding land tax. Further, one month was extended for the payment of land tax. Out of 400 private individuals, 381 paid the outstanding land tax amounting to Nu. 2,090,889.00. As of now, the remaining outstanding is Nu. 3,051,000/- The remaining amount could not be recovered because the whereabouts of the 12 individuals are unknown. In the case of governmental institutions, the tax couldn't be realized due to directives of the Ministry of Finance wherein it was notified to exempt Zhung Dratshang from tax till 2017. Furthermore, RBA, RBP, and CST are seeking the same exemption from MoF.

The PAC directed that Thromde submit the details of outstanding taxes recovered and the order issued by the MoF regarding the exemption of land tax for Zhung Dratshang till 2017 to RAA by 31 April 2023 for review and appropriate decision.

However, the observation remained unresolved as no further action taken report was submitted to the RAA as of 29 February 2024. A follow-up report was issued vide RAA/OAAG-Pling/MoWHS-Thromde-D21/2022/287 dated 20/7/2022.

The latest Follow-up Report issued vide letter no. RAA/OAAG-Pling/MoWHS-Thromde-D21/2023/214 dated. 05.05.23. However, the response has not yet been received, and waiting for the necessary actions.

The issue will be reviewed during the coming audit, until such time the observation remains unsettled.

1.1.4. NON GOVERNMENTAL ORGANIZATIONS

1.1.4.1. BHUTAN FILM ASSOCIATION

Bhutan Film Association had total unsettled irregularities of Nu.18.034 million (status as of 31 March 2024) reported to the Parliament in April 2024. They remained unsettled as of 31 March 2025 as summarized below:

Sl. No.	Observation Category	Irregularities reported to Parliament as of 31/03/2023 (Nu. in Million)	Amount Settled (Nu. in Million)	Balance as of 29/02/2024	% Settled
1	Mismanagement	17.912	-	17.912	-
2	Shortfalls, lapses and deficiencies	0.122	-	0.122	-
	Total	18.034	-	18.034	-

The detailed status of irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Mismanagement - Nu.17.912 million

There were cases of mismanagement involving Nu.17.912 million as summarised below:

Sl. No.	Observation in Brief	Unsettled reported as of 31/03/2023 (Nu. in million)	Settled (Nu. in million)	Unsettled as of 29/02/2024 (Nu. in million)
1.1	Non-realization of cost of film screening equipment from Bhutan Film Distributor	4.752	-	4.752
1.2	Fixed assets remaining idle	13.160	-	13.160
	Total	17.912	-	17.912

1.1. NON-REALIZATION OF COST OF FILM SCREENING EQUIPMENT FROM BHUTAN FILM DISTRIBUTOR - NU.4.752 MILLION

The Bhutan Film Association (BFA) had procured 60 sets of film screening equipment worth Nu.6.899 million funded by KOICA, Government of the Republic of Korea. All the film screening equipment was handed over to Bhutan Film Distributor (BFD), Thimphu on 28/07/2015 with an agreement similar to the hire-purchase system. The two conditions of the agreement, among others, were that - i) BFD must pay a monthly installment of Nu.3,300.00 per set for 60 sets for three years after two months from the date of release of the first film; and ii) after completion of final installment, the ownership to the equipment shall be formally handed over to the BFD.

However, even after two years BFA had not received any installment for the hire-purchase agreement nor was there any record indicating the association's effort to realize the installment from the latter. Subsequently, based on the Board's decision to rescind the contract, 40 sets of the equipment were taken back, and the remaining 20 sets were left with BFD under a new contract agreement. The hire charges due amounting to Nu.4.752 million were not realized from BFD till the date of audit. *AIN: 14849; Observation: 1; Accountabilities: Direct: Tandin Wangchuk, General Manager, Bhutan Film Distributor, CID No. 1160600048; Supervisory: Yeshe Dorji, Executive Director, CID No. 10712002031.*

Status: Observation not settled.

This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in the NA conference hall, Thimphu where the President of BFA reported that Bhutan Film Distributor was declared bankrupt by the Royal Court of Justice. Upon

following up with Tandin Wangchuk, General Manager of Bhutan Film Distributor, he stated that he was in Samdrup Jongkhar doing some contract work. It was conveyed that, out of 60 sets of film screening equipment, 40 sets had already been returned to the Tshogpa of Bhutan Film Association and the remaining 20 sets were with him which he promised to return at the earliest.

It was decided that BFA should submit the evidence proving the bankruptcy of Bhutan Film Distributor and recover the remaining 20 sets from Tandin Wangchuk by 31 Oct. 2021 and be required to report to RAA accordingly.

The observation on the non-realization of the cost of Film Screening equipment from Bhutan Film Distributor has been pending since 2017. The issues were rediscussed during the RAA's 76th Advisory Committee Meeting. As per the meeting, the management is asked to take up the matter separately with the relevant authority to investigate or trace the missing items or to seek write-off approval from the management for the settlement of observation. Until such time, the observation shall stand.

However, the observation remained unresolved as of 29 February 2024 despite repeated follow-ups on the issue vide letter No. RAA/FUCD(F50)BFA/2022/1898 dated 21/10/2022 and vide letter no. RAA/FLSD(23-NGO)/BFA-50/2023/734 dated 27/10/2023.

The para still stands as there is no further course of action taken till date of audit.. The decision from the AGM will be awaited in the audit. Until such time the observation shall stand.

1.2. FIXED ASSETS WORTH NU.13.160 MILLION REMAINING IDLE

The BFA had large quantities of fixed assets worth Nu.13.160 million lying idle. Immediate management action either for its effective utilization and proper storage or for its disposal was deemed necessary. *AIN: 14849; Observation: 2; Accountabilities: Direct: Yeshe Dorji, Executive Director, CID No. 10712002031; Tuka Gurung, Finance/Admin. Officer, CID No. 1201001452; Yeshey Dorji, IT Officer, CID No. 10204000137; Supervisory: Tobgyel, President, CID No. 11410002207; Kesang Jigmi, CID No. 11101001183; Tshering Phuntsho, CID No. 10202000660; Pema Tshering, CID No.11705001918; Yeshey Tshering, CID No. 10801100069; Kinley Dorji, CID No. 10811000784; Tshechu Dorji Wong, CID No. 11410003623; Tshering Dorji, CID No. 11410008578.*

Status: *Observation not settled.*

This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in the NA conference hall, Thimphu where the RAA stated that this issue could be resolved through a bilateral meeting between RAA & BFA; so it was decided that RAA and BFA should resolve this issue through a bilateral meeting by 31 Oct. 2021.

However, the observation remained unresolved as of 29 February 2024. Despite serving repeated follow-up reminders vide letter No.RAA/FUCD(F50)BFA/2022 /1898 dated 21/10/2022 and vide letter no. RAA/FLSD (23-NGO)/BFA50/2023 /734 dated 27/10/2023, the ATR responses are not forthcoming.

The management of FAB was advised to develop a comprehensive plan for the efficient utilization and storage of existing equipment valued at Nu. 13.160 million. Alternatively, any equipment or items identified as idle and unused should be promptly brought before the Board for appropriate decision-making. Action taken by management is furnished for RAA's review.

The para still stands as there is no further course of action taken till date of audit.. The decision from the AGM will be awaited in the audit. Until such time the observation shall stand.

2. Shortfalls, lapses & deficiencies - Nu.0.122 million

There was a case of shortfalls, lapses, and deficiencies involving Nu.0.122 million as indicated below:

2.1. SHORTAGE/MISSING OF ASSETS WORTH NU.0.122 MILLION

The BFA had shortage/missing assets such as LCD monitors, light stands, plastic chairs, etc. worth Nu.0.122 million noted during the joint physical verification of assets and equipment. The management was required to trace the whereabouts of the assets or recover the cost from the person responsible according to Chapter V of the Property Management Manual 2016. *AIN: 14849; Observation: 1 & 3. Accountabilities: Direct: Yeshey Dorji, IT Officer, CID No. 102044000137; Supervisory: Yeshey Dorji, IT Officer, CID No. 102044000137*

Status: *Observation not settled.*

This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in the NA conference hall, Thimphu where the RAA stated that this issue could be resolved through a bilateral meeting between RAA & BFA; so it was decided that RAA and BFA should resolve this issue through a bilateral meeting by 31 Oct. 2021.

However, the observation remained unresolved as of 29 February 2024 despite serving repeated follow-up reminders vide letter No.RAA/FUCD(F50)BFA/2022/1898 dated 21/10/2022 and letter no. RAA/FLSD(23-NGO)/BFA-50/2023/734 dated 27/10/2023.

The para still stands as there is no further course of action taken till date of audit.. The decision from the AGM will be awaited in the audit. Until such time the observation shall stand.



REVIEW STATUS REPORT OF ANNUAL AUDIT REPORT 2018

(As of 31 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2018

The Royal Audit Authority submitted the Review Report of the Annual Audit Report 2018 (status as of 31 March 2023) to the 7th Session of the Third Parliament in April 2023. The report had total significant unsettled irregularities of Nu. 1,134.419 million consisting of Nu.83.689 million against budgetary agencies; Nu.13.652 million against Non-Budgetary Agencies and Nu. 1,037.078 million against Hydro Power Projects.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-ups at various levels and out of the unsettled irregularities of Nu. 1,134.419 million (status as of 31 March 2023) reported to the Parliament in April 2023 subsequently irregularities amounting to Nu.13.912 million against Budgetary Agencies and Nu.0.181 million against Non-Budgetary Agencies were settled. However, the total irregularities of Nu. 1,037.078 million against Hydro Power Projects remained unsettled as of 29 February 2024 as shown in the table below.

Table: Showing agency-wise irregularities settled and balances as of 31 March 2025.

Sl. No.	Agencies	Unresolved irregularities last reported as of 31/03/2024 (Nu.in Million)	Irregularities resolved (Nu.in Million)	Balance irregularities as of 31/03/2025 (Nu.in)	Percentage of irregularities resolved
1	Ministries	6.057	2.900	3.157	47.88
2	Dzongkhags	64.654	9.528	55.126	14.74
3	Gewogs	4.313	0.510	3.803	11.82
4	Autonomous Agencies	8.428	3.637	4.791	43.15
Total Budgetary Agencies-A (1to 4)		83.689	16.575	66.877	19.81
5	Corporations	4.222	0.181	4.041	4.29
6	Non Governmental Organizations	9.430	-	9.430	-
Total Non-Budgetary Agencies - B (5 to 6)		13.652	0.181	13.471	1.33
8	Hydropower Projects	1,037.078	-	1,037.078	-
Total Hydropower Projects-C (8)		1,037.078	-	1,037.078	-
Grand Total (A+B+C)		1,134.419	16.756	1,117.426	1.48

As transpired from the table above, out of the total unsettled irregularities of Nu.1,134.419 million reported unsettled as of 31 March 2023, irregularities amounting to Nu.14.093 million were settled leaving a balance of Nu. 1,120.326 million as of 29 February 2024. The detailed review report of the agencies are, as highlighted hereunder.

PART-II DETAILED REVIEW REPORT

1.3.1.3 MINISTRY OF FINANCE

The RAA had conducted several follow-ups with the Ministry, and a review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 0.205 million (status as of 29 February 2024) reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to the Parliament as of 29/02/2024 (Nu.M)	Amount resolved (Nu.M)	Balance as of 31/03/2025 (Nu.M)	% Resolved
1	Mismanagement	0.205	-	0.205	-
	Total	0.205	-	0.205	-

The details of unsettled irregularity is as discussed below:

1. Mismanagement - Nu.0.205 million

There was a case of mismanagement involving Nu.0.205 million as indicated below:

1.1. NON-REALIZATION OF THE OUTSTANDING SALES TAX - NU.0.205 MILLION

The Regional Revenue and Customs Office (RRCO), Bumthang had not realised outstanding sales tax amounting to Nu.0.317 million from three business units i.e. M/s Hotel Jakar View - Nu.0.056 million; M/s Araya Zhamlha Guest House - Nu.0.020 million; and M/s Kinzang Norling International - Nu.0.241 million. Sales Tax for Income Years 2014 and 2015 had remained unrealized even at the time of the audit in October 2017.

As of 31 March 2019, outstanding tax amounting to Nu.0.056 million pertaining to M/s Hotel Jakar View was recovered leaving the balance of Nu.0.261 million. *AIN: 15020; Para: 2; Accountabilities: Direct: Tashi Phuntsho, Asst. Collector, EID # 201101050; Supervisory: Jit Badhur Waiba, Regional Director, EID # 8607062.*

Status: Observation Not Settled.

A sum of Nu.0.056 million was collected from M/s Hotel Jakar View and deposited into RGR vide R/No.RC621887569918 dated 09/03/2018 as per letter No. RRCO/BM/ADM-18/1412 dated 04/04/2018. The unsettled balance of Nu.0.205 million remained unrecovered as of 6 Sept. 2021.

This issue was deliberated during the PAC consultative meeting held on 6 Sept. 2021 in the NA conference hall where the Legal Officer of MoF reported that the accountable person failed to make the payments as accepted earlier and has appealed to the finance minister justifying that he couldn't make the payments as agreed earlier as he was financially affected by COVID 19 situation and requested for time extension till 3 Dec. 2021. The decision of the Finance Minister was awaited.

The PAC directed the MoF to resolve the issue by 31 December 2021. However, a sum of Nu. 19,955.00 was collected from Araya Zhamlha Guest House vide receipt RC682387611758 dated 3/3/2023 and regarding KinzangNorling International is forwarded to Bumthang Royal Court of Justice vide Ja/THRIM2(25)2024/76 dated 30/01/2024. The balance unrecovered amount of Nu.0.205 million reported earlier remained unsettled as of 29 February 2024.

ATR not received as on 31st March 2025

1.3.1.6 MINISTRY OF HOME AND CULTURAL AFFAIRS

The details of unsettled irregularities reported to the Parliament in April 2024, irregularities settled thereafter and the unsettled balances as of 31 March 2025 are as discussed below:

1. Non-compliance to Laws and Rules

There were cases of non-compliance to laws and rules as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
1.4	Delay in construction of academic block of RBP Training Institute	-	-	Unsettled
	Total			

1.4. DELAY IN CONSTRUCTION OF ACADEMIC BLOCK OF ROYAL BHUTAN POLICE TRAINING INSTITUTE (RBPTI), JIGMELING

The construction of the Academic Block at Royal Bhutan Police Training Institute (RBPTI), Jigmeling was found incomplete with poor progress of work at the site. The work undertaken by M/s Druk Tsentop Construction Private Limited was scheduled to be completed by 21 July 2016 but was granted a time extension till 21 February 2017. However, at the time of the audit in December 2017, the construction work was found delayed by 10 months with work progress of only 84% as reported by the Project Engineer.

The contractor had also signed an undertaking letter on 17 March 2017 to complete the construction of the Academic Block by 15 June 2017 but had failed to do so. In addition, the Performance Bank Guarantee of Nu.3.492 million submitted by the contractor was found expired on 31 December 2015 and was not renewed at the time of the audit in December 2017. *AIN: 15087; Para: 4.1; Accountabilities: Direct: Sonam Phuntsho, Junior Engineer, CID # 11505005084/PIN # 5979; Supervisory: Sonam Wangdi, Chief Engineer, CID # 11506001122/PIN # 2004.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 6 Sept. 2021 in the NA conference hall, Thimphu where the RBP reported that M/s Druk Tsentop Construction Pvt. Ltd. couldn't complete the work and the contract was terminated. The case was taken up for arbitration but failed to proceed it as the same was not accepted by the contractor. On 27 Nov. 2020, the Legal Officer filed a case in Sarpang Dzongkhag Court and is sub judice there.

The PAC directed that RBP should follow up with the court and communicate the progress on the same to RAA accordingly.

However, the case remained unresolved as of 29 February 2024. The Follow-up Report was sent vide RAA/FUCD(Y1-RBP)2021/2432 dt. 23/12/2021. The RAA still awaits ATR from the Royal Bhutan Police.

Courts Judgement still not submitted as on 31st March 2025

1.3.1.7 MINISTRY OF INFORMATION AND COMMUNICATIONS

The RAA had conducted several follow-ups with the Ministry, and a review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 2.952 million (status as of 29 February 2024) reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Ministry of Information and Communication					
Sl. No.	Observation Category	Irregularities reported to Parliament as of 29/02/2024 (Nu.M)	Amount resolved (Nu.M)	Balance as of 31/03/2025 (Nu.M)	% Resolved
1	Fraud, Corruption and Embezzlement	2.952	-	2.952	-

The details of irregularities are as discussed below:

1. Fraud, Corruption and Embezzlement – Nu.2.952 million

There were cases with elements of fraud, corruption, and embezzlement involving Nu.2.952 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
1.1	Temporary misuse of revenue through teeming and lading	0.961	-	0.961
1.2	Shortages in revenue deposits aggregating to Nu.2.505 million and late deposits attract a fine	1.991	-	1.991
Total		2.952	-	2.952

1.1. TEMPORARY MISUSE OF REVENUE THROUGH TEEMING AND LADING -NU.0.961 MILLION

There was a misuse of revenue amounting to Nu.4.378 million in the Regional Office, Road Safety and Transport Authority (RSTA) Gelephu. There were instances of abnormal cancellations of deposit challans which was indicative of temporary misuse of revenue. The dealing officials were found to have resorted to teeming and lading for misuse of revenue temporarily by depositing the subsequent collections to cover up earlier less deposited amounts. There were also attempts to delay the revenue deposit through the cancellation of deposit challans as well as short deposits with the resultant siphoning of the government revenue. *AIN: 15658; Para: 1.2; Accountabilities: Direct: Tshering Choden, Adm. Asst. EID No. 201002034; Supervisory: Sonam Chophel, Chief RTO, EID 200210018; Kinga Gyeltshen, Road Transport Officer, EID 20050503.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 31 Aug. 2021 in the NC conference hall, Thimphu where the Ministry reported that administrative action against the supervisors was taken and accepted by the RAA and the case against the direct accountable person has been forwarded to OAG and now registered in Dungkhag Court, Gelephu. The Ministry further expressed that the RAA could drop the amount from the observation as the amount is not recoverable. The RAA explained that the amount is noted for calculating the penalty for a late deposit of revenue although it is not recoverable. PAC advised the RAA and Ministry to work out the

liable penalty for late deposit of revenue and include it in the charge sheet if not done so. The observation remained unresolved as it was subjudice in the Dungkhag Court, Gelephu.

Subsequently, it was reported that the principal amount of Nu.4.378 million was changed to Nu.0.961 million (Nu. 960,524.91) as per letter No. RSTA/TM-04/2020-2021/194 dated 22/09/2021 of RSTA and Letter No. ACC/DoI-IV/case 32/2019/2019-2020/1724 dated 05/03/2020 of ACC. Accordingly, the amount was revised.

However, the issue is under the Court's review and is considered subjudice in Gelephu Dungkhag Court. As of February 29, 2024, there have been no reported developments from the Ministry. The case is pending in supreme Court dated 27/05/2024

1.2. SHORTAGES IN REVENUE DEPOSIT AND LATE DEPOSITS ATTRACT FINE - NU.1.991 MILLION

The Regional Office, RSTA Gelephu had shortages in revenue deposits amounting to Nu.2.505 million for two financial years 2016-17 and 2017-18. In addition, the amounts collected were found retained by the dealing person for periods ranging from two days to 56 days per instance.

The time lag in the collections and subsequent deposits indicated revenue misuse. As per the provisions of the Revenue Accounting Manual (RAM) 2004 late fine @ 24% per annum is liable on the late deposits amounting to Nu.0.376 million (Nu.0.076 million for 2016-17 and Nu.0.300 million for 2017-18).

The lapses had occurred due to the non-conduct of periodic reconciliation of the collections and deposits of revenue and non-deposit of collections on the next working day as required by the RAM by the dealing officials, which were indicative of inadequate supervision and monitoring by the supervising officials. *AIN: 15658; Para: 1.1; Accountabilities: Direct: Tshering Choden, Adm. Asst. EID No. 201002034; Supervisory: Sonam Chopel, Chief RTO, EID 200210018; Kinga Gyeltshen, Road Transport Officer, EID 20050503.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 31 Aug. 2021 in the NC conference hall, Thimphu where the Ministry reported that administrative action against the supervisors was taken and accepted by the RAA and the case against the direct accountable person has been forwarded to OAG and now registered in Dungkhag Court, Gelephu. The observation remained unresolved as it was subjudice in the Dungkhag Court, Gelephu.

Subsequently, it was reported that the principal amount of Nu.2.881 million was changed to Nu.1.991 million (Nu. 1,991,564.00) as per the letter No. RSTA/TM-04/2020-2021/194 dated of 22/09/2021 of RSTA and Letter No. ACC/DoI-IV/case 32/2019/2019-2020/1724 dated 05/03/2020 of ACC. Accordingly, the amount was revised.

However, the issue is under the Court's review and is considered subjudice in Gelephu Dungkhag Court. As of February 29, 2024, there have been no reported developments from the Ministry. The case is pending in supreme Court dated 27/05/2024

1.3.2 DZONGKHAGS

The details of unsettled irregularities are as discussed below:

1. Shortfalls, Lapses and Deficiencies

1.3.2.2 DZONGKHAG ADMINISTRATION, CHHUKHA

The RAA had conducted several follow-ups with the Dzongkhag and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. Subsequently, out of the balance unsettled irregularities of Nu. 3.552 million (status as of 29 February 2024) reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as of 29 Feb 2024 (Nu.in Million)	Amount resolved (Nu.in Million)	Balance as of 31 March 2025 (Nu.in Million)	% Resolved
1	Fraud, Corruption and Embezzlement	0.756	-	0.756	-
2	Non-Compliance to Laws and Rules	0.665	-	0.665	-
3	Shortfalls, Lapses and Deficiencies	0.867		0.867	-
	Total	3.552	-	3.552	-

The details of unsettled irregularities are as discussed below:

1. Fraud, Corruption and Embezzlement - Nu. 0.756 million

There were cases with elements of fraud, corruption, and embezzlement involving Nu. 0.756 million as summarised below:

Sl. No.	Observation in Brief	Balance(Nu.M)/ Status as of 29/02/2024	Settled Nu. in million	Balance(Nu.M)/ Status as of 31/03/2025
1.1	Encashment of remittances through the issuance of self-cheque	0.208	0	0.208
1.5	Encashment of statutory remittances through self-cheque	0.127	-	0.127
1.7	Inflating the bills of contractor for personal gain	0.106	-	0.106
1.9	Double booking of retirement benefits and misappropriation	0.091	-	0.091
1.10	Cash payment without acknowledgment receipts	0.086	-	0.086
1.11	Excess payment of pay and allowances	0.048	-	0.048

1.12	Double booking of salary and misappropriation	0.030	-	0.030
1.13	Irregular Payment of rural life insurance claims	Unsettled	-	Unsettled
1.14	Advance booked as final expenditure	0.030	-	0.030
1.15	Irregular payment to accountant	0.030	-	0.030
1.20	Misappropriation of government fund through wrong booking of remittances	Unsettled	-	Unsettled
Total		0.756	0	0.756

The cases of fraud, corruption, and embezzlement are as indicated below:

1.1. ENCASHMENT OF REMITTANCES THROUGH ISSUANCE OF SELF CHEQUE NU.1.245 MILLION

The Dungkha Administration, Phuentsholing (DAP) had remitted statutory deductions amounting to Nu.1.245 million to respective agencies and departments through the issuance of self-cheques for the financial year 2016-2017. As per vouchers, the payments of remittances were transferred through an account payee cheque.

However, there were no money receipts/acknowledgment receipts attached to the payment vouchers. A review of cheques deposited with the Bank of Bhutan, Phuentsholing, revealed that the remittance cheques were drawn as self-cheques in the name of the Accountant instead of account payee cheques to respective agencies/departments. There were also cases of deductions made from object codes, which do not require remittances to the Department of Revenue & Customs (DRC). An amount of Nu.0.046 million was deducted from object code 87.22 'Other Recoveries and Remittances' and Nu.0.151 million was deducted from broad head 8.d, object code 89.24 'Others'. There was no relevancy or requirement for such remittances as it pertains to Non-Revenue release for Fund transfer of pay and allowances of teachers. The same expenditure was later found transferred to object code 21.01 'Current Grants: individual/Nonprofit Org'.

The equivalent amounts were then found withdrawn as self-cheques clearly indicating manipulation of accounting records which were not in line with provision of the FRR. The lapses had occurred mainly due to a lack of integrity, which was further compounded by poor supervision and weak internal control, leading to irregular financial transactions. *AIN: 15334; Para: 7; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Rabgye Tobden, Former Drungpa, EID # 9208098.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkha Court and is subjudice there. Further, it was stated that Chhimi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo, as it was subjudice in the Phuntsholing Dungkha Court. The PAC directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chhimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

As per the verdict (ref. verdict serial No. 7.1.36), Chhimi Dorji is liable to retribute an amount of Nu.

208,425.00 only towards the observation.

However, the observation remained unresolved as of 29 February 2024 as it was reported subjudice in the Phuntsholing Dungkhag Court. A Follow-up report was served vide letter No.OAAG-P/ling(FUCD-1)2022/400 dated 13/12/2022.

"According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA."

1.4. ENCASHMENT OF STATUTORY REMITTANCES THROUGH SELF-CHEQUE - NU.0.127 MILLION

The DAP had remitted statutory deductions amounting to Nu.0.127 million to respective agencies and departments through the issuance of self-cheques for the financial year 2015-2016. As per vouchers, the payments of remittances were transferred through an account payee cheque. However, there were no money receipts/acknowledgment receipts attached to the payment vouchers. A review of cheques deposited with the Bank of Bhutan, Phuentsholing, revealed that the remittance cheques were drawn as self-cheques in the name of the Accountant instead of account payee cheques to respective agencies/departments.

The encashment of a Cheque by the Accountant for remitting the statutory remittance when it should have been an account payee Cheque as per the voucher is not in line with the provision of the FRR. The lapses had occurred mainly due to a lack of integrity, which was further compounded by poor supervision and weak internal control, leading to irregular financial transactions. *AIN: 15334; Para: 37; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Rabgye Tobden, Former Drungpa, EID # 9208098.*

Status: Observation Not Settled.

Amount recovered but administrative action pending. This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment. The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

However, the observation remains unsettled as of 29 February 2024, until the judgment amount Nu.

126,972.00 (ref. verdict serial No. 7.1.35) was to be recovered. A Follow-up Report has been sent vide letter No. OAAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022.

"According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA."

1.6. INFLATING THE BILLS OF CONTRACTOR FOR PERSONAL GAIN - NU.0.106 MILLION

The Accountant of the DAP had inflated the Running Account Bills of the contractor amounting to Nu.0.106 million in the construction of Kitchen and Dining hall at Sinchula PS awarded to M/s Nimgang Construction, Chukha. The accountant had booked more expenditure than the expenditure claimed by the contractor or certified by site engineer in the MB. The lapse was an intentional act of the dealing Accountant to defraud the Government. *AIN: 15334; Para: 26; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to Court to the RAA.

The Royal Court of Justice, District Court, Chhukha has rendered a verdict vide No. Chhukha-23/140 dated 02/08/2023 against Mr. Chimi Dorji, however, OAAG, Pling could not establish if any charge sheet is filed in the court for its decision against the observation.

However, the observation remained unresolved as of 29 February 2024, as it was reported as subjudice in the Phuntsholing Dungkhag Court. A Follow-up Report has been served vide letter No. OAAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022.

"According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and

deposited into ARA under intimation to RAA."

1.9. DOUBLE BOOKING OF RETIREMENT BENEFITS AND MISAPPROPRIATION - NU.0.091 MILLION

The Accountant of DAP had misappropriated Nu.0.196 million by double booking the retirement benefits of a deceased teacher of Chongaykha Primary School in different financial years. The deceased teacher was entitled to Nu.0.214 million but the total payment amounted to Nu.0.319 million with resultant double payment of Nu.0.105 million. Further re-verification of the transactions with the Bank of Bhutan, Phuentsholing revealed the total amount embezzled and deposited into the Accountant's personal saving account was Nu.0.196 million.

The lapses had occurred mainly due to a lack of integrity on the part of dealing accountant which was further exacerbated by poor supervision and weak internal controls leading to the siphoning of government funds. The accountant had refunded Nu.0.105 million into the ARA leaving a balance of Nu.0.091 million. The offense is liable for legal actions for fraudulent malpractices. *AIN: 15334; Para: 16; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 195,872.00 (ref. verdict serial no. 7.1.19), an amount of Nu. 105,102.00 was deposited into ARA vide Receipt No. 456195 dated 11/04/2018 leaving a balance of Nu. 90,770.00.

However, the observation remained unresolved as of 29 February 2024, until such time the balance amount of Nu. 90,770.00 is fully recovered. A Follow-up Report has been served vide letter No. OAAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022.

"According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA."

1.10. CASH PAYMENT WITHOUT ACKNOWLEDGEMENT RECEIPTS - NU.0.086 MILLION

The DAP had made cash payments aggregating to Nu.0.086 million towards remittances of statutory deductions to various agencies. However, there were no acknowledgment receipts with the disbursement vouchers to authenticate the payment released. The lapses had occurred mainly due to a lack of integrity, which was exacerbated by poor supervision and weak internal controls, which provided an opportunity to misappropriate funds. *AIN: 15334; Para: 6; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053; Rabgye Tobden, Former Drungpa, EID # 9208098.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to the RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

As per the verdict (ref. verdict serial no. 7.1.34), Chhimi Dorji should restitute an amount of Nu. 85,625.75 towards the observation. The observation is unsettled until the judgment amount is recovered and deposited into ARA under intimation to RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA."

1.11. EXCESS PAYMENT OF PAY AND ALLOWANCES - NU.0.048 MILLION

The DAP had made excess payment of Nu.0.105 million on account of Pay and Allowances to four officials who were either transferred to other agencies or terminated/resigned from service. The payments were found deposited into their respective individual savings account. The Accountant had accepted the lapse and deposited Nu.0.057 million into ARA leaving a balance amount of Nu.0.048 million. *AIN: 15334; Para: 39; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Rabgye Tobden, Former Drungpa, EID # 9208098.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues

against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to the RAA.

The Royal Court of Justice, District Court, Chhukha has rendered a verdict vide No. Chhukha-23/140 dated 02/08/2023 against Mr. Chimi Dorji, however, OAAG, Pling could not establish if any charge sheet is filed in the court for its decision against the observation.

However, the observation remained unresolved as of 29 February 2024, as it was reported subjudice in the Phuntsholing Dungkhag Court. A Follow-up Report has been served vide letter No. OAAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA."

1.12. DOUBLE BOOKING OF SALARY AND MISAPPROPRIATION - NU.0.030 MILLION

The Accountant of DAP had misappropriated Nu.0.168 million by double booking salaries against various teachers working under the Dungkhag Administration. The lapses had occurred mainly due to a lack of integrity on the part of the dealing accountants and were exacerbated by a lack of supervision and monitoring controls, leading to siphoning of government funds. As of 31 March 2019, the amount remaining unresolved amounted to Nu.0.030 million. *AIN: 15334; Para: 2; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to the RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is

recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

However, the observation remained unresolved as of 29 February 2024, until such time that the balance amount of Nu. 29,752.00 is fully recovered. A Follow-up Report has been served vide letter No. OAAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA."

1.14 ADVANCE BOOKED AS FINAL EXPENDITURE - NU.0.030 MILLION

The Accountant of the DAP was sanctioned an advance of Nu.0.030 million to meet VVIP expenses. However, the amount was found booked as expenditure under object code 17.03 'Transportation' instead of as advance. There were no bills or records pertaining to the conduct of the activity. The lapses had occurred mainly due to poor supervision and weak internal controls. *AIN: 15334; Para: 40; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Rabgye Tobden, Former Drungpa, EID # 9208098.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chhimi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to the RAA.

The Royal Court of Justice, District Court, Chhukha has rendered a verdict vide No. Chhukha-23/140 dated 02/08/2023 against Mr. Chimi Dorji, however, OAAG, Pling could not establish if any charge sheet is filed in the court for its decision against the observation.

However, the observation remained unresolved as of 29 February 2024 as it was reported subjudice in the Phuntsholing Dungkhag Court. A Follow-up Report has been served vide letter No. OAAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA."

1.15 IRREGULAR PAYMENT TO ACCOUNTANT - NU.0.030 MILLION

The DAP had irregularly disbursed Nu.0.030 million as a double salary advance. Based on the application of the Principal of Khatoeykha Primary School dated 9 October 2017, a salary advance of Nu.0.030 million was found booked vide DV No. 10.35 dated 10 October 2017 and paid in cash. Another salary advance of Nu.0.030 million was found booked vide voucher No.10.48 dated 16 October 2017 but without the signature of the recipient. However, the second payment was the actual advance amount released to the Principal as it was found deposited into the Principal's bank account. The lapses had occurred apparently due to a lack of integrity, which was further compounded by poor supervision and weak internal controls. *AIN: 15334; Para: 46; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to the RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

However, the observation remains unsettled as of 29 February 2024, until such time the judgment amount is recovered (ref. verdict serial No. 7.1.41).

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00. The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA.

1.20. MISAPPROPRIATION OF GOVERNMENT FUNDS THROUGH WRONG BOOKING OF REMITTANCES

The DAP had remitted Nu.0.293 million and Nu.0.292 million to the Department of Revenue and

Customs (DRC) on account of salary tax and Health contribution for October 2017 on 10 October 2017 and 15 October 2017 respectively. There was no acknowledgment receipt available for authentication of the first remittance and the second remittance was found wrongly booked as expenditure under object code 24.03 'Contribution of Provident Fund'. The actual statutory deductions and amount of remittances as per the DRC's RAMIS was Nu.0.292 million with resultant excess payment of remittance amounting to Nu.0.293 million.

The lapses had occurred mainly due to a lack of integrity and poor supervision and monitoring controls. The Accountant had deposited the amount into ARA but appropriate action is pending. *AIN: 15334; Para: 44; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. However, the PAC directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to the RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted tyearsars' imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

However, the observation remained unresolved as of 29 February 2024 as it was reported subjudice in the Phuntsholing Dungkhag Court. A Follow-up Report has been sent vide letter No. OAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA."

2. Non-compliance to Laws and Rules - Nu.0.665 million

There were cases of non-compliance to laws and rules involving Nu.0.665 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
2.1	Doubtful payment of refundable deposit to contractor	0.396	-	0.396
2.2	Cash payment without acknowledgment receipts	0.269	-	0.269

2.4	Non-closing of Closed Work Account	-	-	Unsettled
2.5	Booking of expenditure before completion of work and lapses thereof	-	-	Unsettled
	Total	0.665	-	0.665

The cases of non-compliance to laws and rules are as indicated below:

2.1. DOUBTFUL PAYMENT OF REFUNDABLE DEPOSIT TO CONTRACTOR - NU.0.396 MILLION

The DAP had a case of doubtful payment of a refundable deposit to a contractor amounting to Nu.0.396 million. Mjs Tshering Construction had requested for the refund of the security deposit on 27 March 2017 and a sum of Nu.0.396 million was found paid to the contractor on 7 August 2017 as a refund of 50% security deposit.

However, there was neither an acknowledgment receipt attached with the voucher nor the details of equivalent releases obtained from the DPA. Further, Nu.0.036 million was found wrongly booked under object code 21.03 'Current grant: Rural life Insurance Scheme'. *AIN: 15334; Para: 47; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to Court to the RAA.

The Royal Court of Justice, District Court, Chhukha has rendered a verdict vide No. Chhukha-23/140 dated 02/08/2023 against Mr. Chimi Dorji, however, OAAG, Pling could not establish if any charge sheet was filed in court against the observation.

However, the observation remained unresolved as of 29 February 2024, as it was reported subjudice in the Phuntsholing Dungkhag Court. A Follow-up Report has been served vide letter No. OAAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA.

2.2. CASH PAYMENT WITHOUT ACKNOWLEDGEMENT RECEIPTS - NU.0.269 MILLION

The Accountant of the DAP had made cash payments aggregating to Nu.0.269 million on account of remittances of statutory deductions and deposit of refundable deposits. Amount of Nu.0.217 million

pertained to deposit into Refundable deposit account and Nu.0.052 million pertained to remittances to RRCO, Phuentsholing but the payments were not supported by acknowledgement receipts from bank to authenticate the payments. The lapses had occurred mainly due to lack of integrity, poor supervision and weak internal control system. *AIN: 15334; Para: 36; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Rabgye Tobden, Former Drungpa, EID # 9208098.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chhimi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. However, the PAC directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chhimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

However, the observation is unresolved as of 29 February 2024, until the judgment amount of Nu. 269,198.00 (ref. verdict serial No. 7.1.33) is recovered and intimated.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chhimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA.

2.3 NON-CLOSING OF CLOSED WORK ACCOUNT

The Dungkhag Administration, Phuentsholing had failed to close the 'Closed Work Account' for fund balances pertaining to closed work booked in FY 2014-2015. The 'Closed Work Account' balance at the end of 2016-2017 was Nu.2.105 million of which Nu.1.661 million were incurred as expenditure in FY 2017-2018 leaving a balance of Nu.0.444 million. In addition, there were a fund balance of Nu.0.027 million from FY 2015-2016 and Nu.0.374 million and Nu.0.112 million brought forward from FY 2014-2015 bringing the total balance at the end of FY 2017-2018 to Nu.0.958 million.

The lapses had occurred due to failure on the part of the Drungkhag Administration to settle the fund balances after the completion of work booked under closed work. *AIN: 15334; Para: 24; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053; Rabgye Tobden, Former Drungpa, EID # 9208098.*

Status: Observation Not Settled.

From the Principal amount of Nu.0.444 million, an amount of Nu. 0.284 million was deposited vide receipt no. 456360 dated 31.5.2019. However, the balance amount of Nu.0.159 million along with

24% penalty is still recoverable.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. The PAC however had directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

The Royal Court of Justice, District Court, Chhukha has rendered a verdict vide No. Chhukha-23/140 dated 02/08/2023 against Mr. Chimi Dorji, however, OAAG, Pling could not establish if any charge sheet was filed in court against the observation.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months. Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA.

2.5. BOOKING OF EXPENDITURE BEFORE COMPLETION OF WORK AND LAPSES THEREOF

The DAP had booked expenditure on spillover construction activities towards the end of the financial year 2016-2017 and had retained the funds in the form of demand drafts to prevent the lapse of the following funds:

Sl. No.	Name of Work	Name of Firm	Amt. Booked (Nu. in Million)
1.	Const. of Water supply, playfield, and approach road at khateykha PS	M/s Jang Choling Construction	1.177
2.	Const. of 64 bedded hostel and principal quarter at Sinchula PS	M/s Penden Lham Construction	2.613
3.	Const. of staff quarter at Lingdhen PS	M/s O Lays Construction	1.000
4.	Const. of six unit classroom and pour flush toilet at Wangdigatsel PS	M/s Tandin Techno Construction	1.777
5.	Const. of staff qtr. At Khataykha	M/s ShingJogthang Construction	1.784

With regard to s/n 2, the contractor had completed the work and submitted the bills for Nu.2.173 million against which Nu.2.613 million had been paid. Thus, the contractor was either granted an undue favor of Nu.0.440 million in the form of payment without execution of work or cannot rule out the misuse of the differential amount by dealing officials. Similarly, with regard to s/n 4, the contractor had completed the work and submitted the bills for Nu.1.145 million against which Nu.1.778 million had been paid. Thus, the contractor was either granted an undue favor of Nu.0.633 million in the form of payment without execution of work or cannot rule out the misuse of the differential amount by dealing officials.

For s/n 1, 3 & 5, the works were still incomplete and the measurement books did not record the details of work done although the demand drafts were released to the contractors indicating undue financial favor being extended to the contractors. *AIN: 15334; Para: 25; Accountabilities: Direct: Basant Kumar Rai, JE, EID # 201310030; Chhimi Dorji, Accountant, EID # 9206009; Rupa Gurung, Engineer, EID # 200307012; Sonam Choden, Engineer, EID # 200407012; Yashoda Phuyel, Account Assistant, EID # 200507269; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053.*

Status: Observation Not Settled.

An amount of Nu.7.174 million was resolved vide letter no. PDA/ADM-16/2018-2019/2854 dated 18.6.2019. However, the observations pertaining to Chhimi Dorji and Basant Kumar Rai amounting to Nu. 1.177 million along with a 24% penalty is still recoverable.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chhimi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. However, the PAC directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chhimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months. Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA.

3. Shortfalls, Lapses and Deficiencies - Nu.0.867 million

There were cases of shortfalls, lapses, and deficiencies involving Nu.0.867 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
3.1.3	Overpayment due to improper verification of work done – Nu.0.321 million	0.321	-	0.321
3.3	Adjustment of advances without supporting documents	0.247	-	0.247
3.3.1	Outstanding Public Work Advances	0.131	-	0.131
3.3.2	Overdue Public Work Advances	0.130	-	0.130
3.5	Excess payments on procurement of laptop computers, furniture, and equipment	0.038	-	0.038

	Total	0.867	0.867
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The cases of shortfalls, lapses and deficiencies are as indicated below:

OVERPAYMENT DUE TO IMPROPER VERIFICATION OF WORK DONE – NU.0.321 MILLION

The Dzongkhag Administration, Chhukha had made over payment of Nu.0.321 million to M/s Zambala Construction, Sarpang in there-constructionnn and maintenance of Water Supply to Gedu Town due to improper verification of work done. The contractor had claimed for quantities in excess of items of work actually executed at the site with resultant excess payment. The excess payment had occurred mainly due to failure of the site engineer to properly verify the contractor's claim iconcerningdrawings and actual work done at site and ensure the admissibility of contractor's claims. *AIN: 15357; Para: 3.1; Accountabilities: Direct: Damchoe Dorji, Municipal Engineer, EID # 201101228; Supervisory: Tshering Chopel, Chief Dzongkhag Engineer, EID # 8808013.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Municipal Engineer, Damchoe Dorji reported that after the issuance of audit memo the contractor was requested to come for joint measurement but couldn't because the contractor was already in detention (police custody) due to some other issue.

It was decided that Dzongkhag Administration and RAA should have a bilateral meeting in resolving the issue by 3rd April 2023.

Subsequently, it was reported that as per the verdict of Chhukha Dzongkhag Court, the Dzongkhag Administration is eligible to recover a sum of Nu. 5, 66,068.90 from Tawgay inclusive of 24% penlaty till date of the registration of case. The judgment debtor was contcated via phone call for restitution of the amount but the Dzongkhag Administration informed that he has been detained by Samdrupjongkhag police for another case.

Amount of Nu. 50,000/- is recovered vide receipt no. 01996 dated 14.03.2023. The observation shall remain unsettled until the balance amount of Nu. 516,068.90 is recovered and deposited into ARA.

The RAA acknowledged the deposit of Nu. 20,000.00 vide Receipt No. RAA/PL/2025/59 dated 20/01/2025. However, the observation remains unsettled until the balance amount of Nu. 446,068.90 is deposited into ARA.

3.3 ADJUSTMENT OF ADVANCES WITHOUT SUPPORTING DOCUMENTS - NU.0.247 MILLION

During financial year 2015-2016, the Dungkhag Administration, Phuentsholing had adjusted outstanding PW Advances amounting to Nu.0.247 million without supporting documents. The lapses had occurred due to lack of proper segregation of duties in operation of PEMS. The Accountant had single handedly carried out the preparation and approval of vouchers in the system that facilitated the fabrication of records. *AIN: 15334; Para: 41; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Rabgye Tobden, Former Drungpa, EID # 9208098.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chimmi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. However, the PAC directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Further, an amount of Nu. 101,490.00 only is liable to retribute towards the observation as per the verdict (ref. verdict serial No. 7.1.31).

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA.

3.3.1 OUTSTANDING PUBLIC WORK ADVANCES - NU.0.131 MILLION

The Dungkhag Administration, Phuentsholing had overdue outstanding Public Work Advances (PWA) amounting to Nu.0.161 million as of 30 June 2017. Advance amounting to Nu.0.030 million pertained to the Cultural Officer as DSA for Dancers and Nu.0.130 million was found released to Chhimi Dorji, Accountant as advance for RIS. The lapses had occurred due to non-adherence to the provisions of FRR. *AIN: 15334; Para: 30; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Ugyen Choda, Cultural Officer, EID # 200905024; Supervisory: Karma Rinchen, Sr. Drungpa, EID # 9308053.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chhimi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. However, the PAC directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

The Royal Court of Justice, District Court, Chhukha has rendered a verdict vide No. Chhukha-23/140 dated 02/08/2023 against Mr. Chimi Dorji, however, OAAG, Pling could not establish if any charge sheet was filed in court against the observation.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chimi Dorji is convicted to 5 years imprisonment and he is liable to retribute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a

balance of Nu. 29,752.00.
The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA.

3.3.2 OVERDUE PUBLIC WORK ADVANCE - NU.0.130 MILLION

The Dzongkhag Administration, Chhukha had overdue outstanding Public Work Advances (PWA) amounting to Nu.0.434 million. Some of the PW Advances were found carried forward from FY 2010-2011 when the records were migrated from Budget and Accounting System (BAS) to the current Public Expenditure Management System (PEMS).

The lapses had occurred due to failure on the part of the Dzongkhag Administration to follow-up with individuals concerned on time. As of 31 March 2019, Nu.0.304 million was recovered leaving a balance of Nu.0.130 million. *AIN: 15357; Para: 20; Accountabilities: Direct: Nim Zam, Accounts Officer, EID # 201101052; Supervisory: Bhim Raj Yogi, Sr. Finance Officer, EID # 200601030.*

Status: *Observation Not Settled.*

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Accounts Officer, Nim Zam reported that the project was funded by Ministry of Information and Communications and the work was executed during the financial year 2010 to 2011. RAA audited the works during 2018 and issued memo against this work. It was further stated that matter was followed up with the contractor to recover the amount but couldn't as the contractor was not financially sound to repay the same. Mr. Tshewang Jamtsho, contractor, initially acknowledged to repay the amount but due to sudden demise of multiple members of his family he went bankrupt and couldn't pay the amount. It was also stated that his contract license has been cancelled as of now. However, the works was completed by him. Therefore, it was requested to waive of the amount and drop this issue.

The RAA stated that such issues cannot be waived off arbitrarily unless the contractor is being declared bankrupt by the Royal Court of Justice.

It was decided that Dzongkhag Administration should exhaust all means to recover the amount from the contractor and submit a report on the same to RAA by 31 April 2023. Further, if the contractor wishes to apply for bankruptcy he can do so through legal process and if declared bankrupt the same should be reported to RAA for appropriate decision.

The outstanding PWA of Nu. 14,899.87 revealed against D B Biswa (Party code 9508016) has been reported as adjusted via JV.6.40 dated 28/06/2018 in PEMS. However, the RAA could not authenticate the adjustments made without proper documents. As per the Dzongkhag Administration that relating to other outstanding advances are filed with the Dzongkhag Court

Per the Court Verdict No. Chukha-215 dated 07/12/2023, an amount of Nu. 485,171.33 is recovered vide Receipt No. RAA/PL/2024/1862 dated 09/10/2024 and RAA/PL/2024/1907 dated 16/10/2024 respectively. Hence, the observation against Jambay Dorji & M/s TSHOYANG Construction is treated as settled. However, the observation remains unsettled until the balance outstanding amount of Nu. 14,899.87 along with 24% penalty is recovered and deposited into ARA.

3.4. EXCESS PAYMENTS ON PROCUREMENT OF LAPTOP COMPUTERS, FURNITURE AND EQUIPMENT - NU.0.038 MILLION

The Dungkhag Administration, Phuentsholing had made excess payments of Nu.0.048 million on the procurement of laptop computers, furniture and equipment. The lapses had occurred due to the failure of the dealing Accountant to check the bills properly before releasing payments to the suppliers. As of

31 March 2019, the unresolved amount stood at Nu.0.038 million. *AIN: 15334; Para: 22; Accountabilities: Direct: Chhimi Dorji, Accountant, EID # 9206009; Supervisory: Karma Rinchen, Sr. Drugpa, EID # 9308053; Rabgye Tobden, Former Drugpa, EID # 9208098.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 13 Sept. 2021 in the NA conference hall, Thimphu where the Dzongkhag Finance Officer reported that all thirty-seven issues against Chhimi Dorji, Accountant, have been filed before the Phuntsholing Dungkhag Court and is subjudice there. Further, it was stated that Chhimi Dorji acknowledged to attend the meeting to submit his justifications on these issues but couldn't as he had to visit Gelephu Hospital for medical treatment.

The issue remained status quo as it was subjudice in the Phuntsholing Dungkhag Court. However, the PAC directed the Dzongkhag Administration to submit the documents relating to the cases forwarded to the Court to RAA.

Out of Nu. 48,438.00 recoverable from the concerned suppliers, a sum of Nu. 10,760.00 was covered and deposited into Audit Recoveries Account vide non-revenue receipts no. 456200, 456301 & 456302 dated 13.04.2018 leaving a balance of Nu. 37,678.00.

The balance amount of Nu. 37,678.00 pertaining to procurement of Laptop - Dell Inspiron, Intel core i5 (5000 series, touch screen) maintained with OAAG, Phuentsholing should be recovered within three months from the date of issue of the Report beyond which penalty @ 24% per annum shall be levied as per FRR 2016, Chapter IV, Section 4.5.1.4 of Finance and Accounting Manual.

According to the Court Verdict No. Chhukha-23/140 dated 02/08/2023 of the Royal Court of Justice, District Court, Chhukha, the offender Chhimi Dorji is convicted to 5 years imprisonment and he is liable to restitute a total of Nu. 7,265,625.55. Of the total amount, an amount of Nu. 4,247,493.00 is recovered and the balance amount of Nu. 3,018,132.55 should be restituted within 6 months.

Out of the total accountable amount of Nu. 139,711.00 (ref. verdict serial No. 7.1.7), an amount of Nu. 109,959.00 was deposited into ARA vide Receipt No. 456303 dated 17/04/2018 leaving a balance of Nu. 29,752.00.

The observation is unsettled until the balance amount of Nu. 29,752.00 is fully recovered and deposited into ARA under intimation to RAA.

1.3.2.6 DZONGKHAG ADMINISTRATION, MONGGAR

The RAA had conducted several follow-up with the Dzongkhag and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. Subsequently, the total unsettled irregularities of 0.469 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as of 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
1	Non-compliance to Laws and Rules	0.469	-	0.469	-
	Total	0.469	-	0.469	-

The details of unsettled irregularities are as discussed below:

1. Non-compliance to Laws and Rules – Nu.0.469 million

The case of non-compliance to laws and rules is as indicated below:

1.1. DELAY IN CONSTRUCTION OF SUB-POST, STAFF QUARTER AND TOILET AND APPLICABLE LIQUIDATED DAMAGES - NU.0.678 MILLION

The Dzongkhag Administration, Monggar had not levied liquidated damages amounting to Nu.0.678 million on M/s Zangchong Construction, Zhemgang for delay in completion of construction of Sub-post, Staff Quarter and Toilet at Silambi. The scheduled date of completion was 8 October 2016, but the work was not completed even at the time of audit in March 2018. The contractor was liable for the maximum liquidated damages of 10% on the contract price of Nu.6.782 million. The lapse had occurred due to certifying the work as complete without actual completion by the site engineer. *AIN: 15672; Para: 7; Accountabilities: Direct: Padam Bdr Rai, AE, EID # 20120100121; M/s Zangchong Const, Contractor, CDB #7644; Supervisory: Sonam Tashi, DE, EID # 200801079.*

Status Observation Not Settled.

Out of Nu.0.678 million, a sum of Nu.0.210 million was deposited with the RAA vide R/No.02073 dated 31/08/2021 leaving balance of Nu.0.468 million as of Aug. 2021.

The issue was deliberated during the PAC consultative meeting held on 3 Aug. 2021 in the DYT hall of Trashigang Dzongkhag and the Dzongkhag Adm. Monggar reported that the construction of sub-post, staff quarter and toilet was completed. Out of Nu. 678,223/- of LD to be recovered, Nu. 20960.00/- was recovered and remaining Nu. 468,263/- was due but the same has not been updated in RAA's report. Further, Dzongkhag Adm. issued a reminder to the contractor for the payment of the remaining amount but he has not paid so far. The PAC directed the Dzongkhag Adm. to check the status of the contractor in the Construction Development Board and take legal recourse to recover the amount by 31 Aug. 2021.

A sum of Nu. 209,960.00 was deposited into ARA vide R/No.02073 dated 31/08/2021 and balance amount is still pending as of 15/09/2021. Follow-up Report issued vide letter No.RAA-Bt/Fus-01/2021/50 dated 27/07/2021 based on the ATR replies received vide letter No.MD/DES-15/2021/1443 dated 31/08/2021 & still not resolved as the details submitted to the RAA is not adequate. As per ATR received vide letter no.MD/ADM-07/2022-20236920 dated 12.05.2023, it states that all means of balance recovery from the contractor are exhausted as the contractor himself is in the central jail. Thus, the issue was apprised to AC. The half of amount was deposited from his security money.

However, the balance amount of Nu.0.469 million reported earlier remained unrecovered as of 29 February 2024.

1.3.2.9 DZONGKHAG ADMINISTRATION, PUNAKHA

The RAA had conducted several follow-ups with the Dzongkhag and review the status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. Subsequently, balance of Nu.2.176 million remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29/ Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 Mar 2025 (Nu.M)	% Resolved
2	Non-compliance to Laws and Rules	1.204	-	1.204	-
3	Shortfalls, Lapses and Deficiencies	0.972	-	0.972	-
	Total	2.176	-	2.176	-

The details of unsettled irregularities are as discussed below:

1. Shortfalls, Lapses and Deficiencies - Nu.0.972 million

There were cases of shortfalls, lapses and deficiencies involving Nu.0.972 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
3.1	Excess payment as a result of paying beyond the approved drawings	1.223	0.251	0.972
	Total	1.223	0.251	0.972

3.1 EXCESS PAYMENT AS A RESULT OF PAYING BEYOND THE APPROVED DRAWINGS – NU.0.972 MILLION

The Dzongkhag Administration, Punakha had made excess payment of Nu.1.223 million to the contractor due to payment beyond the approved drawings. Against the approved thickness of 200 mm (approved drawings), the contractor was paid for 400 mm in providing and laying for RCC works including TMT bars. Also, the weep holes were not deducted from the total quantity of RCC boundary wall and excess payment was made for providing and laying chain-link fencing. The lapses had occurred due to failure of the officials concerned to exercise due diligence and prudence in performing their duties and was indicative of extending undue financial favor to the contractor. *AIN: 15640; Para: 4.3; Accountabilities: Direct: Aiman Limbu, AE, EID # 20120100114; Gaana Builders, CDB # 7249; Supervisory: Tandin Dorji, Chief DzE, EID # 200401026; Tobgay, DzE (EID # 201101170).*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 13 Aug. 2021 in the DYT hall of Punakha Dzong where the Dzongkhag Adm. reported that the Dzongkhag Adm. had done 3 times follow up with RAA, Regional Office in Tsirang. In doing so, the audit team had agreed and accepted the workout justified by the Dzongkhag Adm. and reaffirmed that the actual excess payment to be recovered from the Contractor was Nu. 331,825/- and not Nu. 1,223,000/- million. However, while the Dzongkhag Adm. tried to contact the contractor to recover the excess payment the contractor's whereabouts was not known.

The PAC directed the Dzongkhag Adm. to initiate recovery of the amount from the contractor if not take legal recourse.

As per the record of the RAA Nu.0.251 million (Nu. 251,024) was deposited vide Rt.No. A00948 dated 22/5/2020 leaving the balance of Nu.0.972 million unsettled as of 31 March 2023.

The Dzongkhag subsequently registered the case with Dzongkhag Court Punakha for recovery of balance amount along 24% penal interest. The Dzongkhag Court passed a Verdict in favor of Dzongkhag Administration asking the contractor to deposit the amount. It is reported that judgement enforcement is under progress.

However, the Dzongkhag Court issued verdict on 19/09/2022, ordering the contractor to restitute Nu. 219,418.44 as per the Court verdict under enforcement.

The observation shall stand until the court verdict is issued and enforcement completed.

1.3.2.11 DZONGKHAG ADMINISTRATION, SAMTSE

During the year, the RAA conducted three audits of the Dzongkhag Administration, Samtse. There were 21 observations amounting to Nu.38.747 million of which nine observations amounting to Nu.0.131 million were either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.38.616 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the Dzongkhag Administration, observations amounting to Nu.13.102 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.25.514 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dzongkhag and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance irregularities of Nu. 19.307 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
2	Non-compliance to Laws and Rules	8.755	-	8.755	-
3	Shortfalls, Lapses and Deficiencies	10.552	-	10.552	-
	Total	19.307	-	19.307	-

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Non-compliance to Laws and Rules - Nu.8.755 million

There was a case of non-compliance to laws and rules involving Nu.8.755 million as summarised below:

1.1. TERMINATION OF GOLA TOWN RAW WATER SUPPLY CONTRACT WORKS AND IRREGULARITIES THEREOF - NU.8.755 MILLION

The Dungkhag Administration, Tashichhoeling had terminated the contract work for construction of Raw Water Supply at Gola town with M/s Druk Tshentop Construction Pvt. Ltd, Thimphu on 2 July 2017 due to failure of the contractor in completing the works despite several reminders. Subsequently, the Dungkhag Administration had attempted to carry out a joint assessment of the works actually executed at site and settle the accounts with the contractor. Following the contractor's refusal for joint assessment, the Dungkhag Administration initiated the assessment of work executed at site by forming an independent committee comprising officials from DOR, Samtse, RRCO, Samtse and Dungkhag Tender Committee; and worked out the net recoverable amount of Nu.8.755 million at the time of termination of contract.

Accordingly, the Dungkhag Administration had notified the contractor to deposit the assessed recoverable amount on or before 22 August 2017. However, the contractor had refused to accept the

assessed valuation as worked out by the joint committee. The Dungkhag Administration having exhausted all measures to settle the dispute amicably had invoked the provisions of the General Conditions of Contract and lodged the case with the Arbitration Facilitation Centre, CDB, Thimphu and the case was with the Arbitration Tribunal at the time of audit in March 2018. *AIN: 15589; Para: 7; Accountabilities: Direct: Pema Wangchen, Executive Engineer, EID # 8901048; Supervisory: Pema Wangchen, Executive Engineer, EID # 8901048.*

Status: *Observation Not Settled.*

The case has been reported registered in the Royal Court of Justice, Tashichhoeling and it is subjudice there. The RAA still awaits the court verdict and the Follow up Report was served vide no.RAA/OAAG-Pling/Sip-Drung-B2/2023/470 dated.20.09.23

pending in court

2. Shortfalls, Lapses and Deficiencies - Nu.10.551 million

There were cases of shortfalls, lapses and deficiencies involving Nu.10.551 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
3.1.1	Outstanding Advances	10.326	-	10.326
3.3	Non-recovery of advance payments and 20% of the value of incomplete works upon termination of contract	0.225	-	0.225
	Total	10.551		10.551

3.1.1 OUTSTANDING ADVANCES - NU.10.326 MILLION

The Dungkhag Administration, Tashichholing had overdue outstanding PW Advances of Nu.10.326 million against various contractors and suppliers for the financial year 2016-2017. *AIN: 15589; Para: 3; Accountabilities: Direct: Pema Wangchen, Executive Engineer, EID # 8901048; Supervisory: Pema Wangchen, Executive Engineer, EID # 8901048.*

Status: *Observation Not Settled.*

The case has been reported registered in the Royal Court of Justice, Tashichhoeling and it is subjudice there. The RAA still awaits the court verdict and Follow up Report was served vide no.RAA/OAAG-Pling/Sip-Drung-B2/2023/470 dated.20.09.23

The court verdict is still awaited in RAA

3.3. NON-RECOVERY OF ADVANCE PAYMENTS AND 20% OF THE VALUE OF INCOMPLETE WORKS UPON TERMINATION OF CONTRACT – NU.0.225 MILLION

The Dungkhag Administration, Tashichholing had not recovered advanced payments and 20% of the value of incomplete works upon termination of contract for the construction of retaining wall at Sherub Gatshel LSS under Norgaygang Gewog awarded to M/s. Tenzin Construction, Thimphu due to non-fulfillment of the contractual obligations by the contractor and breach of contract agreement. The contractor was paid Nu.0.413 million including 10% Mobilization Advance and 75% of the value of the material at site. The assessed value of the work done at site till the date of termination including value of the materials available at site amounted to Nu.0.188 million. The net total recoverable

amount from the contractor was Nu.0.225 million.

Subsequent to the termination of the contract, the Dungkha Administration had issued letter for settlement of the accounts by 20 July 2017. However, the contractor had failed to cooperate and the Dungkha Administration having exhausted all measures to settle the dispute mutually and amicably, had invoked the provisions of the contract agreement and had lodged the case with the Arbitration Facilitation Centre, CDB, Thimphu. The case was with the Arbitration Tribunal at the time of audit in March 2018. *AIN: 15589; Para: 6; Accountabilities: Direct: Tashi Wangchuk, Jr. Engineer, EID # 20140103487; Supervisory: Pema Wangchen, Executive Engineer, EID # 8901048.*

Status: Observation Not Settled.

The case has been reported registered in the Royal Court of Justice, Tashichhoeling and it is subjudice there. The RAA still awaits the court verdict and Follow up Report was served vide no.RAA/OAAG-Pling/Sip-Drung-B2/2023/470 dated.20.09.23

The court verdict is still awaited in RAA

1.3.2.14 DZONGKHAG ADMINISTRATION, TRASHIGANG

During the year, the RAA conducted seven audits of the Dzongkhag Administration, Trashigang. There were 33 observations amounting to Nu.31.630 million of which seven observations amounting to Nu.0.847 million were either resolved before the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.30.783 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the Dzongkhag Administration, observations amounting to Nu.4.790 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.25.993 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-ups with the Dzongkhag and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. Subsequently, one observation reported under Fraud, Corruption, and Embezzlement was resolved while other irregularities of Nu. 24.187 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Non-compliance of Laws & Rules	-	-	-	-
2	Shortfalls, Lapses and Deficiencies	24.187	-	24.187	-
	Total	24.187	-	24.187	-

The details of unsettled irregularities reported to the Parliament in April 2024, irregularities resolved thereafter and the balances as of 31 March 2025 are as discussed below:

1. Non-compliance to Laws and Rules

There were cases of non-compliance to laws and rules as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
2.4.1	Deferral of contract work beyond the maximum period covered by liquidated damages and applicable liquidated damages thereof	-	-	Unsettled
2.4.2	Delay in execution of contract work and applicable liquidated damages	-	-	Unsettled
2.4.3	Delay in execution of work and applicable liquidated damages thereof	-	-	Unsettled
Total		-	-	-

2.1. NON-LEVY OF LIQUIDATED DAMAGES

2.4.1 DELAY IN EXECUTION OF CONTRACT WORK AND APPLICABLE LIQUIDATED DAMAGES

The Dzongkhag Administration, Trashigang had not enforced provisions of the General Conditions of Contract against M/s Zang Chong Construction, Zhemgang for delays and non-completion of work in the relocation of BHU Grade-II at Merag. The contract commenced from 18 December 2015 and was scheduled to be completed on 18 June 2017, but the works were found delayed by 286 days at the time of the audit in March 2018. The contractor was liable for the maximum amount of liquidated damages which is 10% of the final contract price. Further, the site engineer had not maintained any hindrances report or record for the said work.

