
DZONGKHAG ADMINISTRATIONS

6.10 Dzongkhag Administration, Bumthang

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Bumthang. There were 17 observations pointed out in the report involving over Nu. 12.345 million. However, 10 observations amounting to over Nu. 0.781 million were settled. The total unresolved significant irregularities amounted to Nu. 11.437 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Shortfalls, Lapses & Deficiencies	11.437	5
	Total	11.437	

1. Shortfalls, Lapses and Deficiencies – Nu. 11.437 million

There was a case of shortfalls, lapses and deficiencies involving Nu. 11.437 million as summarised hereunder:

1.1 *Outstanding advances - Nu. 11.437 million*

The Dzongkhag had advances of Nu. 11.437 million outstanding against various employees, suppliers and contractors. (AIN 7504)

Who are accountable?

Wangchuk, AO & Pema Jungney, Dzongrab

6.11 Dzongkhag Administration, Chukha

During the period, the Royal Audit Authority had issued 2 audit reports of the Dzongkhag Administration, Chukha. There were 50 observations pointed out in the reports involving over Nu. 23.773 million. However, 26 observations amounting to over Nu. 3.472 million were settled. The total unresolved significant irregularities amounted to Nu. 4.025 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Violation of Laws and Rules	0.207	4
2	Shortfalls, Lapses & Deficiencies	3.818	5
	Total	4.025	

1. Violation of Laws and Rules – Nu. 0.207 million

There was a case of violation of laws and rules involving Nu. 0.207 million as summarised hereunder:

1.1 *Abnormal delay in completion of works – Nu. 0.207 million*

The completion of the construction of Paga farm road was delayed by more than 6 months even after the grant of time extension of one month. The 10% liquidated damages accumulated to Nu. 0.207 million. (AIN 7262)

Who are accountable?

Phuntsho Dorji, AE, J.N Pradhan, DE & Pema Wangdi, Dzongrab

2. Shortfalls, Lapses and Deficiencies – Nu. 3.818 million

There were cases of shortfalls, lapses & deficiencies involving Nu. 3.818 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
2.1	Excess payment to employees	0.137	30	T.B Rana, DEO & Pema Wangdi, Dzongrab (Supervisory)
2.2	Outstanding advances	3.681	15	Pema Wangdi, Dzongrab & Tshewang Namgay, AFO (Supervisory)
	Total	3.818		

The cases of shortfalls, lapses & deficiencies are explained below:

2.1 *Excess payment to employees – Nu. 0.137 million*

The General Hospital, Phuentsholing had made excess payment of travelling and subsistence allowance of Nu. 0.137 million. The excess payment had occurred due to non-administration of allowances as per the entitlements, payment of mileage without owning cars and payment of other inadmissible daily subsistence allowances. (AIN 7262)

2.2 *Outstanding advances – Nu. 3.681 million*

The Dzongkhag had advances of Nu. 3.681 million lying outstanding against various employees and contractors. (AIN 7262)

6.12 Dzongkhag Administration, Dagana

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Dagana. There were 16 observations pointed out in the report involving over Nu. 3.867 million. However, 4 observations amounting to over Nu. 2.879 million were settled. The total unresolved significant irregularities amounted to Nu. 0.608 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Fraud, Corruption & Embezzlement	0.028	1 & 2
2	Violation of Laws and Rules	0.042	4
3	Shortfalls, Lapses & Deficiencies	0.538	5
	Total	0.608	

1 Fraud, Corruption and Embezzlement – Nu. 0.028 million

There was a case of indicator of fraud, corruption and embezzlement involving Nu. 0.028 million as explained hereunder:

1.1 *Double payment of salary - Nu. 0.028 million*

The Dzongkhag had paid double salary amounting to Nu. 0.028 million to two non-formal education teachers for the period July to October 2006. The Administration had neither recovered the amount nor any actions taken against the official responsible for the lapses. (Para 1.7, AIN 7372)

Who are accountable?

Purna Kumar Chhetri, Sr. Accountant & Pema, Dzongrab

2. Violation of Laws and Rules – Nu. 0.042 million

There was a case of violation of laws and rules involving Nu. 0.042 million as summarised hereunder:

2.1 *Payment without supporting documents – Nu. 0.042 million*

The Dzongkhag had paid travelling and daily subsistence allowance of Nu. 0.042 million without obtaining proper bills and supporting documents. (Para 2.4, AIN 7372)

Who are accountable?

