

Ministry of Home Affairs.

The Royal Audit Authority during the year 2002 had issued ten inspection reports of agencies under the Ministry of Home Affairs. The following officials headed the ministry and the departments under it in the year 2002:

Sl. No.	Name of Office bearers	Designation
1.	Lyonpo Thinley Gyamtsho	Minister
2.	Dasho Pema Wangchuk	Secretary
3.	Dasho Dr.Sonam Tenzin	Director General, Department of Immigration & Census
4.	Dasho Tshering Wangda	Director General, Law & Order Division
5.	Nob Tshering	Head, Administration & Finance Division.

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

Table 1.17 showing summary of the observation by category code and the amount involved.

Sl. No.	Observation in Brief	Amount (Nu.Million)	%	Category code
1.	Outstanding advance.	50.03	72.74	1
2.	Procurement without tendering.	10.02	14.57	3
3.	Award of work in deviation to rules- loss to the exchequer.	2.79	4.06	7
4.	Irregular/Inadmissible payment.	1.72	2.50	8
5.	Non-levying of liquidated damages.	1.29	1.88	13
6.	Excess/double/over payment.	1.16	1.69	6
7.	Outstanding Revenue.	0.93	1.35	2
8.	Non-deduction of taxes.	0.30	0.44	15
9.	Payment for works not executed.	0.27	0.39	14
10.	Misuse of revenue collection.	0.13	0.19	9
11.	Shortages of stores.	0.10	0.15	18
12.	Irregular Booking of advances.	0.04	0.06	18
	Total	68.78	100	

Major Findings:

1. Payment for works not executed Nu.0.27 million.

Some Dzongkhags under the Ministry of Home Affairs had paid Nu.0.27 million for works not executed. Such transactions are outlined in the table 1.18:

Table 1.18 showing agencies that made payment for works not executed.

Sl. No.	Agencies responsible	Amount (Nu.Million)	Remarks
1.	Dzongkhag Administration, Gasa.	0.06	Construction work of RNR, Centre.
2.	Dzongkhag Administration, Sarpang.	0.15	Construction works
3.	Dzongkhag Administration, Paro.	0.06	Construction of aqua privy toilets & re-roofing.
	Total	0.27	

The descriptive details are as follows:

- A.** The Dzongkhag Administration, Gasa had awarded the construction work of RNR Centre at Laya to Lhaba Tshering. A team consisting of Dzongkhag Officials and auditors that visited the site found out that the contractor was paid for works not executed amounting to Nu.0.06 million approximately.

Auditee's response: *The Dzongkhag Administration, Gasa is yet to intimate the RAA on the action taken on this matter.*

Who is accountable?: *Until such time the payment made is received in audit the accountability is fixed on the Dzongkhag Engineer.*

- B.** The Dzongkhag Administration, Sarpang paid Nu.0.23 million and Nu.0.02 million to M/s Sonam Dorji Construction and M/s K.P. Construction respectively for works not executed. M/s Sonam Dorji Construction after being pointed out by audit, amount to the tune of Nu.0.12 million was deposited into the Audit Recoveries Account thereby leaving a recoverable balance of Nu.0.11 million. M/s Kamal Construction was also paid Nu.0.02 million approximately for works not executed.

Auditee's response: *The Dzongkhag Administration, Sarpang has not informed the RAA of the action taken on this matter.*

Who is accountable?: *Until such time the payment made with Commercial Interest is deposited into audit recoveries account, the accountability is fixed on the Dzongkhag Engineer.*

- C.** The Dzongkhag Administration, Paro paid Nu.0.06 million to contractors for works not executed. It includes Nu.0.04 million and Nu.0.02 million paid to M/s Zamling Construction and M/s Kuenphen Construction respectively for the construction of Aqua Privy toilets and re-roofing of Rinpung Primary School.

Auditee's response:

The Dzongkhag Administration, Paro had informed the RAA that a reminder letter has been written to the concerned contractors about depositing the amount paid.

Who is accountable?:

Until such time the payment made with Commercial Interest is received in audit the accountability for the lapses is fixed on the Dzongkhag Engineer, Assistant Engineer and Junior Engineers of Dzongkhag Administration, Paro.