The lapses had occurred due to failure on the part of the Tender Committee to initiate timely action against the contractor for non-completion of works despite the extension of time beyond the maximum period covered by the provision of liquidated damages. *AIN: 15438; Para: 1.4; Accountabilities: Direct: Binu Bishwa Karma, Engineer, EID # 200901083; M/s Zang Chong construction (CDB # 7644); Supervisory: Lekjay, District Engineer, EID # 9607034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 August 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 August 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023. As per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to the discharge of official function. The amount is still not recovered as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

2.4.2 DELAY IN EXECUTION OF CONTRACT WORK AND APPLICABLE LIQUIDATED DAMAGES

The Dzongkhag Administration, Trashigang had not enforced provisions of the General Conditions of Contract against M/s Dechen Construction, Sarpang for delays and non-completion of work in the

construction of 96 bedded Girl's hostel at Bidung LSS. The contract was awarded on 30 November 2015 and was scheduled to be completed on 16 April 2017, but the works were found delayed by 349 days at the time of the audit in March 2018. The contractor was liable for the maximum amount of liquidated damages which is 10% of the final contract price. Further, the site Engineer had not maintained any hindrances report or record for the said work.

The lapses had occurred due to failure on the part of the Tender Committee to initiate timely action against the contractor for not being able to complete the work despite the extension of time beyond the maximum period covered by the liquidated damages. *AIN: 15438; Para: 2.4; Accountabilities: Direct: Dorji Wangchuk, Engineer, EID #200501818; M/S Dechen Construction, CDB 1899; Supervisory: Lekjay, District Engineer, EID #9607034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023. As per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to the discharge of official function. The amount is still not deposited as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

2.4.3 DELAY IN EXECUTION OF WORK AND APPLICABLE LIQUIDATED DAMAGES THEREOF

The Dzongkhag Administration, Trashigang had not enforced provisions of the General Conditions of Contract against M/s Dechen Construction, Sarpang for delays and non-completion of work in the construction of two-block 96-bedded hostels for boys and girls at Dungtse Central School under Phongme Gewog. The contract was awarded on 18 December 2015 and was scheduled to complete on 18 June 2017, but the works were found delayed by 286 days at the time of audit in March 2018. The contractor was liable for the maximum amount of liquidated damages which is 10% of the final contract price. Further, the site Engineer had not maintained any hindrances report or record for the said work.

The lapses had occurred due to failure on the part of Tender Committee to initiate timely action against the contractor for not able to complete the work despite extension of time beyond the maximum period covered by the liquidated damages. *AIN: 15438; Para: 3.3; Accountabilities: Direct: Norbu Wangdi, Engineer, EID # 201001735; M/s Dechen Construction, CDB # 1899; Supervisory: Lekjay, District Engineer, EID # 9607034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023. As per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offenses related to the discharge of official function. The amount is still not deposited as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

2. Shortfalls, Lapses and Deficiencies - Nu.24.187 million

There were cases of shortfalls, lapses, and deficiencies involving Nu.24.187 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
3.1	Payment of excessive running account bills resulted in an overpayment	6.177	-	6.177
3.2	Sanction of payment more than the actual value of work done value had resulted in excess payment	3.669	-	3.669
3.3	Irregular sanction of PW advance to the contractor and non-realisation	3.500	-	3.500
3.5	Non-deduction of rebate from the RA Bills	5.980	-	5.980
3.6	Release of 1 st RA Bill for works not executed	2.707	-	2.707
3.7	Excessive release of running account bills resulted in overpayment	2.154	-	2.154
	Total	24.187	-	24.187

The cases of shortfalls, lapses and deficiencies are as indicated below:

2.1. PAYMENT OF EXCESSIVE RUNNING ACCOUNT BILLS RESULTED INTO OVER PAYMENT - NU.6.177 MILLION

The Dzongkhag Administration, Trashigang had made overpayment of Nu.6.177 million to M/s Dechen Construction, Sarpang in the construction of 2 block 96 bedded hostels for boys & girls at Dungtse Central School under Phongme Gewog due to payment of excessive Running Account Bills. The total payment released to the contractor was Nu.20.303 million and the value of actual work done amounted to Nu.14.125 million at the time of audit in March 2018.

The lapses had occurred due to failure on the part of the concerned site engineer and supervising engineer to ensure proper verification of contractor's bills and measurements at site prior to certifying the bills for payment indicating lack of internal controls. *AIN: 15438; Para: 3.1; Accountabilities: Direct: Norbu Wangdi, Engineer, EID # 201001735; M/s Dechen Construction, CDB # 1899; Supervisory: Lekjay, District Engineer, EID # 9607034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted

by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023 as per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to discharge of official function. The amount is still not recovered as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

2.2. EXCESS PAYMENT DUE TO WORKS LESS EXECUTED - NU.3.669 MILLION

The Dzongkhag Administration, Trashigang had made excess payment of Nu.3.669 million to M/s Dechen Construction, Sarpang in the construction of 96-bedded Girl's hostel at Bidung LSS for works less executed. Against the total work valuing Nu.7.298 million, payment of Nu.10.967 million was made to the contractor. The work was incomplete at the time of audit in March 2018.

The lapses had occurred due to failure on the part of the concerned site engineer and supervising engineer to ensure proper verification of contractor's bills and measurements at site prior to certifying the bills for payment indicating lack of internal controls. *AIN: 15438; Para: 2.1; Accountabilities: Direct: Dorji Wangchuk, Engineer, EID # 200501818; M/S Dechen Construction, CDB # 1899; Supervisory: Lekjay, District Engineer, EID # 9607034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023 as per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to discharge of official function. The amount is still not recovered as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

2.3. IRREGULAR SANCTION AND NON-REALISATION OF PW ADVANCE - NU.3.500 MILLION

The Dzongkhag Administration, Trashigang had sanctioned irregular PW Advances amounting to Nu.3.500 million to M/s Dechen Construction, Sarpang in the construction of 96-bedded Girl's hostel at Bidung LSS.

An advance of Nu.3.500 million was sanctioned by three-member committee comprising of Dzongrab, Dzongkhag Engineer and Accounts Officer on 22 July 2016 soon after the payment of 2nd RA bill of Nu.1.982 million on 21 July 2016. The Accounts Section had failed to deduct the advances from the subsequent RA bill which remained unrecovered as of date of audit. The lapses had occurred apparently due to non-compliance to prevailing rules. *AIN: 15438; Para: 2.2; Accountabilities: Direct: Pema Dorji, Dzongrab, EID # 9607074; Lekjay, District Engineer, EID # 9607034; Jigme, Finance Officer, EID # 20140103313; M/s Dechen Construction, CDB # 1899; Supervisory: Pema Dorji, Dzongrab, EID # 9607074; Lekjay, District Engineer, EID # 9607034; Jigme, Finance Officer, EID # 20140103313.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023 as per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to discharge of official function. The amount is still not recovered as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

3.5. NON-DEDUCTION OF REBATES – NU.5.980 MILLION

- a) The Dzongkhag Administration, Trashigang had not deducted rebate of Nu.2.883 million offered by the contractor. M/s Dechen Construction, Sarpang had offered a lump-sum rebate of Nu.4.419 million on the quoted value of Nu.31.118 million in the construction of 2-block 96-bedded hostels for boys and girls at Duntse Central School under Phongme Gewog. The lapses had occurred due to failure on the part of the engineering cell to exercise due diligence that resulted into non-deduction of rebate from the RA bills. *AIN: 15438; Para: 3.2; Accountabilities: Direct: Norbu Wangdi, Engineer, EID # 201001735; M/s Dechen Construction, CDB # 1899; Supervisory: Lekjay, District Engineer, EID # 9607034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No.OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023 as per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to discharge of official function. The amount is still not recovered as of the date.

- b) The Dzongkhag Administration, Trashigang had not deducted rebates of Nu.1.297 million offered by the contractor, M/s Dechen Construction, Sarpang in the construction of 96- bedded Girl's hostel at Bidung LSS. The lapses had occurred due to lack of due diligence on the part of the concerned site engineer and Accounts Section to deduct rebate from the RA bills. *AIN: 15438; Para: 2.3; Accountabilities: Direct: Dorji Wangchuk, Engineer, EID # 200501818; M/s Dechen Construction, CDB 1899; Supervisory: Lekjay, District Engineer, EID # 9607034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023 as per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to discharge of official function. The amount is still not recovered as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

- c) Similarly, the Dzongkhag Administration, Trashigang had not deducted rebates of Nu.1.800 million offered by the contractor, M/s Zang Chong Construction. The lapses had occurred due to lack of due diligence on the part of the concerned site engineer and Accounts Section to deduct rebate from the RA bills. *AIN: 15438; Para: 1.3; Accountabilities: Direct: Binu Bishwa Karma, Engineer, EID # 200901083; M/S Zang Chong construction (CDB # 7644); Supervisory: Lekjay, District Engineer, EID # 9607034.*

Status: Observation not settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 and the amount recoverable was updated to Nu. 1,523,801.66 from the total recoverable amount Nu 1,799,530.94 based on the Court Verdict vide followup letter No. OAAGSJ/FOLLOW-UP-03)Dz.TGANG/22-23/575 dated 19.07.2023. The RAA still awaits for the ATR Response.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

3.6. RELEASE OF 1ST RA BILL FOR WORKS NOT EXECUTED - NU.2.707 MILLION

The Dzongkhag Administration, Trashigang had made payment of Nu.2.707 million to M/s Zang Chong Construction, Zhemgang on account of 1st RA bill in the construction of BHU Grade-II, 3- unit staff quarter and kitchen-cum-toilet at Merag Gewog. The contract was awarded on 8 December 2015 and work scheduled to commence on 18 December 2015. However, the 1st RA bill was found submitted by the contractor on 24 December 2015, less than a week after actual commencement of work. The RA bill was found to have been fabricated as the works had barely started and yet the 1st RA bill claimed amounted to Nu.2.707 million for completed Main BHU block till roof band level; completed one panel retaining wall; and completed sub-structure works for 3-unit staff quarters and kitchen-cum-toilet till plinth level.

Despite of several levels of controls, the payments were found made to the contractor indicating extension of undue financial favour to the contractor. *AIN: 15438; Para: 1.1; Accountabilities: Direct: Sherub Singye, Officiating DE, EID # 200307037; Jigme, Finance Officer, EID # 20140103313; Binu Bishwa Karma, Engineer, EID # 200901083; M/s Zang Chong Construction, CDB # 7644; Supervisory: Pema Dorji, Dzongrab, EID # 9607074.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023 as per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to discharge of official function. The amount is still not recovered as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

3.7. EXCESSIVE RELEASE OF RUNNING ACCOUNT BILLS RESULTED IN OVERPAYMENT - NU.2.154 MILLION

The Dzongkhag Administration, Trashigang had made over payment of Nu.2.154 million to M/s Zang Chong Construction, Zhemgang in the construction of BHU Grade-II, 3-unit staff quarter and kitchen-cum-toilet at Merag Gewog due to payment of RA bills without verifying the quantities of actual work done. Against the total work done of Nu.5.158 million, payment of Nu.7.312 million was made to the contractor with resultant overpayment. The work progress based on the BoQ was only 72.43% as

against the gross financial disbursement of 102.69%. The work progress remained static and subsequently the contractor was terminated.

The excess payment had occurred apparently due to negligence on the part of concerned site engineer to properly verify and authenticate the physical work progress at site and admissibility of contractor's claims. The Dzongkhag Administration had failed to initiate timely action against the contractor as per the terms and conditions of the contract when the work was delayed beyond maximum period covered by liquidated damages. *AIN: 15438; Para: 1.2; Accountabilities: Direct: Binu Bishwa Karma, Site Engineer, EID # 200901083; M/s Zang Chong Construction (CDB # 7644); Supervisory: Lekjay, District Engineer, EID # 9607034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in the DYT hall of the Trashigang Dzongkhag and Dzongkhag Adm. reported that this issue was being prosecuted by the Office of the Attorney General and is sub judice in Dzongkhag Court, Trashigang. The PAC advised the Dzongkhag to inform about the progress of the case to RAA by 31 Aug. 2021.

A follow-up reminder was sent to vide letter No. OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. Response awaited.

The defendant Mr. Leki Wangchuk was asked to refund the excess payment within 31st December 2023 as per the court verdict No.TG(22-231)- dated 30th December 2022. The District Court Trashigang convicted him for criminal offences related to discharge of official function. The amount is still not recovered as of the date.

Court verdict was issued vide letter No.TG(2022-231) dated 30/12/2022. Mr.Leki Wangchuk (Contractor) had been implicated for corrupt practice in contact works at bidung, Phongmey and Merak gewog and had been asked to refund Nu.25 million latest by 31/12/2023, however, the amount is still not recover. Although in Audit report M/S Zang Chog Construction and Dechen Peldon Construction were reflected, both the license were handled by Leki Wangchuk so in the court verdict vide letter No. TG(2022-231) dated 30/12/2022, Mr. Leki Wangchuk (Contractor) was held accountable.

1.3.2.16 DZONGKHAG ADMINISTRATION, TRONGSA

During the year, the RAA conducted one audit of the Dzongkhag Administration, Trongsa. There were 57 observations amounting to Nu.19.364 million of which 18 observations amounting to Nu.1.215 million were either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.18.149 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the Dzongkhag Administration, observations amounting to Nu.8.450 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.9.699 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dzongkhag and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 5.569 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Non-compliance of Laws & Rules	3.854	-	3.854	-
2	Shortfalls, Lapses and Deficiencies	1.715		1.715	-
	Total	5.569	-	5.569	-

The details of unsettled irregularities reported to the Parliament in April 2024, the irregularities settled thereafter and the unsettled ones as of 31 March 2025 are as discussed below:

1. Non-compliance to Laws and Rules - Nu.3.854 million

There were cases of non-compliance to laws and rules involving Nu.3.854 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
1.1	Un-reconciled differences in the non-revenue deposit account	-	-	Unsettled
1.2	Non-recovery of 20% on value of work not completed after termination of contract	1.642	-	1.642
1.3	Non-forfeiture of 10% Performance Security	1.150	-	1.150
1.4	Payment of refundable deposit without obtaining refundable release	0.683	-	0.683
1.5	Non-recovery of 10% on value of work not completed after termination of contract	0.167	-	0.167
1.6	Non-forfeiture of 10% Performance Security	0.167	-	0.167
1.7	Non/late annual declaration of asset invite levy of penalty	0.045	-	0.045
	Total	3.854		3.854

The cases of non-compliance to laws and rules are as indicated below:

1.1 UN-RECONCILED DIFFERENCES IN THE NON-REVENUE DEPOSIT ACCOUNT

The Dzongkhag Administration, Trongsa had un-reconciled differences in the non-revenue deposits account amounting to Nu.4.290 million for the financial year 2016-2017. Against the receipts of Nu.53.049 million from various agencies on account of Deposit Works during the year, the Dzongkhag Administration had deposited Nu.57.338 million resulting into excess deposit of Nu.4.290 million into Non-Revenue Account.

Similarly, against the deposit of Nu.57.338 million during the year, the Dzongkhag had obtained Non-revenue Releases of Nu.55.722 million. From the Non-Revenue Releases of Nu.55.722 million obtained from the Department of Public Accounts (DPA), Nu.57.126 million were found paid to various parties with resultant excess payment of Nu.1.404 million to parties without obtaining equivalent release from the DPA. *AIN: 15528; Para: 43.1 & 43.2; Accountabilities: Direct: Tshering Dawa, Accountant, EID # 2014204880; Supervisory: Sangay Chojay, Accounts Officer, EID # 20160106472.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall

of the Trongsa Dzongkhag where the Dzongkhag expressed that the unreconciled difference is a system generated difference and not the case of misuse. The Dzongkhag agreed to reconcile the difference in accordance with the MoF circular No.DPA/ePEMS-01/2021-2022/17 dated 5 July 2021 where directives are given for resolving such differences with the system. PAC directed the Dzongkhag to submit a reconciliation report on or before 31 Aug. 2021 to the RAA for settling the issue.

However, the observation remained unresolved as of 29 February 2024, as RAA did not receive any action taken report as against the Follow up Report issued vide RAA-BT/Fus-03/2023/130 dated 20/11/2023.

ATR not received

1.2 NON-RECOVERY OF 20% ON VALUE OF WORK NOT COMPLETED AFTER TERMINATION OF CONTRACT - NU.1.642 MILLION

The Dzongkhag Administration, Trongsa had not recovered Nu.1.642 million from M/s Ringdol Construction, Thimphu upon termination of contract for the construction of four-unit staff quarter, main BHU building-cum-toilet for Dangdung BHU-I. The amount was recoverable as 20% on value of work not completed at the time of termination of contract as per the Clause No. 6.3.7.2 of the PRR 2009⁹. *AIN: 15528; Para: 16.1; Accountabilities: Direct: Phuntsho Ghallay, Site Engineer, EID # 20140103513; M/s Tenzin Wangchuk Construction, CDB No.3816; Supervisory: Dorji Gyeltshen, DE, EID # 9707034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag where the Dzongkhag reported that the issue was taken up for arbitration and the arbitral award was passed in favor of the Dzongkhag. The contractor then appealed before the High Court and the same decision was upheld. However, due to lack of legal officer the judgment passed by the court couldn't be enforced. PAC advised the Dzongkhag Administration to follow up for enforcement of the judgment passed and report to the RAA.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was served in seek of ATR response.

ATR not received

1.3. NON-FORFEITURE OF 10% PERFORMANCE SECURITY - NU.1.150 MILLION

The Dzongkhag Administration, Trongsa had not recovered Nu.1.150 million from M/s Ringdol Construction, Thimphu upon termination of contract for the construction of four-unit staff quarter, main BHU building-cum-toilet for Dangdung BHU-I. The amount was recoverable as forfeiture of 10% Performance Security at the time of termination of contract as per the Clause no. 17.2 of the Standard Bidding Document¹⁰. The case is sub-judice. *AIN: 15528; 16.2; Accountabilities: Direct: Phuntsho Ghallay, Site Engineer, EID # 20140103513; M/s Tenzin Wangchuk Construction, CDB No.3816; Supervisory: Dorji Gyeltshen, DE, EID # 9707034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag where the Dzongkhag reported that the issue was taken up for arbitration and the arbitral award was passed in favor of the Dzongkhag. The contractor then appealed before the High Court and the same decision was upheld. However, due to lack of legal

officer the judgment passed by the court couldn't be enforced. PAC advised the Dzongkhag Administration to follow up for enforcement of the judgment passed and report to the RAA.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

ATR not received

1.4. PAYMENT OF REFUNDABLE DEPOSIT WITHOUT OBTAINING REFUNDABLE RELEASE - NU.0.683 MILLION

The Dzongkhag Administration, Trongsa had made payment of Nu.0.683 million to parties on account of refund of Refundable Deposits without obtaining equivalent release from the DPA, MoF. Further, the Dzongkhag Administration had not reconciled the deposit and payments in the Refundable Deposit Account on a regular basis and had not maintained proper records of transactions pertaining to this particular account. *AIN: 15528; Para: 42; Accountabilities: Direct: Tshering Dawa, Accountant, EID # 2014204880; Supervisory: Sangay Chojay, Accounts Officer, EID # 20160106472.*

Status: *Observation Not Settled.*

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag where the Dzongkhag reported that the issue was taken up for arbitration and the arbitral award was passed in favor of the Dzongkhag. The contractor then appealed before the High Court and the same decision was upheld. However, due to lack of legal officer the judgment passed by the court couldn't be enforced. PAC advised the Dzongkhag Administration to follow up for enforcement of the judgment passed and report to the RAA.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

ATR not received

1.5. NON-RECOVERY OF 10% ON VALUE OF WORK NOT COMPLETED AFTER TERMINATION OF CONTRACT - NU.0.167 MILLION

The Dzongkhag Administration, Trongsa had awarded the construction of farm road from Gamji to Zhiling Gonpa to M/s Jordan Construction, Trongsa. The work was scheduled from 5 February 2016 to 5 April 2017. However, the contractor had not started the work despite serving numerous reminders and warning letters by the Dzongkhag Tender Committee (DTC). Subsequently, the contract was terminated on 25 October 2017 as per the General Conditions of Contract without recovering the amount of Nu.0.167 million on account of 10% on value of work not completed liable as per the Clause no. 6.3.7.2 of the PRR 2009¹¹. *AIN: 15528; Para: 15.1; Accountabilities: Direct: Phuntsho Ghallay, Site Engineer, EID # 20140103513; M/s Jordan Construction, CDB No.3221; Supervisory: Tobgay, DE, EID # 201101170.*

Status: *Observation Not Settled.*

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag where the Dzongkhag reported that amount could not be recovered from the contractor. The PAC directed the Dzongkhag to take a legal recourse under intimation to

the RAA.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

ATR not received

1.6. NON-FORFEITURE OF 10% PERFORMANCE SECURITY - NU.0.167 MILLION

The Dzongkhag Administration, Trongsa had not forfeited Nu.0.167 million from M/s Jordan Construction, Trongsa upon termination of contract for the construction of farm road from Gamji to Zhiling Gonpa. The amount was recoverable as forfeiture of 10% Performance Security at the time of termination of contract as per the Clause no. 17.2 of the Standard Bidding Document¹². *AIN: 15528; Para: 15.2; Accountabilities: Direct: Phuntsho Ghallay, Site Engineer, EID # 20140103513; M/s Jordan Construction, CDB No.3221; Supervisory: Tobgay, DE, EID # 201101170.*

Status: *Observation Not Settled.*

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag where the Dzongkhag reported that amount could not be recovered from the contractor. The PAC directed the Dzongkhag to take a legal recourse under intimation to the RAA.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

ATR not received

1.7 NON/LATE ANNUAL DECLARATION OF ASSET INVITE LEVY OF PENALTY - NU.0.091 MILLION

The Dzongkhag Administration, Trongsa had not levied penalty amounting to Nu.0.137 million on officials who had failed to declare their assets for 2014 with the ACC. As of 31 March 2019, recovery amounting to Nu.0.046 million was made leaving balance of Nu.0.091 million. *AIN: 15528; Para: 40; Accountabilities: Direct: Refer Accountability Statement in audit report; Supervisory: Refer Accountability Statement in audit report.*

Status: *Observation Not Settled.*

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag where the Dzongkhag Administration reported that, from the total amount of penalty leviable, balance amount of Nu. 67,465/- each is yet to be deposited by Choni Dorji and Jigme Namgyal. The PAC directed the Dzongkhag Administration to put concerted effort to recover the amounts, if not take legal recourse for the recovery of the same.

Subsequently out of the total penalty of Nu.0.091 million; Nu.0.046 million (Nu. 45,625.00) was recovered vide R/No.02023 dated 17/08/2021 leaving a balance of Nu.0.046 million as of 31 March 2023.

The balance sum of Nu 48,709.00 was recovered vide receipt No. 02023 dted 17/08/21 and Follow up Report issued vide RAA-BT/Fus-03/2023/130 dated 20/11/2023

ATR not received

2 Shortfalls, Lapses and Deficiencies - Nu.1.715 million

There were cases of shortfalls, lapses and deficiencies involving Nu.1.715 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
2.2	Payment made for works not executed	0.973	-	0.973
2.8	Inadmissible payment of remuneration and other benefits for the days of Extra Ordinary Leave	0.184	-	0.184
2.9	Missing of items worth	0.209	-	0.209
2.11	Non-accountal of electrical items	0.156	-	0.156
2.12	Non-deduction of rebates and excess payment	0.139	-	0.139
2.16	Payment made for item not provided at site in the construction of Vegetable Market Shed	0.054	-	0.054
2.21	Non-recovery of the cost for TMT bars	-	-	Unsettled
	Total	1.715		1.715

2.2. PAYMENT MADE FOR WORKS NOT EXECUTED - NU.0.973 MILLION

The Dzongkhag Administration, Trongsa had made payment of Nu.0.973 million to M/s Tenzin Wangchuk Construction, Trongsa without actual execution of work at site in the construction of 4-unit staff quarters at Trongsa Hospital. The contractor was paid a total of Nu.1.500 million through RA bills as payment for the items of works up to cornices level, but items of work worth Nu.0.973 million was found not executed at site. The contract was also found delayed considerably.

The lapse had occurred apparently due to negligence on the part of the site engineer to properly verify the contractor's bills against the quantities of work executed at site. *AIN: 15528; Para: 17; Accountabilities: Direct: Phuntsho Ghallay, Site Engineer, EID # 20140103513; M/s Tenzin Wangchuk Construction, CDB # 3816; Supervisory: Dorji Gyeltshen, DE, EID # 9707034.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag and the Dzongkhag Administration reported that the work was awarded to M/s Tenzin Wangchuk Construction, Trongsa. Material advance was paid to the contractor and the work was started. After payment of running bill of Nu. 15 Lakhs to the contractor the works were stopped. After that the contract was terminated and the work was awarded to another contractor and works has been completed.

The RAA requested the Dzongkhag Administration to submit the contract termination record, work completion documents and account settlement details. The PAC directed the Dzongkhag Administration to submit the report on or before 31 August 2021 to the RAA for review and settlement of the issue.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

ATR not received

2.8 INADMISSIBLE PAYMENT OF REMUNERATION AND OTHER BENEFITS FOR THE DAYS OF EXTRA ORDINARY LEAVE - NU.0.184 MILLION

The Dzongkhag Administration, Trongsa had made inadmissible payment of Nu.0.214 million on

account of remuneration and other benefits to officials on EOL, in contravention to BCSR, 2012. The payment of salary during the EOL had occurred apparently due to lack of coordination between the HR and Accounts Section. As of 31 March 2019, recovery amounting to Nu.0.029 million was made leaving balance of Nu.0.184 million. *AIN: 15528; Para: 30; Accountabilities: Direct: Jigme Dorji, GAO, EID # 9507122; Jai Bahadur Rai, EID # 201001363; Supervisory: Jigme Dorji, GAO, EID # 9507122; Jai Bahadur Rai, EID # 201001363.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag and the Dzongkhag Administration reported that the amount of Nu.0.184 m against Jigme Dorji, GAO could not be recovered as of date, as he has been transferred to Sarpang. The PAC directed Dzongkhag Administration to recover the amount within 31 Aug. 2021 if not take legal recourse for recovering the same.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

ATR not received

2.9. MISSING OF ITEMS WORTH - NU.0.209 MILLION

The Dzongkhag Administration, Trongsa had incurred an expenditure of Nu.1.424 million for the construction of Camp and procurement of necessary items for the camp during 109th National Day Celebrations coordinated by Dzongkhag Kidu Officer. The purchase included both expendable and non-expendable items. The physical verification of non-expendable items revealed that items worth of Nu.0.209 million were missing which included bedroom furniture, mattresses and bed linen, toilet fixtures, fittings and other items like electrical items, refrigerator, water tank and window curtains. The lapses had occurred due to lack of coordination between the handling committee and the Dzongkhag store to safeguards the items after the celebration. *AIN: 15528; Para: 18; Accountabilities: Direct: Chenchu Gyeltshen, EID # 2101146; Supervisory: Chenchu Gyeltshen, EID # 2101146.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag and the Dzongkhag Administration reported that the accountable person Chenchu Gyeltshen has resigned and went to Australia now and the observation could not be settled. The PAC directed Dzongkhag Administration to submit detail report on the subject and forward to RAA within 31 Aug. 2021.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

2.11 NON-ACCOUNTAL OF ELECTRICAL ITEMS - NU.0.156 MILLION

The Dzongkhag Administration, Trongsa had not accounted for electrical items worth Nu.0.156 million. 58 rolls of copper wire were procured for the electrification of camp during the 109th National Day Celebration. However, during physical verification there were no electrical items found at site. The Dzongkhag Administration had not exercised due diligence to ensure proper accountal and custody of copper wires. *AIN: 15528; Para: 19; Accountabilities: Direct: Chenchu Gyeltshen, EID # 2101146; Supervisory: Chenchu Gyeltshen, EID # 2101146.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag and the Dzongkhag Administration reported that the accountable person Chencho Gyeltshen has resigned and went to Australia now and the observation could not be settled. The PAC directed Dzongkhag Administration to submit detail report on the subject and forward to RAA within 31 Aug. 2021.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

2.12 NON-DEDUCTION OF REBATES AND EXCESS PAYMENT - NU.0.139 MILLION

The Dzongkhag Administration, Trongsa had not deducted rebate of Nu.0.069 million offered by M/s Druk Dreams Construction, Trongsa from the contractor's bills and had instead made excess payment amounting to Nu.0.139 million to the contractor by adding the rebate amount to the bill in the construction of Indigenous Unit at Kuengarabten BHU. The excess payment had apparently occurred due to failure of the site engineer and supervising engineer in exercising due diligence while verifying the contractor's claims. *AIN: 15528; Para: 6; Accountabilities: Direct: Dawa Lhamo, Site Engineer, EID # 20120100124; M/s Druk Dreams Construction, CDB No. 5218; Supervisory: Passang Dorji, DE, EID # 8201041.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag and the Dzongkhag Administration reported that the District Engineer, Dawa Lhamo resigned from service and went to Canada, therefore the issue remained unsettled. The PAC advised the Dzongkhag Administration to pursue for recovery of the amount from the contractor by 31 Aug. 2021 or take legal recourse for recovering the same.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

2.16 PAYMENT MADE FOR ITEM NOT PROVIDED AT SITE IN THE CONSTRUCTION OF VEGETABLE MARKET SHED - NU.0.054 MILLION

The Dzongkhag Administration, Trongsa had made payment of Nu.0.054 million to M/s Landmark Builders, Trongsa for items of works "providing and fixing terrazzo marble chips skirting" not provided at site in the construction of vegetable market shed at Trongsa town. The lapses had occurred due to improper verification of work done at site with contractor's claims. *AIN: 15528; Para: 10; Accountabilities: Direct: Dawa Lhamo, Site Engineer, EID # 20120100124; M/s Landmark Builders, Contractor, CDB No.3077; Supervisory: Tobgay, DE, EID # 201101170.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag and the Dzongkhag Administration reported that initially the payment was made after a rough measurement of the works completed. Later with the proper measurement it was found that over payment was made to the contractor. The PAC advised the Dzongkhag Administration to pursue for the recovery of the amount from the contractor by 31 Aug. 2021 or take legal recourse for recovering the same.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was

issued to receive ATR response.

2.21 NON-RECOVERY OF THE COST FOR TMT BARS

The Dzongkhag Administration, Trongsa had not recovered the cost of 2,881.54 kgs of TMT Rebars sold to M/s Gyserling Construction, Trongsa as of March 2018. The lapses had occurred due to lack of follow-up on realizing the value of materials taken by the contractor. *AIN: 15528; Para: 41; Accountabilities: Direct: Kinzang Tenzin, Assistant Engineer, EID # 201001716; Supervisory: Tobgay, DE, EID # 201101170.*

Status: *Observation Not Settled.*

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT Hall of the Trongsa Dzongkhag and the Dzongkhag Administration reported that the amount was recovered. However, the details of recovery if any made was not furnished to the RAA. The PAC directed the Dzongkhag Administration to forward the details of recovery to the RAA by 31 August 2021.

However, the observation remained unresolved as the said amount was not recovered as of 29 February 2024. To this, the Follow up Report RAA-BT/Fus-03/2023/130 dated 20/11/2023 was issued to receive ATR response.

ATR not received

1.3.2.19 DZONGKHAG ADMINISTRATION, ZHEMGANG

During the year, the RAA conducted two audits of the Dzongkhag Administration, Zhemgang. There were 28 observations amounting to Nu.15.353 million of which 18 observations amounting to Nu.4.167million were either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion. The significant irregularities reported in the draft AAR 2018 amounted to Nu.11.186 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the Dzongkhag Administration, observations amounting to Nu.0.165 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.11.021 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dzongkhag and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. Subsequently, the unsettled irregularities of Nu. 0.900 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to the Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Non-compliance of Laws & Rules	0.900	0	0.900	-
	Total	0.900	-	0.900	-

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Non-compliance to Laws and Rules - Nu.0.900 million

There were cases of non-compliance to laws and rules involving Nu.0.900 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
1.2	Release of final bill without completing the works	0.900	-	0.900
	Total	0.900		0.900

1.1. RELEASE OF FINAL BILL WITHOUT COMPLETING THE WORKS - NU.0.900 MILLION

The Dungkhag Administration, Panbang had not recovered Nu.0.900 million from the contractor's final RA bill upon termination of contract in the construction of Fencing with Gate and Maintenance of NCH at Pangbang BHU I under Nangla Gewog. The Dungkhag Administration had released the final payment without deducting payment for works not executed, penalty on termination and material advances. The contract was terminated by the Dungkhag Tender Committee due to non-completion of work on time despite repeated reminders.

The lapses had occurred due to non-verification of work done prior to releasing the payments and making payment in excess of actual work done. *AIN: 15329; Para: 7; Accountabilities: Direct: Singye Wangchuk, AE, EID # 200507221; Supervisory: Singye Wangchuk, AE, EID # 200507221.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 7 Aug. 2021 in DYT hall of Trongsa Dzongkhag where the Dzongkhag Administration reported that, the contractor couldn't complete the work and the contract was terminated after levying liquidated damages and 20% penalty. Certain amounts were recovered from 10% of performing security deposit and as of now Nu. 176,000/- is to be recovered from the contractor. Later, the work was assigned to another contractor and completed. The PAC directed the Dzongkhag Administration to submit recovery details and account of the amount along with justifying how the balance recoverable amount of Nu. 176,000/- was arrived at. The recovery of the amount should be initiated and updates given to the RAA by 31 August 2021.

Out of total recoverable Nu. 899,857.14, a sum of Nu. 176,077.54 was the final recoverable amount worked out as per the re-verification report submitted to RAA vide letter No.PD/ES-17/2021/297 dated 22/10/2021 for which, the RAA had issued a Review Report vide letter No.RAA/BT/Fus-01/2021/124 dated 01/12/2021 for necessary ATR response.

Latest ATR reminder was sent vide letter no. RAA-BT/Fus-01/2023/433 dated 19.06.23

1.3.3.3 GEWOGS ADMINISTRATION UNDER PARO DZONGKHAG

II. LOONG-NYI

During the year, the RAA conducted one audit of the Gewog Administration, Loong-nyi under Paro Dzongkhag. There were seven observations amounting to Nu.1.059 million of which observations amounting to Nu.0.358 million was either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.0.701 million.

The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.0.701 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 0.247 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 Mar 2025 (Nu.M)	% Resolved
2	Shortfalls, Lapses and Deficiencies	0.247	-	0.247	-
	Total	0.247	-	0.247	-

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Shortfalls, Lapses and Deficiencies - Nu.0.247 million

There were cases of shortfalls, lapses and deficiencies involving Nu.0.247 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
2.1	Excess payment to contractor	0.110	-	0.110
2.2	Excess payment to contractor due to non-deduction of stretch of PCC road	0.074	-	0.074
2.3	Excess payment to contractor due to discrepancies in measurement of wall	0.063	-	0.063
	Total	0.247	-	0.247

2.1. EXCESS PAYMENT TO CONTRACTOR - NU.0.110 MILLION

The Gewog Administration, Loong-nyi had made excess payment of Nu.0.110 million to M/s Tandin Dorji Construction in the maintenance work at Dzongdrakha. The contractor was paid for quantities in excess of actual quantities executed at site due to quantification of providing and laying hammer dressed dry stone soling work in 'square metres' instead of 'cubic metres' and acceptance of excess

length against the actual length executed at site. In addition, excess length was found accepted in PCC works up to the plinth area. *AIN: 15302; Para: 3.1; Accountabilities: Direct: Pema Lhendup, Dy. Executive Engineer, EID # 9807053.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 10 Sept. 2021 in the NA conference hall, Thimphu where the Site Engineer reported that as per the decision of the exit meeting the amount of Nu. Nu. 220,683/- vide Receipt No. 428201 dated 06/08/2018. Thereby leaving the unsettled balance amount of Nu. 109,717.00 (Nu. 330,400 minus Nu. 220,683) as of 10 Sept. 2021. It was decided that Gewog Administration should deposit the amount by 30 Sept. 2021 and resolve the issue accordingly.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by Loongnyi Gup that the Gewog Administration faced challenges in following up with Pema Lhendup, Ex-Engineer as he had already been terminated from the service.

The review meeting decided to recover the amount along with a 24% penalty per annum from the due date of the report (25 Sept. 2018).

As per the reocrd of the RAA an amount of Nu. 220,683.00 was deposited vide Receipt No. 428201 dated 06/08/2018 leaving the balance principal amount of Nu. 109,717.00. Until the balance amount along with the accumulated penalty amount are fully recovered, the observation remained unresolved.

To this, a Follow-up reminder report was served vide RAA/FUCD(R14) LungnyiGw/2022/1613 dated 09/09/2022 directing the Gewog Administration to expedite the settlement of the issue.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by Loongnyi Gup that the Gewog Administration faced challenges in following up with Pema Lhendup, Ex-Engineer as he had already been terminated from the service. The review meeting decided to recover the amount along with 24% pa penalty from the due date of the report (25 Sept. 2018). As per the reocrd of the RAA an amount of Nu. 220,683.00 was deposited vide Receipt No. 428201 dated 06/08/2018 leaving the balance principal amount of Nu. 109,717.00. Until the amount is being deposited along with the accumulated penalty the observation shall remained unresolved.

2.2. EXCESS PAYMENT DUE TO NON-DEDUCTION OF STRETCH OF PCC ROAD - NU.0.074 MILLION

The Gewog Administration, Loong-nyi had made excess payment of Nu.0.074 million to M/s Tandin Dorji Construction due to non-deduction of portion of positioned PCC works along the stretch of the road in the maintenance work at Dzongdrakha. The site engineer had verified the final RA bill and made payments without deducting the stretch of PCC road. The bill payment was found based on the quantity provided in the BOQ and not on the actual quantity of work executed at site. The site engineer and the Handing/Taking Committee members had not exercised due diligence while verifying the final RA bill and taking over completed works from contractor. *AIN: 15302; Para: 4.2; Accountabilities: Direct: Pema Lhendup, Dy. Executive Engineer, EID # 9807053; Supervisory Accountability: Jamtsho, Gup, CID # 10806001674.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 10 Sept. 2021 in NA conference hall, Thimphu where the Site Engineer reported that as per the decision of the exit meeting the amount of Nu. 220,000/- was deposited into Audit Recover Account and has the receipt for the same.

However, as per the records of RAA the amount of Nu. 220,683/- deposited vide Receipt No. 428201 dated 06/08/2018 was for observation 3.1 of AIN.15302 and not against this observation. Hence, the amount of Nu.0.074 million reflected in this observation had remained unrecovered as of 10 Sept. 2021.

It was decided that the Gewog Administration should deposit the amount by 30 Sept. 2021 and resolve the issue accordingly.

However, the observation remained unresolved as the amount was not recovered as of 31 March 2023. A Follow-up report was issued vide RAA/FUCD(R14) LungnyiGw/2022/1613 dated 09/09/2022 directing the Gewog Administration to expedite the settlement of the issue.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by Loongnyi Gup that the Gewog Administration faced challenges in following up with Pema Lhendup, Ex-Engineer as he had already been terminated from the service. The review meeting decided to recover the amount along with a 24% pa penalty from the due date of the report (25 Sept. 2018).

Until the amount is deposited along with the accumulated penalty, the observation shall remain unresolved.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by Loongnyi Gup that the Gewog Administration faced challenges in following up with Pema Lhendup, Ex-Engineer as he had already been terminated from the service. The review meeting decided to recover the amount along with 24% pa penalty from the due date of the report (25 Sept. 2018). Until the amount is being deposited along with the accumulated penalty the observation shall remain unresolved.

2.3. EXCESS PAYMENT TO CONTRACTOR DUE TO DISCREPANCIES IN MEASUREMENT OF WALL -NU.0.063 MILLION

The Gewog Administration, Loong-nyi had made an excess payment of Nu.0.063 million to M/s Tandin Dorji Construction due to discrepancies in the measurement of the RRM wall in the maintenance work at Dzongdrakha. The contractor was paid for quantities in excess of the actual quantities executed at the site. The lapses had occurred due to the acceptance of excess dimensions while quantifying the item of work as against the actual dimensions executed at the site by the site engineer while verifying the contractor's bills for payment. *AIN: 15302; Para: 4.3; Accountabilities: Direct: Pema Lhendup, Dy. Executive Engineer, EID # 9807053; Supervisory: Jamtsho, Gup, CID # 10806001674.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 10 Sept. 2021 in NA conference hall, Thimphu where the Site Engineer reported that as per the decision of the exit meeting the amount of Nu. 220,000/- was deposited into Audit Recover Account and has the receipt for the same.

However, as per the records of RAA the amount of Nu. 220,683/- deposited vide Receipt No. 428201 dated 06/08/2018 was for the observation 3.1 of AIN.15302 and not against this observation. Hence, the amount of Nu.0.074 million reflected in this observation had remained unrecovered as of 10 Sept. 2021.

It was decided that Gewog Administration should deposit the amount by 30 Sept. 2021 and resolve the issue accordingly.

However, the observation remained unresolved as the amount was not recovered as of 31 March 2023. A Follow-up report was issued vide RAA/FUCD(R14)LungnyiGw/2022/1613 dated 09/09/2022 directing the Gewog Administration to expedite the settlement of the issue.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by Loongnyi Gup that the Gewog Administration faced challenges in following up with Pema Lhendup, Ex-Engineer as he had already been terminated from the service. The review meeting decided to recover the amount along with 24% pa penalty from the due date of the report (25 Sept. 2018).

Until the principal amount is being deposited along with the accumulated penalty, the observation shall remained unresolved.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General; attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by Loongnyi Gup that the Gewog Administration faced challenges in following up with Pema Lhendup, Ex-Engineer as he had already been terminated from the service. The review meeting decided to recover the amount along with 24% pa penalty from the due date of the report (25 Sept. 2018). Until the amount is being deposited along with the accumulated penalty the observation shall remained unresolved.

1.3.3.7 GEWOGS ADMINISTRATION UNDER SAMTSE DZONGKHAG

VI. NORGAYGANG

During the year, the RAA conducted one audit of the Gewog Administration, Norgaygang under Samtse Dzongkhag. There were five observations amounting to Nu.2.639 million of which two observations amounting to Nu.0.021 million did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.2.618 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the Dzongkhag Administration, observations amounting to Nu.2.465 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.0.153 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-ups with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The unsettled irregularities of Nu. 0.153 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as of 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
1	Shortfalls, Lapses and Deficiencies	0.153	-	0.153	-
	Total	0.153	-	0.153	

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 is as discussed below:

1. Shortfalls, Lapses and Deficiencies – Nu.0.153 million

1.1. EXCESS PAYMENTS DUE TO DIFFERENCE IN THE QUANTITIES RECORDED IN MB AND ACTUAL QUANTITIES EXECUTED AT SITE - NU.0.153 MILLION

The Gewog Administration, Norgaygang had made excess payment of Nu.0.164 million during the financial year 2016-2017 to the contractors for construction works under Norgaygang Gewog

including:

- street lighting and site development;
- construction of barbed wire fencing and compound gate;
- construction of 2 Blocks of 2-Unit RNR Staff Quarter; and
- construction of 2 Blocks of 64-Bedded Hostel at Sherab Gatsel LSS.

The contractors were found paid for quantities in excess of quantities actually executed at site. The lapses had occurred apparently due to improper verification of actual work done at site by the site engineer and the Gewog Administration. As of 31 March 2019, recoveries of Nu.0.011 million was made leaving balance of Nu.0.153 million. *AIN: 15575; Para: 3; Accountabilities: Direct: Rinchen Dorji, Gup, CID # 11201001292; Supervisory: Rinchen Dorji, Gup, CID # 11201001292.*

Status: Observation Not Settled.

The observation remains unresolved as of 29 February 2024. Until the recoverable amount of Nu. 0.153 million along with 24% penalty is recovered.

However, the latest reminder Follow up Report was served vide no. RAA/OAAG-P/ling/Nor-Gw-B9/2023/474 dated. 20.09.2023 for initiating further course of action.

The amount of Nu.153,270.44 along with 24% penalty should be recovered on or before 30.10.2023.

VII. PEMALING

During the year, the RAA conducted one audit of the Gewog Administration, Pemaling under Samtse Dzongkhag. There were five observations amounting to Nu.0.478 million of which one observation amounting to Nu.0.010 million did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.0.468 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the Dzongkhag Administration, observations amounting to Nu.0.102 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.0.366 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-ups with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance irregularity of Nu. 0.095 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
2	Shortfalls, Lapses and Deficiencies	0.095	-	0.095	-
	Total	0.095	-	0.095	-

The details of unsettled irregularity reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 is as discussed below:

1. Shortfalls, Lapses and Deficiencies - Nu.0.095 million

The case of shortfalls, lapses and deficiencies involving Nu.0.095 million is as summarised below:

2.3. EXCESS PAYMENT DUE TO NON-DEDUCTION OF DIFFERENTIAL PERCENTAGE ON ADDITIONAL ITEMS EXECUTED - NU.0.095 MILLION

The Gewog Administration, Pemaling had made excess payment of Nu.0.095 million to contractor due to non-deduction of the differential percentage (%) on additional items executed in the constructions of 5.2 km Farm Road from Hatikhowa to Talley and 5 km Farm Road from Lamitar to Gondaytar. The lapses had occurred apparently due to non-application of standards/practices set by the Dzongkhag Administration uniformly. *AIN: 15576; Para: 3; Accountabilities: Direct: Khem Raj Ghalley, Gup; CID # 11202000751; Supervisory: Khem Raj Ghalley, Gup; CID # 11202000751.*

Status: Observation Not Settled.

The observation remains unresolved as of 29 February 2024. As the sum of Nu.0.095 million along with 24% penalty still stands recoverable.

The case is forwarded to legal section vide letter No.DAT/Accts-13/2021-2022/2188 of dated. 5/08/2021 for proceed with legal course of actions.

The legal action taken will be awaited in RAA.

XI. TASHICHHOLING

During the year, the RAA conducted one audit of the Gewog Administration, Tashichholing under Samtse Dzongkhag. There were five observations amounting to Nu.0.362 million of which two observations amounting to Nu.0.019 million did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.0.343 million.

The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.0.343 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance irregularity of Nu. 0.317 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
3	Shortfalls, Lapses and Deficiencies	0.317	-	0.317	-
	Total	0.317	-	0.317	-

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled one as of 31 March 2025 is as discussed below:

1. Shortfalls, Lapses and Deficiencies - Nu.0.317 million

The case of shortfalls, lapses and deficiencies involving Nu.0.343 million is as indicated below:

1.1. EXCESS PAYMENTS DUE TO DIFFERENCE IN THE QUANTITIES RECORDED IN MB AND ACTUAL QUANTITIES EXECUTED AT SITE - NU.0.343 MILLION

The Gewog Administration, Tashichhoeling had made excess payment of Nu.0.343 million during the financial year 2016-2017 to the contractors for construction works under the Gewog including:

- permanent works at Dangling to Tashichoeling PS farm road;
- permanent structures at Gola - Dangling farm road;
- RCC bridge over Sipsu River at Gola - Chebju farmroad; and

· maintenance of Singyegang farm road.

The contractors were found paid for quantities in excess of quantities actually executed at site. The lapses had occurred due to inadequate supervision and monitoring, and improper verification of the bills with respect to the actual quantity of works executed at site. *AIN: 15584; Para: 3; Accountabilities: Direct: Samir Giri, Gup, CID # 11202000900; Supervisory: Samir Giri, Gup, CID # 11202000900.*

Status: Observation Not Settled.

Out of the total amount of Nu.0.343 million; Nu.0.026 million was deposited with the RAA vide No.456673 dated.03/09/2019 leaving a balance of Nu.0.317 million along with 24% penalty is still reocverable. The latest follow up receport is issued vide no.RAA/OAAG-Pling/sip-Gw/B14/2023/473 dated. 20.09.23

Considering the joint re-verification report of 26/09/2024, the recoverable amount is recomputed as follows:

1) The excess payment of Nu.188,258.73, along with 24% penalty, is recoverable for the 'Construction of Permanent Structure at Gola to Dangling Farm road' executed by M/s K.P. Construction (CDB No. 1075);

2) Similarly, an amount of Nu. 50,228.32 along with 24% penalty is recoverable for the 'Construction of RCC Bridge over Sipsu River at Gola to Chebju Farm road' that was executed by M/s SKD Construction (CDB No. 1832); and

3) The RAA acknowledged the deposit of Nu. 111,307.96 (including 24% penalty calculated from ATR date 16/01/2019 to 01/10/2024) into ARA vide Receipt No. RAA/PL/2024/1773 dated 01/10/2024, relating to 'Maintenance of Singyegang farm road', which was executed by Singyegang Development Group, and hence treated as settled.

However, the observation remains unsettled until the excess payments aggregate to Nu. 238,487.05 (188,258.73 + 50,228.32), along with a 24% penalty, are deposited into ARA.

1. Shortfalls, Lapses and Deficiencies – Nu.0.417 million

There were case of shortfalls, lapses and deficiencies involving Nu.0.522 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
4.2	Excess payments due to difference in the quantities recorded in MmB and actual quantities executed at site	0.417	-	0.417
	Total	0.417	-	0.417

4.1. EXCESS PAYMENTS DUE TO DIFFERENCE IN THE QUANTITIES RECORDED IN MB AND ACTUAL QUANTITIES EXECUTED AT SITE - NU.0.417 MILLION

The Gewog Administration, Tendruk had made excess payment of Nu.0.417 million during the financial year 2016-2017 to the contractors for construction works under the Gewog including:

· construction of farmroad from Kuchin to Jumseling; and

construction of pipe line for irrigation channel at Kachin.

The contractors were found paid in excess of quantities actually executed at site. The lapses had occurred due to inadequate supervision and monitoring, and improper verification of the bills with respect to the actual quantity of works executed at site. *AIN: 15585; Para: 2; Accountabilities: Direct: Nima Dukpa, Gup, CID # 11216000379; Supervisory: Nima Dukpa, Gup, CID # 11216000379.*

Status: Observation Not Settled.

The amount of Nu. 0.417 million along with 24% penalty stands recoverable as of 31 March 2023. A Follow up Report has been sent vide RAA/OAAG-Pling/Ten-Gw-B16/2023/107 dated 28/02/2023 and the response waited.

The Tendruk Gewog have forwarded the case to the Dzongkhag Legal Office to proceed with the case.

The legal action taken will be awaited in RAA for the final opinion and validation.

1.3.3.10 GEWOGS ADM. UNDER TRASHIGANG DZONGKHAG

1. Shortfalls, Lapses and Deficiencies

II. KANGLUNG

During the year, the RAA conducted one audit of the Gewog Administration, Kanglung under Trashigang Dzongkhag. There were three observations amounting to Nu.0.210 million of which one observation amounting to Nu.0.018 million was resolved prior to the compilation of the draft AAR 2018. The significant irregularity reported in the draft AAR 2018 amounted to Nu.0.192 million.

The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.0.192 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularity under Non-compliance to Laws and Rules reported in April 2024 remained unresolved as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
2	Non-compliance to Laws and Rules	-	-	-	-
	Total	-	-	-	

The details of unsettled irregularities reported to the Parliament in April 2024 which unsettled as of 31 March 2025 is as discussed below:

1. Non-compliance to Laws and Rules

1.1. ACQUISITION OF LAND AND BUILDING AT YONGPHU LHAKHANG WITHOUT APPROVAL

The Gewog Administration, Kanglung had acquired 0.229 acres of private land with a one-storied building and 1.909 acres of land for Yonphu Lhakhang at the total lump sum cost of Nu.3.000 million during the financial year 2015-2016 without prior approval from the competent authority. Nu.2.000 million was met from the GDG in contravention to the GDG Guidelines 2014 and Nu.0.067 million was met from Gewog CD Account in the financial year 2016-2017. The lapses had apparently occurred due to failure on the part of Gewog Administration to follow due processes while acquiring the private property as required by the Land Act 2007 of Bhutan and failure to adhere to GDG Guidelines 2014. The Gewog Administration has also failed to seek necessary guidance from the Dzongkhag Authorities while acquiring the property. *AIN: 15327; Para: 2; Accountabilities: Direct: Kinzang Dorji, Gup, CID # 11503004683; Supervisory: Kinzang Dorji, Gup, CID # 11503004683.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 2 Aug. 2021 in DYT hall of Trashigang Dzongkhag where the Gup reported that this issue remained unresolved because the transfer of ownership (Tharm) was still under process. However, the Gewog Administration has appealed to the Gelpoi Zimpon and the Thram is soon going to be issued.

The RAA stated that sufficient documents are required to prove the legitimacy of the ownership of the land. Further, the Gewog Administration is requested to update RAA after the Tharm is being received.

As per the letter No.DAT/Accts-02/2023-2024/1447 of dtd:7/11/2023 the Gewog Administration, Kanglung they were unable to transfer the Thram in the name of Gewog Administration, since the purchase land was under kasho on excess land until 11th 2024.

However, the observation remained unsettled as of 29 February 2024, as the Gewog did not submit land valuation report as per PAVA and the Lagthram. A follow-up reminder sent vide letter No.OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023. ATR response is awaited.

As per Follow-Up vide letter No.RAA/OAAG-SG(AR-26)Gewog Admin-Kanglung/2020/224 of 19/10/2020 the gewog administration has not submitted any status of report for further review and verification. Until such time para remains unsettled.

1.3.3.11 GEWOGS ADMINISTRATION UNDER TRONGSA DZONGKHAG

I. Dragteng

During the year, the RAA conducted one audit of the Gewog Administration, Dragteng under Trongsa Dzongkhag. There were six observations amounting to Nu.0.876 million of which two observations amounting to Nu.0.450 million were either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.0.426 million.

The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.0.426 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-ups with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularity reported in April 2024 remained unsettled as of 31 March 2025 due to the non-recovery of a 24% pa penalty as explained below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Shortfalls, Lapses and Deficiencies	-	-	-	-
	Total	-	-	-	

The details of unsettled irregularities reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 is as discussed below:

1. Shortfalls, Lapses and Deficiencies

1.1. EXCESS PAYMENT IN THE RENOVATION OF TOEDCHU IRRIGATION CHANNEL - NU.0.061 MILLION

The Gewog Administration, Langthel had made an excess payment of Nu.0.061 million to M/s Yundro Construction, Trongsa for the Renovation of the Toedchu Irrigation channel. The contractor was found paid for the excess height of the RRM wall than actually provided at the site. The lapses are indicative of inadequate monitoring and supervision of the site during the execution as well as failure to exercise due diligence in certifying the claims of the contractor. *AIN: 15500; Para: 2; Accountabilities: Direct: Sonam Tshering, JE, EID # 20140103506; M/s Yundro construction, Trongsa, CBD # 7799; Supervisory: Sonam Dendup, Gup, CID # 11703000276.*

Status: Observation Not Settled.

The observation remained unsettled as of 29 February 2024 due to non-recovery of accumulated 24% penal interest working Nu.0.029 million, although the principal amount of Nu.0.061 million was deposited into ARA vide R/No.02071 dated 31/08/2021.

Penalty amount yet to be deposited into ARA

II. NUBI

During the year, the RAA conducted one audit of the Gewog Administration, Nubi under Trongsa Dzongkhag. There were five observations amounting to Nu.3.034 million of which none were resolved prior to the compilation of the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.3.034 million.

The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.3.034 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance irregularity of Nu. 2.483 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Shortfalls, Lapses and Deficiencies	2.483	-	2.483	-
	Total	2.483	-	2.483	

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Shortfalls, Lapses and Deficiencies – Nu.2.483 million

There were cases of shortfalls, lapses and deficiencies involving Nu.2.483 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
1.1	Outstanding advances	2.010	-	2.010
1.2	Payment of final bills without completion of work	-	-	-
1.3	Payment made for works not/less executed	0.473	-	0.473
	Total	2.483	-	2.483

1.1. OUTSTANDING ADVANCES - NU.2.010 MILLION

The Gewog Administration, Nubi had overdue PW Advances amounting to Nu.2.010 million during the year 2016-2017. Nu.0.310 million pertained to M/s P. Norbu Construction, Nu.0.167 million pertained to M/s Jorden Construction and Nu.1.533 million was lying unadjusted against the Dzongda, Dzongkhag Administration, Trongsa. The non-liquidation of advances even after completion of works was in deviation to the provisions of the FRR. *AIN: 15512; Para: 1; Accountabilities: Direct: Phuntsho Galley, JE, EID # 20140103513; M/s P Norbu Construction, Contractor, CDB # 5333; Supervisory: Rinzin Dorji, Planning Officer, CID # 11410000678; Ugyen Tenzin, Gup, CID # 11704000066.*

Status: Observation Not Settled.

This observation was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in the DYT hall of Trongsa Dzongkhag where the Gewog Adm. reported that the contract work was awarded to three contractors. In case of first contractor, material advance was paid to the contractor (P. Norbu Construction) but the contractor didn't do the work. The work was then completed by community people. The Gewog Administration followed up with the contractor but there was no positive response from him. Therefore, legal recourse was sought against the contractor for the recovery of Nu. 310,000/- In the case of contractor No. 2, a sum of Nu. 167,000/- is recoverable from him but he is in prison at present. The work of Nu. 1,533,000/- million has been completed by contractor No. 3 and the documents are yet to be submitted to RAA.

The RAA expressed that it has been almost four years since this issue is pending and a legal measure seems to be the only possible solution to resolve this issue. The PAC directed the Gewog Administration to submit the documents of the works completed and take legal action against the two defaulting contractors by 31 Aug. 2021 and report to RAA.

However, the observation remained unresolved as of 29 February 2024 as no ATR report was submitted by the Gewog as of 29 February 2024. To this, the Follow up Report issued vide RAA-BT/Fus-03/2023/128 dated 20/11/2023

ATR not received

1.3. EXCESS PAYMENT FOR WORKS NOT/LESS EXECUTED - NU.0.473 MILLION

a) Similarly, excess payment of Nu.0.389 million was made to M/s Trophel Construction, Trongsa for items of works not/short executed in the item of work 'Lined V-shaped drain' in the improvement of Chunipang to Karshong farm road. The excess payment had occurred due to release of payments to the contractor without actual completion of the work in all respects to avoid lapse of fund. *AIN: 15512; Para: 4; Accountabilities: Direct: Phuntsho Galley, JE, EID # 20140103513; M/s Trophel Construction, Contractor, CDB # 3988; Supervisory: Tashi Penden, Ex-Gup, 11704001027.*

Status: Observation Not Settled.

The issue was deliberated in the PAC consultative meeting held on 5 Aug.2021 in the DYT hall of Trongsa Dzongkhag where the Gewog Adm. reported that the excess payments made to Trophel Construction should have been adjusted during the settlement of the final bill. The PAC advised the Gewog Adm. to submit the details of settlement of the amount to RAA by 31 Aug. 2021 for review and appropriate decision.

However, the observation remained unresolved as of 29 February 2024 as no ATR report was submitted by the Gewog as of 29 February 2024. To this, the Follow up Report issued vide RAA-BT/Fus-03/2023/128 dated 20/11/2023

Penalty amouny yet to be deposited into ARA

b) The Gewog Administration had made excess payment of Nu.0.084 million to M/s Jongthang Medey Khabab, Trongsa in the improvement of Jongthangto Karshong farm road. The contractor was found paid for RRM box drain instead of RRM L-shaped drain. The lapses had occurred apparently due to inadequate monitoring and supervision of the site during execution and failure to exercise due diligence in certifying the claims of the contractor. *AIN: 15512; Para: 5; Accountabilities: Direct: Tobgay EE, EID # 201101170; Supervisory: Ugyen Tenzin, Gup, CID # 11704000066.*

Status: Observation Not Settled.

The issue was deliberated in the PAC consultative meeting held on 5 Aug.2021 in the DYT hall of Trongsa Dzongkhag where the Gewog Adm. affirmed that there was a shortfall of work executed by Nu. 84,000/-, however, this amount can be recovered from 10% security deposit of the contractor. The PAC advised the Gewog Adm. to recover the amount and deposit with the RAA by 31 Aug. 2021.

However, the observation remained unresolved as of 29 February 2024 as no ATR report was submitted by the Gewog as of 29 February 2024. To this, the Follow up Report issued vide RAA-BT/Fus-03/2023/128 dated 20/11/2023

Penalty amouny yet to be deposited into ARA

IV. KORPHOOG

During the year, the RAA conducted one audit of the Gewog Administration, Korphoog under Trongsa Dzongkhag. There were six observations amounting to Nu.3.920 million of which two observations amounting to Nu.0.050 million did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.3.870 million.

The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.3.870 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularity of Nu.0.091 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
3	Shortfalls, Lapses and Deficiencies	0.091	-	0.091	-
	Total	0.091	-	0.091	-

The details of unsettled irregularity reported to the Parliament in April 2024 which remained unsettled one as of 31 March 2025 is as discussed below:

1. Shortfalls, Lapses and Deficiencies - Nu.0.091 million

1.1. OUTSTANDING ADVANCES - NU.0.091 MILLION

The Gewog Administration, Korphoog had overdue advances amounting to Nu.0.091 million during the year 2016-2017. The non-liquidation of advances even after completion of works was in deviation to the provisions of the FRR. *AIN: 15514; Para: 1; Accountabilities: Direct: Tshetrim Dorji, Ex-Gup, CID # 9912221u; Tshering Dendup, Accountant, EID # 2003070157; Supervisory: Tshetrim Dorji, Ex-Gup, CID # 9912221; Sangay Khandu, Gup, CID # 11702001343.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 5 Aug.2021 in the DYT hall of the Trongsa Dzongkhag and the Gewog Adm. reported that outstanding advance of Nu. 85,000/- was adjusted and the documents submitted to RAA in June 2021. However, the balance amount of Nu. 6,000/- paid as an advance to the former Gup was to be recovered.