Bhakta Bdr. Tamang, Surveyor & Pema, Dzongrab

3. Shortfalls, Lapses and Deficiencies – Nu. 0.538 million

There were cases of shortfalls, lapses & deficiencies involving Nu. 0.538 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
3.1	Excess payments to contractors	0.049	1.2	Tandin Wangdi, AE & Namgang Tshering, DE
3.2	Outstanding advances	0.489	3.1	Pema, Dzongrab (Supervisory)
	Total	0.538		

The cases of shortfalls, lapses & deficiencies are explained below:

3.1 Excess payments to contractors – Nu. 0.049 million

The Dzongkhag had made excess payment of Nu. 0.049 million in the construction of the retaining wall at the new guest house. The excess payment had occurred due to payment for quantities in excess of actual quantities of work executed. (AIN 7372)

3.2 Outstanding advances – Nu. 0.489 million

The Dzongkhag had advances of Nu. 0.489 million lying outstanding against various employees, suppliers and contractors. (AIN 7372)

6.13 Dzongkhag Administration, Lhuentse

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Lhuentse. There were 19 observations pointed out in the report involving over Nu. 5.883 million. The total unresolved significant irregularities amounted to Nu. 1.086 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Fraud, Corruption & Embezzlement	0.047	1 & 2
2	Violation of Laws and Rules	0.094	4
3	Shortfalls, Lapses & Deficiencies	0.945	5
	Total	1.086	

1 Fraud, Corruption and Embezzlement – Nu. 0.047 million

There was a case of indicator of fraud, corruption & embezzlement involving Nu. 0.047 million as summarised hereunder:

1.1 *Payment for materials not received - Nu. 0.047 million*

The Dzongkhag had paid Nu. 0.047 million to a contractor on account of supply of sand and aggregates without receiving the materials. Subsequently, the materials were received but no action was taken against the official responsible for the lapses. (AIN 7274)

Who are accountable?

Karma Tenzin, AE & Tshering Chopel, DE

2. Violation of Laws and Rules – Nu. 0.094 million

There was a case of violation of laws and rules involving Nu. 0.094 million as summarised hereunder:

2.1 *Non-adjustment of advances from the running bills – Nu. 0.094 million*

The Dzongkhag had failed to adjust or recover the secured advance of Nu. 0.094 million from the bills of the contractor. The Administration had intimated that the amount had been recovered and would be deposited into Audit Recoveries Account. (Para 3.1, AIN 7274)

Who are accountable?

Karma, JE & Tshering Chopel, DE

3. Shortfalls, Lapses and Deficiencies – Nu. 0.945 million

There were cases of shortfalls, lapses & deficiencies involving Nu. 4.490 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
3.1	Non-refund of advances	0.034	4.8	Late Sherab Gyeltshen, Accountant & Tshewang Norbu, Dzongda
3.2	Outstanding advances	0.911	4.7	
	Total	0.945		

The cases shortfalls, lapses & deficiencies are explained below:

3.1 Non-refund of advances - Nu. 0.034 million

The Dzongkhag had used Nu. 0.055 million from the LC account to pay *semsos* to two of its staff on the understanding that it would be later recouped and adjusted from the salaries of the employees. However, only Nu. 0.015 million had been recouped leaving a balance of Nu. 0.034 million. (AIN 7274)

3.2 Outstanding advances - Nu. 0.911 million

The Dzongkhag had advances of Nu. 0.911 million lying outstanding against various employees and contractors. (AIN 7274)

6.14 Dzongkhag Administration, Mongar

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Mongar. There were 25 observations pointed out in the report involving over Nu. 17.268 million. However, 20 observations amounting to over Nu. 4.500 million were settled. The total unresolved significant irregularities amounted to Nu. 0.311 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Fraud, Corruption & Embezzlement	0.027	1 & 2
2	Mismanagement	0.046	3
3	Shortfalls, Lapses & Deficiencies	0.238	5
	Total	0.311	

1 Fraud, Corruption and Embezzlement – Nu. 0.027 million

There was a case of indicator of fraud, corruption & embezzlement involving Nu. 0.027 million as summarised hereunder:

1.1 Payment of claims at higher rates than the quoted rates – Nu. 0.027 million

The Dzongkhag had paid claims at higher rates than the quoted rates in the supply of chemicals for the science laboratories of two schools. This had resulted in excess claims and payment of Nu. 0.027 million. No action had been taken. (Para 4.3, AIN 7309)

Who are accountable?