2. Excess/double/over payments Nu.1.16 million.

The Ministry of Home Affairs had made excess/double/over payment to the tune of Nu.1.16 million by way of the following transactions given in the table 1.19:

Table 1.19 showing agencies that made excess/double/over payments.

Sl. No	Agencies responsible	Amount (Nu.Million)	Remarks
1.	Dzongkhag Administration, Gasa.	0.03	Official tours and construction works.
2.	Dzongkhag Administration, Sarpang.	0.08	Construction of storm water drainage & RT works
3.	Dzongkhag Administration, Samtse.	0.06	Paid to labourers & apprentice teachers.
4.	Secretariat, Ministry of Home Affairs.	0.09	Refund of labour security deposits.
5.	Dzongkhag Administration, Pemagatshel.	0.10	Renovation of Mikuri Primary School.
6.	Dzongkhag Administration, Trashigang.	0.09	Wages & procurement of CGI Sheets and
7.	Dzongkhag Administration, Mongar.	0.71	Procurement, construction works etc.
	Total	1.16	

The descriptive detail of each transaction is as follows:

- A.** The Dzongkhag Administration, Gasa had made double/over payment to the tune of Nu.0.03 million to contractor and officials for the construction of toilets and for official tours conducted.

Auditee's response:

The Dzongkhag Administration, Gasa is yet to intimate the RAA on the action taken on this matter.

Who is accountable?:

Until such time the over payment made is received in audit the accountability is fixed on the Dzongkhag Engineer and accountant.

- B.** The Dzongkhag Administration, Sarpang made an excess payment amounting to Nu. 0.04 million for the construction of storm water drainage to M/s R D Construction. This was observed during the site visit comprising of municipal officials and auditors. M/s Sonam Rabphel Construction which was awarded the river protection work was also paid an excess amount of Nu.0.04 million. The measurement recorded was higher than actual execution at site.

Auditee's response: *The Dzongkhag Administration, Sarpang has not informed the RAA of any action taken on this matter.*

Who is accountable?: *Until such time the payment made is received with Commercial Interest in audit the accountability is fixed on the Dzongkhag Site Engineer.*

- C.** The Dzongkhag Administration, Samtse in the renovation works of W/T main building and staff quarters at Dorokha departmentally had over paid Nu.0.04 million to the muster roll labourers. The teachers appointed for the Non-Formal Education classes were paid their gross salary instead of proportionate net pay as per the appointment order resulting to over payment of Nu.0.02 million.

Auditee's response: *The Dzongkhag Administration, Samtse submitted that they have written both to the present and former Dungpa of Dorokha Dungkhag to justify on the over-payments made. With respect to the over-payment to non-formal teachers it was stated that no such payments have been entertained thereafter and that it happened due to various office orders being issued at different times.*

Who is accountable?: *The Dzongkhag Administration, Samtse had informed the RAA that the accountability for the lapses be fixed on the former Dungpa, accordingly former dungpa is held accountable. For overpayment to the non-formal teachers the Dzongkhag Finance Officer is held accountable to deposit the differences.*

- D.** The Secretariat, Ministry of Home affairs had made double payment of Nu.0.06 million to M/s Druk Chogley Construction Company. The labour security deposit money which was already paid was again claimed by the company by producing the Labour Repatriation Certificate. The Ministry without verifying it made the payment. The Ministry also refunded Nu.0.03 million in excess of actual security deposit.

Auditee's response: *The Ministry is yet to intimate the RAA on the action taken in this matter.*

Who is accountable?:

Until such time the money with Commercial Interest is recovered and deposited into audit recoveries account M/s Druk Chogley Construction Company and the accountant who made the payment are held accountable.

- E.** The Dzongkhag Administration, Pemagatshel for the renovation of Mikuri Primary School and maintenance of Dungmin Primary School had over paid the contractor by Nu.0.10 million.

Auditee's response:

The RAA is informed that the Dzongkhag Administration is still tracing for the records.

Who is accountable?:

Until such time the issue in question is fully resolved former Dzongdag and Dzongkhag Engineer of Pemagatshel Dzongkhag are held accountable.

- F.** The Dzongkhag Administration, Trashigang had paid excess amount of Nu.0.09 million on procurement of Cement and wages.

Auditee's response:

The Dzongkhag has not taken any action on this issue.

