

DZONGKHAG ADMINISTRATION

6.1 Dzongkhag Administration, Bumthang

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Bumthang. The total unresolved significant irregularities amounted to Nu.5.924 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.015	1 & 2
2	Shortfalls, lapses and deficiencies	5.909	5
	Total	5.924	

1. Fraud, Corruption and Embezzlement --Nu. 0.015 million

Revenue of Nu.0.020 million collected on account of renewal fee of ID card & fines etc. were not deposited into revenue account. At the instance of the audit, Nu.0.005 million were subsequently deposited leaving a balance of Nu.0.015 million. No action has been taken for the misuse of revenue.

Who is accountable?

Namgay Dukpa, Registration Officer

2. Shortfalls, lapses and deficiencies – Nu.5.909 million

The Dzongkhag Administration had cases of shortfalls, lapses and deficiencies involving Nu.5.909 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Non-realization of advances	5.878	1.43	Dechen Lhendup, FO & Subash Biswa, DCA (supervisory)
2.2	Irregular payment	0.031	1.2	Concerned individuals, & Sangay Wangchuk, Dzongrab (supervisory)
	Total	5.909		

The cases are explained hereunder:

2.1 *Non-realization of advances -Nu. 5.878 million*

Advances amounting to Nu.6.453 million were lying outstanding against various individuals, contractors and other parties against which a sum of Nu.0.575 million were liquidated leaving a balance of Nu.5.878 million.

2.2 *Irregular payment - Nu. 0.031 million*

TA/DA claims aggregating to Nu.0.046 million were paid to officials who had actually not performed the tour. Out of Nu.0.046 million, a sum of Nu.0.015 million was deposited leaving a balance of Nu.0.031 million.

6.2 **Dzongkhag Administration, Chhukha**

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Chhukha. The total unresolved significant irregularities amounted to Nu.1.588 million as summarized below:

Table showing observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.097	1 & 2
2	Shortfalls, lapses and deficiencies	1.491	5
	Total	1.588	

1. **Fraud, Corruption and Embezzlement – Nu. 0.097 million**

The Dzongkhag had cases of strong indicators of fraud, corruption and embezzlement aggregating to Nu.0.097 million as summarized below:

Table showing summary of fraud, corruption and embezzlement (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Misrepresentation of facts	0.040	1.2	D.C. Dhimal, EE, and Phurba Gyeltshen, Store Asstt.
1.2	Submission of fake bills	0.032	1.3	Sonam Chewang, Accounts Asstt-I
1.3	Payments for work not executed	0.025	2.1	Tshewang Tenzin, Engineer, and D.C. Dhimal, EE,
	Total	0.097		

The cases are explained hereunder:

1.1 Misrepresentation of facts -Nu. 0.040 million.

Expenditure of Nu.0.040 million was booked fraudulently without actually procuring the items. The amount was subsequently deposited into Audit Recoveries Account and the officials were warned by the Dzongkhag for misrepresentation of facts.

1.2 Submission of fake bills -Nu. 0.032 million.

Adjustment accounts submitted by the Dungkhag Administration, Phuentsholing against the advances included cash memos and bills which did not pertain either to the Dungkhag or to the period expenditure was incurred. The addresses in the bills and cash memos were found changed by over writing. While the amount was subsequently deposited into Audit Recoveries Account, no action has been taken for the submission of fake bills.

1.3 Payment for the work not executed -Nu. 0.025 million

In the renovation of 10 unit Dungkhag staff quarters payment amounting to Nu.0.025 million were made to the contractor for items of work which were not executed. While the amount was subsequently deposited into Audit Recoveries Account, appropriate action on the payments for works not executed had not been taken.

2. Shortfalls, lapses and deficiencies – Nu. 1.491million

The Dzongkhag Administration had cases of shortfalls, lapses and deficiencies involving Nu.1.491 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Over payments	0.076	2.2, 2.4	Tshewang Tenzin, Engineer, D.C Dhimal, EE,
2.2	Inadmissible payments	0.087	1.1	Individual concerned, B.K Manger, Sr. Adm. Officer, and Ugyen Tshewang, SAO
2.3	Grant of excessive advances	1.328	5.1	Individual concerned, and Ugyen Tshewang, SAO (supervisory)
	Total	1.491		

The cases are explained hereunder:

2.1 Over payment in the constructions -Nu.0.076 million

- a) In the construction of Gup office at Chapcha the contractor was paid extra amount of Nu.0.050 million either by deferring the actual measurement or by paying twice for some of the items of work.

- b) The site verification of the Chapcha Gup Office revealed that the contractor was paid an excess amount of Nu.0.026 million by paying for more quantities than the quantities actually executed in respect of the retaining and breast wall.

2.2 Inadmissible payment -Nu. 0.087 million

TA/DA claims aggregating to Nu.0.248 million were paid to staff who had not actually performed the tour, out of which Nu.0.161 million were recovered leaving a balance of Nu.0.087 million.

2.3 Non-adjustment of advances -Nu. 1.328 million

Advances amounting to Nu.2.069 million were lying unadjusted against officials, suppliers and other parties against which Nu.0.741million were recovered leaving a balance of Nu.1.328 million.

6.3 Dzongkhag Administration, Dagana

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Dagana and total unresolved significant irregularities amounted to Nu.4.004 million as summarized below:

Table showing observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Shortfalls, lapses and deficiencies	4.004	5
	Total	4.004	

1. Shortfalls, lapses and deficiencies - Nu. 4.004 million

The Dzongkhag Administration had cases of shortfalls, lapses and deficiencies involving Nu.4.004 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Excess payments	2.237	1.2 & 2.2	J. N. Pradhan, DE, Lobzang Dawa, J.E. Tsechu, FO, Sherab Dorji, Accountant, and Goling Tshering, Dzongda (supervisory)
1.2	Non-adjustment of advances	0.321	2.15	Tashi Gyeltshen, Admn. Officer and Tshechu, Finance Officer (supervisory)
1.3	Non-levy of liquidated damages	0.370	1.3	Lobzang Dawa, J.E. and J. N. Pradhan, DE, (supervisory)
1.4	Non-enforcement of contract terms and conditions	1.046	1.4	Lobzang Dawa, J.E. and J. N. Pradhan, DE (supervisory)
1.5	Short accountal	0.030	3.1	Tashi Gyeltshen, Adm. Officer, and Shyam Kr. Ghalley, Store-in-charge
	Total	4.004		

The cases are explained hereunder:

1.1 Excess payments – Nu. 2.237 million

- a) The payment for road formation width cutting was made beyond standard width of 4.60 meters resulting in excess payment of Nu.2.202 million.
- b) Dzongkhag Folk Dancers were paid DSA @ Nu.150.00 per day instead of Nu.100.00 per day resulting in excess payment of Nu. 0.051 million out of which Nu.0.016 million was deposited leaving a balance of Nu.0.035 million.