As per the records of the RAA the amount remained unsettled as of 5 Aug.2021. Therefore, the Gewog was requested to resubmit adjustment/recovery details to OAAG Bumthang for review and settlement of the outstanding. It was also decided that balance amount should also be recovered on or before 31 Aug. 2021 and report to the RAA for settlement of this issue.

However, the observation remained unresolved as of 29 February 2024 as no ATR report was submitted by the Gewog as of 29 February 2024. To this, the Follow up Report issued vide RAA-BT/Fus-03/2023/127 dated 20/11/2023

No ATR received by OAAG, Bumthang

1.3.4.6 KHESAR GYALPO UNIVERSITY OF MEDICAL SCIENCE OF BHUTAN

During the year, the RAA conducted one audit of Khesar Gyalpo University of Medical Science, Thimphu. There were 10 observations amounting to Nu.0.945 million of which five observations amounting to Nu.0.752 million were either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.0.193 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the University, one observation was resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.0.193 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with KGUMS and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance irregularity of Nu. 0.112 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Shortfalls, Lapses and Deficiencies	0.112	-	0.112	-
	Total	0.112	-	0.112	

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Shortfalls, Lapses and Deficiencies – Nu.0.112 million

There were cases of shortfalls, lapses and deficiencies amounting to Nu.0.112 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in Million	Balance Nu. In Million
1.2	Un-reconciled fund balance	0.041	-	0.041
1.3	Non-production of disbursement vouchers	0.071	-	0.071
1.4	Non-registration of the land in the name of KGUMSB	-	-	-
	Total	0.112	-	0.112

1.1 UN-RECONCILED FUND BALANCE OF NU.0.041 MILLION

The financial statements of the KGUMSB had total un-reconciled fund balance of Nu.0.041 million for two financial years (FY). Nu.0.037 million pertained to the FY ended 30 June 2014 and Nu.0.004 to the FY 30 June 2015. The lapse had apparently occurred due to non-reconciliation of fund on monthly basis as required by FRR. *AIN: 15412; Para: 3.2; Accountabilities: Direct: Wangchuk Dorji, Accounts Assistant, EID # 20140800033; Supervisory: Wangchuk Dorji, Accounts Assistant, EID # 20140800033.*

Status: Observation Not Settled.

A Follow-up report has been sent vide letter No. RAA/FUCD(W37-KGUMSB)2021/2212 dated 29/11/2021. While noting the reconciled statement submitted to RAA, endorsement from the DPA also should be intimated to RAA. Until such time, the observation shall remain unsettled.

1.2 NON-PRODUCTION OF DISBURSEMENT VOUCHERS FOR NU.0.071 MILLION

The KGUMSB had not produced disbursement vouchers for the expenditure worth Nu.0.071 million for verification due to which the RAA could not ascertain the genuineness and the correctness of the payments made and recorded in the books of accounts. *AIN: 15412; Para: 3.5; Accountabilities: Direct: Sonam Tenzin, Accounts Assistant, EID # 20130500015; Supervisory: Wangchuk Dorji, Accounts Assistant, EID # 20140800033.*

Status: *Observation Not Settled.*

This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in NA conference hall, Thimphu, and KGUMSB accepted their mistake for misplacing the disbursement vouchers by the accounts department. It was reported that, a total of four vouchers were misplaced amounting to Nu. 40,000/-, Nu. 13,000/-, Nu. 11,000/- & Nu. 5,000/-. Out of four missing vouchers, voucher amounting to Nu. 40,000/- was pertaining to the bill payments made to Holiday Hotel, Paro and vouchers amounting to Nu. 13,000/-, Nu. 11,000/- & Nu. 5,000/- were related to payments made to three individuals. The management tried to search for the documents but couldn't trace it.

RAA stated that if the original copy of the bills could not be traced then duplicate copy of the bill (payment made to Holiday Home - Paro) and acknowledgement of the payments received by three individuals can be acceptable. The PAC advised KGUMSB that such documents should be submitted to RAA by 31 March 2023 for review and appropriate decision.

The initiative taken by the management is noted. However, RUB should intimate RAA as and when all the missing vouchers are traced out and produced for verification. Until such time, the observation shall remain unsettled.

However, the observation remained unsettled as of 29 February 2024. To this, a Follow up reminder served vide RAA/FUCD(W37-KGUMSB)2023/424 dt. 07/09/2023.

1.3.4.8 PHUENTSHOLING THROMDE

During the year, the RAA conducted two audits of Phuentsholing Thromde. There were 36 observations amounting to Nu.8.141 million of which 12 observations amounting to Nu.0.159 million were either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.7.982 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the Thromde Administration, observations amounting to Nu.0.047 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.7.935 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Thromde and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 0.778 million reported to the Parliament in April 2024 remained as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 Mar 2025 (Nu.M)	% Resolved
1	Mismanagement	0.669	0	0.669	-
2	Shortfalls, Lapses and Deficiencies	0.109		0.109	-
	Total	0.778	-	0.778	-

The details of unsettled irregularities reported to the Parliament in April 2024, the irregularities settled thereafter and the unsettled ones as of 31 March 2025 are as discussed below:

1. Mismanagement – Nu.0.669 million

There were cases of mismanagement amounting to Nu.0.669 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu.in million	Settled Nu. in Million	Balance Nu. In Million
1.1	Short deposit of revenue	0.159	-	0.159
1.2	Penalty for delay in deposit of cheque into CD Account	0.470	-	0.470
1.4	Non-remittance of statutory deductions	0.040	-	0.040
	Total	0.669	0	0.669

1.1 SHORT-DEPOSIT OF REVENUE - NU.0.159 MILLION

The Phuentsholing Thromde Administration (PTA) had not deposited revenue collection of Nu.0.159 million into their CD Account. Against the total revenue collection of Nu.75.746 million (as per the deposit slips), the Thromde had made total deposit of Nu.75.587 million into the CD Account (as per the bank statement) resulting in short-deposit of Nu.0.159 million. The lapse had occurred apparently due to failure of the dealing officials to reconcile the collections and deposits of revenue on a monthly basis, and also due to failure on the part of the supervising officer to exercise necessary checks. *AIN: 15523; Para: 2; Accountabilities: Direct: Krishna Chhetri, Accounts Assistant, EID # 9709054; Supervisory: R.B. Ghalley, Accounts Officer, EID # 8801083.*

Status: Observation Not Settled.

A follow up report was sent vide letter No.RAA/OAAG-Pling/MoWHS/Thromde-D21/2022/498 dated 15/12/2022, however no response has been received as of 29 February 2024.

However, the case was stated to have been registered with Royal Court of Justice and awaiting the court verdict.

Case dismissed by the court (related to Krishna Chhetri)

1.2 PENALTY FOR DELAY IN DEPOSIT OF CHEQUE INTO CD ACCOUNT - NU.0.470 MILLION

The PTA had not deposited a cheque amounting to Nu.1.679 million received on account of parking fees from M/s Norzang Builders, Phuentsholing into CD Account. It was deposited only on 28/05/2018 after substantial delay of 14 months, upon pointing it out by the RAA. The delay in deposit had occurred apparently due to absence of periodic reconciliation of the collections and deposits of revenue, and due to laxity of the supervising officer to institute necessary checks. As of 31 March 2019, the penalty of Nu.0.470 million (i.e. $24\% \times 1,679,490.00 \times 14/12$) for delayed deposit was not recovered. *AIN: 15523; Para: 3; Accountabilities: Direct: Krishna Chhetri, Accounts Assistant, EID # 9709054; Supervisory: R.B. Ghalley, Accounts Officer, EID # 8801083.*

Status: Observation Not Settled.

As per the 8th Follow-up Committee meeting held on 18/09/2020, it was decided to rephrase the observation to administrative action instead of asking for recovery of the amount as the amount was lying in the drawer and was not misused by the individual.

However, the committee decided that the OAAG, Pling should obtain the deposits details and the assurance letter from the management. A follow up report was sent vide letter No.RAA/OAAG-Pling/MoWHS/Thromde-D21/2022/498 dated 15/12/2022, however, no reponse was received as of 31 March 2023.

The case is said to have been registered with Royal Court of Justice. Awaiting court verdict besides furnishment of management's assurance letter alongwith evidences for deposits of amount was lying in the drawer.

Case dismissed by the court (related to Krishna Chhetri)

1.3 SHORT-ACCOUNTAL OF REVENUE DEPOSITS - NU.1.993 MILLION

The PTA had short-accountal of revenue deposits amounting to Nu.1.993 million in its financial statements. The total amount credited as per bank statement was Nu.85.370 million against which only Nu.83.377 was recorded, resulting in short-accountal of Nu.1.993 million in the books of account maintained by the Thromde. The lapse had occurred apparently due to non- reconciliation of the revenue collections and deposits made by the dealing official and due to failure on the part of the supervising officer to exercise necessary checks to ensure that amount recorded are correct and validated. *AIN: 15523; Para: 5; Accountabilities: Direct: Kinzang Nidup, Accounts Asst., EID # 2107101; Supervisory: R.B. Ghalley, Accounts Officer, EID # 8801083.*

Status: Observation Settled.

A response was recived received vide letter No. PT/IAU-05/2022-2023/03731 dated 03/02/2023, however, the observation could not be resolved.

The Reconciliation was done with rectification of the wrong head bookings. As per the assurances provided to treat the correct accounting and correct bookings in the future, the para was considered as settled.

Case dismissed by the court (related to Krishna Chhetri)

1.4 NON-REMITTANCE OF STATUTORY DEDUCTIONS - 0.040 MILLION

During the FYs 2016-17 and 2017-18, the PTA had not remitted to the RRCO, the salary tax and other statutory deductions of Nu.0.040 million made from the staffs employed under NAPA project which was in contravention to the requirement under the Revenue Accounting Manual. Further, the payment for the month of August 2017 remitted in cash was not supported with relevant documents such as disbursement voucher and receipts, in absence of which the RAA could not ascertain its authenticity. The lapses had occurred due to failure of the dealing accounts personnel to remit the deduction to RRCO, Phuentsholing coupled with the failure on the part of the supervising officer to exercise due diligence. *AIN: 15523; Para: 10; Accountabilities: Direct: Krishna Chhetri, Accounts Assistant, EID # 9709054; Supervisory: R.B. Ghalley, Accounts Officer, EID# 8801083.*

Status: Observation Not Settled.

A follow up report was sent vide letter no.RAA/OAAG-Pling/MoWHS/Thromde-D21/2022/498 dated 15/12/2022. However, the observation remained unsettled as of 29 February 2024, as no reponse from the management.

Case dismissed by the court (related to Krishna Chhetri)

3. Shortfall, Lapses and Deficiencies – Nu.0.109 million

There were cases of shortfalls, lapses and deficiencies amounting to Nu.0.109million as summarised below

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in Million	Balance Nu. in Million
3.1	Non-reconciliation of Revenue collected, deposited and reflected in the Bank Statement	-	-	Unsettled
3.3	Non-adjustment of personal advances on time	0.080	-	0.080
3.4	Non-adjustment of PW Advances on time	0.029	-	0.029
	Total	1.610	1.501	0.109

3.1 NON-RECONCILIATION OF REVENUE COLLECTED, DEPOSITED AND REFLECTED IN THE BANK STATEMENT

The PTA had not carried out monthly reconciliation of revenue collection and deposit into the bank as per the norms¹⁷. Further, the dealing official of the revenue collection section had not communicated the details of monthly collection to the dealing accountant of the CD Account who had considered the credit balance in the bank statement as the total receipts in the Budget and Accounts System (BAS) without verifying its correctness. The lapses had occurred mainly due to absence of regular reconciliation of the revenue collections and deposits besides failure on the part of the supervising officer to ensure proper check and balance in the revenue management. *AIN: 15523; Para: 1; Accountabilities: Direct: Krishna Chhetri, Accounts Assistant, EID # 9709054; Supervisory: R.B. Ghalley, Accounts Officer, EID # 8801083.*

Status: Observation Not Settled.

A follow up report was sent vide letter no.RAA/OAAG-Pling/MoWHS/Thromde-D21/2022/498 dated 15/12/2022. However, no response has been received as of 31 March 2023. As per the latest updates, it was said that the case is said to have been registered with Royal Court of Justice RAA awaits the court verdict.

Case dismissed by the court (related to Krishna Chhetri)

¹⁷ "Accounting units in all budgetary bodies shall reconcile each of the LC, PLC or any other bank accounts operated by the office on a monthly basis" - Section 1.6.17.2, FAM 2016.

3.3 NON-ADJUSTMENT OF PERSONAL ADVANCES ON TIME - NU.0.080 MILLION

During the year FY 2017-18, the PTA had sanctioned personal advances aggregating to Nu.0.303 million to few officials despite having unsettled balance of earlier advances. The management had not adhered to Section 8.1.6(a) of the FAM 2016 which required that "a personal advance of any kind shall not be sanctioned or paid in case a previous personal advance remains unsettled."

The lapse had occurred due to lack of proper follow-up action by the concerned dealing official and non-regulation of advances as required. *AIN: 15523; Para: 7; Accountabilities: Direct: Jamtsho Dukpa, EID # 9701044; Namgay Phuntsho, EID # 9501013; Gautam Thapa, EID # 9913138; Tshewang Tandin, EID # 200905042; Pema Namgay, EID # 200208083; Ugyen Choden, EID # 200301058; Sonam Choden, EID # 9901167; Sonam Jamtsho, EID # 200603004; Pema Lhendup, EID # 201101251; Loha Bir Gurung, EID # 201109030; Yeshe Wangchuk, EID # 20121102017; Krishna Chhetri, EID # 9709054; Yeshe Dema, EID # 20101100958; Supervisory: Kinzang Nidup, Accounts Assistant, EID # 2107101.*

Status: Observation Partially Settled.

Out of Nu.0.303 million; Nu. 0.223 million was recovered/adjusted leaving a balance of Nu.0.080 million as of 29 February 2024.

As per the latest updates, it was said that the case is said to have been registered with Royal Court of Justice and RAA awaits the court verdict.

Case dismissed by the court (related to Krishna Chhetri)

3.4 NON-ADJUSTMENT OF PW ADVANCES ON TIME - NU.0.273 MILLION

Section 5.4.2(d) of the FAM 2016 states that, “On the close of a fiscal year, a complete liquidation of all temporary advances in the hands of the individual TAHs shall be made”. However, the PTA had not settled outstanding advances of Nu.0.279 million as of date of audit some of which pertained to FY 2016-2017. *AIN: 15523; Para: 8; Accountabilities: Direct: Jamtsho Dukpa, EID# 9701044; Chenchho, EID# 201101253; Namgay Phuntsho, EID# 9501013; Gautam Thapa, EID# 9913138; Sonam Tenzin, EID# 200303001; Karma Thinley, EID# 9307042; Krishna Chhetri, EID# 9709054; Supervisory: Kinzang Nidup, Accounts Assistant, EID # 2107101.*

Status: Observation Not Settled.

From the balance amount of Nu.0.273 million, an amount of Nu.0.244 million has been adjusted/recovered along with 24% penalty leaving a balance amount of Nu. 0.029 million as of 29 February 2024.

As per the latest updates, it was said that the case is said to have been registered with Royal Court of Justice RAA awaits for court verdict.

Case dismissed by the court (related to Krishna Chhetri)

1.3.4.12 THIMPHU THROMDE

During the year, the RAA conducted two audits of Thimphu Thromde. There were 55 observations amounting to Nu.36.514 million of which 30 observations amounting to Nu.24.079 million were either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.12.435 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the Thromde Administration, observations amounting to Nu.0.073 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.12.362 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Thromde and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 3.901 million reported to the Parliament in April 2024 remained resolved as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to the Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Fraud, Corruption and Embezzlement	1.202	-	1.202	-
2	Mismanagement	2.699	-	2.699	-
3	Non-compliance to Laws and Rules	-	-	-	-
4	Shortfalls, Lapses and Deficiencies	-	-	-	-
	Total	3.901	-	3.901	-

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as 31 March 2025 are as discussed below:

1. Fraud, Corruption and Embezzlement – Nu.1.202 million

There were cases of fraud, corruption and embezzlement amounting to Nu.1.202 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in Million	Balance Nu. In Million
1.1	Illegal encroachment on state owned and private registered land by individual land owners	-	-	Unsettled
1.2	Non-accountal and short-accountal of scrutiny, amenity fees and service charges	1.202	-	1.202
	Total	1.202	-	1.202

1.1 ILLEGAL ENCROACHMENT ON STATE OWNED AND PRIVATE REGISTERED LAND BY INDIVIDUAL LAND OWNERS

As per Section 299(e) of Land Act of Bhutan 2007, “any person committing the act of encroachment on a state-owned and private registered land shall be guilty of an offence of petty misdemeanor and shall be liable to be sentenced in accordance with Bhutan Penal Code”.

Out of 30 illegal encroachment within the Thimphu City, the Thimphu Thromde Administration (TTA) had taken appropriate actions against 24 cases pending appropriate actions against remaining six cases. The lapse had occurred due to lack of regular monitoring and reporting by the building inspectors and the Division for initiating timely action. *AIN: 15051; Para: 32; Accountabilities: Direct: Dorji Namgyel, EID # 201101156, Nima Gyelpo, EID # 201001111; Supervisory: Kinlay Dorjee, EID # 9907556.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 30 Aug. 2021 in NC conference hall Thimphu where Thrompon reported that they tried their best to evacuate the lands illegally occupied, however, they were intimidated by the occupants with weapons and refused to leave the area. It was also shared that when high level officials are involved in such cases, even police hesitate to take action on it. Thromde stated that now they are planning advertise in the media for such illegal encroachment of government lands for evacuation.

The PAC advised Thromde to take police protection while executing such kind of task. It was decided that, Thromde should conduct a re-survey and resolve this issue by 31 December 2021 and report the same to RAA.

However, Thimphu Thromde did not submit any further response to the RAA as of 29 February 2024 as recommended and the issue remained unresolved as of date.

RAA awaits for the outcome from the GZO. The case has been appealed to Office of the Gyalpoi Zimpon.

1.2 NON-ACCOUNTAL AND SHORT-ACCOUNTAL OF SCRUTINY, AMENITY FEES AND SERVICE CHARGES - NU.1.202 MILLION

The TTA had non-accountal/short-accountal of scrutiny, amenity fees and services charges amounting to Nu.1.202 million. Out of 104 building applications approved, the Thromde had not accounted fees and charges amounting to Nu.1.115 million in respect of 39 approved applications and deposit of the fees could not be traced in the Consolidated Revenue Collections Statements (CRCS) prepared by the Revenue Section. Further, the Thromde had six cases where the actual fees collected were lesser than the fees liable, which had resulted in short-accountal of fees by Nu.0.087 million. *AIN: 15051; Para: 3; Accountabilities: Direct: Gyeltshen, EID # 7703012; Supervisory: Hasta Bahadur Sangpang, EID # 8505063.*

Status: *Observation Not Settled.*

The issue was deliberated during the PAC consultative meeting held on 30 Aug. 2021 in the NC conference hall, Thimphu where the Thromde reported that the case was forwarded to ACC vide letter No. RAA/AG-SP/16/2020/114 dated 02 June 2020 for investigation and ACC acknowledged as it qualifies for investigation. The PAC directed the Thromde to follow up with ACC for expediting the case.

However, Thimphu Thromde did not submit any further updates to the RAA as of 29 February 2024 as recommended.

The issue was forwarded to ACC on 2 June 2020 and as the case suite for an investigation. Until the case has been investigated and intimated the results, the observation shall remain unsolved.

The RAA appreciated the initiative taken to address such lapses in further. However, since the case is forwarded to ACC for further investigation in the year 2020. The RAA awaits for the outcome of the investigation from the ACC.

2. Mismanagement – Nu.2.699 million

There were cases of mismanagement amounting to Nu.2.699 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in Million	Balance Nu. In Million
2.1	Periodic reconciliations of revenue collections and deposits not carried out	-	-	Unsettled
2.2	Improper documentation resulting to mismatch of revenue collections and	0.350	-	0.350
2.3	Non-accountal vis-a-vis deposit of revenue collected from 5% property transfer tax and other associated fees on land conveyance	0.045	-	0.045
2.6	Unauthorized lease of Government land and irregular waive-off of land lease rent and penalty	2.293	-	2.293
2.7	Short-levy and excess-levy of 5% property transfer tax on land conveyance Nu.0.198 million and Nu.0.032 million respectively	0.011	-	0.011
	Total	2.699	-	2.699

2.1 PERIODIC RECONCILIATIONS OF REVENUE COLLECTIONS AND DEPOSITS NOT CARRIED OUT

Clause 3.2.1 (d) of the Revenue Accounting Manual (RAM) 2004 states that "A Periodic Bank Reconciliation shall be carried out as per prescribed Form No. 3.1.4 laid down in the Revenue Accounting Manual 2004 to ascertain the accuracy of total amount collected with that of deposits made into revenue account". The TTA had computed fines amounting to Nu.5.748 million as per the records of regularisation, which the RAA was not able to trace in the Collections and Deposits Statements maintained by the Thromde. Periodic reconciliations of revenue collections and deposits were also not carried out as required by the RAM 2004. *AIN: 15051; Para: 2; Accountabilities: Direct: Sangay Drakpa, EID # 2001110, Singay Choki, EID # 200301063, Pema Zangley, EID # 200604005, Kezang Jamtsho, EID # 20101100956, Tshering Pelzom, EID # 200307347, Tandin Wangdi, EID # 200301051, Tandin Wangmo, EID # 9901115, Jigme Loday, EID# 201101151, Palden Khandu, EID # 200401005; Supervisory: Kinlay Dorjee, EID # 9907556.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 30 Aug. 2021 in the NC conference hall, Thimphu where the Thromde reported that internal auditor and the revenue officer has been coordinating with each other and the work has started to reconcile the accounts. As of now 70% of work has been completed and soon outcome will be intimated. It was decided that Thromde should reconcile all the accounts by 30 Sept. 2021 and report it to RAA.

However, the RAA did not receive any further report as of 29 February 2024 from the Thromde as recommended and the issue remained as it is.

The management Thimphu Thromde is requested to furnish the delegation of power of Thromde Tshogdue to waive off the amount for settlement of the observation. Until such time, the observation shall remain unsettled.

2.2 IMPROPER DOCUMENTATION RESULTING TO MISMATCH OF REVENUE COLLECTIONS AND DEPOSIT OF APPLICATIONS AND ACTIVITY FEES - NU.0.350 MILLION

The TTA was required to collect Nu.1,000.00 per activity besides the application fee of Nu.500.00 for the construction of commercial and residential buildings in urban areas as per Clause 6.10 of the Environmental Assessment Act 2000. The records of collections from construction activities was not properly validated with the sources of revenue in the CRCS during the period July 2015 to December 2016. Out of the receivable revenue of Nu.0.387 million from 258 approved applicants, the source for the collection of Nu.0.169 million could not be traced out, and the revenue collection of Nu.0.181 million from 121 applications was pending as of 31 March 2019. Further, periodic reconciliation to ascertain the accuracy of total amount collected was not carried out as required under Clause 3.2.1 (d) of the RAM 2004. *AIN: 15051; Para: 4; Accountabilities: Direct: Gyeltshen, EID # 7703012; Supervisory: Hasta Bahadur Sangpang, EID # 8505063.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 30 Aug. 2021 in the NC conference hall, Thimphu where the Thromde reported that the case has been forwarded to ACC. Accountable person has resigned but has not been given his retirement benefits. The PAC advised the Thromde to reconcile all the accounts by 31 Oct. 2021 and report it to RAA.

However, the RAA did not receive any further report as of 31 March 2023 from the Thromde as recommended and the issue could not be resolved.

The RAA appreciate the control mechanism instituted to avoid recurrence of such errors/omissions in

future. However, reason of official's separation from the Thromde office is found unacceptable. Thromde must carry out proper reconciliation for mismatch of revenue worth Nu.168,600 and pending collections of Nu. 181,500.00 collected on account of application and activity fees.

2.3 NON-ACCOUNTAL AND NON-DEPOSIT OF REVENUE COLLECTED FROM 5% PROPERTY TRANSFER TAX AND OTHER ASSOCIATED FEES ON LAND CONVEYANCE -0.045 MMILLION

During the period 01/07/2015 to 30/06/2016, the TTA had not accounted/deposited revenue of Nu.2.749 million collected on account of 5% property transfer tax and other associated fees on land conveyance. The RAA could not trace out its deposits made into CD Account. The lapse had occurred due to non-conduct of periodic reconciliation of revenue collections and deposits, and due to non-adherence to the RAM 2004. *AIN: 15051; Para: 37; Accountabilities: Direct: Gyeltshen, EID # 7703012; Supervisory: Hasta Bahadur Sangpang, EID # 8505063.*

Status: Observation Not Settled.

Out of the total amount of Nu.2.749 million; Nu.2.704 million was adjusted based on the verification carried out by the Internal Auditor of Thimphu Thromde on 28/08/2018 that the amount was deposited into the revenue account. Therefore, the outstanding balance stands at Nu.0.045 million which remained unsettled as of 30 Aug. 2021.

The issue was deliberated during the PAC consultative meeting held on 30 Aug. 2021 in the NC conference hall, Thimphu where the status of the observation remained as reported above. It was decided that Thromde should reconcile the accounts for the remaining amount by 31 Oct. 2021 and report to RAA.

However, the RAA did not receive any further report as of 31 March 2023 from the Thromde as recommended and the issue remained as it is.

- 2 As agreed amount should be recovered and deposited into ARA. Thromde Finance should submit an assurance to deduct the amount from the retirement benefit in order to avail audit clearance.

2.6 UNAUTHORIZED LEASE OF GOVERNMENT LAND AND IRREGULAR WAIVE-OFF OF LAND LEASE RENT NU.1.246 MILLION AND PENALTY THEREOF NU.1.047 MILLION

The TTA on 11/04/2011 had leased out 10,385.00 sq. ft. land to M/s Greener Way at a service recovery charge of Nu.10,000.00 per month for operation and maintenance of PET bottle crushing plant for one year subject to renewal based on satisfactory performance of the entity. The TTA had waived off lease rent and penalty aggregating to Nu.2.293 million for the periods starting 2011-12 to 2016-17, for which the Thromde did not have financial powers under FRR thus leading to irregular waiver. *AIN: 15051; Para: 38; Accountabilities: Direct: Kinlay Dorjee, EID # 9907556; Supervisory: Kinlay Dorjee, EID # 9907556.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 30 Aug. 2021 in the NC conference hall, Thimphu where Thromde reported that since the land was not registered under Thromde, they couldn't collect the lease amount. However, the land is under the Thromde's vicinity and thromde has the right to utilize the same. It was decided that, RAA and Thromde should convene a bilateral meeting to resolve the issue.

However, the status of the observation remained the same as of 29 February 2024.

"The observation is discussed in the RAA's 105th Advisory Committee Meeting, the meeting discussed that the Thromde management has forgone the revenue due to waiver off of the lease rent for land leased to Greener Way for land measuring 10385 sq.ft. thus had not adhered to the requirements of Rules and Regulations for Lease of GRFL and Government Land.

The Thromde management should obtain necessary approval from the National Land Commission and accordingly regularize the lease agreement. Further the applicable land lease rent should also be recovered and deposited into Audit recoveries Account under intimation to RAA"

4.3 EXCESS PAYMENT IN THE CONSTRUCTION OF CHANGANGKHA MSS (PACKAGE - I) - NU.0.187 MILLION

The TTA had made an excess payment of Nu.0.187 million to M/s Chukha Construction Pvt. Ltd. in the construction of Changangkha MSS. The lapse had occurred apparently due to failure of the site engineer to exercise necessary checks and ensure the admissibility of contractor's claims prior to making the final payment. *AIN: 15141; Para: 1; Accountabilities: Direct: Tshering Dorji, AE, EID # 20140103519; Supervisory: Jigme Dorji, Chief Engineer, EID # 200201095.*

Status: *Observation Not Settled.*

Although the principal amount of Nu. 187,156.67 was deposited vide receipt No.03043 dated 18/05/2021 by M/s Chukha Construction, the accrued penalty of Nu.128, 230.52 remained unsettled as of 29 February 2024.

Contractor deposited the principal amount of Nu.187,156.67 into the RAA account. The management should recover and deposits the balance penalty amount of Nu. 128,230.52 into ARA. Until such time, the observation shall remain unresolved.

1.3.5 CORPORATIONS

1.3.5.1 ARMY WELFARE PROJECT

During the year, the RAA conducted two audits of Army Welfare Project. There were two observations amounting to Nu.10.050 million which were not resolved prior to the compilation of the draft AAR. The significant irregularities reported in the draft AAR 2018 amounted to Nu.10.050 million. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.10.050 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the AWP and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu. 0.912 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Shortfalls, Lapses and Deficiencies	0.912	-	0.912	-
	Total	0.912	-	0.912	-

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Shortfalls, Lapses and Deficiencies – Nu.0.912 million

There were cases of shortfalls, lapses and deficiencies amounting to Nu.0.912 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in Million	Balance Nu. in Million
1.1	Pending settlements of old outstanding (sundry debtors)	0.764	-	0.764
1.2	Pending settlements of sundry debtors	0.148	-	0.148
	Total	0.912	-	0.912

1.1 PENDING SETTLEMENTS OF OLD OUTSTANDING (SUNDRY DEBTORS) - NU.0.764 MILLION

The Army Welfare Project, Phuentsholing, as of 31/12/2017 had outstanding sundry debtors amounting to Nu.6.780 million out of which the management had realized Nu.4.248 million leaving balance of Nu.2.532 million unsettled as of date of audit. Out of the total unsettled balance, Nu.1.840 million was against Mr. Lobzang Tshering and Nu.0.692 was the dues of Phuentsholing Bonded Ware House. *AIN: 15332; Para: 1.1; Accountabilities: Direct: Karma Tobgyel, General Manager (AFD), CID # 11410004866; Supervisory: Rinchen Yoezer, Managing Director, CID # 10102001209.*

Status: Observation Not Settled.

Out of Nu.2.532 million; Nu.1.768 million adjusted leaving a balance of Nu.0.764 million as of 30 Sept. 2021.

The unsettled balance of Nu.0.764 million reported earlier still remained unsettled. A Follow up report was sent vide letter No. OAAG-P/ling(FUCD-1)2022/400 dated. 13/12/2022, however, no response Was received as of 29 February 2024.

The balance of Nu.0.764 million still remained unsettled. Follow up reminder letter was issued vide letter no.RAA/OAAG-Pling/AWP-C7/2023/164 dated: 30.3.2023 but no response.

While appreciating the actions taken by the AWP management for realisation of the outstanding sundry debtors, nevertheless, the AWP management is urged to vigorously pursue for realization of the balance outstanding sale revenue of Nu. 1,839,920.00 from Lobzang Tshering and Nu.692,077.99 outstanding dues of Phuentsholing BHW, before it becomes bad debts and irrecoverable.

Further, the management should strictly comply with the provisions envisaged in the Company's Financial Accounting Manual, besides instituting adequate monitoring system to mitigate recurrence of overdue sundry debtors

1.3.5.7 BHUTAN POWER CORPORATION LIMITED

During the year, the RAA conducted nine audits of Bhutan Power Corporation Limited. There were 13 observations amounting to Nu.1.085 million of which 10 observations amounting to Nu.0.987 million were either resolved prior to the compilation of the draft AAR 2018 or did not qualify for inclusion in the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.0.098 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the

corporation, two observations amounting to Nu.0.098 million were resolved. The unresolved significant irregularity reflected in the AAR 2018 is as summarised below.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the BPC and review status of the irregularities as of 29 February was submitted to the 9th Session of the third Parliament in April 2024. The unsettled irregularity reported to the Parliament in April 2024 remained unresolved as of 31 March 2025 as narrated below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb	Amount resolved (Nu.M)	Balance as on 31 March 2025	% Resolved
1	Non-compliance to Laws and Rules	-	-	-	-
	Total	-	-	-	

The details of irregularity reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 is as discussed below:

1. Non-compliance to Laws and Rules

1.1 IRREGULARITIES NOTED IN THE APPROVAL OF CONTRACT TIME EXTENSION

The Electricity Services Division, Bhutan Power Corporation Limited, Thimphu had approved time extension appealed six months after the work was handed-over by the contractor and released the liquidated damages of Nu.1.855 million deducted earlier. The approval of the time extension and consequent release of LD was in violation to Clause 3 (III) of the Contract Document which required that “...the contractor must give notice of any event causing a delay within 21 days of such occurrence and the Employer must within reasonable time decide on the extended date of completion.” The case is sub-judice. *AIN: 15090; Para: 2; Accountabilities: Direct: Krishna Humagai, SE, RCO Wangdue, CID # 11208000562, Passang, Engineer, ESD Thimphu, CID # 10207001172; Supervisory: Sandeep Rai, GM, DCSD, CID # 11212002065.*

Status: Observation Not Settled.

This issue was deliberated during the PAC consultative meeting held on 9 Sept. 2021 in NA conference hall, Thimphu where the Legal officer of BPC reported that legal action was taken against the contractor to recover the amount and the Court directed the accountable person to pay the amount within six months. Upon following up with the contractor, it was stated that his entertainment Centre (Thimphu Club) has been closed for a long time due to COVID-19 situation and he has no source of income as of now. The contractor through a written undertaking promised to repay the amount soon after his entertainment Centre is operational. Accordingly, time extension was given to the contractor.

It was decided that BPC should follow up with the contractor to recover the amount under intimation to the RAA.

Now as per the letter No. BPC/LEGAL OFFICE/2021/43 dated 11/2/2021 the case has been reported subjudice in the High Court. As of date, the case has been pending for enforcement of judgement by the the High Court.

The case has been reported subjudice in the High Court.

1.3.5.15 NATURAL RESOURCES DEVELOPMENT CORPORATION LIMITED

During the year, the RAA conducted two audits of Natural Resources Dev. Corporation Limited. There was one observation amounting to Nu.1.632 million which was not resolved before the compilation of the draft AAR 2018. The significant irregularity reported in the draft AAR 2018 amounted to Nu.1.632 million.

The unresolved significant irregularity reflected in the AAR 2018 amounted to Nu.1.632 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the NRDCL and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 0.557 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2024 (Nu.M)	% Resolved
1	Mismanagement	0.557	-	0.557	-
	Total	0.557	-	0.557	

The details of unsettled irregularity reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 is as discussed below:

1. Mismanagement – Nu.0.557 million

There was a case of mismanagement as indicated below:

1.1 OUTSTANDING DEBTORS - NU.1.632 MILLION

As of 31/12/2017, the Natural Resources Development Corporation Limited, Monggar had outstanding debtors of Nu.1.632 million against 14 parties. The non-realization of huge sundry debtors was due to non-compliance with the provisions envisaged in the Company's policies and guidelines, besides an inadequate monitoring system.

The management reported of having forwarded two cases to the District Court for follow-up as under.

1. Indo Construction - Nu.0.274 million
2. Jigme, Sharangtse, F/wood - Nu.0.143 million

AIN: 15615; Para: 1; Accountabilities: Direct: Namgyal, AFO, EID # 1880102; Tshering Penjor, Manager, MPU, EID # 3440610; Supervisory: Tandin Wangchuk, EID # 2211202.

Status: Observation Not Settled.

Out of Nu.1.632 million, a sum of Nu.1.075 million was settled leaving the balance amount of Nu.0.557 million as of 30 Sept 2021.

This issue was deliberated during the PAC consultative meeting held on 8 Sept. 2021 in the NA conference hall, Thimphu where NRDCL reported that most of the amount had been recovered and the balance amount of Nu. 6,000/- was to be recovered from one individual. Since the accountable person has acknowledged to pay, it will soon be recovered.

It was decided that NRDCL should submit the details of recoveries made to RAA for update and recover the balance amount by 30 Sept 2021.

However, the balance amount of Nu.0.557 million reported as of 31 March 2023 remained unsettled as of 31 March 2023.

1. Shortfalls, Lapses and Deficiencies

1.3.5.17 TANGSIBJI HYDRO ENERGY LIMITED, TRONGSA

During the year, the RAA conducted one audit of Tangsibji Hydro Energy Limited. There were four observations amounting to Nu.1.413 million none of which was resolved prior to the compilation of the draft AAR 2018. The significant irregularities reported in the draft AAR 2018 amounted to Nu.1.413 million.

The unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.1.413 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the management and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The unsettled irregularities reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as narrated below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 March 2025(Nu.M)	% Resolved
2	Non-compliance to Laws and Rules	-	-	-	-
3	Shortfalls, Lapses and Deficiencies	-	-	-	-
	Total	-	-	-	

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Non-compliance to Laws and Rules

1.1 AWARD OF WORK BY RELAXING THE BID CONDITIONS

The THyE had awarded a contract package (MP-1: Civil and Hydro-Mechanical works of Nikachhu Hydropower Project) amounting to Nu.4,288.930 million and €3.827 million to M/s HCCL, India by relaxing the bid conditions. Against the Eligibility and Qualification Criteria (EQC), sub-clause 2.6.1 of the bidding document which required bidders to demonstrate availability of specified equipment, and subsequent sub-clauses required proof of availability for deployment, the THyE reported that most of the equipment of M/s HCCL had exceeded the minimum age specified for each equipment. However, without considering the eligibility clause, the contract was awarded to M/s HCCL on the condition that the contractor provide additional equipment.

Further, the additional performance guarantee required to be submitted by contractor due to abnormally lower rates quoted especially in the critical excavation activities was waived-off by the Board. Besides, the past record of the firm (*failure of the HRT gravel trap section and the restriction in the TRT that restricts the generation of 100/108 MW in the 126 MW Dagachhu Hydropower Project*) was not considered, and overall interest of the project was not seen to be protected.

Thus, the award of work without fulfilling the predetermined criteria and relaxing the requirement was not seen proper. *AIN: 15489; Para: 1.1; Accountabilities: Direct: Yeshe Wangchuk, Head, Headwork Division, EID # 5153; Tshering Zangpo, Head, HRT Division, EID # 5004; Sanga Jamtsho, Head, Power House Division, EID # 5041; Namgay Wangchuk, Head, QCD, EID # 5024; Supervisory: Karma Chhophel, Managing Director, EID # 5045; Sujan Rai, Dy. Managing Director, EID # 5056.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in DYT hall of Traonsa Dzongkhag where the management reported that out of seven eligibility criteria only one was not fulfilled which was the 7th criteria, i.e., age limit of machineries. It was also reported that, nowhere in the tender contract is mentioned that the contract will be rejected if the age limit of the machineries is not fulfilled. It was shared that the delay caused was not due to old equipment but due to unfavorable weather conditions and blockages of access road to the construction site.

Acknowledging the expression made by the management the RAA informed the house that this issue shall be discussed in the Follow-up Committee of the RAA and the decision conveyed accordingly. It was decided that, Tangsibji Hydro Energy Limited, Trongsa shall submit a report on the same to RAA by 31 August 2021 and RAA shall update the same to PAC by 30 Sept. 2021.

However, the observation remained unresolved as of 29 February 2024, to this the Follow up Report was served vide RAA-BT/Fus-03/2023/126 dated 20/11/2023.

ATR not received

2. Shortfall, Lapses and Deficiencies

2.1 SUBSTANTIAL DELAYS IN MP-1 CONTRACT PACKAGE LEADING TO HUGE REVENUE LOSS AND ASSOCIATED COSTS

There was substantial delays in contract package 'MP-1: Civil and Hydro-Mechanical works of Nikachhu Hydropower Project' mainly due to contractor's poor performance with resultant financial implication of Nu.5,698.220 million. The causes for the delays, as reported to the THyE Board, were delay in commencement of works at all fronts by M/s HCCL, monsoon damages to the access roads which hampered the works, frequent breakdown of old equipment deployed by M/s HCCL and non-availability of spares for maintenance. As a consequence of the delays, substantial slippage of time had taken place with resultant revenue loss on account of generation and other associated costs amounting to Nu.5,698.22 million as worked out by the THyE management. *AIN: 15489; Para: 2.1; Accountabilities: Direct: Karma Chhophel, Managing Director, EID # 5024; Sujan Rai, Dy. Managing Director, EID # 5056; Supervisory: Karma Chhophel, Managing Director, EID # 5024; Sujan Rai, Dy. Managing Director, EID # 5056.*

Status: Observation Not Settled.

The issue was deliberated during the PAC consultative meeting held on 5 Aug. 2021 in DYT hall of Traonsa Dzongkhag where the management reported that the delay of the work was mainly attributed due to heavy water seepage while digging tunnel and other unexpected circumstances. However, the management identified 17 different strategies to expedite the completion process including engagement of Construction Development Corporation Limited in the project.

While noting the submission of the management the RAA requested the management to submit the documents on the same so that RAA can review it in the Follow-up Committee of the RAA for appropriate decision. PAC advised the management to submit all related documents concerning the issue to RAA by 31 Aug. 2021.

However, the observation remained unresolved as of 29 February 2024, to this the Follow up report vide RAA-BT/Fus-03/2023/126 dated 20/11/2023

ATR not received

1.4. AUDIT REPORT ON JOINT AUDITS OF HYDROPOWER PROJECTS

The RAA had undertaken three Joint Audits of Hydro Power Projects of Punatsangchhu-I Hydroelectric Project Authority, Punatsangchhu-II Hydroelectric Project Authority and Mangdechhu Hydroelectric Project Authority during 2018. The audits were conducted as per the Standard Operating Procedures signed between the RAA and the Comptroller and Auditor General of India and the Projects Agreement signed between the Royal Government of Bhutan and the Government of India.

The AAR 2018 includes only the unresolved significant audit observations of Punatsangchhu-I Hydroelectric Project Authority, Punatsangchhu-II Hydroelectric Project Authority and Mangdechhu Hydroelectric Project Authority.

1.4.2 PUNATSANGCHHU-I HYDROELECTRIC PROJECT AUTHORITY

During the year, the RAA had issued one audit report of the Punatsangchhu-I Hydroelectric Project Authority. There were 11 observations amounting to Nu.3,830.948 million of one observation amounting to Nu.0.027 million did not qualify for inclusion in the draft AAR 2018. The total unresolved significant irregularities reflected in the Draft AAR 2018 Nu.3,830.921 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the project authority, four observations amounting to Nu.2,824.008 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.1,006.913 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Project Management and review status of the irregularities as of 29 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 430.768 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 March 2025(Nu.M)	% Resolved
2	Shortfalls, Lapses and Deficiencies	430.768	-	430.768	-
	Total	430.768	-	430.768	-

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 is as discussed below:

1. Shortfalls, Lapses and Deficiencies – Nu.430.768 million

1.1 AVOIDABLE PAYMENT ON ACCOUNT OF ANALYSED RATE - NU.430.768 MILLION

The PHPA-I had failed to invoke Clauses 51 and 52, provisions/terms of the contract for Package MC-3 with regard to revision of rates for deviation in quantities of items of works by +/- 30% than the quantities provided in the Bill of Quantities. As per the terms of contract, it was also agreed that the payments for deviated items would be continued to be made at the original rate till the revised or analyzed rate is decided.

However, the Project Manager of M/s HCCL had not submitted the rate analysis statement for items

of works with deviated quantities and instead had submitted an undertaking letter accepting that, for quantities of items of work in deviation to the BoQ by more than 30% to be paid at BoQ rates with price escalations as per clause 70 of the GCC, and had also agreed to adjust the rates for quantities of items of work in deviation to the BoQ by less than 30% to be adjusted at the time of settlement of final bill. Despite having received the undertaking letter from M/s HCCL, accepting to pay for deviated quantities of items of works at BOQ Rates with Price Adjustment, the rates were found revised and paid at higher rates with a resultant financial implication of Nu.430.768 million. *AIN: 15583; Para: A2; Accountabilities: Direct: Shankar Dey, Project Manager, HCCL, WP # 30301017614300; Supervisory: R.P. Sharma, Director (Technical), EID # 1002, WP # 191906277588184.*

Status: Observation Not Settled.

The observation was deliberated during the PAC consultative meeting held on 11 Aug. 2021 in the conference hall of PHPA where PHPA-I technically justified for the payment with reference to the recommendations of the Independent External Committee based on the contractual and legal provisions. They stated that there were no legal basis & merit for HCC to provide and withdraw their undertaking as well as for PHPA-I to enforce it.

The RAA expressed that as per the documents and justifications submitted by PHPA-I based on the recommendations of the independent expert committee this issue may be considered for resolving. However, it should be deliberated in the Follow up Committee of RAA for a collective decision before taking any decision on this issue. The PAC advised PHPA-I to submit all the recommendations made by the Independent External Committee to RAA by 31 Aug. 2021 for appropriate action and decision and report to the Authority and PAC accordingly.

The issue was deliberated in the Follow-up Committee Meeting of RAA held on 6 Oct. 2021 and the committee decided that the issue shall be reviewed in the subsequent audit for taking appropriate decision.

The Follow up Reports were issued vide letter No. RAA/FUCD/(I-1)/PHEP-1/2022/2116 dated 17/11/2022 and the Follow up Report issued vide letter No. RAA/FLSD(22-HPP)/PHPA-I/2023/860 dated 09/11/2023.

However, the observation remained unresolved as of 29 February 2024, until the decision is brought to the logical conclusion the observation will remain unresolved.

As responded, the management should expedite the negotiation settlement through the External Expert Committee and the decision should be initiated to RAA for its final opinion. Until such time, the observation remains unsettled.

1.4.3 PUNATSANGCHHU-II HYDROELECTRIC PROJECT AUTHORITY

During the year, the RAA had issued one audit report of the Punatsangchhu-11 Hydroelectric Project Authority (PHPA-II). There were 11 observations amounting to Nu.2,735.544 million. The total unresolved significant irregularities reported in the draft AAR 2018 amounted to Nu.2,735.544 million.

Based on the responses received after the issue of the draft AAR 2018 and actions taken by the project authority, four observations amounting to Nu.2,078.525 million were resolved. The total unresolved significant irregularities reflected in the AAR 2018 amounted to Nu.657.019 million.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Project Management and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 606.310 million reported to the Parliament April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to Parliament as of 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
1	Non-compliance to Laws and Rules	606.310	-	606.310	-
	Total	606.310	-	606.310	-

The details of unsettled irregularities reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below:

1. Non-compliance to Laws and Rules – Nu.606.310 million

There were cases of non-compliance to laws and rules amounting to Nu.606.310 million as summarised below:

Sl. No.	Observation in Brief	Amount Nu. in million	Settled Nu. in million	Balance Nu. in million
1.3	Non-adherence of contract provisions under C-3 package led to extra payment of Nu.310.830 million towards strengthening measures in Power House Complex	310.830	-	310.830
1.4	Incorrect computation of rate analysis for deviated items of work under C2 & C3 packages resulted in excess payment of Nu.295.480 million	295.480	-	295.480
	Total	606.310	-	606.310

1.3 NON-ADHERENCE OF CONTRACT PROVISIONS UNDER C-3 PACKAGE LED TO EXTRA PAYMENT OF NU.310.83 MILLION TOWARDS STRENGTHENING MEASURES IN POWER HOUSE COMPLEX

The PHPA-II had made excess payment of Nu.310.830 million towards strengthening measures in Power House Complex due to non-adherence of contract provisions under C-3 package which included construction of Head Race Tunnel from Surge Shaft end, Surge Shaft, Butterfly Valve Chamber, Pressure Shafts, Power House and Tailrace Tunnel including Hydro-Mechanical works. The non-adherence of the contract provisions both by the Contractor and Project had resulted in the Project incurring extra expenditure to the tune of at least Nu.310.83 million till the date of audit. The issue of rock fall leading to cost and time overrun was pointed out vide Para No. 10 of previous audit report *AIN: 15612; Para: 6; Accountabilities: Direct: R.P. Sharma, Director (Technical), EID: 1002, WPN: 191906277588184; Supervisory: R.P. Sharma, Director (Technical), EID: 1002, WPN: 191906277588184.*

Status: Observation Not Settled.

The observation was deliberated during the PAC consultative meeting held on 11 Aug. 2021 in the conference hall of PHPA where PHPA-II Managing Director explained that this memo was issued after the Down Stream Surge Gallery (DSSG) was collapsed. The collapse was not due to non-adherence to the contract provision but due to complexity of geographical condition which is unpredictable and is limited to human mind to predict the same. Excess payments were made in restoration and strengthening works after the collapse occurred.

The RAA expressed that explanations and justifications presented by the management were noted and merits to be deliberated in the Follow up Committee of the RAA for a collective decision before taking any decision on this issue. The PAC advised PHPA-II to submit detail report to RAA by 31 Aug.

2021 for appropriate decision and report to PAC accordingly.

The issue was deliberated in the Follow-up Committee Meeting of RAA held on 6 Oct. 2021 and the committee decided that the issue shall be reviewed in the subsequent audit for taking appropriate decision.

The observation remained unresolved as of 29 February 2024.

The management should compile the details of strengthening and restorations works with expenditure in order to enable RAA to form its final opinion.

1.4 INCORRECT COMPUTATION OF RATE ANALYSIS FOR DEVIATED ITEMS OF WORK UNDER C2 & C3 PACKAGES RESULTED IN EXCESS PAYMENT OF NU.295.480 MILLION

The PHPA-II had made excess payment of Nu.295.480 million to M/s Gammon India Ltd. for deviated items of work under C2 & C3 packages due to incorrect computation of rate analysis in the construction of Head Race Tunnel (HRT) from ADIT-I and ADIT-II. The calculations of deviated and extra items were not as per the CWC guidelines. Further, for both C2 & C3 packages there were excess payments amounting to Nu.11.700 million up to 2016-17 due to consideration of PF component at 8.33% instead of 5% while calculating indirect charges in rate analysis.

The issues was pointed out vide para no. 8 under Part-B of the previous audit report but the Authority had not yet re-analyzed the rates and had continued to pay the RA bills at the same rate till last RA bill. Accordingly, the money value of the observation has been modified to the extent of Nu.295.48 million to be recovered from the contractors. *AIN: 15612; Para: 11; Accountabilities: Direct: Abhishek Sinha, EE, EID: 5902, WPN: 191903011598004; Gorab Dorji, EIC (PH), EID: 5883, CID: 10205004391; Supervisory: R.P. Sharma, Director (Technical), EID: 1002, WPN: 191906277588184.*

Status: Observation Not Settled.

The observation was deliberated during the PAC consultative meeting held on 11 Aug. 2021 in the conference hall of PHPA where PHPA-II reported that the computation of rate analysis for deviated items were made in accordance with the contract terms and were for the benefit of the workers. It was also reported that, the management has formed a high-level committee led by Joint Managing Director who shall consult this matter with the Central Water Commission.

The PAC advised PHPA-II to develop their method of rate analysis and submit it to RAA by 31 Aug. 2021 for review and appropriate decision.

The observation remained unresolved as of 29 February 2024.

The RAA shall conduct a comprehensive review of the Rate Analysis Statement approved for payment to the contractor during its final audit on completion of the project activities. The management should prepare the reconciled statement of the quantity of work paid at analyzed rate, recovery effected, and the net amount paid to the contractor during the successful completion of the plant.



**REVIEW STATUS REPORT OF
ANNUAL AUDIT REPORT 2019**

(Status as of 31 March 2025)

PART-I Summary of Review Report of AAR 2019

The Royal Audit Authority had tabled Annual Audit Report 2019 to the 3rd Session of the Third Parliament in July 2020. The Report had total significant unsettled irregularities of Nu.1,795.772 million consisting of Nu.1,051.619 million against budgetary agencies; Nu.363.529 million against Non-Budgetary Agencies and Nu.380.624 million against Hydro Power Projects.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several rounds of follow-up at various levels and out of the total unsettled irregularities of Nu. 564.322 million reported to the Parliament in April 2024; irregularities amounting to Nu. 29.879 million were settled leaving a balance of Nu. 534.443 million as on 31 March 2025 as shown in the Table below.

Table: Showing agency wise irregularities settled and balances as on 31 March 2025.

Sl. No.	Agencies	Reported as of 29 Feb 2024 (Nu.in Million)	Resolved as of 31 March 2025 (Nu.in Million)	Balance as of 31 Mar 2025 (Nu.in Million)	Percentage resolved as of 31 Mar 2025
1	Ministries	255.909	19.070	236.839	7.45
2	Dzongkhags	163.871	0.781	163.090	0.48
4	Gewogs	12.428	-	12.428	-
5	Autonomous Agencies	36.006	4.192	31.814	11.64
Total Budgetary Agencies-A (1to 5)		468.214	24.043	444.171	19.571
6	Corporations	6.143	1.915	4.228	31.17
7	Financial Institutions	89.965	3.921	86.044	4.36
Total Non-Budgetary Agencies - B (6 to 8)		96.108	5.836	90.272	35.532
Grand Total (A+B)		564.322	29.879	534.443	25.970

As transpired from table above, out of the total unsettled irregularities of Nu. 564.322 million reported as of 29 February 2024, irregularities amounting to Nu. 24.043 million against the budgetary agencies and Nu. 5.836 million against the non-

budgetary agencies were settled leaving a balance of Nu. 534.443 million as on 31 March 2025 consisting of Nu.444.171 against budgetary agencies and Nu.90.272 against the non-budgetary agencies. The detailed review report of the agencies are as highlighted hereunder

PART-II DETAILED REVIEW REPORT

This chapter contains the summaries of unresolved significant audit observations from the audit reports issued during the year 2019. During the year 2019 the RAA reported irregularities amounting to Nu. 3,531.698 million of which audit findings involving Nu.1,735.926 million were either resolved and/or were not material for inclusion in the AAR 2019.

The total unresolved significant irregularities having financial implication of Nu. 1,795.772 million as on 31 March 2020 were reflected in the AAR 2019. The details of agencywise unsettled irregularities reported; irregularities resolved thereafter and the balances as of 31 March 2025 are reflected hereunder.

3. MINISTRIES

3.1.1. MINISTRY OF AGRICULTURE AND FORESTS

During the year 2019, the RAA had issued 48 audit reports of the Ministry of Agriculture and Forests (MoAF). Two reports were issued with '*Qualified*' opinion. There were 69 observations amounting to Nu. 78.314 million of which Nu. 1.906 million were resolved as of 31 January 2020 and Nu. 70.795 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry and out of the balance unsettled irregularities of Nu.1.668 million reported to the Parliament in April 2024; Nu. 0.298 million was settled leaving a balance of Nu. 1.370 million unresolved as on 31 March 2025 as reported below.

Sl. No.	Brief Description	Irregularities reported to the Parliament 29 Feb 2024 (Nu.M)	Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-Compliance to Laws and Rules	1.460	0.143	1.317	9.79
5	Shortfalls, Lapses and Deficiencies	0.208	0.155	0.053	74
	Total:	1.668	0.298	1.370	

The details of unsettled irregularities reported to the Parliament in April 2024 irregularities settled thereafter and unsettled balances as on 31 March 2025 are as discussed below:

3.1 UNDERUTILIZATION OF PROPERTIES.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 1.317 MILLION

The cases of non-compliance to laws and rules involving Nu. 1.317 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in M)	Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. M)
4.4	Recoverable excess payment and 20% penalty upon termination of contract	1.317	-	1.317
4.6	Mismatched cheque withdrawal amounts in Cash Book and Bank Statement	-	-	Settled
4.7	Excess withdrawal as per bank statement	0.143	0.143	100
Total:		1.460	0.143	1.317

4.4. EXCESS PAYMENT AND 20% PENALTY UPON TERMINATION OF CONTRACT - NU. 1.317 MILLION

The DoFPS had failed to recover excess payment and 20% penalty amounting to Nu. 1.317 million on contract termination from M/s Druk Wangi Builders, Thimphu in the construction of Range Office, Staff Quarter, retaining wall and approach road at Neptengkha, Punakha. As the contractor was unable to complete the works on time, the contract was terminated and works valuation showed an excess payment to the contractor and non-levy of applicable penalty of 20% on the remaining works. (AIN: 15694; OB No.: 1; Accountabilities: Direct: DrukWangi Builders, Thimphu. CDB No.6652; Tshering Wangchuk, Accountant, EID No. 200207191, Supervisory: Sangay Norbu, Sr. FO, EID No.20130101182)

Status: Observation not settled.

The ATR response received from JDNP, Damji, Gasa vide letter No. JDNP/Acc-06/2021-22/420, dated: 20/12/2021 but it is not tenable. Accordingly, the RAA has issued latest Follow up Report no. RAA/FUCD/(B9)/JDNP-Damji/DoFPS-MoAF/310 dated 25.03.2022 to take appropriate action against the contractor and responsible officials involved as per Section 55(21) of the Audit Act of Bhutan 2018.

However, as per the ATR No. MoAF/LD/7/2023-24/05, dated 20/07/2023 received from the JDNP, DoFPS, MoENR, Gasa, any pending audit memo involving the Construction of JDNP Range Office and Staff Quarter at Neptangkha are separately covered under AIN: 15694, Para 1, which is taken up as separate case. The Gasa District Court rendered Judgement No. (Gasa22-189) on 28/12/2022 wherein the Contractor Druk Wangi Builders appealed to the High Court. Subsequently, High Court Bench III rendered Judgement No. (CHETHO-2023/134) on 07/04/2023 upholding the Gasa District Court's

Judgement.

The Contractor now had appealed to the Supreme Court of Bhutan for which the RAA had also served 5th Follow Up Report No. RAA/FUCD/(4-MoENR)/Sect/2023/647, dated 12/10/2023 and awaiting for the Judgement of the Supreme Court.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.053 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. **0.053** million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Excess Payment in construction	0.053	-	0.053
5.2	Outstanding Advances	0.155	0.155	0
5.4	Missing Vouchers	-	-	settled
Total:		0.208	0.155	0.053

5.1. EXCESS PAYMENT IN CONSTRUCTION - NU. 0.053 MILLION

The cases of excess payment in constructions include;

- b) The RPPBC, Lingmethang had made excess payment of Nu. 0.053 million to M/s Tenzin Tsheldrup Construction for the construction of office-cum-conference hall in Lingmethang. The excess payment occurred due to non-deduction of beams and lintels from brickworks of doors and windows. *(AIN: 16175; OB No.:1; Accountabilities: Direct: Mr. Lobzang Tshering, Contract Engineer, CID No.: 10504001104; M/s Tenzin Tsheldrup Construction CDB No.: 4062; Supervisory: Mr. Sonam Dendup, Farm Manager, EID No.: 9708012).*

Status: *Observation not settled.*

A follow-up reminder letter was issued vide letter No.RAA/BT/Fus-01/2020/114 dated 30/09/2020, however, no ATR response received as of 31 March 2025.

3.1.2. MINISTRY OF EDUCATION

During the year 2019, the RAA had issued 17 audit reports of the Ministry of Education (MoE). One report was issued with 'Qualified' opinion. There were 120 observations amounting to Nu. 211.484 million of which Nu. 36.599 million were resolved as of 31 January 2020 and Nu. 165.353 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry, however, the balance unsettled irregularities of Nu. 1.248 million reported to the Parliament in April 2024, did not get resolved as of 31 March 2025 as reported below.

Sl. No.	Category Description	Irregularities reported to the Parliament in 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
3	Mismanagement	0.704		0.704	
5	Shortfalls, Lapses and Deficiencies	0.544		0.544	
	Total:	1.248	-	1.248	-

The details of unsettled irregularities reported to the Parliament in April 2024 remained unresolved as on 31 March 2025 are as discussed below:

3. MISMANAGEMENT – NU. 0.704 MILLION

The cases of mismanagement involving Nu. 0.704 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
3.2	Non-reconciliation of statutory deductions	0.704	-	0.704
	Total:	0.704	-	0.704

3.2. NON-RECONCILIATION OF STATUTORY DEDUCTIONS – NU. 0.704 MILLION

The Drujeygang CS, DSE had difference of Nu. 0.704 million between the statutory deduction details maintained with the School and the details of remittances to the Regional Revenue and Customs Office. *(AIN: 16440; OB No.: 1.1; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218: Supervisory: Kinzang Tshewang, Principal, EID No. 200207398).*

Status: *Observation not settled.*

The latest follow up reminder served vide letter No. RAA/OAAG(T)/FUS-02/2020-2021/ 0546 dated: 14 April 2021 as the ATR response was not forthcoming.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.544 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.544 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.2	Non-production of documents	-	-	Unsettled
5.3	Excess payment on procurement	0.544	-	0.544
	Total:	0.544	-	0.544

5.2. NON-PRODUCTION OF DOCUMENTS

The cases of non-production of documents include:

The Drujeygang CS, Tsirang failed to provide remittance vouchers and acknowledgement receipts for Nu. 11.715 million on account of GIS, Education/Festival/Consumer loans from T-Bank, BDBL and Choethuen Tshogpa, etc. remitted to various agencies from the monthly Payroll for the FYs 2016-17 and 2017-18. Consequently, the authenticity of the deductions remitted to concerned agencies could not be ascertained and validated. (AIN: 16440; OB No.: 1.4; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218; Supervisory: Kinzang Tshewang, Principal, EID No. 200207398)

Status: *Observation not settled.*

The observation remained un-settled as of 29 Feb. 2024. An ATR reminder was served vide letter No.RAA/OAAG(T)/FUS-02/2022-2023/0347 dated 17 May 2023, however, no response was received.

- a) The Drujeygang CS, Dagana failed to produce the remittance vouchers and acknowledgement receipt for statutory deductions amounting to Nu. 1.467 million. Without supporting documents, the authenticity of the statutory deductions remitted to concerned agencies could not be ascertained and validated. (AIN: 16440; OB No.: 1.3; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218; Supervisory: Kinzang Tshewang, Principal, EID No. 200207398)

Status: *Observation not settled.*

The observation remained un-settled as of 29 Feb. 2024. An ATR reminder was served vide letter No.RAA/OAAG(T)/FUS-02/2022-2023/0347 dated 17 May 2023, however, no response was received.