Who is accountable?:

Until such time the amount paid in excess with Commercial Interest is received in audit the accountability is fixed on Dasho Dzongdag, Dzongkhag Education Officer, Senior Accountant, Dzongkhag Engineer and Finance Officer.

- G.** The Dzongkhag Administration, Mongar had over payment of Nu.0.71 million. It includes Nu.0.54 million on various constructions, Nu.0.10 million on payment of allowances, Nu.0.01 million on procurement and Nu.0.06 million as double payments.

Auditee's response:

With regard to over payment on construction it was stated that a sum of Nu.0.26 million would be recovered and deposited into audit recoveries account. The response also stated that the overpayment on coursed rubble masonry and earth work excavation pertaining to the construction of girls' hostel in Yadi are not realistic, therefore, needs re-verification. With regard to other over payments it was stated that the payment made in deviation to rules would be recovered and deposited into audit recoveries account.

Who is accountable?: *The payment made over and excess of what was actually entitled must be deposited into audit recoveries account with Commercial Interest. Therefore, until such time the amount is received in audit the accountability is fixed on former Dasho Dzongdag, currently the Chief of Protocol, Ministry of Foreign Affairs.*

3. Irregular booking of advances Nu.0.04 million.

The Dzongkhag Administration, Gasa had booked an advance of Nu.0.04 million against Bank of Bhutan. The purpose of the advance was to exchange US \$ for official use by head of the Dzongkhag while on trip abroad. The advance was not brought forward to the succeeding financial year.

Auditee's response: *The RAA was informed that the Dzongkhag had written to former dzongdag currently in Mongar to account for the amount.*

Who is accountable?: *Until such time the amount is deposited into audit recoveries account the former dzongdag is held accountable.*

4. Outstanding advance Nu.53.95 million.

The Ministry of Home affairs had outstanding advances of Nu.50.03 million lying unadjusted/uncollected from various third parties and agencies. Agency wise details of the amount are as given in the table 1.20:

Table 1.20 showing agency wise outstanding advances.

Sl. No.	Agencies	Amount (Nu.Million)
1.	Dzongkhag Administration, Gasa.	0.10
2.	Dzongkhag Administration, Sarpang.	15.17
3.	Dzongkhag Administration, Paro.	0.53
4.	Dzongkhag Administration, Samtse.	0.58
5.	MoHA Secretariat.	22.77
6.	Dzongkhag Administration. Pemagatshel.	2.75
7.	Dzongkhag Administration. Trashigang.	3.37
8.	Dzongkhag Administration, Trashiyangtse.	4.76
	Total	50.03

Out of Nu.15.17 million reflected under Dzongkhag Administration, Sarpang an advance of Nu.7.41 million was paid to Store Unit, Power, Phuntsholing for procurement of materials. All dues not collected beyond the admissible period must attract Commercial Interest to be paid by the officers responsible.

Auditee's response:

While some of the Dzongkhag Administrations informed the RAA that they have brought forward the advances in the current audit report some stated that it is under process of recovery.

Who is accountable?:

It is immaterial whether it is brought forward or not so long the advances are not liquidated, therefore, the accountability is fixed on the Dzongdags and Finance Officers to deposit the amount with Commercial Interest from the stipulated due date.

5. Outstanding revenue Nu.0.93 million.

Agencies under the Ministry of Home Affairs had outstanding revenue not deposited into Royal Government Revenue Account aggregating to Nu.0.93 million. It is summarized in the table 1.21:

Table 1.21 showing outstanding revenue against each agency.

Sl. No.	Agencies responsible	Amount (Nu.Million)	Remarks
1.	Gelephu Dungkhag.	0.15	Land & house taxes
2.	Dzongkhag Administration, Samtse.	0.73	Gungda Woola, Municipal taxes etc.
3.	Dzongkhag Administration, Mongar.	0.05	Municipal taxes
	Total	0.93	

The descriptive detail of each transaction is as follows:

- A.** Gelephu Dungkhag had collectible outstanding tax of Nu.0.15 million approximately from various gups and land/house owners under the Dungkhag.

Auditees response:

The RAA is yet to be intimated on any action taken on this matter.

Who is accountable?:

Until such time the government revenue with penal interest is deposited fully the accountant, revenue assistant and site engineer are held accountable.