No action has been taken for the excess payments.

1.2 Irregularities in advance - Nu.0.321 million

Advances aggregating to Nu.3.428 million were lying outstanding against the official, staff, contractors, suppliers and others. Out of Nu.3.428 million, a sum of Nu.3.107 million was liquidated leaving a balance of Nu. 0.321 million.

1.3 Non-levy of liquidated damages – Nu. 0.370 million

The Dzongkhag had not levied liquidated damages of Nu.0.370 million for the delay in completion of the Babeythang-Tsangkha farm road by 127 days.

1.4 Non-enforcement of contract terms and conditions – Nu. 1.046 million

As per terms and conditions of the contract agreement, the contractor had not completed the Babeythang-Tsangkha farm road within the schedule time. Comparison of work done and the BOQ noted that few items of works valuing Nu.1.046 million were not executed although the contractor had submitted the completion report on 11/01/06.

1.5 Short account of HSD oil - Nu. 0.030 million

The HSD oil stock balance valuing Nu.0.030 million was found short on physical verification. No action has been taken for the shortages of HSD oil.

6.4 Dzongkhag Administration, Gasa

During the period, the Royal Audit Authority had issued two inspection reports in respect of the Dzongkhag Administration, Gasa which included the Dzongkhag and Gasa Lower Secondary School. The total unresolved significant irregularities amounted to Nu.1.473 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.938	1 & 2
2	Violation of Laws, Rules and Regulations	0.034	4
3	Shortfalls, lapses and deficiencies	0.501	5
	Total	1.473	

1. Fraud, Corruption & Embezzlement – Nu. 0.938 million

The Dzongkhag Administration had cases of strong indicators of fraud, corruption & embezzlement aggregating to Nu.0.938 million as summarized below:

Table showing summary of fraud, corruption & embezzlement (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Fictitious expenditure	0.014	1.10.1 & 1.14	Dr. Chenga Tshering, DLO, & Sangay Dawa, Dzongkha Focal Person
1.2	Payment for works not executed	0.042	4.4, 4.6	Moni Kumar Rizal, JE Lungten Thinley, DE, and Sangay Dawa, Adm. Officer
1.3	Misuse of Revenue	0.122	3.2	Sampa, Revenue Assistant
1.4	Misuse of properties	0.391	2.2	Tshewang Penjor, Store Keeper & Karma Chozang, Store Keeper,
1.5	Misuse of office supplies	0.369	2.1	Tshewang Penjor, Store Keeper
	Total	0.938		

The cases are explained hereunder:

1.1 Fictitious expenditure – Nu. 0.014 million

Nu 0.021 million paid for the purchases of poultry feeds for distribution to the farmers and conducting poultry backyard demonstration were not actually distributed to the farmers. Similarly, fictitious accounts for Nu. 0.014 million was submitted by Sangay Dawa, Dzongkha Focal Person without actually conducting the Dzongkha development activities in the schools and NFE centers.

Out of Nu.0.035 million, a sum of Nu.0.021 million was deposited into Audit Recoveries Account (ARA) leaving a balance of Nu.0.014 million. No action has been taken for the fictitious expenditure.

1.2 Payments for works not executed – Nu. 0.042 million

The contractor was paid Nu.0.022 million for items of works actually not executed in the renovation work of guest house. Similarly, Nu.0.020 million was paid for works which were actually not carried out in the re-roofing of boys’ hostel at Gasa Lower Secondary School. Appropriate action for the payments made for works not executed was awaited.

1.3 Misuse of Revenue - Nu. 0.122 million

Revenue collections of Nu.0.122 million for the period from 30/07/03 to 20/03/06 was found not deposited into the Royal Government Revenue Account (RGR) but the amount was misused by the Revenue In-Charge. No action has been taken for the misuse of revenue.

1.4 Misuse of properties - Nu. 0.391 million

Batteries & panels worth Nu.0.391 million issued from Tashithang store to Gasa store were not accounted for in the Dzongkhag stock register. Appropriate action for the misuse of property was awaited.

1.5 *Shortage of office supplies - Nu. 0.369 million*

The closing stock balance of last fiscal year was not carried forward to the subsequent ledger. During joint physical verification of store on 20/04/06, stationery and office supplies worth Nu.0.369 million were found short for which appropriate action was awaited.

2. **Inadmissible payments - Nu. 0.034 million (Para No.1.3)**

Some officials and staff during probation were paid LTC and allowed to encash leave which were not admissible as per the Civil Service Rules. Out of Nu.0.067 million, a sum of Nu.0.033 million was deposited into Audit Recoveries Account (ARA) leaving a balance of Nu.0.034 million.

Who are accountable?

- a) Jampel Tshering, ALEO;
- b) Sonam Thinley, ADZFO;
- c) Sangay Dorji, HA, Laya;
- d) Lobzang Choeda, HA, and
- e) Leki Dorji, ALEO.

3. **Shortfalls, lapses and deficiencies – Nu. 0.501 million**

The Dzongkhag Administration had cases of shortfalls, lapses and deficiencies involving Nu.0.501 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
3.1	Inadmissible payments of TA/DA	0.030	1.6	Sangay Dawa, HRO/Administrative Officer
3.2	Excess payment	0.137	1.11, 1.13, & 4.2.3	Phub Tshering, Sr. Accountant, & Tshewang Penjor, Store Asst., Tenzin Chhogyel, DzFO, Tandin Dorji, AE
3.3	Non-deduction of house rents	0.168	3.1	Chencho Tshering, Dzongdag (supervisory)
3.4	Non-adjustment of advances	0.069	1.15	Chencho Tshering, Dzongdag (supervisory)
3.5	Non-levy of liquidated damages	0.052	4.2.1	Lungten Thinley, DE (supervisory)
3.6	Non reconciliation of lottery account	0.045	1.12.1	Pema Ngawang, Treasurer
	Total	0.501		

The cases are explained hereunder:

3.1 *Inadmissible payments - Nu. 0.030 million*

The Dzongkhag Administration had paid DSA at full rates instead of half of the normal rates in respect of journey involving total durations of less than 12 hours. Out of Nu.0.046 million, a sum of Nu.0.016 million was recovered leaving a balance of Nu.0.030 million.