- b) The Drujeygang CS, Dagana did not produce the payroll and disbursement vouchers due to which the genuineness of the disbursement could not be established. (AIN: 16440; OB No.: 1.6; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218 Supervisory: Kinzang Tshewang, Principal, EID No. 200207398)

Status: *Observation not settled.*

The observation remained un-settled as of 29 Feb. 2024. An ATR reminder was served vide letter No.RAA/OAAG(T)/FUS-02/2022-2023/0347 dated 17 May 2023, however, no response was received.

- c) The Drujeygang CS, Dagana failed to produce its accounting records on the CD account maintained by the school. This was in contravention to the CS operational guidelines 2016 of the MoE. (AIN: 16440; OB No.: 3.1; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218 Supervisory: Kinzang Tshewang, Principal, EID No. 200207398)

Status: *Observation not settled.*

The observation remained un-settled as of 29 Feb. 2024. An ATR reminder was served

vide letter No.RAA/OAAG(T)/FUS-02/2022-2023/0347 dated 17 May 2023, however, no response was received.

- d) The Drujeygang CS, Dagana had not submitted monthly and half-yearly reconciled financial statements to the Dzongkhag, MoE and Department of Public Accounts. This issue was also pointed in prior audits but the school had still failed to comply with requirements. (AIN: 16440; OB No.: 3.2; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218 Supervisory: Kinzang Tshewang, Principal, EID No. 200207398)

Status: Observation not settled.

The observation remained un-settled as of 29 Feb. 2024. An ATR reminder was served vide letter No.RAA/OAAG(T)/FUS-02/2022-2023/0347 dated 17 May 2023, however, no response was received.

- e) The Drujeygang CS, Dagana did not produce the disbursement vouchers pertaining to procurement of goods and services for FY 2017-18 due to which the authenticity of the same could not be made. (AIN: 16440; OB No.: 4.1; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218; Supervisory: Kinzang Tshewang, Principal, EID No. 200207398)

Status: Observation not settled.

The observation remained un-settled as of 29 Feb. 2024. An ATR reminder was served vide letter No.RAA/OAAG(T)/FUS-02/2022-2023/0347 dated 17 May 2023, however, no response was received.

5.3. EXCESS PAYMENT ON PROCUREMENT - NU. 0.544 MILLION

The cases of excess payment on procurement by Drujeygang CS, Dagana include:

- Payment of Nu. 0.462 million to M/s Gyelwang Enterprise, Thimphu for procurement of aluminium partition wall. The excess payment occurred as the supplier had supplied 4,497.014 sq ft against 5,835.000 sq ft. of aluminium partition.
- Payment of Nu. 0.082 million to M/s Gyelwang Enterprise, Thimphu and M/s Brother Sister Enterprise, Thimphu for procurement of floor carpet. The suppliers had supplied lesser quantity against the payment and order resulting in excess payment.

(AIN: 16440; OB No.: 4.3 and 4.4; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218 Supervisory: Kinzang Tshewang, Principal, EID No. 200207398)

Status: Observation not settled.

The observation remained un-settled as of 29 Feb. 2024. An ATR reminder was served vide letter No.RAA/OAAG(T)/FUS-02/2022-2023/0347 dated 17 May 2023, however, no response was received.

5.4. AUDIT CLEARANCE CERTIFICATES NOT OBTAINED

The Drukjegang CS, Dagana had not obtained Audit Clearance Certificates for the purpose of promotion and resignation in 2017-18 as required under BCSR. (AIN: 16440;OB No.: 6; Accountabilities: Direct: Karma Tobgay, Accountant, EID No. 201007218 Supervisory: Kinzang Tshewang, Principal, EID No. 200207398)

Status: Observation not settled.

The observation remained un-settled as of 29 Feb. 2024. An ATR reminder was served vide letter No.RAA/OAAG(T)/FUS-02/2022-2023/0347 dated 17 May 2023, however, no response was received.

3.1.3. MINISTRY OF FINANCE

During the year 1920, the RAA had issued five audit reports of the Ministry of Finance (MoF). There were 20 audit observations amounting to Nu. 22.271 million of which Nu. 2.399 million were resolved as of 31 January 2020 and Nu. 0.956 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry and out of the unsettled irregularities of Nu. 4.361 million reported to the Parliament in April 2024; Nu.0.172 was resolved leaving a balance Nu.4.189 million unresolved as on 31 March 2025 as shown in the report below:

Sl. No.	Brief Description	Irregularities reported to Parliament as of 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
3	Mismanagement	4.361	0.172	4.189	3.944
	Total:	4.361	0.172	4.189	

The details of unsettled irregularities reported to the Parliament in April 2024 irregularities settled thereafter and unsettled balances as on 31 March 2025 are as discussed below:

3. MISMANAGEMENT – NU. 4.189 MILLION

The cases of mismanagement involving Nu. 4.189 million are as indicated below:

3.1. OUTSTANDING TAXES AND LIABLE PENAL INTEREST - NU. 4.189 MILLION

The cases of outstanding taxes and liable penal interest include:

- a) The Regional Revenue and Customs Office (RRCO), Thimphu showed outstanding taxes and liable penal interest on the tax amounting to Nu. 12.941 million. The taxes amounting to Nu. 7.519 million pertained to Business Income Tax and Corporate Income Tax. Penal interest on tax amounted to Nu. 5.422 million. *(AIN: 15723; OB No.: 2; Accountabilities: Direct: Deki Wangmo, Deputy Collector, EID No. 200701109 Supervisory: Nidup Gyeltshen, Regional Director, EID No. 9610072)*

Status: *Observation partially settled.*

Out of Nu.12.941 million an amount of Nu. 8.643 million was recovered vide Rt.No. RC491985604739 dated 22/5/2019, & Nu. 109,092.05 vide Rt. No. 952182602088 dated 12/8/2021 recovered from M/s Tagging Chung Druck Const. Leaving a balance amount of Nu. 4.189 million as on 12/10/2021 (Refer letter No. RRCO/RAAS/TH/Audit Repoet/11/2021/ 920 dated 7/10/2021.

The balance amount of outstanding BIT/CIT as on 21/05/2021 stood at Nu. 4.189 millio as per follow-up conducted by current audit team and the balance amount is yet to be received. The latest Follow-up Report was incorporated with the main report issued vide AIN GGD-2022-498 which was issued on 03/01/2023.

3.1.4. MINISTRY OF HEALTH

Out of the total unsettled significant irregularities of Nu.7.661 million reported to the Parliament in July 2020, the Ministry had settled irregularities amounting to Nu.7.201 million leaving a balance of Nu.0.460 million as on 30 September 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry, however, the balance unsettled irregularities of Nu. 1.192 million reported to the Parliament in April 2024 was settled as on 31 March 2025 as shown in the report below:

Sl. No.	Category Description	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
2	Embezzlement	0.732	0.732	0	100
3	Mismanagement	0.460	0.460	0	100
	Total:	1.192	1.192	0	

The details of unsettled irregularities reported to the Parliament in April 2024 was settled as on 31 March 2025 are as discussed below:

3. MISMANAGEMENT – Nu. 0.460 MILLION

The cases of mismanagement involving Nu. 0.460 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
3.2	Non-realization of Sale proceeds	0.460	0.460	0
	Total:	0.460	0.460	0

3.1.5. MINISTRY OF HOME AND CULTURAL AFFAIRS

During the year 2019, the RAA had issued 18 audit reports of the Ministry of Home and Cultural Affairs (MoHCA). Two reports were issued with 'Qualified' opinion. There were 85 observations amounting to Nu. 58.015 million of which Nu. 3.794 million were resolved as of 31 January 2020 and Nu. 8.038 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry and out of the balance unsettled irregularities of Nu.19.083 million reported to the Parliament in April 2024 Nu. 5.952 million was settled leaving a balance of Nu.13.131 million unresolved as on 31 March 2025 as reported below:

Cat. Code	Category Description	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	6.992	-	6.992	-
5	Shortfalls, lapses and deficiencies	12.090	5.952	6.138	49.23
	Total:	19.083	5.952	13.131	

The details of unsettled irregularities reported to the Parliament in April 2024 irregularities settled thereafter and unsettled balances as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 6.992 MILLION

The cases of non-compliance to laws and rules involving Nu.6.992 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Non-enforcement of contract terms upon termination	6.984	-	6.984
4.3	Irregular retention of Cash	0.008	-	0.008
4.7	Construction of building without obtaining permit	-	-	Unsettled
	Total:	6.992	-	6.992

4.1. NON-ENFORCEMENT OF CONTRACT TERMS UPON TERMINATION - NU. 6.984 MILLION

The Royal Bhutan Police (RBP) had not recovered the 20% employer's additional cost for completing the remaining work valued at Nu. 6.984 million in the construction of integrated academic block at RBP Training Institute, Jigmeling. The RBP had not enforced terms of contract upon termination of M/s Druk Tsentop Construction, Paro for breach of contract. (AIN: 15981; OB No.: 1.1; Accountabilities: Direct: Sonam Phuntsho, Site Engineer, RBP, PIN: 5979, CID No.11505005084; M/s Druk Tsentop Construction Pvt. Ltd. Paro, CDB No. 4081 Supervisory: Sonam Wangdi, Chief Engineer, RBP, PIN2004, CID No. 11506001122)

Status: *Observation not settled.*

Follow-up report has been issued vide letter No. RAA/FUCD(Y1-RBP)2021/2432 dated 23/12/2021. The RAA awaits the Supreme Court's Judgement.

4.3. IRREGULAR RETENTION OF FUND - NU. 0.008 MILLION

The cases of irregular retention of funds include:

- a) The RBP had retained Nu. 2.239 million in the form of demand draft which was in contravention to the FRR 2016. The money was retained to avoid fund lapses since the construction of Integrated Academic Block at RBP Training Institute, Jigmeling could not be completed before the closure of FY 2017-18. (AIN: 15981; OB No.: 1.4; Accountabilities: Direct: Sonam Phuntsho, Site Engineer, RBP, PIN 5979, CID No.11505005084; M/s Druk Tsentop Construction Pvt. Ltd. Paro, CDB No. 4081 Supervisory: Sonam Wangdi, Chief Engineer, RBP, PIN2004, CID No. 11506001122)

Status: *Observation partially settled.*

Against the irregular retention of fund amounting to Nu. 2.239 million, the RBP has deposited Nu.2.231 million into ARA vide receipt no. 03137 dated 07.7.2020 leaving a balance amount of Nu. 0.008 million as of 31.03.2022. Accordingly, the RAA has issued Follow-up Report No. RAA/FUCD(Y1-RBP)2021/2432 dated 23/12/2021. The RAA awaits the Supreme Court's Judgement.

4.7. CONSTRUCTION OF BUILDING WITHOUT OBTAINING PERMIT

The RBP had not obtained permit for the construction of Buildings as required under the Development Control Rules and Regulations 2016. The Fire Service Division of RBP, Thimphu had carried out development and construction of buildings in various locations within the Thromde area without obtaining permit. (AIN: 16125; OB No.: 1; Accountabilities: Direct: Sonam Tobgay, Asstt. Engineer, PIN: 6617 Supervisory: Col. Karma Tshering, Superintendent of Police, PIN: 104)

Status: *Observation not settled.*

Follow-up report was issued by RAA vide letter No. RAA/FUCD(Y3-FSD, RBP)2021/2433

dated 23/12/2021. Response awaited.

The Royal Bhutan Police has submitted user Thram/right certificate but failed to obtain/submit approval from Thimphu Thromde to ensure that the constructed structure is as per Development Control Regulations. Further, the management had failed to submit technical report and assurance on stability of the structure as recommended.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 6.139 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 6.139 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Inadmissible Payment in construction	6.139	0	6.139
5.2	Excess Payment	5.952	5.952	0
	Total:	12.090	5.952	6.139

5.1. INADMISSIBLE PAYMENT IN CONSTRUCTION - NU. 6.139 MILLION

The RBP had made inadmissible payments for various constructions as follows:

- a) Nu. 6.139 million to M/s Druk Tsentop Construction Pvt. Ltd in the construction of RBP training institute at Jigmeling. The contractor had not carried out several BoQ item works at site. *(AIN: 15981; OB No.: 1.3; Accountabilities: Direct: Sonam Phuntsho, Site Engineer, RBP, PIN5979, CID No. 11505005084; Phurba Dorji, Site Engineer, PIN6150, CID No. 12004000562; M/s Druk Tsentop Construction Pvt. Ltd. Paro, CDB No. 4081; Supervisory: Sonam Wangdi, Chief Engineer, RBP PIN2004, CID No.11506001122)*

Status: *Observation not settled.*

Follow-up report has been issued vide letter No. RAA/FUCD(Y1-RBP)2021/2432 dated: 23/12/2021. The RAA awaits the Supreme Court's Judgement.

3.1.6. MINISTRY OF INFORMATION AND COMMUNICATION

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry, out of the balance unsettled irregularities of Nu. 1.325 million reported to the Parliament in April 2024 Nu. 1.250 million was settled leaving a balance of Nu.0.075 million unresolved as on 31 March 2025 as reported below:

Sl. No.	Brief Description	Irregularities reported to Parliament as of 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls lapses and deficiencies	1.325	1.250	0.075	94.33
	Total:	1.325	1.250	0.075	-

The details of unsettled irregularities reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 are as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.075 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu.0.075 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.2	Ineligible payment of consultancy fees	0.915	0.915	0
5.4	Excess Payment	0.410	0.335	0.075
	Total:	1.325	1.250	0.075

- g) The RSTA had made excess payment of Nu. 0.075 million to M/s Tshondup Construction for office expansion and alteration of Road Safety and Transport Authority, Regional Office Building, Monggar. The excess payment occurred due to differences in quantities of work actually executed and quantities for which payment was made. *(AIN: 16468; OB No.: 1; Accountabilities: Direct: Lhendup Dorji, Senior RTO, EID No. 201101005; Supervisory: Lhendup Dorji, Senior RTO, EID No. 201101005)*

Status: *Observation not settled.*

The observation remained unsettled as the RAA has not received any ATR response from the RSTA, Mongar. A reminder letter was served vide letter No.RAA/BT/Fus-01/2022/252 dated 08/04/2022.

3.1.7. MINISTRY OF LABOUR AND HUMAN RESOURCES

During the year 2019, the RAA had issued eight audit reports of the Ministry of Labour and Human Resources (MoLHR). There were 24 observations amounting to Nu. 22.476 million of which Nu. 1.019 million were resolved as of 31 January 2020 and Nu. 0.212 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry. However, the balance unsettled irregularities of Nu. 17.936 million reported to the Parliament in April 2024, remained unresolved as on 31 March 2025 as reported below:

Sl. No.	Brief Description	Irregularities reported to Parliament as of 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	14.241	-	14.241	-
5	Shortfalls, lapses and deficiencies	3.695	-	3.695	-
	Total:	17.936	-	17.936	-

The details of unsettled irregularities reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 14.241 MILLION

The cases of non-compliance to laws and rules involving Nu. 14.241 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Outstanding Advances	8.938	-	8.938
4.2	Non-levy of Liquidated Damage	5.303	-	5.303
	Total:	14.241	-	14.241

4.1. OUTSTANDING ADVANCES - NU. 8.938 MILLION

The cases of outstanding advances include:

- a) The Department of Technical Training Institute (DTTI) had unadjusted advances amounting to Nu. 8.938 million against M/s Druk Tsentop Construction Pvt. Ltd. in the GoI funded project on Construction of Training Center at Jigme Wangchuck Power Training Institute in Dekiling, Sarpang. The contractor for Package-C was terminated by the Ministerial Level Tender Committee for fundamental breach of contract but the advances paid to the contractor remained unadjusted. (AIN: 16150; OB No.: 1.1; Accountabilities: Direct: Lobzang Dorji, Site Engineer, EID No. 9001016; Thaye Choden Dorji, Project Engineer, EID No. 20150105099; M/s Druk Tsentop Construction Pvt. Ltd. Paro, CDB No. 4801; Supervisory: Sangay Dorji, Chief Programme Officer, EID No. 9109013, Pelden Tshering, Training Director, EID No. 9011034)

Status: Observation not settled.

As per the status submitted by MoESD vide letter MoESD/DWPSD-05/2023-24/117 dated 21/08/2023 the case was reported to be in the Sarpang Dzongkhag Court and now it is being reported that it has reached the High Court, Thimphu. The progress of the case reported by the Department has been noted. However, the observation shall remain unresolved until such time that the issue is being resolved in accordance with the verdict of the court as and when pronounced.

4.2. NON-LEVY OF LIQUIDATED DAMAGES - NU. 5.303 MILLION

The DTTI had not levied liquidated damages amounting to Nu. 5.303 million on M/s Druk Tsentop Construction Pvt. Ltd in the GoI funded project on Construction of Training Center at Jigme Wangchuck Power Training Institute in Dekiling, Sarpang. The Construction of Package C (Instrumentation Lab, Plumbing and Mechanical Workshop and Recreational hall) was delayed by 172 days as on the date of termination of the contract and liable for LD at maximum percentage of 10% was also not levied. (AIN: 16150; OB No.: 1.4; Accountabilities: Direct: Lobzang Dorji, Site Engineer, EID No. 9001016; Thaye Choden Dorji, Project Engineer, EID No. 20150105099; M/s Druk Tsentop Construction Pvt. Ltd. Paro, CDB No. 4801 Supervisory: Sangay Dorji, Chief Programme Officer, EID No. 9109013, Pelden Tshering, Training Director, EID No. 9011034)

Status: Observation not settled.

As per the status submitted by MoESD vide letter MoESD/DWPSD-05/2023-24/117 dated 21/08/2023 the case was reported to be in the Sarpang Dzongkhag Court and now it is being reported that it has reached the High Court, Thimphu. The progress of the case reported by the Department has been noted. However, the observation shall remain unresolved until such time that the issue is being resolved in accordance with the verdict of the court as and when pronounced.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 3.695 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 3.695 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.2	Grant of excessive material secured advance	3.695	-	3.695
	Total:	3.695	-	3.695

5.2. GRANT OF EXCESSIVE MATERIAL SECURED ADVANCE -NU.3.695 MILLION

The DTTI had granted excessive materials advance amounting to Nu. 3.695 million to M/s Druk Tsentop Construction Pvt. Ltd in the GoI funded project on Construction of Training Center at the Jigme Wangchuck Power Training Institute in Dekiling, Sarpang. The Contractor was provided with material advance of Nu. 7.389 without actually receiving equivalent materials at site resulting in excessive advance of Nu. 3.695 million in the Construction of Package C (Instrumentation Lab, Plumbing and Mechanical Workshop and Recreational hall). (AIN: 16150; OB No.: 1.2; Accountabilities: Direct: Lobzang Dorji, Site Engineer, EID No. 9001016; Thaye Choden Dorji, Project Engineer, EID No. 20150105099; M/s Druk Tsentop Construction Pvt. Ltd. Paro, CDB No. 4801; Supervisory: Sangay Dorji, Chief Programme Officer, EID No. 9109013, Pelden Tshering, Training Director, EID No. 9011034)

Status: Observation not settled.

As per the status submitted by MoESD vide letter MoESD/DWPSD-05/2023-24/117 dated 21/08/2023 the case was reported to be in the Sarpang Dzongkhag Court and now it is being reported that it has reached the High Court, Thimphu. The progress of the case reported by the Department has been noted. However, the observation shall remain unresolved until such time that the issue is being resolved in accordance with the verdict of the court as and when pronounced.

3.1.8. MINISTRY OF WORKS AND HUMAN SETTLEMENT

During the year 2019, the RAA had issued 15 audit reports of the Ministry of Works and Human Settlement (MoWHS). Two reports were issued with ‘Qualified’ opinion. There were 181 observations amounting to Nu. 861.881 million of which Nu. 105.912 million were resolved as of 31 January 2020 and Nu. 235.943 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry and out of the balance unsettled irregularities of Nu. 209.096 million reported to the Parliament in April 2024 Nu. 10.206 million was settled leaving a balance of Nu. 198.893 as on 31 March 2025 as reported below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	69.447	3.452	65.995	4.97
5	Shortfalls, lapses and deficiencies	139.649	6.754	132.898	4.83
Total:		209.096	10.206	198.893	

The details of unsettled irregularities reported to the Parliament in April 2024 irregularities settled thereafter and unsettled balances as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 65.995 MILLION

The cases of non-compliance to laws and rules involving Nu. 65.995 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
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		(Nu. in million)		
4.3	Non-adherence to contractual terms and conditions	-	-	Unsettled
4.7	Outstanding advances	62.211	-	62.211
4.8	Non-recovery of 20% penalty for incomplete works	2.070	-	2.070
4.9	Non/short-levy of liquidated damages	5.166	3.452	1.714
	Total:	69.447	3.452	65.995

4.3 NON-ADHERENCE TO CONTRACTUAL TERMS AND CONDITIONS

The RO, DoR, Thimphu had not adhered to contractual terms and conditions and had allowed unjustified time extension for various contract works. The claims of hindrances by respective contractors were accepted although hindrances were not *force majeure* indicating extension of undue favour to contractors. (AIN: 16234; OB No.: 11.1; Accountabilities: Direct: Pempa Dorji, Assistant Engineer, EID No. 20140704511; Yeshi Tshering, Assistant Engineer, EID No. 20140704515; Ugyen Norbu, Assistant Engineer, EID No. 2011012481; M/s Tacho Construction, CDB No. 2001; M/s Joenshing Construction, CDB No. 1692; M/s Lotay Construction, CDB No. 3325; M/s Raven builder and Company Pvt. Ltd. CDB No. 2356; Supervisory: Sangay Tenzin, Executive Engineer, EID No. 200607203)

Status: Observation not settled.

10% of LD amounting to Nu.7.101 million to be recovered from M/s Takcho Construction from package III and Package IV and remitted to RAA as per auditor's site verification report. The Follow-up report was issued by RAA vide letter no.RAA/FUCD(E4-2)RO-DoR/2021/2476 dated 28/12/2021.

All seven contractors had recovered and deposited liquidated damages amounting to Nu.9.509 million into the revenue account as well as in ARA. However, a remaining balance of 10% of the liquidated damages amounting to Nu. 7,101,022.00, is pending recovery from M/s Takcho Construction, specifically from Package III and Package IV. Refer latest 5th Follow up reminder report No. RAA/FLSD (7-MoIT)/RO-DoST/2023/1049 on dated 07/12/2023.

4.7 OUTSTANDING ADVANCES - NU. 62.211 MILLION

The RO, DoR, Lingmethang had not adjusted PW advances amounting to Nu. 62.211 million against various contractors by the end of the FY 2017-18. The contractors were paid other forms of advances besides the mobilization and secured advances and the same was not adjusted within the FY. (AIN: 16046; OB No.: 3; Accountabilities: Direct: Nado, Accountant, EID No. 9709042; Supervisory: Karma Rinzin, Chief Engineer, EID No. 8908095)

Status: Observation not settled.

Reminder letter served vide letter No. RAA/BT/Fus-01/2021/286 dated 20/01/2021, however, no ATR response was received as of date.

4.8 NON-RECOVERY OF 20% PENALTY FOR INCOMPLETE WORKS - NU.2.070 MILLION

The cases of non-recovery of 20% penalty for incomplete works include:

- a) The RO, DoR, Lingmethang had not recovered 20% penalty on incomplete works amounting to Nu. 2.070 million upon termination of contract of M/s Diamond Construction Pvt. Ltd. in the blacktopping of the Tsakaling GC road. The RO had terminated the contract on the grounds of fundamental breach of contract by the contractor but 20% penalty on the value of incomplete works was not levied. (AIN: 16046; OB No.: 7.2; Accountabilities: Direct: Galey, EE, EID No. 9607019; M/s Diamond Construction Pvt. Ltd. (CDB No. 2304); Supervisory: Karma Rinzin, Chief Engineer, EID No. 8908095)

Status: Observation not settled.

A reminder letter served vide letter No. RAA/BT/Fus-01/2021/509 dated 15/04/2022 by RAA, however, no ATR response has been received as of date.

4.9 NON-LEVY OF LIQUIDATED DAMAGES - NU. 1.714 MILLION

The cases of non-levy of liquidated damages include:

- a) The RO, DoR, Lingmethang had not levied liquidated damages amounting to Nu. 1.714 million on M/s Phuntsho Rabten Construction for delay in the blacktopping of Tsakaling GC road. The RO had terminated the contract for failure to complete the work on time but applicable liquidated damages were not levied. (AIN: 16046; OB No.: 6.1; Accountabilities: Direct: Galey, EE, EID No. 9607019; M/s Phuntsho Rabten Construction CDB No. 1836 Supervisory: Karma Rinzin, Chief Engineer, EID No. 8908095)

Status: Observation not settled.

The observation remained unresolved. A follow-up reminder letter was served vide letter No. RAA/BT/Fus-01/2021/509 dated 15/04/2022. According to the auditee agency, the case was forwarded to court and the outcome of the legal proceeding shall be intimated.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 132.898 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 132.898 million are as

indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.5	Outstanding advances	136.846	3.948	132.898
5.6	Inadmissible payment of price adjustment	2.803	2.806	0
5.8	Non-reconciliation of outstanding advances	-	-	Unsettled
	Total:	139.649	6.754	132.898

OUTSTANDING ADVANCES - NU. 132.898 MILLION

The cases of outstanding advances include:

- a) The RO, DoR, Lingmethang had not adjusted advance amounting to Nu.132.898 million against the Central Stores, DoR, Phuentsholing. The advances released for supply of Bitumen and Emulsion were not adjusted indicating non-receipt of the goods and difference in records maintained by the RO and Central Stores. (AIN: 16046; OB No.: 11; Accountabilities: Direct: Nado, Accountant, EID No. 9709042; Supervisory: Karma Rinzin, Chief Engineer, EID No. 8908095)

Status: Observation not settled.

Reminder letter were served vide letter No.RAA/Fus-01/2021/510 dated 15/04/2021 and RAA/Fus-01/2021/510 dated 15/04/2021, however, no ATR report has been received as of date.

5.8 NON-RECONCILIATION OF OUTSTANDING ADVANCES

The RO, DoR, Lingmethang had not reconciled the advances released to the Central Stores in Phuentsholing for the supply of Bitumen and Bitumen emulsion resulting in a difference of Nu.28.372 million in the Gyelposhing-Nganglam Road Project. (AIN: 16045; OB No.: 11; Accountabilities: Direct: Nado, Accountant, EID No. 9709042; Supervisory: Karma Rinzin, Chief Engineer, EID No. 8908095)

Status: Observation not settled.

A follow-up reminder letter No. RAA/BT/Fus-01/2021/286 dated 20/01/2021 was served, however, no ATR response has been received as of date.

3.2. DZONGKHAGS ADMINISTRATION

During the year 2019, 16 Dzongkhags Administration had unresolved irregularities amounting to Nu. 233.395 million as follows:

3.2.2. DZONGKHAG ADMINISTRATION, CHHUKHA

During the year 2019 the RAA had issued two audit reports of Dzongkhag Administration Chhukha and its Drungkhag. There were 51 observations amounting to

Nu. 5.309 million of which Nu. 1.742 million were resolved as of 31 January 2020 and Nu. 0.306 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Ministry, however, the balance unsettled irregularities of Nu. 1.294 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the report below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
3	Mismanagement	0.225	-	0.225	-
4	Non-compliance to laws and rules	0.360	-	0.360	-
5	Shortfalls, lapses and deficiencies	0.709	-	0.709	-
Total:		1.294	-	1.294	-

The details of unsettled irregularities reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 are as discussed below:

3. MISMANAGEMENT – NU. 0.255 MILLION

The cases of mismanagement involving Nu. 0.225 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
3.1	Adjustment of advances without supporting documents	0.255	-	0.255
Total:		0.255	-	0.255

3.1 ADJUSTMENT OF ADVANCES WITHOUT SUPPORTING DOCUMENTS – 0.225 MILLION

The Dzongkhag Administration, Chhukha had adjusted Nu. 0.255 million pertaining to *Moenlam Chhenmo* Accounts without supporting documents. The adjustments were made on account of expenses incurred for conduct of *Moenlam Chhenmo* Activities. (*AIN 16019; OB No.:30.3; Accountabilities: Direct: Tshering Nidup, DT Chairperson, CID No. 10203002306; Supervisory: Ugyen Chada, Cultural Officer, EID No. 200905024*)

Status: *Observation not settled.*

An amount of Nu. 0.255 million remained unsettled and a follow up reminder letter No. RAA/OAAG-Pling/FUS-Dzo-A1/2021/952 dated 07.09.2021 was served. However, the Dzongkhag Administration did not deposit the amount into Moenlam Chenmo Account as of date and the observation remained unsettled.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.360 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.360 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Payment of Refundable Deposits without obtaining releases	0.360	-	0.360
	Total:	0.360	-	0.360

4.1 PAYMENT OF REFUNDABLE DEPOSIT WITHOUT OBTAINING RELEASE – NU. 0.360 MILLION

The Drungkhag Administration, Phuentsholing had refunded Nu. 0.360 million to the contractors from the budgetary releases instead of obtaining equivalent Refundable Release from Department of Public Accounts. *(AIN: 16086; OB No.:9; Accountabilities: Direct: Yashoda Phuyel, Accountant, EID No. 200507269; Supervisory: Karma Rinchen, Drungpa, EID No. 9308053)*

Status: *Observation not settled.*

The amount of Nu.0.360 million remained unsettled as no ATR received from the administration. The Drungkhag Administration in consultation with Department of Public Account (DPA) should compute the exact amount and deposit the same into Audit Recoveries Account along with applicable penalty.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.709 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.709 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported in 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Excess/Double Payments	0.392	-	0.392
5.8	Outstanding Advances	0.317	-	0.317
	Total:	0.709		0.709

5.1 EXCESS/DOUBLE PAYMENTS – NU. 0.392 MILLION

- f) The Drungkhag Administration, Phuentsholing had made excess payment of Nu.0.290 million to M/s Jangcholing Construction, Lhuntse in the Improvement of approach road, ground development and water supply works at Khateykha PS under Lokchina Gewog. The excess payment had occurred due to booking of expenditure before the actual completion of the work. Further, the Drungkhag Administration had not recovered liable maximum liquidated damages (10%) of Nu. 0.103 million. *(AIN: 16086; OB No.:2; Accountabilities: Direct: Basant Kr. Rai, Engineer, EID No. 2013100301; M/s Jangcholing Construction, Lhuntse, CDB No.*

7514; Supervisory: Tshering Chopel, DE, EID No. 8808013)

Status: *Observation not settled.*

An excess payment of Nu. 392,292.00 along with 24% penalty stands recoverable.

5.8 OUTSTANDING ADVANCES – NU. 0.317 MILLION

- a) The Dzongkhag Administration, Chhukha had outstanding advances pertaining to *Moenlam Chhenmo Accounts* amounting to Nu. 0.165 million against individuals. The advances were released in between 2012-2016 for conduct of *Moenlam Chhenmo* activities. (AIN: 16019; OB No.:30.2; Accountabilities: Direct: Tshering Nidup, Thrizin, CID No. 10203002306; Supervisory: Ugyen Chada, Cultural Officer, EID No. 200905024)

Status: *Observation not settled.*

The outstanding advance of Nu.0.165 million remained unsettled. Accordingly, the Follow Up reminder letter No. RAA/OAAG-Pling/FUS-Dzo-A1/2021/952 dated 07.09.2021 was served.

The Dzongkhag Administration was asked to trace out the concerned officials or individuals responsible for the non-adjustment of the advance and recover the amount at the earliest.

- b) The Drungkhag Administration, Phuentsholing had outstanding Public Works Advances amounting to Nu. 0.152 million as on 30 June 2018 lying unadjusted against the Accountant. (AIN: 16086; OB No.: 3; Accountabilities: Direct: Chhimi Dorji, Accountant, EID No. 9206009; Supervisory: Karma Rinchen, Drungpa, EID No. 9308053)

Status: *Observation not settled.*

An amount of Nu.0.152 million along with 24% penalty stands recoverable as of date.

Further review of PEMS revealed that outstanding amount of Nu. 130,400.00 was reported in observation No. 30 of AIN 15334 as well.

3.2.5. DZONGKHAG ADMINISTRATION, MONGGAR

During the year 2019, the RAA had issued one audit report of the Dzongkhag Administration, Monggar. There were 76 observations amounting to Nu. 10.529 million of which Nu. 0.629 million were resolved as of 31 January 2020 and Nu. 1.446 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Dzongkhag and out of the balance unsettled irregularities of Nu. 1.271 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	1.271	0	1.271	0
	Total	1.271	0	1.271	0

The details of unsettled irregularities reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 are as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 1.271 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 1.271 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 April 2024 (Nu. in million)
5.1	Payment for works not executed/ incompleteness of works	0.203	-	0.203
5.2	Excess/over payments	0.986	0	0.986
5.3	Double Payments	0.082	-	0.082
	Total:	1.271	0	1.271

5.1 RELEASE OF FINAL BILL BEFORE ACTUAL COMPLETION OF WORKS – NU. 0.203 MILLION

- h) The Dzongkhag Administration, Monggar had made payment of Nu. 0.074 million towards completion of toilet in the construction of Six-Unit classroom at Tsamang CPS awarded to M/s Yeshey Construction, Thimphu. Various items of works were not executed at site. *(AIN: 16284; OB No.: 5.9; Accountabilities: Direct: Kinley Penjor, Site Engineer, EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Yeshey Construction, Thimphu, CDB No. 2953; Supervisory: Sonam Tashi, Dzongkhag Engineer, EID No.: 200801079)*

Status: *Observation not settled.*

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated 13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

- i) The Dzongkhag Administration, Monggar had made payment of Nu. 0.129 million for items not executed in the Construction of Principal Quarter, Dining Hall, Kitchen-cum-store at Tsamang CPS awarded to M/s Lhatu Construction, Thimphu. Various items of works were not executed at site. *(AIN: 16284; OB No.:6.8; Accountabilities: Direct: Kinley Penjor, Site Engineer, EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Lhatu Construction, CDB No. 5259; Supervisory: Sonam Tashi, DE, EID No. 200801079)*

Status: Observation not settled.

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated 13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

5.2 EXCESS/OVER PAYMENT – NU. 0.986 MILLION

- a) The Dzongkhag Administration, Monggar had made excess payment of Nu. 0.342 million for providing and laying RRM for site development works in the construction of Six-Unit classroom at Tsamang CPS awarded to M/s Yeshey Construction, Thimphu. The excess payment had occurred due to difference in the quantities paid for and quantities actually executed at site. (AIN: 16284; OB No.:5.1; Accountabilities: Direct: Kinley Penjor, Site Engineer, EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Yeshey Construction, Thimphu CDB no. 2953; Supervisory: Sonam Tashi, DE, EID No. 200801079)

Status: Observation not settled.

As against the total excess payment of Nu.0.342 million, a sum of Nu.0. 285 million (i.e. Nu. 109,066.87 plus Nu. 176,420.00) was deposited into ARA vide R/No.429707 dated 15/05/2020, thereby leaving a balance of Nu.0.057 million as of date. Reminder letter was served vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021 for the settlement of the balance amount.

- b) The Dzongkhag Administration, Monggar had made excess payment of Nu. 0.119 million in the Construction of Six-unit classroom at Tsamang CPS awarded to M/s Yeshey Construction, Thimphu. The excess payment had occurred due to acceptance of higher dimensions of the RCC works as against the dimensions stipulated in the drawings without the prior approval of the competent authorities. (AIN: 16284; OB No.:5.2; Accountabilities: Direct: Kinley Penjor, Site Engineer, EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Yeshey Construction, Thimphu CDB no. 2953; Supervisory: Sonam Tashi, DE, EID No. 200801079)

Status: Observation not settled.

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated 13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

- c) The Dzongkhag Administration, Monggar had made excess payment of Nu. 0.137 million in the construction of Six-Unit classroom at Tsamang CPS awarded to M/s Yeshey Construction, Thimphu. The excess payments had occurred due to non-deduction of RCC works from laying second class brick works in superstructure. (AIN: 16284; OB No.:5.6; Accountabilities: Direct: Kinley Penjor, Site Engineer, EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Yeshey Construction, Thimphu CDB no. 2953; Supervisory: Sonam Tashi, DE, EID No. 200801079)

Status: Observation not settled.

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated

13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

- d) The Dzongkhag Administration, Monggar had made excess payment of Nu. 0.173 million for providing and laying RRM works for site development in the Construction of Principal Quarter, Dining Hall, Kitchen cum Store at Tsamang CPS awarded to M/s Lhatu Construction, Thimphu. The excess payments had occurred due to difference in the quantities paid for and actually executed at site. (AIN: 16284; OB No.:6.5; Accountabilities: Direct: Kinley Penjor, Site Engineer, EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Lhatu Construction, CDB No. 5259; Supervisory: Sonam Tashi, DE, EID No.:200801079)

Status: *Observation not settled.*

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated 13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

- e) The Dzongkhag Administration, Monggar had made excess payment of Nu. 0.072 million for RRM in Septic Tank in the construction of Principal Quarter, Dining Hall, Kitchen cum Store at Tsamang CPS awarded to M/s Lhatu Construction, Thimphu. The excess payment had occurred due to difference in the equantities paid for and actually executed at site. (AIN: 16284; OB No.:6.7; Accountabilities: Direct: Kinley Penjor, Site Engineer, EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Lhatu Construction, CDB No. 5259; Supervisory: Sonam Tashi, DE, EID No. 200801079)

Status: *Observation not settled.*

Nu.70,456.59 has been deposited vide R/No.429707 dated 15/05/2020 leaving a balance of Nu. 6,557.39 as of date.

- f) The Dzongkhag Administration, Monggar had made excess payment of Nu. 0.277 million in the Construction of Principal Quarter, Dining Hall, Kitchen cum Store at Tsamang CPS awarded to M/s Lhatu Construction, Thimphu. The excess payment had occurred due to difference in the quantities paid for and quantities actually executed at site. (AIN: 16284; OB No.:6.9; Accountabilities: Direct: Kinley Penjor, Site Engineer, EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Lhatu Construction, CDB No. 5259; Supervisory: Sonam Tashi, DE, EID No. 200801079)

Status: *Observation not settled.*

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated 13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

- j) The Dzongkhag Administration, Monggar had made excess payments amounting to Nu. 0.069 million to M/s Mangalam Construction in the construction of 2 units RNR Staff Quarter Nagor under Silambi Gewog. The excess payments had occurred due to difference in the quantities claimed by the contractor and actual quantities executed at site. (AIN: 16284; OB No.:13; Accountabilities: Direct: Dorji Tshering, Site Engineer, EID No. 201101234; M/s Mangalam Construction, CBDNo. 1721;

Supervisory: Sonam Tashi, DE, EID No. 200801079)

Status: *Observation not settled.*

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated 13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

- k) The Dzongkhag Administration, Monggar had made excess payments amounting to Nu. 0.147 million to M/s Larjab Construction in the construction of Warden and

Matron Quarters at Nagor LSS due to non-deduction of RCC works from the Random Rubble Masonry in the superstructure. (AIN: 16284; OB No.:15; Accountabilities: Direct: Mr.Padam Bdr. Rai, AE, EID No.20120100121N; M/s Larjab Construction, CDB No. 4703; Supervisory: Sonam Tashi, DE, EID No. 200801079)

Status: Observation not settled.

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated 13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

5.3 DOUBLE PAYMENTS – NU. 0.082 MILLION

The Dzongkhag Administration, Monggar had made double payment of Nu. 0.082 million in the Construction of Six-Unit classroom at Tsamang CPS awarded to M/s Yeshey Construction, Thimphu. The payment of RCC works in plinth beam was found made twice. (AIN: 16284; OB No.:5.7; Accountabilities: Direct: Kinley Penjor, Site Engineer, 16226EID No. 201001714; Sherab Chezom, Site Engineer, EID No. 201001731; M/s Yeshey Construction, Thimphu CDB no. 2953; Supervisory: Sonam Tashi, DE, EID No. 200801079)

Status: Observation not settled.

Reminder letters were served vide letter No.RAA/BT/Fus-01/2021/500 dated 13/04/2021 and vide letter No.RAA/BT/Fus-01/2021/68 dated 14/10/2021, however, no ATR has been received as of date.

3.2.7. DZONGKHAG ADMINISTRATION, PEMAGATSHEL

During the year 2019, the RAA had issued two audit reports of the Dzongkhag Administration, Pemagatshel and its Drungkhag. The reports were issued with 'Qualified' opinion. There were 31 observations amounting to Nu. 14.539 million of which Nu. 6.462 million were resolved as of 31 January 2020 and Nu. 0.217 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Dzongkhag, however, the balance unsettled irregularities of Nu. 0.919 million reported to the Parliament in April 2024, remained unresolved as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.919	-	0.919	-
	Total	0.919	-	0.919	-

The details of unsettled irregularities reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 is as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.919 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.919 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Un-realised loans/advances from Moenlam Chhenmo Accounts	0.919	-	0.919
	Total:	0.919	-	0.919

5.1. UNREALIZED LOAN/ADVANCES FROM MOENLAM CHHENMO ACCOUNT – NU. 0.919 MILLION

The Dzongkhag Administration, Pemagatshel had cases of un-realised loans/advances amounting to Nu. 5.929 million granted to three contractors on interest @ 4% per month out of *Moenlam Chhenmo* Account. Loans/advances had remained overdue ranging from one year to four years. (AIN: 15896; OB No.:7; Accountabilities: Direct: Norbu Tenzin, Cultural Officer, EID No. 200505006; Supervisory: Phuntsho, Dzongdag, EID No. 8709017)

Status: Observation not settled.

The total amount was corrected to Nu 5,928,507.00 instead of Nu. 6,028,507.00 after confirming from team leader on 01/12/2021. Out of Nu. 5,928,507.00, the amount of Nu. 2,188,822.00 was deposited into Melom Chhenmo Account vide Deposit Form of BOB, Pemagatshel dated 10.06.2019 (Nu. 1,400,000.00), Deposit Form dated 12.09.2019 (Nu. 207,560.00) , Nu. 101,431.00 recovered vide letter No. NDA/Accts-04/2018-2019/1132 dtd. 12/12/2018 & Nu. 479,831.00 vide letter No. DG/Acctws-01/2017-2018/68 dt. 09/03/2018.

The amount of Nu. 2,820, 947.00 was dropped based on the justifications provided vide letter No. PG/HRS-5/2021-22/1829 dated 1.12.2021 and as per the verdict of the Supreme Court, No. Ngan Tho(Ho18-22) dated 31.12.2018 (waive off 4% penalty). Further, the Advisory Committee decided not to levy 24% interest on the recoverable amount. Therefore, Dzongkhag Administration Pemagatshel needs to recover the balance amount of Nu. 918,738.00 and deposit into Moelam Chenmo account. A Follow up Report No. RAA/OAAG-SJ(AR-30)DA-Pgatshel/2022/1575 dated 14.04.2022 was served.

However, the balance amount of Nu. 918,735 was not deposited and the matter was put up in Royal Court of Justice, Punakha after former Cultural Officer of Pema Gatshel

Dzongkhag was transferred to Punakha Dzongkhag and awaits for the court verdict.

3.2.8. DZONGKHAG ADMINISTRATION, SAMDRUP JONGKHAR

During the year 2019, the RAA had issued three audit reports of the Dzongkhag Administration, Samdrup Jongkhar and its Drungkhags. Two reports were issued with 'Qualified' opinion. There were 74 observations amounting to Nu. 148.789 million of which Nu. 12.925 million were resolved as of 31 January 2020 and Nu. 0.031 million did not qualify for inclusion in the AAR.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted numerous follow-up with the Dzongkhag and out of the the unsettled irregularities of Nu. 128.41 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the report below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Fraud and Corruption	0.800	-	0.800	-
2	Embezzlement	7.926	-	7.926	-
4	Non-compliance to laws and rules	5.433	-	5.433	-
5	Shortfalls, lapses and deficiencies	114.254		114.254	-
	Total	128.413		128.413	0

The details of unsettled irregularities reported to the Parliament in April 2024, remained unsettled balances as on 31 March 2025 are as discussed below:

1. FRAUD AND CORRUPTION - NU. 0.800 MILLION

The case of elements of fraud and corruption involving Nu. 0.800 million is as indicated below:

1.1 MISAPPROPRIATION OF FUNDS – NU. 0.800 MILLION

The Accounts Assistant of the Drungkhag Administration, Samdrupcholing had misappropriated funds as follows:

- a) The contractor's bill was inflated by Nu. 0.400 million in the construction of approach road and maintenance of RNR staff quarter under Martshala Gewog. As against the contract value of Nu. 0.456 million, the final value of work verified and passed by the concerned site engineer was Nu. 0.401 million. However, the Accounts Assistant had deliberately booked Nu. 0.801 million. (AIN: 16344; OB No.:6 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079; Sangay Gyeltshen, Acctt. Asstt., EID No. 2018011519)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken as per the recommendations of RAA on those employees for indirectly aiding him in embezzling the funds, despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- b) A cheque for Nu. 3.000 million was issued for Martshala CS instead of Nu. 0.300 million of which only Nu. 2.700 million was deposited into Martshala CS's account. The balance amount of Nu.0.300 million was deposited in the Accounts Assistant's personal Savings Account. (AIN: 16344; OB No.:7 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079; Sangay Gyeltshen, Acctt. Asstt., EID No. 2018011519)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court

verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- c) The vegetable supplier's bill for Karmaling HSS was inflated by Nu. 0.100 million by pre-fixing digit '1' in front of Nu. 0.050 million and making it Nu. 0.150 million. The excess amount of Nu. 0.100 million was confirmed to have been handed over in cash to the Accounts Assistant by the vegetable supplier after withdrawing from the bank. (AIN: 16344; OB No.:12 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No

2. EMBEZZLEMENT - NU. 7.926 MILLION

The cases with elements of embezzlement involving Nu. 7.926 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/ Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
2.1	Misappropriation of Pay Allowances	3.254	-	3.254
2.2	Misappropriation of Leave Encashment and LTC	0.304	-	0.304
2.3	Deposit of Rigsungpas Salary into personal account	0.058	-	0.058
2.4	Misuse of funds	1.398	-	1.398
2.5	Misuse of TA/DA	1.083	-	1.083
2.6	Withdrawal of fund in excess of actual requirements	0.050	-	0.050
2.7	Misuse of Loan deductions and inadmissible payments	0.127	-	0.127
2.8	Amount deposited into Personal Saving Account	0.291	-	0.291
2.9	Encashment of cancelled cheque	0.032	-	0.032
2.10	Misappropriation of electricity bill	0.014	-	0.014
2.11	Misuse through direct booking of expenditure	0.102	-	0.102
2.12	Misappropriation of House remittances	0.064	-	0.064
2.13	Misuse through double payment of transfer grants	0.132	-	0.132
2.14	Payment without supporting documents	1.017	-	1.017
	Total:	7.926	-	7.926

2.1. MISAPPROPRIATION OF PAY AND ALLOWANCES – NU. 3.254 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had misappropriated Pay and Allowances as follows:

- a) Nu. 3.152 million was misappropriated by including ghost employees in the payroll and the payments were deposited into his personal Savings Account. He had intentionally deposited excess salary for other officials and later asked them to deposit the excess amounts into his personal Savings Account and his spouse. Similarly, he had also credited excess monthly salaries for himself and spouse.

The *modus operandi* adopted was preparation of salary schedules in MS excel sheet instead of preparing in PEMS as required by financial norms. (AIN: 16344; OB No.:1 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Lamdon, OA, EID No. 201003023; Mon Bdr. Gurung, Ex-Gup, CID No. 11110000068; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- b) Salaries amounting to Nu. 0.102 million were misappropriated by including ghost employees and impersonation in the salary sheet, enhancing employees' monthly salary at the time of disbursement and later asking concerned officials to refund the excess amount into his personal Savings Account.

The *modus operandi* adopted was preparation of salary schedules in MS excel sheet instead of preparing in PEMS as required by financial norms. (AIN: 16344; OB No.:1 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.2 MISAPPROPRIATION OF LEAVE ENCASHMENT AND LTC – NU. 0.165 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had misappropriated leave encashment and Leave Travel Concession (LTC) as follows:

- a) LTC of Nu.0.075 million was misappropriated by impersonating himself as an employee under different sectors. LTC payment was also made against two Gewog Administrative Officers who were on Extra Ordinary Leave (EOL) and the amounts were deposited into his personal Savings Account. (AIN: 16344; OB No.:3 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- b) LTC and Leave Encashment amounting to Nu. 0.064 million was misappropriated by claiming from both the Dzongkhag Administration and Samdrupcholing Drungkhag. The Account Assistant had also claimed more than his actual entitlements for leave encashment and LTC. (AIN: 16344; OB No.:2 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Wangchuk Dorji, Sr. Dzongrab, EID No. 9308038; Lobzang Dorji, Sr. Dungpa, EID No. 8801079; Lakdhen, Accts. Officer, EID No. 200901066)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.3 DEPOSIT OF RISUNGPAS SALARY INTO PERSONAL SAVINGS ACCOUNT – NU. 0.058 MILLION

- a) The Account Assistant of Drungkhag Administration, Samdrupcholing had deposited monthly salary of *Risungpas* amounting to Nu. 0.013 million into his personal Savings Account which confirmed that salaries were not disbursed to *Risungpas*. Further, requisite documents were not maintained to substantiate the release of payment to intended beneficiaries. (AIN: 16344; OB No.:8 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- b) The Accounts Assistant of the Drungkhag Administration, Samdrupcholing had misappropriated salary of *Risungpas* amounting to Nu. 0.045 million by issuing self cheque and depositing into his personal Savings Account. There was no original payment voucher authenticating further disbursement to *Risungpas*. (AIN: 16344;

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.4 MISAPPROPRIATION OF FUNDS – NU. 1.398 MILLION

The Accounts Assistant of the Drungkhag Administration, Samdrupcholing had misappropriated fund as follows:

- a) Nu. 0.031 million was misappropriated by enclosing the same bills twice on 31 January 2018 and 28 February 2018. The double claim under subsequent voucher was done along with VIP related expenditure bills as it pertained to patient diet of Samdrupcholing BHU. (AIN: 16344; OB No.:13 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- b) Nu. 0.100 million was misappropriated on account of stipend of Martshala CS. No bills/cash memos were available for verification and the amounts were found deposited into his personal Savings Account. (AIN: 16344; OB No.:4 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Wangchu Dorji, Sr. Dzongrab, EID No. 9308038; Lakdhen, Acctts. Officer, EID No. 200901066)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- c) Nu. 0.145 million was misappropriated by creating fictitious bill against M/s Karma Yangchen Logging. The Cheque was found encashed by the accountant himself by depositing Nu. 0.059 million into his personal Savings Account and Nu. 0.086 million into account of the person who is not regular client of the Drungkhag. (AIN: 16344; OB No.:12 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Wangchu Dorji, Sr. Dzongrab, EID No. 9308038; Tshewang Rinzin, HRO, EID No. 20130101095)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- d) Nu. 0.282 million was misappropriated pertaining to stipend without supporting documents. Against the total booking of Nu. 0.555 million, Nu. 0.273 million pertained to TA/DA claims of the School staff under Samdrupcholing Drungkhag, while Nu. 0.282 million pertained to stipend. However, the stipend bills were not available for verification and the amount of Nu. 0.282 million was found deposited in his personal Savings Account. (AIN: 16344; OB No.:7.2 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Wangchu Dorji, Sr. Dzongrab, EID No. 9308038)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji

has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- e) Nu. 0.248 million was misappropriated on account of stipend and Rural Life Insurance by depositing into his personal Savings Account. Nu. 0.126 million pertained to stipends and Nu. 0.122 million pertained to Rural Life Insurance. The original payment vouchers were not supported by attendance sheets of students, duly verified forms, bills/cash memos by Gup and Census Officer. (AIN: 16344; OB No.:3 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Tenzin Phuntsho, Acctts. Officer, EID No. 20130101125; Tshewang Rinzin, HRO, EID No. 20130101095)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu.

2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- f) Nu. 0.075 million was misappropriated on account of Rural Life Insurance by depositing into his personal Savings Account. There were no evidences of having disbursed the amounts to legitimate claimants. *(AIN: 16344; OB No.:5 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lakdhen, Acctts. Officer, EID No. 200901066, Tshewang Rinzin, HRO, EID No. 20130101095)*

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- g) Nu. 0.360 million was misappropriated on account of Rural Life Insurance. The amount was disbursed as an advance for Rural Life Insurance in the name of dealing accountant and later adjusted without supporting documents like death certificates, authorization letter from Gewog Administration etc. There were no evidences on record of having disbursed to legitimate claimants. Further, the advance availed for Rural Life Insurance was found adjusted from the Budget Head '5.01 – Stipend' leading to wrong booking as well. *(AIN: 16344; OB No.:6 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270)*

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- h) Nu. 0.157 million was misappropriated from fund pertaining to stipend of Martshala PS and Karmaling HSS and Rural Life Insurance without supporting documents. The whereabouts of fund was not ascertainable. (AIN: 16344; OB No.:11 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Wangchu Dorji, Sr. Dzongrab, EID No. 9308038; Sonam Dorji, Acctts. Asstt., EID No. 9504021)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu.

2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.5 MISUSE OF TA/DA – NU. 0.908 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had misappropriated TA/DA funds as follows:

- a) Nu. 0.036 million was double booked vide cheque No. 001145 dated 20 December 2017 and cheque No. 001306 dated 27 December 2017. While the second cheque was supported with complete documents, the first cheque did not have supporting documents. The employee immediately informed to the Account Assistant having received the amount twice. Subsequently, the employee was asked to refund the amount to his personal Savings Account. However, the Account Assistant never restituted the amount into government account. *(AIN: 16344; OB No.:9.1 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)*

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- b) Nu. 0.149 million was withdrawn as TA/DA of Drungkhag officials vide Cheque No. 000297 dated 4 September 2017 through office driver. The Accounts Assistant had asked the driver to deposit Nu. 0.100 million into Accounts Assistant's personal Savings Account and balance of Nu. 0.049 million was handed over in cash. *(AIN:*

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- c) Nu. 0.086 million was misappropriated by way of preparing cheque in the name of Principal on 17 August 2017 for TA/DA of staff of Sarjung PS. However, the amount was found deposited into his personal Savings Account. Further, original payment voucher with supporting documents such as approved travel authorization and travel claims were not available for verification. There were no evidences of having paid the amount to staff of the school as indicated in the payment voucher. (AIN: 16344; OB No.:9.3 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- d) Nu. 0.043 million was misappropriated by way of inflating the TA/DA amount of the driver of Martshala Gewog. The Accounts Assistant had given the driver a cheque for Nu. 0.047 million and asked the driver to retain his TA/DA claims of Nu. 4,000.00 and deposit the balance into the Accounts Assistant's personal Savings Account. There were no supporting documents and original vouchers for the amount deposited into the Accounts Assistant's personal Savings Account. (AIN: 16344; OB No.: 9.4 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- e) Nu. 0.106 million was misappropriated by inflating TA/DA claims of the employees. As against the total booking of Nu. 0.193 million on 24 September 2017, only Nu.

0.077 million was found deposited into the accounts of claimants. From the balance, Nu. 0.010 million was found paid to incumbent Gup of Pemathang Gewog and Nu. 0.106 million was found deposited into Accounts Assistant's personal Savings Account. (AIN: 16344; OB No.: 9.5 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to reconstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- f) Nu. 0.113 million was misappropriated by way of inflating the TA/DA amounts of employees, booking TA/DA in the names of employees who are not part of Drungkhag payroll and claiming TA/DA by Accounts Assistant himself without travel authorization, travel claim bills and other supporting documents. (AIN: 16344; OB No.: 9.6 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As against Nu.0.113 million, Mr. Kuenga Dorji, Acctts. Asstt. had deposited Nu.0.021 million into ARA vide receipt No. A01104 of 29/06/2020 along with 24% penalty leaving a balance amount of Nu. 91,820.68 million as of date.

The High Court verdict issued on 1 dated 3/12/2021. According to the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at

imprisoned and couldn't recover the amount till date. ATR reminder send vide No OAAGSJ/Follow-Up-01) Dz-SJONGKHAR/2022-2023/716 of 29/11/2023

- g) As against the TA/DA claim of employees amounting to Nu. 0.152 million, Nu. 0.146 million was paid to claimants and balance of Nu. 5,550.00 retained with the Accounts Assistant. *(AIN: 16344; OB No.: 9.9 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)*

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01) Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- h) As against the withdrawal of Nu. 0.039 million, the verified claim of incumbent Gup of Samrang Gewog amounted to Nu. 0.029 million only and balance amount of Nu. 0.010 million was handed over to the Accounts Assistant. *(AIN: 16344; OB No.: 9.10 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)*

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- i) Nu. 0.169 million was misappropriated through fictitious claims of TA/DA, passing claims more than actual, and claims without supporting documents which was deposited into his personal Saving Account. (AIN: 16344; OB No.: 7.1 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Accounts Assistant, EID No. 200807270; Supervisory: Lobzang Dorji, Senior Dungpa, EID No. 8801079; Wangchu Dorji, Senior Dzongrab, EID No. 9308038; Sonam Dorji, Accounts Assistant, EID No. 9504021)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

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- j) Nu. 0.160 million was misappropriated from TA/DA claims of 30 June 2017. There were no records to substantiate the disbursement of the amount to legitimate claimants nor was it available as cash balance. (AIN: 16344; OB No.: 7.4 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- k) Nu. 0.030 million was misappropriated from funds disbursed on 26 October 2018 on account of TA/DA to Gup, Gaydrungs and caretaker. Further, the amount was deposited into his personal Savings Account instead of crediting the amount into the respective individual claimants' account. (AIN: 16344; OB No.:7.5 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079; Wangchuk Dorji, Sr. Dzongrab, EID No. 9308038; Sonam Dorji, Accts. Asstt., EID No. 9504021)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.6 WITHDRAWAL OF FUND IN EXCESS OF ACTUAL REQUIREMENTS – NU. 0.050 MILLION

The Accounts Assistant of the Drungkhag Administration, Samdrupcholing had misappropriated Nu. 0.050 million by overbooking TA/DA payment of Samdrupcholing Basic Health Unit staff. The Accounts Assistant had asked the Ambulance driver to withdraw Nu. 0.256 million from the bank and handover Nu. 0.201 million to the BHU Doctor. The balance of Nu. 0.055 million was deposited into the Accounts Assistant's personal Saving Account of which Nu. 5,000.00 was found transferred to the bank account of Malaria Technician, Pemathang BHU. (AIN: 16344; OB No.: 9.8 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu.

2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.7 MISUSE OF LOAN DEDUCTIONS AND INADMISSIBLE PAYMENTS – NU. 0.127 MILLION

The Accounts Assistant of the Drungkhag Administration, Samdrupcholing had misappropriated loan remittances amounting to Nu. 0.059 million by not remitting into respective loan accounts after deduction from monthly salary of one Contract Teacher of Martshala CS.