- B.** The Dzongkhag Administration, Samtse had total outstanding revenue yet to be realised from the public amounting to Nu.0.63 million in lieu of Gungda Woola. Further, revenue collected but not deposited by Dungkhag officials comes to Nu.0.07 million. It was also observed that Municipal taxes for the FY 1998 to 2001 amounting to Nu.0.03 million remained outstanding.

Auditees response:

The Dzongkhag Administration, Samtse had submitted that the administration had written to Dungpa of Dorokha to collect the outstanding revenue from the

public and deposit to the Royal Government Revenue (RGR) Account. The administration also stated that the letter was written both to present and former Dungpa to deposit the revenue collected directly to audit recoveries account. Further, the administration has issued disconnection notice of the service facilities provided by the municipality and Bhutan Power Corporation should they refuse to pay.

Who is accountable?:

Until such time the outstanding revenue with penal interest is deposited either into audit recoveries account or RGR account the former Dungpa, present Dungpa, Administrative Officer and Draftsman of Samtse Dzongkhag are held accountable.

C.The Dzongkhag Administration, Mongar also had outstanding revenue/municipal tax of Nu.0.05 million approximately.

Auditee's response:

The Dzongkhag Administration, Mongar submitted that it is still in the process of collection.

Who is accountable?:

The government revenue with penal interest must be deposited either into audit recoveries account or into Royal Government Revenue Account. Therefore, until such time the issue is settled the accountability is fixed on former Dasho Dzongdag, currently the Chief of Protocol, Ministry of Foreign Affairs.

6. Procurement of works/goods without tendering Nu.10.02 million.

The Dzongkhag Administration, Trashiyangtse had awarded various construction works during the FY 2000-2001 amounting to Nu.3.08 million without going for competitive bidding.

Auditee's response:

The Dzongkhag Administration, Trashiyangtse is yet to take action on this matter.

Who is accountable?:

Former Dzongdag and Senior Finance Officer are held accountable for the lapses.

The Dzongkhag Administration, Mongar had awarded construction works of Bumpazor BHU-II and Balam BHU-II on work order basis valuing Nu.3.33 million and 3.61 million respectively.

Auditee's Response:

The Dzongkhag Administration, Mongar is yet to take action on this matter.

Who is accountable?:

The works awarded on work order basis is a serious deviation from the established rules. Therefore, accountability is fixed on former Dasho Dzongdag, currently the Chief of Protocol, Ministry of Foreign Affairs.

7. Irregular/inadmissible payment Nu.1.72 million.

The Ministry of Home Affairs had made some irregular payment of Nu.1.72 million as outlined in the table 1.22.

Table 1.22 showing agencies that made irregular/inadmissible payments.

Sl. No.	Agencies responsible	Amount (Nu.Million)	Remarks
1	Dzongkhag Administration, Paro.	0.06	Renovation of Shaba High & Bitekha Primary School.
2	Dzongkhag Administration, Paro.	0.17	Residential Telephone charges & transportation.
3.	Dzongkhag Administration, Samtse.	1.11	Vacation salary to apprentice teachers & residential telephone charges.
4.	Dzongkhag Administration, Gasa.	0.38	No supporting documents.
	Total	1.72	

The descriptive detail of each transaction is as follows:

- A.** The Dzongkhag Administration, Paro made an inadmissible payment of Nu.0.06 million approximately to contractors for the renovation of Shaba High School and Bitekha Primary School (M/s Tashi Construction & M/s Sonamchen Construction).

Auditee's response:

The Dzongkhag Administration, Paro had not intimated the RAA on any action taken on this matter.

Who is accountable?:

Until such time the irregular amount paid is received in audit the accountability is fixed on the Dzongkhag Engineer and his Assistant Engineer.

- B.** The Dzongkhag Administration, Paro also incurred transportation charges of Nu.0.17 million in deviation to the rates standardised by the Road Safety and Transport Authority.

Auditee's response:

The Dzongkhag Administration, Paro had not intimated the RAA on any action taken on this matter.

Who is accountable?:

Until such time the inadmissible amount paid is received in audit the accountability is fixed on the Senior Finance Officer of the Dzongkhag.