Kinley Dorji, DEO & Kanjur Tshering, AO

2 Mismanagement – Nu. 0.046 million

There was a case of mismanagement of taxes involving Nu. 0.046 million as explained hereunder:

2.1 *Outstanding municipal taxes – Nu. 0.046 million*

The Dzongkhag had municipal taxes of Nu. 0.046 million lying outstanding against various individuals as on 31st December 2006. (AIN 7309)

Who are accountable?

Tashi Norbu Sherpa, AE & Tashi Dargay, Dzongrab Gom

3 Shortfalls, Lapses and Deficiencies – Nu. 0.238 million

There were cases of shortfalls, lapses & deficiencies involving Nu. 0.238 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
3.1	Non-forfeiture of earnest money	0.110	5.13	Tappo, Dzongrab, Dorji Sangay, ADEO, Dorji Wangchuk, DLO, Lok Nath Sharma, FO, Tashi Norbu Sherpa, AE, Tashi Dargay, Dzongrab Gom
3.2	Missing documents	0.128	5.15	Chador Phuntsho, AE & Kanjur Tshering, AO
	Total	0.238		

The cases of shortfalls, lapses & deficiencies are explained below:

3.1 *Non-forfeiture of earnest money – Nu. 0.110 million*

In the tender of construction of Basic Health Unit II at Narang, the Dzongkhag had not forfeited the earnest money of Nu. 0.110 million upon failure by the lowest evaluated bidder to execute the work. (AIN 7309)

3.2 *Missing documents - Nu. 0.128 million*

Muster rolls for Nu. 0.128 million pertaining to Kengkhar-Jurmey drinking water supply construction were not made available for verification. (AIN 7309)

6.15 Dzongkhag Administration, Pemagatshel

During the period, the Royal Audit Authority had issued 2 audit reports of the Dzongkhag Administration, Pemagatshel. There were 44 observations pointed out in the reports involving over Nu. 14.657 million. However, 36 observations amounting to over Nu. 3.157 million were settled. The total unresolved significant irregularities amounted to Nu. 8.307 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Fraud, Corruption and Embezzlement	0.488	1 & 2
2	Shortfalls, Lapses & Deficiencies	7.819	5
	Total	8.307	

1 Fraud, Corruption and Embezzlement – Nu. 0.488 million

There were cases of indicators of fraud, corruption & embezzlement involving Nu. 0.488 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
1.1	Payment for goods not received	0.138	6.1 6.4	Sherub Dorji, DEO, Rinchen Dorji, Dzongrab, & B.N Sharma DLO
1.2	Short receipt of books	0.350	6.3	Sherub Dorji, DEO & Rinchen Dorji, Dzongrab
	Total	0.488		

The cases of fraud, corruption & embezzlement are explained below:

1.1 *Payment for goods not received - Nu. 0.138 million*

- a) In the supply of bunk beds to various Schools in Pemagatshel, the Dzongkhag had made payments of Nu. 0.111 million without receiving the goods. (AIN 7732)
- b) The Dzongkhag had booked an expenditure of Nu. 0.027 million for purchase of piglets from the farm without receiving it. (AIN 7732)

No action had been taken.

