

# 2

## DETAILED REPORT

### BUDGETRAY AGENCIES - MINISTRIES AND DEPARTMENTS

#### 2.1 Ministry of Agriculture

Out of the total unresolved irregularities of Nu.4.722 million reported to the Parliament in May 2009, the Ministry of Agriculture had subsequently resolved irregularities amounting to Nu.3.863 million (around 82%) leaving a balance of Nu.0.859 million (around 18%) as on 28/02/2010 as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 1.474  | 1.474                | 0                              | 100 %             |
| 2      | Mismanagement                    | 0.377  | 0.000                | 0.377                          | 0                 |
| 3      | Violation of Laws and Rules      | 0.718  | 0.645                | 0.073                          | 89.83 %           |
| 4      | Shortfall, Lapses & Deficiencies | 2.153  | 1.744                | 0.409                          | 81 %              |
|        | <b>Total</b>                     | <b>4.722</b>   | <b>3.863</b>         | <b>0.859</b>                   | <b>81.80%</b>     |

As would be evident from the above summary, the Ministry had settled all amounts under the category fraud, corruption and embezzlement. Under the categories Violations of laws and rules and Shortfall lapses and deficiencies it has resolved 89.83% and 81% of the irregularities respectively. The Ministry failed to resolve irregularities amounting to Nu.0.377 million under the category mismanagement.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

#### **1 Fraud, Corruption and Embezzlement – Nu.1.474 million**

##### **Para No. 1.1 Misappropriation of funds – Nu.0.038 million**

- (a) The Divisional Forest Office, Sarpang had not resolved the balance misappropriation of government fund of Nu.0.038 million as the case was under review by the Office of the Attorney General.

**Status:**

*The para was resolved as the ACC has closed the case.*

**Para 1.2 Acceptance of equipment with wrong specifications-Nu.1.254 million**

- (a) Neither the recovery was made nor action taken against the acceptance of wrong specification of Laboratory equipment worth Nu.1.254 million by the Bhutan Agriculture & Food Regulatory Authority (BAFRA) from M/s Karma Tshongkhang, the supplier.

**Status:**

*The para was resolved as the price difference of Nu.0.055 million was deposited into the Audit Recoveries Account besides taking action against official concerned.*

- (b) No action was taken for the acceptance of Dell Optiplex 170L computers having 156 MB RAM instead of 512 MB RAM stipulated in the supply order from Gyelyong Enterprises, Thimphu by the Jigme Singye Wangchuck National Park, Trongsa.

**Status:**

*The para was resolved as the action taken was conveyed vide letter No.NCD/ADM-01/1273 dated 10/02/2010.*

**Para No. 1.3 Fictitious payment – Nu.0.154 million**

- (a) The fictitious payment of Nu. 0.154 Million made to M/s Gado Construction by Divisional Forest Office (DFO), Samtse had not been recovered.

**Status:**

*The para was resolved as the amount was deposited into ARA vide Money Receipt No.66704 dated 29/6/2009.*

- (b) TA/DA paid to Officials & Staff of the Secretariat amounting to Nu.0.011 million without performing tours was not recovered.

**Status:**

*As the amount of Nu.0.011 million was deposited into Audit Recoveries Account vide Money Receipt No.72048 dated 15/10/2009 the para was resolved with instructions to ensure proper verification of bills in future.*

**Para No. 1.7 Unrealistic Payment - Nu.0.028 million**

Nu.0.028 million incurred on excavation of extra area during construction of approach road to Divisional Forest Office, Samtse and Range Office, Sipsu were not recovered.

**Status:**

*The para was resolved as the amount was deposited into the ARA vide Money Receipt No.66704 dated 29/6/09.*

**Para No. 1.9 Use of inferior quality of Corrugated Galvanised Iron (CGI) sheets for roofing of Food Laboratory Building at Yesupang**

No action was taken for the use of inferior quality of Corrugated Iron (CGI) sheets supplied by M/s Tsheltrim Construction for roofing of Food Laboratory Building at Yesupang.

**Status:**

*The para was resolved as the difference amount was deposited into Audit Recoveries Account vide Money Receipt No.72225 dated 04/12/2009 and the action taken against the Engineer.*

## **2. Mismanagement – Nu. 0.377 million**

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**Para No. 2.1 Non-execution of lease agreement for occupying government land and non-realization of lease rent – Nu.0.242 million**

Lease rent aggregating to Nu. 0.242 million being rent of 11.5 acres of forest government land at Pasakha had remained unrealized.

**Status:**

*The management is still pursuing the matter with the lessee.*

**Para No. 2.3 Non-maintenance of Timber Production Register and Royalty Bill Register and unconfirmed realization of royalty - Nu.0.084 million**

Royalty amounting to Nu.0.084 million paid by the Forestry Development Corporation limited directly to the Gedu Division remained unresolved.

**Status:**

*The management had asked the Divisional Manager, Wang Division, Thimphu to deposit the royalty amount.*

**Para No. 2.4 Non-surrender of cash closing balance – Nu.0.051 million**

Non surrender of cash closing balance of Nu.0.051 million to the government by the Thrumshingla National Park, Ura.

**Status:**

*The para is in the process of being resolved.*

### **3. Violation of Laws and Rules – Nu.0.718 million**

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**Para No. 3.1 Overstatement of expenditure - Nu.0.564 million**

Overstatement of expenditure amounting to Nu.0.564 million for the financial year 2005-2006 by the Department of Livestock was not resolved.

**Status:**

*The para was resolved as the corrected accounts were produced.*

**Para No. 3.4 Non-deduction of 20% discount provided by the contractor – Nu.0.140 million**

The Jigme Dorji Wangchuck National Park, Damji had not recovered the balance amount of Nu.0.060 million from the contractor.

**Status:**

*Recovery of the balance amount has not been made.*

**Who are accountable?**

*Karma Gyeltshen, JE and Thinley, Chief Forestry Officer*

**Para No. 3.5 Irregularities in issue of field clothing – Nu.0.094 million**

The clothing (jackets) and sleeping bags issued irregularly to field surveyors amounting to Nu.0.094 million were not recovered.

**Status:**

*Nu.0.081 million has been deposited into ARA leaving a balance of Nu.0.013 million. The balance amount is being recovered on installment basis.*

**Who are accountable?**

*Dorji Tshering; Tshewang Gyeltshen; Sangay Dorji; Karma and Ugen Takchu (Supervisory)*

**Para No. 3.10. Remittance of audit recoveries from budget fund –Nu.0.057 million**

The Public Works advance to the tune of Nu. 0.057 million booked against the staff of Divisional Forest Office, Mongar was subsequently recovered from the budget fund and deposited into the Audit Recoveries Account to settle the earlier observation.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Tshewangla, DCA*

**Para No. 3.11 Poor workmanship in the construction of approach road**

The construction of approach road to Jigme Dorji Wangchuck National Park, Damji amounting to Nu.0.743 million which was not executed properly was not rectified.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Karma Gyeltshen, JE and Thinley, Chief Forestry Officer*

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**4. Shortfalls, Lapses and Deficiencies – Nu. 2.153 million**

**Para No. 4.1 Excess payment to Employees – 0.759 million**

- (a) The balance excess daily allowance amounting to Nu.0.711 million paid to officials during tour to India by the Strengthening of Livestock Development Initiative Project was not recovered.

**Status:**

*Nu.0.666 million was deposited into ARA leaving a balance of Nu.0.045 million.*

**Who are accountable?**

*Nima Gyeltshen and Dr. Lham Tshering (Supervisory)*

- (c) The Secretariat, Ministry of Agriculture had not resolved the balance DA amounting to Nu.0.030 million paid to the officials during study tour to India at par with NEX Project rate.

**Status:**

*The para was resolved as the amount of Nu.0.030 million was deposited into Audit Recoveries Account by the officials.*

- (d) The Jigme Dorji Wangchuck National Park, Damji had not resolved the balance DA amount of Nu.0.010 million paid to an Administrative Assistant during her short term training in Bangkok.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No.66884 dated 27/08/2009.*

- e) Jigme Dorji Wangchuck National Park, Damji had not resolved the balance DA of Nu.0.008 million paid to staff during education tour to India.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No.48929 dated 26/08/2008.*

**Para No. 4.2 Excess payment to contractors – Nu.0.731 million**

- (a) Excess payment to Nu.0.731 million made in the construction of boundary wall and river protection wall at Phuentsholing by the Divisional Forest Office, Gedu was not recovered.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No.81553 dated 22/6/09*

- d) No appropriate action was taken against the officials for the excess payment made to M/s Karma Show Room, Thimphu on installation of louver shutter measuring 2,155.26 square feet instead of 1,592.50 square feet at its Head Office and Yusepang laboratory. The excess payment was deposited into ARA.

**Status:**

*The para was resolved as the action was taken against the officials.*

**Para No. 4.4 Irregular payment of traveling and daily allowances claims – Nu.0.178 million**

- (a) The balance irregularities payment of daily allowance of Nu.0.018 million made to the officials by the Department of Survey and Land Records was not resolved.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No. 72210 dated 26/11/09.*

- (b) The Divisional Forest Office, Mongar had not resolved the traveling and daily allowances of Nu.0.090 million paid in excess of the actual claims.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Tshewangla, DCA*

- (c) The Department of Forest, Thimphu had not resolved the balance irregular traveling and daily allowances of Nu.0.070 million.

**Status:**

*Nu.0.057 million was deposited into ARA leaving a balance of Nu.0.013 million*

**Who are accountable?**

*Dipendra Ghalay, Accounts Officer and Sonam Wangdi, Chief Administrative Officer*

**Para No. 4.9 Outstanding advances – Nu.0.485 million**

- (a) The unsettled outstanding advances of the Secretariat, Ministry of Agriculture as on date of reporting to the Parliament were Nu.0.177 million.

**Status:**

*The para was resolved as the amounts were either deposited or adjusted.*

- © The unsettled outstanding advances of the PFO, Khangma as on date of reporting to the Parliament were Nu.0.236 million.

**Status:**

*Nu.0.023 million was deposited into Audit Recoveries Account leaving a balance of Nu.0.213 million.*

**Who are accountable?**

*Tshering Tenzin, CA; Ugyen Tshewang, SAO and Sangay, Program Director (Supervisory)*

- (d) The unsettled outstanding advances of the Department of Survey and Land Records as on date of reporting to the Parliament were Nu.0.024 million.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account.*

- (e) The Department of Survey and Land Records had not resolved salary advance of Nu.0.048 paid to Karma, Driver.