- C. The Dzongkhag Adm, Samtse had paid inadmissible vacation salary to apprentice teachers amounting to Nu.0.06 million in contravention to their appointment order. It also paid inadmissible residential telephone charges amounting to Nu.0.02 million in contravention of the circulars issued by the Ministry of Finance. Further, The Dzongkhag Administration, Samtse made inadmissible contingent squad payment amounting to Nu.0.14 million. Muster roll payment amounting to Nu.0.89 million was also made without maintaining basic requirement such as places of work done, value of work done etc.

Auditee's response:

With respect to inadmissible vacation salary it was stated that no such payments have been entertained thereafter and that it happened due to various office orders being issued at different times. About inadmissible telephone charges and contingent squad payment it was stated that they have written to the concerned asking them to deposit directly to audit recoveries account. Regarding irregularities on muster roll payment it was stated that the audit recommendations are now complied with.

Who is accountable?:

All inadmissible payment must be deposited into audit recoveries account, therefore, until such time the amount is received in audit the accountability is fixed on the Dzongkhag Finance Officer, former Dzongkhag Education Officer, District Agriculture Officer, Personal Assistant, Sipsu Dungpa and senior surveyor.

- D. The Dzongkhag Administration, Gasa had made payment aggregating to Nu.0.38 million approximately without supporting documents.

Auditee's response:

The Dzongkhag Administration, Gasa submitted that due to remoteness of the Dzongkhag and harsh climatic condition, materials for construction activities were procured from Dzongkhag's suppliers.

Who is accountable?:

The response submitted is not tenable in audit. Until such time the issue is resolved in audit the accountability for the lapse is fixed on the Dzongkhag Engineer.

8. Non-levying of liquidated damages Nu.1.29 million.

The contract clause stipulates the completion deadlines for any construction works failing which the contractors shall be penalised by way of imposing liquidated damages. However, the following contractors were not penalised. Outlines of the instances are given in the table 1.23.

Table 1.23 showing agencies who failed to penalise contractors for the delay in the completion of construction works.

Sl. No.	Agencies responsible	Amount (Nu.Million)	Remarks
1.	Dzongkhag Administration, Trashigang.	0.79	Delay in the construction of Thungkhar School.
2.	Dzongkhag Administration, Pemagatshel.	0.07	Delay in the construction of Yurung BHU.
3.	Dzongkhag Administration, Samtse.	0.05	For works not completed on time.
4.	Dzongkhag Administration, Mongar.	0.38	Construction of water supply line & class room block.
	Total	1.29	

The descriptive detail of each transaction is as follows:

- A.** Dzongkhag Adm, Samtse had not levied liquidated damages amounting to Nu.0.05 million for the works not completed in time (M/s Lhaba Construction).

Auditee's response:

It was submitted that the construction was taken up during the dry season where contractor had to fetch water from a very long distance and due to which the time extension was given.

Who is accountable?:

The reply is not tenable in audit, therefore accountability is fixed on the Dzongkhag Engineer.

- B.** The Contract for the construction of Yurung BHU-II was delayed without justified hindrances but the Dzongkhag Administration, Pemagatshel had not imposed the penalty amounting to Nu.0.07 million.

Auditee's response:

The Dzongkhag Administration, Pemagatshel had submitted the responses but did not state anything on the liquidated damages liable to be imposed.

Who is accountable?:

Without justified hindrances the delay in construction is liable for liquidated damages. Therefore, until such time the amount of liquidated damages with Commercial Interest is received in audit the accountability is fixed on former dzongdag, Dzongkhag Engineer and finance officer.

- C.** The Dzongkhag Administration, Trashigang had not imposed the penalty for the delay in completion of the construction of Thungkar Primary School amounting to Nu.0.79 million (M/s Perfection Engineer and Consultant Private Limited)

Auditee's response:

The Dzongkhag Administration, Trashigang had informed the RAA that an approval for write-off was obtained from the competent authority. Contents of the note sheet conveying the approval as submitted to the RAA is briefly summarised as follows "It was stated that the contractor had failed to complete the work within the stipulated time and that a new modality was developed where it was jointly executed with the concerned Project Section Officer. The final billed amount of Nu.98,78,720.40 included deviation and material cost escalation which is yet to be scrutinized. It was also stated that while closing the bills due to huge initial advance payments the account could hardly adjust the advances due to which 2% BIT and 7% Security deposits were not at all deducted. The note sheet also stated that the contractor was already overpaid and that the remaining balance would be required to clear the pending payments for the local laborers"