3.2 *Excess payment -Nu. 0.137 million*

Suppliers were paid at rates above the quoted rates resulting in excess payments of Nu.0.043 million. Similarly, the Dzongkhag had not complied to the Norms and Standards for Nursery and Plantation, 2004 prescribed by the Ministry of Agriculture for the maintenance of community forest and creation of Dzongkhag Nursery, resulting in excess payment of Nu. 0.035 million. Further, excess payment of Nu.0.059 million was made to the contractor for the construction of Veterinary Hospital at Jasidingkha due to excess measurements of the items of works. No action has been taken for the excess payments.

3.3 *Non-deduction of house rents -Nu. 0.168 million*

The Dzongkhag Administration had not deducted the house rents from the occupants of the government quarters for the period from 01/07/2003 to 30/06/2004 aggregating to Nu.0.168 million.

3.4 *Non-adjustment of advances - Nu. 0.069 million*

Advances amounting to Nu.0.069 million including overdue advances of 0.054 million were lying unadjusted against the officials of the Dzongkhag Administration.

3.5 *Non-levy of liquidated damages - Nu.0.052 million*

Against the stipulated deadline of 20th September 2004, the construction of veterinary hospital was completed and handed over only on 18th November 2004 thereby delaying by 59 days against which liquidated damages amounting to Nu.0.052 million was not levied.

3.6 *Non reconciliation of lottery account -Nu. 0.045 million*

The sales proceeds or the value of tickets amounting to Nu.0.045 million was accounted short. No action has been taken for the short accountal.

6.5 Dzongkhag Administration, Lhuentse

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Lhuentse and total unresolved significant irregularities amounted to Nu.0.745 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.028	1 & 2
2	Violation of Laws, Rules & Regulations	0.530	4
3	Shortfalls, lapses and deficiencies	0.187	5
	Total	0.745	

1. Payment for works not executed - Nu. 0.028 million (Para No.5.1)

Payment of Nu.0.158 million for item of work ‘Sand bedding under pipeline’ was made to the contractor in the construction of New Water Supply Scheme which was actually not executed. Out of Nu.0.158 million, a sum of Nu.0.130 million was recovered leaving a balance of Nu.0.028 million.

Who are accountable?

- a) Omnath Giri, DE, and
- b) Tashi Chhophel, AE

2. Inadmissible payment - Nu. 0.530 million (Para 1.2)

45% increase of pay aggregating to Nu.0.530 million were paid to Elementary Service Personnel who were not admissible. Recovery was awaited.

Who are accountable?

- a) Phuntsho Wangdi, AFO;
- b) Namgay Dukpa, Sr. Accountant;
- c) Sherab Gyeltshen, Accountant, and
- d) Sonam Dhendup, DCA

3. Shortfalls, lapses and deficiencies – Nu. 0.187 million

The Dzongkhag Administration had cases of shortfalls, lapses and deficiencies involving Nu.0.187 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
3.1	Non-adjustment of advances	0.106	4.1	Sonamla, Dzongrab & Phuntsho Wangdi, AFO (supervisory)
3.3	Excess payment of WFP carriage charges	0.081	1.6	Phuntsho Wangdi, AFO, Sherab Gyeltshen, Accountant, & Kinley Gyeltshen, DEO (supervisory)
	Total	0.187		

The cases are explained hereunder:

3.1 Non-adjustment of advances - Nu. 0.106 million

Advances amounting to Nu.1.142 million were lying outstanding against the suppliers, contractors and employees. Of Nu.1.142 million, a sum of Nu.1.036 million was deposited leaving a balance of Nu.0.106 million. The Dzongkhag informed that concerted efforts are being made to realize the outstanding advances.

3.3 Excess payment - Nu. 0.081 million

A sum of Nu.0.536 million booked as transportation charges of WFP commodities to Dungkhar Community Primary School were found booked excess by Nu.0.081 million. Appropriate action for the excess payment is awaited.

6.6 Dzongkhag Administration, Mongar

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Mongar and total unresolved significant irregularities amounted to Nu.1.590 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.167	1 & 2
2	Shortfalls, lapses and deficiencies	1.423	5
	Total	1.590	

1. Misuse of revenue – Nu. 0.167 million (Para No.4.4)

A sum of Nu.0.167 million collected on account of rental charges of Dharamsala was found not deposited into the Royal Government Revenue Account. No action has been taken for the misuse of revenue.

Who is accountable?

Tashi Norbu Sherpa, AE

2. Shortfalls, lapses & deficiencies - Nu.1.423 million

The Dzongkhag Administration had cases of shortfalls, lapses and deficiencies involving Nu.1.423 million as summarized below:

Table showing summary of shortfalls, lapses & deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Payment without supporting bills	0.150	1.6	Lok Nath Dahal, F.O
2.2	Non-adjustment of advances	1.273	4.1	Lok Nath Dahal, F.O Tappo, Dzongrab (supervisory)
	Total	1.423		

The cases are explained hereunder:

2.1 *Payment without supporting bills- Nu.0.150 million*

Nu.0.150 million was booked as final expenditure and paid to Dzongrab Tappo, for renovation of Yarab Lhakhang and Ajaa Lhakhang. The renovation was not completed for which no explanations were forthcoming.

2.2 *Non-adjustment of advances - Nu. 1.273 million*

Nu. 2.359 million were lying outstanding on account of personal advances, PWA, employee advances, suppliers and contractor's advances. Against the outstanding advances a sum of Nu.1.086 million were liquidated leaving a balance of Nu.1.273 million. The Dzongkhag intimated that most of the overdue advances pertained to previous years and not able to trace the accountable person and was being pursued with the Ministry of Finance.