**Status:**

*The management is still pursuing the matter with the incumbent.*

**Who are accountable?**

*Karma, Driver*

## 2.2 Ministry of Economic Affairs

Out of the total unresolved irregularities of Nu.0.248 million reported to the Parliament in May 2009, the Ministry of Economic Affairs had subsequently resolved irregularities amounting to Nu.0.119 million (around 48%) leaving a balance of Nu.0.129 million (around 52%) as on 28/02/2010 as summarized below:

| Sl. No. | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount Resolved % |
|---------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1       | Fraud, Corruption & Embezzlement | 0.248  | 0.119                | 0.129                          | 47.98 %           |
|         | <b>Total</b>                     | <b>0.248</b>   | <b>0.119</b>         | <b>0.129</b>                   | <b>47.98 %</b>    |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption and Embezzlement – Nu. 0.248 million**

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**Para No. 1.1. Fictitious payment – Nu.0.248 million**

The balance fictitious payment of Nu.0.248 million made by the Department of Geology and Mines was not resolved as the case was under review by the Office of the Attorney General.

**Status:**

*Nu.0.119 million was deposited into Audit Recoveries Account leaving a balance of Nu.0.129 million and the case is under review by the Royal Court of Justice.*

**Who are accountable?**

*Jamba Dorji, DE*

*Nawang Norbu, Drilling Head; Hasta Bdr. Sangpang, DCFO, Dorji Tshering, Finance Officer and Dorji Wangda, Director (Supervisory)*

## **2 Shortfall, Lapses and Deficiencies**

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**Para No. 2.1 Payment for establishment of dry port at Phuentsholing**

The Department of Trade had not resolved the payment for establishment of dry port at Phuentsholing as the Administration was in the process of taking over the land.

**Status:**

*The para was resolved based on the justifications submitted vide MoEA/DoT/ACCT-02/2008-09/269 dated 01/09/2009.*

### **2.3 Ministry of Education**

Out of the total unresolved irregularities of Nu.0.404 million reported to the Parliament in May 2009, the Ministry of Education had subsequently resolved irregularities amounting to Nu.0.232 million (around 57.43%) leaving a balance of Nu.0.172 million (around 42.57%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 0.104  | 0.078                | 0.026                          | 75 %              |
| 2      | Shortfalls, Lapses & Deficiencies | 0.300  | 0.154                | 0.146                          | 51.33 %           |
|        | <b>Total</b>                      | <b>0.404</b>   | <b>0.232</b>         | <b>0.172</b>                   | <b>57.43 %</b>    |

As would be evident from the above summary, the Ministry of Education had resolved irregularities for fraud, corruption and embezzlement and shortfalls, lapses and deficiencies category by 75% and 51.33% respectively.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption and Embezzlement – Nu. 0.104 million**

### **Para No. 1.2 Payment of traveling and daily allowances at higher grades - Nu.0.078 million**

The Curriculum & Professional Support Division, Department of School Education has not resolved the balance amount of Nu.0.078 million for traveling and daily allowances paid to the participants by fraudulently increasing the grades who attended English and Dzongkha Orientation Workshop at various places of Bhutan.

**Status:**

*The para was resolved as the amount was fully resolved vide Money Receipt No.129116 dated 26/02/2010.*

### **Para No. 1.3 Misrepresentation of facts – Nu.0.026 million**

The Curriculum & Professional Support Division has not resolved the balance amount of Nu.0.026 million for traveling and daily allowances paid to various participants during Writers Workshops at Paro and Thimphu.

**Status:**

*The balance amount of Nu.0.026 million has not been recovered.*

**Who is accountable?**

*Dorji Wangchuk, Curriculum Officer.*

### **3. Shortfall, Lapses & Deficiencies – Nu.0. 300 million**

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**Para No. 3.1 Inadmissible payment – Nu.0.017 million**

- (a) The Department of Youth & Sports had not resolved the balance amount of Nu.0.017 million paid to its officials without performing actual tours.

**Status:**

*The para was resolved based on the justifications/evidence furnished.*

**Para No. 3.2 Irregularities in procurement and payment of incentives – Nu.0.146 million**

- (a) Neither the recovery of cost difference nor replacement was made by the Dzongkha Development Authority (DDA) for the purchase of unspecified computers amounting to Nu.0.146 million.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Lobzang Dorji, Procurement Officer*

**Para No. 3.3 Non-production of documents for verification**

The Ministry had not produced tender documents for procurement of duplicating machine and type-writers involving payments of Nu.1.200 million.

**Status:**

*The para was resolved as the requisite documents were produced for verification.*

**Para No. 3.4 Outstanding advances- Nu.0.137 million**

The unsettled advances as on date of reporting to the Parliament were Nu.0.137 million.

**Status:**

*The para was resolved as the advances were liquidated.*

## **2.4 Ministry of Finance**

Out of the total unresolved irregularities of Nu.2.719 million reported to the Parliament in May 2009, the Ministry of Finance had subsequently resolved irregularities amounting to Nu.2.264 million (around 83%) leaving a balance of Nu.0.455 million (around 17%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Mismanagement                     | 0.455  | 0.000                | 0.455                          | 0%                |
| 2      | Shortfalls, Lapses & Deficiencies | 2.264  | 2.264                | 0.000                          | 100%              |
|        | <b>Total</b>                      | <b>2.719</b>   | <b>2.264</b>         | <b>0.455</b>                   | <b>83.27%</b>     |

As would be evident from the above summary, the Ministry had resolved irregularities by 100% under the category shortfalls, lapses and deficiencies but failed to resolve irregularities under mismanagement category.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

**1. Mismanagement – Nu.0.455 million**

***Para No. 1.1 Overdue taxes and revenue – Nu.0.193 million***

- c) The Regional Revenue & Customs Office, Thimphu had not resolved outstanding Business Income Tax outstanding of Nu. 0.165 million against M/s Bae Yul Excursion, Thimphu for the Income Year 2004 to 2006.

***Status:***

*The amount remained unresolved.*

***Who is accountable?***

*Kesang Deki (Supervisory)*

- (e) The Regional Revenue & Customs Office, Thimphu had not realized the balance penal interest amounting to Nu. 0.028 million from the various tax payers of Thimphu and Punakha.

***Status:***

*The Ministry of Finance has instructed the RRCO, Mongar to deduct Nu.2,000.00 monthly from salary of the incumbent and deposit into ARA*

***Who is accountable?***

*Ugyen Sonam, Accounts Assistant*

***Para No.1.2 Abnormal delays in the deposit of revenue – Nu.0.262 million***

The Regional Revenue & Customs Office, Thimphu had not resolved the penal interest on the late deposit of revenue amounting to Nu.0.262 million.

***Status:***

*The Ministry of Finance has instructed the RRCO, Mongar to deduct Nu.2,000.00 monthly from salary of the incumbent and deposit into ARA.*

***Who are accountable?***

## 2. Shortfall, Lapses & Deficiencies – Nu.0.2.264 million

### Para No. 2.2(a) outstanding advances – Nu.2.265 million

The unsettled advances as on date of reporting to the Parliament were Nu.1.980 million.

**Status:**

*The para was resolved as the outstanding advances were either recovered or liquidated.*

- (b) The unsettled advances of the Department of Aid and Debt Management as on date of reporting to the Parliament were Nu.0.245 million.

**Status:**

*The para was resolved as the amount was fully deposited into Audit Recoveries Account.*

- (c) The unsettled advances of the Department of Revenue and Customs as on date of reporting to the Parliament were Nu.0.040 million.

**Status:**

*The para was resolved as the amount was either liquidated or deposited into Audit Recoveries Account.*

## 2.5 Ministry of Foreign Affairs

Out of the total unresolved irregularities of Nu.0.805 million reported to the Parliament in May 2009, the Ministry of Foreign Affairs had subsequently resolved irregularities amounting to Nu.0.438 million (around 54.41%) leaving a balance of Nu.0.367 million (around 45.59%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 0.006  | 0.000                | 0.006                          | 0 %               |
| 2      | Shortfalls, Lapses & Deficiencies | 0.799  | 0.438                | 0.361                          | 54.82 %           |
|        | <b>Total</b>                      | <b>0.805</b>   | <b>0.438</b>         | <b>0.367</b>                   | <b>54.41 %</b>    |

As would be evident from the above summary, the Ministry of Foreign Affairs had resolved irregularities of 54.82% under the category shortfalls, lapses and deficiencies but failed to resolve irregularities under fraud, corruption and embezzlement as the case is under review by the Royal Court of Justice.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption & Embezzlement 0.006 million**

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### **Para No. 1.1 Misappropriation of revenue – Nu.0.002 million**

Misappropriation of revenue case on issue of passports amounting to Nu.1.189 million was being prosecuted in the court of law by the Office of the Attorney General. The amount was already deposited into Audit Recoveries Account leaving a balance of Nu.0.002 million.

**Status:**

*The case is still in the Royal Court of Justice.*

**Who is accountable?**

*Tshering Tobgay, Passport Officer*

### **Para No. 1.2 Cash shortages – Nu.0.934 million**

The cash shortages of Nu.0.934 million of the Royal Bhutanese Embassy, New Delhi was under review by the Royal Court of Justice. The amount was already deposited into Audit Recoveries Account.

**Status:**

*Although the judgment has been passed by the Royal Court of Justice, yet the para remained unresolved as the details of action taken against the incumbent was not furnished.*

**Who is accountable?**

*Pema Dorji.*

### **Para No.1.3 Non-deposit of government revenue – Nu.0.092 million**

The case regarding non deposit of government revenue amounting to Nu.0.092 million of the Royal Bhutanese Embassy, New Delhi was under review by the Royal Court of Justice. The amount was already deposited into Audit Recoveries Account.

**Status:**

*Although the judgment has been passed by the Royal Court of Justice, yet the para remained unresolved as the action taken against the incumbent was not furnished.*

**Who is accountable?**

*Pema Dorji*

**Para No. 1.4 Non/Short accountal of funds – Nu.0.004 million**

Non accountal of funds amounting to Nu.0.010 million by the Royal Bhutanese Embassy, New Delhi was under review by the Royal Court of Justice. The amount of Nu.0.006 million was already deposited into Audit Recoveries Account leaving a balance of Nu.0.004 million.

**Status:**

*Although the judgment has been passed by the Royal Court of Justice, yet the para remained unresolved as the action taken against the incumbent was not furnished.*

**Who is accountable?**

*Pema Dorji*

## **2 Shortfall, Lapses & Deficiencies – Nu. 0.0.799 million**

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**Para No.2.1 Payment made without supporting documents – Nu. 0.029 million**

The Royal Bhutanese Embassy, Dhaka had not resolved the balance expenditure of Nu.0.029 million booked without supporting documents.

**Status:**

*The para was resolved based on the justifications furnished by the Ministry during one of the review meetings held between the Ministry of Foreign Affairs and the RAA.*

**Para No. 2.3 Irregular withdrawal of government funds – Nu.0.030 million**

Irregular withdrawal of government fund amounting to Nu.0.030 million to settle old audit observations was under review by the Royal Court of Justice.