Who is accountable?:

The contents of the note sheet not only speaks of the lapses and weaknesses of Project Management but also indicated a lack of earnest & diligent effort on the part of contractor because of which there is a cost escalation of almost 100%.The statement that due to huge initial advance payment 2% BIT & 7% Security were not deducted is not tenable as it is more of a indication of lack of financial discipline being followed. Therefore, liquidated damages with Commercial Interest must be deposited into audit recoveries account, the accountability of which is fixed on the Project Manager until such time the amount as worked out by audit is received in audit.

- D.** The Contract for the construction of water supply line from Kheringree to Yakpogang and construction of class room block at Gyelpoishing was delayed without justified hindrances. But Dzongkhag Administration, Mongar had not levied damages to the contractors M/s Chimi Wangchuk and M/s Yangrig Construction amounting to Nu.0.18 million and Nu.0.20 million respectively.

Auditee's Response:

The Dzongkhag Administration, Mongar is yet to take action on this matter.

Who is accountable?: *The works awarded on work order basis is a serious deviation from the established rules. Therefore, accountability is fixed on former Dasho Dzungdag, currently the Chief of Protocol, Ministry of Foreign Affairs.*

9. Shortages of stores Nu. 0.10 million.

For the construction of Shari Community School, Paro, the Education Central Store, P/ling through Store Assistant had issued 748 pieces of CGI Sheets to Gup of Shari. However, on physical verification only 650 pieces were found available resulting into shortages of 98 sheets valuing Nu.0.04 million approximately.

Auditee's response: *The Dzongkhag Administration, Paro had stated that the person responsible for these shortages had agreed to handover the CGI Sheets to the school authority. It was also stated that he was reportedly out of station at the time of auditing.*

Who is accountable?: *Until the RAA is informed of the material being handed over to the school authority along with acknowledgement the accountability is fixed on Ex-Shari Gup, present councillor in the Royal Advisory Council and Dzongkhag Education Officer.*

The Dzongkhag Administration, Mongar had not accounted Cement and CGI sheet amounting to Nu.0.06 million. These items were meant for construction of Out Reach Clinic. The value of the goods with Commercial Interest needs to be accounted in the Audit Recoveries Account.

Auditee's response: *The Dzongkhag Administration, Mongar had not informed of any action taken on this matter.*

Who is accountable?: *The value of shortages must be made good in audit. Therefore, until such time the amount is received in audit the accountability is fixed on former Dasho Dzungdag, currently the Chief of Protocol, Ministry of Foreign Affairs.*

10. Shortage/misuse of revenue collection Nu.0.13 million.

The Rural taxes, fines and penalties etc amounting to Nu.0.09 million (amount included 24% penal charges of Nu.0.06 million) collected by Dzongkhag Administration, Samtse was not deposited into the Royal Government Revenue Account.

Auditee's response: *The Dzongkhag Administration, Samtse had submitted that it has written to the officer responsible for the lapse who was transferred to the Ministry of Agriculture. It also*

stated that he had agreed to refund the revenue amount not accounted for by him.

Who is accountable ?: *Until such time the amount misappropriated is received in audit former Revenue In-charge who is currently the accountant in the Ministry of Agriculture is held accountable.*

The Secretariat, Ministry of Home Affairs had a revenue shortage of Nu.0.04 million. This was revealed during the physical verification of cash.

Auditee's response: *The Secretariat, Ministry of Home Affairs is yet to intimate RAA on the action taken on this matter.*

Who is accountable ?: *Though some deposits were made leaving a balance of Nu.0.02 million, the accountability is fixed on the Deputy Chief Accountant.*

11. Non-deduction/less deduction/non collection of Tax Nu.0.30 million.

The agencies under the Ministry of Home Affairs had not deducted/less deducted taxes as outlined in the table 1.25:

Table 1.24 showing agencies that did not effect tax deductions.