Further, the Accounts Assistant had also made inadmissible payments amounting to Nu. 0.068 million against the same teacher on account of Teaching Allowance, Pay Arrears and 50% Contract Allowance payment instead of the entitled 30%. *(AIN: 16344; OB No.:11 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Nima Dorji, Teacher, EID No. 201103003; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)*

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.8 AMOUNT DEPOSITED INTO PERSONAL SAVING ACCOUNT – NU. 0.291 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had deposited Nu. 0.291 million into his personal Savings Account. The amount pertained to stipend, National Day Celebration, Rural Life Insurance and TA/DA payment of Education sector. There were no evidences of having disbursed to legitimate claimants. (AIN: 16344; OB No. 9 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Wangchu Dorji, Sr. Dzongrab, EID No. 9308038; Sonam Dorji, Acctts. Asstt., EID No. 9504021; Tenzin Phuntsho, Acctts. Officer, EID No. 20130101125)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.9 ENCASHMENT OF CANCELLED CHEQUE – NU. 0.032 MILLION

The Drungkhag Administration, Samdrupcholing had cancelled cheque No. 345346 in the PEMS. However, the same cheque was found presented to bank for encashment on 14 June 2017 for an amount of Nu. 0.032 million and deposited into the account of the accountant. (AIN: 16344; OB No.: 10 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Kinzang Chopel, Admn. Asstt., EID No. 201004029)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.10 MISAPPROPRIATION OF ELECTRICITY BILL – NU. 0.014 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had misappropriated electricity charges by indicating as reimbursement made to him for an amount of Nu. 0.014 million without documents like energy charges bills. The amount was found deposited into his personal Savings Account. (AIN: 16344; OB No.:13 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.11 MISUSE THROUGH DIRECT BOOKING OF EXPENDITURE – NU. 0.102 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had deposited Nu. 0.102 million vide Cheque No. 345387 dated 14 June 2017 and cheque No. 345352 dated 14 June 2017 into his personal Savings Account. (AIN: 16344; OB No.:14 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Kinzang Chophel, Admn. Asstt., EID No. 201004029)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.12 MISAPPROPRIATION OF HOUSE RENT REMITTANCES – NU. 0.064 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had misappropriated government house rent remittances amounting to Nu. 0.064 million. The dealing accountant instead of depositing the remittances into respective account had deposited into his personal Savings Account. (AIN: 16344; OB No.:15 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270 ; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.13 MISUSE THROUGH DOUBLE PAYMENT OF TRANSFER GRANTS – NU. 0.132 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had intentionally double booked transfer grants of six teachers of various schools amounting to Nu. 0.132 million. The actual transfer grants were disbursed under different vouchers of December 2016 and January 2017. However, the transfer grants for same teachers were again found booked vide voucher No. 143 dated 08 March 2017. (AIN: 16344; OB No.:18 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Sonam Dorji, Acctts. Asstt., EID No. 9504021; Tshewang Rinzin, HRO, EID No. 20130101095)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to retribute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of

the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

2.14 PAYMENT WITHOUT SUPPORTING DOCUMENTS – NU. 0.993 MILLION

The Accounts Assistant of Drungkhag Administration, Samdrupcholing had made payments without supporting documents as follows:

- a) As against the total disbursement of Nu. 0.097 million only Nu. 0.024 million was found genuine and supported with bills and office orders. The balance of Nu. 0.073 million was booked under different budget activities without supporting documents. The cheque was found issued in the name of Accounts Assistant. (AIN: 16344; OB No.:4 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- b) Nu. 0.016 million was booked on account of TA/DA to one of the Assistant Engineer without supporting documents. The amount was transferred into his personal Savings Account. (AIN: 16344; OB No.:5 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz1628-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- c) TA/DA claims of Nu. 0.091 million were booked vide DV No. 8.98 dated 31 August 2017 without supporting documents such as travel authorization, travel claim bills and tour report. (AIN: 16344; OB No.:9.7 (Part-II A); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Lobzang Dorji, Sr. Dungpa, EID No. 8801079)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of

pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- d) TA/DA of Nu. 0.061 million was claimed without supporting documents. The amount was found deposited into his personal Savings Account. *(AIN: 16344; OB No.:7.3 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Wangchu Dorji, Sr. Dzongrab, EID No. 9308038)*

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- e) Nu. 0.105 million were found adjusted against various employees without supporting documents. Further verification of adjustments revealed that advances were recovered from above employees on installment basis from monthly salary. However, the amounts so recovered were found credited into his personal Savings Account. *(AIN: 16344; OB No.:8 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Wangchu Dorji, Sr. Dzongrab, EID No. 9308038)*

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- f) Nu. 0.438 million was embezzled and deposited directly into his personal Savings Account vide Cheque No. 582722 of 30 June 2017. Original payment vouchers and related supporting documents were not available. The cheque was prepared in the name of dealing accountant. (AIN: 16344; OB No.:16 (Part-II B); Accountabilities: Direct: Jamyang Gyeltshen, Gup, CID No. 11109000378; Supervisory: Ugyen Wangchuk, GAO, EID No. 201105018)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- g) Nu. 0.162 million was disbursed vide voucher No. 5.65 dated 01 May 2017 for supply of vegetables to Martshala CS. Original payment vouchers with supporting documents were not available for verification. (AIN: 16344; OB No.:17 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Sonam Dorji, Acctts. Asstt., EID No. 9504021; Tshewang Rinzin, HRO, EIDNo. 20130101095)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

- h) Nu. 0.047 million was disbursed on account of TA/DA during Local Government Election on 05 October 2016. However, no supporting documents such as Travel Authorization, Travel Claims were available for verification. (AIN: 16344; OB No.:19 (Part-II B); Accountabilities: Direct: Wangchuk Dorji, Acctts. Asstt., EID No. 200807270; Supervisory: Sonam Dorji, Acctts. Asstt., EID No. 9504021; Tshewang Rinzin, HRO, EID No. 20130101095)

Status: *Observation not settled.*

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 5.433 MILLION

The cases of non-compliance to laws and rules involving Nu. 5.433 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Outstanding Advances	2.229	-	2.229
4.2	Non-recovery of 20% penalty for incomplete works	3.204	-	3.204
	Total:	5.433	0	5.433

4.1 OUTSTANDING ADVANCES – NU. 2.229 MILLION

The Dzongkhag Administration, Samdrup Jongkhar had outstanding mobilization and materials advances amounting to Nu. 2.229 million against M/s Deki Builder Pvt. Ltd. for construction of 120-bedded Hostel and Kitchen-cum-store at Garpawoong MSS. The Dzongkhag Administration had failed to settle the advance upon termination of the contract. The case is currently under the Royal Court of Justice, Samdrup Jongkhar. (AIN: 15978; OB No.: 6.1; Accountabilities: Direct: Geduen Dema, AE, EID No. 200807188; M/s Delek Builder Pvt. Ltd., CDB. No. 7183; Supervisory: Tharchin Lhendup, Dzongdag, EID No. 8709022; Pema Dorji, Dzongrab, EID No. 9607074; Rinchen Gyeltshen, DEO, EID No. 9108071; Tenzin Phuntsho, FO, EID No. 20130101125; Chador Phuntsho, DE, EID No. 9102052)

Status: *Observation not settled.*

The Dzongkhag Administartion, Samdrupjongkhar submitted justification vide letter No. SDA/DES-04/2021-2022/1813 of 12/10/2021 stating that the court verdict was out in

favour of the Dzongkhag. The contractor has absconded and could not be arrested even after the 3rd arrest warrant dated 28/07/2021 issued by Samdrupjongkhar Court.

However, the ATR reminder was served vide No. OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/717 of 29/11/2023.

4.2 NON-RECOVERY OF 20% PENALTY FOR INCOMPLETE WORKS – NU. 3.204 MILLION

The Dzongkhag Administration, Samdrup Jongkhar had not realized Nu. 3.204 million from M/s Delek Builder Pvt. Ltd., 20% on the value of incomplete works in line with contract agreement upon termination of the contract in the construction of 120-bedded Hostel and Kitchen-cum-store at Garpawoong MSS. The case is currently under the Royal Court of Justice, Samdrup Jongkhar. (AIN: 15978; OB No.:6.3; Accountabilities: Direct: Gaduen Dema, AE, EID No. 200807188; M/s Delek Builder Pvt. Ltd., CDB. No. 7183; Supervisory: Tharchin Lhendup, Dzongdag, EID No. 8709022; Pema Dorji, Dzongrab, EID No. 9607074; Rinchen Gyeltshen, DEO, EID No. 9108071; Tenzin Phuntsho, FO, EID No. 20130101125; Chador Phuntsho, DE, EID No. 9102052)

Status: Observation not settled.

The Dzongkhag Administration, Samdrupjongkhar submitted justification vide letter No. SDA/DES-04/2021-2022/1813 of 12/10/2021 stating that the court verdict was out in favour of the Dzongkhag. The contractor has absconded and could not be arrested even after the 3rd arrest warrant dated 28/07/2021 issued by Samdrupjongkhar Court.

However, the ATR reminder was served vide No. OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/717 of 29/11/2023.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 114.254 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 114.254 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.5	Payment made without supporting documents	9.412	-	9.412
5.6	Missing disbursement vouchers	104.842	-	104.842
	Total:	114.254	0	114.254

5.5 PAYMENT WITHOUT SUPPORTING DOCUMENTS – NU. 9.412 MILLION

The Dzongkhag Administration, Samdrupcholing had booked expenditure aggregating to Nu. 9.412 million on account of various expenses without supporting documents for

the FYs 2016-17 and 2017-18. (AIN: 16344; OB No.: 1 (Part-I A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Wangchuk Dorji, Accts. Asstt., EID No. 200807270)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

5.6 MISSING DISBURSEMENT VOUCHERS – NU. 104.842 MILLION

The Drungkhag Administration, Samdrupcholing had cases of missing vouchers valuing Nu. 104.842 million for the FY 2016-17 and 2017-18 on account of various expenses. The expenses were found reflected in the Cash Book but the disbursement/Journal/other and reversal vouchers were not physically available. (AIN: 16344; OB No.:2 (Part-I A); Accountabilities: Direct: Wangchuk Dorji, Accts. Asstt., EID No. 200807270; Supervisory: Wangchuk Dorji, Accts. Asstt., EID No. 200807270)

Status: Observation not settled.

As per letter No. SCDA/ACCTS-05/2021-2022/989 of 28/03/2022, the High Court verdict was out on 13/12/2021. According to the verdict, the accused Wangchuk Dorji has been imprisoned for 7 years and also ordered to restitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict.

However, in the process of misappropriation and embezzlement of funds, he has used a different mode of Operandi and involved many innocent employees of the Drungkhag to dissuade controlling officers and Royal Audit.

To this end, necessary administrative actions were taken on those employees as per the recommendations of RAA for indirectly aiding him in embezzling the funds despite proving them innocent. However, the Royal Court of Justice has also not implicated anyone of them in the case except the primary accused himself.

The Court verdict was issued on dated 13/12/2021. In accordance with the verdict, Wangchuk Dorji has been imprisoned for 7 years and also ordered to reinstitute Nu. 2,920,983.90 to the Royal Government within 6 months from the day of pronouncement of the verdict. However, accused Wangchuk Dorji is still at prison and couldn't recover the amount till date. ATR reminder letter was served vide No OAAGSJ/Follow-Up-01)Dz-SJONGKHAR/2022-2023/716 dated 29/11/2023.

3.2.10. DZONGKHAG ADMINISTRATION SARPANG

The unsettled irregularities of Nu. 0.103 million reported to the Parliament in April 2024 was settled as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.103	0.103	0	
	Total:	0.103	0.103	0	-

3.2.13. DZONGKHAG ADMINISTRATION, TRASHIYANGTSE

The Dzongkhag Administration had unsettled irregularities of Nu. 4.421 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	2.664	-	2.664	-
5	Shortfalls, lapses and deficiencies	1.757		1.757	0
	Total:	4.421		4.421	

The details of unsettled irregularities balances as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 2.664 MILLION

The cases of non-compliance to laws and rules involving Nu. 2.664 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Retention of fund under Closed Works Account	2.664	-	2.664
Total:		2.664	-	2.664

4.1 RETENTION OF FUND UNDER CLOSED WORKS ACCOUNT – NU. 2.664 MILLION

The Dzongkhag Administration, Trashiyangtse had retained Nu. 2.664 million under Closed Work Account during the FY 2017-18 for the construction of internal water pipeline at Duksum. However, despite closure of the subsequent FY 2018-19, the Dzongkhag Administration had not settled the closed work account. (AIN: 15891; OB No.: 1; Accountabilities: Direct: Tashi Rabten, Junior Engineer, EID No. 200807179; M/s Dawa Zangpo Construction, CDB No. 7184; Supervisory: Rinchen Laydra, Assistant Engineer, EID No. 9907022)

Status: Observation not settled.

As per ATR submitted vide letter No. Yangdzong/Zorig(04) 2021-2022/7083 dated 16/02/2023 the work booked under closed work (Sl.No. 2) is later completed by M/s Tsenkharla Construction as Dawa Zangpo Construction failed to complete the work. The arbitration instructed Dawa Zangpo Construction to refund a amount of Nu. 3,394,639.10 which is still pending as of date. Until such time, the said amount is recovered, the para shall remain unresolved. To this, the ATR reminder letter No. OAAGSJ/FOLLOW-UP-04/Dz-TYANGTSE/2023-2024/718 dated 01/12/2023 was served.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 1.757 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 1.757 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Excess Payments	0.398	0	0.398
5.2	Non-Recovery of 20% penalty for incomplete works	1.359	-	1.359
Total:		1.757	0	1.757

5.1 EXCESS PAYMENTS – NU. 0.398 MILLION

- a) The Dzongkhag Administration, Trashiyangtse had made excess payment of Nu. 0.398 million to M/s Lungkhor Construction for works not executed at site in the River Training wall at *Serkang Chhu* - Phase II. The excess payment had occurred due to difference in the quantities paid for and quantities actually executed at site for plum concrete works. (AIN: 15891; OB No.:7; Accountabilities: Direct: Tashi Rabten, Junior Engineer, EID No. 200807179; M/s Lungkhor Construction, CDB No. 4793; Supervisory: Rinchen Dorji, Finance Officer, EID No. 20150104953)

Status: Observation not settled.

The ATR reminder letter No. OAAGSJ/FOLLOW-UP-04/Dz-TYANGTSE/2023-2024/718 dated 01/12/2023 was served for expediting the submission of ATR.

5.2 NON-RECOVERY OF 20% PENALTY FOR INCOMPLETE WORKS – NU. 1.359 MILLION

The Dzongkhag Administration, Trashiyangtse had not recovered 20% on the value of works not completed and mobilisation advance amounting to Nu. 1.359 million from the construction of Four-Unit Staff Quarter at Kheni LSS awarded to M/s Lhawang Gyajin Construction, Trashiyangtse upon termination of the contract. The case is under Royal Court of Justice, Trashiyangtse. (AIN: 15891; OB No.:9; Accountabilities: Direct: Namgay Phuntsho, JE, EID No. 20140103499; M/s Lhawang Gyajin Construction, CDB No. 5007; Supervisory: Tshering Wangchuk, Principal Engineer, EID No. 9307023)

Status: Observation not settled.

The ob is under legal suit and decision of court is still pending. ATR reminder sent vide letter No. OAAGSJ/FOLLOW-UP-04/Dz-TYANGTSE/2023-2024/718 dated 01/12/2023.

3.2.14. DZONGKHAG ADMINISTRATION, TRONGSA

The unsettled irregularities of Nu. 25.469 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	6.845	-	6.845	-

5	Shortfalls, lapses and deficiencies	18.624	-	18.624	-
Total:		25.469	-	25.469	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 6.845 MILLION

The cases of non-compliance to laws and rules involving Nu. 6.845 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Extravagant payment	6.419	-	6.419
4.2	Short/Non-levy of Liquidated Damages	0.426	-	0.426
Total:		6.845	-	6.845

4.1 EXTRAVAGANT PAYMENT – NU. 6.419 MILLION

The Dzongkhag Administration, Trongsa had made extravagant payment amounting to Nu. 6.419 million to M/s Dechen Construction, Sarpang against an item of wood work in the construction of Eight-Unit Classroom with ADM Block and Laboratory Block at Tshangkha CS.

The estimated rate prepared by the Dzongkhag Administration for the item of work 'Providing and Fixing dressed wood work in timber nailing strip 50x25 including finishing with two coat of touch wood polish' based on the BSR 2013, Gelephu with 20% cost index was only Nu. 63.79 per metre as against the quoted rate of Nu. 15,000.00 per metre. As per estimate, the value of work amounted to Nu. 0.027 million only.

The evaluation committee had failed to detect the highly inflated bid price quoted for the item and had also failed to ask for rate analysis from the contractor resulting into the above extravagant payment. (AIN: 16452; OB No.: 17.6; Accountabilities: Direct: Lhawang Gyelmo, AE, EID No. 200307021; M/s Dechen Construction, Sarpang, CDB No. 1899; Supervisory: Sonam Dorji, DE, EID No. 200507214).

Status: Observation not settled.

The principal amount Nu. 349,720.00 was deposited vide receipt No. 02157 dated 03/11/22 into ARA, however, the penalty amount Nu. 109,264.83 yet to be recovered. The latest follow up reminder letter was served vide letter RAA-BT/Fus-03/2023/130 dated 20/11/2023.

4.2 SHORT/NON-LEVY OF LIQUIDATED DAMAGES – NU. 0.426 MILLION

- a) The Dzongkhag Administration, Trongsa had short-levied liquidated damages amounting Nu. 0.244 million in the construction of Six-Unit Classroom Block at Samcholing MSS awarded to M/s L S Co nstruction. The contractor was liable for Nu. 0.319 million for delay in completion of works but was levied only Nu. 0.075 million. The contractor had submitted work completion report on 20 June 2017 but the Dzongkhag Administration had taken over the completed works only on 30 January 2018 after a substantial lapse of seven months. (AIN: 16452; OB No.: 19; Accountabilities: Direct: Dawa Lhamo, AE, EID No. 200508155; M/s L.S. Construction, CDB No. 5343; Supervisory: Sonam Dorji, DE, EID No. 200507214)

Status: Observation not settled.

Reminder served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021

- b) The Dzongkhag Administration, Trongsa had not levied liquidated damages amounting to Nu. 0.182 million for delay in completion of construction of Eco-Tourism Guest House at Nabji-Korphu awarded to M/s Tshering Tenzin Construction, Zhemgang. The completion was delayed by nine months. (AIN: 16452; OB No.: 20.1; Accountabilities: Direct: Sangay Dorji, AE, EID No. 20140103509; M/s Tshering Tenzin Construction, CDB No. 2135; Supervisory: Sonam Dorji, DE, EID No. 200507214)

Status: Observation not settled.

Reminder served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021 to the Trongsa Dzongkhag, however, no ATR has been received.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 18.624 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 18.624 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Short deduction of house rent	0.034	-	0.034
5.2	Double payment of TA/DA	0.030	-	0.030
5.3	Excess/Over Payments	0.623	-	0.623
5.4	Outstanding advances	1.718	-	1.718
5.5	Lapses in loan disbursement and repayments	14.916	-	14.916
5.6	Non-submission of details on procurement of HDPE pipes to DNP	1.303	-	1.303
	Total:	18.624	-	18.624

5.1 SHORT-DEDUCTION OF HOUSE RENT – NU. 0.034 MILLION

The Dzongkhag Administration, Trongsa had made short-deduction of monthly house

rents from the occupants of Government quarters to the tune of Nu. 0.188 million. The lapses had occurred due to non-revision of house rent as notified by the Ministry of Finance in 2018. (AIN: 16452; OB No.: 4; Accountabilities: Direct: (For Accountabilities refer Audit Report); Supervisory: Sangay Chojay, Assistant Accounts Officer, EID No. 20160106472)

Status: Observation not settled.

An amount of Nu. 154,035.92 deposited/adjusted leaving a balance of Nu.33,617.87 as on os date. A follow up reminder letter No.RAA-BT/Fus-03/2023/130 dated 20/11/2023 was served for submission of ATR.

5.2 DOUBLE PAYMENT OF TA/DA – NU. 0.030 MILLION

The Dzongkhag Administration, Trongsa had made double payments amounting to Nu. 0.302 million on account of Travelling and Daily Allowances of various officials. The double payments had occurred mainly due to non-maintenance of travel register and lack of effective controls. (AIN: 16452; OB No.: 7; Accountabilities: Direct: (For Accountabilities refer Audit Report); Supervisory: Sangay Chojay, Assistant Accounts Officer, EID No. 20160106472)

Status: Observation not settled.

An amount of Nu. 272,248.00 had been deposited/adjusted, leaving a balance of Nu.29,500.00 as on 30/9/2021. A follow up reminder letter No.RAA-BT/Fus-03/2023/130 dated 20/11/2023 was served for submission of ATR.

5.3 EXCESS/OVER PAYMENT – NU. 0.623 MILLION

- a) The Dzongkhag Administration, Trongsa had made excess payment amounting to Nu. 0.084 million for plinth protection works in the construction of Eight-Unit Classroom with ADM Block and Laboratory Block at Tshangkha CS to M/s Dechen Construction, Sarpang. The excess payment had occurred due to payment for RCC plinth protection works instead of PCC plinth protection works executed at site. (AIN: 16452; OB No.: 17.7; Accountabilities: Direct: Lhawang Gyelmo, AE, EID No. 200307021; M/s Dechen Construction, Sarpang, CDB No. 1899; Supervisory: Sonam Dorji, DE, EID No. 200507214)

Status: Observation not settled.

A sum of Nu.0.084 millon is deposited into ARA vide R/No.02157 dated 03/11/2022 leaving the interest portion amount of Nu. 33,506.09 as on 31/03/2022. A follow up reminder letter No.RAA-BT/Fus-03/2023/130 dated 20/11/2023 was served for submission of ATR.

- b) The Dzongkhag Administration, Trongsa had made excess payment of Nu. 0.341 million to the contractor in the construction of Eight-Unit Classroom with Administrative Block and Laboratory Block at Tshangkha CS awarded to M/s Dechen Construction, Sarpang. The excess payment had occurred due to non-

deduction of beams and slabs for computing quantity of concrete bricks work for the superstructure. (AIN: 16452; OB No.:17.1; Accountabilities: Direct: Lhawang Gyelmo, AE, EID No. 200307021; M/s Dechen Construction, CDB No. 1899; Supervisory: Sonam Dorji, DE, EID No. 200507214)

Status: Observation not settled.

Several follow up reminder letters were served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021 and vide letter RAA-BT/Fus-03/2023/130 dated 20/11/2023, however, no ATR has been received as of date.

- c) The Dzongkhag Administration, Trongsa had made excess payment of Nu. 0.053 million to the contractor in the construction of 8 Unit Classroom with Administrative Block and Laboratory Block at Tshangkha CS M/s Dechen Construction, Sarpang. The excess payment had occurred due to payment for 5.64 m³ as against actual execution of 2.70 m³ at site for providing and fixing flooring joists. (AIN: 16452; OB No.:17.4; Accountabilities: Direct: Lhawang Gyelmo, AE, EID No. 200307021; M/s Dechen Construction, CDB No. 1899; Supervisory: Sonam Dorji, DE, EID No. 200507214)

Status: Observation not settled.

Several follow up reminder letters were served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021 and vide letter RAA-BT/Fus-03/2023/130 dated 20/11/2023, however, no ATR has been received as of date.

- d) The Dzongkhag Administration, Trongsa had made excess payment of Nu. 0.229 million to the contractor in the Construction of 120 bedded hostels for Boys and Girls with site development at Tshangkha CS awarded to M/s Samphel Dhendup Construction, Punakha. The excess payment had occurred due to non-deduction of beams and slabs for computing quantity of concrete bricks work for the superstructure. (AIN: 16452; OB No.:18.2; Accountabilities: Direct: Lhawang Gyelmo, AE, EID No. 200307021; M/s Samphel Dhendup Construction, Punakha CDB No. 2266; Supervisory: Sonam Dorji, DE, EID No. 200507214)

Status: Observation not settled.

Several follow up reminder letters were served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021 and vide letter RAA-BT/Fus-03/2023/130 dated 20/11/2023, however, no ATR has been received as of date.

5.4 OUTSTANDING ADVANCES – NU. 1.718 MILLION

- a) The Dzongkhag Administration, Trongsa had outstanding Public Works Advances amounting to Nu. 1.184 million lying against M/s AP Sha Construction, Thimphu pertaining to the Re-electrification of Trongsa Dzong. The advance was not adjusted

from the final bill. (AIN: 16452; OB No.:22; Accountabilities: Direct: Tshering Dawa, Accounts Assistant, EID No. 20141204880; M/s Ap Sha Construction, CDB No. 4153; Supervisory: Sangay Chojay, Assistant Accounts Officer, EID No. 20160106472)

Status: Observation not settled.

Several follow up reminder letters were served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021 and vide letter RAA-BT/Fus-03/2023/130 dated 20/11/2023, however, no ATR has been received as of date.

- b) The Dzongkhag Administration, Trongsa had outstanding Public Works Advances amounting to Nu. 0.534 million lying unadjusted against M/s AK Construction pertaining to Monmay Gang Irrigation Channel. The Dzongkhag had not deducted the advances released to the contractor from the bills. (AIN 16452; OB No.: 21; Accountabilities: Direct: Tshering Dawa, Accounts Assistant, EID No. 20141204880; M/s AK Construction, CDB No. 6097; Supervisory: Sangay Chojay, Assistant Accounts Officer, EID No. 20160106472)

Status: Observation not settled.

Several follow up reminder letters were served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021 and vide letter RAA-BT/Fus-03/2023/130 dated 20/11/2023, however, no ATR has been received as of date.

5.5 LAPSES IN LOAN DISBURSEMENT AND REPAYMENTS

The Dzongkhag Administration, Trongsa had disbursed loans amounting to Nu. 14.916 million (including interest) to various individuals and party from the *Moenlam Chhenmo* Fund. There were no records to authenticate the repayment of these loans and the same could not be verified during audit. The RAA could not verify the account of the funds in the absence of records. The Dzongkhag was asked to furnish relevant documents for further review. (AIN: 16452; OB No.: 31.2; Accountabilities: Direct: Tashi Pelden, CID No. 11704001027; Jigme Namgayl, CID No. 11705001719, Supervisory: Kinley Gyeltshen, Dzongrab, EID No. 9904019; Tashi Pelden, CID No. 11704001027; Jigme Namgayl, CID No. 11705001719).

Status: Observation not settled.

Several follow up reminder letters were served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021 and vide letter RAA-BT/Fus-03/2023/130 dated 20/11/2023, however, no ATR has been received as of date.

5.6 NON-SUBMISSION OF DETAILS ON PROCUREMENT OF HDPE PIPES TO DNP

The Dzongkhag Administration, Trongsa had procured HDPE pipes valuing Nu. 1.303 million during 2017-18. However, the Dzongkhag Administration had failed to endorse the total quantities purchased to the Department of National Properties, Ministry of Finance as required for processing 6% rebate. As a result, the Department of National

Properties, Ministry of Finance could not avail 6% rebate amounting to Nu. 0.078 million offered by M/s Bhutan Polythene Corporation Limited, Phuentsholing. (AIN: 16452; OB No.: 15; Accountabilities: Direct: Pema Chophel, Procurement Officer, EID No. 20140504341; Supervisory: Pema Chophel, Procurement Officer, EID No. 20140504341)

Status: Observation not settled.

Several follow up reminder letters were served vide letter No.RAA/BT/Fus-01/2021/505 dated 14/04/2021 and vide letter RAA-BT/Fus-03/2023/130 dated 20/11/2023, however, no ATR has been received as of date.

3.2.15. DZONGKHAG ADMINISTRATION, WANGDUE PHODRANG

The unsettled irregularities of Nu. 0.253 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 is as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.253		0.253	-
	Total:	0.253		0.253	

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.253 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.253 million as of 31 March 2025 as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.5	Non-deduction of rebate - Nu. 253,001.00 (4.4.69)	0.253	-	0.253

	Total:	0.253	0	0.253
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5.2 Non-DeDUCTION of rebate nu. 0.253 million

The Dzongkhag Administration, Wangdue Phodrang had not deducted deductible rebate from the contractor's bill payment. As per the contract documents and the Bill of Quantities, the contractor had offered lump-sum rebate of Nu. 253,001.00. The contractor submitted the final bill amounting to Nu. 366,883.00 and amount payable to the contractor after deduction of rebate amount of Nu. 253,001.00 stands at Nu. 113,882.00. However, instead of making the payment of Nu. 113,882.00, the contractor was paid Nu. 257,756.00 thereby leading into non-deduction of rebate of Nu. 253,001.00. (AIN: 16290; OB No.:13,2; Yeshey Rinzin, Engineer, EID No. 201101215; Tendrel Phuensum Construction, CDB No. 4372Kintu, District Engineer, EID No. 200801083.

Status: Observation not settled.

Follow up reminder letters have been served vide letter No.RAA/BT/Fus-01/2021/503 dated 13/04/2021 and RAA-BT/Fus-03/2023/320 dated 24.04.2023. However, response from the Dzongkhag Administration has not been received.

3.2.16. DZONGKHAG ADMINISTRATION, ZHEMGANG

Out of unsettled irregularities of Nu. 1.728 million reported to the Parliament in April 2024, Nu. 0.678 was settled and remained unsettled balances of Nu. 1.050 as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
3	Mismanagement	0.332	0.332	0	100
4	Non-compliance to laws and rules	0.346	0.346	0	100
5	Shortfalls, lapses and deficiencies	1.050	-	1.050	-
	Total:	1.728	0.678	1.050	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 1.050 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 1.050 million are as

indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.2	Excess payment	0.281	-	0.281
5.3	Payment made without receipt of materials	0.078	-	0.078
5.4	Outstanding Advances	0.691	-	0.691
	Total:	2.789	-	1.050

5.1 EXCESS PAYMENT – NU. 0.281 MILLION

- a) The Dzongkhag Administration, Zhemgang had made excess payment of Nu. 0.214 million for construction of RRM open surface drain in the Improvement Work of Drainage System at Gomphu LSS awarded to M/s Urung Construction, Trashigang. The excess payment had occurred due to difference in the quantities paid for and quantities actually executed at site. The works completed included quantities of footpath already constructed and paid in the previous FY. (AIN: 16290; OB No.:15; Accountabilities: Direct: Binod Kr. Tamang, Engineer, EID No. 200407010; M/s Urung Construction, CDB No. 7974; Supervisory: Kintu, DE, EID No. 200801083)

Status: Observation not settled.

A reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/503 dated 13/04/2021. However, no ATR response has been received.

- b) The Dzongkhag Administration, Zhemgang had made excess payment of Nu. 0.067 million in the Construction of Two Units Lam's Zhimchung at Phumethang awarded to M/s CC Construction. The excess payment had occurred due to difference in the quantities paid for and quantities actually executed at site. (AIN: 16290; OB No.:18; Accountabilities: Direct: Kintu, DE, EID No. 200801083; M/s CC Construction, CDB No. 7885; Supervisory: Kintu, DE, EID No. 200801083)

Status: Observation not settled.

A reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/503 dated 13/04/2021. However, no ATR response has been received.

5.2 PAYMENT MADE WITHOUT RECEIPT OF MATERIALS – NU. 0.078 MILLION

The Dzongkhag Administration, Zhemgang had made payment of Nu. 0.078 million for materials to be used for Construction of Bridge at Berti, which was undertaken departmentally. During the physical verification, it was observed that the Dzongkhag had not received the materials despite releasing the payment. (AIN: 16290; OB No.:17; Accountabilities: Direct: Kintu, DE, EID No. 200801083; Supervisory: Kintu, DE, EID No. 200801083)

Status: Observation not settled.

A reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/503 dated 13/04/2021. However, no ATR response has been received.

5.3 OUTSTANDING ADVANCES – NU. 0.691 MILLION

The Dzongkhag Administration, Zhemgang had overdue outstanding advances of Nu. 0.691 million against four parties and an individual. All outstanding advances against four parties pertained to 2011, 2013 and 2014. (AIN: 16290; OB No.: 20; Accountabilities: Direct: Tilak Thara, Accountant, EID No. 201007232; Tshering Nidup, Accounts Assistant, EID No. 201007231; Tashi Choden, Thrummed, EID No. 12008003800; Tshering Nidup, Accounts Assistant, EID No. 201007231; Supervisory: Jigme Dorji, Finance Officer, EID No. 20130101147; Til Bahadur Ghalley, Accounts Officer, EID No. 200701133; Tshering Choden, Accounts Officer; EID No. 20160106474)

Status: Observation not settled.

A reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/503 dated 13/04/2021. However, no ATR has been received.

3.3. GEWOGS ADMINISTRATIONS

3.3.1. GEWOGS ADMINISTRATION UNDER BUMTHANG DZONGKHAG

I. CHHOEKHOR

The unresolved irregularities of Nu.0.318 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as discussed below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	0.318	-	0.318	
	Total:	0.318	-	0.318	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.318 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.318 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025
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		million)		(Nu. in million)
4.1	Shortage of HDPE pipes	0.318	-	0.318
	Total:	0.318	-	0.318

4.1. SHORTAGE OF HDPE PIPES – NU. 0.318 MILLION

The Gewog Administration, Chhoekhor had shortages of HDPE Pipes valuing Nu. 0.318 million purchased for Rural Water Supply Scheme. There were differences in the stock balance as per the stock register and ground balance. (AIN: 16253; OB No.: 7; Accountabilities: Direct: Pema Doengyel, Gup, CID No. 10101004727; Supervisory: Pema Doengyel, Gup, CID No. 10101004727)

Status: Observation not settled.

Repeated reminder letters were served vide letter No.RAA/BT/Fus-01/2021/451 dated 23/03/2021 and vide letter No.RAA/BT/Fus-01/2021/123 dated 13/04/2021. However, no ATR has been received.

3.3.2. GEWOGS ADMINISTRATION UNDER CHHUKHA DZONGKHAG

I. BONGO

The unresolved irregularities of Nu.0.567 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as discussed below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.567	-	0.567	-
	Total:	0.567	-	0.567	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.567 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.567 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Excess Payment to contractor	0.567	-	0.567
	Total:	0.567		0.567

5.1 EXCESS PAYMENT TO CONTRACTOR – NU. 0.567 MILLION

The Gewog Administration, Bongo had made excess payment of Nu. 0.567 million on account of supply of boulders in the re-construction of Gedu Eukha Lhakhang. The excess payment had occurred due to release of payments for 678m³ as against the actual supply of 81m³ of boulders. *(AIN: 16057; OB No.:1.2; Accountabilities: Direct: Dewas Biswa, JE, EID 20140103469; Tshering Nidup, Gup, CID No: 10203002306; Supervisory: Tshering Nidup, Gup, CID No: 10203002306)*

Status: *Observation not settled.*

Follow-up reminder was issued vide RAA/OAAG-Pling/Bon-Gw-A4/2021/953 date 07.09.2021

The Gewog Administration Bongo was asked to submit ATR as per the resolution of follow up meeting convened on 11.09.2023.

3.3.5. GEWOGS ADMINISTRATION UNDER MONGGAR DZONGKHAG

VIII. SILAMBI

The unsettled irregularities of Nu.1.783 million reported to the Parliament April 2024, remained unsettled as on 31 March 2025 as shown in the table below

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	0.576	-	0.576	
5	Shortfalls, lapses and deficiencies	1.207	-	1.207	
	Total:	1.783	-	1.783	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.576 MILLION

The case of non-compliance to laws and rules involving Nu. 0.576 million is as indicated below:

4.1 NON-LEVY OF LIQUIDATED DAMAGES – NU. 0.576 MILLION

The Gewog Administration, Silambi had not levied liquidated damages amounting to Nu. 0.576 million for delay of 261 days in completion of construction of Gyelgong Farm Road. The work was awarded to M/s Doenay Khorlo Construction, Zhemgang at the tendered amount of Nu. 5.900 million in June 2016 and completed only on 1 April 2018 after substantial delay. *(AIN: 16263; OB No.:1; Accountabilities: Direct: Padam Bdr. Rai, Site Engineer, EID No. 20120100121; M/s Doenay Khorlo Construction, CBD No. 7825; Supervisory: Dorji Wangchuk, Gup, CID No. 10713001850)*

Status: *Observation not settled.*

The Gewog Administration was served with a reminder vide letter No.RAA/BT/Fus-01/2021/537 dated 26/04/202, however, no ATR has been received.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 1.207 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 1.207 million is as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Payment for Works not executed	0.767	-	0.767
5.2	Double payment of hiring charges	0.440	-	0.440
	Total:	1.207	-	1.207

5.1 PAYMENT FOR WORKS NOT EXECUTED – NU. 0.767 MILLION

The Gewog Administration, Silambi had paid Nu. 0.767 million to M/s Doenay Khorlo Construction, Zhemgang for works not executed in the construction of Gyelgong Farm Road. The work was awarded at tendered amount of Nu. 5.900 million in June 2016 and was stated to have been completed on 1 April 2018. However, the V-shaped earthen drains were found not executed during the physical verification of site carried out on 23 May 2018 along with Dzongkhag and Gewog Officials. *(AIN: 16263; OB No.: 1.2; Accountabilities: Direct: Padam Bdr. Rai, Site Engineer, EID No. 20120100121; M/s Doenay Khorlo Construction, CBD No. 7825; Supervisory: Dorji Wangchuk, Gup, CID No. 10713001850)*

Status: *Observation not settled.*

The Gewog Administration was served with a reminder vide letter No.RAA/BT/Fus-01/2021/537 dated 26/04/202, however, no ATR has been received.

5.2 DOUBLE PAYMENT OF HIRING CHARGES – NU. 0.440 MILLION

The Gewog Administration, Silambi had made double payments of Nu. 0.440 million for hiring of excavator in the maintenance of Nagor Farm Road for the months of August and September 2017. It was noted that double payments were made on 20 September 2017 and 24 January 2018. *(AIN: 16263; OB No.: 2; Accountabilities: Direct: Padam Bdr. Rai, Site Engineer, EID No. 20120100121; M/s Ngawang Hiring, License No. 6009217; Supervisory: Dorji Wangchuk, Gup, CID No. 10713001850)*

Status: *Observation not settled.*

The Gewog Administration was served with a reminder vide letter No.RAA/BT/Fus-01/2021/537 dated 26/04/202, however, no ATR has been received.

X. TSAKALING

The unsettled irregularities of Nu.0.258 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.258	0	0.258	0
	Total:	0.258	0	0.258	0

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.285 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.285 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Excess Payment in CRM works	0.101	-	0.101
5.2	Non recovery of the Positive Difference	0.157	-	0.157
	Total:	0.258	0	0.258

5.1 EXCESS PAYMENT IN CRM WORKS – NU. 0.101 MILLION

The Gewog Administration, Tsakaling had made excess payment of Nu. 0.101 million to M/s Wangdi Shermung Construction in the construction of meeting hall at Tsakaling Gewog Centre. The excess payments had occurred due to non-deduction of RCC works from CRM in superstructure works. *(AIN: 16265; OB No.:1.1; Accountabilities: Direct:*

Tshewang Rinzin, Site Engineer, EID No. 9301052; M/s Wangdi Shermung Construction, CBD No. 4233; Supervisory: Karma Sonam Wangchuk, Gup, CID No. 10716002494)

Status: *Observation not settled.*

A reminder letter has been served vide letter No.RAA/Bt/Fus-01/2021/195 dated 30/12/2022.

5.2 NON-RECOVERY OF THE POSITIVE DIFFERENCE - NU. 0.157 MILLION

The Gewog Administration, Tsakaling had failed to recover the positive difference of Nu. 0.157 million between the lowest and second evaluated bidder upon withdrawal by the first lowest evaluated bidder with a bid value of Nu. 2.232 million in the construction of Gewog meeting hall. Subsequently, the work was awarded to the second lowest evaluated bidder M/s Wangdi Shermung Construction, Monggar at the bid price of Nu. 2.389 million. *(AIN: 16265; OB No.:2; Accountabilities: Direct: Tshewang Rinzin, Site Engineer, EID No.9301052; M/s Wangdi Shermung Construction, CBD No. 4233; Supervisory: Karma Sonam Wangchuk, Gup, CID No. 10716002494)*

Status: *Observation unsettled.*

The observation has been settled as the contractor had rectified the work as per the completion report submitted to the RAA vide letter No.MD/DES-16/2019/2654 dated 29/08/2019 & handing taking over note letter No.Tsamang-24/2018/205 dated 28/06/2018 submitted along with pictorial evidence endorsed by the Geog committee.

3.3.8. GEWOGS ADMINISTRATION UNDER TRONGSA DZONGKHAG

I. KORPHU

The unsettled irregularities of Nu.0.381million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.381	-	0.381	
	Total:	0.381	-	0.381	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.381 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 0.381 million is as indicated below:

5.1 OUTSTANDING ADVANCES – NU. 0.381 MILLION

The Gewog Administration, Korphu had not adjusted advances of Nu. 0.381 million against parties and individuals as on 30 June 2018. All outstanding advances pertained to prior FYs. *(AIN: 16479; OB No.:2; Accountabilities: Direct: Tshering Dendup, Accounts Assistant, EID No. 200307157; Supervisory: Sangay Khandu, Gup, CID No. 11702001343)*

Status: *Observation not settled.*

A reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/512 dated 15/04/2021, however, no ATR has been received.

II. LANGTHIL

The unsettled irregularity of Nu.0.092 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.092	-	0.092	
	Total:	0.092	-	0.092	-

The details of the unsettled irregularity reported as on 31 March 2025 is as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.092 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 0.092 million is as indicated below:

5.1 EXCESS PAYMENT OF MACHINE HIRE CHARGES – NU. 0.092 MILLION

The Gewog Administration, Langthil had made excess payment of Nu. 0.092 million towards hiring charges of machinery in the restoration work of Ramedegang Farm Road. The excess payments had occurred due to payment for 320 hours as against actual engagement for 287 hours. *(AIN: 16482; OB No.:3; Accountabilities: Direct: Sonam Tshering, AE, EID No. 20140103506; Supervisory: Sonam Dendup, Gup, CID No. 11703000276)*

Status: *Observation not settled.*

A reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/512 dated 15/04/2021, however, no ATR has been received.

III. NUBI

The unsettled irregularities of Nu.1.435 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 31 29Feb 2024(Nu.M)	Settled/ Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	0.957	-	0.957	
5	Shortfalls, lapses and deficiencies	0.478	-	0.478	
	Total:	1.435	-	1.435	-

The details of the unsettled irregularities as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.957 MILLION

The case of non-compliance to laws and rules involving Nu. 0.957 million is as indicated below:

4.1 ACCEPTANCE OF SUBSTANDARD WORKS – NU. 0.957 MILLION

The Gewog Administration, Nubi had accepted substandard quality of RCC walls valuing Nu. 0.957 million in the construction of counterfort wall executed by M/s Kuenphen Redna Construction at Nubi Gewog at the cost of Nu. 1.766 million. *(AIN: 16490; OB No.:4.1; Accountabilities: Direct: Choida, Dy. EE, EID No. 200307016; Ugyen Tenzin, Gup, CID No. 11704000066; Supervisory: Ugyen Tenzin, Gup, CID No. 11704000066)*

Status: *Observation not settled.*

Nubi Gewog had submitted photographic evidence of the rectified work vide letter No. DAT/DE&HS/26/2021-2022/12 dated 09/07/21. However, RAA could not determine the quality of the Counterfort wall at Bemjee through photographs, so it was decided to involve experts to inspect and give final opinion during Dzongkhag Audit. To this, a reminder letter was served vide letter No.RAA/BT/Fus-01/2021/128 dated 13/04/2021

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.478 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 0.478 million is as indicated below:

5.1 OUTSTANDING ADVANCES – NU. 0.478 MILLION

The Gewog Administration, Nubi had not adjusted advances of Nu. 0.478 million against two parties and two individuals as on 30 June 2018. Major portion of the outstanding advances pertained to years prior to FY 2016-17. (AIN: 16490; OB No.:5; Accountabilities: Direct: Yonten Namgay, Accounts Assistant, EID No. 200907007; Supervisory: Ugyen Tenzin, Gup, CID No. 11704000066)

Status: Observation not settled.

Reminder letters were served vide letter No. RAA/BT/Fus-01/2021/512 dated 15/04/2021 and vide letter No. RAA/BT/Fus-01/2021/128 dated 13/04/2021. However, no ATR has been received as of date.

IV. TANGSIBJI

The unsettled irregularity of Nu.0.078 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.078	-	0.078	
	Total:	0.078	-	0.078	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.078 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 0.078 million is as indicated below:

5.1 OUTSTANDING ADVANCES – NU. 0.078 MILLION

The Gewog Administration, Tangsibji had not adjusted advance of Nu. 0.078 million lying against M/s Tshering Choden Construction as on 30 June 2018. (AIN: 16481; OB No.:5; Accountabilities: Direct: Kinzang Tenzin, EID No. 201001716; Supervisory: Gyembo Dorji, Gup, CID No. 11705002197)

Status: Observation not settled.

Reminder letters were served vide letter No. RAA/Bt/Fus-01/2021/515 dated 15/04/2021 and vide RAA-BT/Fus-03/2023/129 dated 20/11/2023, however, no ATR has been received.

3.3.9. GEWOGS ADMINISTRATION UNDER ZHEMGANG DZONGKHAG

II. GOSHING

The unsettled irregularities of Nu.0.177 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	0.177	-	0.177	
	Total:	0.177	-	0.177	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.177 MILLION

The case of non-compliance to laws and rules involving Nu. 0.177 million is as indicated below:

4.1 PAYMENT WITHOUT RECEIVING GOODS – NU. 0.177 MILLION

The Gewog Administration, Goshing had made payment of Nu. 0.177 million without receiving 2,800m of various sizes of HDPE pipes from M/s Muktsen Construction, Phuentsholing for Rural Water Supply Scheme at Lechibe. *(AIN: 16229; OB No.:1; Accountabilities: Direct: Pema Samdrup, Mangmi, CID No. 12003001794; M/s Muktsen Construction, Phuentsholing, License No. 2007617; Supervisory: Sherab Gyeltshen, GAO, EID No. 20085009)*

Status: *Observation not settled.*

A reminder letters was served vide letter No.RAA/BT/Fus-01/2021/117 dated 12/10/2020, however, no ATR has been received as of date.

III. NANGKOR

The unsettled irregularities of Nu. 7.496 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below:

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	0.836	-	0.836	
5	Shortfalls, lapses and deficiencies	6.660	-	6.660	
	Total:	7.496	-	7.496	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.836 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.836 million is as indicated below:

4.1 NON-LEVY OF LIQUIDATED DAMAGES – NU. 0.836 MILLION

- a) The Gewog Administration, Nangkor had not levied liquidated damages amounting to Nu. 0.836 million to M/s Zangchong Kjz Pvt. Ltd., Zhemgang for 147 days of delay in completion of laying of GSB and construction of V-Shaped drain on Tali to Goling Farm Road. (AIN: 16277; OB No.: 1.1; Accountabilities: Direct: Kuenga, Site Engineer, EID No. 200807185; M/s Zangchong Kjz Pvt. Ltd., Zhemgang, CDB No.7644; Supervisory: Dorji Wangchuk, Gup, CID No. 12004004480)

Status: Observation not settled.

The case is being reported pending at court. A follow up reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/116 dated 12/10/2020.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 6.660 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 6.660 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Excess payment	0.796	-	0.796
5.2	Non-deduction of rebate	4.125	-	4.125
5.3	Non-recovery of 20% penalty on incomplete works	1.739	-	1.739
Total:		6.660	-	6.660

5.1 EXCESS PAYMENT – NU. 0.796 MILLION

The Gewog Administration, Nangkor had made excess payment of Nu. 0.796 million to M/s Zangchong Kjz Pvt. Ltd., Zhemgang for laying of GSB and construction of V-Shaped drain on Tali to Goling Farm Road. The excess payments had occurred due to difference in the value of work paid for and actual value of work done at site prior to termination of the contract. (AIN: 16277; OB No.:1.2; Accountabilities: Direct: Kuenga, Site Engineer, EID No. 200807185; M/s Zangchong Kjz Pvt. Ltd., Zhemgang, CDB No. 7644; Supervisory: Dorji Wangchuk, Gup, CID No. 12004004480)

Status: Observation not settled.

The case is being reported pending at court. A follow up reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/116 dated 12/10/2020.

5.2 NON-DEDUCTION OF REBATE – NU. 4.125 MILLION

The Gewog Administration, Nangkor had not deducted lumpsum rebate amounting to Nu. 4.125 million from the bills of M/s Zangchong Kjj Pvt. Ltd, Zhemgang in laying of GSB and construction of V-Shaped drain on Tali to Goling Farm Road. The work was awarded at the tendered amount of Nu. 16.356 million. (AIN: 16277; OB No.:1.3; Accountabilities: Direct: Kuenga, Site Engineer, EID No. 200807185; M/s Zangchong Kjj Pvt. Ltd., Zhemgang, CDB No. 7644; Supervisory: Dorji Wangchuk, Gup, CID No. 1200400448)

Status: Observation not settled.

The case is being reported pending at court. A follow up reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/116 dated 12/10/2020.

5.3 NON-RECOVERY OF 20% PENALTY ON VALUE OF INCOMPLETE WORKS – NU. 1.739 MILLION

The Gewog Administration, Nangkor had not imposed 20% penalty to M/s Zangchong Kjj Pvt. Ltd., Zhemgang on value of incomplete works amounting to Nu. 1.739 million upon termination of contract. The contractor had carried out the laying of GSB and construction of V-Shaped drain on Tali to Goling Farm Road. (AIN: 16277; OB No.:1.4; Accountabilities: Direct: Kuenga, Site Engineer, EID No. 200807185; M/s Zangchong Kjj Pvt. Ltd., Zhemgang, CDB No. 7644; Supervisory: Dorji Wangchuk, Gup, CID No. 12004004480)

Status: Observation not settled.

The case is being reported pending at court. A follow up reminder letter has been served vide letter No.RAA/BT/Fus-01/2021/116 dated 12/10/2020.

3.4. AUTONOMOUS AGENCIES

During the year 2019, 14 Autonomous Agencies had unresolved irregularities amounting to Nu. 139.729 million as follows:

3.4.5. JIGME DORJI WANGCHUCK NATIONAL REFERRAL HOPITAL

The unsettled irregularities of Nu.0.941 million reported to the Parliament in April 2024, remain unsettled as on 31 March 2025 as summarized below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.941	-	0.941	
	Total:	0.941	-	0.941	-

The details of settled and unsettled irregularities as on 31 March 2025 is as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.941 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.941 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.2	Excess payment due to improper verification	0.941	-	0.941
	Total:	0.941	-	0.941

5.2. EXCESS PAYMENT DUE TO IMPROPER VERIFICATION - NU.0.941 MILLION

The JDWNRH had made an excess payment amounting to Nu. 0.941 million to M/s Ugyen Tshendhen Construction Pvt. Ltd. for the Construction of Bio-Medical, Maintenance and Procurement Office Building. The excess payment had occurred due to wrong recording of measurement, non-deduction of openings and arithmetical error with resultant improper verification and certification of the contractor's bill. (AIN: 16062; OB No: 6.1; Accountabilities: Direct: Chhimi Wangchuk, Engineer II, EID No. 20170107917; Supervisory: Dawa Tshering, Engineer, EID No. 20160106495)

Status: Observation not settled.

Several follow-up reports have been issued vide letter No. No. RAA/FUCD(W47-JDWNRH)2021/2439 dt.23/12/2021; RAA/FUCD(W47-JDWNRH)2021/2439 dt.23/12/2021 and RAA/FUCD(W47-JDWNRH)2023/986 dt.29/05/2023. However, the observation remained unresolved.

3.4.6. JUDICIARY OF BHUTAN

Out of unsettled irregularities of Nu. 1.899 million reported to the Parliament in April 2024, Nu. 0.065 was settled and Nu. 1.834 remained unsettled as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
3	Mismanagement	0.065	0.065	0	100
5	Shortfalls, lapses and deficiencies	1.834	-	1.834	-
	Total:	1.899	0.065	1.834	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 1.834 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 1.834 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.1	Missing of Vouchers and Supporting documents	1.834	-	1.834
	Total:	1.834	-	1.834

5.1. MISSING OF VOUCHERS AND SUPPORTING DOCUMENTS - NU.1.834 MILLION

The Royal Court of Justice, Pemagatshel had not produced vouchers and related supporting documents for Nu.1.834 million pertaining to FYs 2015-16, 2016-17 and 2017-18. The missing documents indicated lack of adequate supervision and failure to exercise due diligence while approving the payments. *(AIN: 15972; OB No: 5; Accountabilities: Direct; Dhendup Tshering, Accountant, EID No: 200807257; Supervisory: Dasho Tharchean, Drangpon, EID No: 9502033)*

Status: *Observation not settled.*

Follow up reminder letters were served vide letter No. RAA/OAAG(SJAR-04/PG-Court/2020/20 dated 07.07.2020 and vide letter No. OAAGSJ/FOLLOW-UP-02/COURT-PGATSHEL/2023-2024/715 dated 29/11/2023. However, the observation remained unresolved.

3.4.7. NATIONAL ENVIRONMENT COMMISSION

The unsettled irregularity of Nu.0.145 million reported to the Parliament in April 2024, remained unresolved as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.145	-	0.145	
	Total	0.145	-	0.145	-

The details of unsettled irregularities as on 31 March 2025 is as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.145 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 0. 0.145 million is as indicated below:

5.1. OUTSTANDING ADVANCES - NU. 0.145 MILLION

The Secretariat, NEC had not adjusted advances amounting to Nu. 0.198 million against an official pertaining to FY 2017-18. The additional advances were paid to an official without adjusting the previous advances. *(AIN: 15823; OB No: 2; Accountabilities: Direct; Passang, Driver, EID No: 200907026; Supervisory: Kesang Jamtsho, Sr. Human Resource Officer EID No: 200502008)*

Status: *Observation not settled.*

A sum of Nu.53,000.00 was dropped based on the adjustment made from the TA/DA and deduction from the monthly salary vide letter No. NEC/AFD/Accts (EFLOW)2/20-21/633

dt.23/04.2021. As per the recommendation of the 7th follow up report, the balance amount of Nu.161,495.00 should be recovered from the individual and deposit into ARA along with 24% penalty. Further, 8th follow up report was issued vide RAA/FLSD (4- MoENR)/DoECC/2023/648 dated 12/10/2023. However, the observation remained unresolved. as of date.

3.4.10. ROYAL UNIVERSITY OF BHUTAN

The unsettled irregularities of Nu.9.164 million reported to the Parliament April 2024, remained unsettled as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	9.164	-	9.164	
5	Shortfalls, lapses and deficiencies				Unsettled
Total:		9.164	-	9.164	-

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 9.164 MILLION

The cases of non-compliance to laws and rules involving Nu. 9.164 million are as indicated below:

4.3. NON-LEVY OF LIQUIDATED DAMAGES - NU. 9.164 MILLION

The College of Natural Resources (CNR) had not levied liquidated damages amounting to Nu.9.164 million for delay of 389 days in the construction of Academic Buildings and its site development from M/s Raven Builders Pvt. Ltd. The contractor was already granted two time extentions aggregating to 169 days till 17 July 2018, but the works were incomplete at the time of audit in August 2019. (AIN: 16280; OB No: 1.1; Accountabilities: Direct: Yadav Dhungana, Site Supervising Engineer, EID No. RUB1502002, M/s Raven Builders Pvt. Ltd, CDB No. 2356; Supervisory: Dr. Phub Dorji, President, EID No. 9312018)

Status: Observation not settled.

The case is being reported under the Supreme Court. A follow up remainder has been served vide letter No. RAA/OAAG(T)/AR/CNR-PLC/2023-2024/0090 dated 21 Sept. 2023.

5. SHORTFALLS, LAPSES AND DEFICIENCIES

The cases of shortfalls, lapses and deficiencies are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 31 March 2023 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 29 Feb. 2024 (Nu. in million)
5.4	Delayed encashment of claims against Bank Guarantees			Unsettled
	Total:			

5.3. DELAYED ENCASHMENT OF CLAIMS AGAINST BANK GUARANTEES

The CNR could not encash the renewed Bank Guarantee amounting to Nu.13.700 million of M/s Raven Builders Pvt. Ltd., Gelephu in the construction of academic block and site development works. The Bank Guarantee was obtained against Performance Security of Nu.6.580 million and Mobilization Advance of Nu. 6.580 million from the Bhutan National Bank Limited, Wangdue Phodrang. *(AIN: 16280; OB No: 1.3; Accountabilities: Direct: Yadav Dhungana, Site Supervising Engineer, EID No. RUB1502002; M/s Raven Builders Pvt. Ltd, CDB No. 2356; Supervisory: Dr. PhubDorji, President, EID No. 9312018)*

Status: *Observation not settled.*

The case is being reported under the Supreme Court. A follow up remainder has been served vide letter No. RAA/OAAG(T)/AR/CNR-PLC/2023-2024/0090 dated 21 Sept. 2023.

3.4.11. GELEPHU THROMDE

Out of the unsettled irregularities of Nu. 1.076 million reported to the Parliament in April 2024 was settled as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	1.076	1.076	0	100
	Total:	1.076	1.076	0	

3.4.12. PHUENTSHOLING THROMDE

Out of the unsettled irregularities of Nu. 5.323million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	4.595	-	4.595	-
5	Shortfalls, lapses and deficiencies	0.728	-	0.728	-
	Total:	5.323	0	5.323	

The details of the irregularities remained unsettled as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 4.595 MILLION

The cases of non-compliance to laws and rules involving Nu. 4.595 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Non-recovery of 20% penalty for incomplete works and payment at higher rate	3.606	-	3.606
4.2	Inappropriate rate analysis	0.989	-	0.989
	Total:	4.595	-	4.595

4.1. NON-RECOVERY OF 20% PENALTY FOR INCOMPLETE WORKS AND PAYMENT AT HIGHER RATE – NU. 3.606 MILLION

The Phuentsholing Thromde had not realized 20% penalty on the value of incomplete works amounting to Nu. 3.166 million from the contractor upon termination of contract in the construction of Urban Road (Base Course & Permanent works) at Pekarzhang. The contract was terminated due to failure of M/s K.W Construction Pvt. Ltd., Thimphu to re-submit Performance Security in accordance to the revised due date of completion from earlier 25 November 2017 to 25 January 2018.

Further, the contractor was paid Nu. 0.440 million in excess for preparation of sub grade due to payment at a rate higher than quoted rate. (AIN: 16337; OB No.: 7; Accountabilities: Direct: Wangchuk Thaye, Exe. Secretary, EID No.: 9407082; Uma Pradhan, Accounts Officer, EID No.: 201101060; Nima Wangmo, Env. Officer, EID No.: 20160106396; Govinda Sharma, Sr. Architect, EID No.: 201001102; Tshewang Jeipo, Chief Engineer, EID No.: 200601091; Lobzang, Principal Engineer, EID No.: 8403052); Supervisory: Wangchuk Thaye, Exe. Secretary, EID No.: 9407082; Uma Pradhan, Accounts

Officer, EID No.: 201101060; Nima Wangmo, Env. Officer, EID No.: 20160106396; Govinda Sharma, Sr. Architect, EID No.: 201001102; Tshewang Jeipo, Chief Engineer, EID No.: 200601091; Lobzang, Principal Engineer, EID No.: 8403052)

Status: Observation not settled.

As per the follow up report no. RAA/OAAG-Pling/MoWHS-Thromde-D21/2020/528 date 25.09.2020 issued by RAA an amount of Nu.3.606 million along with 24% penalty stands recoverable.

4.2 INAPPROPRIATE RATE ANALYSIS – NU. 0.989 MILLION

The Phuentsholing Thromde had to change the BoQ specification of ‘Providing & Laying Precast Stone Masonry blocks (1:5:8) in cement mortar 1:6 in foundation and plinth - 20cm thick (preferably factory made paver blocks)’ to precast masonry blocks of 60mm thick in the Landscaping and Beautification Project, Phase II due to non-availability of Precast Stone Masonry blocks in the factory. The work was awarded to M/s Druksam Builders, Phuentsholing. However, Thromde had analyzed and accepted the rate of Nu. 885.48 per square meter for 60mm thick paver blocks for providing and laying precast masonry blocks of 20cm (200mm) thick which stand inappropriate. (AIN: 16337; OB No.: 12.1; Accountabilities: Direct: Migma Sherpa, Jr. Engineer, EID No. 200607017; Supervisory: Karma Thinley, E. Engineer, EID No.: 8403053; Lobzang, Principal Engineer, EID No.: 8403052)

Status: Observation not settled.

The amount of Nu.0.989 million along with 24% penalty stands recoverable. As reported the case has been registered with Dungkhag Court on 21 Dec. 2022 and the court verdict is being awaited.

4. SHORTFALLS, LAPSES AND DEFICIENCIES - NU. 0.728 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.0728 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 31 March 2023 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 29 Feb. 2024 (Nu. in million)
5.1	Excess Payment	0.295	0	0.295
5.3	Outstanding Advances	0.433	-	0.433
	Total:	0.728	0	0.728

5.1. EXCESS PAYMENT - NU. 1.046 MILLION

The cases of excess payments are as follows:

- a) The Phuentsholing Thromde had made excess payment of Nu. 0.084 million to M/s Jurmey Rabten Youngdrup Construction for steel works in Dismantling & Re-roofing of PMSS (Location II) near Rabten Workshop. The excess payment occurred due to difference in quantities claimed by the contractor and actual quantities executed at site for steel welding works. (AIN: 16193; Ob. No: 9; Accountabilities Direct: Budhi Man Darjee, AE (EID No.200807191), UgyenChoden, Technician, EID

No.200301058, M/s JurmeyRabtenYoungdrup Construction, CDB Registration No. 7837; Supervisory: Lobzang, PE, EID No. 8403052)

Status: *Observtion not settled.*

The amount of Nu. 0.084 million along with 24% penalty stands recoverable as of date.

- h) The Phuentsholing Thromde had made excess payment of Nu. 0.211 million to M/s Druksam Builders in the Landscaping and Beautification Project Phase-II works. The excess payment had occurred due to differences in quantities claimed by the contractor and actual quantities executed at site besides payment at rate higher than the quoted rate for an item. (AIN: 16337; Ob. No: 12.2; Accountabilities Direct: Migma Sherpa, Jr. Engineer EID No. 200607017, M/s Druksam Builders, CDB. 3737; Supervisory: Karma Thinley, E. Engineer, EID No. 8403053, Lobzang, Principal Engineer, EID No. 8403052)

Status: *Observation not settled.*

The amount of Nu.0.211 million along with 24% penalty stands recoverable. As reported the case has been registered with Dungkhag Court on 21 Dec. 2022 and the court verdict is being awaited.

5.3 OUTSTANDING ADVANCES – NU. 0.443 MILLION

The Phuentsholing Thromde had not adjusted Public Work Advances and Personal Advances amounting to Nu. 0.500 million against the officials pertaining to Financial Year 2017-2018. Nu.0.277 million pertains to Public Work Advances and Nu.0.224 million was for Personal Advances. (AIN: 16337; OB No: 14; Accountabilities: Direct: Krishna Chhetri, Accountant, EID No: 9709054; Supervisory: Uma Pradhan, Accounts Officer, EID No: 201101060)

Status: *Observation not settled.*

Out of total amount of Nu.0.500 million, an amount of Nu.0.057 million is adjusted. However, the balance amount of Nu. 0.443 million along with 24% penalty stands recoverable. As reported the case has been registered with Dungkhag Court on 21 Dec. 2022 and the court verdict is being awaited.

3.4.14. THIMPHU THROMDE

Out of the total unsettled irregularities of Nu. 18.182 million reported to the Parliament in April 2024; Nu. 0.774 million was settled leaving a balance of Nu. 17.408 million as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
1	Fraud Corruption	0.411	0.099	0.312	24.08
3	Mismanagement	8.132	-	8.132	-
4	Non-compliance to Laws and Rules	5.555	0	5.555	0
5	Shortfalls, Lapses and Deficiencies	4.084	0.675	3.409	16.52
Total:		18.182	0.774	17.408	

The details of the irregularities which are settled and unsettled ones as on 31 March 2025 are as discussed below:

1. FRAUD AND CORRUPTION - NU. 0.312 MILLION

The cases with elements of fraud and corruption involving Nu.0.312 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/ Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
1.1	Overpayment to the contractor	0.099	0.099	0
1.2	Excess payment due to difference in quantities	0.312	-	0.312
Total:		0.411	0.099	0.312

1.1. EXCESS PAYMENT DUE TO DIFFERENCE IN QUANTITIES - NU. 0.312 MILLION

- a) The Thimphu Thromde had made excess payment of Nu.0.504 million to M/s Chimi Phagma Construction in the Construction of Sewer Network for Motithang, Changangkha and adjoining areas. The excess payment was due to the differences in quantities claimed by the contractor and actual quantities executed at site. (AIN: 15979; OB No: 3.1; Accountabilities:

Direct: Thinley Penjor, Engineer, EID No. 201001177; Chimi Phagma Construction, CDB No.7301; Supervisory: Jigme Dorji, Chief Engineer, EID No. 200201095)

Status: Observation not settled.

A joint field verification was conducted on 23 April 2019 involving ACC, RAA and TT officials and unearthed 50 manholes as against 76, while remaining 26 manholes were found not constructed/installed by the contractor, Chime Phagma Construction at Mothithang, Changangkha and adjoining areas. The restitution and recovery of Nu.312,000.00 for 26 missing manholes is in a trial Court. As such, Judgement from the Court is being awaited.