**Status:**

*Although the judgment has been passed by the Royal Court of Justice, yet the para remained unresolved as the details of action taken against the incumbent was not furnished.*

**Who is accountable?**

*Pema Dorji*

**Para No. 2.4 Outstanding advances – Nu.0.740 million**

- a) The unsettled advances of the Ministry as on date of reporting to the Parliament were Nu.0.431 million.

**Status:**

*Nu.0.206 million was adjusted/recovered leaving a balance of Nu.0.225 million.*

**Who is accountable?**

*Pema Wangchuk (Supervisory)*

- b) The unsettled advances of the Royal Bhutanese Embassy, New Delhi as on date of reporting to the Parliament were Nu.0.309 million.

**Status:**

*Nu.0.203 million was adjusted/recovered leaving a balance of Nu.0.106 million.*

**Who is accountable?**

*Dorji Gyeltshen (Supervisory).*

## 2.6 Ministry of Health

Out of the total unresolved irregularities of Nu.0.360 million reported to the Parliament in May 2009, the Ministry of Health had subsequently resolved irregularities amounting to Nu.0.278 million (around 77.22%) leaving a balance of Nu.0.082 million (around 22.78%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 2      | Shortfalls, Lapses & Deficiencies | 0.360  | 0.278                | 0.082                          | 77.22 %           |
|        | <b>Total</b>                      | <b>0.360</b>   | <b>0.278</b>         | <b>0.082</b>                   | <b>77.22 %</b>    |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## 2. Shortfalls, Lapses & Deficiencies –Nu.0.360 million

**Para No. 2.1(a) Excess payment to contractors – Nu.0.360 million**

The excess payment of Nu.0.106 million made to the contractor on repair and renovation of staff quarters by the Jigme Dorji Wangchuck National Referral Hospital was not recovered.

- (b) The excess payment of Nu.0.172 million made to the contractor on painting of Hospital wards was not recovered.

**Status:**

*The paras were resolved vide RAA/SCID(JDWNRH-Follow-up/14451 dated 22/6/2009.*

### **Para No.2.3 Outstanding advances – Nu.0.082 million**

- a) The unsettled advances as on date of reporting to the Parliament were Nu.0.082 million.

**Status:**

*Nu.0.082 million remained unresolved.*

## **2.7 Ministry of Information & Communication**

Out of the total unresolved irregularities of Nu.0.004 million reported to the Parliament in May 2009, the Ministry of Information & Communications had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 2      | Shortfalls, Lapses & Deficiencies | 0.004  | 0.004                | 0.000                          | 100 %             |
|        | <b>Total</b>                      | <b>0.004</b>   | <b>0.004</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### **2. Shortfalls, Lapses & Deficiencies - Nu.0.004 million**

#### **2.1 Inadmissible payment – Nu.0.004 million**

The Road Safety & Transport Authority, Headquarters had not resolved the balance inadmissible payment of traveling and daily allowance of Nu.004 million to its officials.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No.66976 dated 25/9/2009.*

## **2.8 Ministry of Works & Human Settlement**

Out of the total unresolved irregularities of Nu.12.074 million reported to the Parliament in May 2009, the Ministry of Works & Human Settlement had subsequently resolved irregularities amounting to Nu.2.669 million (around 22%) leaving a balance of Nu.9.405 million (around 78%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 7.146  | 0.000                | 7.146                          | 0 %               |
| 2      | Mismanagement                     | 3.344  | 1.085                | 2.259                          | 32.45 %           |
| 4      | Shortfalls, Lapses & Deficiencies | 1.584  | 1.584                | 0.000                          | 100 %             |
|        | <b>Total</b>                      | <b>12.074</b>  | <b>2.669</b>         | <b>9.405</b>                   | <b>22.11 %</b>    |

As would be evident from the above summary, the Ministry had resolved irregularities on shortfalls, lapses and deficiencies by 100% but failed to resolve irregularities on fraud, corruption and embezzlement amounting to Nu.7.146 million as the case is under review by the Royal Court of Justice. In respect of mismanagement, the Ministry had resolved irregularities aggregating to Nu.1.085 million from the total amount of Nu.3.344 million.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1. Fraud, Corruption & Embezzlement – Nu. 7.146 million**

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### **Para No. 1.1 Payments for works not executed - Nu. 7.146 million**

The Department of Roads, Thimphu had not resolved payment for works not executed amounting to Nu.7.146 as the case was in the Royal Court of Justice.

**Status:**

*The case is under review by the Royal Court of Justice and the actions were taken against the officials concerned by the Ministry.*

**Who are accountable?**

*Sonam Wangchuk, JE; Karma Rinzin, Project Manager, and Phuntsho Wangdi, Director (Supervisory)*

## **2. Mismanagement – Nu. 3.344 million**

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### **Para No. 2.2 Illegal occupation of Government Land and non-realization of lease fees – Nu.3.344 million**

- (a) The Thimphu City Corporation had not recovered fines and penalties along with the lease rent amounting to Nu.3.344 million for the illegal occupation of Government land by various private parties.

**Status:**

*The management reported that the actual amount recoverable from the private parties is Nu.2.259 million instead of Nu.3.344 million. Despite efforts made by the management, the para remains un-resolved.*

*Who is accountable?*

*Kuenzang, Dawa Dukpa & Sangay Penjore (Supervisory)*

#### **4. Shortfalls, Lapses & Deficiencies – Nu.1.584 million**

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**Para No. 4.1 Excess/over payments to contractors**

- (b) The Department of Roads had not taken appropriate action against the officials for over payments of Nu.7.398 million and the cost of boulders of Nu.2.478 million in the widening of Chunzom to Isuna Highway. The amount was already deposited into Audit Recoveries Account.

**Status:**

*The para was resolved as the officials concerned were reprimanded.*

**Para No. 4.3 Irregular payment**

- (b) The Thimphu City Corporation had not recovered the irregular payment of Nu.0.025 million in the construction of two water fountains in Clock Tower Square.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No.72037 dated 5/10/09.*

**Para No. 4.9 Outstanding Advances – Nu.8.899 million**

- (a) The unsettled advances of the Department of Urban Development and Engineering Services as on date of reporting to the Parliament were Nu.1.551 million.

**Status:**

*The para was resolved as the advances were liquidated.*

- (e) The unsettled advances of the Secretariat, MoWHS as on date of reporting to the Parliament were Nu.0.033 million.

**Status:**

*The para was resolved as the advances were liquidated.*

## DZONGKHAG ADMINISTRATIONS

### 2.9 Dzongkhag Administration, Bumthang

Out of the total unresolved irregularities of Nu.0.294 million reported to the Parliament in May 2009, the Dzongkhag Administration, Bumthang had subsequently resolved irregularities amounting to Nu.0.077 million (around 26%) leaving a balance of Nu.0.217 million (around 74%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/04/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 0.042  | 0.042                | 0.000                          | 100 %             |
| 2      | Shortfalls, Lapses & Deficiencies | 0.252  | 0.035                | 0.217                          | 13.89 %           |
|        | <b>Total</b>                      | <b>0.294</b>   | <b>0.077</b>         | <b>0.217</b>                   | <b>26.19 %</b>    |

As would be evident from the above summary, the Dzongkhag had resolved irregularities by 100% on fraud, corruption and embezzlement category but failed to resolve irregularities under shortfalls, lapses & deficiencies category.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### **1. Fraud, Corruption and Embezzlement –Nu.0.042 million**

#### **Para No. 1.2 Payments for works not executed - Nu.0.008 million**

- (a) The Dzongkha had not resolved the balance payments of Nu.0.008 million for the works not executed.

**Status:**

*The para was resolved as the incumbent was found compulsorily retired from service.*

#### **Para No. 1.3 Shortages of materials – Nu.0.034 million**

- (b) The shortages of Mercury Vapour Lamp, 200/250V and 117 CFL Lamp, 20W procured in the maintenance of Gyelyum's Lhaxhang and Zimchung at Kurjey were not recovered.

**Status:**

*The para was resolved by the OAAG, Bumthang.*

## **2. Shortfalls, Lapses and Deficiencies – Nu. 0.252 million**

### **Para No. 2.3 Non/irregular adjustment of advances Nu.0.217 million**

- (a) No action was taken for adjusting Nu.0.025 million as expenses incurred on account of farewell party organized for the incoming and outgoing officials of the Dzongkhag. Further, details for the expenditure of Nu.0.010 million incurred on providing of food to Indian labourers engaged for Dzongsel woola were not produced.

**Status:**

*The para was resolved as the amount was liquidated.*

- (b) The unsettled advances as on date of reporting to the Parliament were Nu.0.217 million.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Karma Thinley, Ex-Gup*

*Kuenzang N. Tshering Dzongdag; Sangay Wangchuk, Dzongrab; and Gem Dorji, Officiating DE (Supervisory)*

## **2.10 Dzongkhag Administration, Chukha**

Out of the total unresolved irregularities of Nu.0.205 million reported to the Parliament in May 2009, the Dzongkhag Administration, Chukha had subsequently resolved irregularities amounting to Nu.0.050 million (around 24%) leaving a balance of Nu.0.155 million (around 76%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 0.000  | 0.000                | 0.000                          | 0 %               |
| 2      | Mismanagement                     | 0.082  | 0.050                | 0.032                          | 60.98 %           |
| 3      | Shortfalls, Lapses & Deficiencies | 0.123  | 0.000                | 0.123                          | 0 %               |
|        | <b>Total</b>                      | <b>0.205</b>   | <b>0.050</b>         | <b>0.155</b>                   | <b>24.39 %</b>    |

As would be evident from the above summary, the Dzongkhag had resolved irregularities by 60.98% under mismanagement category. In cases of fraud, corruption and embezzlement; and shortfalls, lapses and deficiencies category, the Administration did not respond. As such, the irregularities under these categories remained unchanged.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1. Fraud, Corruption and Embezzlement**

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**Para No. 1.1 Fictitious payments/ expenditure – Nu.0.028 million**

- (a) No action was taken for the fictitious payment of Nu.0.028 million in the construction of the model dairy, poultry and piggery sheds, the labourers, suppliers and transporters. The amount was already deposited into Audit Recoveries Account.

**Status:**

*The para was resolved based on action taken.*

## **2. Mismanagement – Nu. 0.082 million**

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**Para No. 2.1 Non collection of house rents - Nu.0.082 million**

The Dungkhag Administration, Phuentsholing had not collected rents of Nu.0.082 million from the occupants of government flats. The case had been referred to the Royal Court of Justice, Phuentsholing.