6.7 Dzongkhag Administration, Paro

During the year, the Royal Audit Authority had issued one inspection report pertaining to the Dzongkhag Administration, Paro and total unresolved significant irregularities amounted to Nu.2.416 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.131	1 & 2
2	Shortfalls, lapses and deficiencies	2.285	5
	Total	2.416	

1. Fraud, Corruption & Embezzlement – Nu.0.131 million

The Dzongkhag had cases of strong indicators of fraud, corruption & embezzlement aggregating to Nu.0.131 million as summarized below:

Table showing summary of fraud, corruption & embezzlement (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Shortages of materials	0.070	2.8	Yeshi Jamtsho, JE, and Pema Wangdi, JE
1.2	Non-deposit of sale proceeds	0.061	2.9	Yeshi Jamtsho, JE, and Pema Wangdi, JE
	Total	0.131		

1.1 Shortage of waste collection dust bin -Nu.0.070 million

The Department of Urban Development and Engineering Services, Thimphu had supplied 365 numbers of waste dustbins against which 93 dustbins worth Nu.0.070 million were found short during verification. No action had been taken for the shortages.

1.2 Non-deposit of sale proceeds -Nu. 0.061 million

Sale proceeds of dustbins amounting to Nu.0.061 million were deposited in the Dzongkhag Revenue Account at the instance of the audit only. Appropriate action for the misuse of sale proceeds was awaited.

2. Shortfalls, lapses and deficiencies – Nu. 2.285 million

The Dzongkhag had cases of shortfalls, lapses and deficiencies involving Nu.2.285 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Over payments to contractors	0.662	1.1,1.2,1.4, 1.5,1.6,1.7, 1.8,1.9, 1.10	D.B. Giri, AE, Tashi Gyeltshen, JE, Kinzang, DE, (supervisory), Tshomo, JE , Kinzang Dorji, AE, and Chane Zangmo, Dy. EE, (supervisory)
2.2	Non-realisation of fees	0.538	2.2	Tshering Yonten, AE, Nado Regay, AE
2.3	Accumulation of advances	0.782	3.1	Kesang Tshomo, HRO, J.L. Subba, SFO, and Namgyel Rinchen, Dzongrab (supervisory)
2.4	Non-payment of taxes	0.090	2.6	Nado Regay, AE
2.5	Outstanding land taxes	0.143	2.5	Nado Regay, AE
2.6	Non-realization of transfer tax	0.070	2.7	Nado Regay, AE
	Total	2.285		

2.1 Over payments in the constructions – Nu.0.662 million

In the construction of science laboratory, head teacher’s quarter, classrooms, approach road etc. Nu.0.763 million was overpaid on account of works not executed, double payments, inadmissible payments and payments for items provided other than specified. Out of Nu.0.763 million, a sum of Nu.0.101 million was recovered leaving a balance of Nu.0.662 million.

2.2 Non-realization of fees -Nu. 0.538 million

The land development and demarcation fees aggregating to Nu.0.538 million were not realized by the Municipal Corporation from the plot owners for land allotted since 2001. The recovery of fees was awaited.

2.3 Unjustified accumulations of advances – Nu.0.782 million

Advances amounting to Nu.0.782 million were lying outstanding from the staff, contractors, suppliers, private parities and other agencies.

2.4 Non-payment of taxes -Nu.0.090 million

Four plot owners had not cleared their excess land tax amounting to Nu.0.120 million in spite of the repeated reminders served by the Municipal Authority. At the instance of the audit, a sum of Nu.0.030 million was deposited leaving a balance of Nu.0.090 million.

2.5 Outstanding land taxes -Nu.0.143 million

Land taxes aggregating Nu.0.145 million were lying against various plot owners for the period 2002- 2005. Out of Nu.0.145 million, a sum of Nu. 0.002 million was recovered leaving a balance of Nu.0.143 million.

2.6 Non-realization of transfer tax- Nu. 0.070 million

5% land ownership transfer tax aggregating to Nu.0.070 million was not realized as summarized below:

Sl. No.	Name of the land Owner	Plot No.	Land sold to	Cost of the land (Nu)	5% (Nu.)	Approval letter No. & date
1	Nakchu Tshering	C-36	Mindu Tshering	400,000.00	20,000.00	4 th MCM dt. 10/02/04
2	Jow Tshering	C-63	Kunga Tshering	100,000.00	5,000.00	5 th MCM dt. 29/04/04
3	Tobgay	C-73	Tendu Tshering	500,000.00	25,000.00	Dt.17/05/05
4	Lt. Dago/Lham	C-30	Ugyen Lham	400,000.00	20,000.00	Dated 26/04/05
	Total			1,400,000.00	70,000.00	

6.8 Dzongkhag Administration, Pemagatshel

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Pemagatshel and total unresolved significant irregularities amounted to Nu.0.544 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Shortfalls, lapses and deficiencies	0.544	5
	Total	0.544	

1. Shortfalls, lapses and deficiencies – Nu. 0.544 million

The Dzongkhag had cases of shortfalls, lapses and deficiencies involving Nu.0.544 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Inadmissible payment	0.379	1.1.1	Tshering Nidup, DE Namgay, Dzongdag, (supervisory),
1.2	Non-adjustment of advances	0.165	7.1.1	Individuals concerned, Tenzin Jamtsho, FO (supervisory)
	Total	0.544		

The cases are explained hereunder:

1.1 Inadmissible payment -Nu. 0.379 million

A stretch of road between Gonpashingma to Nganmalam was washed away by the landslide prior to completion of the construction project. The Dzongkhag Administration estimated the restoration of the damaged road at Nu.0.429 million. The restoration work was awarded as an entirely different work from the initial contract and the contractor submitted Nu. 0.379 million which was subsequently paid. No action had been taken on the inadmissible payment.

1.2 Non-adjustment of advances - Nu. 0.165 million

Advance amounting to Nu.0.177 million were lying outstanding against the officials as of June 2006. Out of Nu.0.177 million, a sum of Nu.0.012 million was recovered leaving a balance of Nu.0.165 million.

6.9 Dzongkhag Administration, Punakha

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Punakha. The total unresolved significant irregularities amounted to Nu.1.978 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.059	1 & 2
2	Shortfalls, lapses and deficiencies	1.919	5
	Total	1.978	

1. Misuse of cash closing balance -Nu. 0.059 million (Para No.1)

The closing cash balance of Nu.0.059 million was booked as advance against Tenzin, Sr. Accountant through an official memorandum concealing the facts of misuse of funds. The amount has been deposited subsequently but no action had been taken for the misuse of funds.

Who are accountable?