1.2 *Short Receipt of books – Nu. 0.350 million*

Textbooks and libraries aggregating to Nu. 0.350 million were not received in 6 schools. No action had been taken. (AIN 7732)

2. Shortfalls, Lapses and Deficiencies – Nu. 7.819 million

There were cases of shortfalls, lapses & deficiencies involving Nu. 7.819 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
2.1	Excess payment to contractors	0.155	1.1.4 1.1.5	Ugyen Norbu, Engineer, Lungten Thinley, DE & Govin Tamang AE
2.2	Outstanding advances	7.664	8.2	Paras Moktan, AO (Supervisory)
	Total	7.819		

The cases of shortfalls, lapses & deficiencies are explained below:

2.1 *Excess payment to contractors – Nu. 0.155 million*

- a) The Dzongkhag had made excess payment of Nu. 0.113 million in the construction of 32-bedded Boys Hostel at Tshebar Lower Secondary School. The excess payment had occurred due to difference in the actual quantities of works executed and the quantities paid for. (AIN 7732)
- b) Similarly, the Dzongkhag had made excess payment of Nu. 0.042 million in the construction of 32 bedded Girls Hostel at Tshebar Lower Secondary School. (AIN 7732)

2.2 *Outstanding advances – Nu. 7.664 million*

The Dzongkhag had advances of Nu. 7.664 million lying outstanding against various employees, suppliers and contractors. (AIN 7732)

6.16 Dzongkhag Administration, Samdrupjongkhar

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Samdrupjongkhar. There were 8 observations pointed out in the report involving over Nu. 29.204 million. However, 5 observations amounting to over Nu. 21.423 million were settled. The total unresolved significant irregularities amounted to Nu. 7.761 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Shortfalls, Lapses & Deficiencies	7.761	5
	Total	7.761	

1 Shortfalls, Lapses and Deficiencies – Nu. 7.761 million

There was a case of shortfalls, lapses and deficiencies involving Nu. 7.761 million as explained hereunder:

1.1 Outstanding advances - Nu. 7.761 million

The Dzongkhag had advances of Nu. 7.761 million lying outstanding against various employees, suppliers and contractors. (AIN 7277)

Who are accountable?

Kezang Jamtsho, AAO & Sangay Dorji, Dzongda

6.17 Dzongkhag Administration, Samtse

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Samtse. There were 25 observations pointed out in the report involving over Nu. 3.556 million. However, 16 observations amounting to over Nu. 1.427 million were settled. The total unresolved significant irregularities amounted to Nu. 1.962 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Fraud, Corruption & Embezzlement	0.040	1 & 2
2	Violation of Laws & Rules	-	4
3	Shortfalls, Lapses & Deficiencies	1.922	5
	Total	1.962	

1 Fraud, Corruption and Embezzlement – Nu. 0.040 million

There were cases of indicators of fraud, corruption & embezzlement involving Nu. 0.040 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
1.1	False claims of rural life insurance	0.010	1.1	Kinzang Wangchuk, Revenue Accountant & L.M Gurung, Pugli Gup
1.2	Intentional double claims	0.030	1.2	Kinzang Wangchuk, Revenue Accountant & Dorji, Laharene Gup
	Total	0.040		

The cases of fraud, corruption & embezzlement are explained below:

1.1 False claims of rural life insurance - Nu. 0.010 million

The Dzongkhag had made payment of rural life insurance claim of Nu. 0.010 million against a deceased person who was not enlisted in the census record. Subsequently, the amount was deposited into Audit Recoveries Account but no action was taken against the officials responsible for the fraudulent practice. (AIN 7226)

1.2 Intentional double claims – Nu. 0.030 million

The Dzongkhag had paid rural life insurance claims of Nu. 0.030 million against three persons in 2006 – 2007 who had already been paid in the previous year. Subsequently, the amount was deposited into Audit Recoveries Account but no action was taken against the officials responsible for the lapses. (AIN 7226)

2 Violation of Laws and Rules

There was a case of violation of laws and rules as summarised hereunder:

2.1 Non-maintenance of records

In the construction of ventilated improved pit toilets in Samtse Primary School, the Dzongkhag had not maintained the measurement book impairing the verification of the actual value of work done. The amount paid to the contractor was Nu. 0.194 million against his quoted amount of Nu. 0.120 million. (Para 9, AIN 7226)

Who are accountable?

