

Royal Bhutan Army.

The Royal Bhutan Army is headed by the following personnel in the various capacities in the year 2002.

Sl. No	Name of Office bearers	Designation
1.	Lam Dorji	Gongloen Gongma
2.	Lt.Colonel Sonam Tshering	Defence Accounts Officer

Summary of the significant findings yet to settle in audit is outlined in the table 1.53 below:

Table 1.53 showing summary of the observation by Category code and the amount involved.

Sl. No.	Observation in brief	Amount (Nu.Million)	%	Category code
1.	Double/Excess payment.	1.44	22.40	6
2.	Manipulation of forest permit - loss of government fund.	0.20	3.11	18
3.	Non-deposit of sale proceeds.	0.14	2.18	18
4.	Payment for works not executed.	0.02	0.31	14
5.	Shortage of rations/lubricants.	0.08	2.95	18
6.	Irregular/inadmissible payment.	0.06	0.93	8
	Total	1.94	100	

Major Findings:

1. Double/Excess payment Nu.1.44 million.

The Royal Bhutan Army by its various wings including the Headquarter had made double/excess payment to various contractors amounting to Nu.1.44 million. The details of payments made by various wings are as follows:

- A.** The Royal Bhutan Army (RBA) had paid an excess amount of Nu.0.07 million to M/s Phub Brothers Construction. The value of the work done was lesser than the amount paid and in some cases the amount were paid twice for the same work.

Auditee's response:

The RAA was intimated that the excess payment made to the contractor would be recovered from the contractor.

Who is accountable?:

Until such time the excess payment made is deposited with Commercial Interest into audit recoveries account the accountability is fixed on engineer and Defence Accounts Officer.

- B.** The RBA also paid an excess amount of Nu.0.09 million to M/s Phub Brothers Construction related to the construction of 4 block toilet at Army Headquarter, Samazingkha. The amounts paid were either more than the actual value of work done or payment made for works not executed.

Auditee's response: *The RBA had submitted that the excess amount paid is being recovered from the contractor.*

Who is accountable?: *Until such time the excess payment made is deposited with Commercial Interest into audit recoveries account the accountability is fixed on engineer and Defence Accounts Officer.*

- C.** M/s Rinchen Daba Construction, firewood supplier to the Military Training Centre, Tencholing was paid excess amount of Nu.0.03 million approximately for 10 truck loads of firewood. The supplier was paid for 152 truck loads of firewood where as the forest permit indicated the supply of 142 truck loads only.

Auditee's response: *The RBA Headquarters had informed the RAA that it has instructed the Military Training Centre, Tencholing to investigate the matter and that the RAA would be informed of its outcome.*

Who is accountable?: *Until such time the excess payment made is deposited with Commercial Interest into audit recoveries account the accountability is fixed on engineer and Wing Commander.*

- D.** M/s Rana Transport Company who was awarded the work of transporting cement without inviting tender was paid excess amount of Nu.0.06 million approximately. It occurred due to ad-hoc revision of transportation charges within a month.

Auditee's response: *The RAA is informed that the bills for transportations of cement is paid from Zeopon Office, Phuntsholing.*

Who is accountable?: *The RBA did not comment either on the excess payments made or ad hoc revision of rates. Therefore, the accountability for the excess payment is fixed on Zeopon, RBA, Phuntsholing to deposit with Commercial Interest.*

- E.** The RBA, Wing II-Damthang had awarded the construction of 2 blocks single storied family quarters to M/s Chapchap Engineering Company. The company was paid for the earth work excavation for 60 metre by 25 metre by 12.75 metre but the physical verification at site revealed that the actual excavation was only 50 metre by 25 metre by 1.50 metre thus

resulting in excess payment by Nu.0.54 million. Similarly, the company was also paid an excess amount of Nu.0.05 million for the value of work done by overstating the quality in the measurement Book than it had actually executed.

Auditee's response:

The RAA was informed that the extra quantity was due to the development of football ground for the wing executed by the same contractor on the instruction of Ex Brigadier DB Chetri and OC, Construction Ex Major Tashi Gyeltshen. It was also stated that an Ex-Post facto approval have been sought.

Who is accountable?:

The accountability for the lapses is fixed on the officer conveying the instruction i.e. Ex Brigadier DB Chetri and OC, Construction Ex Major Tashi Gyeltshen and the Commandant, Damthang.

- F.** M/s Rinson Construction, contractor for the construction of 6 blocks single storied officers quarter at MTC, Tencholing was paid an excess amount of Nu.0.18 million. This payment was made for works executed either less than the quantity recorded in the measurement book or works executed in deviation to the drawings and design.