- a) Tenzin, Sr. Accountant,
- b) Tashi Dargay, Dzongrab, (supervisory)

2. Shortfalls, lapses and deficiencies – Nu. 1.919 million

The Dzongkhag had cases of shortfalls, lapses and deficiencies involving Nu. 1.919 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Inadmissible payment of salary	0.021	2	Pari Chhetri, Asstt. Accounts Officer, Tashi Dargay, Dzongrab, (supervisory)
2.2	Excess payment made to the suppliers	0.089	3	Pari Chhetri, Asstt. Accounts Officer, Tashi Dargay, Dzongrab, (supervisory)
2.3	Non-adjustment of advances	1.740	11	Pari Chhetri, Asstt. Accounts Officer, Tashi Dargay, Dzongrab, (supervisory)
2.4	Inadmissible payment	0.069	5.2	Pari Chhetri, Asstt. Account Officer, Tashi Dargay, Dzongrab, (supervisory)
	Total	1.919		

The cases are explained hereunder:

2.1 *Inadmissible payment -Nu. 0.021million*

Tenzin, Sr. Accountant was paid salary of Nu.0.021 million for the period of absence from duty. No action had been taken for the inadmissible payment.

2.2 *Excess payment -Nu. 0.089 million*

The Dzongkhag Administration had paid the suppliers above the quoted rates resulting in excess payments of Nu.0.089 million. No action had been taken for the excess payments.

2.3 *Non-adjustment of advances - Nu. 1.740 million*

Advances amounting to Nu.22.599 million were lying outstanding against the officials, staff and parties against which Nu.20.859 million were recovered leaving a balance of Nu.1.740 million

2.4 *Inadmissible payments -Nu.0.069 million*

TA/DA claims aggregating to Nu.0.069 million were paid to staff who had actually not performed the tour. Recovery was awaited.

6.10 Dzongkhag Administration, Samdrup Jongkhar

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration and total unresolved significant irregularities amounted to Nu.0.765 million as summarized below:

Table showing summary of observation with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Shortfalls, lapses and deficiencies	0.765	5
	Total	0.765	

1. Shortfalls, lapses and deficiencies – Nu. 0.765 million

The Dzongkhag had cases of shortfalls, lapses and deficiencies involving Nu.0.765 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Outstanding municipal taxes	0.678	4	Tenzin Dakpa, JE
1.2	Short receipt of library books	0.087	19.1 & 19.2	Chimi Tenzin, Head Teacher, (supervisory) Rinzin Dorji ,Principal, (supervisory)
	Total	0.765		

The cases are explained hereunder:

1.1 *Outstanding municipal taxes – Nu.0.678 million*

Municipal taxes of Nu.1.795 million were lying outstanding, out of which Nu.1.117 million were deposited leaving a balance of Nu.0.678 million.

1.2 *Short receipt of library books - Nu. 0.087 million*

Library books valuing Nu.0.046 million supplied by the Education Central Stores, Phuentsholing were not received by Minjiwoong Lower Secondary School. Similarly, Deothang Middle Secondary School had not received books valuing Nu.0.041 million. No action had been taken for the books not received.

6.11 Dzongkhag Administration, Sarpang

During the year, the Royal Audit Authority had issued five inspection reports in respect of the Dzongkhag Administration, Sarpang which

included the Dzongkhag, Municipal Corporation, Gelephu, Sarpang Middle Secondary School, Gelephu Higher Secondary School and Norbuling Lower Secondary School. The total unresolved significant irregularities of the Dzongkhag Administration, Sarpang amounted to Nu. 3.941 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.466	1 & 2
2	Mismanagement	0.374	3
3	Shortfalls, lapses and deficiencies	3.101	5
	Total	3.941	

1. Fraud, Corruption & Embezzlement – Nu. 0.466 million

The Dzongkhag Administration had cases of fraud, corruption & embezzlement aggregating to Nu.0.466 million as summarized below:

Table showing summary of cases of fraud, corruption and embezzlement (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Payment for consultancy service not availed	0.442	2.4.1	Passang Dorji, DE, Chhogyal D. Rinzin, former Dungpa, (supervisory), Phuntsho Wangdi, AFO, (supervisory) Dorji Dukpa, former Dzongdag, (supervisory), and Sonam Dawa, former Dzongdag, (supervisory)
1.2	Fictitious expenditure	0.024	3.7	Ugyenla, Dzongkha Focal Person
	Total	0.466		

The cases are explained hereunder:

1.1 Payment of consultancy fee without availing service - Nu. 0.442 million

The entire consultancy fee of Nu.0.724 million on account of construction of Jigmichholing Dratshang was released to M/s Druk Heritage Consultancy for which no full time Project Engineer and Project Architect were engaged as per the terms of contract. No action has been taken till date. Out of Nu.0.724 million, a sum of Nu.0.282 million was adjusted during review on 09/02/2007 leaving a balance of Nu.0.442 million.

1.2 Fictitious expenditure - Nu.0.024 million

Ugyenla, the Dzongkha focal person of Sarpang Dzongkhag had submitted accounts of Nu.0.079 million towards prize money distribution to the top three students from class PP to 10 each in the Zhungkha language examination. There were anomalies in the payment of prize money as in

some cases third prizes were more than second prizes and third prize were at par with the first prizes. Nu.0.024 million worked out as recoverable remained un-recovered and no action has been taken for the fictitious expenditure.

2. Mismanagement - Nu. 0.374 million

The Dzongkhag had cases of mismanagement amounting to Nu.0.374 million as summarized below:

Table showing summary of mismanagement of revenue & properties (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Mismanagement of properties	0.068	5.1	Karma Sherab, PA to Dzongdag
2.2	Overdue Taxes and Revenue	0.226	1	Sonam Tobgye, J.E., and Rai Bdr. Das, Officer In Charge.
2.3	Unauthorized issue of materials	0.080	5	Passang Dorji, D.E. Sonam Dawa, Dzongdag (supervisory)
	Total	0.374		

The cases are explained hereunder:

2.1 *Mismanagement of properties -Nu 0.068 million*

The Dzongkhag maintained only one register for both expendable and non-expendable items and the closing stocks balance of last fiscal year was also not carried forward to the subsequent year. No action had been taken for the shortages of stationery worth Nu.0.068 million found during physical verification.

2.2 *Overdue Taxes and Revenue – Nu.0.226 million*

Nu. 0.338 million remained uncollected on account of urban tax from the concerned land and building owners falling within the Municipal area of Gelephu. Out of Nu.0.338 million, a sum of Nu.0.112 million was subsequently recovered leaving a balance of Nu.0.226 million

2.3 *Unauthorized issue of materials - Nu. 0.080 million*

852 bags of cement (25 kgs each in a bag) loaned from the Rural Water Supply and Sanitation (RWSS) store to the Field Division, Department of Road, Sarpang had not been returned.

