

# CHAPTER X

## Corporations

The Royal Audit Authority had issued the audit reports of the following corporations during the year 2001.

1. Bhutan Broadcasting Corporation;
2. Army Welfare Project;
3. Forestry Development Corporation;
3. Bhutan Post; and
4. Bhutan Board Products Limited.

### Bhutan Broadcasting Corporation

**Table 1.33: Showing the audit observations by different categories**

Sl.No	Nature of observations	Amount (Nu. millions)	%
1	Debtors Management	1.67	10.48
2	Outstanding advance	13.58	85.25
3	Non-accountal of money	0.47	2.95
4	Excess payment	0.21	1.32
<b>Total</b>		<b>15.93</b>	<b>100.00</b>

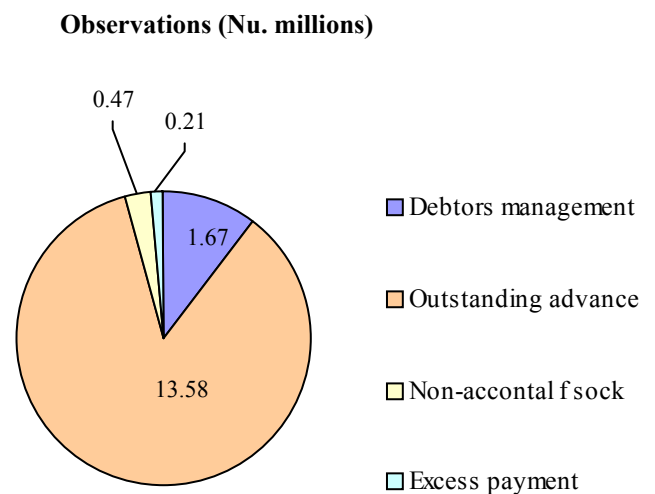
The above table represents the actual scenario at the time of issuing the audit reports in 2001. The updated version of the contents of the above table is given under each observation in bold *Italic*.

#### Major Findings

##### 1 Debtors management.

A review of the services rendered on credit revealed considerable scope for improvement in management of debts. As of 30.06.2001, Nu. 1.67 millions and US \$ 588.18 remained unrealized from Government agencies and others. Debtors' balances pertained to the years 1998, 1999, 2000 and 2001.

Out of the above amounts, as of May 2002, Nu. 1.029 millions and US \$ 588.18 were still remaining unrealized indicating poor pace of recovery.



***The management of BBSC informed the RAA that Nu.0.39 million have been realized after the issue of draft of this report.***

## **2 Advances outstanding.**

Advances aggregating to Nu.13.58 millions remained unadjusted against the employees and suppliers of the BBSC as of 30.06.2001. BBSC had made good progress in liquidating the outstanding amounts after the dates of audit. As of May 2002, unadjusted advances stood at Nu.1.28 millions.

***It is intimated that out of Nu. 1.28 millions remaining as outstanding as at May 2002 is now drastically reduced to Nu.0.16 million only.***

## **3 Non accountal of money.**

About Nu. 0.47 million were not accounted in the books of accounts. It pertained to non-accountal of money transferred from the project account in the books of the normal account, non- accountal of advances refunded, non-accountal of revenue collected and difference in cheque amount to that of figures posted in the ledger.

Out of these, Nu. 0.07 million had been resolved based on justifications furnished and the documents produced. The observation on non-accountal of advance of Nu.0.075 million and non-accountal of funds transfer from TV Account to Normal Account has been resolved subject to verification in next audit. As regards to Nu. 0.027 million which was observed as difference in Cheque amount and the figures posted in ledger, the management had agreed to recover from the concerned if they are not able to trace the discrepancy.

***The management had informed the RAA that all unaccounted money detected by the RAA is taken in the books of accounts. The RAA shall be verifying the facts in the next audit.***

## **4 Excess payments.**

It relates to payment of residential telephone charges, double payment of leave encashment and LTC and the payment of full salary on trainings beyond one year. The excess payment stood at Nu. 0.212 million.

Out of total excess payments of Nu. 0.212 million, an amount of Nu. 0.157 million have been resolved by way of amounts deposited/justification provided by the BBSC.

***It is informed that further sum of Nu.0.055 million is recovered by the management after the issue of draft of this report, thereby leaving a nil balance now.***