**Status:**

*Nu.0.050 million was subsequently resolved leaving a balance of Nu.0.032 million.*

**Who are accountable?**

*Karma Dukpa, Dungpa (Supervisory)*

**Para No. 2.2 Unauthorized occupation of Government cottages**

The erstwhile PWD cottage, the present PWD cottage, the Guest House of MTI, and the Guest House of Department of Forest in Phuentsholing occupied by private personnel were remained un-surrendered.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Karma Dukpa, Dungpa (Supervisory)*

### 3. Shortfalls, Lapses and Deficiencies – Nu. 0.123 million

**Para No. 3.1 Undue delay in settlement of claims - Nu. 0.123 million**

Mr. Sonam Tenzin, Contractor had not refunded Nu.0.123 million to the Administrator as per the Court's verdict.

**Status:**

*The case is under review by the Royal Court of Justice.*

**Who is accountable?**

*Rinchen Namgyal, Dzongkhag Health Officer.*

**Para No. 3.3 Non registration of land - 246.30 acres**

The Dzongkhag had acquired 246.30 acres of government & private land for the construction of various government infrastructures. However, the land acquired had not been registered yet. The Administration had stated that it is in the process of registering the properties.

**Status:**

*The para was resolved as the registration of land has been completed.*

## 2.11 Dzongkhag Administration, Dagana

Out of the total unresolved irregularities of Nu.0.619 million reported to the Parliament in May 2009, the Dzongkhag Administration, Dagana had subsequently resolved irregularities amounting to Nu.0.137 million (around 22%) leaving a balance of Nu.0.482 million (around 78%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 0.148  | 0.000                | 0.148                          | 0 %               |
| 2      | Shortfalls, Lapses & Deficiencies | 0.471  | 0.137                | 0.334                          | 29.09 %           |
|        | <b>Total</b>                      | <b>0.619</b>   | <b>0.137</b>         | <b>0.482</b>                   | <b>22.13 %</b>    |

As would be evident from the above summary, the Dzongkhag Administration had resolved irregularities by 29.09% under shortfalls, lapses & deficiencies category. In case of fraud, corruption and embezzlement category, the Administration failed to respond.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1. Fraud, Corruption and Embezzlement – Nu. 0.148 million**

---

**Para No. 1.1 Payment for goods not received - Nu.0.148 million (Para 1)**

The Dzongkhag had not resolved Nu.0.148 million for payment of testing tools without receiving them. The case is in the Royal Court of Justice.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Tashi Gyeltshen, Adm. Officer and Shyam Kr. Ghalley, Store In-charge*

## **2. Shortfalls, Lapses and Deficiencies – Nu. 0.471 million**

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**Para No. 2.1 Excess payments to contractors – Nu.0.079 million**

- (a) The Dzongkhag had not recovered excess payments of Nu.0.079 million in the construction of approach road to Daga BHU Grade-1.

**Status:**

*Nu.0.063 million was deposited into Audit Recoveries Account vide Money Receipt No.52235 dated 7/8/09 leaving a balance of Nu.0.016 million.*

**Who are accountable?**

*Namgang Tshering, DE, and Karma Choida, Site Engineer*

**Para No. 2.2 Non-adjustment of advances – Nu.0.249 million**

The unadjusted advances as on date of reporting to the Parliament were Nu.0.249 million

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Tshechu, FO and Bidhya Nepal, Accountant (Supervisory)*

**Para No. 2.3 Outstanding advances - Nu.0.142 million**

The outstanding advances as on date of reporting to the Parliament were Nu.0.142 million.

**Status:**

Nu.0.073 million was recovered/adjusted leaving a balance of Nu.0.069 million.

**Who are accountable?**

*Shyam Kumar Ghalley, Store In charge*

## 2.12 Dzongkhag Administration, Gasa

Unresolved irregularity of Nu.0.133 million was reported to the Parliament in May 2009 in respect of the Dzongkhag Administration, Gasa which remained unresolved as no response had been received.. As such the position of irregularities as on 28/02/2010 is as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 3      | Shortfalls, Lapses & Deficiencies | 0.133  | 0.000                | 0.133                          | 0 %               |
|        | <b>Total</b>                      | <b>0.133</b>   | <b>0.000</b>         | <b>0.133</b>                   | <b>0 %</b>        |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009 and unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### 3 Shortfalls, Lapses and Deficiencies – Nu. 0.133 million

**Para no. 1.1 Excess payments to contractor – Nu.0.133 million (Para 1.1b)**

Excess payments of Nu. 0.133 million made to the contractor for electrification of the Dzongdag's residence, Staff Quarters, Guest House and Royal Guest House, Public Guest House and Caretaker's residence at Tsachu was not recovered.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Krishna Prasad Khatiwara, JE; Samser Rai, DE and Wangchuk Dorji, DEO, then Offtg. Dzongda (Supervisory)*

## 2.13 Dzongkhag Administration, Mongar

Out of the total unresolved irregularities of Nu.0.076 million reported to the Parliament in May 2009, the Dzongkhag Administration, Mongar had subsequently resolved irregularities amounting to Nu.0.053 million (around 70%) leaving a balance of Nu.0.023 million (around 30%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 0.011  | 0.011                | 0.000                          | 100 %             |
| 2      | Violation of Laws and Rules       | 0.023  | 0.000                | 0.023                          | 0 %               |
| 3      | Shortfalls, Lapses & Deficiencies | 0.042  | 0.042                | 0.000                          | 100 %             |
|        | <b>Total</b>                      | <b>0.076</b>   | <b>0.053</b>         | <b>0.023</b>                   | <b>69.74%</b>     |

As would be evident from the above summary, except irregularities under violation of laws and rules category, the Dzongkhag Administration had resolved irregularities by 100% under fraud, corruption and embezzlement; and shortfalls, lapses and deficiencies categories.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved as on 28<sup>th</sup> February 2010 have been discussed below:

## **1. Fraud, Corruption and Embezzlement – Nu. 0.011 million**

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**Para No. 1.1 Intentional irregular payment of personal emolument - Nu.0.011 million**

The Dzongkhag had neither recovered the balance irregular payment of Nu.0.011 million nor taken any action against the officials.

*Status:*

*The para was resolved vide review report of the RAA.*

**Para No. 1.2 Shortages of materials - Nu.0.025 million**

So far no action was taken against the officials after the shortages were made good.

*Status:*

*The para was resolved vide review letter No. IR (26) BT/BD/08/70 dated 11/08/2008.*

## **2. Violation of Laws and Rules – Nu.0.023 million**

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**Para No. 2.1 Muster roll wages paid without acknowledgement - Nu. 0.023 million**

The Muster Roll payment of Nu.0.023 million incurred on the renovation of Dzong dochay were paid without the acknowledgement.

**Status:**

The RAA did not receive any response.

**Who are accountable?**

Kezang Tshering, JE; Tappo, Dzongrab and Loknath Dahal, FO

### **3. Shortfalls, Lapses and Deficiencies – Nu.0.042 million**

**Para No. 3.2 Double payments of personal emolument, allowances and bills - Nu.0.028 million**

Non recoveries of double payment of personal emolument, Leave Travel Concession, leave encashment and supplier's bills amounting to Nu.0.028 million were made.

**Status:**

The para was resolved as the amounts were deposited into Audit Recoveries Account vide Money Receipts Nos.57828 dated 13/1/2009, 52279 dated 29/10/2009 & 72229 dated 04/12/2009.

**Para No. 3.3 In-admissible/irregular payments – Nu.0.014 million**

The balance amount of inadmissible/irregular payment of Nu.0.014 million remained unsettled.

**Status:**

The para was resolved as the balance Nu.0.014 million was liquidated.

## **2.14 Dzongkhag Administration, Paro**

Out of the total unresolved irregularities of Nu.0.938 million reported to the Parliament in May 2009, the Dzongkhag Administration, Paro did respond but the position of the irregularities remained unchanged as the case is under review by the Royal Court of Justice as on 28/02/2010 as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 0.249  | 0                    | 0.249                          | 0 %               |
| 2      | Shortfall, Lapses & Deficiencies | 0.689  | 0                    | 0.689                          | 0 %               |
|        | <b>Total</b>                     | <b>0.938</b>   | <b>0</b>             | <b>0.938</b>                   | <b>0 %</b>        |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009 and unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption and Embezzlement – Nu.0.249 million**

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### **Para No. 1.1 Payments for works not executed – Nu.0.080 million**

- (a) The Dzongkha had paid Nu.0.080 million for the without execution of the item of work providing and laying (500x300x150mm) pre-cast concrete block (kerb) in the construction of Street widening of Paro Town. The case was under review by the Anti Corruption Commission.

**Status:**

*Nu.0.080 million was settled vide Money Receipt No.48333 dated 06/02/2008. However, the para remained unresolved as the case is in the Royal Court of Justice.*

**Who are accountable?**

*Tshering Younten, Former Municipal Engineer and Kinzang, DE.*

- b) In the Urban Development of Paro Town, Nu.0.037 million was paid to the contractor for works not executed. The case was under review by the Anti Corruption Commission.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Nado Regay, Municipal engineer, Tshering Younten, Former Municipal Engineer and Kinzang, DE*

### **Para No. 1.2 Payments for items provided other than specified – Nu.0.212 million**

- (a) An over payments of Nu.0.111 million had occurred due to substitution of Coursed Rubble Masonry (CRM) work with Random Rubble Masonry (RRM) and the masonry in retaining walls were of RRM instead of CRM in the construction of Town Plaza and Connector road (Phase II) in the Urban Development of Paro Town. The case was under review by the Anti Corruption Commission.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Kinzang, DE and Nado Regay, Municipal Engineer*

- b) Similarly, overpayments of Nu.0.101 million had occurred due to substitution of Coursed Rubble Masonry with Random Rubble Masonry in the construction of Secondary Road (Phase III). The case was under review by the Anti Corruption Commission.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Kinzang, DE and Nado Regay, Municipal Engineer*

**Para No. 1.3 Acceptance of defective works in construction**

- In the Urban Development of Paro Town, the Project Authority had accepted defective works in the construction of Town Plaza and in the construction of secondary roads which were not rectified.

**Status:**

*The RAA did not receive any response despite assurance to rectify the work.*

**Who are accountable?**

*Kinzang, DE and Nado Regay, Municipal Engineer*

## **2. Shortfalls, Lapses and Deficiencies – Nu.0.689 million**

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**Para No. 2.1 Over/excess payments to contractors – Nu.0.0135 million**

- (a) Over payments of Nu.0.135 million made on the work of Street widening of Paro Town were recovered. However, the cases under Para No.3.1(i), (iii) & (iv) were being reviewed by the Anti Corruption Commission.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Tshering Younten, Former Municipal Engineer and Kinzang, DE*

- (b) Over payments of Nu.0.096 million observed on the water pump up-gradation works after re-verification was not recovered.

