

Ministry of Foreign Affairs.

The Royal Audit Authority had audited the accounts & operations of the Ministry of Foreign Affairs including its missions and embassies with exceptions to RBE, Bangkok. The following officials headed the ministry and the departments under it in the year 2002:

Sl. No	Name of Office bearers	Designation
1.	Lyonpo Jigme Y Thinley	Minister
2.	Dasho Ugyen Tshering	Secretary
3.	Dasho Jigme Tshultrim	Chief of Protocol
4.	Dasho Tashi Dorji	Head, Administration & Finance Division.
5.	Sonam T Rabgye	Director, Multilateral Division
6.	Dawa Penjo	Director, Bilateral Division
7.	Thinley Dorji	Head, Asia & SAARC Division

The following table exhibits the summary of the findings in a consolidated form:

Table 1.32 showing summary of the observations by category code and the amount involved.

Sl. No.	Observation in brief.	Amount (Nu.Million)	%	Category code
1	Irregular/inadmissible payment	0.91	28.35	8
2	Non-accountal of materials/gift items	0.69	21.50	18
3	Non-recording of advances	0.66	20.56	16
4	Irregular payment towards hospitality & entertainment	0.39	12.15	8
5	Non-deduction of statutory liabilities	0.38	11.84	15
6	Over payment	0.10	3.12	6
7	Overstatement of outstanding advances	0.08	2.49	18
8	Non-deposit of hard currency into govt.account	0.00	0.00	
	Total	3.21	100	

Major Findings:

1. Over Payment Nu.0.10 million.

The Secretariat, Ministry of Foreign Affairs had over paid Nu.0.09 million on account of catering charges, travels abroad etc. Similarly, the Permanent Mission of Bhutan, Geneva had overpaid Nu.0.01 million towards foreign allowance and representational grant.

Auditee's response:

With regard to the over payment on catering charges the RAA was informed that the total number of guests short listed was for 1000 heads where as the invitees confirmed were 700 heads. It was stated that the protocol had negotiated for 625 heads assuming lesser number would be turned up but actual invitees turned out to be 700 heads. With respect to the over payment on others it was informed that responsible officials and agencies have been informed of the over payment and will be recovered shortly.

Who is accountable?:

The RAA is yet to receive the over payment made by the Ministry of Foreign Affairs, therefore, accountability is fixed on the then Finance Officers Pema Yangzom, Norbu Dendup, Ugyen Chewang and other Officers Passang Wangdi, Deputy Director, Singey Dorji, Deputy Secretary and Sangay Rinchen, Deputy Director.

2. Non-recording of advances in the sub-ledger Nu.0.66 million.

The Secretariat, Ministry of Foreign Affairs had not recorded a sum of Nu.0.66 million advanced to various officials, agencies and private parties in the relevant books of accounts. Thus the amount remained outstanding as of date.

Auditee's response:

It was submitted that a sum of Nu.0.34 million approximately was recorded in the relevant ledgers and for the remaining amount it was stated that a matter was being examined

Who is accountable?:

Until the RAA verifies the entries in the ledger and the remaining amount is deposited into audit recoveries account, the accountability is fixed on the then Finance Officers Pema Yangzom, Norbu Dendup, and other Officers Passang Wangdi, Deputy Director, Singey Dorji, Deputy Secretary and Sangay Rinchen, Deputy Director.

3. Non-accountal of materials/gift items Nu.0.69 million.

The gift items worth Nu.0.46 million found purchased by the Secretariat was not accounted for in the relevant stock ledgers. Similarly stores item valuing Nu.0.27 million approximately was found unaccounted.

Auditee's response: *The Secretariat, Ministry of Foreign Affairs had stated that adequate corrective measures are being initiated including entries in the stock account valuing Nu.0.28 million approximately. Regarding gift items it was stated that an appropriate response would be submitted at a future date.*

Who is accountable?: *The RAA will have to verify the accountal made by the Secretariat, therefore, until such time the verification is carried out and rest of the issues are satisfactorily resolved the accountability is fixed on Dorji Wangchuk, Protocol Assistant, Dawa Nidup and Yeshi Tshewang, Store In charges.*

4. Non-deposit of hard currency into Government Account US\$ 0.15 million.

The verification of visa fees collection and deposits statement found that the fees in dollars amounting to US \$ 0.15 million were deposited in Ngultrum rather than in dollars.