3. MISMANAGEMENT - NU. 8.132 MILLION

The cases of mismanagement involving Nu.8.132 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/ Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
3.1	Wasteful expenditure on design and construction of bridge	7.599	-	7.599
3.2	Wasteful expenditure on surveys and study	0.533	-	0.533
	Total:	8.132	-	8.132

3.1. WASTEFUL EXPENDITURE ON DESIGN AND CONSTRUCTION OF BRIDGE - NU. 7.599 MILLION

The Thimphu Thromde had incurred expenditure amounting to Nu. 7.599 million on the design and site development works for the construction of 30-meter permanent

double lane RCC rigid frame bridge near Ministerial Enclave, Motithang. The Thromde had incurred expenditures of Nu. 2.025 million for procuring MIDAS software, Nu. 1.800 million for drawing and design fees, Nu. 1.300 million for site establishment and Nu. 2.474 million for equipment, materials and other associated costs.

The work was awarded to CDCL and later cancelled as per the directives of MoWHS. The lapses had occurred due to lack of proper planning, need assessment, coordination, consultative feedback and approval from the competent authority prior to design and award of the work. (AIN: 15859; OB No: 7; Accountabilities: Direct: Ngawang Tashi, Dy. Executive Engineer, EID No: 201201105; Supervisory: Kinlay Dorjee, Thrompon, CID No. 1141000297)

Status: Observation not settled.

Thimphu Thromde failed to provide appropriate justifications and produce written directives from MoWHS for the cancellation of the awarded work after incurring huge expenditure.

While the penalties for delays in the construction of MLCP-1 & 2 have been waived off by the Lhyengye Zhungtshog vide letter no.C-3/66/2020/623 dated 8 July 2020 as per the Ministry of Finance letter no. MoF/FS-35/2020-2021/1887 dated 7 August 2020, the increase in cost of construction due to change in design has not been endorsed by the Project Steering Committee of the Ministry of Finance. Further, the extension of concession period of 10 years is yet to be approved by the Lhyengye Zhungtshog

3.2. WASTEFUL EXPENDITURE ON SURVEY AND STUDIES - NU. 0.533 MILLION

The Thimphu Thromde had incurred expenditure amounting to Nu. 0.533 million on various survey and studies for the construction of the underpasses in Thimthrom. The work was awarded to CDCL and later stopped on verbal instruction from the Cabinet. The lapses had occurred due to lack of proper planning, need assessment, coordination, consultative feedback and approval from the competent authority prior to design and award of the work. (AIN: 15859; OB No: 8; Accountabilities: Direct: Ngawang Tashi, Dy. Executive Engineer, EID No: 201201105; Supervisory: Ngawang Tashi, Dy. Executive Engineer, EID No: 201201105)

Status: Observation not settled.

Thimphu thromde failed to produce the official letter in order to validate the verbal order of the Cabinet for stopping the work. The serveral follow up reminder letters were served, the latest one 15th follow up reminder letter No.RAA/FUCD/14-Auto) Thim. Thom/2023/725 dtded 26.10.23.

4. NON-COMPLIANCE TO LAWS AND RULES - NU. 5.555 MILLION

The cases of non-compliance to laws and rules involving Nu. 5.555 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Non-levy of Liquidated Damages	-	-	Unsettled
4.5	Non-levy of liquidated damages	1.150	-	1.150
4.6	Sub-standard and incomplete footpath works	-		Unsettled
4.7	Non-renewal of Bank Guarantee	1.150	-	1.150
4.8	Non-termination of the Contract	-		Unsettled
4.9	Non-collection of differential security amount	3.255	-	3.255
4.12	Construction of chambers other than specified	-	-	Penalty unsettled
	Total:	5.555	-	5.555

4.1. NON-LEVY OF LIQUIDATED DAMAGES

The Thimphu Thromde had not levied applicable liquidated damages to M/s KCR Pvt. Ltd. for delays in the construction of Multi-Level Car Parks (MLCP) 1 and 2 in Thimthrom. The actual completion date of the work as per Concession Agreement was November 2017 and July 2017 respectively. The Thromde had neither enforced provisions of the contract on liquidated damages nor terminated the works despite delay of more than 180 days at the time of audit in March 2018. (AIN: 15859; OB No: 2.1; Accountabilities: Direct: Ugyen Lhamo, Assistant Engineer, EID No: 9901114; KCR Construction Pvt. Ltd, Trade License No: 1032132; Supervisory: Kinlay Dorjee, Thrompon, CID No: 1141000297)

Status: Observation not settled.

It has been noted, as per the Ministry of Finance letter no. MoF/FS-35/2020-2021/1887 dated 7 August 2020, the Lhyengye Zhungtshog has approved the waiver of penalty for delays in constructions of MLCP-1 & 2 vide letter no.C-3/66/2020/623 dated 8 July 2020, as per the Ministry of Finance letter no. MoF/FS-35/2020-2021/1887 dated 7 August 2020.

However, the penalty has been waived off for the delays in construction, the increase in cost of construction due to change in design has not been endorsed by the Project Steering Committee of the Ministry of Finance. Further, the extension of concession period of 10 years is yet to be approved by the Lhyengye Zhungtshog. RAA awaits the decision on the extension of concession period, until such time the observations shall remain unresolved.

4.5. NON-LEVY OF LIQUIDATED DAMAGES - NU. 1.150 MILLION

The Thimphu Thromde had not levied liquidated damages amounting to Nu.1.150 million to M/s Goodwill Construction Pvt. Ltd. for delay/non-completion in the construction of footpath, drains and RRM walls. The actual completion date of work was 25 July 2016 but later granted a time extension of 45 days and scheduled the completion date at 08 September 2016. (AIN: 15859; OB No: 6.5; Accountabilities: Direct: Dhendup Lhamo, Site Engineer, EID No: 20140103289; M/s Goodwill Construction Pvt. Ltd, CDB No: 1547; Supervisory: Dhendup Lhamo, Site Engineer, EID No: 20140103289)

Status: Observation not settled.

As of date, Thimphu Thromde has not recovered the liquidated damages of Nu. 1,150,009.79 from the contractor as recommended in the audit report.

4.6. SUB-STANDARD AND INCOMPLETE FOOTPATH WORKS

The M/s Goodwill Construction Pvt. Ltd. had not laid 60mm thick hydraulic pressured interlocking block on the footpath as required by BoQ in the construction of footpath, drains and RRM walls. The contractor had left work unattended and Thimphu Thromde had failed to take appropriate actions which had resulted in the sub-standard quality in portions of works completed and non-completion of contract.

Further, the footpath had portions with worn out PCC works, stretches filled with soil, damaged edging works and portions buried under bushes. (AIN: 15859; OB No: 6.6; Accountabilities: Direct: Dhendup Lhamo, Site Engineer, EID No: 20140103289; M/s Goodwill Construction Pvt. Ltd, CDB No: 1547; Supervisory: Dhendup Lhamo, Site Engineer, EID No: 20140103289)

Status: Observation not settled.

As agreed in the audit exit meeting, the Thromde management should take necessary action on the contractor to rectify the poorly executed PCC works along the Footpaths

within the ATR date and furnish a rectification report to RAA along with photographic evidence for verification and records. However, so far no ATR response has been received.

4.7. NON-RENEWAL OF BANK GUARANTEE - NU. 1.150 MILLION

The Thimphu Thromde had not ensured renewal of Bank Guarantee against Performance Security amounting to Nu.1.150 million for the construction of drains, footpaths and RRM walls in and around Thimphu Thromde awarded to M/s Goodwill Construction Pvt. Ltd., Thimphu. The Bank Guarantee expired on 22 July 2016 and was not renewed by the contractor. (AIN: 15859; OB No: 6.7; Accountabilities: Direct: Dhendup Lhamo, Site Engineer, EID No: 20140103289; M/s Goodwill Construction Pvt. Ltd, CDB No: 1547; Supervisory: Dhendup Lhamo, Site Engineer, EID No: 20140103289)

Status: *Observation not settled.*

Thimphu Thromde has not taken appropriate legal action against the contractor as recommended in the audit report. To this, the latest reminder letter vide RAA/FUCD/(14-Auto)/Thimthrom/2023/725 dated 26.10.23 was served.

4.8. NON-TERMINATION OF CONTRACT

The Thimphu Thromde had neither terminated the contract as per contract agreement nor taken any other action against M/s Goodwill Construction Pvt. Ltd. for non-completion of work and abandonment in the construction of drains, footpaths and RRM walls. The Contractor had availed time extension of 45 days and then stopped works from 15 March 2017. (AIN: 15859; OB No: 6.8; Accountabilities: Direct: Dhendup Lhamo, Site Engineer, EID No: 20140103289; M/s Goodwill Construction Pvt. Ltd, CDB No: 1547; Supervisory: Dhendup Lhamo, Site Engineer, EID No: 20140103289)

Status: *Observation not settled.*

Thimphu Thromde has failed to take appropriate actions as per the laws of the land and recover all the outstanding amounts from the contractor including the 20% of incomplete works as agreed during the audit exit meeting. To this, the latest follow up reminder letter vide RAA/FUCD/(14-Auto)/Thimthrom/2023/725 dated 26.10.23 was served.

4.9. NON-COLLECTION OF DIFFERENTIAL SECURITY AMOUNT - NU. 3.255 MILLION

The Thimphu Thromde had neither rejected the abnormally low bid nor collected additional differential security amount of Nu.3.255 million from the Lowest Evaluated Bidder, M/s Goodwill Construction Pvt. Ltd. in the Construction of Drains, Footpaths and RRM Walls.

M/s Goodwill Construction's bid was 22.06% below Thromde's estimates. Accepting abnormally low bid had resulted in poor quality of works, delays in completion and subsequent abandonment of works. (AIN: 15859; OB No: 6.9; Accountabilities: Direct:

Dhendup Lhamo, Site Engineer, EID No: 20140103289; M/s Goodwill Construction Pvt. Ltd, CDB No: 1547; Supervisory: Dhendup Lhamo, Site Engineer, EID No: 20140103289)

Status: *Observation not settled.*

The RAA accepted the cautionary note served to the responsible officials and assurance for adherence to the PRR, however, whether any action is being taken against the contractor as the contractor had left the works incomplete in not known. To this, the latest follow up reminder letter vide RAA/FUCD/(14-Auto)/Thimthrom/2023/725 dated 26.10.23 was served.

4.12. CONSTRUCTION OF CHAMBERS OTHER THAN SPECIFIED – NU 0.024 MILLION

The Thimphu Thromde had accepted 13 chambers sized 900x900 mm instead of the specified 1300x1300 mm as per BoQ in the construction of Sewer Network for YHS area which resulted in the excess payment of Nu. 0.055 million to M/s Sonam Yangdak Construction. *(AIN: 15979; OB No: 1.2; Accountabilities: Direct: Ram Bdr. Rai, Asstt. Engineer, EID No: 201001755; M/s Sonam Yangdak Construction, CDB No: 2775; Supervisory: Jigme Dorji, Chief Engineer, EID No: 200201095)*

Status: *Observation not settled.*

An amount of Nu.54,600.00 was deposited into ARA vide receipt no.03067 dated 29/06/2021. However, the RAA regrets to inform that the waiver of penalty amount of Nu.23,730.81 could not be considered on the assumption of having several lockdowns. Infact the first Nation wide lockdown happened in August 2020. As such, the penalty of Nu.23,730.81 stands recoverable.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 3.409 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu.3.409 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
5.2	Overpayment in Construction	1.048	0.535	0.513
5.3	Non-recovery of Mobilization and Material Advances	1.179	-	1.179
5.4	Non recovery of excess payment	0.508	-	0.508
5.5	Outstanding Advances	0.140	0.140	0
5.6	Unjustified payment for hard rock cutting	0.893	-	0.893
5.8	Acceptance of Defective Work	-	-	Unsettled
5.9	Inadmissible payment	0.316	-	0.316
	Total:	4.084	0.675	3.409

5.1. OVERPAYMENT IN CONSTRUCTION - NU. 0.513 MILLION

- a) The Thimphu Thromde had made overpayment of Nu. 0.253 million to M/s Goodwill Construction Pvt. Ltd. for construction of drains, footpaths and RRM walls in and around Thimphu Thromde due to application of wrong BoQ rate, improper verification and certification of contractor's bill for payment. (AIN: 15859; OB No: 6.1; Accountabilities: Direct: Dhendup Lhamo, Engineer, EID No: 20140103289; Goodwill Construction Pvt. Ltd, CDB No. 1547; Supervisory: Dhendup Lhamo, Engineer, EID No: 20140103289)

Status: *Observation not settled.*

Out of an excess payment of Nu. 252,747.50 to contractor a sum of Nu. 225,337.00 was recovered and deposited into ARA vide RAA receipt no. 02950-dated 18.12.23, thereby leaving balance of Nu. 27,410.50.

- b) The Thimphu Thromde had made overpayment of Nu. 0.209 million to M/s Goodwill Construction Pvt. Ltd. for construction of drains, footpaths and RRM walls in and around Thimphu Thromde due to wrong recording of measurement, improper verification and certification of contractor's bill for payment. (AIN: 15859; OB No: 6.2; Accountabilities: Direct: Dhendup Lhamo, Engineer, EID No: 20140103289; Goodwill Construction Pvt. Ltd, CDB No. 1547; Supervisory: Dhendup Lhamo, Engineer, EID No: 20140103289)

Status: *Observation not settled.*

Thimphu Thomde is yet to recover and deposit the excess payment of Nu.209,455.65 into the Audit Recoveries Account along with 24% penalty and also to take appropriate administrative action against the responsible officials.

- e) The Education Sector, Thimphu Thomde had made overpayment of Nu. 0.276 million to M/s Zeko Construction in the construction of an eight-unit class room with Academic Block at Dechencholing HSS due to application of wrong BoQ rate, improper verification and certification of contractor's bill for payment. (AIN: 16120; OB No: 4.3; Accountabilities: Direct; Tshering Dorji, Asstt. Engineer, EID No: 20140103519; M/s Zeko Construction, CDB No: 2265; Supervisory: Nagphel Dukpa, Offgt. Chief Engineer, EID No:8601090)

Status: *Observation not settled.*

Thromde management should recover the overpayment of Nu.275,784.20 from the contractor and deposited into the Audit Recoveries Account along with 24% penalty applicable from the date of issue of the report.

5.2. NON-RECOVERY OF MOBILIZATION AND MATERIAL ADVANCES - NU. 1.179 MILLION

The Thimphu Thomde had failed to recover outstanding advances of Nu.1.179 million from M/s Goodwill Construction Pvt. Ltd. in the construction of drains, footpaths and RRM walls in and around Thimphu Thomde. Nu.1.150 million pertained to 10% Mobilization Advance and Nu.1.374 million pertained to Materials Advance.

The Contractor had completed only 46.71% of works even after the expiry of LD period and works remained unattended. The Thomde had not taken any action against contractor despite delay in completion of the works at the time of audit in August 2018. (AIN: 15859; OB No: 6.3; Accountabilities: Direct: Dhendup Lhamo, Engineer, EID No:

20140103289; M/s Goodwill Construction Pvt. Ltd, CDB No. 1547; Supervisory: Dhendup Lhamo, Engineer, EID No. 20140103289)

Status: Observation not settled.

A sum of Nu. 1,179,240.00 was stated to have been adjusted from the final bill payment. However, a copy of final bill payment voucher along with the verified MB was not produced for verification. A follow up reminder has been sent vide RAA/FUCD/(14-Auto)/Thimthrom/2023/725 dated 26.10.23.

5.3. NON-RECOVERY OF EXCESS PAYMENT - NU. 0.508 MILLION

The Thimphu Thromde had not recovered excess payment of Nu. 0.508 million from the 1st Running Account Bill of M/s Goodwill Construction Pvt. Ltd. in the Construction of drains, footpaths and RRM walls. The non-adjustment of the excess payment from the subsequent RA bills indicates laxity of the concerned officials while certifying the contractor's claims for payment. (AIN: 15859; OB No: 6.4; Accountabilities: Direct: Dhendup Lhamo, Engineer, EID No: 20140103289; M/s Goodwill Construction Pvt. Ltd, CDB No. 1547; Supervisory: Dhendup Lhamo, Engineer, EID No. 20140103289)

Status: Observation not settled.

The amount of Nu. 507,800.00 stands recoverable along with 24% penalty. A follow up reminder has been sent vide RAA/FUCD/(14-Auto)/Thimthrom/2023/725 dated 26.10.23.

5.4. UNJUSTIFIED PAYMENT FOR ROCK CUTTING WORKS - NU. 0.893 MILLION

- a) The Thimphu Thromde had made unjustified payment of Nu. 0.226 million for 'trenching works' and 'excavation of rock requiring chiseling' in the construction of Sewer Network for YHS area to M/s Sonam Yangdak Construction. The contractor

was paid for 'excavation of rock requiring chiseling' but had actually carried out only 'cutting of bituminous paved road'. The Thromde failed to produce survey report and had also not maintained the 'Extracted Materials Account Register' for extracted boulders at site to authenticate claims. (AIN: 15979; OB No 1.3; Accountabilities: Direct: Ram Bdr. Rai, Asstt. Engineer, EID No: 201001755; M/s Sonam Yangdak Construction, CDB No: 2775; Supervisory: Jigme Dorji, Chief Engineer, EID No. 200201095)

Status: *Observation not settled.*

The observation has remained unresolved as of date, as the ATR response not yet received.

- b) The Thimphu Thromde had made unjustified payment of Nu. 0.265 million for 'trenching works' and 'excavation of rock requiring chiseling' in the construction of Sewer Network at Upper Taba and Upper Langiophakha to M/s Chimi Phagma Construction. The contractor was paid for 'excavation of rock requiring chiseling' but had actually carried out only 'cutting of bituminous paved road'. The Thromde failed to produce survey report and had also not maintained the 'Extracted Materials Account Register' for extracted boulders at site to authenticate claims. (AIN: 15979; OB No: 2.2; Accountabilities: Direct: Ram Bdr. Rai, Asstt. Engineer, EID No: 201001755; M/s Chimi Phagma Construction, CDB No.7301; Supervisory: Jigme Dorji, Chief Engineer, EID No. 200201095)

Status: *Observation not settled.*

The observation has remained unresolved as of date, as the ATR response not yet received.

- c) The Thimphu Thromde had made unjustified payment of Nu. 0.287 million for 'trenching works' and 'excavation of rock requiring chiseling' in the construction of Sewer Network at Motithang, Changangkha and adjoining areas to M/s Chimi Phagma Construction. The contractor was paid for 'excavation of rock requiring chiseling' but had actually carried out only 'cutting of bituminous paved road'. The Thromde failed to produce survey report and had also not maintained the 'Extracted Materials Account Register' for extracted boulders at site to authenticate claims. (AIN: 15979; OB No: 3.2; Accountabilities: Direct: Thinley Penjor, Engineer, EID No. 201001177; M/s Chimi Phagma Construction, CDB No.7301; Supervisory: Jigme Dorji, Chief Engineer, EID No. 200201095)

Status: *Observation not settled.*

The observation has remained unresolved as of date, as the ATR response not yet received.

- d) The Thimphu Thromde had made unjustified payment of Nu. 0.115 million for 'trenching works' and 'excavation of rock requiring chiseling' in the construction of Sewer Network at Motithang and Kawajangsa areas to M/s Sonam Yangdak Construction. The contractor was paid for 'excavation of rock requiring chiseling' but had actually carried out only 'cutting of bituminous paved road'. The Thromde failed to produce survey report and had also not maintained the 'Extracted Materials Account Register' for extracted boulders at site to authenticate claims. (AIN: 15979; OB No: 4.2; Accountabilities: Direct: Ram Bdr. Rai, Asstt. Engineer, EID No: 201001755; M/s Sonam Yangdak Construction, CDB No: 2775; Supervisory: Jigme Dorji, Chief Engineer, EID No. 200201095)

Status: *Observation not settled.*

The observation has remained unresolved as of date, as the ATR response not yet received.

5.8. ACCEPTANCE OF DEFECTIVE WORKS

The Education Sector, Thimphu Thromde had accepted defective works executed by M/s Zeko Construction in the construction of an eight-unit classroom with Academic Block at Dechencholing HSS constructed at a cost of Nu.12.636 million. Sub-standard works and major defects including cracks on several parts of the buildings were noted and toilets were also not usable due to leakages. (AIN: 16120; OB No: 4.1; Accountabilities: Direct: Tshering Dorji, Asstt. Engineer, EID No: 20140103519; M/s Zeko Construction, CDB No: 2265; Supervisory: Nagphel Dukpa, Offgt. Chief Engineer, EID No: 8601090)

Status: *Observation not settled.*

The observation has remained unresolved as of date, as ATR has not been received yet. A follow up reminder has been sent vide RAA/FUCD/(14Auto)/Thimthrom/2023/725 dated 26.10.23.

5.9. INADMISSIBLE PAYMENTS - NU. 0.316 MILLION

The Education Sector, Thimphu Thromde had made inadmissible payments of Nu.0.316 million to M/s Zeko Construction in the construction of eight-unit class rooms with Academic Block at Dechencholing HSS. The inadmissible payment had occurred due to double payment for filling works in the ground floor and 16mm dia TMT rod for footing and plinth beam and payments made for works unexecuted. (AIN: 16120; OB No: 4.2; Accountabilities: Direct: Tshering Dorji, Asstt. Engineer, EID No: 20140103519; M/s Zeko Construction, CDB No: 2265; Supervisory: Nagphel Dukpa, Offgt. Chief Engineer, EID No: 8601090)

Status: *Observation not settled.*

The observation has remained unresolved as of date, as ATR has not been received yet. A follow up reminder has been sent vide RAA/FUCD/(14Auto)/Thimthrom/2023/725 dated 26.10.23.

3.5. CORPORATIONS

During the year 2019 8 Corporations had unresolved irregularities amounting to Nu. 38.842 million as follows:

3.5.1. BHUTAN POSTAL CORPORATION LIMITED

The unsettled irregularities of Nu.1.030 million reported to the Parliament in April 2024 was settled as on 31 March 2025 as shown in the table below.

Sl. No.	Bruef Description	Irregularities reported to the Parliament in 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
4	Non-compliance to laws and rules	1.030	1.030	0	100
	Total:	1.030	1.030	0	

The details of Settled observations as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 1.030 MILLION

The cases of non-compliance to laws and rules involving Nu. 1.030 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.1	Non-renewal of Post Box Rentals	0.770	0.770	0
4.2	Un-reconciled difference in tickets issued and ticket sales	0.090	0.090	0
4.3	Wrong pay fixation resulting into excess payment	0.170	0.170	0
	Total:	1.030	1.030	0

3.5.5. FOOD CORPORATION OF BHUTAN LIMITED

The unsettled irregularity of Nu. 1.585 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
2	Embezzlement	1.585	1.585	0	100
	Total:	1.585	1.585	0	-

3.5.8. PENDEN CEMENT AUTHORITY LIMITED

Out of the unsettled irregularities of Nu.3.528 million reported to the Parliament in April 2024; Nu. 1.577 was settled and remained unsettled balances of Nu. 1.951 as on 31 March 2025 as shown in the table below.

Sl. No.	Observation Category	Irregularities reported to the Parliament 29 Feb 2024(Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)
3	Non-Compliance to Laws and Rules	3.528	1.577	1.951
	Total	3.528	1.577	1.951

The details of unsettled irregularities as on 31 March 2025 are as discussed below:

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 1.951 MILLION

The cases of non-compliance to laws and rules involving Nu. 1.951 million are as indicated below:

Sl. No.	Observation in Brief	Unsettled reported as on 29 Feb 2024 (Nu. in million)	Settled/Resolved (Nu. in million)	Unsettled as on 31 March 2025 (Nu. in million)
4.3	Short receipt and non-levy of penalty	1.951	-	1.951
4.4	Non-levy of liquidated damages	1.577	1.577	0
	Total:	3.528	1.577	1.951

4.3. SHORT RECEIPT AND NON-LEVY OF PENALTY - NU.1.951 MILLION

The PCAL, Gomtu had not received clinker valuing Nu.1.951 million from M/s Calcom Cement India Limited, Guwahati for which no penalty was levied as per the terms and conditions of contract documents. The lapse had occurred due to failure on the part of management to follow up. *(AIN: 16177; OB No.3; Accountabilities: Direct: Nar Bahadur Pradhan, Head, Production Department, CID No: 11213000944/PCAL ID No: 00162; Supervisory: Buddhi Raj Sharma, Director, CID No: 1180500615/PCAL ID No: 02003)*

Status: *Observation not settled.*

ATR from the PCAL has not been received despite serving second follow up report vide letter No. RAA/OAAG-Pling/PCAL-C39/2023/94 dated 20/02/2023.

3.6. FINANCIAL INSTITUTIONS

During the year 2019, five Financial Institutions had unresolved irregularities amounting to Nu. 294.488 million as follows:

3.6.2. BHUTAN NATIONAL BANK LIMITED

The unsettled irregularities of Nu. 86.044 million reported to the Parliament in April 2024, remained unsettled as on 31 March 2025 as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5.3	Shortfalls, lapses and deficiencies	86.044	-	86.044	
	Total:	86.044	-	86.044	-

The details of unsettled irregularity as on 31 March 2025 is as discussed below:

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 86.044 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 86.044 million is as indicated below:

5.3. OUTSTANDING LOANS AND ADVANCES - NU. 86.044 MILLION

The Branch Office, BNBL, Gelephu had outstanding loans and advances amounting to Nu. 111.294 million against 68 clients and defaulted Overdraft loan amounting to Nu. 111.816 million against 28 clients. The loans have been due ranging from 91 days to 628 days. The credit monitoring and supervision unit had failed to rigorously follow-up with clients to expedite recovery and regularize loan accounts and OD accounts. (AIN: 16391; OB No.:1; Accountabilities: Direct: Tshewang Dorji, Recovery Officer, EID No. 1989090101; Supervisory: Pema Jamtsho, Branch Manager, EID No. 2004051723)

Status: *Observation not settled.*

An outstanding loan amount of Nu. 137,065,646.50 was settled, leaving a balance of Nu. 86,044,353.31. Follow up reports vide letter No. RAA/OAAG(T)/FUS-02/2020-2021/0464 dated 11/03/2021 and RAA/OAAG(T)/FUS-02/2022-2023/0351 date 18 May 2023 have been issued.

3.6.3. BANK OF BHUTAN LIMITED

The irregularity of Nu.3.921 million reported to the Parliament in April 2024 was resolved as on 31 March 2025 is as shown in the table below.

Sl. No.	Observation in Brief	Irregularities reported to Parliament as on 29 Feb 2024 (Nu.M)	Amount resolved (Nu.M)	Balance as on 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	3.921	3.921	-	100
	Total:	3.921	3.921	0	-

3.7. NON-GOVERNMENTAL ORGANISATIONS

During the year 2019, three Non-Governmental Organisations had unresolved irregularities amounting to Nu. 30.200 million as follows:

5. COMPLIANCE AUDIT REPORTS

During the year 2019 the RAA issued three theme-based compliance audits on Northern East-West Highway Construction, Surface Collection and Dredging of Riverbed Materials and Government Property Management.

5.1. NORTHERN EAST-WEST HIGHWAY CONSTRUCTION

The Compliance Audit on the GoI funded “Northern East-west Highway Project” (NEHC) was carried out to review the operations, accounting records, internal controls and contract management. Compliance audit on the NEHC reviewed the compliance to the contract agreements; design and drawings, technical specifications, FRR and Procurement Manual. The RAA had issued four compliance audit reports on the NEHC considering the project was handled by four Regional Offices (RO) of the Department of Roads (DoR) in Thimphu, Lobeysa, Trongsa and Lingmethang. The scope of work and total estimates for each RO is provided in **Table 1**:

Table 1: Project implementing Agency			
Regional Office	Scope of work (distance in Km)	Locations	Total Estimates (Nu. in million)
Thimphu and Lobeysa	65	Semtokha-Wangdue	764.217
Lobeysa	82	Wangdue-Chuserbu	1,156.061
Trongsa	100	Chuserbu-Trongsa- Nangar	2,454.575
Lingmethang	39	Yadi-Lingmithang	1,763.745

Project DANTAK	52	Trashigang –Yadi	1,145.613
Total			7,284.211

The RO of Trongsa was provided with the maximum scope of the work followed by Lobeysa, Thimphu and Lingmethang. The scope of work handled by Project DANTAK was not considered for the audit. The unresolved non-compliances to existing rules and regulations for the GoI funded construction of the Northern East-West Highway were as follows:

5.1.2. REGIONAL OFFICE, DEPARTMENT OF ROADS, THIMPHU

1. NON-RETURN OF EXCESSIVE ISSUE OF BITUMEN VG-10 ON COMPLETION OF BITUMINOUS WORKS WITH RESULTANT MISUSE

The RO, DoR, Thimphu had not complied to the BoQ and had made excessive issued of bitumen to M/S Raven Builders and Company (P) Ltd besides failing to ensure return of excessive issue of Bitumen VG-10 amounting to Nu. 10.012 million. This had resulted in misuse of Bitumen by M/S Raven Builders and Company (P) Ltd on completion of Bituminous works. The non-return of Bitumen had occurred when part of the work of was awarded to another contractor for which separate quantity of bitumen was issued. The actual quantity of work executed by M/S Raven Builders and Company (P) Ltd also showed that the quantity of Bitumen issued to the contractor far exceeded the quantity executed at site indicating non-compliance and adherence to the specification provided in the BoQ.

Status: *Observation not settled.*

An amount of Nu. 14,965,719.78 was revised to Nu.10,012,277.04 upon review of the documents by the audit team. However, as the case was forwarded to Dzongkhag Court, Sarpang, the outcome of the case is awaited. Accordingly, the 4th Follow-up remainder was served vide letter no. RAA/FUCD/(7-MoIT)/Sect/2023/274, dated: 15/08/2023

5.1.3. REGIONAL OFFICE, DEPARTMENT OF ROADS, LOBEYSA

1. NON-COMPLIANCES RELATED DIRECT AWARD OF CONTRACT

- a) The DoR had directly awarded Package XV of the NEHP to M/s Empire Construction with resultant financial implications to the government amounting to Nu. 15.861 million in contravention to the Procurement Rules. The Ministry of Finance had approved the direct award of work for the pavement construction from Nobding-Dungdungnyelsa covering Chainages from 395Km to 392.25Km with a total road stretch of 2.75Km to M/s Empire Construction based on the proposal submitted by Minister, MoWHS for the direct award of work in lieu of the work made to surrender under the RO, Trongsa. The direct award had led to exorbitantly high analyzed rates for sand and aggregates in comparision to the Bhutan Schedule of Rates leading to huge cost difference. The circumstances leading to preparation of estimates by analyzing rates despite existence of BSR 2015 was not on record.

Status: Observation not settled.

The case is under investigation by ACC. The observation shall remain unsettled until investigation is completed. 5th follow-up reminder letter no. RAA/FUCD/(7-MoIT)/Sect/2023/274 dated 15/08/2023 was issued.

- b) The DoR had directly awarded package XV of the NEHP with resultant financial implications to the government amounting to Nu. 39.40 million. The work was directly awarded in lieu of the work made to surrender under the RO, Trongsa. The surrender of ongoing work and direct award of additional work was not justified besides violation of the procurement norms. The contractor was paid for the whole contract amount despite only completing 30% of the work leading to the financial implication besides total disregard to the procurement rules.

Status: Observation not settled.

The case is under investigation by ACC. The observation shall remain unsettled until investigation is completed. 5th follow-up report was issued vide letter no. RAA/FUCD/(7-MoIT)/Sect/2023/274 dated 15/08/2023.

- c) The RO, DoR, Lobeysa had given direct award of work in violation to the Exclusion Criteria in the terms of Public Announcement issued on 2nd July 2016 by awarding

it to the contractor who had not completed prior works of the DoR. It was apparent from the related records that M/s Empire Construction was awarded contract for carrying out the critical widening works especially the 2.5 km cliff of Dzongkhalum by the RO Trongsa based on MoU signed by the Ministry with MHPA on 16 September 2014. Although the progress of the work was very slow and the Contractor faced penalty, the DoR had asked the contractor to surrender the work after paying the full amount and also given another work without following procurement norms. It was evident that the Ministry had favored the contractor and failed to enforce the approved Exclusion Criteria while granting direct award of work.

Statu: Observation not settled.

The observations with possible existence of corrupt practices and the case forwarded to ACC for further investigation pertaining to M/S Empire Construction Pvt. Ltd. The observation shall remain unsettled until investigation is completed. 5th follow-up report was issued vide letter no. RAA/FUCD/(7-MoIT)/Sect/2023/274 dated 15/08/2023.



**REVIEW STATUS REPORT OF
ANNUAL AUDIT REPORT 2020**

(As of 31 March 2025)

ROYAL AUDIT AUTHORITY

PART-I Summary of Review Report of AAR 2020

The Royal Audit Authority tabled the Annual Audit Report 2020 to the 5th Session of the Third Parliament in June 2021. The report had total significant unsettled irregularities of Nu.2,057.438 million consisting of Nu. 1,097.997 million against Budgetary Agencies; Nu. 953.062 million against Non-Budgetary Agencies and Nu. 6.379 million against Hydro Power Projects.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-ups at various levels and out of the total unsettled irregularities of Nu. 1,006.086 million (29 February 2024) reported to the 9th Session of the third Parliament in April 2024, subsequently irregularities amounting to Nu. 88.088 million against Budgetary Agencies and Nu. 173.193 million against Non-budgetary Agencies were settled as of 31 March 2025 as shown in the table below.

Table: Showing agency-wise irregularities settled and balances as of 31 March 2025.

AAR 2020 overall reconciliation as on 31/03/2025

Sl. No.	Agencies	Reported as of 29 Feb 2024 (Nu. in Million)	Resolved as of 29 Feb 2024 (Nu. in Million)	Balance as of 31 Mar 2025 (Nu. in Million)	Percentage resolved as of 31 Mar 2025
1	Ministries	245.988	55.493	190.495	22.56
2	Dzongkhags	19.797	11.587	8.210	58.53
3	Dungkhags	12.312	10.020	2.292	81.38
4	Gewogs	39.574	2.299	37.275	5.81
5	Autonomous Agencies	22.136	8.689	13.447	39.25
Total Budgetary Agencies-A (1to 5)		339.807	88.088	251.719	207.534
6	Corporations	5.484	1.399	4.085	25.51
7	Financial Institutions	631.252	170.211	461.041	26.96
8	Non Governmental Organizations	29.543	1.583	27.960	5.36

Total Non-Budgetary Agencies - B (6 to 8)	666.279	173.193	493.086	57.833
Grand Total (A+B)	1,006.086	261.281	744.805	25.970

As transpired from the table above, out of the total unsettled irregularities of Nu.1,006.086 million reported as of 29 February 2024, irregularities amounting to Nu.261.281 million were settled leaving a balance of Nu. 744.805 million as of 31 March 2025. The detailed review reports of the agencies are highlighted hereunder.

3. DETAILED AUDIT FINDINGS

This chapter contains summaries of unresolved significant audit observations from audit reports issued in the year 2020 for different agencies.

3.1. MINISTRIES

During the year, 7 Ministries had unresolved irregularities amounting to Nu. 245.988 million. After several follow-ups with the audited entities certain irregularities were settled and others remained unsettled as of 31 March 2025 as reported below:

3.1.1. MINISTRY OF AGRICULTURE AND FORESTS

During the year, the RAA issued 18 audit reports of the Ministry of Agriculture and Forests (MoAF), its departments, and projects. There were 57 observations amounting to Nu. 56.921 million of which observations amounting to Nu. 50.374 million were either resolved as of 31 January 2021 or did not qualify for inclusion in AAR 2020.

The significant unresolved irregularities amounting to Nu. 6.547 million were reported in the 5th Session of the third Parliament as in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Ministry and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu.0.694 million reported to the Parliament in April 2024, Nu.0.622 million was settled, leaving a balance of Nu. 0.072 million unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.622	0.622	-	100.00
5	Shortfalls, lapses and deficiencies	0.072	-	0.072	-
	Total	0.694	0.622	0.072	89.63

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved balances as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.622 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.622 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb. 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.2	Non-adjustment of Advances	0.622	0.622	0
	Total	0.622	0.622	

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.072 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.072 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Excess payment to contractor	0.072	-	0.072
	Total	0.072		0.072

5.1. EXCESS PAYMENT TO THE CONTRACTOR - NU. 1.385 MILLION

- a) The Wangchuck Centennial National Park (WCNP), Bumthang had made excess payment of Nu. 0.114 million to M/s Pemai Ningpo Construction, Bumthang. The excess payment pertains to providing and laying 2nd class bricks work in the foundation and plinth, providing and fixing white colored glazed tiles of 150*150mm in skirting and step riser, applying wood preservatives on unexposed surface, providing and laying ceiling joist, and providing and laying of 50mm thick plinth protection. The excess payment had occurred due to differences in the quantities executed and the amount paid for. (AIN: 16574; OB No.: 1.1;

Accountabilities: Direct: M/s Pemai Ningpo Construction, CDB No.: 5987; Supervisory: Tshering Tashi, Site Engineer, EID No.: 200707077)

Status: *Observation Partially Settled.*

A sum of Nu. 0.100 million was deposited vide R/No.02178 dated 01/09/2022 leaving a balance of Nu. 0.014 million that is yet to be recovered, The para stands unresolved as of date.

- b) The WCNP, MoAF had made excess payment of Nu. 0.058 million to M/s Pemai Ningpo Construction, Bumthang. The excess payment had occurred due to untimely measurement and claims made for sub-structure and foundation works. *(AIN: 16574; OB No.: 1.2; Accountabilities: Direct: M/s Pemai Ningpo Construction, CDB No.: 5987; Supervisory: Tshering Tashi, Site Engineer, EID No.: 200707077)*

Status: *Observation Not Settled.*

A follow up reminder served vide letter No.RAA/BT/Fus-01/2021/768 dated 16/05/2021. However, no ATR response received as of date.

3.1.2. MINISTRY OF EDUCATION

During the year, the RAA issued 12 audit reports of the Ministry of Education (MoE), its departments and projects. There were 48 observations amounting to Nu. 5.013 million of which observations amounting to Nu. 1.544 million were either resolved by 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu. 3.496 million were reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-ups with the Ministry and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 0.548 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.408	-	0.408	-
5	Shortfalls, lapses and deficiencies	0.140	-	0.140	-
	Total	0.548	-	0.548	-

The details of unsettled irregularity reported to the Parliament in April 2024 remained unresolved as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.408 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.408 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.3	Non-Levy of Liquidated damages	0.004	-	0.004
4.4	Non-cancellation of cheques after cash payment	0.337	-	0.337
4.5	Non-maintenance of supporting documents	0.067	-	0.067
	Total	0.408	-	0.408

4.3. NON-LEVY OF LIQUIDATED DAMAGES - NU. 0.004 MILLION

The Norbuling Central School, MoE had not levied liquidated damages of Nu. 0.107 million against various suppliers. The liquidated damages pertains to delayed supply of School Uniforms, Furnitures, Shoes, bed sheets and pillows. *(AIN: 16510; OB No.: 2; Accountabilities: Direct: Ganga Ram Bhandari, Accountant, EID No.: 200807015; Supervisory: Leki Wangdi, Principal, EID No. 9108060)*

Status: Observation Not Settled.

The balance of Nu. 0.004 million stands recoverable as of date, upon deposit of Nu. 0.103 million vide receipt No. A00944 dated 13/5/2020. The latest follow up reminder vide letter No. RAA/OAAG(T)/FUS-02/2022-2023/0349 dated 17/05/2023 was served.

4.4. NON-CANCELLATION OF CHEQUES AFTER CASH PAYMENT - NU. 0.337 MILLION

The Norbuling Central School, MoE had issued cheques aggregating to Nu. 0.337 million against various suppliers. The payments were made in cash as the cheques issued were not presented to the bank. However, the accountant had neither cancelled the cheques issued nor revised the vouchers. (AIN: 16510; OB No.: 5; Accountabilities: Direct: Ganga Ram Bhandari, Accountant, EID No.: 200807015; Supervisory: Leki Wangdi, Principal, EID No. 9108060)

Status: Observation Not Settled.

The amount of Nu.0.337 million stands recoverable as of date. To this, the latest follow-up reminder letter No. RAA/OAAG(T)/FUS-02/2022-2023/0349 dated 17/05/2023 was issued.

4.5. NON-MAINTENANCE OF SUPPORTING DOCUMENTS - NU. 0.067 MILLION

The Norbuling Central School, MoE had issued cheques aggregating to Nu. 0.067 million and debited from the Current Deposit (CD) account of the school. However, no supporting documents were maintained indicating the payee and the purpose of payment. (AIN: 16510; OB No.: 6; Accountabilities: Direct: Ganga Ram Bhandari, Accountant, EID No.: 200807015; Supervisory: Leki Wangdi, Principal, EID No. 9108060)

Status: Observation Not Settled.

The observation remained un-settled as of date. To this, the latest follow-up reminder letter No. RAA/OAAG(T)/FUS-02/2022-2023/0349 dated 17/05/2023 was issued to get a ATR response.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.140 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.140 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 31 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Outstanding Advance	0.140	-	0.140
	Total	0.140	-	0.140

5.1. OUTSTANDING ADVANCES - NU. 0.140 MILLION

The Tshangkha Central School, MoE had outstanding advances of Nu. 0.190 million against various officials which were not settled as of 15 November 2019. The lapses had occurred due to inadequacy in timely follow-up of advances. (AIN: 16895; OB No.:1;

Accountabilities: Direct: Rabilal Sharma, Principal, EID No. 8504023; Karma Yangzom, Adm, Assistant, EID No. 201109105; Supervisory: Rabilal Sharma, Principal, EID No. 8504023)

Status: *Observation Not Settled.*

The balance of Nu.0.140 million remained unresolved as of date, upon adjusting Nu.0.050 vide letter No. DAT/ACC-06/2020/983 dated 13/04/2020.

3.1.3. MINISTRY OF ECONOMIC AFFAIRS

During the year, the RAA had issued five audit reports of the Ministry of Economic Affairs (MoEA), its departments and projects. There were 33 observations amounting to Nu. 280.930 million of which observations amounting to Nu. 19.299 million were either resolved as of 31 January 2021 or did not qualify for inclusion in AAR 2020.

The significant unresolved irregularities amounting to Nu. 261.631 were reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Ministry and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu. 4.309 million reported to the Parliament in April 2024, Nu.2.534 million was settled, leaving a balance of Nu. 1.775 million unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	4.309	2.534	1.775	59
	Total	4.309	2.534	1.775	59

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved balances as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 1.775 MILLION

The case of non-compliance to laws and rules involving Nu. 1.775 million was as indicated below:

4.2. NON-COMPLETION OF WORKS & OUTSTANDING LIABILITIES – NU. 1.775 MILLION

The contract for construction of water supply from source to Reservoirs at Jigmeling Industrial Estate, Sarpang (Package E) was awarded to M/s Soenam Mebar Construction Pvt. Ltd. with the project duration of 15 months which was to be completed on 18 March 2018. The contractor despite providing time extension could not complete the work on time due to its failure to deploy required materials and workers on site. The contract was terminated on 5 July 2019 with imposition of applicable liquidity damages and 20% penalty on the value of incomplete works amounting to Nu. 4.309 million, which is still outstanding and the case is under arbitration. *(AIN 16621; OB No.: 2; Accountability: Direct: M/s Soenam Mebar Construction Pvt. Ltd, CDB No: 6133 & Kushyog Subba, Project Engineer, CID No.: 11204001380; Supervisory: Kezang Deki, Chief Engineer, EID No.:200401011 & Karma Yangki, Project Manager, EID No.: 20170108548)*

Status: *Observation partially Settled.*

The amount of Nu. 2,534,902.00 deposited vide Rt.No.RAA/TH/2023/811 dated 12/06/2023 and recoverable balance of Nu. 5,569,280.40 has been noted.

This long pending unsettled issue was deliberated in the Advisory Committee of the RAA and the committee decided to relieve the supervisory and direct accountability against the office bearers as the legal proceedings were fulfilled by the Department and the final Arbitral Award was issued on 06/04/2020 by BADRC. According to the arbitral award; the claimant (Contractor) has to pay Nu. 8,104,182.40 to the respondent (DoI). The contractor appealed to higher court and as per the verdict of the Supreme Court dated 02/12/2020 final arbitral award issued by Arbitral Tribunal was upheld and subsequently verdict enforcement order was issued to Sarpang Dzongkhag Court by the Supreme Court.

Eventually, the supervisory and direct accountability has been transferred to Project Manager of the firm (M/s. Sonam Mebar Construction Pvt. Ltd. CDB. 6133) based on the power of attorney ref. No.SMCPI/ADM/2019 dated 11/06/2019 granted by the contractor. Until such time that full amount is being recovered the accountability stands against Ugyen Thinley. The MoICE should pursue for enforcement of the court verdict by realizing the balance amount of Nu. 5,569,280.40 without any further delay."

3.1.4. MINISTRY OF FINANCE

During the year, the RAA had issued four audit reports of the Ministry of Finance (MoF), its departments and projects. There were 12 audit observations amounting to Nu. 4.695 million of which observations amounting to Nu. 2.215 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu. 2.480 were reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Ministry and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 0.042 million reported to the Parliament in April 2024 was settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.042	0.042	-	100.00
	Total	0.042	0.042	-	100.00

3.1.5. MINISTRY OF FOREIGN AFFAIRS

During the year, the RAA had issued two audit reports of the Ministry of Foreign Affairs (MoFA), its departments and projects. There were 9 audit observations amounting to Nu. 2.767 million of which Nu. 2.382 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR.

The significant unresolved irregularities amounting to Nu. 0.385 million were reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Ministry and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu.0.200 million reported to the Parliament in April 2024 was settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.200	0.200	-	100
	Total	0.200	0.200	-	100

3.1.6. MINISTRY OF HOME AND CULTURAL AFFAIRS

During the year, the RAA had issued seven audit reports of the Ministry of Home and Cultural Affairs (MoHCA), its departments and projects. There were 18 observations amounting to Nu. 7.746 million of which observations amounting to Nu. 1.883 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu. 5.863 million were reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Ministry and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 0.969 million reported to the Parliament in April 2024 was settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.969	0.969	-	100.00
	Total	0.969	0.969	-	100.00

3.1.7. MINISTRY OF WORKS AND HUMAN SETTLEMENT

During the year, the RAA had issued eleven audit reports of the Ministry of Works and Human Settlement (MoWHS). There were 97 observations amounting to Nu. 407.998 million of which observations amounting to Nu. 62.185 million were either resolved as of 31 January 2020 or did not qualify for inclusion in the AAR 2021.

The significant unresolved irregularities amounting to Nu. 345.813 million was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Ministry and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu. 239.234 million reported to the Parliament in April 2024, Nu. 51.126 million was settled, leaving a balance of Nu.188.100 million unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	22.914	-	22.914	-
5	Shortfalls, lapses and deficiencies	216.312	51.126	165.186	24
	Total	239.226	51.126	188.100	21

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 22.914 MILLION

The cases of non-compliance to laws and rules involving Nu. 22.914 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.3	Non-Recovery of dues after contract termination	22.914	-	22.914
	Total	22.914		22.914

4.3 NON-RECOVERY OF DUES AFTER CONTRACT TERMINATION - NU. 22.914 MILLION

- a) The RO, DoR, Lingmethang had not recovered advances and dues amounting to Nu. 5.907 million from M/s Gongphel Construction Pvt. Ltd., Samtse for double lane works of the NEWH at Ngatshang – Korila though the contract was terminated on 6 August 2019. The lapses had occurred due to inadequate checks, controls and tracking system of the advances while making payments to contractors. (AIN: 16769; OB No.: 2.4; Accountabilities: Direct: Nado, Accountant, EID No. 9709042 & M/s Gongphel Construction Pvt. Ltd., CDB No.: 2119; Supervisory: Karma Rinzin, Chief Engineer, EID No. 8908095)

Status: Observation Not Settled.

The observation remain unsettled as no ATR response was received as of 29 February 2024. A follow up reminder letter was issued vide letter No. RAA/Fus-01/2021/510 dated 15/04/2022.

- b) The RO, DoR, Lobesa had not recovered advances and dues amounting to Nu. 17.007 million against M/s U.P Construction Pvt. Ltd. for the contract work of improvement of road from Razhau to Nobding though the contract was terminated on 10 May 2019. The lapses occurred due to inadequate checks, controls and tracking system of the advance while making payments to contractors. (AIN: 16897; OB No.: 1; Accountabilities: Direct: Balaram Acharya, Executive Engineer, EID No. 908099 & M/s U.P Construction Pvt. Ltd., CDB No.: 3329; Supervisory: Karma Tenzin, Chief Engineer, EID No. 9009057)

Status: Observation not settled

The case is subjudice at the Supreme Court. A follow up reminder letter has been served vide RAA/OAAG(T)/AR/(P-DoR)/2022/ 0092 dated 14 September 2022.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 165.186 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 165.186 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/ Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.2	Excessive Balance in Non-revenue Account	50.593	-	50.593
5.3	Huge Outstanding Advances	154.773	48.813	105.96
5.4	Adjustment of Performance Security without Bank Guarantee	7.900	-	7.900
5.5	Excess Payment to contractor	1.055	0.322	0.733
5.9	Short Recoveries	1.991	1.991	0
	Total	216.312	51.126	165.186

1.2. EXCESSIVE BALANCE IN NON-REVENUE ACCOUNT – NU. 50.593 MILLION

The RO, DoR, Trongsa had a total non-revenue account balance amounting to Nu. 50.593 million. This was mainly resulted due to non-conduct of periodic reconciliation of the financial statements resulting in such huge differences. (AIN: 16832; OB No.: 2; Accountabilities: Direct: Tsheten Wangchuk, Accountant, EID No.: 9404034; Supervisory: Ugyen Dorji, Chief Engineer, EID No.: 9107094)

Status: Observation Not Settled.

A Follow up reminder letter vide letter No.RAA/BT/Fus-01/2021/07/07/2021 served in pursuit of ATR response.

5.3 OUTSTANDING ADVANCE - NU. 154.773 MILLION

The cases of outstanding advance is as follows:

- a) The RO, DoR, Trongsa had not adjusted outstanding advance of Nu. 6.834 million against M/s Druk Lhayul Construction Pvt. Ltd. for the contract work of double lanning of NEWH, Package 5 even after the termination of the contract. The RO had failed to make necessary adjustment though the contract was terminated on 25 February 2019 after four months from the liquidated damages period. (AIN: 16832; OB No.: 10; Accountabilities: Direct: Tashi Dorji, AE, EID No.: 2107149 & M/s Druk Lhayul Construction Pvt. Ltd., CDB No.: 1664; Supervisory: Ugyen Dorji, Chief Engineer, EID No.: 9107094)

Status: Observation Not Settled.

A follow up reminder letter was served vide letter No.RAA/BT/Fus-01/2021/509 dated 15/04/2021. However, no ATR response was received as of 31/03/2025.

- b) The RO, DoR, Trongsa had not adjusted outstanding advance of Nu. 17.646 million against M/s Raven Builders & Co. Pvt. Ltd. for the contract work of double lanning of NEWH, Package 6 even after the termination of the contract on 3 June 2019. The RO had failed to make necessary adjustment though the contract was terminated after four months from the liquidated damages period. (AIN: 16832; OB No.: 11.2; Accountabilities: Direct: Tashi Dorji, AE, EID No.: 2107149 & M/s Raven Builders & Co. Pvt. Ltd., CDB No.: 2556; Supervisory: Ugyen Dorji, Chief Engineer, EID No.: 9107094)

Status: Observation Not Settled.

A follow up reminder letter was served vide letter No.RAA/BT/Fus-01/2021/509 dated 15/04/2021. However, no ATR response was received as of 31/03/2025.

- c) The RO, DoR, Trongsa had not adjusted outstanding advance of Nu. 15.558 million against M/s Druk Lhayul Construction Pvt. Ltd. for the contract work of black topping and construction of L-drain at Nabji Korphu GC road. The advance was not adjusted even after the termination of the contract on 25 February 2019. (AIN: 16832; OB No.: 19.1; Accountabilities: Direct: Phuntsho, AE, EID No.: 2007045 & M/s Druk Lhayul Construction Pvt. Ltd., CDB No.: 1664; Supervisory: Ugyen Dorji, Chief Engineer, EID No.: 9107094)

Status: Observation Not Settled.

A follow up reminder letter served vide letter No. RAA/BT/Fus-01/2021/07/07/2021. However, no ATR response was received as of 31/03/2025.

- d) The RO, DoR, Lingmithang had outstanding advances amounting to Nu. 64.799 million against various contractors. The lapses occurred due to lack of monitoring over the outstanding balances against the parties concerned and their necessary adjustment/recoveries. (AIN: 16769; OB No.: 1; Accountabilities: Direct: Nado, Accountant, EID No. 9709042; Supervisory: Karma Rinzin, Chief Engineer, EID No. 8908095)

Status: *Observation Not Settled.*

A follow up reminder letter was served vide letter RAA/Fus-01/2021/510 dated 15/04/2021. However, no ATR response was received as of 29/02/2024.

- e) The RO, DoR, Sarpang had outstanding advance amounting to Nu. 1.123 million against M/s Karma Construction Private Limited for the construction of Abutment and RT works at Taklai Chhu on Umling GC road. The outstanding advances pertain to payment of 75% material secured advance made to the contractor. The lapses was due to the management's failure to watch over the outstanding balances against the earlier advances while settling the contractor's claims. (AIN: 16864; OB No.: 8; Accountabilities: Direct: Late Kishore Chhetri, Junior Engineer, EID No.: 9001126; Supervisory: Sonam Namgyel Wangdi, Executive Engineer, EID No.: 8907168)

Status: *Observation Not Settled.*

As per the judgement enforcement vide court verdict No. (GETHRIM23-127) dated 31/05/2023 of the Dungkhag Court, the contractor was ordered to restitute a sum of Nu. 1,694,004.97 within 31/10/2023. However, no ATR response was received as of 31/03/2025.

5.4 ADJUSTMENT OF PERFORMANCE SECURITY WITHOUT BANK GUARANTEE NU. 7.900 MILLION

The RO, DoR, Trongsa had shown Performance Security valuing Nu. 7.900 million which was in the form of Bank Guarantee as deducted/adjusted from the total recoverable dues upon termination of contract with M/s Raven Builders & Co. Pvt. Ltd. pertaining to the contract work of double lanning of NEWH, Package 6. The deductions/adjustments was effected without the proof of realisations of the amount and accountal in the books of accounts. The case is under arbitration. (AIN: 16832; OB No.: 11.1; Accountabilities: Direct: Tsheten Wangchuk, Accountant, EID No.: 9404034; Supervisory: Ugyen Dorji, Chief Engineer, EID No.: 9107094)

Status: *Observation Not Settled.*

A follow up reminder letter served vide letter No. RAA/BT/Fus-01/2021/509 dated 15/04/2021. However, no ATR response was received as of 31/03/2025.

5.5 EXCESS PAYMENT TO CONTRACTOR - NU. 1.055 MILLION

The cases of excess payment are as follows:

- a) The RO, DoR, Trongsa had made excess payment of Nu. 0.310 million to M/s Diana Pvt. Ltd., Thimphu for the contract of improvement works on Trongsa-Gelephu Primary National High Way, Package 2. The excess payment was due to non-adjustment of the advances from running bills. (AIN: 16832; OB No.: 20.1; Accountabilities: Direct: Tashi Dorji, AE, EID No.: 2107149 & M/s Diana Pvt. Ltd., CDB No.: 7876; Supervisory: Ugyen Dorji, Chief Engineer, EID No.: 9107094)

Status: Observation Not Settled.

A follow up reminder letter served vide letter No. RAA/BT/Fus-01/2021/509 dated 15/04/2021. However, no ATR response was received as of 31/03/2025.

- b) The RO, DoR, Lobesa had made excess payment of Nu. 0.775 million to various contractors in the construction of RRM walls along Wangdue-Wakleytar PNH. The excess payment occurred due to wrong calculation of measurements of the RRM wall. (AIN: 16552; OB No.: 1; Accountabilities: Direct: Monita Tamang, Junior Engineer, EID No.: 201101246; Cheten Tshering, Principal Engineer, EID No.: 880035; M/s Diana Pvt. Ltd., CDB No.: 7876; M/s Sha Samphel Construction, CDB No.: 1402; M/s Druk Kuenphen Builders, CDB No.: 2875; M/s Tshering Zamling Construction, CDB No.: 5021 & Sajan Rai, Labor Contractor, CID No.: 21812000053; Supervisory: Karma Tenzin, Chief Engineer, EID No.: 9009057)

Status: Observation Not Settled.

Out of the total amount of Nu.0.775 million; Nu. 0.352 million was deposited with the RAA leaving a balance of Nu.0.423 million as of 31/03/2022. (Nu.301,386.39 Rt.No. A00526 dated 25/01/2021; Nu.18,600.97 Rt. No.A00529 dated 28/01/2021 & Nu. 32,014.69Rt. No. A00569 dated 05/04/2021).

The case is under Arbitration. A follow up reminders vide RAA/OAAG(T)/AR/(P-DoR)/2022/0092 dated 14 September 2022 and vide RAA/OAAG(T)/AR/(RO-DoST)/2023/0125 dated 22 November 2023 were served.

3.2. DZONGKHAG ADMINISTRATIONS

During the year, 4 Dzongkhags Administration had unresolved irregularities amounting to Nu. 19.797 million as follows:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
1	Chukha Dzongkhag	1.813	-	1.813
2	Paro Dzongkhag	1.340	1.340	0.000
3	Samdrupjongkhar Dzongkhag	7.733	7.733	0.000
4	Trashigang Dzongkhag	8.911	2.514	6.397
	Total	19.797	11.587	8.210

3.2.1 CHUKHA DZONGKHAG

The significant unresolved irregularities amounting to Nu. 2.954 million against Chukha Dzongkhag reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dzongkhag and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The unsettled irregularities of Nu.1.813 million reported to the Parliament April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	1.813	-	1.813	-
	Total	1.813	-	1.813	-

The details of unsettled irregularity reported to the Parliament in April 2024 remained unresolved as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 1.813 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 1.813 million is as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/ Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Non recovery of outstanding advances upon termination of contract	1.642	-	1.642
5.2	Double payment in slab reinforcement	0.171	-	0.171
	Total	1.813	-	1.813

5.1 NON-RECOVERY OF OUTSTANDING ADVANCES UPON TERMINATION OF CONTRACT - NU.1.642 MILLION

The Dzongkhag Administration, Chukha had not recovered outstanding advance amounting to Nu. 1.642 million from M/s Druk Zorig Gongphel Construction, Thimphu pertaining to the construction of additional facilities which included (120 bedded hostel, 12 units class room, four units staff quarter, football ground and basketball ground) at Pakshikha Central School upon termination of the contract. Although the Dzongkhag subsequently forfeited the contractor's performance security, retention money and the adjustment of final bill, the amount recoverable were not sufficient to adjust the outstanding advances. (AIN: 16712; OB No.:1.1; Accountabilities: Direct: Dewas Biswa, AE, EID No. 20140103469; M/s Druk Zorig Gongphel Construction, CDB No. 1831; Supervisory: Tshering Chopel, DE, EID No. 8808013)

Status: Observation Not Settled.

A sum of Nu.1.642 million stands recoverable as of 31/03/2025. The follow up reminder issued vide letter No. RAA/OAAG-Pling/Chu-Dzo-A1/2023/85 dated 15/02/2023 and response awaited.

5.2 DOUBLE PAYMENT IN SLAB REINFORCEMENT - NU. 0.171 MILLION

The Dzongkhag Administration, Chukha had made double payments amounting to Nu. 0.171 million to M/s Druk Zorig Gongphel Construction, Thimphu in the construction of additional facilities which included (120 bedded hostel, 12 units class room, four units staff quarter, football ground and basketball ground) at Pakshikha Central School. The lapses had occurred due to payment of slab reinforcement works for bottom rebar in second floor twice indicating failure on the part of site engineer to exercise due diligence. (AIN: 16712; OB No.:1.2; Accountabilities: Direct: Dewas Biswa, AE, EID No. 20140103469; M/s Druk Zorig Gongphel Construction, CDB No. 1831; Supervisory: Tshering Chopel, DE, EID No. 8808013)

Status: Observation Not Settled.

A sum of Nu. 0.171 million stands recoverable as of 31/03/2025. A Follow up reminder issued vide letter No. RAA/OAAG-Pling/Chu-Dzo-A1/2023/85 dated 15/02/2023 and response awaited.

3.2.2 PARO DZONGKHAG

The significant unresolved irregularities amounting to Nu. 1.956 million against Paro Dzongkhag reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dzongkhag and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu. 1.340 million reported to the Parliament in April 2024 was resolved as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	1.290	1.290	-	100
5	Shortfalls, lapses and deficiencies	0.050	0.050	-	100
Total		1.340	1.340	-	100

The details of unsettled irregularity reported to the Parliament in April 2024 was settled as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 1.290 MILLION

The cases of non-compliance to laws and rules involving Nu. 1.290 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.2	Non-recovery of positive difference	1.215	1.215	0
4.3	Payment for works not executed	0.075	0.075	0
Total		1.290	1.290	0

3.2.3 SAMDRUPJONGKHAR DZONGKHAG

The significant unresolved irregularities amounting to Nu. 7.850 million against Samdrupjongkhar Dzongkhag reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dzongkhag and review status of the irregularities as of 29 February 2024, submitted to the 9th Session of the third Parliament in April 2024. The balance unsettled irregularities of Nu.7.733 million reported to the Parliament in April 2024 was resolved as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	7.733	7.733	-	100
	Total	7.733	7.733	-	100

The details of unsettled irregularity reported to the Parliament in April 2024 , settled as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 7.733 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 7.733 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Excess payment	2.998	2.998	0
5.2	Non-realization of 20% penalty upon termination of contract	2.663	2.663	0
5.3	Underutilization of properties	2.072	2.072	0
	Total	7.733	7.733	

3.2.4 TRASHIYANGTSE DZONGKHAG

The significant unresolved irregularities amounting to Nu. 22.845 million against Trashiyangtse Dzongkhag reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dzongkhag and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu.8.911 million reported to the Parliament in April 2024, Nu.2.514 million was settled, leaving Nu. 6.397 million unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.417	0.417	-	100
5	Shortfalls, lapses and deficiencies	8.494	2.097	6.397	25
	Total	8.911	2.514	6.397	28

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities settled thereafter and unresolved balances as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU.0.417 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.417 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.1	Short recovery of liquidated damages	0.417	0.417	0
	Total	0.417	0.417	0

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 8.494 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 8.494 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024	Settled/ Resolved	Balance as of 31 Mar 2025
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		(Nu. M)	(Nu. M)	(Nu. M)
5.1	Excess interim bill payments to contractor	6.397	-	6.397
5.2	Non-realization of 20% penalty upon termination of contract	2.097	2.097	0
	Total	8.494	2.097	6.397

5.1 EXCESS INTERIM BILL PAYMENTS TO CONTRACTOR - NU. 6.397 MILLION

The Dzongkhag Administration, Trashiyangtse had made excess payment of Nu. 6.397 million to M/s Tak Sing Chung Druk Construction, Wangdiphodrang in the construction of flood protection works under Bumdeling Gewog. The lapses had occurred due to release of excess payments in 1st Running Account Bill amounting to Nu.17.011 million as against actual work done value of Nu. 10.614 million indicating undue financial favour to the contractor. (AIN: 16427; OB No.:4.1; Direct Accountabilities: Tshering Penjor, Assistant Engineer, EID No. 201101221; M/s Tak Sing Chung Druk Construction, CDB No. 1748; Supervisory: Tshering Wangchuk, DE, EID No. 11510002065)

Status: Observation Not Settled.