**Status:**

*The RAA did not receive any response for the actual shortages amounting to Nu.0.096 million (260 meters shortages after the re-verification).*

**Who are accountable?**

*Nado Regay, Municipal Engineer and Kinzang, DE*

- (c) Over payments of Nu.0.338 million observed in the construction of Town Plaza, Connector and By Pass Road, Vegetable Market Shed, Public Toilet, Water Distribution System and Street Lighting of Paro Town (Phase II) were not recovered. The case was under review by the Anti Corruption Commission.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Kinzang, DE and Nado Regay, Municipal Engineer*

- (d) Over payments of Nu.0.120 million observed in the construction of Secondary Road, Water Distribution System and Street Lighting

carried out in the Urban Development of Paro Town were not recovered.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Kinzang, DE and Nado Regay, Municipal Engineer*

**Para No. 2.2 In-admissible payments to contractors/employees - Nu.0.383 million**

The Project Management had made inadmissible payments of Nu.0.383 million in the work of Street widening of Paro Town. No action had been taken. The case was under review by the Anti Corruption Commission.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Tshering Younten, Former Municipal Engineer and Kinzang, DE*

**Para No. 2.3 Non availability of materials - Nu.0.172 million**

The materials amounting to Nu.0.172 million for dismantling of 720.83 m<sup>3</sup> of stone masonry in Street widening of Paro Town were not available. The case is under review by the Anti Corruption Commission.

**Status:**

*The case is in the Royal Court of Justice.*

**Who are accountable?**

*Tshering Younten, Former Municipal Engineer and Kinzang, DE*

**2.15 Dzongkhag Administration, Pemagatshel**

Out of the total unresolved irregularities of Nu.0.009 million reported to the Parliament in May 2009, the Dzongkhag Administration, Pemagatshel had resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfall, Lapses & Deficiencies | 0.009  | 0.009                | 0.000                          | 100 %             |
|        | <b>Total</b>                     | <b>0.009</b>   | <b>0.009</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## 1 Shortfalls, Lapses and Deficiencies

### *Para No.1.1 Double payments– Nu.0.053 million*

- (a) The balance amount of double payment of traveling allowance & daily allowance to an official amounting Nu. 0.006 million during HRO's induction training programme at Royal Institute of Management, Simtokha was not recovered.

**Status:**

*The para was resolved vide letter No.RAA/OAAG-SJ(AR-02)2009/1723 dated 23/6/09.*

- (b) The double payment of Nu.0.022 million towards leave encashment to Elementary Service Personnel (ESP) during the financial year 2005-2006 was not recovered.

**Status:**

*The para was resolved vide letter No.RAA/OAAG-SJ(AR-02)2009/1723 dated 23/6/09.*

## 2.16 Dzongkhag Administration, Samtse

Out of the total unresolved irregularities of Nu.2.465 million reported to the Parliament in May 2009, the Dzongkhag Administration, Samtse had subsequently resolved irregularities amounting to Nu.0.436 million (around 18%) leaving a balance of Nu.2.029 million (around 82%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 1.995  | 0.009                | 1.986                          | 0.45 %            |
| 2      | Violation of Laws & Rules         | 0.046  | 0.003                | 0.043                          | 6.52 %            |
| 3      | Shortfalls, Lapses & Deficiencies | 0.424  | 0.424                | 0.000                          | 100 %             |
|        | <b>Total</b>                      | <b>2.465</b>   | <b>0.436</b>         | <b>2.029</b>                   | <b>17.69 %</b>    |

As would be evident from the above summary, the Dzongkhag Administration had resolved irregularities by 100% under the category shortfalls, lapses and deficiencies. Under the categories fraud, corruption & embezzlement and Violation of laws and rules only 0.45% and 6.52% of the irregularities were resolved. The position of

irregularities remained unchanged for fraud, corruption and embezzlement category as the issues are under review by the Office of the Attorney General.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption and Embezzlement – Nu.1.995 million**

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### **Para No. 1.1 Misappropriation - Nu. 1.448 million**

- (a) Amounts aggregating to Nu.1.448 million were misappropriated under the Resettlement Project by recording fictitious workers, non-execution of works and manipulation of records. No action had been taken. The case is under review by the Anti Corruption Commission.

**Status:**

*The case is under review by the Office of the Attorney General.*

**Who are accountable?**

*Dago Tshering, LRO; Chimi Dorji, Accountant and T.B Subba, Sr. Surveyor; K.S Tamang, Surveyor; BB Mongar, Surveyor*

### **Para No. 1.2 Misuse of resettlement programme funds – Nu.0.538 million**

Misuse of Resettlement Programme Funds of Nu.0.538 million through non accountal of refunds and advances were not resolved. The case was under review by the Anti Corruption Commission.

**Status:**

*The case is under review by the Office of the Attorney General.*

**Who are accountable?**

*Sangay Wangdi, former SFO, MoHCA, Naiten Dorji, former Adm. Officer, Samtse, T.B.Subba, Surveyor, B.B.Mongar, Surveyor, K.S.Tamang and Sangay Wangdi, former SFO, MoHCA*

### **Para N. 1.4 Tampering of records - Nu.0.256 million**

- c) Neither the balance fraudulent travel claims of Nu.0.009 million were recovered nor were appropriate action taken.

**Status:**

*The para was resolved as the amount was recovered and action taken against the officials.*

## **2. Violation of Laws and Rules – Nu.0.046 million**

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**Para No. 2.1 Payments without verifying rates and records - Nu.0.003 million**

- (a) The balance amount of Nu.0.003 million paid without verifying the rates and records was not recovered from the suppliers.

**Status:**

*The para was resolved as the balance Nu.0.003 million was deposited into Audit Recoveries Account vide Money Receipt No.66871 dated 25/8/09.*

**Para No. 2.2 Non-levy of liquidated damages -Nu.0.043 million**

The Dzongkhag had not recovered the balance liquidated damages amounting to Nu. 0.043 million for delay in supplying the materials.

**Status:**

*The Administration is pursuing the matter with the supplier and the Store Officer.*

**Who are accountable?**

*Sonam Tobgye, Store Officer; and Sonam Phuntsho, AFO*

## **3. Shortfalls, Lapses and Deficiencies – Nu.0.424 million**

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**Para No. 3.1 Outstanding advances - Nu. 0.424 million**

The unsettled advances as on the date of reporting to the Parliament were Nu.0.424 million.

**Status:**

*The para was resolved as the advances were subsequently liquidated.*

**Para No. 3.2 Non-registration of land & building**

A total of 46.79 acres of land under municipal area in Samtse Dzongkhag, were not registered in the name of Dzongkhag. No action had been taken.

**Status:**

*The Administration is pursuing the matter with the National Land Commission.*

**Who are accountable?**

*Yeshe Dorji, Dzongrab and Tashi Gyeltshen, Dzongdag (Supervisory)*

## 2.17 Dzongkhag Administration, Sarpang

Out of the total unresolved irregularities of Nu.0.897 million reported to the Parliament in May 2009, the Dzongkhag Administration, Sarpang had subsequently resolved irregularities amounting to Nu.0.337 million (around 38%) leaving a balance of Nu.0.560 million (around 62%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement  | 0.486  | 0                    | 0.486                          | 0 %               |
| 2      | Shortfalls, Lapses & Deficiencies | 0.411  | 0.337                | 0.074                          | 82%               |
|        | <b>Total</b>                      | <b>0.897</b>   | <b>0.337</b>         | <b>0.560</b>                   | <b>37.57%</b>     |

As would be evident from the above summary, the Dzongkhag Administration had resolved irregularities by 82% under shortfalls, lapses and deficiencies category. In respect of fraud, corruption and embezzlement category, the administration failed to respond.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### 1 Fraud, Corruption and Embezzlement – Nu.0.486 million

#### **Para No. 1.1 Misuse of resettlement programme funds – Nu.0.431 million**

Misuse of resettlement programme funds of Nu.0.431 million through non accountal of cash/shortages of cash, non settlement of advances and payment without supporting documents was not resolved.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Dorji Dukpa, former Dzongdag, Pema Wangchuk, Sr. Adm. Officer, Sangay Wangdi, Chief Accountant and Tshering Dorji, PA*

#### **Para No. 1.3 Fictitious adjustment of advances - Nu.0.055 million**

The adjustment details of Nu. 0.055 million used from Agriculture Machinery Centre, Paro to settle two different advances of Nu. 0.055 million each resulting into illegal adjustments was not resolved.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Sonam Tshering, MTO and Sangay Thinley, Dzongdag (Supervisory)*

### **3. Shortfalls, Lapses and Deficiencies – Nu.0.411 million**

**Para No. 3.4 Outstanding advances - Nu.0.411 million**

The unsettled advances as on date of reporting to the Parliament were Nu. 0.411 million.

**Status:**

*Nu.0.337 million was recovered/adjusted leaving a balance Nu.0.074 million.*

**Who are accountable?**

*Pema Tenzin, FO and Sangay Thinley, Dzongdag (Supervisory)*

## **2.18 Dzongkhag Administration, Trashigang**

Out of the total unresolved irregularities of Nu.0.020 million reported to the Parliament in May 2009, despite response received from the Dzongkhag Administration, Trashigang, the position of irregularities remained unchanged as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses & Deficiencies | 0.020  | 0.000                | 0.020                          | 0 %               |
|        | <b>Total</b>                      | <b>0.020</b>   | <b>0.000</b>         | <b>0.020</b>                   | <b>0 %</b>        |

The details of status of irregularities indicating position as on 15th April 2009' and unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### **1 Shortfalls, Lapses and Deficiencies – Nu.0.020 million**

**Para No. 1.1 Outstanding advance - Nu.0.020 million (Para 8)**

The unsettled advances as on the date of reporting to the Parliament were Nu.0.020 million.

**Status:**

*The Administration is following up with the incumbent for the balance Nu.0.020 million.*

### *Who are accountable?*

*Tashi Wangyel, Finance Officer (Supervisory)*

## **2.19 Dzongkhag Administration, Trashiyangtse**

Out of the total unresolved irregularities of Nu.0.277 million reported to the Parliament in May 2009, the Dzongkhag Administration, Trashiyangtse had resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 2      | Shortfalls, Lapses & Deficiencies | 0.277  | 0.277                | 0.000                          | 100               |
|        | <b>Total</b>                      | <b>0.277</b>   | <b>0.277</b>         | <b>0.000</b>                   | <b>100</b>        |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **2. Shortfalls, Lapses and Deficiencies – Nu.0.277 million**

### **Para No. 2.2 Over/excess payments to Suppliers – Nu.0.016 million**

The balance of over payments of Nu.0.027 million made to the suppliers at rates higher than the quoted rates were not recovered.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account.*

### **Para No. 2.4 Inadmissible payments - Nu.0.021 million**

The balance inadmissible payments of Nu. 0.021 million towards traveling and daily allowances claims were not recovered.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account.*

### **Para No. 2.5 Outstanding advances Nu.0.240 million**

The outstanding advances as on the date of reporting to the Parliament were Nu.0.240 million.

