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From the total irregularities of Nu 7,525.498M during the fiscal year (FY) 2021-2022, fraud and corruption amounted to Nu 26.142M, non-compliances to laws and rules and regulations accounted for Nu 2.03M and Nu 5.46B under shortfalls, lapses and deficiencies, representing 0.35 percent, 27.09 percent and 72.56 percent respectively.

These cases, according to RAA's annual audit report 2021-2022, were perpetrated with willful intent of deriving undue benefits, monetary or otherwise which had prima facie evidence of fraud or deceptions.

Of the Nu 26.142M, RAA observed as fraud and corruption, Jigme Dorji Wangchuck National Referral Hospital (JDWNRH) accounted for 39.29 percent and Regional Revenue and Customs Office (RRCO), Phuentsholing with 12.83 percent. Irregularities under non-compliance to laws, rules and regulations amounted to Nu 2,038.575M of which RRCO, Phuentsholing accounted for 17.93 percent and the Department of Road's Regional Office in Sarpang with 11.20 percent.

Irregularities under shortfall, lapses and deficiencies amounted to Nu 5.46B for which RRCO, Phuentsholing accounted for 52.45 percent and Punatsangchhu-I Hydroelectric Project Authority with 12.76 percent.

Fraud and corruption

The JDWNRH had a case of misappropriation of funds amounting to Nu 6.441M which was meant for the Patient Welfare Fund. RAA observed that the fund was found transferred to the former president's personal account in eight tranches from 2016 to 2019.

The RRCO, Gelephu had a case of non-levy of applicable fines and penalties of Nu 3.354M for under-declaration and concealment of turnover in boulder exports. There were differences of Nu 5.590M in turnover as per Bhutan Automated Customs System (BACS) and the tax assessment report of the income years 2017 to 2020 for boulder export.

“Such discrepancies between BACS and tax assessment report indicated inadequate coordination between the Tax and the Customs Section within the same office,” the report stated.

The RRCO, Phuentsholing had a case of non-declaration of turnovers amounting to Nu 2.974 million by Wangmo Sales. The firm had declared as non-operational for the income year 2018. However, the BACS data revealed that the business firm had exported boulders to Bangladesh in the same year.

The Army Welfare Project (AWP) had a shortage of goods worth Nu 2.919M. The shortage had occurred due to embezzlement by the personnel working at the bonded warehouses.

During the FY 2021-2022, the RAA issued 587 audit reports of which 11 were issued with qualified opinion and 576 were issued with unqualified opinion.

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