3. Shortfalls, lapses and deficiencies – Nu. 3.101 million

The Dzongkhag had cases of shortfalls, lapses and deficiencies involving Nu. 3.101 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
3.1	Payment of Zorig Choesum allowance	1.563	2.4.2	Sonam Dawa, former Dzongdag (supervisory)
3.2	Inadmissible payments	0.059	3.5	Sonam Dawa, former Dzongdag, (supervisory) Singey Dorji, Census Assistant, and Ugyen Zam, Sr. Accountant.
3.3	Irregular payments	0.035	3.3	Sonam Dawa, former Dzongdag (supervisory) Nado, Dzongrab
3.4	Irregularities in advances	1.423	3.12	Pema Tenzin, Finance Officer, (supervisory), Sonam Dawa, former Dzongdag (supervisory)
3.5	Payment to employee not in service	0.021	3.6	Kuenley Tshering, HRO, Sonam Chogyel, former DEO, and Tshewang Tobgay, present DEO (supervisory)
3.6	Non-compliance to Government directives	-	1.1	Sonam Dawa, former Dzongdag (supervisory)
	Total	3.101		

The cases are explained hereunder:

3.1 Payment of Zorig Choesum allowance - Nu.1.563 million

Skilled laborers involved in the construction of Jigmecholing Dratshang w.e.f. October 2003 were paid 50% Zorig Choesum Allowance even after revision of national wage rate. The admissibility of 50% Zorig Choesum Allowance after the revision of national wage rate was not specified.

3.2 Inadmissible payments - Nu. 0.059 million

TA/DA claims aggregating to Nu.0.253 million were paid to officials who had not actually performed the tour. Out of Nu.0.253 million, a sum of Nu. 0.194 million were deposited leaving a balance of Nu.0.059 million.

3.3 Irregular payments - Nu. 0.035 million

Entire residential telephone bills of Dzongdag and Dzongrab aggregating to Nu.0.043 million were directly paid by the Dzongkhag without segregating officials and private call in deviation to the government rules. Out of Nu.0.043 million, a sum of Nu.0.008 million was deposited leaving a balance of Nu.0.035 million

3.4 Non-adjustment of advances – Nu. 1.423 million

Advance aggregating to Nu. 2.559 million were lying outstanding against the officials, contractors, & suppliers out of which Nu. 1.136 million were

liquidated leaving a balance of Nu.1.423 million. The entire balance of Nu. 1.423 million has become overdue.

3.5 Payment to employee not in service - Nu.0.021 million

Thinley Dorji, Night Guard of Sarpang Middle Secondary School was surrendered to the Education Sector of the Sarpang Dzongkhag due to absence from the duty since 6th October 2004. The salary of the incumbent amounting to Nu.0.021 million shown as disbursed till April 2005. Of Nu. 0.021 million, a sum of Nu.0.006 million was recovered leaving a balance of Nu.0.015 million. No actions have been taken for fictitious payment.

3.6 Non-compliance to Government instructions

The Ministry of Home & Cultural Affairs vide Order No. KA (10)-9/98/589 dated 28/10/1998 instructed Dzongdags to refrain from constructing or purchasing any personal houses and other immovable properties within the territories of the respective Dzongkhag during their tenure as Dzongdag. The instruction was further reinforced vide order no. NGA/ADM-10/2002/364 dated 9/10/2002. The said notifications were, however, not complied by Sonam Dawa, former Dzongdag who had acquired 2.98 acres of land from Gelephu during his tenure as Dzongdag.

6.12 Dzongkhag Administration, Trashigang

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Trashigang and total unresolved significant irregularities amounted to Nu.0.573 million as summarized below:

Table showing summary of observation with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Shortfalls, lapses and deficiencies	0.573	5
	Total	0.573	

1. Shortfalls, lapses and deficiencies – Nu. 0.573 million

The Dzongkhag had cases of shortfalls, lapses and deficiencies involving Nu.0.573 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Short receipt of library books	0.312	6.1	Minjur Dorji, Chief Procurement Officer, Education Central Stores (supervisory)
1.2	Unjustified accumulations of advances	0.261	4.1	Tashi Wangyel, F.O (supervisory)
	Total	0.573		

The cases are explained hereunder:

1.1 Short receipt of library books - Nu. 0.312 million

Ten schools under the Dzongkhag had not received library books valuing Nu.0.312 million supplied by the Education Central Store, Phuntsholing under EDP funded project.

1.2 Unjustified accumulations of advances - Nu. 0.261 million

Advances amounting to Nu.0.910 million were lying unadjusted against staff, supplier and other parties out of which a sum of Nu.0.649 million was deposited leaving a balance of Nu.0.261 million.

6.13 Dzongkhag Administration, Trongsa

During the year, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Trongsa and total unresolved significant irregularities amounted to Nu.0.648 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption & Embezzlement	0.154	1 & 2
2	Mismanagement	0.165	3
3	Shortfalls, lapses and deficiencies	0.329	5
	Total	0.648	

1. Fraud, Corruption & Embezzlement – Nu. 0.154 million

The Dzongkhag Administration had cases of strong indicators of fraud, corruption and embezzlement aggregating to Nu.0.154 million as summarized below:

Table showing summary of fraud, corruption & embezzlement (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Fictitious payment	0.115	1.3	Dorji Gyeltshen, DLO and Lhap Dorji, Dzongdag (supervisory)
1.2	Misuse of cash balance	0.039	2.1	Dawa Tshering, Accountant
	Total	0.154		

1.1 Fictitious payment – Nu. 0.115 million

- a) The Dzongkhag Livestock Sector had conducted cattle show at Simphu under Nubi Gewog and booked expenditure of Nu.0.015 million on account of carrying charges of chadi items and wages for 20 farmers. Upon enquiry, Gup, Tshogpas and the participants/farmers stated that although work had been carried out no payments were made.

Further, an expenditure of Nu.0.065 million was shown as paid towards the Community Animal Health Workers Workshop at Trongsa Dzongkhag from 16th to 22nd June 2005 for 5 Gewogs. The Gups, Tshogpas and the farmers who were shown as participants confirmed that they did not attend the workshop.

- b) Dorji Gyeltshen, Dzongkhag Livestock Officer was paid Nu.0.035 million for payment of daily wages of bull and stallion keepers. Upon enquiry during joint field visit, Tshogpas and Gups stated that none of the concerned bull and stallion keepers had been paid with wages.

