

CHAPTER V

Ministry of Health & Education

The Royal Audit Authority conducted the audit of the following agencies under the Ministry of Health and Education during the Year 2000.

1. Ministry of Health and Education Hqrs;
2. National Institute of Education Paro;
3. National Malaria Control Programme, Gelephu;
4. Public Health Engineering Unit, Thimphu;
5. Institute for Language and Cultural Studies;
6. JDWNRH, Thimphu;
7. Health Division;
8. Education Division; and
9. RWSS, Phuntsholing.

Table 1.24 : Showing the Audit Observations by different categories

Nature of observations	Number of observations	%	Amount (Nu. in million)	%
Excess Expenditure	3	9	0.363	0.11
Irregular payment	19	54	5.25	5.14
Outstanding revenue	3	9	0.49	0.46
Outstanding advance	10	29	100.9	94.3
Grand Total	35	100	107.003	100

1. Excess payment

It was found during audit, the excess payment Nu. 0.363 million were incurred from government fund. It relates to excess claims made by the contractors and allowances paid to the officials and staff though inadmissible.

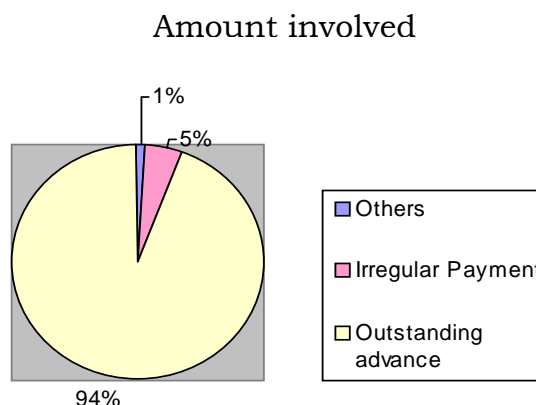
These are discussed below:

Table 1.25 : Showing the nature of excess payments by amount

Agency	Nature of excess payments (Nu. in million)			
	Contractors/ suppliers	Allowances paid to employees	Residential telephone bill	Total
Health Division		0.02	0.14	0.16
Education Division	0.022		0.06	0.082
Ministry of Health & Education, Secretariat			0.048	0.048
Sherubtse College	0.073			0.073
Total	0.095	0.02	0.248	0.363

a) Excess payments to Contractors

Audit had detected that the Sherubtse College management had admitted excess payment of Nu. 0.073 million to Kuenphen Wangchu Construction who carried out the refurbishing of computer class rooms at Sherubtse College. The contractor had claimed for works not provided while the management had accepted the claim.



b) Payment of residential telephone bills from the government fund, Nu. 0. 248 million

In contravention to the Ministry of Finance circular disallowing the payment of residential telephone bills to be paid from the government fund, it was

found that the Ministry of Health and Education and its two Divisions had spent about Nu. 0.248 million unauthorized.

2. Irregular payment

The Royal Audit Authority detected many cases of irregular payments amounting to over Nu. 5.25 million in the audit of the Ministry of Health and Education. These irregularities are described below:

Table 1.26 : Showing the types of irregular payments by amount

Agency	Types of irregular payments (Nu. in million)			
	Without supporting document	Without budget provision	Allowances	Total
Health division	2.15	0.99		3.14
Education Division	0.65	0.09		0.74
Ministry of Health & Education		0.029	0.065	0.094
Sherubtse College	1.28			1.28
Total	4.08	1.109	0.065	5.254

a) Payment made without supporting documents, Nu. 4.08 million

It was observed that expenditure to the extent of Nu. 4.08 million was incurred for which the relevant bills and vouchers were not produced before audit. This relates to expenditures incurred by the Health and Education Divisions and Sherubtse College.

b) Expenditure without Budget provision, Nu. 1.10 million

Irregular expenditure amounting to over Nu. One million were incurred without budget provision or without budget reappropriations. Such expenditures relate to expenditures incurred on foreign drinks for which the Ministry of Finance does not allocate budgets and expenditures met from the security deposits by the Department of Health, the then Health Division.

3. Outstanding revenue

Government revenue amounting to Nu. 0.49 million remained unrealized by the Department of Education, the then Education Division and NIE, Paro. It relates to non-deduction of 3% foreign contractor tax and salary tax by the above agencies.

4. Uneconomic purchases

Physical verification of the stocks of the Rural Water Supply and Sanitation Project revealed that purchases were not planned to reduce cost. Sanitation and construction items worth over Nu. 8 million were lying in stock without use. Audit also found that there were unserviceable items worth approximately Nu. one million left unattended.

Audit concluded that the Project did not adopt the theory of Economic Order Quantity (EOQ) to minimize cost to the government and to avoid unnecessary blockade of funds.

5. Outstanding advance

An alarmingly huge figure appears in the books of accounts of the agencies under the Ministry of Health and Education as outstanding advances. Audit raised serious concern over the matter and recommended early recovery/adjustments.

Agency wise outstanding advances are reflected below:

Table 1.27 : Showing the outstanding advance by amount and status

Agency	Amount (Nu. in million)	Remarks
Secretariat, Ministry of Health & Education	1.17	Outstanding advance against staff and suppliers/ parties
JEWNRH, Thimphu	0.83	Outstanding advances against patients
National Institute of Education, Paro	5.13	Outstanding advances against staff/employees/parties
Public Health Engineering Unit, Thimphu	22.37	Outstanding Advances suppliers and staff
Institute for Language and Cultural Studies, Simtokha	0.09	Outstanding Advances against staff and suppliers
Health Division, Thimphu	37.18	Outstanding Advances against officials/staff/parties
Health Division, Thimphu	18.64	Outstanding Advances against officials/staff/parties
Education Division	13.60	Outstanding Advances from LC Account and IAGPLC Account.
Sherubtse College, Kanglung	1.65	Outstanding advances against lecturers/students/staff and private parties
RWSS center Store, P/Ling	0.24	Outstanding advances against officials of RWSS.
Grand Total	100.90	