As intimated by the Dzongkhag vide letter No. Nil dated 29/03/2022, the recoverable amount for the flood protection works including 20% penalty upon termination of contract (Ob. No. 4.2) amounted to Nu. 32,47,659.57 which was endorsed and approved by DTC, Dzongkhag Administration, Trashy Yangtse vide letter No. Yangdzong/Zorig (15)2020-2021/777 of 15/10/2020.

To this, repeatative follow-up reminder letters vide No.OAAGSJ/Follow-up-04)Dz-Tyangste/2022-2023/313 dated 30/01/2023 and vide OAAGSJ/FOLLOW-UP-04/Dz-TYANGTSE/2023-2024/718 dated 01/12/2023 were served. As of 29/02/2024, no ATR response received and the para remained unresolved. Audit Act of Bhutan, 2018, requires to Levy penalty of 24 percent per annum on financial dues to the Government or to the public entities resulting from the audit report for the amount not deposited within the prescribed time frame." Therefore, the para remains unsettled until penalty amount is deposited into ARA.

3.3 DUNGKHAG ADMINISTRATIONS

3.3.1 DUNGKHAGS UNDER SAMTSE DZONGKHAGS

I. DOROKHA DUNGKHAG

The significant unresolved irregularities amounting to Nu.3.949 million against Dorokha Dungkhag reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dungkhag and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The unsettled irregularities of Nu.0.0.257 million reported to the Parliament in April 2024, Nu.0.151 was settled leaving a balance of Nu. 0.106 unresolved as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.257	0.151	0.106	58.75
	Total	0.257	0.151	0.106	58.75

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU0.106 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.106 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.3	Non-reconciliation of funds	0.257	0.151	00.106
	Total	0.257	0.151	00.106

5.3 NON-RECONCILIATION OF FUNDS - NU. 0.257 MILLION

The Dungkhag Administration, Dorokha had un-reconciled balances from non-revenue and refundable deposit accounts aggregating to Nu. 0.389 million for the financial year 2017-2018. The lapses had occurred due to non-conduct of periodic reconciliation of non-revenue deposit and the refundable deposit accounts. (AIN: 16794; OB No.:1.6; Accountabilities: Direct: Singye, Accounts Assistant, EID No. 201107025; Supervisory: Karma Jurmi, Drungpa, EID No. 9208031)

Status: Observation Partially Settled.

The excess deposits of Nu. 283,253.00 into the Refundable Deposits Account and its adjustments made vide voucher No. OV.1.6 dated 14/01/2022 and DV.6.176 dated 22/06/2022 respectively is noted and accepted. However, the reply to the remaining sum of Nu. 105,578.00 for Refundable Deposit remains unsettled.

II. TASHICHOLING DUNGKHAG

The significant unresolved irregularities amounting to Nu. 11.894 million against Tashichholing Dungkhag reported in the 5th Session of the third Parliament in June 2023.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dungkhag and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu. 3.555 million reported to the Parliament in April 2024 Nu. 1.369 million was settled leaving a balance of Nu. 2.186 million as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.137	-	0.137	-
5	Shortfalls, lapses and deficiencies	3.418	1.369	2.049	40.05
	Total	3.555	1.369	2.186	38.51

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU.0.137 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.137 million is as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.2	Acceptance of defective work	0.137	-	0.137
	Total	0.137	-	0.137

4.2 ACCEPTANCE OF DEFECTIVE WORK – NU. 0.137 MILLION

The Dungkhag Administration, Tashicholing had accepted defective works in the construction of Gola water supply executed by M/s Sipsu Construction, Sipsu. The barbed wiring fencing constructed at a cost of Nu. 0.137 million was damaged by retaining wall construction. The lapse had occurred mainly due to inadequate monitoring and supervision. (AIN: 16855; OB No.:4.8; Direct Accountabilities: Aiman Limbu, AE, EID No. 20120100114; Supervisory: Birendra Giri, Engineer, EID No. 9907152)

Status: Observation Not Settled.

Rectification report duly endorsed by the Dungkhag Tender Committee is awaited. The follow up reminder vide letter No.RAA/OAAG-Pling/Sip-Drung-B2/2023/470 dated 20/09/2023.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 3.418 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 3.418 million is as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Excess payment	3.338	1.369	1.969
5.2	Shortages of materials	0.080	0	0.080
	Total	3.418	1.369	2.049

5.1 EXCESS PAYMENT - NU. 1.969 MILLION

The Dungkhag Administration, Tashicholing had made excess payments for various construction works as follows:

- a) Nu. 1.615 million to M/s Sipsu Construction, Sipsu for laying of DI pipes. Nu. 3.230 million booked as transportation charges of 646 numbers of DI pipes against the actual payable amount of Nu. 1.615 million. (AIN: 16855; OB No.:4.1; Direct Accountabilities: Dil Bahadur Ghalley, JE, EID No. 200508151; M/s Sipsu Construction, CDB No. 5225; Supervisory: Pema Wangchen, Dy.EE, EID No. 8901048)

Status: Observation Not Settled.

The latest follow up reminder vide RAA/OAAG-Pling/Sip-Drung-B2/2023/470 dated 20/09/2023 served and Nu. 1.615 million stands recoverable as of 31/03/2025.

- b) An excess payment of Nu. 0.145 million to M/s Sipsu Construction, Sipsu for transportation of 28 numbers of 150 mm DI pipes. The contractor had not executed

the work at site. (AIN: 16855; OB No.:4.2; Direct Accountabilities: Dil Bahadur Ghalley, JE, EID No. 200508151; M/s Sipsu Construction, CDB No. 5225; Supervisory: Pema Wangchen, Dy.EE, EID No. 8901048)

Status: Observation Not Settled.

The latest follow up reminder vide RAA/OAAG-Pling/Sip-Drung-B2/2023/470 dated 20.09.2023 served and Nu. 0.145 million stands recoverable as of 31/03/2025.

- c) Nu. 0.156 million to community contractors in the construction of Chorten at different locations under Tashicholing Dungkhag. The excess payments had occurred due to difference in quantities claimed by the contractor and actual quantities executed at site. (AIN: 16855; OB No.:7; Direct Accountabilities: Aiman Limbu, AE, EID No. 20120100114; Supervisory: Birendra Giri, Engineer, EID No. 9907152)

Status: Observation Not Settled.

The latest follow up reminder vide RAA/OAAG-Pling/Sip-Drung-B2/2023/470 dated 20.09.2023 served and Nu. 0.156 million stands recoverable as of 31/03/2025.

- d) An excess payment of Nu. 0.067 million to M/s Tshoyang Construction in the construction of 3-units BHU-II Staff quarter under Norgaygang Gewog. The excess payment occurred due to difference in quantities of work actually executed at site and quantities paid for. (AIN: 16855; OB No.:10; Direct Accountabilities: B B Gurung, AE, EID No. 200908130; Dophu Dukpa, AE, EID No. 201101206; M/s Tshoyang Construction, CDB No. 3537; Supervisory: Birendra Giri, Engineer, EID No. 9907152)

Status: Observation Not Settled.

A sum of Nu. 13,852.11 deposited vide receipt no. 01720 dated. 16/10/2023. Thereby leaving a recoverable balance of Nu. 59,227.12 along with 24% penalty.

5.2 SHORTAGES OF MATERIALS – NU. 0.080

The Dungkhag Administration, Tashicholing had shortages of plumbing materials/accessories valuing Nu. 0.080 million purchased for Gola water supply project. There were differences in the stock balance as per the inventory register maintained and physical verification. (AIN: 16855; OB No.:4.6; Direct Accountabilities: Aiman Limbu, AE, EID No. 20120100114; Supervisory: Pema Wangchen, Dy.EE, EID No. 8901048)

Status: Observation Not Settled.

Nu. 0.080 million and the accumulated of 24% penalty interest as of date stands recoverable. To this, latest reminder vide RAA/OAAG-Pling/Sip-Drung-B2/2023/470 dated 20/09/2023 was served. The review of the response revealed that no detailed assessment of DI pipes has been carried out by forming an independent team as recommended during the follow up review meeting convened on 15/08/2023. Instead, the officials have endorsed the response submitted by site engineer.

Further, no details of stock taking is furnished to RAA. Hence, the observation is unsettled.

3.3.2 DUNGKHAGS UNDER PEMAGATSHEL DZONGKHAG

I NGANGLAM DUNGKHAG

The significant unresolved irregularities amounting to Nu.16.805 million against Nganglam Dungkhag reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Dungkhag and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.8.500 million reported to the Parliament in April 2024, was settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
3	Mismanagement	4.955	4.955		100.00
4	Non-Compliance to laws and rules	0.118	0.118	-	100.00
5	Shortfalls, lapses and deficiencies	3.427	3.427	-	100.00
	Total	8.500	8.500	-	100.00

The details of irregularities reported to the Parliament in April 2024, resolved as of 31 March 2025 are as discussed below.

3. MISMANAGEMENT – NU. 4.955 MILLION

The cases of mismanagement involving Nu. 4.955 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
3.2	Unauthorised diversion of fund	4.798	4.798	0.00
3.3	Cost escalation due to change in scope of work	0.157	0.157	0.00
	Total	4.955	4.955	0.00

4. NON-COMPLIANCE TO LAWS AND RULES - NU. 0.118 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.118 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.2	Acceptance of Defective works	-	-	0
4.3	Acceptance of substandard works	0.118	0.118	0
	Total	0.118	0.118	0

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 3.427 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 3.427 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Excess payment	0.798	0.798	0
5.3	Unreconciled differences in final work done	2.629	2.629	0
	Total	3.427	3.427	0

3.4 GEWOG ADMINISTRATIONS

3.4.1 GEWOGS UNDER BUMTHANG DZONGKHAGS

I. CHHOEKHOR GEWOG

The significant unresolved irregularities amounting to Nu.1.490 million against Chhoeckhor Gewog reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu. 1.490 million reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
3	Mismanagement	0.162		0.162	-
5	Shortfalls, lapses and deficiencies	1.328	-	1.328	-
	Total	1.490	-	1.490	-

The details of irregularities reported to the Parliament in April 2024 which remained unresolved as of 31 March 2025 are as discussed below.

3. MISMANAGEMENT

The case of mismanagement involving Nu. 0.162 million is as indicated below:

3.1 NON-DEPOSIT OF SERVICE CHARGES – NU. 0.162 MILLION

The Gewog Administration, Chhoeckhor had not deposited service charges collected from cordyceps auction amounting to Nu. 0.162 million into CD account. (AIN: 16903; OB No.: 2.6; Accountabilities: Direct: Pema Doengyal, Gup, CID No. 10101004727; Supervisory: Pema Doengyal, Gup, CID No. 10101004727)

Status: Observation Not Settled.

The repetitive follow up reminders vide No.RAA/BT/Fus-01/2021/511 dated 15/04/2021 and RAA-BT/Fus-03/2023/123 dated 20/11/2023 were served. However, the observation remains unresolved as of 31/03/2025.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 1.328 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 1.328 million are as indicated below:

Sl. No.	Observation in Brief	Amount (Nu. M)	Amount settled (Nu. M)	Balance as of 31 Mar 2025
5.1	Non-refund of excess permit fee collection	0.411	-	0.411
5.2	Payment for works not executed	0.917	-	0.917
	Total	1.328	-	1.328

5.1 NON-REFUND OF EXCESS PERMIT FEE COLLECTION - NU. 0.411 MILLION

The Gewog Administration, Chhoekhor had made excess collection of permit fee amounting to Nu. 0.411 million. The collection fee of Nu. 910 per cordyceps collector was applied instead of prescribed rate of Nu. 610 which resulted into excess collection. The excess permit fee collected were not refunded to individuals. (AIN: 16903; OB No.:2.2; Accountabilities: Direct: Pema Doengyal, Gup, CID No. 10101004727; Supervisory: Pema Doengyal, Gup, CID No. 10101004727)

Status: Observation Not Settled.

Despite the follow-up reminder issued vide letter No. RAA/BT/Fus-01/2021/511 dated April 15, 2021, and the joint decision made during the subsequent review meeting held on August 25, 2023, granting a timeline until September 30, 2023, to address the issues, no Action Taken Report (ATR) responses have been received to date. Consequently, the case has been forwarded to court as per notification No. RAA-BT/Fus-03/2023/123 dated November 20, 2023.

5.2 PAYMENT FOR WORKS NOT EXECUTED NU.0.917 MILLION

The Gewog Administration, Chhoekhor had made excess payment of Nu. 0.917 million in the construction of farm road from Ngalhakhang to Kargang under Chhoekhor Gewog executed by community contractor. The excess payment had occurred due to payment for unexecuted works of providing and laying of hand packed stone soling, edging, hume pipe and excavation over areas at site. (AIN: 16903; OB No.:1; Accountabilities: Direct: Pema Doengyal, Gup, CID No. 10101004727; Chhimi Tenzin, Engineer, EID No. 970751; Supervisory: Pema Doengyal, Gup, CID No. 10101004727)

Status: Observation Not Settled.

Despite the follow-up reminder issued vide letter No. RAA/BT/Fus-01/2021/511 dated April 15, 2021, and the joint decision made during the subsequent review meeting held on August 25, 2023, granting a timeline until September 30, 2023, to address the issues, no Action Taken Report (ATR) responses have been received till date. Consequently, the

case has been forwarded to court as per notification No. RAA-BT/Fus-03/2023/123 dated November 20, 2023.

3.4.2 GEWOGS UNDER GASA DZONGKHAG

I. LUNANA GEWOG

The significant unresolved irregularities amounting to Nu.0.182 million against Lunana Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.0.087 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.087	-	0.087	-
	Total	0.087	-	0.087	-

The details of irregularity reported to the Parliament in April 2024 which remained unsettled as of 31 march 2025 is as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES - NU. 0.087 MILLION

The cases of shortfalls, lapses and deficiencies amounting to Nu. 0.087 million is as indicated below:

5.2 EXCESS PAYMENT - NU. 0.087 MILLION

The Gewog Administration, Lunana had made excess payment of Nu. 0.087 million to community contractor in the maintenance of Gewog office at Thango. The excess payment had occurred due to difference in quantities claimed by the contractor and actual quantities executed at site for providing and fixing roof frames and CGI sheets. *(AIN: 16472; OB No.:1.1 (3); Accountabilities: Direct: Kinley Choki, GAO, EID No. 20170809759; Supervisory: Kaka, Gup, CID No. 10404000432)*

Status: *Observation Not Settled.*

A follow-up reminder vide RAA/FUCD(Q3-3)Lunana-Gasa/2022/1166 dated 14/07/2022. However, the observation remained unsettled as of 31/03/2025.

3.4.3 GEWOGS UNDER PARO DZONGKHAG

I. LAMGONG GEWOG

The significant unresolved irregularities amounting to Nu.0.278 million against Lamgong Gewog reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu. 0.050 million reported to the Parliament in April 2024. remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu. M)	Settled/resolved (Nu. M)	Balance as on 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws & rules	0.050	0	0.050	0
	Total	0.050	0	0.50	

The details of irregularities reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.050 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.050 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.2	Non-submission of details on procurement of HDPE pipes	0.050	-	0.050
	Total	0.050	0	0.050

4.2 NON-SUBMISSION OF DETAILS ON PROCUREMENT OF HDPE PIPES - NU. 0.050 MILLION

The Gewog Administration, Lamgong had not submitted the details on the procurement of HDPE pipes for rural water supply and sanitation programme and irrigation channel. The Gewog Administration had procured HDPE pipes from M/s Muktsen Construction amounting to Nu. 0.762 million for which the details of procurement were not submitted to DNP as required thereby forgoing the rebate amount of Nu. 0.050 million. (AIN: 16699; OB No.:4; Accountabilities: Direct: Tshering Chenzom, GAO, EID No. 200805066; Supervisory: Gem Tshering, Gup, CID No. 10805001697)

Status: *Observation Not Settled.*

The Gewog Administration should recover the rebates from the concerned supplier and deposit them along with the applicable 24% penalty interest. Until such time that the applicable rebates and accumulated 24% penalty amount recovered, the observation shall remain unresolved.

II. SHABA GEWOG

The significant unresolved irregularities amounting to Nu.1.498 million against Shaba Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The unsettled balance irregularities of Nu. 1.318 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below:

Ref. No.	Description of Ref. in brief	Irregularities reported as 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.719		0.719	-
5	Shortfalls, lapses and deficiencies	0.599	-	0.599	-
	Total	1.318	-	1.318	-

The unsettled balance irregularities of Nu.1.318 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.719 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.719 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.1	Payment made for work not executed	0.219	-	0.219
4.2	Acceptance of Substandard works	0.500	-	0.500
	Total	0.719	-	0.719

4.1 PAYMENT FOR WORK NOT EXECUTED - NU. 0.219 MILLION

The Gewog Administration, Shaba had made payment of Nu. 0.399 million to M/s T.Y. Tshogyel Construction, in the construction of bailey bridge at Chorten Sabhu. The excess payment had occurred due to difference in the quantities paid for and quantities actually executed at site. (AIN: 16736; OB No.:1.1; Accountabilities: Direct: Rinchen Tshering, Assistant Engineer, EID No. 200407007, M/s T.Y. Tshogyel Construction, CDB No.6239; Supervisory: Chencho Gyeltshen, Gup, CID No.10808001337; Chane Zangmo, Dzongkhag Engineer, EID No. 9901228)

Status: Observation Not Settled.

As per the remeasurement and the re-verification report dated 18/03/2021 provided by the audit team, the recoverable actual amount was revised from initial amount of Nu.398,589.46 to Nu. 219,830.08 as per work done at site.

Therefore, the Gewog Administration should recover Nu. 219,830.08 the payment made without execution of work at site along with applicable 24% penalty at the earliest to avoid unnecessary accumulation penalty interest. Until such time, the observation shall remain unresolved. To this the follow-up reminder vide No.RAA/ FUCD(R16)Shaba Gw/2022/1625 dated 12/09/2022 was served in pursuit of ATR response.

4.2 ACCEPTANCE OF SUBSTANDARD WORKS - NU. 0.500 MILLION

The Gewog Administration, Shaba had accepted substandard works for providing and fixing sign board valuing Nu. 0.500 million in the construction of bailey bridge at Chorten Sabhu. The concrete block measuring 200mm x 200mm x 600mm and roofing were not provided for iron sign board. (AIN: 16736; OB No.:1.4; Accountabilities: Direct: Rinchen Tshering, Assistant Engineer, EID No. 200407007, M/s T.Y. Tshogyel Construction, CDB No.6239; Supervisory: Chencho Gyeltshen, Gup, CID No.10808001337; Chane Zangmo, Dzongkhag Engineer, EID No. 9901228)

Status: Observation Not Settled.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by the Site Engineer that they are unable to trace the contractor (T.Y. Tshogyel Construction, CDB No. 6239) since they have no information about the contractor's current whereabouts.

The RAA has notified the relevant stakeholders on the missing contractor; so till the issue is brought to a logical conclusion, the observation shall remain unresolved.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.599 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.599 million are as indicated below:

5.1 EXCESS PAYMENT - NU. 0.599 MILLION

- a) The Gewog Administration, Shaba had made excess payment amounting to Nu. 0.532 million to M/s T.Y. Tshogyel Construction in the construction of bailey bridge at Chorten Sabhu. The excess payment had occurred due to difference in the actual work done at site as against the quantities claimed by the contractor for TMT bars in retaining walls for abutments. (AIN: 16736; OB No.:1.2; Accountabilities: Direct: Rinchen Tshering, Assistant Engineer, EID No. 200407007, M/s T.Y. Tshogyel Construction, CDB No. 6239; Supervisory: Chenchog Gyeltshen, Gup, CID No. 10808001337; Chane Zangmo, Dzongkhag Engineer, EID No. 9901228)

Status: Observation Not Settled.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by the Site Engineer that they are unable to trace the contractor (T.Y. Tshogyel Construction, CDB No. 6239) since they have no information about the contractor's current whereabouts.

The RAA has notified the relevant stakeholders on the missing contractor; so till the issue is brought to a logical conclusion, the observation shall remain unresolved.

- b) The Gewog Administration, Shaba had made excess payment amounting to Nu. 0.067 million to M/s T.Y. Tshogyel Construction in the construction of Bailey Bridge at Chorten Sabhu. The lapse had occurred due to payment at inflated rate for providing and fixing steel bridge parts. (AIN: 16736; OB No.:1.3; Accountabilities: Direct: Rinchen Tshering, Assistant Engineer, EID No. 200407007, M/s T.Y. Tshogyel Construction, CDB No. 6239; Supervisory: Chenchog Gyeltshen, Gup, CID No. 10808001337; Chane Zangmo, Dzongkhag Engineer, EID No. 9901228)

Status: Observation Not Settled.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by the Site Engineer that they are unable to trace the contractor (T.Y. Tshogyel Construction, CDB No. 6239) since they have no information about the contractor's current whereabouts.

The RAA has notified the relevant stakeholders on the missing contractor; so till the issue is brought to a logical conclusion, the observation shall remain unresolved.

III. TSHENTO GEWOG

The significant unresolved irregularities amounting to Nu.17.983 million against Tshento Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The total irregularities of Nu.7.998 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	7.225	-	7.225	-
5	Shortfalls, lapses and deficiencies	0.773	-	0.773	-
	Total	7.998	-	7.998	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unresolved as of as of 31 March 2025 are as discussed below

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 7.225 MILLION

The cases of non-compliance to laws and rules involving Nu. 7.225 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.4	Payment made for work less executed at site	-	-	-
4.5	Irregular adjustment of advance	7.225	-	7.225.00
	Total	7.225	0	7.225.00

4.4 PAYMENT MADE FOR WORK LESS EXECUTED AT SITE - NU. 0.134 MILLION

The Gewog Administration, Tshento had made excess payment amounting to Nu. 0.134 million to the community contractor in the construction of irrigation channel from Phubchuna to Lapsathang. The lapses had occurred due to difference in quantities of work executed at site and paid for some items of works like; for providing and laying of HDPE pipes, hand packed stone soling and PCC work. (AIN: 16708; OB No.:7; Accountabilities: Direct: Kumar, Engineer, EID No.201101254; Supervisory: Dolay Tshering, Gup, CID No. 10810000805)

Status: Observation Partially Settled.

The Follow-up Review Meeting held on 3 August 2023 at the DYT Hall of the Paro Dzongkhag chaired by the Hon'ble Auditor General and attended by Dasho Dzongdag and the staff of the Dzongkhag Administration.

During the meeting, the Gewog Administration informed that the principal amount of Nu. 0.134 million deposited vide receipt No. A03025 dated 27/4/2021, but only the penalty of Nu. 23,282.85 was not recovered from the contractor. Until the penalty amount is recovered and deposited into ARA, the observation shall remain unresolved.

4.5 IRREGULAR ADJUSTMENT OF ADVANCE - NU. 7.225 MILLION

The Gewog Administration, Tshento had made irregular booking of Nu. 7.225 million under closed work account without completion of the work pertaining to the construction of bailey bridge at Lemdo. The lapses had occurred due to non-adherence to the provisions of the FRR 2016. (AIN: 16708; OB No.:5; Accountabilities: Direct: Rinchen Tshering, Engineer, EID No. 200407007; Supervisory: Dolay Tshering, Gup, CID No. 10810000805)

Status: Observation Not Settled.

During the Follow-up Review Meeting held on 3 August 2023, it was informed that the case is still under Arbitration. The review meeting decided to wait for the decision of arbitration process. Until such time, the observation shall remain unresolved.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU.0.773 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.773 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.2	Execution of substandard works	0.773	-	0.773

	Total	0.773	0	0.773
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5.2 EXECUTION OF SUBSTANDARD WORKS - NU. 0.773 MILLION

The Gewog Administration, Tsento had accepted substandard works amounting to Nu. 0.773 million in the construction of farm road from Shana to Shingkharab. The V-shaped drain construction was totally worn out and damaged due to poor workmanship and execution and acceptance of substandard works. (AIN: 16708; OB No.:6.3; Accountabilities: Direct: Cheki Lengkong, Engineer, EID No.200901091; M/s Jigme Dorji Construction, CDB No. 1987; Supervisory: Dolay Tshering, Gup, CID No. 10810000805)

Status: Observation Not Settled.

A Follow-up Review Meeting was held on 3 August 2023 in the DYT Hall of the Dzongkhag led by the Hon'ble Auditor General attended by Dasho Dzongdag, officials of the Dzongkhag and Gewogs where the RAA Team was informed by Tsento Gup that the rebate amount was deposited into ARA. The review meeting decided to review the records and mark the issue as resolved if it is confirmed that the amount was deposited into ARA. Accordingly, the RAA reviewed the documents but could not ascertain that the amount was deposited into the ARA. Therefore, the Gewog Administration is requested to submit the details of deposit made for asceratinment of the deposit. In the event if the amount is not deposited yet it should be deposited along with 24% penalty w.e.f. 6 Aug 2020 ATR deadline of the report.

3.4.4 GEWOGS UNDER SAMTSE DZONGKHAG

I. PHUENTSHOPELRI GEWOG

The significant unresolved irregularities amounting to Nu. 1.812 million against Phuentshopelri Gewog reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu.1.812 million reported to the Parliament in April 2024, Nu. 0.150 million was settled leaving a balance of Nu. 1.662 million as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as of 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	1.812	0.150	1.662	8
	Total	1.812	0.150	1.662	8

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 1.662 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 1.622 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Excess payment	0.741	-	0.741
5.2	Outstanding advance	1.071	0.150	0.921
	Total	1.812	0.150	1.662

5.1 EXCESS PAYMENT - NU. 0.741 MILLION

- a) The Gewog Administration, Phuentshopelri had made excess payment of Nu. 0.170 million towards hiring charges of machinery in the construction of Khanigoan farm road under Phuentshopelri Gewog. The excess payments had occurred due to payment for 1004 hours as against actual engagement of 941 hours. *(AIN: 16872; OB No.: 1.1; Accountabilities: Direct: Biren Giri, Engineer, EID No. 9907152; Supervisory: Robat Lepcha, Gup, CID No. 11212003548)*

Status: *Observation Not Settled.*

As per the decision of follow-up review meeting convened on 15/08/2023, the excess payment of Nu. 170,080.00 along with 24% penalty should be recovered on or before 30/10/2023 and deposited into ARA. Until such time the observation remains unsettled

- b) The Gewog Administration, Phuentshopelri had made excess payment of Nu. 0.223 million towards hiring charges of machinery in the construction of Khanigoan farm road under Phuentshopelri Gewog. The excess payments had occurred due to payment of machine hour without deducting for lunch break, fitting and removal of bucket. *(AIN: 16872; OB No.:1.2; Accountabilities: Direct: Biren Giri, Engineer, EID No. 9907152; Supervisory: Robat Lepcha, Gup, CID No. 11212003548)*

Status: Observation Not Settled.

As per the decision of follow-up review meeting convened on 15/08/2023, the excess payment of Nu. 223,380.00 along with 24% penalty should be recovered on or before 30/10/2023 and deposited into ARA. Until such time the observation remains unsettled

- c) The Gewog Administration, Phuentshopelri had made excess payment of Nu. 0.348 million towards hiring charges of machinery in the construction of Khanigoan farm road under Phuentshopelri Gewog. The excess payments had occurred due to application of higher rate than the quoted rate. The hourly rate for engaging the rock breaker machine was paid at Nu. 3,500.00 per hour against the quoted rate of Nu. 1,999.00 per hour. (AIN: 16872; OB No.:1.3; Accountabilities: Direct: Biren Giri, Engineer, EID No. 9907152; Supervisory: Robat Lepcha, Gup, CID No. 11212003548)

Status: Observation Not Settled.

As per the decision of follow-up review meeting convened on 15/08/2023, the excess payment of Nu. 348,232.00 along with 24% penalty should be recovered on or before 30/10/2023 and deposited into ARA. Until such time the observation remains unsettled

5.2 OUTSTANDING ADVANCE - NU. 0.921 MILLION

- a) The Gewog Administration, Phuentshopelri had outstanding advances of Nu. 0.921 million against various parties and individuals as of 30 June 2019. The advances were sanctioned from Corporate Social Responsibility fund provided by PCAL. (AIN: 16872; OB No.:2; Accountabilities: Direct: Robat Lepcha, Gup, CID No. 11212003548; Supervisory: Robat Lepcha, Gup, CID No. 11212003548)

Status: Observation Not Settled.

An amount of Nu. 0.921 million stands recoverable as of as of date along with 24% penal interest. The follow up reminder vide RAA/OAAG-Pling/Phu-Gw-B10/2023/483 dated 22/09/2023 was served in pursuit of ATR response.

The RAA reviewed the ATR report submitted vide letter No. SD/Accts-06/2023-2024/5885 dated 11/08/2023 and SD/Accts-06/2023-2024/5903 dated 14/08/2023 as under:

- 1) *As per EME's log book copy (BG-3-A0017) submitted, it shows that CMU machine was used by the Gewog Administration, Phuentshopelri from 10/10/2018 to 28/04/2019 for 495 hours for clearing of farm roads. On the other hand, the expenditure and cash*

memos of BoD revealed that 8610 liters of HSD was consumed in total. Hence, mileage of EME is calculated as 17.39 Ltrs per hour, which is excessive consumption of fuel;

- 2) The average mileage acceptable is 4 to 5 Ltrs per hour for EME, which is 4.5 Ltrs in average per hour. The Gewog Administration had claimed 12.89 Ltrs in excess for every working hour, which is 6380.55 Ltrs in total (12.89 Ltrs x 495 hrs worked). Therefore, excessive claims amounted to Nu. 402,931.73 (6380.55 Ltrs @ average rate of Nu. 63.15);*

In view of the above irregularities, the Gewog Administration should recover the excess adjustment of PW advances until substantiated with additional documents/evidence. In addition, the outcome of settlement of account towards construction of Pakhagoan bridge and Kusung Mendrel should be submitted to RAA for verification.

Further, the Gewog Administration should submit the work done/log book of CMU machine used for clearing of roads at Dolomthang Chiwog where 2 barrels of fuel was used. Hence, the observation remains unsettled. The Gewog Administration should recover the excess adjustment of PW advances until substantiated with additional documents/evidence. In addition, the outcome of settlement of account towards construction of Pakhagoan bridge and Kusung Mendrel should be submitted to RAA for verification.

II. SANGAGCHOLING GEWOG

The significant unresolved irregularities amounting to Nu.11.073 million against Sangagcholing Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu. 10.736 million reported to the Parliament in April 2024, Nu. 0.838 million was settled leaving a balance of Nu. 9.898 millionas of 31 March 2025 as shown in the table below.

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 9.898 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 9.898 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Wasteful expenditure on irrigation channel	8.870	-	8.870
5.2	Excess payment	1.028	-	1.028
	Total	9.898	-	9.898

5.1 WASTEFUL EXPENDITURE ON IRRIGATION CHANNEL - NU. 8.870 MILLION

The Gewog Administration, Sangagcholing had spent Nu. 8.870 million for the construction of Jiti A&B and Tharphu irrigation channel through SDP and RGoB funding respectively. The materials were procured by the Gewog Administration and executed by community contractors. However, due to inadequate survey, wrong alignment and execution of substandard work, the construction of irrigation channel failed to meet its intended purpose and could not be utilized resulting in wasteful expenditure. (AIN: 16930; OB No.:1.1; Accountabilities: Direct: Tshering Phuntsho, Site Engineer, EID No. 20130402086; Supervisory: Sherab Zangpo, GAO, EID No. 200805067)

Status: Observation Not Settled.

The observation remains unsettled until the rectification report along with pictorial evidence is submitted to RAA for verification. Further, the RAA recommend that the Gewog Administration take immediate steps to address the non-achievement of the objectives, as it is causing significant financial losses to the government.

5.2 EXCESS PAYMENT- NU.1.028 MILLION

- a) The Gewog Administration, Sangagcholing had made excess payment of Nu. 0.313 million to the community contractor in the construction of irrigation channel at Tharphu. The excess payment occurred due to incorrect recording of the length of HDPE pipe in the measurement book against the actual quantity provided at site. (AIN: 16930; OB No.:1.3; Accountabilities: Direct: Kezang, Site Engineer, EID No. 200807187; Supervisory: Sherab Zangpo, GAO, EID No. 200805067)

Status: Observation Not Settled.

Out of the total amount of Nu. 0.313 million; Nu. 0.106 was deposited with the RAA vide receipt No. 01877 dated 10/12/2021 leaving a balance of Nu. 207,203.00 along with 24% penalty. The recoverable amount is not recovered as of 29/02/2024 despite

the follow-up reminder was issued vide letter No. RAA/OAAG-Pling/Sang-Gw-B12/2023/468 date 20/09/2023.

- b) The Gewog Administration, Sangagcholing had made excess payment of Nu. 0.821 million to M/s K. Ngawang Construction in the construction of RCC T-Girder bridge at Sombek under Sangacholing Gewog. The excess payment had occurred due to difference in quantities claimed by the contractor and actual quantities executed at site for RRM wall in substructure. *(AIN: 16930; OB No.:2.1; Accountabilities: Direct: Tshering Phuntsho, Site Engineer, EID No. 20130402086; Supervisory: Kinzang Dorji, DE, EID No. 9807036)*

Status: *Observation Not Settled.*

The amount of Nu. 821,069.36 stands recoverable along with 24% penal interest. To this, the follow up report issued vide RAA/OAAG-Pling/Sang-Gw-B12/2023/468 date 20/09/2023 was served.

III. TADING GEWOG

The significant unresolved irregularities amounting to Nu.0.900 million against Tading Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The unsettled irregularities of Nu.0.078 million reported to the Parliament in April 2024 settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.078	0.078	-	100.00
	Total	0.078	0.078	-	100.00

The details of unsettled irregularity reported to the Parliament in April 2024, resolved as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU.0.078 MILLION

The case of non-compliance to laws and rules involving Nu. 0.078 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/ Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.2	Non-levy of liquidated damages	0.078	0.078	0
	Total	0.078	0.078	0

IV. TASHICHOLING GEWOG

The significant unresolved irregularities amounting to Nu. 3.183 million against Tashicholing Gewog was reported in the 5th Session of the third Parliament as of 21 June 2021 as summarized below.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The total irregularities of Nu.1.376 million reported to the Parliament in April 2024 remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
1	Fraud and Corruption	0.050		0.050	-
2	Embezzlement	0.340	-	0.340	-
4	Non-Compliance to laws and rules	0.909		0.909	-
5	Shortfalls, lapses and deficiencies	0.077	-	0.077	-
	Total	1.376	-	1.376	-

The details of unsettled irregularity reported to the Parliament in April 2024 remained unresolved as of 31 March 2025 are as discussed below.

1. FRAUD AND CORRUPTION – NU. 0.050 MILLION

The cases with elements of fraud and corruption involving Nu. 0.050 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
1.2	Misuse of government property	0.050	-	0.050
	Total	0.050	-	0.050

1.2 MISUSE OF PUBLIC PROPERTY – NU. 0.050 MILLION

The Chairman of Dangling Vegetable Group had misused and illegally sold the micro tiller to a private individual at Nu. 0.050 million. The micro tiller procured during 2014-2015 at a cost of Nu. 0.085 million was under the custody of the Chairman. The lapses had occurred apparently due to inadequate monitoring, supervision by the Gewog administration and lack of sense of ownership on the part of the beneficiaries. (AIN: 16868; OB No.:8; Direct Accountabilities: Samir Giri, Gup, CID No. 11202000900; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: Observation Not Settled.

An administrative action was taken against Samir Giri, former Gup of Tashi Chhoeling Gewog vide letter No.DAT/Adm-08/2023/100 dated 18/01/2023 by imposing one month's basic salary for numerous audit observations issued against him for the fiscal year 2019-2020 due to negligence and lapses resulted while delivering public services during his tenure. A sum of Nu. 35,020.00 equivalent to one month's basic pay was deposited vide receipt No. 01994 dated 27/02/2023. The Gewog Administration had forwarded the case to Dzongkhag Adminsitration, Samtse for initiating the legal action. Until such time, the observation shall remain unresolved.

2. EMBEZZLEMENT – NU. 0.340 MILLION

The cases with elements of embezzlement involving Nu. 0.340 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
2.1	Shortages of materials	0.138	0	0.138
2.2	Shortages of cash	0.138	-	0.138
2.3	Short accountal	0.064	-	0.064
	Total	0.340	0	0.340

2.1 SHORTAGES OF MATERIALS – NU. 0.138MILLION

- a) The Gewog Administration, Tashicholing had shortages of 20mm, 25mm and 63mm HDPE pipes valuing Nu. 0.091 million. There were differences in quantity procured and quantity issued. (AIN: 16868; OB No.:3.1; Direct Accountabilities: Surjay Gurung, Mangmi, CID No. 21214000573; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: Observation Not Settled.

The amount of Nu. 0.091 million stands recoverable along with 24% penal interest and appropriate action taken at the earliest.

- b) The Gewog Administration, Tashicholing had cases of shortages of cement valuing Nu. 0.047million procure from M/s Wangdi Cement Agent, Tashicholing. Out of 333 bags of cement, 182 bags were issued and remaining quantity of 151 bags were missing. The lapses had occurred due to poor custody of materials and inadequate maintenance of inventory records. (AIN: 16868; OB No.:3.2; Direct Accountabilities: Surjay Gurung, Mangmi, CID No. 21214000573; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: Observation Not Settled.

The observation amount Nu. 0.047 million stands recoverable along with 24% penal interest and appropriate action taken earliest.

2.2 SHORTAGE OF CASH – NU. 0.138 MILLION

The Mangmi of Gewog Administration, Tashicholing had misused Nu. 0.138 million from the collections made from public. Since 2017, the Gewog had been collecting Nu. 180 per household in meeting crematorium caretaker's salary. (AIN: 16868; OB No.:9; Direct Accountabilities: Surjay Gurung, Mangmi, CID No. 21214000573; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: Observation Not Settled.

As per the minutes of the review meeting held on 14/12/2023 at Tashichoeling Drungkhag, it was decided that the amount of Nu. 137,700/- along with 24% penalty should be recovered. The appropriate action needs to taken against the direct accountable individuals.

The Gewog Administration had forwarded the case to Dzongkhag Adminsitration, Samtse for legal action. Until such time, the observation shall remain unresolved.

2.3 SHORT ACCOUNTAL OF FUNDS – NU. 0.064 MILLION

The Gewog Administration, Tashicholing had short accountal of funds amounting to Nu. 0.064 million on account of water connection charges to new house construction. From the total collection of Nu. 0.127 million, only Nu. 0.063 million were accounted for. Further, the Gewog does not have a system of issuing money receipt to document a proof of financial transactions and to acknowledge the payer. (AIN: 16868; OB No.:10.1; Direct Accountabilities: Surjay Gurung, Mangmi, CID No. 21214000573; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: Observation Not Settled.

The amount of Nu. 0.064 million stands recoverable along with 24% penal interest and appropriate action. The Gewog Administration had forwarded the case to Dzongkhag Administration, Samtse for legal action. Until such time, the observation shall remain unresolved.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.909 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.909 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
4.1	Payment without supporting documents	0.440	-	0.440
4.2	Payment without verification	0.259	-	0.259
4.3	Short accountal of collection	0.210	-	0.210
	Total	0.909	-	0.909

4.1 PAYMENT WITHOUT SUPPORTING DOCUMENTS – NU. 0.440 MILLION

- a) The Gewog Administration, Tashicholing had made expenditure amounting to Nu. 0.440 million without supporting documents. The expenditure incurred for the maintenance of farm roads were not authenticated by log book and the purpose of the expenses could not be verified due to lack of details. (AIN: 16868; OB No.:2.1; Direct Accountabilities: Surjay Gurung, Mangmi, CID No. 21214000573; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: Observation Not Settled.

The amount of Nu. 0.440 million stands recoverable along with 24% penal interest. The Gewog Administration had forwarded the case to Dzongkhag Administration, Samtse for legal action. Until such time, the observation shall remain unresolved.

4.2 PAYMENT WITHOUT VERIFICATION – NU. 0.259 MILLION

The Gewog Administration, Tashicholing had booked expenditure amounting to Nu. 0.259 million on account of purchase of fuel without verification. The lapses indicate lack of adequate supervision and failure to exercise due diligence while approving the payments. (AIN: 16868; OB No.:2.2; Direct Accountabilities: Surjay Gurung, Mangmi, CID No. 21214000573; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: *Observation Not Settled.*

The amount of Nu. 0.259 million stands recoverable along with 24% penal interest. The Gewog Administration had forwarded the case to Dzongkhag Adminsitration, Samtse for legal action. Until such time, the observation shall remain unresolved.

4.3 SHORT ACCOUNTAL OF COLLECTION – NU. 0.210 MILLION

The Gewog Administration, Tashicholing had short accountal of Nu. 0.210 million on account of collections made from public. From the total collection of Nu. 0.237 million, a sum of Nu. 0.027 million was paid to the water caretaker and fund of Nu. 0.210 million stands unaccounted. (AIN: 16868; OB No.:10.2; Direct Accountabilities: Surjay Gurung, Mangmi, CID No. 21214000573; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: *Observation Not Settled.*

The amount of Nu. 0.210 million stands recoverable along with 24% penal interest. The Gewog Administration had forwarded the case to Dzongkhag Adminsitration, Samtse for legal action. Until such time, the observation shall remain unresolved.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.077 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.077 million is as indicated below:

5.1 EXCESS PAYMENT - NU. 0.077 MILLION

- a) The Gewog Administration, Tashicholing had made excess payments of Nu. 0.077 million in the construction of Prabachan Hall at Shivalaya Mandir executed by M/s Yuden Lham Construction, Samtse. The excess payment had occurred due to differences in quantities of work actually executed and quantities for which payment was made. (AIN: 16868; OB No.:7.2; Direct Accountabilities: Surjay Gurung, Mangmi, CID No. 21214000573; Supervisory: Samir Giri, Gup, CID No. 11202000900)

Status: *Observation Not Settled.*

An amount of Nu. 76,571.14 along with 24% penalty stands recoverable as of date.

3.4.5 GEWOG UNDER TRONGSA DZONGKHAG

I. DRAKTENG GEWOG

The significant unresolved irregularities amounting to Nu. 0.600 million against Drakteng Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu. 0.600 million reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.600	-	0.600	-
	Total	0.600	-	0.600	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 is as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.600 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.600 million is as indicated below:

5.1 OUTSTANDING ADVANCE - NU. 0.600 MILLION

The Gewog Administration, Drakteng had not adjusted PW advances amounting to Nu. 0.600 million against Regional Office, DoR, Trongsa. The advances were released for deposit works and lying unadjusted since the end of FY 2017-2018. *(AIN: 16480; OB No.:2; Accountabilities: Direct: Sangay Dorji, Accounts Assistant, EID No. 201820110522; Supervisory Accountability: Kinzang Dorji, Gup, CID No. 11701001704)*

Status: *Observation Not Settled.*

A follow-up reminder vide RAA/Bt/Fus-01/2021/514 dated 15/04/2021 and RAA-BT/Fus-03/2023/125 dated 20/11/2023 were served.

II. TANGSIBJI GEGOG

The significant unresolved irregularities amounting to Nu. 0.166 million against Tangsibji Gewog reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu. 0.145 million reported to the Parliament in April 2024, Nu. 0.078 million was settled leaving a balance of Nu. 0.067 million as of 31 March 2025 as shown in the table below

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.145	0.078	0.067	54
	Total	0.145	0.078	0.067	53.79

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.145 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.145 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
5.1	Unreconciled amount	0.067	-	0.067
5.2	Outstanding advance	0.078	0.078	0
	Total	0.145	0.078	0.067

5.1 UNRECONCILED AMOUNT - NU. 0.067 MILLION

The Gewog Administration, Tangsibji had unreconciled amount in refundable deposit account amounting to Nu. 0.067 million as at 30 June 2018. The lapses had occurred due to non-conduct of periodic reconciliation of refundable deposit accounts. *(AIN: 16481; OB No.:2; Accountabilities: Direct: Tshering Dawa, Accounts Assistant, EID No. 20141204880; Supervisory: Gyembo Dorji, Gup, CID No. 11705002197)*

Status: Observation Not Settled.

A follow-up reminder vide RAA/Bt/Fus-01/2021/513 dated 10/04/2021 and RAA-BT/Fus-03/2023/125 dated 20/11/2023 were served. However, no ATR response was received.

3.4.6 GEWOGS UNDER TRASHI YANGTSE

I. BUMDELING GEWOG

The significant unresolved irregularities amounting to Nu.0.135 million against Bomdeling Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu. 0.135 reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
2	Embezzlement	0.065	-	0.065	-
3	Mismanagement	0.070	-	0.070	-
	Total	0.135	-	0.135	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 are as discussed below.

2. EMBEZZLEMENT - NU. 0.065 MILLION

The cases with elements of embezzlement involving Nu. 0.065 million is as indicated below:

2.1 NON-DEPOSIT OF CORDYCEPS COLLECTION FEES – NU. 0.065 MILLION

The Gewog Administration, Bumdeling had failed to deposit the revenue collections on account of cordyceps fee amounting to Nu. 0.065 million in CD Account and DoFPS account during the FY 2018-2019. Nu. 0.016 million and Nu. 0.049 million were not deposited to CD Account and DoFPS accounts respectively. The lapses had occurred due to non-adherence to the guidelines for collection of cordyceps issued by the Department of Forest and Park Services. *(AIN: 16428; OB No.:1; Accountabilities: Direct: Mani Wangda, Former Gup, CID No. 11601001060; Supervisory: Tshering Wangchuk, Officiating Gup, CID No.11601001512)*

Status: Observation Not Settled.

The follow-up reminders vide OAAGSJ/FOLLOW-UP-04) Dz-TYANGTSE/2023-2024/725 dated 11/12 /2023 and OAAGSJ/Follow-up-04)Dz-Tyangste/2022-2023/363 dated 02/03/2023 were served.

3. MISMANAGEMENT – NU. 0.070 MILLION

The case of mismanagement involving Nu. 0.070 million is as indicated below:

3.1 INAPPROPRIATE PAYMENT FROM CD ACCOUNT – NU. 0.070 MILLION

The Gewog Administration, Bumdeling had made inappropriate payment of Nu. 0.070 million from CD Account during the FY 2018-2019. Amount of Nu. 0.060 million was paid towards life insurance and Nu. 0.010 million was withdrawn by the Gup from Gewog CD Account. The lapses could be attributed to weak internal control and inadequate supervision. (AIN: 16428; OB No.:2; Accountabilities: Direct: Mani Wangda, Former Gup, CID No.11601001060; Supervisory: Tshering Wangchuk, Officiating Gup, CID No.11601001512)

Status: Observation Not Settled.

The follow-up reminders vide OAAGSJ/Follow-up-04)Dz-Tyangste/2022-2023/363 dated 02/03/2023 and OAAGSJ/FOLLOW-UP-04)Dz-TYANGTSE/2023-2024/725 dated 11/12/2023 were served.

3.4.7 GEWOG UNDER THIMPHU DZONGKHAG

I. DAGALA GEWOG

The significant unresolved irregularities amounting to Nu.1.155 million against Dagala Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularity of Nu. 1.155 reported to the Parliament in April 2024, settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	1.155	1.155	-	100
	Total	1.155	1.155	-	100

3.4.8 GEWOG UNDER TRASHIGANG DZONGKHAG

I. PHONGMEY GEWOG

The significant unresolved irregularities amounting to Nu.3.630 million against Phongmey Gewog reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.3.630 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as discussed below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024(Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
1	Fraud and Corruption	3.369	-	3.369	-
3	Mismanagement	0.261	-	0.261	-
	Total	3.630	-	3.630	-

The details of unsettled irregularities reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 are as discussed below.

1. FRAUD AND CORRUPTION - NU. 3.369 MILLION

The cases of elements of fraud and corruption involving Nu. 3.088 million are as indicated below:

1.1 MISAPPROPRIATION OF FUNDS – NU. 3.369 MILLION

The Accounts Assistant of the Gewog Administration, Phongmey had misappropriated funds as follows:

- a) A cheque of Nu. 0.096 million was issued to M/s Baijnath Gupta and Sons instead of M/s Muktshen Construction. The payment was made on account of procurement of HDPE pipes. The lapses had occurred due to lack of integrity on the part of dealing Accounts Assistant which was further exacerbated by an apparent lack of supervision and monitoring. (AIN: 16723; OB No.:1.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a

comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmín-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- b) The Accounts Assistant had misappropriated Nu. 0.033 million by making payment to an individual on account of silk kira bought for personal use. The amount was found deposited into the recipient's account vide cheque No. 685106 and 685107. (AIN: 16723; OB No.:2.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmín-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- c) The advance of Nu. 0.270 million received from the Dzongkhag Administration, Trashigang was embezzled by the Accounts Assistant. The Accounts Assistant admitted that the amount was used to adjust amount misappropriated from previous financial years. Advance was requested to meet the budget deficits in pay and allowances with an assurance to repay from subsequent release. (AIN: 16723; OB No.:2.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmin-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- d) The Gewog Administration, Phongmey had an unissued cheque No. 698178 as per the cheque book register maintained in PEMS. However, the same cheque was found presented to bank for encashment of Nu. 0.011 million by the Accounts Assistant. The withdrawal of amount could not be authenticated by supporting documents. (AIN: 16723; OB No.:2.3; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmin-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- e) The Accounts Assistant had misappropriated Nu. 0.260 million through cheque withdrawals without supporting documents. Accounts Assistant had prepared the cheques in her name and withdrawn in cash. Fictitious names were created in PEMS to hide her identity. (AIN: 16723; OB No.:2.4; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmin-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the

follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- f) The Accounts Assistant had misappropriated fund aggregating to Nu. 1.844 million by making bank withdrawals through her husband, Mr. Tshering Penjor. The Accounts Assistant had misused Nu. 0.465 million in 2018-2019, Nu.1.179 million in 2017-2018 and Nu. 0.200 million in 2016-2017. (AIN: 16723; OB No.:2.5, 3.5, 4.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Tshering Penjor, ES, EID No. 200807104; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmín-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- g) The Gewog Administration, Phongmey had cancelled cheque No. 678796 as per the cheque book register. However, the same cheque was found presented to bank on 25 November 2017 for an encashment of Nu. 0.025 million. The amount was paid for the cost of window components supplied for Accounts Assistant's private house construction. (AIN: 16723; OB No.:3.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmín-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- h) A cheque amounting to Nu. 0.225 million was misused by the Accounts Assistant by way of making payments on account of procurement of hilux for her personal use. The payment was made through Gewog fund vide cheque No. 634418. The accountant had prepared two disbursement vouchers of Nu. 0.115 million and Nu. 0.110 million using same cheque number. (AIN: 16723; OB No.:3.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAmin-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- i) A payment of Nu. 0.288 million prepared in the name of Mrs. Samten Lhamo, Accounts Assistant was booked without supporting documents. The Accountant had misused the fund through cheque withdrawals of Nu. 0.250 million and Nu. 0.038 million. She had created fictitious names in vouchers in order to conceal her identity. (AIN: 16723; OB No.:3.3; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAmin-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- j) The Accounts Assistant had misappropriated an amount of Nu. 0.300 million towards the cost of her private vehicle procured from Zimdra Automobiles. A

cheque prepared in the name of Mr. Tshering Penjor (Accounts Assistant's husband) was later endorsed to Zimdra Automobiles. The disbursement voucher was not prepared to authenticate the payment. (AIN: 16723; OB No.:3.4; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No.200907160; Kuenley Penjor, GAO, EID No: 200803059; Supervisory: Pelden Dorji, Gup, CID No.11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmmin-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- k) A cheque of Nu. 0.017 million was issued from Gewog LC account towards the defrayal of kira bought by the Accounts Assistant. The misappropriation pertained to financial year 2016-2017. (AIN: 16723; OB No.:4.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No.200907160; Supervisory: Pelden Dorji, Gup, CID No.11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmmin-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

3. MISMANAGEMENT – NU. 0.261 MILLION

The cases of mismanagement involving Nu. 0.261 million is as indicated below:

3.1 PAYMENT WITHOUT SUPPORTING DOCUMENTS - NU. 0.261 MILLION

A sum of Nu. 0.261 million was withdrawn from bank through issue of cheques to late Phongmey Gup. The withdrawals were not substantiated by supporting documents. Since the Gup passed away before the completion of audit, the issue could not get clarified. (AIN: 16723; OB No.:1.3; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Late Pelden Dorji, Gup, CID No. 11509000811; Supervisory: Late Pelden Dorji, Gup, CID No. 11509000811; Kuenley Penjor, GAO, EID No. 200803059)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023, the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC vide RAA/OAAG-SJ/AR-32/GewogAfmin-Phongmey/2020/4406 dated 29/06/2020 for further investigation and also the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

II. SHONGPHU GEWOG

The significant unresolved irregularities amounting to Nu. 2.364 million against Shongphu Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu. 2.364 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as discussed below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 Mar 2025 (Nu.M)	% Resolved
1	Fraud and Corruption	2.364	-	2.364	-
	Total	2.364	-	2.364	-

The details of unsettled irregularities reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 are as discussed below.

1. FRAUD AND CORRUPTION - NU. 2.364 MILLION

The cases with elements of fraud and corruption involving Nu. 2.364 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 Mar 2025 (Nu. M)
1.1	Forgery of signature	-	-	-
1.2	Misappropriation of funds	2.364	-	2.364
	Total	2.364	-	2.364

1.1 FORGERY OF SIGNATURE

- a) The Accounts Assistant of the Gewog Administration, Shongphu had forged Gup's signature in the handing taking note. The handing taking note was executed between the incoming and the outgoing Accounts Assistant. Mrs. Samten Lhamo, the outgoing Accounts Assistant did not inform the Gup regarding the handing taking note and forged his signature. Further, the supervising officers at the Dzongkhag and Gewog offices were unaware of such deceptive and fraudulent practices perpetrated by the outgoing Accounts Assistant. (AIN: 16722; OB No.:1.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Rinzin Dorji, Gup, CID No. 11513003337; Mani Lhamo, EID No. 20130802311)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23) GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03) Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- b) The Accounts Assistant had forged the signature of competent authority in the financial instrument. The forged signature of Gup and GAO were reported in nine cheques aggregating to Nu. 0.985 million. The Gup's signature were forged in three cheques amounting to Nu. 0.661 million and GAO's signature were forged in six cheques aggregating to Nu. 0.323 million. (AIN: 16722; OB No.:1.3; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No.200907160; Supervisory: Rinzin Dorji, Gup, CID No. 11513003337; Sangay Wangchuk, GAO, EID No. 201105022)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23)GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

1.2 MISAPPROPRIATION OF FUNDS – NU. 2.364 MILLION

The Accounts Assistant of the Gewog Administration, Shongphu had misappropriated funds as follows:

- a) Nu. 0.037 million was misappropriated in meeting her private expenses. Cheque No. 684212 for an amount of Nu. 0.016 million was issued from Gewog LC account in favour of Phurpa Zangmo towards purchase of silk kira bought by the Accounts Assistant. Nu. 0.021 million was endorsed to Mr. Norbu Chogay vide cheque No. 684213 on account of materials supplied for her private house construction at Bikhar. (AIN: 16722; OB No.:2.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Rinzin Dorji, Gup, CID No. 11513003337; Sangay Wangchuk, GAO, EID No. 201105022)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 07/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23)GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- b) The advance of Nu. 0.270 million received from the Dzongkhag Administration, Trashigang was embezzled by the Accounts Assistant. Advance was requested to meet the budget deficits in pay and allowances with an assurance to repay from subsequent release. Further, the amount was not recorded in the cashbook and fictitious voucher was prepared in lieu of the advance settlement. (AIN: 16722; OB No.:2.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Rinzin Dorji, Gup, CID No. 11513003337; Sangay Wangchuk, GAO, EID No. 201105022; Wangchuk Dorji, Sr. Dzongrab, EID No. 9308038)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23)GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- c) A cancelled cheque No. 622616 and unissued cheque No. 636863 were found presented to bank for encashment amounting to Nu. 0.649 million by the Accounts Assistant. (AIN: 16722; OB No.:2.3; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Rinzin Dorji, Gup, CID No. 11513003337; Sangay Wangchuk, GAO, EID No. 201105022)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23)GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- d) Nu. 0.495 million was misappropriated through making withdrawals using self-cheque without supporting documents. The Accounts Assistant had created fictitious names in PEMS to avoid reflecting her name in vouchers. (AIN: 16722; OB No.:2.4; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Rinzin Dorji, Gup, CID No.11513003337; Sangay Wangchuk, GAO, EID No. 201105022)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23)GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- e) Nu. 0.283 million was misappropriated by the Accounts Assistant through withdrawal of fund vide cheque No. 696551 in the name of Mr. Tshering Penjor (Accounts Assistant's husband). (AIN: 16722; OB No.:2.5; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Tshering Penjor, ES, EID No. 200807104; Supervisory: Rinzin Dorji, Gup, CID No.11513003337; Sangay Wangchuk, GAO, EID No. 201105022)

Status: Observation not settled

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23)GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- f) The Accounts Assistant had misappropriated Nu. 0.074 million from non-revenue account. The withdrawal of retention money amounting to Nu. 0.061 million was misused by the Accounts Assistant. Further, the supporting documents for Nu. 0.013 million were not available. The payments of retention money were met from budgetary accounts. (AIN: 16722; OB No.:2.6; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Rinzin Dorji, Gup, CID No.11513003337; Sangay Wangchuk, GAO, EID No. 201105022)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23)GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- g) The Accounts Assistant had embezzled Nu. 0.556 million by way of withdrawals using self-cheque. The Accountant had manipulated records and generated fictitious names in PEMS. The misappropriation pertained to FY 2016-2017. (AIN: 16722; OB No.:2.7; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory: Rinzin Dorji, Gup, CID No. 11513003337; Sangay Wangchuk, GAO, EID No. 201105022)

Status: Observation Not Settled.

As per the letter No. DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang has formed a committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case was forwarded to the ACC on 29/06/2020 which was intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-23)GA-Shongphu/2021/1053 dated 24/09/202 for initiating a further investigation. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

III. RADHI GEWOG

The significant unresolved irregularities amounting to Nu.4.428 million against Radhi Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.4.438 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as discussed below.

Ref. No.	Description of Ref. in brief	Irregularities reported as 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
1	Fraud and Corruption	4.438	-	4.438	-
	Total	4.438	-	4.438	-

The details of unsettled irregularities reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 are as discussed below.

1. FRAUD AND CORRUPTION - NU. 4.438 MILLION

The cases with elements of fraud and corruption involving Nu. 4.428 million are as indicated below:

1.1. MISAPPROPRIATION OF FUNDS – NU. 4.438 MILLION

The Accounts Assistant of the Gewog Administration, Radhi had misappropriated funds as follows:

- a) The advance of Nu. 0.250 million received from the Dzongkhag Administration, Trashigang was embezzled by the Accounts Assistant. Advance was requested to meet the budget deficits in pay and allowances with an assurance to repay from subsequent release. Further, the amount was not recorded in the cashbook and fabricated voucher was prepared in lieu of the advance settlement. (AIN: 16724; OB No.:2.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory Accountability: Kulung, Gup, CID No.11510003192; Chhimi Dorji, GAO, EID No. 200803040; Wangchuk Dorji, Dzongrab, EID No. 9308038)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA /OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- b) The Accounts Assistant had misused government fund to the tune of Nu. 0.005 million by depositing the cheque to her sister Mrs. Dorji Wangmo's account. (AIN: 16724; OB No.:2.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No.200907160; Supervisory Accountability: Kulung, Gup, CID No. 11510003192; Chhimi Dorji, GAO, EID No. 200803040)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA /OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- c) The Gewog Administration, Radhi had unissued and cancelled cheque No. 697183 and 685015 respectively in PEMS. However, the same cheques were found presented to bank for encashment of Nu. 0.170 million by the Accounts Assistant. (AIN: 16724; OB No.:2.3; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory Accountability: Kulung, Gup, CID No. 11510003192; Chhimi Dorji, GAO, EID No. 200803040)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA /OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- d) The Accounts Assistant had misappropriated Nu. 0.020 million by making a cheque payment to Mrs. Sangay Dema, proprietor of M/s Tshering Dema General Store. The Accounts Assistant owed the amount to Mrs. Sangay Dema and the amount was directly credited to her account. (AIN: 16724; OB No.:2.4; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory Accountability: Kulung, Gup, CID No. 11510003192; Chhimi Dorji, GAO, EID No. 200803040)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No.