Out of the total fictitious payment of Nu.0.115 million a sum of Nu.0.050 million were deposited leaving a balance of Nu.0.065 million. No actions were taken as per the rules and regulations.

1.2 Misuse of cash balance - Nu.0.039 million

The closing balance of Nu.0.039 million for the financial year 2003–2004 in PLC A/c cash book was neither surrendered nor carried forward to the next financial year 2004–2005. It was also not available in chest during verification. No action has been taken for the misuse of cash balance.

2. Mismanagement – Nu. 0.165 million

The Dzongkhag had cases of non-remittance and irregular payments amounting to Nu.0.165 million as summarized below:

Table showing summary of non-remittance and irregular payment (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Non-remittance	0.120	2.3	Dawa Tshering, Accountant
2.2	Irregular payment	0.045	1.9	Sherub Phuntsho, Junior Engineer
	Total	0.165		

The cases are explained hereunder:

2.1 Non-remittance - Nu. 0.120 million

Dawa Tshering, Accountant had failed to remit a sum of Nu.0.491 million being 2% contractor tax recovered from the contractors' running bills. At the instance of the audit, a sum of Nu.0.371 million was deposited leaving a balance of Nu.0.120 million. No action has been taken for the non-remittance of revenue collected.

2.2 Irregular payment - Nu.0.045 million

Cost index ranging from 30% to 39% aggregating to Nu.0.045 million were paid for items of works like demolishing, dismantling and earth work which were not admissible as per the Bhutan Schedule of Rates (BSR). No action has been taken for the irregular payment.

3. Shortfalls, lapses and deficiencies – Nu. 0.329 million

The Dzongkhag had cases of shortfalls, lapses and deficiencies involving Nu.0.329 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
3.1	Non-adjustment of advances	0.293	1.14 2.2	Dawa Tshering, Accountant, and Sonam Gyeltshen, FO, (supervisory)
3.2	Excess payment made to supplier	0.036	1.13	Dawa Tshering, Accountant, and Sonam Gyeltshen, FO,
	Total	0.329		

The cases are explained hereunder:

3.1 Non-adjustment of advances- Nu.0.293 million

- a) Advances paid during the financial year 2003-04 aggregating to Nu 0.037 million were lying outstanding in the PLC Account against which Nu.0.007 million were deposited leaving a balance of Nu. 0.030 million.
- b) Advances amounting to Nu 3.725 million were lying outstanding against the various individuals, suppliers and contractors out of which, a sum of Nu.3.462 million were liquidated leaving a balance of Nu.0.263 million

3.2 Excess payment - Nu. 0.036 million

Excess payments of Nu.0.037 million was made to supplier due to totaling errors against which a sum of Nu.0.001 million was deposited leaving a balance of Nu.0.036 million.

6.14 Dzongkhag Administration, Tsirang

During the period, the Royal Audit Authority had issued two inspection reports in respect of the Dzongkhag Administration, Tsirang which included the Dzongkhag and the Dzong Construction. The total unresolved significant irregularities reported were Nu.22.480 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Fraud, Corruption and Embezzlement	4.799	1 & 2
2	Violation of Laws, Rules & Regulations	0.037	4
3	Shortfalls, lapses and deficiencies	17.644	5
	Total	22.480	

1. Fraud, Corruption and Embezzlement – Nu. 4.799 million

The Dzongkhag had cases of strong indicators of fraud, corruption and embezzlement aggregating to Nu.4.799 million as summarized below:

Table showing summary of fraud, corruption and embezzlement (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
1.1	Fictitious expenditure	0.103	1	Dorji, Admn. Assistant, Tshewang Jigme, Administrative Officer
1.2	False certification of works	4.558	7 7.4 7.6, 7.8	Rajen Pradhan, Assistant Engineer; Tashi Pelzom, DEO; Phub Dorji, Junior Engineer; K.B. Subba, Asstt. Engineer, and Lapchu, District Engineer
1.3	Misuse of revenues	0.138	2	Gyeltshen, Revenue Assistant
	Total	4.799		

1.1 Fictitious expenditure -Nu. 0.103 million

As confirmed, payment of Nu.0.103 million towards conducting Driglam Namzha training at Gewogs level and holding the reading and writing competition at NFE centers were fictitious. Appropriate actions for the fictitious payments were awaited.

1.2 False certification of works – Nu. 4.558 million

There were many instances of payments for works which were not executed or released the entire contracted amount while the works remained under construction. No action had been taken for the payments made for works not executed. The instances of such cases were as under:

- a) In the construction of Administrative Block at Damphu Lower Secondary School, Tsirang there were instances of excess payments and payments for works not actually executed aggregating to Nu. 0.184 million. The Dzongkhag had released the final bill without actual completions of the work vide voucher No. 263 of 30/06/06.
- b) Nu.0.199 million was released to M/s. Yonten Construction, Damphu on account of final bill for the construction of Aqua Privy toilet at Damphu Lower Secondary School prior to completion of the work. During the site visit, it was noted that only 60% of the work was completed.
- c) Nu.4.175 million was released to the contractor for the construction of BHU Grade II at Mendrelgang without completion of the work.
- d) Similarly, the Dzongkhag had certified the works of renovation of water supply scheme at Damphu and released the full payment in June 2006. On the contrary during the site visit on 15.09.06 with the Site Engineers it was found that the work had not been completed.

1.3 Misuse of revenue -Nu. 0.138 million

Against revenue collection of Nu.5.740 million, a sum of Nu.5.602 million only was deposited into Govt. Revenue Account resulting into short deposit of Nu.0.138 million. No action had been taken for the misuse of revenue.

2. Irregular application of leave rule – Nu. 0.037 million

Some officials during the probation period were paid Leave Travel Concession and allowed encashment of leave aggregating to Nu.0.063 million which was not admissible as per the Civil Service Rules. On pointing out, a sum of Nu.0.026 million was recovered leaving a balance of Nu.0.037 million.

Who are Accountable?