**Status:**

## 2.20 Dzongkhag Administration, Wangduephodrang

Out of the total unresolved irregularities of Nu.0.009 million reported to the Parliament in May 2009, the Dzongkhag Administration, Wangduephodrang had resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                  | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|---------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Violation of Laws & Rules | 0.009  | 0.009                | 0.000                          | 100 %             |
|        | <b>Total</b>              | <b>0.009</b>   | <b>0.009</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### 1 Violation of Laws and Rules –Nu. 0.009 million

**Para No. 1.1 Payment made without verifying the materials received - Nu.0.009 million (Para 3.1.1)**

The balance books amounting to Nu.0.009 million were not received.

**Status:**

*The para was resolved as the amount was partly deposited and partly adjusted based on the materials received.*

## 2.21 Dzongkhag Administration, Zhemgang

Out of the total unresolved irregularities of Nu.0.042 million reported to the Parliament in May 2009, the Dzongkhag Administration, Zhemgang had resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|-----------------------------|-------------------|
| 2      | Mismanagement                     | 0.003  | 0.003                | 0.000                       | 100%              |
| 3      | Shortfalls, Lapses & Deficiencies | 0.039  | 0.039                | 0.000                       | 100%              |
|        | <b>Total</b>                      | <b>0.042</b>   | <b>0.042</b>         | <b>0.000</b>                | <b>100%</b>       |

## **2. Mismanagement – Nu. 0.003 million**

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**Para No. 2.1 Non realization of water meter installation charges - Nu.0.003 million (Para 6.1)**

The Dzongkhag had not realized the cost of water meter charges amounting to Nu.0.003 million from the beneficiaries.

**Status:**

*The para was resolved based on the justifications furnished by the Dzongkhag.*

## **3. Shortfalls, Lapses and Deficiencies – Nu.0.039 million**

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**Para No. 3.1 Non-deduction of 7.5% voids - Nu.0.039 million**

7.5% voids amounting to Nu. 0.039 million for item of work “Supplying/collection & stacking stone aggregate of 63-40mm” for the Internal Road and Internal Water Distribution System construction was not recovered.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vides Money Receipt No.72424 dated 25/02/2010.*

## GEWOG ADMINISTRATION

### 2.22 Gewogs under Bumthang Dzongkhag

#### Choekhor Gewog

Out of the total unresolved irregularities of Nu.0.501 million reported to the Parliament in May 2009, the Gewog Administration, Choekhor had resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses & Deficiencies | 0.501  | 0.501                | 0.000                          | 100%              |
|        | <b>Total</b>                      | <b>0.501</b>   | <b>0.501</b>         | <b>0.000</b>                   | <b>100%</b>       |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

#### **1 Shortfalls, Lapses and Deficiencies – Nu.0.501 million**

##### **1.1 Outstanding advances – Nu.0.501 million (Para 5)**

Un-settled advances as on the date of reporting to Parliament was Nu.0.501 million against Karma Namgyel, Gup.

**Status:**

*The para was resolved based on the joint verification (as per letter No. AR(26)BT/Bumthang/09-10/521 dated March 9, 2010) carried out by the officials from the Dzongkhag and the AAG, Bumthang.*

### 2.23 Gewogs under Chukha Dzongkhag

#### Darla Gewog

Out of the total unresolved irregularities of Nu.0.142 million reported to the Parliament in May 2009, the Gewog Administration, Darla had resolved irregularities of Nu.0.072 million (around 50%) leaving a balance of Nu.0.072 million (50%) as on 28/02/2010 as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 0.072  | 0.072                | 0.000                          | 100%              |
| 2      | Mismanagement                    | 0.072  | 0.000                | 0.072                          | 0%                |
|        | <b>Total</b>                     | <b>0.144</b>   | <b>0.072</b>         | <b>0.072</b>                   | <b>50%</b>        |

As would be evident from the above summary, the Gewog Administration had resolved irregularities by 100% under fraud, corruption and embezzlement. In case of mismanagement category, the irregularities have remained unchanged as no response was received.

The details of status of irregularities indicating position as on 14<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1. Fraud, Corruption & Embezzlement**

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### **1.1 Fictitious muster roll payment (Para 1.2)**

Although the amount was deposited into Audit Recoveries Account, yet no action was taken against the officials for fictitious muster roll in the construction of Rural Water Supply Scheme at Kezare.

*Status:*

*The para was resolved as the action was taken.*

## **2. Mismanagement – Nu. 0.072 million**

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### **2.1 Non-collection of rural taxes - Nu.0.072 million (Para 2.1)**

Documentary evidences of deposit of rural taxes amounting to Nu.0.072 million made into Gewog Current Deposit Account was not furnished.

*Status:*

*The RAA did not receive any response.*

*Who are accountable?*

*Wangchuk, Gup and Pema Wangdi, Dzongrab*

## Dungna Gewog

Out of the total unresolved irregularities of Nu.0.033 million reported to the Parliament in May 2009, the Gewog Administration, Dungna had resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount Resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 0.033  | 0.033                | 0.000                          | 100 %             |
|        | <b>Total</b>                     | <b>0.033</b>   | <b>0.033</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### 1 Fraud, Corruption & Embezzlement

#### 1.1 Fictitious muster roll payment - Nu.0.033 million (Para 1.1)

Re-verification reports for fictitious muster roll payment of Nu.0.033 million in the construction of Rural Water Supply Scheme at Dungna and Mondokha were not furnished.

**Status:**

*The para was resolved as re-verification report and action taken were furnished.*

## Lokchina Gewog

Out of the total unresolved irregularities of Nu.0.099 million reported to the Parliament in May 2009, the Gewog Administration, Lokchina had resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 0.099  | 0.099                | 0.000                          | 100               |
|        | <b>Total</b>                     | <b>0.099</b>   | <b>0.099</b>         | <b>0.000</b>                   | <b>100</b>        |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption & Embezzlement-Nu.0.099 million**

### **1.1 Fictitious muster roll payments – Nu.0.012 million**

(a & b) Re-verification reports on the fictitious Muster Roll payments aggregating to Nu.0.016 million and Nu.0.012 million for the construction of Rural Water Supply Scheme at Dubeni and at Chimuna were not furnished.

**Status:**

*The para was resolved as re-verification report and action taken were furnished.*

### **1.2 Shortage of material - Nu. 0.087 million**

Re-verification reports for the missing materials of Nu.0.050 million and spoiled and missing cement amounting to Nu.0.037 million were not furnished.

**Status:**

*The para was resolved as re-verification report and action taken were furnished.*

## **Sampheling Gewog**

Out of the total unresolved irregularities of Nu.0.114 million reported to the Parliament in May 2009, the Gewog Administration, Sampheling had subsequently resolved irregularities amounting to Nu.0.061 million (around 54%) leaving a balance of Nu.0.053 million as on 28/02/2010 as summarized below:

| <b>Sl. No</b> | <b>Category</b>                   | <b>Amount reported to the Parliament as on 15/04/2009 (Nu.)</b> | <b>Amount settled (Nu.)</b> | <b>Balance as on 28/02/2010 (Nu.)</b> | <b>Amount resolved %</b> |
|---------------|-----------------------------------|---|-----------------------------|---------------------------------------|--------------------------|
| 1             | Fraud, Corruption & Embezzlement  | 0.024   | 0.024                       | 0.000                                 | 100 %                    |
| 2             | Mismanagement                     | 0.053   | 0.000                       | 0.053                                 | 0 %                      |
| 3             | Shortfalls, Lapses & Deficiencies | 0.037   | 0.037                       | 0.000                                 | 100 %                    |
|               | <b>Total</b>                      | <b>0.114</b>  | <b>0.061</b>                | <b>0.053</b>                          | <b>53.51 %</b>           |

As would be evident from the above summary, the Gewog Administration had resolved all the irregularities under fraud, corruption and embezzlement; and shortfalls, lapses and deficiencies by 100%. However, in case of mismanagement category, the Gewog Administration failed to resolve irregularities of Nu.0.053 million.

The details of status of irregularities indicating position as on 14<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption & Embezzlement-Nu.0.024 million**

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### **1.1 Acceptance of defective work – Nu.0.024 million (Para 1.1.4)**

No action was taken for defective works involving a sum of Nu.0.024 million in the construction of the Gup's office.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No.66719 dated 7/7/2009 and the official concerned reprimanded.*

## **2 Mismanagement – Nu. 0.053 million**

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### **2.1 Non-collection of rural taxes - Nu.0.053 million (Para 2.1)**

Neither the recovery of Nu.0.053 million was made for the uncollected rural taxes nor action taken against the officials.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Mani Kumar Rai, Gup and Pema Wangdi, Dzongrab (Supervisory)*

## **3 Shortfalls, Lapses and Deficiencies**

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### **3.1 Overpayment in construction – Nu. 0.037 million (Para 1.1.2)**

No action was taken on the overpayment of Nu.0.037 million in the construction of Gup's Office.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No.66719 dated 7/7/2009.*

## **2.24 Gewogs under Samtse Dzongkhag**

### **Bara Gewog**

Out of the total unresolved irregularities of Nu.0.015 million reported to the Parliament in May 2009, the position remained unchanged as no response were

received from the Gewog Administration, Bara. The position of irregularities as on 28/02/2010 is as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 0.015  | 0.000                | 0.015                          | 0 %               |
|        | <b>Total</b>                     | <b>0.015</b>   | <b>0.000</b>         | <b>0.015</b>                   | <b>0 %</b>        |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009 and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption & Embezzlement – Nu.0.015 million**

### **1.1 Misuse of rural taxes – Nu.0.015 million**

No appropriate action was taken against the Gup for the misuse of rural taxes of Nu. 0.015 million, though the amount was recovered .

**Status:**

*The RAA did not receive any response on action taken.*

### **1.2 Misappropriation of funds – Nu.0.015 million**

Neither the recovery was made for the balance amount of Nu.0.015 million nor action taken for the misuse in the renovation of Khopi Irrigation Channel.

**Status:**

*The RAA did not receive any response.*

**Who is accountable?**

*Rinchen Dorji, Gup for 1.1. & 1.2*

## **Chengmari Gewog**

Out of the total unresolved irregularities of Nu.0.134 million reported to the Parliament in May 2009, the Gewog Administration, Chengmari had subsequently resolved irregularities amounting to Nu.0.047 million (around 35%) leaving a balance of Nu.0.087 million (around 65%) as on 28/02/2010 as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 0.134  | 0.047                | 0.087                          | 35.07 %           |
|        | <b>Total</b>                     | <b>0.134</b>   | <b>0.047</b>         | <b>0.087</b>                   | <b>35.07 %</b>    |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption & Embezzlement – Nu.0.134 million**

### **1.1 Payments for work not executed – Nu.0.047 million**

Neither the recovery was made nor any action taken for the works not executed amounting to Nu.0.047 million on the construction of Dina – Dipujora farm road.