Auditee's response: *The Ministry of Foreign Affairs informed the RAA that the services of the culprit was terminated.*

5. Irregular /inadmissible payment Nu.0.91million.

The Royal Bhutanese Embassy, Kuwait had incurred an expenditure of Nu.0.86 million (US \$ 19116) for attending meetings, seminars, workshops etc. The payment vouchers for this expenditure is not supported by requirements such as invitation letter, programme, facilities offered by host country, tour reports etc.

Auditee's response: *The RBE, Kuwait submitted some invitation letters.*

Who is accountable?: *Until such time the issue is satisfactorily resolved with the production of tour reports and programmes and the invitation letter that was not submitted earlier in the RAA, the accountability is fixed on the then Ambassador Sonam T. Rabgye.*

Similarly, the Royal Bhutanese Embassy, New Delhi had paid a sum of Nu.0.05 million on account of representational grant but in deviation to Foreign Service Rules & Regulations.

Auditee's response: *The RAA is yet to receive the response either from the Ministry of Foreign Affairs or RBE, New Delhi.*

Who is accountable?: *Until such time the issue is satisfactorily resolved in the RAA, the accountability is fixed on the individual payees and Tashi Tshering, Finance Officer.*

6. Irregular payment of hospitality & entertainment Nu.0.39 million (US\$ 8578).

The Royal Bhutanese Embassy, Kuwait had incurred an expenditure of Nu.0.39 million on account of entertaining guests. Documentary requirements such as list of guests, quotation for catering etc. were not found documented.

Auditee's response: *The Royal Bhutanese Embassy, Kuwait had informed the RAA that it has taken full diligence in catering by checking quality and capability of the service providers thereby selecting only the most suitable one. It was also submitted that Bhutan being politically and economically insignificant was able to enhance its image as a friendly country only by entertaining diplomats and locals. It was further submitted that RBE, Kuwait being one man Mission finds it very difficult to keep record of quotation and maintaining files, records etc.*

Who is accountable?: *The RAA need to be informed of the procedures instituted for future adoption and references.*

7. Non-deduction of salary tax & health contribution Nu.0.38 million.

The Permanent Mission of Bhutan in Geneva had not deducted a statutory liabilities such as salary tax & health contribution amounting to Nu.0.04 million (US \$ 1276).

Auditee's response: *The PMB, Geneva informed the RAA that such taxes from the local recruits were not deducted since inception. It was however, stated that such deductions are now made mandatory.*

Who is accountable?: *Until such time the issue is satisfactorily resolved in the RAA, the accountability is fixed on the then Finance Officer, Ugyen Chewang*

Similarly, the PMB, New York had not effected the statutory deductions such as health contribution, salary tax from the pay bills of local recruits (mostly Bhutanese in deviation to Foreign Service Rules & Regulations) amounting to Nu.0.34 million (US \$ 7449).

Auditee's response: *The PMB, New York informed the RAA that such taxes from the local recruits were not deducted since inception. It was however, stated that such deductions are now made mandatory.*

Who is accountable?: *Until such time the issue is satisfactorily resolved in the RAA, the accountability is fixed on the then Finance Officer, Kunzang Thinley.*

8. Overstatement of outstanding advances Nu.0.08 million.

On totalling the amount of advances released and adjustments carried out, it was found that Royal Bhutanese Embassy, New Delhi had overstated the outstanding advances by Nu.0.08 million.

Auditee's response: *The RAA is yet to receive the response from the Ministry of Foreign Affairs or RBE, New Delhi.*

Who is accountable?: *Until such time the issue is satisfactorily resolved in the RAA, the accountability is fixed on the then Finance Officer Damchoe and current Finance Officer Tashi Tshering.*

The Ministry of Foreign Affairs and the Finance must appoint competent finance personnel who are well versed in rules, regulations and procedures.