Auditee's response

The RAA is informed that the findings would be noted for future compliance. It was stated that the difference in measurement is due to use of either old or elongated measuring tapes and due to human variations and amount of tensions applied. It further stated that the excess payment made is being recovered.

Who is accountable?:

Until such time the amount paid in excess is deposited with Commercial Interest into audit recoveries account the accountability is fixed on Wing Commander and site engineer.

- G.** M/s Cee Dee Construction, contractor for the construction of 2 blocks single storied family quarters at MTC, Tencholing was paid an excess amount of Nu.0.18 million approximately. The value of works executed at site was less than the measurement/actual quantity executed at site.

Auditee's response:

The RAA is informed that the findings would be noted for future compliance. It was stated that the difference in measurement is due to use of either old or elongated measuring tapes and due to tensions human variations and amount of tensions applied. It further stated that the excess payment made is being recovered.

Who is accountable?: *Until such time the amount paid in excess is deposited with Commercial Interest into audit recoveries account the accountability is fixed on Wing Commander and site engineer.*

H. Similarly, the RBA, Lodrai had made an excess payment aggregating to Nu.0.24 million to various contractors including M/s Yurung Construction, M/s Cee Dee Construction and M/s Rinson Construction.

Auditee's response: *The RBA, Lodrai did not respond on this matter as of date.*

Who is accountable?: *Until such time the amount paid in excess is deposited with Commercial Interest into audit recoveries account the accountability is fixed on Wing Commander and site engineer*

2. Manipulation of forest permit - loss of government fund Nu.0.20 million.

Audit had found out that fire wood supplier of Wing-VI/MTC (M/s Rinchen Daba Construction) had manipulated the figure in the forest permit by prefixing and suffixing certain figure with the actual figure and claimed more by Nu.0.20 million approximately.

Auditee's response: *The RBA Headquarters had informed the RAA that it has instructed the Military Training Centre, Tencholing to investigate the matter and that the RAA would be informed of its outcome.*

Who is accountable?: *Until such time the excess payment made is deposited with Commercial Interest into audit recoveries account the accountability is fixed on engineer and Wing Commander.*

3. Irregular/inadmissible payment Nu.0.06 million.

There is a standing government circular which stated that rental charges of residential phones should be borne by the concerned user. However, on the contrary, the RBA have been paying the rental charges for 22 connections amounting to Nu.0.06 million approximately.

Auditee's response: *The RBA had informed that the nature of duty performed by the Armed Forces is not time bound and that it entails execution of commands and instructions from the residences to the various Wings/Security Force locations irrespective of time and place. It was*

also stated that considering the round the clock nature of duty rendered by the Armed Forces such payment was approved by Chief Operations Officer.

Who is accountable?: *Since the payment was clearly against the financial rules and regulations and that any exceptions to these rules can only be made by Ministry of Finance, the accountability for such lapses is fixed on the Defence Accounts Officer.*

4. Payment for works not executed Nu.0.02 million.

The RBA, Yongphula had paid Nu.0.02 million to M/s Keened Construction Company for the construction work of approach road to RBA, Camp, Trashhi Yangtse. The auditors found that the payment made for providing and laying V-shaped drain was actually not executed at site.

Auditee's response: *The RBA, Yonphula had not responded on this issue as of date.*

Who is accountable?: *The Wing Commander and Site Engineer are held accountable until such time the amount paid is made good in audit.*

5. Non-deposit of sale proceeds Nu.0.14 million.

The RBA, Yongphula had sold rations worth Nu.0.45 million to troops and officers. The sale proceeds were not deposited to DAO, AHQ. On being pointed out by the auditors Nu.0.31 million approximately was deposited into Audit Recoveries Account thereby leaving a balance of Nu.0.14 million.

Auditee's response: *The RBA had submitted that some of the above amount is with Quartermaster Wing –IV, Major Dezang Dendup and some with Major Nima Tshering.*

Who is accountable?: *Major Dezang Dendup, Major Nima Tshering and Quartermaster Wing IV are held accountable until suchtime the amount of shortages are deposited into audit recoveries account.*

6. Shortage of rations/lubricants Nu.0.08 million.

The physical verification of ration store at RBA, Yonphula wing revealed shortages of food items worth Nu. 0.08 million approximately.

Auditee's response: *The RBA Yonphula did not submit appropriate justification. It simply mentioned how the losses had occurred such as excess melting, leakages, damage during loading and etc.*

**Who is
accountable?:**

Major N.Tshering and Major D Lhendup of Wing –XIV are held accountable until such time the shortages are made good in audit.