**Status:**

*The para was resolved based on the production of documents.*

### **1.2 Non-accountal of funds – Nu.0.087 million**

No action was taken for the non-accountal of Nu.0.087 million in the Current Deposit Work.

**Status:**

*The RAA did not receive any response.*

**Who is accountable?**

*Mina Thapa, Gup*

## **2.25 Gewogs under Sarpang Dzongkhag**

### **Dekiling Gewog**

Out of the total unresolved irregularities of Nu.0.015 million reported to the Parliament in May 2009, the position of irregularities remained unchanged as no response was received from the Gewog Administration, Dekiling. The position of irregularities as on 28/02/2010 is as summarized below:

| Sl. No | Category      | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|---------------|--|----------------------|--------------------------------|-------------------|
| 1      | Mismanagement | 0.015  | 0.000                | 0.015                          | 0 %               |
|        | <b>Total</b>  | <b>0.015</b>   | <b>0.000</b>         | <b>0.015</b>                   | <b>0 %</b>        |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, and status of unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Mismanagement – Nu. 0.015 million**

### **1.1 Non-collection of rural life insurance and house taxes - Nu.0.015 million (Para 6)**

The case has been forwarded to the Royal Court of Justice for the recovery of balance amount of Nu.0.015 million.

**Status:**

*The RAA did not receive any response .*

**Who is accountable?**

*Sonam Yangchen, Gup*

## **Gelephu Gewog**

Out of the total unresolved irregularities of Nu.0.012 million reported to the Parliament in May 2009, the Gewog Administration, Gelephu had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance in as on 28/02/2010 | Amount resolved % |
|--------|----------------------------------|--|----------------------|-----------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 0.012  | 0.012                | 0.000                       | 100 %             |
|        | <b>Total</b>                     | <b>0.012</b>   | <b>0.12</b>          | <b>0.000</b>                | <b>100%</b>       |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption & Embezzlement – Nu.0.012 million**

### **1.1 Fictitious expenditure – Nu.0.025 million (Para 1)**

The balance expenditure of Nu.0.012 million booked against agricultural training activities not conducted was not resolved.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account and action taken.*

## **Senghe Gewog**

Out of the total unresolved irregularities of Nu.0.018 million reported to the Parliament in May 2009, the Gewog Administration, Senghe had subsequently resolved irregularities amounting to Nu.0.010 million (around 56%) leaving a balance of Nu.0.008 million (44%) as 28/02/2010 as summarized below:

| <b>Sl. No.</b> | <b>Category</b>                     | <b>Amount reported to the Parliament as 15/04/2009 (Nu.)</b> | <b>Amount settled (Nu.)</b> | <b>Balance as on 28/02/2010 (Nu.)</b> | <b>Amount resolved %</b> |
|----------------|-------------------------------------|--|-----------------------------|---------------------------------------|--------------------------|
| 1              | Shortfalls, Lapses and Deficiencies | 0.018  | 0.010                       | 0.008                                 | 55.56 %                  |
|                | <b>Total</b>                        | <b>0.018</b>   | <b>0.010</b>                | <b>0.008</b>                          | <b>55.56 %</b>           |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Shortfalls, Lapses and Deficiencies – Nu.0.018 million**

### **1.1 Outstanding advances – Nu. 0.018 million (Para 1)**

Outstanding advances as on the date of reporting to the Parliament were Nu.0.018 million.

**Status:**

*Nu.0.010 million was deposited into Audit Recoveries Account leaving a balance of Nu.0.008 million.*

**Who are accountable?**

*Kinga Dendup, Livestock Extension Officer and Bal Bdr. Mongar, Gup*

## 2.26 Gewogs under Trashigang Dzongkhag

### Phongmey Gewog

Out of the total unresolved irregularities of Nu.0.003 million reported to the Parliament in May 2009, the Gewog Administration, Phongmey had subsequently resolved irregularities by 100% but the para remained unresolved as no action was taken as on 28/02/2010 as summarized below:

| Sl. No | Category                           | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption and Embezzlement | 0.003  | 0.003                | 0.000                          | 100 %             |
|        | <b>Total</b>                       | <b>0.003</b>   | <b>0.003</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### **I. Fraud, Corruption & Embezzlement – Nu.0.003 million**

#### **1.1 Non-deposit of rural taxes – Nu.0.003 million (Para 2)**

Neither the recovery of balance amount of Nu.003 million was made nor taken any action.

**Status:**

*Although the amount was deposited into Audit Recoveries Account vide Money Receipt No.53289 dated 5/10/2009, the para remained unresolved as action taken was not furnished.*

**Who are accountable?**

*Pelden Dorji, Mangmi and Dorji Wangchuk, Gup*

## 2.27 Gewogs under Trongsa Dzongkhag

### Dakten Gewog

Out of the total unresolved irregularities of Nu.0.045 million reported to the Parliament in May 2009, the Gewog Administration, Dakten had subsequently resolved irregularities amounting to Nu.0.013 million (around 29%) leaving a balance of Nu.0.032 million (71%) as on 28/02/2010 as summarized below:

| Sl. No | Category                          | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses & Deficiencies | 0.045  | 0.013                | 0.032                          | 28.89 %           |
|        | <b>Total</b>                      | <b>0.045</b>   | <b>0.013</b>         | <b>0.032</b>                   | <b>28.89 %</b>    |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Shortfalls, Lapses and Deficiencies – Nu.0.045 million**

### **2.1 Non production of payment voucher – Nu.0.045 million (Para 4)**

Payment vouchers of Nu. 0.045 million was not produced for verification.

**Status:**

*The Administration has produced vouchers amounting to Nu.0.013 million for verification leaving a balance of Nu.0.032 million.*

**Who is accountable?**

*D.B Tamang, Gewog Accountant.*

### **Nubi Gewog**

Out of the total unresolved irregularities of Nu.0.032 million reported to the Parliament in May 2009, the position remained unchanged as no response was received from the Gewog Administration, Nubi. The status of irregularities as on 28/02/2010 is as summarized below:

| Sl. No | Category                         | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|----------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption & Embezzlement | 0.032  | 0.000                | 0.032                          | 0 %               |
|        | <b>Total</b>                     | <b>0.032</b>   | <b>0.000</b>         | <b>0.032</b>                   | <b>0 %</b>        |

The details of status of irregularities indicating position as on 14<sup>th</sup> April 2009 and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption & Embezzlement – Nu.0.032 million**

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### **1.2 Non-deposit of revenue – Nu.0.032 million**

No action was on the non-deposit of rural taxes amounting to Nu.0.032 million for the year 2006.

***Status:***

*The RAA did not receive any response.*

***Who are accountable?***

*Pema Dendup, Revenue Accountant and D.B Tamang, Gewog Accountant*

## AUTONOMOUS BODIES

### 2.28 Bhutan Olympic Committee

Out of the total unresolved irregularities of Nu.0.076 million reported to the Parliament in May 2009, the Bhutan Olympic Committee had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below: .

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 0.076  | 0.076                | 0.000                          | 100 %             |
|        | <b>Total</b>                        | <b>0.076</b>   | <b>0.076</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

#### 1 Shortfalls, Lapses and Deficiencies Nu.0.076 million

##### 1.1. Outstanding advances – Nu.0.076 million (Para 13)

Outstanding advances as on the date of reporting to the Parliament were Nu.0.076 million.

*Status:*

*The para was resolved as the management reported full recovery/liquidation of advances vide BOC/Accts/Audit (9)2009/843 dated 2/5/2009.*

### 2.29 World Exposition 2005

Out of the total unresolved irregularities of Nu.0.065 million reported to the Parliament in May 2009, the World Exposition 2005 had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                           | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption and Embezzlement | 0.065  | 0.065                | 0.000                          | 100 %             |
|        | <b>Total</b>                       | <b>0.065</b>   | <b>0.065</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption and Embezzlement – Nu.0.065 million**

### **1.1 Non carrying forward of closing cash balance and shortages – Nu.0.065 million (Para 1.1)**

No action was taken to carry forward or surrender the balance amount of Nu.0.065 million to the Department of Public Accounts.

**Status:**

*The para was resolved as the amount was deposited into Audit Recoveries Account vide Money Receipt No.72116 dated 6/11/09. The action could not be taken as the project doesn't exist.*

## **2.30 Royal University of Bhutan**

Out of the total unresolved irregularities of Nu.0.114 million reported to the Parliament in May 2009, the position remained unchanged as no response was received from the Royal University of Bhutan. The position of irregularities as on 28/02/2010 is as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 2      | Violation of Laws and Rules         | 0.006  | 0.000                | 0.006                          | 0 %               |
| 3      | Shortfalls, Lapses and Deficiencies | 0.108  | 0.000                | 0.108                          | 0 %               |
|        | <b>Total</b>                        | <b>0.114</b>   | <b>0.000</b>         | <b>0.114</b>                   | <b>0 %</b>        |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009 and remaining unresolved irregularities as on 28<sup>th</sup> 2010 have been discussed below:

## **2 Violation of Laws & Rules – Nu.0.006 million**

### **2.1 Non levy of liquidated damages – Nu.0.006 million (Para 1)**

No action was taken on the non levy of liquidated damages aggregating to balance amount of Nu.0.006 million for delay in supply of computers, stationeries and maintenance materials for the College of the Natural Resources, Lobesa.

**Status:**

*The balance liquidated damages of Nu.0.006 million is not resolved*

**Who are accountable?**

*Wangmo, Sr. Accountant and Dorji Wangchuk, Director*

### **3 Shortfalls, Lapses and Deficiencies – Nu.0.108 million**

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#### **3.1 Excess payment to the supplier – Nu.0.033 million**

No action was taken on the excess payment of Nu.0.033 million made to M/s Bharali Brother Private Limited, Gauhati for the purchase of sound system by Sherubtse College, Kanglung.

**Status:**

*The RAA did not receive any response.*

**Who is accountable?**

*Sonam*

#### **3.2 Payment without invoices and non receipt of goods – Nu.0.075 million**

No action was taken on the booking of Nu.0.054 million towards the cost of stationeries and extension kits without invoices and on the payment of Nu.0.021 million for 3 file cabinets not received.

**Status:**

*The RAA did not receive any response.*

**Who is accountable?**

*Wangchuk Namgyel*

## CORPORATIONS AND FINANCIAL INSTITUTIONS

### 2.31 Kuensel Corporation

Out of the total unresolved irregularities of Nu.0.072 million reported to the Parliament in May 2009, the Kuensel Corporation had subsequently resolved irregularities amounting to Nu.0.039 million (around 54%) leaving a balance of Nu.0.033 million ( around 46%) as on 28/02/2010 as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 0.072  | 0.039                | 0.033                          | 54.17 %           |
|        | <b>Total</b>                        | <b>0.072</b>   | <b>0.039</b>         | <b>0.033</b>                   | <b>54.17 %</b>    |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

#### 1 Shortfalls, Lapses and Deficiencies – Nu.0.072 million

##### 1.1 Non collection of Earnest Money Deposit – Nu.0.072 million (Para 3)

Earnest money deposits amounting to Nu.0.072 million were not collected.

