

CHAPTER VI

Ministry of Trade & Industry

The Royal Audit Authority had conducted the audit of the following agencies under the Ministry of Trade and Industries during the year 2000.

1. Trade Ministry and Industries Hqrs;
2. Regional Trade and Industries Office, P/Ling;
3. Department of Power, Head Quarter;
4. Electricity Supply Unit, Phuntsholing;
5. Electricity Supply Unit, Paro;
6. Electricity Supply Unit, Trashigang;
7. Stores Unit, Phuntsholing; and
8. Department of Tourism.

Audit Reports for the year 2000 includes 27 observations involving Nu. 113.25 million.

These observations are discussed below:

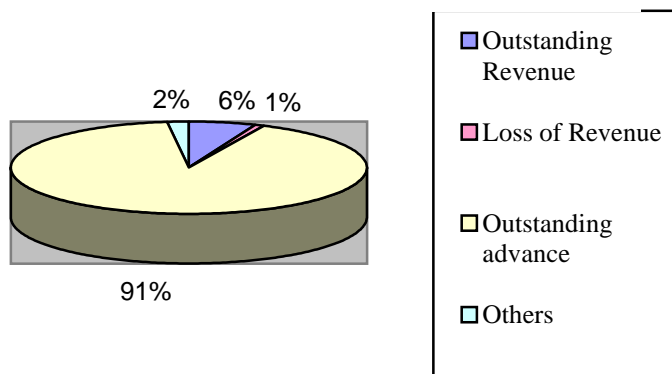
Table 1.28: Showing the audit observations by different categories

Nature of Observation	Number of observation	%	Amount(Nu. in million)	%
Excess payment	2	7.41	0.220	0.165
Irregular payment	4	14.82	0.459	0.405
Misappropriation	1	3.70	0.26	0.229
Outstanding advance	9	33.30	102.955	90.905
Outstanding revenue	7	25.90	7.052	6.223
Loss of revenue	3	11.10	1.4	1.236
Non-accountal of stock	1	3.70	0.91	0.803
Grand total	27	100	113.256	100

1. Irregular payment Nu.0.459 million

The Royal Audit Authority also detected that the Department of Tourism the then Tourism Authority of Bhutan had utilized revenue earned from the tourists against its day to day expenditure. Similarly, the Tourism Authority of Bhutan had retained about Nu. 0.213 million collected from the Travel agents as a contribution to the restoration of Taktshang Monastery.

Amount involved (Nu.113.25m)



2. Outstanding advance

It was observed that government fund amounting to Nu. 102.96 million remained unadjusted/unrecovered from the suppliers and employees of the agencies under the Ministry of Trade and Industry as follows:

Table 1.29 : Showing the outstanding advance by amount

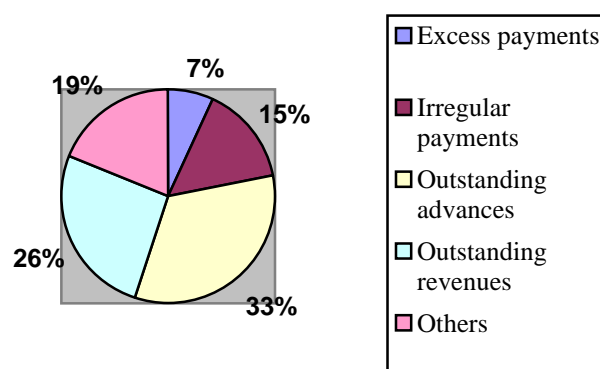
Agency	Amount (Nu. in million)
Department of Tourism, MTI, Thimphu	1.03
Store unit, Division of Power, P/Ling	7.96
Electricity Supply Unit, Phuntsholing	1.89
Secretariat, Ministry of Trade and Industry, Thimphu	0.47
ESU, Paro	1.83
ESU, Trashigang	8.73
DOP, HQ	81.05
Grand total	102.96

Audit had raised serious concern over the matter and recommended early recovery/adjustment from the suppliers and employees.

3. Non-accountal of stock.

Copper conductors valuing Nu. 0.91 million were not accounted for by the Electricity Supply Unit of Thimphu. It relates to loss of conductors from Thinleygang Mini Hydel.

Audit Observations (%)



4. Outstanding revenue Nu. 7.052 million

Government revenue amounting to Nu. 7.052 million remained unrealized during the year 2000.

Such outstanding revenues are segregated below:

Table 1.30 : Showing the types of revenue outstanding by amount

Agency	Types of Revenue outstanding (Nu. in million)		
	Energy charges	Rent	Total
Department of Power	6.28		6.28
RTIO, Phuntsholing		0.77	0.77
Total			7.05

The Department of Power did not realize over Nu. 6 million against sale of energy to consumers in Thimphu, Trashigang and Phuntsholing. Similarly, the Regional Trade and Industries Office in Phuntsholing did not collect about Nu.0.77 million against the rent of Industrial Sheds and cost of spare parts.

5. Misappropriation

The accountant of the Electricity Supply Unit of Paro misappropriated Nu. 0.26 million without surrendering the closing balance at the year-end and without accounting in the next financial year as opening balance.

6. Loss of revenue

It was observed that revenue amounting to over Nu. 1.4 million were lost due to lapses on the managerial actions. For instance, the Electricity Supply Unit of Phuntsholing had to incur about Nu. 0.46 million towards penal interest to M/s Chukha Hydroelectric Project Corporation for late remittance of energy charges. Similarly, the Royal Government lost over Nu. 0.9 million earned against royalty, which the Department of Tourism had waived off.