RAA/OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- e) Nu. 0.010 million was embezzled by the Accounts Assistant through BoB agent based at Rangjung. The Accountant deposited the amount into agents account and was withdrawn later. *(AIN: 16724; OB No.:2.5; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No.200907160; Supervisory Accountability: Kulung, Gup, CID No.11510003192; Chhimi Dorji, GAO, EID No. 200803040)*

Status: *Observation Not Settled.*

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- f) A fund aggregating to Nu. 1.042 million was misappropriated through cheque withdrawals without supporting documents. Nu. 0.287 million was misappropriated in 2018-2019 and Nu. 0.755 million in 2016-2017. Accounts Assistant had prepared the cheques in her name and withdrawn in cash. The names of payee did not match with system voucher and the bank statement. *(AIN: 16724; OB No.:2.6, 4.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory Accountability: Kulung, Gup, CID No.11510003192; Chhimi Dorji, GAO, EID No. 200803040)*

Status: *Observation Not Settled.*

As per the letter No.DAT/Accts-02/2023-2024/1447 of dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the Attorney Generals office is now in possession of the case.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. And also the follow-up

reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- g) The Accounts Assistant misappropriated fund aggregating to Nu. 1.334 million by making bank withdrawals through her husband, Mr. Tshering Penjor. Accountant had misused Nu. 0.124 million in 2018-2019, Nu. 1.100 million in 2017-2018 and Nu. 0.100 million in 2016-2017. (AIN: 16724; OB No.:2.7, 3.3, 4.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Tshering Penjor, ES, CID No. 11512002840; Supervisory Accountability: Kulung, Gup, CID No. 11510003192; Chhimi Dorji, GAO, EID No. 200803040)

Status: *Observation Not Settled.*

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- h) Nu. 0.100 million was embezzled by the Accounts Assistant through bank withdrawal in the name of other individuals. As per the disbursement voucher, a cheque No. 697152 was shown to have prepared in the name of Mr. Karma was found to have been withdrawn by Mr. Sonam Phuntsho, Bidung Gup. The amount withdrawn by the Gup was handed over to the Accounts Assistant on the same day. (AIN: 16724; OB No.:2.8; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory Accountability: Kulung, Gup, CID No. 11510003192; Chhimi Dorji, GAO, EID No. 200803040)

Status: *Observation Not Settled.*

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-

up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- i) The Accounts Assistant had misappropriated Nu. 0.165 million by making payment to Mr. Ugyen Wangchuk on account of supply of construction material for her private house construction. The name of the payee was misrepresented in disbursement voucher as Pema Wangchuk. (AIN: 16724; OB No.:3.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory Accountability: Kulung, Gup, CID No. 11510003192; Chhimi Dorji, GAO, EID No. 200803040)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA /OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- j) Nu. 1.222 million was misappropriated through bank withdrawals without supporting documents. Cheques prepared in different individuals' names was withdrawn by Mrs. Samten Lhamo, AccountsAssistant. The case of misappropriation pertained to FY 2017-2018. (AIN: 16724; OB No.:3.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No.200907160; Supervisory Accountability: Kulung, Gup, CID No. 11510003192; Chhimi Dorji, GAO, EID No. 200803040)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA /OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- k) The Accounts Assistant had embezzled sum of Nu. 0.120 million recovered on account of 10% retention money for the renovation of Jongla Lhakhang. The contractor had paid the retention money in cash. However, the Accounts Assistant did not deposit the amount into refundable deposit account but subsequently embezzled the amount. This instance was reported during the FY 2017-2018. (AIN: 16724; OB No.:5.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory Accountability: Kulung, Gup, CID No. 11510003192)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney General.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-31/GA-RADHI/2020/4405 dated 29/06/2020, which was intimated the Gewog vide letter No. RAA /OAAG-SJ(AR-31)GA-Radhi//2021/1122 dated 05/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

IV. BIDUNG GEWOG

The significant unresolved irregularities amounting to Nu.0.717 million against Bidung Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu. 0.717 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as discussed below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
1	Fraud and Corruption	0.717	-	0.717	-
	Total	0.717	-	0.717	-

The details of unsettled irregularities reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 are as discussed below.

1. FRAUD AND CORRUPTION - NU. 0.717 MILLION

The cases with elements of fraud and corruption involving Nu. 0.717 million are as indicated below:

1.1 MISAPPROPRIATION OF FUNDS – NU. 0.717 MILLION

The Accounts Assistant of the Gewog Administration, Bidung had misappropriated funds as follows:

- a) Fund aggregating to Nu. 0.096 million was misappropriated towards personal expenses. She had misused the fund for purchase of silk kira, tego and cosmetic items. Nu. 0.017 million was misused for cosmetic items and 0.079 million towards silk kira and tego. Payments were settled through issue of cheques from Gewog LC account. (AIN: 16725; OB No.:2.1; Accountabilities: Direct: Samten Lhamo, Accounts Assistant EID No. 200907160; Supervisory Accountability: Sonam Phuntsho, Gup, CID No.11502002312; Puspa Nirola, Gewog Administrative Officer, EID No. 20180712026)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney Generals office.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-33/GA-BISUNG/2020/4404 dated 29/06/2020 and the RAA's further views were intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Bidung//2021/1153 dated 14/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- b) The advance of Nu. 0.250 million received from the Dzongkhag Administration, Trashigang was embezzled by the Accounts Assistant. Advance was requested to meet the budget deficits in pay and allowances with an assurance to repay from subsequent release. Further, the amount was not recorded in the cashbook and fabricated voucher was prepared in lieu of the advance settlement. (AIN: 16725; OB No.:2.2; Accountabilities: Direct: Samten Lhamo, Accounts Assistant EID No. 200907160; Supervisory Accountability: Sonam Phuntsho, Gup, CID No.11502002312; Puspa Nirola, Gewog Administrative Officer, EID No. 20180712026; Wangchuk Dorji, Dzongrab, EID No. 9308038)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney Generals office.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-33/GA-BISUNG/2020/4404 dated 29/06/2020 and the RAA's further views were intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Bidung//2021/1153 dated 14/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

The Accounts Assistant had misappropriated Nu. 0.020 million in clearing her personal liabilities. The Accounts Assistant owed Nu. 0.010 million each to Sangay Dema and Leki Wangmo. She misappropriated Gewog fund and cleared her debts through cheque payments. (AIN: 16725; OB No.:2.3; Accountabilities: Direct: Samten Lhamo, Accounts Assistant EID No. 200907160; Supervisory Accountability: Sonam Phuntsho, Gup, CID No. 11502002312; Puspa Nirola, Gewog Administrative Officer, EID No. 20180712026)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney Generals office.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-33/GA-BISUNG/2020/4404 dated 29/06/2020 and the RAA's further views were intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Bidung//2021/1153 dated 14/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- c) A cheque of Nu. 0.033 million was issued in favour of Sangay Dema towards purchase of personal gadget by the Accounts Assistant. (AIN: 16725; OB No.:2.4; Accountabilities: Direct: Samten Lhamo, Accounts Assistant, EID No. 200907160; Supervisory Accountability: Sonam Phuntsho, Gup, CID No. 11502002312; Puspa Nirola, Gewog Administrative Officer, EID No. 20180712026)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney Generals office.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-33/GA-BISUNG/2020/4404 dated 29/06/2020 and the RAA's further views were intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Bidung//2021/1153 dated 14/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- d) The Accounts Assistant had embezzled Nu. 0.118 million through withdrawals of self-cheque. The Accounts Assistant had manipulated records and generated fictitious names in accounting vouchers to make it appear real. (AIN: 16725; OB No.:2.5; Accountabilities: Direct: Samten Lhamo, Accounts Assistant EID No. 200907160; Supervisory Accountability: Sonam Phuntsho, Gup, CID No. 1150200231s; Puspa Nirola, Gewog Administrative Officer, EID No. 20180712026)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney Generals office.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-33/GA-BISUNG/2020/4404 dated 29/06/2020 and the RAA's further views were intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Bidung//2021/1153 dated 14/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

- e) The Accounts Assistant misappropriated fund aggregating to Nu. 0.200 million by making bank withdrawals through her husband, Mr. Tshering Penjor. (AIN: 16725; OB No.:2.6; Accountabilities: Direct: Samten Lhamo, Accounts Assistant EID No. 200907160; Tshering Penjor, ES, EID No. 200907160; Supervisory Accountability: Sonam Phuntsho, Gup, CID No. 11502002312; Puspa Nirola, Gewog Administrative Officer, EID No. 20180712026)

Status: Observation Not Settled.

As per the letter No.DAT/Accts-02/2023-2024/1447 dated 7/11/2023 the Dzongkhag Administration, Trashigang had formed committee and has conducted a comprehensive review of the pending issues and the case is under the purview of the Office of the Attorney Generals office.

The case has been forwarded to the ACC vide report No. RAA/OAAG-SJ/AR-33/GA-BISUNG/2020/4404 dated 29/06/2020 and the RAA's further views were intimated to the Gewog vide letter No. RAA/OAAG-SJ(AR-31)GA-Bidung//2021/1153 dated 14/10/2021. Further, the follow-up reminder vide OAAGSJ/FOLLOW-UP-03)Dz-TGANG/2022-2023/342 dated 15/02/2023 was served.

3.4.9 GEWOG UNDER WANGDUEPHODRANG DZONGKHAG

I. SAEPHU GEWOG

The significant unresolved irregularities amounting to Nu.1.445 million against Saephu Gewog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Gewog and review status of the irregularities as of 29 March 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.1.445 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.776	-	0.776	-
5	Shortfalls, lapses and deficiencies	0.669	-	0.669	-
	Total	1.445	-	1.445	-

The details of unsettled irregularity reported to the Parliament in April 2024 which remained unsettled as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.776 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.776 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
4.1	Short recovery of liquidated damages	0.223	-	0.223
4.2	Non-recovery of 20% penalty for incomplete works	0.553	-	0.553
	Total	0.776	-	0.776

4.1 SHORT RECOVERY OF LIQUIDATED DAMAGES – NU. 0.223 MILLION

The Gewog Administration, Saephu had short-recovered liquidated damages of Nu. 0.223 million from M/s AP Sha Construction in Blacktopping of farm road from Chazam

to Lubzor. The construction was supposed to be completed by 21 April 2018, but was completed only on 5 November 2018 after a substantial delay of 180 days. The applicable liquidated damages for the delays amounted to Nu. 2.386 million, but only Nu. 2.163 million was recovered leaving a balance of Nu. 0.223 million. (AIN: 16764; OB No.:1(b); Accountabilities: Direct: Lobzang Tshering, AE, EID No. 200207096; M/s AP Sha construction, CDB 4153; Supervisory: Rinchen Penjor, Gup, CID No. 11914000908)

Status: Observation not settled

A Follow up reminder vide RAA/OAAG(T)/FUS-02/2022-2023/01 dated 05/07/2022 was issued. However, no ATR response was received as of date.

Further, the contractor failed to report for the court hearing even after making announcement in media. Follow up report issued vide letter No. RAA/OAAG (T) AR (DAW-01)/2022-23/0390 dated 27 June 2023.

4.2 NON-RECOVERY OF 20% PENALTY FOR INCOMPLETE WORKS – NU. 0.553 MILLION

The Gewog Administration, Saephu had not realized 20% penalty on the value of incomplete works amounting to Nu. 0.553 million from M/s AP Sha Construction upon termination of contract in Blacktopping of farm road from Chazam to Lubzor. The Gewog Administration had terminated the contract on the grounds of fundamental breach of contract by the contractor. (AIN: 16764; OB No.:1(d); Accountabilities: Direct: Lobzang Tshering, AE, EID No. 200207096; M/s AP Sha construction, CDB No. 4153; Supervisory: Rinchen Penjor, Gup, CID No. 11914000908)

Status: Observation Not Settled.

A Follow up reminder vide RAA/OAAG(T)/FUS-02/2022-2023/01 dated 05/07/2022 was issued. However, no ATR response was received as of date.

Further, the contractor failed to report for the court hearing even after making announcement in media. Follow up report issued vide letter No. RAA/OAAG (T) AR (DAW-01)/2022-23/0390 dated 27 June 2023.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.669 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.669 million are as indicated below:

5.1 OVER PAYMENTS - NU. 0.669 MILLION

- a) The Gewog Administration, Saephu had made over payment of Nu. 0.535 million to M/s AP Sha Construction in Blacktopping of farm road from Chazam to Lubzor. The overpayment had occurred due to release of excess amounts in RA Bills as against actual quantities of work executed at site. The lapse was attributed by inadequate

supervision and improper verification of contractor's claim by the site engineer. (AIN: 16764; OB No.:1(a); Accountabilities: Direct: Lobzang Tshering, AE, EID No. 200207096; M/s AP Sha construction, CDB No. 4153; Supervisory: Rinchen Penjor, Gup, CID No. 11914000908)

Status: Observation Not Settled.

A Follow up reminder vide RAA/OAAG(T)/FUS-02/2022-2023/01 dated 05/07/2022 was issued. However, no ATR response was received as of date.

Further, the contractor failed to report for the court hearing even after making announcement in media. Follow up report issued vide letter No. RAA/OAAG (T) AR (DAW-01)/2022-23/0390 dated 27 June 2023.

- c) The Gewog Administration, Saephu had made over payment of Nu. 0.134 million to M/s Empire Construction in Blacktopping of farm road from Chazam to Lubzor. The over payment had occurred due to difference in quantities of works executed at site and quantities paid for. (AIN: 16764; OB No.:2(a); Accountabilities: Direct: Lobzang Tshering, AE, EID No. 200207096; M/s Empire Construction, CDB No. 1011083; Supervisory: Rinchen Penjor, Gup, CID No. 11914000908)

Status: Observation Not Settled.

A Follow up reminder vide RAA/OAAG(T)/FUS-02/2022-2023/01 dated 05/07/2022 was issued. However, no ATR response was received as of date.

Further, the contractor failed to report for the court hearing even after making announcement in media. Follow up report issued vide letter No. RAA/OAAG (T) AR (DAW-01)/2022-23/0390 dated 27 June 2023.

3.5. AUTONOMOUS AGENCIES

3.5.1. BHUTAN INFO-COMM AND MEDIA AUTHORITY

During the year, the RAA had issued one audit report of Bhutan InfoComm and Media Authority (BICMA). There were three observations amounting to Nu. 0.503 million of which no observations were resolved as of 31 January 2021 and no observations were disqualified for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.0.503 million against the Authority was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Authority and review status of the irregularities

as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.0.503 million reported to the Parliament in April 2023, was settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
1	Fraud and Corruption	0.503	0.503	-	100
	Total	0.503	0.503	-	100

The details of unsettled irregularities reported to the Parliament in April 2024 which resolved as of 31 March 2025 are as discussed below.

1. FRAUD AND CORRUPTION – NU.0.503 MILLION

The cases with element of fraud and corruption involving Nu0.503 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
1.1	Non-deposit of Revenue collected	0.453	0.453	0
1.2	Excess withdrawal of fund	0.050	0.050	0
	Total	0.503	0.503	0.503

3.5.2. DRATSHANG LHENTSHOG

During the year, the RAA had issued two audit reports of Dratshang Lhentshog. There were four observations amounting to Nu. 1.316 million of which Nu. 0.376 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.0.940 million against Dratshang Lhentshog was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with Dratshang Lhentshog and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu. 0.940 million reported to the Parliament in April 2024, Nu. 0.077 million was settled leaving a balance of Nu. 0.863 million as of 31 March 2025 as shown in the table below

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
3	Mismanagement	0.077	0.077	-	100
5	Shortfalls, lapses and deficiencies	0.863	-	0.863	-
	Total	0.940	0.077	0.863	8

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.863 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.863 million is as indicated below:

5.1. IRREGULAR ADJUSTMENT OF OUTSTANDING ADVANCES – NU. 0.863 MILLION

The Dratshang Lhentshog Secretariat had made irregular adjustment of outstanding advance of Nu. 0.863 million against M/s Druk Zhenphen Engineering, Thimphu for the construction of 76 bedded hostel at Tango Thorim Shedra at Dodena. Although the contract was terminated, the adjustment had been made through the mobilization and performance security deposit with assurance to complete the remaining works. However, the secretariat had used the project fund balance instead of the forfeited amount to complete the remaining works. *(AIN: 16492; OB No.:1; Accountabilities: Direct: Tashi Gyeltshen, Principal Engineer, EID No.: 9009028; Dopfu, Accounts Officer, EID No.: 200607056; Rinzin Wangmo, Chief Accounts Officer, EID No.: 2101045; Supervisory: Karma Tshering Namgyal, Secretary, EID No. 8302025)*

Status: Observation Not Settled.

The management should recover principal amount of Nu. 863,074.00 along with 24% penalty and deposit into Audit Recoveries Account.

The RAA has been informed that contractor M/s Druk Zhenphen Engineering, Thimphu bearing License No. 13658, CDB registration No. 7424 is currently at large. The management should furnish the Court verdict for which the case has been forwarded to the District Court vide letter No. DL/Adm-3/2019-2020/876 dated 08/01/2020.

The officials accountable for the observations has been absolved after transferring the recoverable amount to contractor M/s Druk Zhenphen Engineering, Thimphu based on the decision of the 83rd Advisory Committee Meeting.

3.5.3. JUDICIARY

During the year, the RAA had issued three audit reports of the Judiciary. There were 11 observations amounting to Nu. 4.266 million of which Nu. 4.177 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.089 million against the Judiciary was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Judiciary and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.0.089 million reported to the Parliament in April 2024, resolved as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.089	0.089	-	100
	Total	0.089	0.089	-	100

The details of unsettled irregularity reported to the Parliament in April 2024, resolved as of 31 March 2025 is as discussed below.

3.5.4. ROYAL UNIVERSITY OF BHUTAN

During the year, the RAA had issued three audit reports of the Royal University of Bhutan (RUB). There were 14 observations amounting to Nu. 13.217 million of which Nu. 1.847 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.11.420 million against RUB was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the RUB and review status of the irregularities as of 29 February 2024 was submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.5.808 million reported to the Parliament in April 202 remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	5.808	-	5.808	-
	Total	5.808	-	5.808	-

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES - NU. 5.808 MILLION

The cases of shortfalls, lapses & deficiencies are as follows:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
5.1	Payment of Salary and Allowance during LTT	-	-	-
5.2	Excessive Grant of Advance	5.808	-	5.808
	Total	5.808	-	5.808

5.2. EXCESSIVE GRANT OF ADVANCE - NU. 5.808 MILLION

The CNR, Lobesa had paid additional advances aggregating to Nu. 10.372 million to M/s Raven Builders Pvt. Ltd on account of labour and material advance from the CD account of CNR in the FY 2018-19. However, the eligible advances were paid from the GOI funded Project account. The Project Management Committee granted the additional advances on the condition that the contractor obtain assurance letter from BoB and after signing legal agreement. The advances remained unadjusted for more than a year. (AIN: 16683; OB No: 2.1; Accountabilities: Direct: Yadav Dhungana, Site Supervising Engineer, EID No.: RUB1502002; Thinley Wangchuk, Chief Executive Officer; Karma Thinley, Project Site Engineer; M/s Raven Builders Pvt. Ltd., CDB No.: 2356; Supervisory: Phub Dorji, President, EID No.: 9312018)

Status: Observation partially settled.

Out of the total advance of Nu.10.372 million; Nu.4.564 million was settled leaving a balance of Nu.5.808 million as of date. The balance amount is to be recovered by encashing Bank Guarantee for performance which is currently withheld by the bank due to injunction letter received from High Court. Further, the CNR is yet to recover 24% penal interest on adjusted advance and on the balance outstanding advance amount.

The latest Follow up Report is being issued vide RAA/OAAG (T)/AR/CNR-CD/2022-23/0070 dated 29 August 2022.

The case is filed with the Supreme Court.

3.5.5. THIMPHU THROMDE

During the year, the RAA had issued three audit reports of Thimphu Thromde. There were 68 observations amounting to Nu. 23.575 million of which Nu. 6.515 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.17.060 million against Thimphu Thromde was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Thromde and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu. 14.796 million reported to the Parliament in April 2024, Nu. 8.020 million was settled leaving a balance of Nu. 6.776 million as of 31 March 2025 as shown in the table

Ref. No.	Description of Ref. in brief	Irregularities reported as of 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
1	Fraud and Corruption	4.127	0.119	4.008	2.88
3	Mismanagement	2.335	-	2.335	-
4	Non-Compliance to laws and rules	0.433	-	0.433	-
5	Shortfalls, lapses and deficiencies	7.901	7.901	-	100.00
	Total	14.796	8.020	6.776	54.20

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

1. FRAUD AND CORRUPTION – NU. 4.127 MILLION

The cases with elements of fraud and corruption involving Nu. 4.127 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
1.1	Payment for unexecuted works	0.119	0.119	0.00
1.2	Excess payment due to inflated rate	4.008	-	4.008
	Total	4.127	0.119	4.008

1.2. EXCESS PAYMENT DUE TO INFLATED RATE - NU. 4.008 MILLION

The Thromde Administration, Thimphu under the Bhutan Urban Development Project (BUDP-II) had made excess payment of Nu. 4.008 million to M/s Nima Construction on account of purchase of DI pipes and accessories for laying pipeline from Samtenling to three tanks at Motithang. The excess payment occurred due to acceptance of inflated rate analysis submitted by contractor and its subsequent approval without due diligence by the Thromde Administration.

As per the original invoice obtained from RRCO, Phuntsholing the actual rates of 200mm and 150mm DI pipes were Nu. 1,711.00 and Nu. 1,260.00 per meter respectively. However, the rate analysis showed that the cost of 200mm and 150 mm DI pipes were Nu. 2,370.00 and Nu. 1,746.00 per meter respectively at Jaigaon. Further, 3% overhead charges and 2% TDS were also added in addition to the 10% contractor's profit on the analysed rates which were inadmissible for payments. (AIN: 17039; OB No: 1.4; Accountabilities: Direct: Penjor Dukpa, EE, EID No.: 2107163; Pekar Rabgay, Principal Engineer, EID No.: 9009029; Udesch Chhetri, DCAO, EID No.: 9410058; Sonam Rinzin, Procurement Officer, EID No.: 200905014; Yeshe Wangdi, CE, EID No.: 200207053; Sonam Dorjee, CAO, EID No.: 9808205; Karma Namgay, ES, EID No.: 2101058; Kinley Dorji, Thrompon, CID No.: 1141000297 & M/s Nima Construction Company Pvt., CDB No.: 1590; Supervisory: Karma Namgay, ES, EID No.: 2101058 & Kinley Dorji, Thrompon, CID No.: 1141000297)

Status: Observation Not Settled.

The case has been forwarded to OAG for the prosecution along with the charges to recover Nu. 1,064,024.34 from three officials: (1) Mr. Pema Thekchok, Assistant Engineer, (2) Ms. Leki Zangmo, Senior Technician, and (3) Mr. Ugyen, Security Guard.

The RAA awaits for the final decisions.

3. MISMANAGEMENT – NU. 2.335 MILLION

The cases of mismanagement involving Nu. 2.335 million is as indicated below:

3.1. WASTEFUL EXPENDITURE - NU. 2.335 MILLION

The Thromde Administration, Thimphu had made payments of Nu. 2.335 million to M/s Gawainyima Construction in the development work of Olakha Workshop. The payment pertains to construction of 451 meters footpaths along Olarongchu which is underutilized. The lapses occurred due to lack of proper need assessment before making such investment. (AIN: 16656; OB No: 2.1; Accountabilities: Direct: Tsherng Dorji, Assistant Engineer, EID No.: 200207050; Supervisory: Yeshi Wangdi, Chief Engineer, EID No.: 200207053)

Status: Observation Not Settled.

When confirmed with the concerned Auditor of Thimphu Thromde the final award of an arbitral tribunal issued on 20th July, 2021 pertains only to the para no 1.1-1.8. Therefore, the Thromde management should revisit the Arbitration submission and confirm the submission of issues reflected in Para no. 2.1, 2.2 & 2.3 for the settlement of the observations.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.433 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.433 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
4.1	Damaged physical structures	0.433	-	0.433
	Total	0.433	-	0.433

4.1. DAMAGED PHYSICAL STRUCTURE - NU. 0.433 MILLION

The Thromde Administration, Thimphu had incurred Nu. 0.433 million for GSB works on existing roads and drainges works in the development of Olakha Workshop. However the GSB works were completely worn out and drainage were covered with waste and effluents from workshops. The lapses occurred due to not having proper guidelines for the ownership of the infrastructures created whereby the residents and thromde took no proprietary rights. (AIN: 16656; OB No: 2.2; Accountabilities: Direct: Tshering Dorji, Assistant Engineer, EID No.: 200207050; Supervisory: Yeshi Wangdi, Chief Engineer, EID No.: 200207053)

Status: Observation Not Settled.

When confirmed with the concerned Auditor of Thimphu Thromde the final award of an arbitral tribunal issued on 20th July, 2021 pertains only to the para no 1.1-1.8. Therefore, the Thromde management should revisit the Arbitration submission and confirm the submission of issues reflected in Para no. 2.1, 2.2 & 2.3 for the settlement of the observations."

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 7.901 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 7.901 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
5.1	Excess Payment to Contractor	4.695	4.695	interest not settled
5.2	Inadmissible Payment	0.256	0.256	0
5.3	Outstanding Advance	0.450	0.450	0.00
5.4	Non-utilization of advance for intended purpose	2.500	2.500	0
	Total	7.901	7.901	0

5.1. EXCESS PAYMENT TO CONTRACTOR - NU. 4.695 MILLION

- a) The Thromde Administration, Thimphu had made excess payments of Nu. 0.205 million to M/s Sons Builder in the Construction of new road including side drains and retaining wall within Thimphu Thromde. The excess payment had occurred due to difference in the length of road claimed for and actual length of the road provided with GSB, WMM, Scarification, tack coat and AC works. *(AIN: 16656; OB No: 5.2; Accountabilities: Direct: Tashi Kencho, CID No.: 10810000603 & M/s Sons Builders, CDB No.: 7812; Supervisory: Kinley Namgay, ES, EID No.: 2101058 & Kinley Dorji, Thrompon, CID No.: 1141000297)*

Status: *Observation Partially Settled.*

Received Nu.205,030.97 from Sons Builder vide receipt No.01694 dated 31/10/2022.

However, there is a penalty balance of Nu.112,313.49 as of date.

3.6. CORPORATIONS

3.6.1. ARMY WELFARE PROJECT

During the year, the RAA had issued two audit reports of the Army Welfare Project (AWP). There were 47 observations amounting to Nu. 1.934 million which no observations amounting to Nu. 0.381 million was either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.1.553 million against AWP was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Project and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled irregularities of Nu. 1.027 million reported to the Parliament in April 2024, Nu. 0.125 million was settled leaving a balance of Nu. 0.902 million as of 31 March 2025 as shown in the table

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	1.027	0.125	0.902	12.17
	Total	1.027	0.125	0.902	12.17

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 0.092MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 0.092 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 March 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
5.1	Unadjusted Insurance Premium Advance	0.125	0.125	0
5.2	Outstanding Advances to Creditors	0.429	-	0.429
5.3	Non follow-up of the debtors-	0.317	-	0.317
5.4	Non-adjustment of CWIP	0.156	-	0.156
	Total	1.027	1.125	0.092

5.1. UNADJUSTED INSURANCE PREMIUM ADVANCE - NU. 0.125 MILLION

Audit Report No. RAA(SA-01)/COAD/2023/1215 dated 29 June 2023 AIn: COAD-2023-322.

5.2. OUTSTANDING ADVANCE TO CREDITORS- NU. 0.429 MILLION

(b)The Army Welfare Project, Card Board Box Unit, Samtse Distillery had made advance payment amounting to Nu. 0.429 million to various creditors for the purchase of spare parts and raw materials. However, the advances remained unadjusted for more than a year. *(AIN: 16856; OB No: 4.02; Accountabilities: Direct: Tshering Wangchuk, Account Assistant -II, CID No.: 11410006789; Supervisory: Bhim Bdr Tamang, Sr. Manager, CID No.: 11802001760)*

Status: *Observation Not Settled.*

To be reviewed during the next audit. To this, the follow up reminder vide RAA/FLSD (20-Corp-SA)/AWPL/2023/635 dated 12/10/2023.

5.3. NON FOLLOW-UP OF THE DEBTORS - NU. 0.317 MILLION

The Army Welfare Project, Card Board Box Unit, Samtse Distillery had receivables amounting to Nu. 0.317 million from various debtors. However, the debtors account is outstanding for more than a year. The lapses were due to lack of efficient system of follow-up action of its debtors. *(AIN: 16856; OB No: 4.01; Accountabilities: Direct: Tshering Wangchuk, Account Assistant -II, CID No.: 11410006789; Supervisory: Bhim Bdr Tamang, Sr. Manager, CID No.: 11802001760)*

Status: *Observation Not Settled.*

To be reviewed during the next audit. To this, the follow up reminder vide RAA/FLSD (20-Corp-SA)/AWPL/2023/635 dated 12/10/2023.

5.4. NON ADJUSTMENT OF CWIP - NU.0.156 MILLION

The Army Welfare Sawmill, Thimphu had unadjusted Capital Work in Progress (CWIP) amounting to Nu. 0.156 million on account of fencing works which could not be completed due to land boundary dispute. The CWIP has been carried forward since 2014. *(AIN: 16856; OB No: 5.02; Accountabilities: Direct: Karma Tshewang, Adm. Officer, CID No.: 10905004091; Supervisory: Mithey Dukpa, Sr. Manager, CID No.: 1080201256)*

Status: *Observation Not Settled.*

To be reviewed during the next audit. To this, the follow up reminder vide RAA/FLSD (20-Corp-SA)/AWPL/2023/635 dated 12/10/2023

3.6.2. BHUTAN POSTAL CORPORATION LIMITED

During the year, the RAA had issued one audit report of the Bhutan Postal Corporation Limited (Bhutan Post). There were nine observations amounting to Nu. 1.782 million of which no observations were resolved as of 31 January 2021 and no observation was disqualified for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.1.782 million against Bhutan Post was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Corporation and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The unsettled irregularities of Nu.0.672 million reported to the Parliament in April 2024, settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024(Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.672	0.672	-	100.00
	Total	0.672	0.672	-	100.00

3.6.3. BHUTAN POWER CORPORATION LIMITED

During the year, the RAA had issued four audit reports of the Bhutan Power Corporation Limited (BPCL). There were 21 observations amounting to Nu. 80.575 million of which Nu. 79.973 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.0.602 million against BPCL was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Corporation and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularity of Nu.0.602 million reported to the Parliament in April 2024, settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
2	Embezzlement	0.602	0.602	-	100
	Total	0.602	0.602	-	100

3.6.4. DRUK GREEN POWER CORPORATION

During the year, the RAA had issued three audit report of the Druk Green Power Corporation (DGPC). There were 19 observations amounting to Nu. 22.820 million of which observations amounting to Nu. 15.322 million were either resolved as of 31 January 2021 or did not qualify for inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu.7.498 million against DGPC was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with DGPC and review status of the irregularities as of 29 February 2025 submitted to the 9th Session of the third Parliament in April 2024. The irregularity of Nu.0.899 million reported to the Parliament in April 2023, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024(Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	0.899	-	0.899	-
	Total	0.899	-	0.899	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 is as discussed below.

5. SHORTFALLS, LAPSES & DEFICIENCIES - NU. 0.899 MILLION

5.1. UNADJUSTED DEBTOR BALANCES - NU. 0.899 MILLION

- a) The Druk Green Power Corporation had receivables amounting to Nu. 0.980 million against SAP implementation - PPHA and Geological mapping fees - Tango monastery restoration. The receivables had been unadjusted since 2017. The lapses occurred due to not having proper checks, controls and follow-up system over receivables. *(AIN: 16821; OB No: 2; Accountabilities: Direct: Yeshey Wangchuk, Finance Officer, CID No.: 11205001809; Yeshe Jamtsho, Finance Officer, CID No.: 10205004398 & Dodo, Finance Officer, CID No.: 10502000891); Supervisory: Namgay Wangdi, Head, Central Accounts, CID No.: 10603001557)*

Status: *Observation Not Settled.*

The balance amount of Nu. 898,603.00 stands recoverable as of date. The latest follow up reminder vide RAA/FLSD(20-Corp-SA)/DGPCL-S/2023/636 dated 12/10/2023 was served.

3.6.5. FARM MACHINERY CORPORATION LIMITED

During the year, the RAA had issued two audit reports of the Farm Machinery Corporation Limited (FMCL). There were 11 observations amounting to Nu. 3.720 million of which no observations were resolved by 31 January 2021 and no observations were disqualified for inclusion in AAR 2020.

The significant unresolved irregularities amounting to Nu.3.720 million against FMCL was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with FMCL and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the unsettled balance irregularities of Nu.0.451 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
2	Embezzlement	0.451	-	0.451	-
	Total	0.451	-	0.451	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 are as discussed below.

2. EMBEZZLEMENT – NU.0.451 MILLION

The cases with elements of embezzlement involving Nu. 0.451 million is as indicated below:

2.1. REVENUE SHORTAGE - NU. 0.451 MILLION

The Farm Machinery Corporation Limited (FMCL), Paro had a shortage of revenue amounting to Nu. 0.451 million generated from the sale of POL. The sales were manipulated by overwriting the dates on the cash memos by the POL station dealing official. The amount is not yet recovered and the administrative action is also pending. (AIN: 17012; OB No.:1; Accountabilities: Direct: Sonam Tshering, POL Manager, CID No.: 10807000110; Supervisory: Yeshi Choden, Regional Manager, EID No.: 11009001198)

Status: Observation Not Settled.

The recovery of amount by FMCL is noted. However the recovered amount must be deposited into Audit recovery Account. Until such time, the para shall stand unresolved.

3.6.6. SARPANG LAYER CORPORATIVE

During the year, the RAA had issued one audit report of the Sarpang Layer Corporative (SLC). There were eight observations amounting to Nu. 3.568 million of which no observations were resolved as of 31 January 2021 and no observations were disqualified from inclusion in AAR 2020.

The significant unresolved irregularities amounting to Nu.3.568 million against SLC was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Cooperative and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.0.597 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
4	Non-Compliance to laws and rules	0.513	-	0.513	-
5	Shortfalls, lapses and deficiencies	0.084	-	0.084	-
	Total	0.597	-	0.597	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.513 MILLION

The cases of non-compliance to laws and rules involving Nu. 3.484 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
4.1	Excess Payment of house rent	0.091	-	0.091
4.2	Unreconciled closing fund balance	0.422	-	0.422
	Total	0.513	-	0.513

4.1. EXCESS PAYMENT OF HOUSE RENT – NU. 0.091 MILLION

The Sarpang Layer Cooperative, Dekiling had made excess payment of Nu. 0.091 million towards hiring an office space. The house rent was for two years from January 2014 till December 2015 at Nu. 5,000.00 per month. Although the total house rent should have been Nu.120,000.00, the house owner Mr. Sonam Dorji was paid Nu. 210,697.00. The lapses occurred due to not having proper check and controls in the payment of house

rent to the landlord. The case is with the Royal Court of Justice. (AIN: 16898; OB No.1; Accountabilities: Direct: Prem Kr. Rasaily, Former Secretary, CID No.: 11803000622; Supervisory: San Bdr. Subba, Former Chairman, CID No.: 11311000868)

Status: Observation Not Settled.

The observation not settled as of date. However, latest follow up reminder vide letter No. RAA/OAAG(T)/FUS-02/2022-2023/0353 dated 18 May 2023 was served.

4.2. UNRECONCILED CLOSING FUND BALANCE – NU. 0.422 MILLION

The Sarpang Layer Cooperative, Dekiling had unreconciled closing fund balance amounting to Nu. 0.422 million. The lapses occurred due to not having proper system of handing & taking of the accounts while official leaves the offices. (AIN: 16898; OB No.3; Accountabilities: Direct: Prem Kr. Rasaily, Former Secretary, CID No.: 11803000622; Supervisory: San Bdr. Subba, Former Chairman, CID No.: 11311000868)

Status: Observation Not Settled.

The observation not settled as of date. However, latest follow up reminder vide letter No. RAA/OAAG(T)/FUS-02/2022-2023/0353 dated 18 May 2023 was served.

5. SHORTFALLS, LAPSES & DEFICIENCIES – NU. 0.084 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 0.084 million is as indicated below:

5.1. OUTSTANDING ADVANCES/LOANS - NU. 0.084 MILLION

The Sarpang Layer Cooperative, Dekiling had outstanding advance/loans amounting to Nu .0.084 million. The outstanding advance/loans pertains to the loans released to its members during the year 2014 to 2016. The lapses occurred due to not having proper system of follow-up and recovery of the loans from its members. (AIN: 16898; OB No.2; Accountabilities: Direct: Prem Kr. Rasaily, Former Secretary, CID No.: 11803000622; Supervisory: San Bdr. Subba, Former Chairman, CID No.: 11311000868)

Status: Observation Not Settled.

The observation not settled as of date. However, latest follow up reminder vide letter No. RAA/OAAG(T)/FUS-02/2022-2023/0353 dated 18 May 2023 was served.

3.6.7. STATE TRADING CORPORATION OF BHUTAN LIMITED

During the year, the RAA had issued two audit reports of the State Trading Corporation of Bhutan Limited (STCBL). There were 18 observations amounting to Nu. 150.054 million of which observations amounting to Nu. 0.074 million were either resolved as of 31 January 2021 or did not qualify for inclusion in AAR 2020.

The significant unresolved irregularities amounting to Nu.149.980 million against STCBL was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with STCBL and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The unsettled irregularities of Nu. 1.236 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
2	Embezzlement	1.236	-	1.236	-
	Total	1.236	-	1.23600	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unresolved as of 31 March 2025 are as discussed below.

2. EMBEZZLEMENT –NU.1.236

The case of embezzlement involving Nu. 1.236 million is as indicated below:

2.1. NON-ACCOUNTAL OF REVENUE - NU. 1.747 MILLION

- a) The STCBL, Eicher Division had not accounted revenue amounting to Nu. 1.236 million against M/s Rigsar Construction & M/s Biky Construction. The revenue was for the penal interest of 24% as the parties had failed to pay the installments on time for the purchase of vehicles on the installment basis. The lapses occurred due to the failure to impose and collect liable penalties from the parties by the dealing official. (AIN: 16823; OB No: 7.3; Accountabilities: Direct: Pema Chozom, Dy. Manager, Eicher Division, CID No.: 12003001435; Supervisory: Sonam Nyeanda, General Manager, Eicher Division, CID No.: 10715000891)

Status: Observation Not Settled.

(a) The management is pursuing with M/s Rigsar Construction for payment and will ensure that the issue is resolved before 31st December 2023. (b) Resolved. The management should intimate the latest status to RAA. The latest follow up reminder vide RAA/FLSD(20-Corp-SA)/STCBL/2023/595 dated 06/10/2023 was served.

3.7. FINANCIAL INSTITUTIONS

During the year, Financial Institutions had unresolved irregularities as follows:

3.7.1. BHUTAN DEVELOPMENT BANK LIMITED

During the year, the RAA had issued four audit reports of the Bhutan Development Bank Limited (BDBL). There were 101 observations amounting to Nu. 321.638 million of which observations amounting to Nu. 10.617 million were either resolved as of 31 January 2021 or did not qualify for inclusion in AAR 2020.

The significant unresolved irregularities amounting to Nu.311.021 million against BDBL was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with BDBL and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the irregularities of Nu.293.556 million reported to the Parliament in April 2024, Nu.15.960 million was settled leaving unsettled balance of Nu. 277.596 million unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu. M)	% Resolved
4	Non-Compliance to laws and rules	3.643	-	3.643	-
5	Shortfalls, lapses and deficiencies	289.913	15.960	273.953	5.51
Total		293.556	15.960	277.596	5.44

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 3.643 MILLION

The cases of non-compliance to laws and rules involving Nu. 3.643 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 31 March 2023 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 29 Feb. 2024 (Nu. M)
4.1	Sanction of additional loans without legitimate documents	1.300	-	1.300
4.2	Loan appraisal and sanction by same official	0.700	-	0.700
4.3	Over Valuation of Collateral Security	0.700	-	0.700
4.4	No signature in loan agreement	0.943	-	0.943
	Total	3.643	-	3.643

4.1. SANCTION OF ADDITIONAL LOANS WITHOUT LEGITIMATE DOCUMENTS – NU. 1.300 MILLION

The BDBL Branch Office, Bumthang had sanctioned additional loan amounting to Nu.1.300 million to Mr. Minjur bearing CID No.: 10103001736 without any legitimate documents. The loan amounting to Nu. 0.500 million was disbursed in 2016 without any loan application documents and the amount was credited to the saving account of Mr. Lodoe Rinchen. Further, Nu. 0.800 million was disbursed in 2017 to Mr. Minjur without any loan application. The lapses had occurred due to the failure to comply with the loan appraisal and sanctioning procedures. (AIN: 16879; OB No.:1.10.1; Accountabilities: Direct: Kinley Choki, CID No.: 11006001509; Supervisory: Tashi, CID No. 11914001408)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/Bt(fus-01/2021/731 dated 17/05/2021 was sent. However, the observation remains unsettled as of 29 February 2024.

4.2. LOAN APPRAISAL AND SANCTION BY SAME OFFICIAL – NU. 0.700 MILLION

The BDBL Branch Office, Bumthang had sanctioned personal loan amounting to Nu. 0.700 million to Mr. Minjur bearing CID No.: 10103001736 and was appraised and approved by Ms. Kinley Choki. Further, Loan agreement and loan disbursement memo were also approved and signed by Ms. Kinley Choki. The lapses occurred due to not having proper checks, controls and monitoring over loan appraisal and approval process. (AIN: 16879; OB No.:1.10.4; Accountabilities: Direct: Kinley Choki, CID No.: 11006001509; Supervisory: Tashi, CID No. 11914001408)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/Bt(fus-01/2021/731 dated 17/05/2021 was sent. However, the observation remains unsettled as of 29 February 2024.

4.3. OVER VALUATION OF COLLATERAL SECURITY – NU. 0.700 MILLION

The BDBL Branch Office, Bumthang had sanctioned personal loan amounting to Nu. 0.700 million to Mrs. Karma Choki bearing CID No.: 10101000460 mortgaging 6334 sq. ft land as collateral security. The collateral security was overvalued by application of higher rates than the rates issued by the Property Assessment and Valuation Agency, Ministry of Finance. (AIN: 16879; OB No.:1.11.1; Accountabilities: Direct: Kinley Choki, CID No.: 11006001509; Supervisory: Tashi, CID No. 11914001408)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/Bt(fus-01/2021/731 dated 17/05/2021 was sent. However, the observation remains unsettled as of 29 February 2024.

4.4. NO SIGNATURE IN LOAN AGREEMENT – NU. 0.943 MILLION

The BDBL Branch Office, Bumthang had sanctioned employee loan amounting to Nu. 0.500 million without the signature of the clients and the witness. Further, no CID copies of the client and the witness were maintained. The employee loan was disbursed on 29 June 2014 and the outstanding loan balance amounted to Nu. 0.943 million as of September 2020. The lapses occurred due to not having proper checks, controls and monitoring over loan appraisal and approval process. (AIN: 16879; OB No.:1.12.3.1; Accountabilities: Direct: Tshering Dema, CID No.: 11701000199; Supervisory: Parasha Bhandari, CID No. 11306001543)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/Bt(fus-01/2021/731 dated 17/05/2021 was sent. However, the observation remains unsettled as of 29 February 2024.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 273.935MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 273.935 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
5.1	Missing Loan files	2.997	-	2.997
5.2	Issuance of no objection certificate before liquidation of loan	0.115	-	0.115
5.3	Huge case of defaulted loans	145.818	-	145.818
5.4	Term Expired defaulted loans	39.582	-	39.582
5.5	Pending court registration for defaulted loans	82.803	-	82.803
5.6	Non-liquidation of loan after even court verdict	0.676	-	0.676

5.7	Defaulted Personal Loan	0.462	-	0.462
5.8	Defaulted Overdraft Loan	1.500	-	1.500
5.9	Outstanding Loans	15.960	15.960	0
	Total	289.913	15.960	273.953

5.1. MISSING LOAN FILES – NU. 2.997 MILLION

The BDBL Branch Office, Bumthang had sanctioned several loans aggregating to Nu. 2.997 million from 2012 till 2017. However, the related loans files were missing and the aggregated loan outstanding amounts to Nu. 2.997 million as of September 2020. The lapses occurred due to poor custody, improper storage of the vital documents and handing-taking procedure when official goes on transfer. (AIN: 16879; OB No.:1.1; Accountabilities: Direct: Kinley Choki, CID No.: 11006001509; Supervisory: Tashi, CID No. 11914001408)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/DAG/022/59 dated 25/08/2022 was sent. However, the observation remains unsettled as of 29 February 2024.

5.2. ISSUANCE OF NO OBJECTION CERTIFICATE BEFORE LIQUIDATION OF LOAN – NU. 0.115 MILLION

The BDBL Branch Office, Bumthang had issued no objection certificate to the client for resignation without actually liquidating the loan. The employee loan amounting to Nu. 0.065 million was sanctioned on 27 September 2013. However, the client had defaulted the loan repayment by 1954 days and overdue amounted to Nu. 0.115 million as of 13 August 2019. The lapses was due to not having proper checks, controls and monitoring over issuance of no objection certificate. (AIN: 16879; OB No.:1.12.1; Accountabilities: Direct: Parasha Bhandari, CID No.: 11306001543; Supervisory: Tashi, CID No. 11914001408)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/DAG/022/59 dated 25/08/2022 was sent. However, the observation remains unsettled as of 29 February 2024.

5.3. HUGE CASES OF DEFAULTED LOANS – NU. 145.818 MILLION

The BDBL Branch Office, Bumthang has 314 loan accounts amounting to Nu. 145.818 million being categorized under defaulted loans. The period of default ranges from 91 days to more than 540 days. The lapses occurred due to sanctioning of loans without proper evaluation and not having efficient follow-up process. (AIN: 16879; OB No.:2.1; Accountabilities: Direct: Gyem, CID No.: 11401000721; Ngawang Tashi, CID No.: 11606003102; Lungten Jamtsho, CID No.: 10906000544; Tenzin Wangchuk, CID No.: 11606002431 & Tenzin Pelden, CID No.: 10809000104; Supervisory: Sonam Wangchuk, CID No. 11506002773)

Status: *Observation Not Settled.*

A follow-up reminder vide letter No.RAA/DAG/022/59 dated 25/08/2022 was sent. However, the observation remains unsettled as of 29 February 2024.

5.4. TERM EXPIRED DEFAULTED LOANS – NU. 39.582 MILLION

The BDBL Branch Office, Bumthang has several term loans, working capital loans and overdraft loans amounting to Nu. 29.765 million which had been defaulted and loan terms expired. The total outstanding balance amounts to Nu. 39.582 million as of September 2019. The loans had been outstanding from 45 days to more than 2864 days from its actual loan term requiring serious follow-up. (AIN: 16879; OB No.:2.2; Accountabilities: Direct: Gyem, CID No.: 11401000721; Ngawang Tashi, CID No.: 11606003102; Lungten Jamtsho, CID No.: 10906000544; Tenzin Wangchuk, CID No.: 11606002431 & Tenzin Pelden, CID No.: 10809000104; Supervisory: Sonam Wangchuk, CID No. 11506002773)

Status: *Observation Not Settled.*

A follow-up reminder vide letter No.RAA/DAG/022/59 dated 25/08/2022 was sent. However, the observation remains unsettled as of 29 February 2024.

5.5. PENDING COURT REGISTRATION FOR DEFAULTED LOANS – NU. 82.803 MILLION

The BDBL Branch Office, Bumthang has several loan accounts amounting to Nu. 82.803 million That had been seriously defaulted awaiting registration with the court of law as of August 2019. The overdue ranges from 105 days to 2864 days. The lapses occurred due to not having proper follow-up action against the defaulters. (AIN: 16879; OB No.:2.3; Accountabilities: Direct: Tshering Demi, CID No.: 11701000199; Supervisory: Parish Bhandari, CID No. 11306001543)

Status: *Observation Not Settled.*

A follow-up reminder vide letter No.RAA/DAG/022/59 dated 25/08/2022 was sent. However, the observation remains unsettled as of 29 February 2024.

5.6. NON-LIQUIDATION OF LOAN EVEN AFTER COURT VERDICT – NU. 0.676 MILLION

The BDBL Branch Office, Bumthang had sanctioned and disbursed agriculture loan amounting to Nu. 0.500 million with 0.66 acres land under Thram No.: 2539 as the collateral security. However, the loan was not liquidated even after lapse of 1225 days from the court judgment nor the collateral security was seized from the clients. The total loan outstanding amounted to Nu. 0.676 million as of 13 August 2019. The lapses occurred due to not having proper guidelines and procedures to follow if the clients fails

to comply with the court verdict. (AIN: 16879; OB No.:2.4.1; Accountabilities: Direct: Wangdila, CID No.: 11606001461; Supervisory: Nima Choezang, CID No. 10902001754)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/DAG/022/59 dated 25/08/2022 was sent. However, the observation remains unsettled as of 29 February 2024.

5.7. DEFAULTED PERSONAL LOAN – NU. 0.462 MILLION

The BDBL Branch Office, Bumthang had sanctioned two personal loans amounting to Nu. 1.000 million (Nu.0 .500 million each). The loan had been defaulted by 2014 days and 2010 days as of 13 August 2019. The total outstanding balance amounts to Nu. 0.462 million. The lapse occurred due to lack of proper and prompt follow-up system. The cases are with the Royal Court of Justice. (AIN: 16879; OB No.:2.5.1; Accountabilities: Direct: Wangdila, CID No.: 11606001461; Supervisory: Nima Choezang, CID No. 10902001754)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/DAG/022/59 dated 25/08/2022 was sent. However, the observation remains unsettled as of 29 February 2024.

5.8. DEFAULTED OVERDRAFT LOAN – NU. 1.500 MILLION

The BDBL, Bumthang branch had sanctioned OD loan amounting to Nu. 1.500 million without complete documentations. The lapse was due to lack of proper checks and controls over loan appraisals and sanctions of loans. The case was registered with the court and court verdict was issued to liquidate the loan by the end of November 2019. (AIN: 16879; OB No.:1.8.1; Accountabilities: Direct: Kinley Choki, EID No.: BD0461; Supervisory: Tashi, CID No.: 11914001408)

Status: Observation Not Settled.

A follow-up reminder vide letter No.RAA/DAG/022/59 dated 25/08/2022 was sent. However, the observation remains unsettled as of 29 February 2024.

3.7.2. BANK OF BHUTAN LIMITED

During the year, the RAA had issued three audit reports of the Bank of Bhutan Limited (BoBL). There were 10 observations amounting to Nu. 160.442 million of which no observations were resolved as of 31 January 2021 and no observations were disqualified from inclusion in the AAR 2020. The significant irregularities amounted to Nu. 160.442 million as summarised below:

The significant unresolved irregularities amounting to Nu.160.442 million against BoBL was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Bank and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.154.251 million reported to the Parliament in April 2024, settled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu. M)	% Resolved
5	Shortfalls, lapses and deficiencies	154.251	154.251	-	100.00
	Total	154.251	154.251	-	100.00

The details of unsettled irregularity reported to the Parliament in April 2024, settled as of 31 March 2025 are as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 154.959 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 154.959 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
				-
5.2	Overdue loans	147.954	147.954	0
5.3	Term Expired Loans	6.297	6.297	0
	Total	154.251	154.251	0

3.7.3. ROYAL INSURANCE CORPORATION LIMITED

During the year, the RAA had issued one audit reports of the Royal Insurance Corporation of Bhutan Limited (RICBL). There was ofe observations amounting to Nu. 183.445 million of which no observations were resolved as of 31 January 2021 and no observation was disqualified from inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu. 183.445 million against RICBL was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Corporation and review status of the irregularities as of 29 February was submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.183.445 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

	Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)
	5	Shortfalls, lapses and deficiencies	183.445	-	183.445
		Total	183.445	-	183.445

The details of unsettled irregularity reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 is as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU.183.445 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 183.445 million are as indicated below:

5.1. OVERDUE LOANS - NU. 183.445 MILLION

The RICBL, Branch Office, Bumthang had outstanding loans and advances of Nu. 183.445 million against 7 clients. The loans were due ranging from 120 days to 425 days and more. The credit monitoring and supervision unit had not rigorously followed-up with the clients to expedite recovery and regularize the loan accounts and OD accounts. (AIN: 16603; OB No.:1.1; Accountabilities: Direct: Karma, Branch Manager, EID No.: 114636; Supervisory: Kinzang Dorji, General Manager, EID No.: 114515)

Status: *Observation Not Settled.*

No response was received from the management as of 31 March 2025.

3.8. NON-GOVERNMENTAL ORGANISATIONS

During the year, Non-Governmental Organisations had unresolved irregularities as follows:

3.8.1. MUSIC OF BHUTAN RESEARCH CENTRE

During the year, the RAA had issued one audit report of Music Bhutan Research Centre (MBRC). There were one observations amounting to Nu. 4.550 million of which no observation was resolved as of 31 January 2021 and no observation was disqualified from inclusion in AAR 2020.

The significant unresolved irregularities amounting to Nu. 4.550 million against MBRC was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Centre and review status of the irregularities as of 29 February 2025 was submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.4.550 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	4.550	-	4.550	-
	Total	4.550	-	4.550	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 is as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU.4.550 MILLION

The case of shortfalls, lapses and deficiencies involving Nu. 4.550 million is as indicated below:

5.1. NON-TRANSFER OF LAND OWNERSHIP– NU. 4.550 MILLION

The Music of Bhutan Research Centre, Thimphu had purchased by paying Nu. 4.550 million for 57.30 decimal land under Thram No.: 1924; Plot No.: NEW-7112 at Wangsisina, Thimphu from Mrs. Choki bearing CID No.: 11407001644 in 2015. However, the land ownership had not been transferred in the name of MBRC. The land ownership couldn't be transferred as of the family is underaged and attain the age of maturity by 2021. (AIN: 16584; OB No.: 1; Accountabilities: Direct: Karma Zangmo, Finance Officer, CID No.: 10902001246; Supervisory: Sonam Dorji, Executive Director, CID No.: 11302000771)

Status: Observation Not Settled.

The MBRC management should initiate transferring of ownership of land in the name of MBRC and intimate the Royal Audit Authority of the ownership change. The follow-up reminder vide RAA/FLSD(23-NGO)/MBRC-80/2023/583 dated 04/10/2023 was served.

3.8.2. TSHOKEY DORJI FOUNDATION

During the year, the RAA had issued one audit report of Tshokey Dorji Foundation (TDF). There were two observations amounting to Nu. 34.423 million of which no observations were resolved as of 31 January 2021 and no observations were disqualified from inclusion in the AAR 2020.

The significant unresolved irregularities amounting to Nu. 34.423 million against TDF was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with the Foundation and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. The irregularities of Nu.17.403 million reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
5	Shortfalls, lapses and deficiencies	17.403	-	17.403	-
	Total	17.403	-	17.403	-

The details of unsettled irregularity reported to the Parliament in April 2024, remained unsettled as of 31 March 2025 is as discussed below.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 17.403 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 17.403 million is as indicated below:

5.1. WRITEOFF OF TEMPORARY LENDING– NU.34.423 MILLION

The Tshokey Dorji Foundation (TAF), had lent Nu. 34.423 million to Lhodra Kharchu Dratshang, Bumthang to finance the construction works at Kharchu Dratshang and at Gelephu. The money was lent based on Board approval since 2011. The Board based on the request from Kharchu Dratshang had approved to write-off temporarily the lent amount of Nu. 29.000 million in 22nd Board meeting. However, Board decided to review

the resolution in upcoming Board meetings. (AIN: 16447; OB No.: 1; Accountabilities: Direct: Dechen Wangdi, BOD, CID No.: 11513002337; Supervisory: Sithar Dorji, Vice President, CID No.: 11306002455)

Status: Observation Not Settled.

Out of Nu.34.423 million; Nu. 14.730 millions was recovered leaving a balance of Nu. 19.693 millions as of 31 March 2023 as intimated vide TDF/AR/17/2021/414 dated 05/11/2021. And also Nu.66,30,000.00 has been refunded by Kharchu Dratshang leaving the balance of Nu.20,793,093.00 as intimated vide TDF/AR/17/2021/407 dated 14/09/2021 along with bank statement.

Further, the recovery of Nu. 7.000 millions to TDF has been verified during the current audit and Foundation should expedite the recovery of balance amount of Nu. 27.42 million and intimate RAA accordingly. To this, the Follow-up reminder vide letter No. RAA/FUCD(F79)/TDF/2022/1003 dated 23/06/2022 was served.

As of 29 February 2024, the balance of Nu.17,403,093.00 stands recoverable.

3.8.3. SAMPHELLING MEDAY GONOR GONGPHEL DETSHEN, CHHUKHA

During the year, the RAA had issued one audit report of the Samphelling Meday Gonor Gongphel Detschen (SMGGD), Chhukha. There were 16 observations amounting to Nu. 11.363 million of which observations amounting to Nu.3.733 million were either resolved as of 31 January 2021 or did not qualify for inclusion in AAR 2020.

The significant unresolved irregularities amounting to Nu. 7.590 million against SMGGD was reported in the 5th Session of the third Parliament in June 2021.

In line with Chapter 6 Section 119 to 123 of the Audit Act of Bhutan 2018, the RAA had conducted several follow-up with SMGGD and review status of the irregularities as of 29 February 2024 submitted to the 9th Session of the third Parliament in April 2024. Out of the irregularities of Nu.7.590 million reported to the Parliament in April 2024, Nu.1.583 million was settled leaving unsettled balance of Nu. 6.007 million unsettled as of 31 March 2025 as shown in the table below.

Ref. No.	Description of Ref. in brief	Irregularities reported as on 29 Feb 2024 (Nu.M)	Settled/ Resolved (Nu.M)	Balance as of 31 March 2025 (Nu.M)	% Resolved
2	Embezzlement	1.061	-	1.061	-
4	Non-Compliance to laws and rules	0.201	-	0.201	-
5	Shortfalls, lapses and deficiencies	6.328	1.583	4.745	25
	Total	7.590	1.583	6.007	21

The details of unsettled irregularity reported to the Parliament in April 2024, irregularities resolved thereafter and the unresolved ones as of 31 March 2025 are as discussed below.

2. EMBEZZLEMENT

The cases with elements of embezzlement involving Nu. 1.061 million is as indicated below:

2.1 NON-ACCOUNTAL OF SALES PROCEEDS – NU.1.061 MILLION

The Samphelling Meday Gonor Gongphel Tshogpa (SMGGD) had not accounted Nu.1.061 million of sale proceeds generated on account of sale of dairy products from September 2018 to November 2019. Against the total sales of Nu. 19.681 million, only Nu. 18.625 million was recorded in the cash book. Further, there were cases of missing bills and money receipts. The lapses had occurred due to inadequate monitoring, supervision and lack of communication between the management and the seller. *(AIN: 16824; OB No.:1; Accountabilities: Direct: Birkha Bdr Rai, Chairman, CID No. 10201000977; Supervisory: Mani Kumar Rai, Gup, CID No. 10201001106)*

Status: *Observation Not Settled.*

As of date, no reconciled accounts received from M/s. Samphelling Meday Gonor Gongphel Tshogpa. Until such time the para shall remain unresolved.

4. NON-COMPLIANCE TO LAWS AND RULES – NU. 0.201 MILLION

The cases of non-compliance to laws and rules involving Nu. 0.201 million is as indicated below:

4.1 EXCESS PAYMENT DUE TO INADEQUATE VERIFICATION – NU. 0.201 MILLION

The SMGGD had made excess payment amounting to Nu. 0.201 million to M/s Rinchen Wangchuk Trading. The excess payment had occurred due to differences in the accounts maintained by the SMGGD and the agent. The difference of 94.34 metric tons spent grain was noted with resultant excess payment. *(AIN: 16824; OB No.:2; Accountabilities: Direct:*

Birkha Bdr Rai, Chairman, CID No. 10201000977; Supervisory: Mani Kumar Rai, Gup, CID No. 10201001106)

Status: *Observation Not Settled.*

The observation amount of Nu.0.201 million stands recoverable, as of date. Until such time the para shall remain unresolved.

5. SHORTFALLS, LAPSES AND DEFICIENCIES – NU. 4.745 MILLION

The cases of shortfalls, lapses and deficiencies involving Nu. 4.745 million are as indicated below:

Sl. No.	Observation in Brief	Reported as of 29 Feb 2024 (Nu. M)	Settled/Resolved (Nu. M)	Balance as of 31 March 2025 (Nu. M)
5.1	Outstanding payments to members	1.583	1.583	0
5.2	Short recovery	0.255	-	0.255
5.3	Cash shortages	3.773	-	3.773
5.4	Payments cleared by Chairman	0.717	-	0.717
	Total	6.328	1.583	4.745

5.1 OUTSTANDING ADVANCE – NU. 1.583 MILLION

5.2 SHORT RECOVERY – NU. 0.255 MILLION

The SMGGD had short-recovered Nu. 0.255 million from M/s Rinchen Wangchuk Trading on account of supply of Super grain. A sum of Nu. 3.024 million was paid for the supply of Super grain against which Nu. 2.770 million only was recovered leaving a balance of Nu.0.255 million. *(AIN: 16824; OB No.:7; Accountabilities: Direct: Phub Tshering, Accountant, CID No. 11309000369; Supervisory: Birkha Bdr Rai, Chairman, CID No. 10201000977)*

Status: *Observation not settled*

The observation amount of Nu.0.255 million stands recoverable, as of date. Until such time the para shall remain unresolved.

5.3 CASH SHORTAGES – NU. 3.773 MILLION

The SMGGD had shortages of cash and bank closing balances amounting to Nu. 3.384 million and Nu. 0.389 million respectively as at 31 August 2018. The shortage aggregated to Nu. 3.773 million. This had occurred mainly due to incompetent office bearers as well as sheer negligence of the Accountants, Chairman and the Secretary.

Further, periodic reconciliation of cash and bank were not carried out. (AIN: 16824; OB No.:10.a; Accountabilities: Direct: Nidup Dorji, Secretary, CID No. 11111001154; Phub Tshering, Accountant, CID No. 11309000369; Supervisory: Birkha Bdr Rai, Chairman, CID No. 10201000977)

Status: Observation Not Settled.

The observation amount of Nu.3.773 million stands recoverable, as of date. Until such time the para shall remain unresolved.

5.4 PAYMENTS CLEARED BY CHAIRMAN – NU. 0.717 MILLION

The Chairman of SMGGD had personally cleared the outstanding dues amounting to Nu. 0.717 million on account of purchase of Spent Grain. The amount was directly paid by the Chairman owing to the fact that SMGGD was running short of cash to meet the short term obligations. (AIN: 16824; OB No.:11; Accountabilities: Direct: Birkha Bdr Rai, Chairman, CID No. 10201000977; Supervisory: Birkha Bdr Rai, Chairman, CID No. 10201000977)

Status: Observation Not Settled.

The observation amount of Nu.0.717 million stands recoverable, as of date. Until such time the para shall remain unresolved.