- a) Lhabula, HRO;
- b) Dr. Choke;
- c) Kamal Gurung, HA;
- d) Tashi Wangdi, ALEO;
- e) Mahesh Lepcha, JE, and (f) Norbu Dolma, OA

3. Shortfalls, lapses and deficiencies – Nu. 17.644 million

The Dzongkhag had cases of shortfalls, lapses and deficiencies involving Nu.17.644 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
3.1	Irregular payment	0.210	3	Tshewang Jigme, Adm. Officer (supervisory)
3.2	Over payments	0.982	6.3, 1.5	Rudra Mani Dhimal, AFO, Tender Committee (supervisory)
3.3	Non-collection of taxes	0.030	5.1	Gyeltshen, Revenue Incharge, Tshewang Jigme, Adm. Officer (supervisory)
3.4	Non collection of house rent	0.050	5.2	Gyeltshen, Revenue Incharge, Tshewang Jigme, Adm. Officer (supervisory)
3.5	Excess payment to contractor	0.025	7.2, 1.2	Karma Jamtsho, Junior Engineer Dhendup Tshering, DzFO Tshewang Jigmi, Adm. Officer (supervisory)
3.6	Non-adjustment of advances	12.383	11	Individuals concerned, Rudra Mani Dhimal, AFO (supervisory)
3.7	Non-deduction of 20% voids	0.157	2	Dzong construction Tender Committee (supervisory)
3.8	Payment of Zorig Choesum allowance	3.807	6.1	Dzong Construction Committee
	Total	17.644		

The cases are explained hereunder:

3.1 Irregular payment - Nu.0.210 million

Life insurance amounting to Nu.0.210 million were paid to the family members of the deceased during the financial year 2005-2006 from whom insurance premiums had not been realized.

3.2 Over payment – Nu. 0.982 million

- a) The Dzongkhag Administration had paid DSA at full rates instead of half the normal rates in respect of journey involving duration of less than 12 hours. The total over payments made amounted to Nu. 0.029 million. Out of Nu.0.029 million, a sum of Nu.0.006 million were recovered leaving a balance of Nu.0.023 million
- b) Consultancy fee of Nu.0.959 million were paid excess due to error in computation in the estimate.

3.3 *Non-collection of taxes -Nu. 0.030 million*

Municipal taxes such as the land tax, house tax and service charges of Nu 0.053 million for the financial year 2004-2005 and 2005-2006 were not collected from the commercial plot holders of Damphu town. Out of Nu. 0.053 million, a sum of Nu.0.023 million were recovered leaving a balance of Nu.0.030 million.

3.4 *Non collection of house rents -Nu.0.050 million*

Rents amounting to Nu.0.071 million were not collected from the private parties residing in government quarters. Out of Nu.0.071 million, a sum of Nu.0.021 million was recovered leaving a balance of Nu.0.050 million.

3.5 *Excess payment to contractor – Nu. 0.025 million*

The Dzongkhag had not deducted rebates offered by the contractor in the construction of Matron's quarter at Damphu Higher Secondary School, leading to excess payment of Nu.0.025 million.

3.6 *Non-adjustment of advances -Nu.12.383 million*

Advances amounting to Nu.12.383 million were lying outstanding against various individuals, contractors and other parties.

3.7 *Non-deduction of 20% voids – Nu. 0.157 million*

20% voids from the gross quantity of work done valuing Nu.0.157 million as per Specifications for Building & Road Works 2001 were not deducted in earth cutting. Appropriate action in this regard was awaited.

3.8 *Payment of Zorig Choesum allowance– Nu. 3.807 million*

The skilled and semi skilled labourers engaged in the construction and renovation of Dzongs and other monumental structures were paid 50% of the daily wage as Zorig Choesum allowance. The admissibility of such allowance after effecting cent percent revision in national wage rate in December 2000 was not specified.

6.15 Dzongkhag Administration, Wangduephodrang

During the year, the Royal Audit Authority had issued seven inspection reports in respect of the Dzongkhag Administration, Wangduephodrang which included the Dzongkhag, Bajo Higher Secondary School, Gaselo Middle Secondary School, Gaselo Lower Secondary School, Wangdue Lower Secondary School, Samtengang Lower Secondary and Nobding Lower Secondary School. The total unresolved significant irregularities amounted to Nu.0.280 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Violation of Laws, Rules and Regulations	-	4
2	Shortfalls, lapses and deficiencies	0.280	5
	Total	0.280	

1. Transfer not effected for long (Para No. 1.1)

There were thirty officials rendering services for more than 10 (ten) years in the Dzongkhag without being transferred to other agencies which was against the transfer policy of the Royal Government.

Who is accountable?

Kinley Tenzin, Administrative Officer

2. Shortfalls, lapses and deficiencies – Nu. 0.280 million

The Dzongkhag Administration had cases of shortfalls, lapses and deficiencies aggregating to Nu.0.280 million as summarized below:

Table showing summary of shortfalls, lapses and deficiencies (Nu. in million)

SL. No.	Observation in brief	Amount	Para No.	Who are accountable?
2.1	Excess payment	0.241	4.1	D.K Pradhan, AE, & Kinga Dorji DE (supervisory)
2.2	Irregularities in advances	0.039	2.5	Phub Tshering, Dzongdag, (supervisory), and Ashok Kr. Rai, Finance Officer
	Total	0.280		

The cases are explained below:

2.1 Excess payment– Nu. 0.241 million

As per BOQ in respect of earthwork excavation, only 40% of the excavation quantity was payable at higher rate of Nu.384.00 per m³ for hard soil excavation. However, the Dzongkhag had paid 60% and 70% of the total earth excavation in the construction of water supply of Wangdue town resulting in an over payment of Nu.0.241 million. No action has been taken for the overpayment.

2.2 Non-adjustment of advances – Nu. 0.039 million

Advances aggregating to Nu.5.310 million was lying unadjusted against the name of contractors, suppliers and officials. Out of the above advances, Nu.5.271 million was subsequently been liquidated leaving a balance of Nu.0.039 million.

6.16 Dzongkhag Administration, Zhemgang

During the period, the Royal Audit Authority had issued one inspection report in respect of the Dzongkhag Administration, Zhemgang and total unresolved significant irregularities amounted to Nu.2.780 million as summarized below:

Table showing summary of observations with category code and amount involved (Nu. in million)

SL. No.	Observation in brief	Amount	Category code
1	Shortfalls, lapses and deficiencies	2.780	5
	Total	2.780	

1. Non-adjustment of advances - Nu. 2.780 million (Para No. 8)

Advances amounting to Nu 2.813 million were lying outstanding against the various individuals, suppliers and contractors against which a sum of Nu. 0.033 million were liquidated leaving a balance of Nu. 2.780 million.

Who are accountable?

- a) Individuals concerned, and
- b) Pema Jungney, Dzongrab (supervisory)