Sl. No.	Agencies responsible	Amount (Nu.Million)	Remarks
1.	Dzongkhag Administration, Samtse.	0.02	Salary taxes, health contribution etc.
2.	Dzongkhag Administration, Trashigang.	0.13	TDS from suppliers and contractors
3.	Dzongkhag Administration, Trashiyangtse	0.03	
4.	Dzongkhag Administration, Mongar.	0.12	Building processing fee, land demarcation fee etc.
	Total	0.30	

The descriptive detail of each transaction is as follows:

- A.** The Dzongkhag Administration, Samtse had not effected statutory deductions such as salary tax, health contributions and less deduction of house rents amounting to Nu.0.02 million.

Auditee's response: *The Dzongkhag Administration, Samtse had submitted that as per audit observations the deductions are being made.*

Who is accountable?: *Until such time the whole of the amount is received in audit the accountability is fixed on the Dzongkhag Finance Officer and former Dzongkhag Education Officer.*

B. Similarly, Dzongkhag Administration, Trashigang had not deducted taxes of Nu.0.13 million from the bills of suppliers and contractors.

Auditee's response: *The Dzongkhag Administration, Trashigang submitted that they are in the process of recovering the amount from the suppliers and contractors.*

Who is accountable?: *Until such time the amount of taxes is received in audit the accountability is fixed on Dasho Dzongdag and Finance Officer.*

C. The Dzongkhag Administration, Trashiyangtse had also not deducted taxes of Nu.0.03 million.

Auditee's response: *The Dzongkhag Administration, Trashiyangtse submitted that the deduction would be effected from the suppliers and contractors.*

Who is accountable?: *Until such time the amount of taxes is received in audit the accountability is fixed on the Finance Officer.*

D. The Dzongkhag Administration, Mongar had revenue of Nu.0.12 million either not collected or collected lesser amount. Such revenue pertain to building processing fee, land demarcation fee etc.

Auditee's response: *Some recoveries are being made and deposited into audit recoveries account.*

Who is accountable?: *Until such time the whole of the amount is deposited into audit recoveries account the accountability is fixed on the former Dasho Dzongdag, currently the Chief of Protocol, Ministry of Foreign Affairs.*

12. Award of work in deviation to rules-financial implication to the exchequer Nu.2.79 million.

The Dzongkhag Administration, Mongar had during the Financial Year 2000-2001 awarded substantial number of capital works on tender. On reviewing the documents it was noticed that the lowest bidders to the following works were rejected without documenting any justifiable reasons as required in the procurement manual. Such decisions on the part of the Dzongkhag Tender Committee had cost extra money to the National Exchequer by Nu.2.79 million.

Table 1.25 showing financial implication of not awarding the work to the lowest bidders without documenting any reasons/justifications.

Sl. No.	Name of work	Work Awarded to	Work awarded @	Lowest bid Nu. Million	Differences Nu. Million
1.	Construction of 4 units staff quarter at GHS.	M/s Gayjur Construction	3.23	1.50	1.73
2.	Construction of BHU at L/thang.	M/s T.Tobgay construction	3.19	2.81	0.39
3.	Construction of toilets at GHS.	M/s Thinley Wangdi	0.93	0.67	0.26
4.	Construction of 32 capacity hostel.	M/s Rigwang Construction	0.92	0.84	0.08
5.	Construction of toilet at Yadi.	M/s Druk Phuensum Con	1.14	1.01	0.13
6.	Construction of RNR at Yadi.	M/s Tshamphu construction	2.15	2.05	0.10
7.	Water supply from Khengree.	M/s Chimi Wangchuk	3.69	3.59	0.10
					2.79

The differences for the lowest evaluated bids be accounted in the Audit Recoveries Account by the officers responsible for the decisions.

Auditee's response:

The Dzongkhag Administration, Mongar stated that the works were awarded in deviation to rules as per the decision of the Dzongkhag Tender Committee.

Who is accountable?:

Any tender committee is expected to follow the Procurement Guidelines and not rubberstamp its contents. Therefore, accountability for such lapses is fixed on the Dzongkhag Tender Committee Chaired by former Dasho Dzongdag, currently the Chief of Protocol, Ministry of Foreign Affairs.

The RAA expects the Ministry of Home Affairs to play an effective role in coordination and supervision of the internal control systems and integrity systems so that resources meant to benefit the public do receive proper application.