**Status:**

*Nu.0.039 million was settled leaving a balance of Nu.0.033 million*

**Who are accountable?**

*Thinley Namgyel, Manager and Chencho Tshering, Deputy Managing Director (Supervisory)*

### 2.32 Food Corporation of Bhutan

Out of the total unresolved irregularities of Nu.0.885 million reported to the Parliament in May 2009, the Food Corporation of Bhutan had subsequently resolved irregularities amounting to Nu.0.186 million (around 21%) leaving a balance of Nu.0.699 million (79%) as on 28/02/2010 as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|---|----------------------|--------------------------------|-------------------|
| 1      | Fraud, Corruption and Embezzlement  | 0.541                                   | 0.000                | 0.541                          | 0 %               |
| 2      | Shortfalls, Lapses and Deficiencies | 0.344                                   | 0.186                | 0.158                          | 54.07 %           |
|        | <b>Total</b>                        | <b>0.885</b>                            | <b>0.186</b>         | <b>0.699</b>                   | <b>21.02 %</b>    |

As would be evident from the above summary, the Food Corporation of Bhutan had resolved irregularities of 54.07% under shortfalls, lapses and deficiencies category. In respect of the fraud, corruption and embezzlement category, the issues could not be resolved as incumbent was serving the jail sentence.

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Fraud, Corruption and Embezzlement – Nu.0.541 million**

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### **1.1 Misuse of cash – Nu.0.541 million (Para 1)**

The Royal Court of Justice, Sarpang had written to the High Court for extending the term of imprisonment for the balance amount of Nu.0.541 million.

**Status:**

*The court at the Sarpang and High Court at Thimphu decreed that the party is liable to pay the balance amount. However, there was an appeal from the relatives of the defendant that they are not able to pay the balance as the incumbent was sentenced. Since the amount is not recoverable, the management decided to discuss in the Board for further course of action.*

**Who are accountable?**

*Tenzin Dorji, Bulk Manager and Tashi Peljore, Regional Manager*

## **2 Shortfalls, Lapses and Deficiencies – Nu.0.344 million**

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### **2.1 Outstanding debtors – Nu.0.344 million (Para 2)**

The FCB, Gelephu had outstanding debtors of Nu.0.344 million.

**Status:**

*Nu.0.186 million was resolved leaving a balance of Nu.0.158 million.*

**Who are accountable?**

## 2.33 Kurichu Hydro Power Corporation Ltd.

Out of the total unresolved irregularities of Nu.2.511 million reported to the Parliament in May 2009, the Kurichu Hydro Power Corporation Limited had subsequently resolved irregularities amounting to Nu.2.490 million (around 99%) leaving a balance of Nu.0.021 million (1%) as on 28/02/2010 as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 2.511  | 2.490                | 0.021                          | 99.16             |
|        | <b>Total</b>                        | <b>2.511</b>   | <b>2.490</b>         | <b>0.021</b>                   | <b>99.16</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### 1 Shortfalls, Lapses and Deficiencies – Nu.2.511 million

#### 1.1 Non realization of Value Added Tax refund - Nu.2.511 million (Para 8)

Value added Tax (VAT) aggregating to Nu.2.511 million from M/s Baharat Heavy Electrical Limited, Ranipur against the supply of spare parts remained unresolved.

**Status:**

*Nu.2.490 million was recovered leaving a balance of Nu.0.021 million. The management also reported that the balance amount would be recovered soon.*

**Who are accountable?**

*Thinley Dorji, Chief Engineer*

## 2.34 State Trading Corporation of Bhutan Ltd.

Out of the total unresolved irregularities of Nu.5.995 million reported to the Parliament in May 2009, the State Trading Corporation of Bhutan Limited had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 5.995  | 5.995                | 0.000                          | 100 %             |
|        | <b>Total</b>                        | <b>5.995</b>   | <b>5.995</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Shortfalls, Lapses and Deficiencies – Nu.5.995 million**

### **1.2 Losses due to sales below cost price - Nu.4.782 million**

The case on loss of Nu.4.782 million on the supply of Bitumen & Emulsion to the Ministry of Works and Human Settlement at rates below the cost price in which the Dzongkhag Court, Phuentsholing and decision of the Court was awaited

**Status:**

*The para was resolved based on the production of write off accorded by the Board conveyed vide letter No.STCBL/Audit-file/2010/555 dated 03/02/2010.*

### **1.3 Huge losses through payment of liquidated damages – Nu.1.213 million**

The case on the direct losses of Nu.1.213 million by payment of liquidated damages for late delivery of supplies is with the Dungkhag Court, Phuentsholing.

**Status:**

*The para was resolved based on the production of write off accorded by the Board conveyed vide letter No.STCBL/Audit-file/2010/555 dated 03/02/2010.*

## **2.35 Bank of Bhutan Ltd.**

Out of the total unresolved irregularities of Nu.1.058 million reported to the Parliament in May 2009, the Bank of Bhutan Limited had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 1.058  | 1.058                | 0.000                          | 100 %             |
|        | <b>Total</b>                        | <b>1.058</b>   | <b>1.058</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Shortfalls, Lapses and Deficiencies – Nu.1.058 million**

### **1.1 Defaulted loan account – Nu.1.058 million**

- a) The defaulted loan amount of Nu.1.058 million was under review by the Royal Court of Justice.

**Status:**

*The para was resolved as the loan amount was fully liquidated.*

## **2.36 Bhutan National Bank Ltd.**

Out of the total unresolved irregularities of Nu.0.406 million reported to the Parliament in May 2009, the National Bank of Bhutan Limited had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 0.406  | 0.406                | 0.000                          | 100 %             |
|        | <b>Total</b>                        | <b>0.406</b>   | <b>0.406</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Shortfalls, Lapses and Deficiencies Nu.0.406 million**

### **1.1 Suspended transport loan – Nu.0.406 million**

Transport loan amounting to Nu.0.406 million was resubmitted to the Royal Court of Justice for failing to deposit the amount within the stipulated date.

**Status:**

*The para was resolved vide RAA/CFID-FU(BNBL)2009/16092 dated 25/9/2009.*

## **2.37 Bhutan Development Finance Corporation Ltd.**

Out of the total unresolved irregularities of Nu.0.200 million reported to the Parliament in May 2009, position remained unchanged as no response was received from the Bhutan Development Finance Corporation Limited. The status of irregularities as on 28/02/2010 is as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 28/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 0.200  | 0.000                | 0.200                          | 0 %               |
|        | <b>Total</b>                        | <b>0.200</b>   | <b>0.000</b>         | <b>0.200</b>                   | <b>0 %</b>        |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2010, irregularities resolved thereafter and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### **1 Shortfalls, Lapses and Deficiencies – Nu.0.200 million**

#### **1.3 Default in housing renovation loans – Nu. 0.200 million**

- (b) The defaulted house renovation loan amounting to Nu.0.200 million, sanctioned on 18<sup>th</sup> May 2005 remained unresolved as the case was in the Royal Court of Justice.

**Status:**

*The Royal Court of Justice had issued verdict to pay the entire loan within a year from the date of issue of verdict dated 20/05/2009. As such, the para remained unresolved.*

**Who are accountable?**

*Kencho Pelden, Assistant Legal Officer (Supervisory)*

## **6.38 Royal Securities Exchange of Bhutan Ltd.**

Out of the total unresolved irregularities of Nu.0.028 million reported to the Parliament in May 2009, the Royal Security Exchange of Bhutan Limited had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 26/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 0.028  | 0.028                | 0.000                          | 100 %             |
|        | <b>Total</b>                        | <b>0.028</b>   | <b>0.028</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009 irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Shortfalls, Lapses and Deficiencies – Nu.0.028 million**

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### **1.1 Excess payment of allowances – Nu.0.028 million (Para No.3)**

The balance excess payment of allowance amounting to Nu.0.028 million is being recovered on installment basis.

**Status:**

*The para was resolved based on liquidation of full amount conveyed vide RSEB/RAE/2010/95 dated 18/02/2010.*

## NON-GOVERNMENT ORGANISATIONS

### 2.39 Youth Development Fund

Out of the total unresolved irregularities of Nu.0.092 million reported to the Parliament in May 2009, the Youth Development Fund had subsequently resolved irregularities by 100% as on 28/02/2010 as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 26/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 2      | Shortfalls, Lapses and Deficiencies | 0.092  | 0.092                | 0.000                          | 100 %             |
|        | <b>Total</b>                        | <b>0.092</b>   | <b>0.092</b>         | <b>0.000</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009, irregularities resolved thereafter and status of irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

### 2. Shortfalls, Lapses and Deficiencies –Nu.0.092 million

#### 2.1 Double payment of salary – Nu.0.092 million

The double payment of salary amounting to Nu.0.037 million remained unresolved.

*Status:*

*The para was resolved as the management had written off the amount.*

#### 2.2 Non recovery of loans – Nu.0.055 million

Non recovery of Loan amounting to Nu.0.060 million paid to Mr. Gembola for opening a tailoring shop at Changzamtog, Thimphu was not liquidated.

*Status:*

*The para was resolved as the management had written off the amount.*

### 2.40 Tarayana Foundation

Out of the total unresolved irregularities of Nu.0.100 million reported to the Parliament in May 2009, the position remained unchanged as no response was received from the Tarayana Foundation. The position of irregularities as on 28/02/2010 is as summarized below:

| Sl. No | Category                            | Amount reported to the Parliament as on 15/04/2009 (Nu.) | Amount settled (Nu.) | Balance as on 26/02/2010 (Nu.) | Amount resolved % |
|--------|-------------------------------------|--|----------------------|--------------------------------|-------------------|
| 1      | Shortfalls, Lapses and Deficiencies | 0.100  | 0                    | 0.100                          | 100 %             |
|        | <b>Total</b>                        | <b>0.100</b>   | <b>0</b>             | <b>0.100</b>                   | <b>100 %</b>      |

The details of status of irregularities indicating position as on 15<sup>th</sup> April 2009 and remaining unresolved irregularities as on 28<sup>th</sup> February 2010 have been discussed below:

## **1 Shortfalls, Lapses and Deficiencies – Nu.0.100 million**

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### **1.1 Outstanding advances – Nu. 0.100 million (Para 4)**

Outstanding advances as on date of reporting to the Parliament were Nu.0.100 million.

**Status:**

*The RAA did not receive any response.*

**Who are accountable?**

*Sonam Yangden, Finance Personnel and Aum Chimi Paden Wangdi, Secretary General (Supervisory)*