B.B Mongar, AE & Sonam Gyamtsho, Principal

3 Shortfalls, Lapses and Deficiencies – Nu. 1.922 million

There were cases of shortfalls, lapses & deficiencies involving Nu. 1.922 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
3.1	Excess payment to employees	0.057	2.2.1	Rinchen Tshering, ZLT & Sonam Jamtsho, ADEO
3.2	Outstanding advances	1.865	13.2	Tshewang Dorji, AO (Supervisory)
	Total	1.922		

The cases of shortfalls, lapses & deficiencies are explained below:

3.1 Excess payment to employees – Nu. 0.057million

The Dzongkhag had made excess payment of Nu. 0.057 million to an employee due to error in pay fixation. (AIN 7226)

3.2 Outstanding advances – Nu. 1.865 million

The Dzongkhag had advances of Nu. 1.865 million lying outstanding against various employees, suppliers and contractors. (AIN 7226)

6.18 Dzongkhag Administration, Trashiyangtse

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Trashiyangtse. There were 13 observations pointed out in the report involving over Nu. 5.639 million. However, 8 observations were settled. The total unresolved significant irregularities amounted to Nu. 3.158 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Fraud, Corruption & Embezzlement	0.636	1 & 2
2	Mismanagement	2.176	3
3	Shortfalls, Lapses & Deficiencies	0.346	5
	Total	3.158	

1 Fraud, Corruption and Embezzlement – Nu. 0.636 million

There were cases of indicators of fraud, corruption and embezzlement involving Nu. 0.636 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
1.1	Payments for works not executed	0.065	2.1	Sangla, Extension Forest Ranger & Phuntsho Tobgay, Forestry Officer
1.2	Payments for goods not received	0.571	4.1	Chhoeda Jamtsho, Dzongrab, Sonam Tshering, DE, Jigme Tshering, AE, Passang Dorji, HRO, Namgyel Dorji, AO and Dr. Ugyen Tshewang, Dzongda
	Total	0.636		

The cases of fraud, corruption and embezzlement are explained below:

1.1 Payment for works not executed – Nu. 0.065 million

The Dzongkhag had made payment of Nu. 0.065 million to a forest ranger without ascertaining the execution of plantations works at Therzangri water source. The plantation work was carried out only after the lapses were unearthed by the audit during the physical verification. The Dzongkhag Forestry Sector assured of taking administrative actions against the defaulter. (AIN 7721)

1.2 Payment for goods not received – Nu. 0.571 million

The Dzongkhag had made payment of Nu. 0.571 million to various suppliers without receiving the goods. The payments were apparently made to avoid lapse of funds at the closure of the fiscal year. (AIN 7721)

1 Mismanagement – Nu. 2.176 million

There were cases of mismanagement involving Nu. 2.176 million as explained hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
2.1	Non-collection of urban land costs	0.546	3.1	Jigme Tshering, AE & Chhoeda Jamtsho, Dzongrab
2.2	Non-deposit of sale proceeds	0.031	7.1	Munish Sharma, AO & Chhoeda Jamtsho, Dzongrab
2.3	Retention of huge fund balances at the closure of the financial year	1.599	8.1	Sherab Tenzin, JE & Sonam Tshering, DE
	Total	2.176		

The cases of mismanagement are explained below:

2.1 Non-collection of urban land costs - Nu. 0.546 million

The Dzongkhag had allotted urban lands sometime in December 2007 but cost of land amounting to Nu. 0.546 million were pending collections from various landowners. (AIN 7721)

2.2 Non-deposit of sale proceeds - Nu. 0.031 million

The proceeds of Nu. 0.031 million realized on account of sale of items procured for National Day Celebration and Constitutional Meeting were not deposited into the Dzongkhag Revenue Account. (AIN 7721)

2.3 Retention of huge fund balances at the closure of the financial year - Nu. 1.599 million

The reconstruction of Dechenphodrang Lhakhang was not completed while the final bill payment of Nu. 1.599 million was already booked as expenditure. It was observed that the payment was withdrawn in the form of cash warrant to avoid the lapse of funds at the closure of the financial year. (AIN 7721)

2 Shortfalls, Lapses and Deficiencies – Nu. 0.346 million

There was a case of shortfalls, lapses and deficiencies involving Nu. 0.346 million as explained hereunder:

3.1 Outstanding advances – Nu. 0.346 million

The Dzongkhag had advances of Nu. 0.346 million lying outstanding against various officials. (Para 10.1, AIN 7721)

Who are accountable?

Namgyel Dorji, AO (Supervisory)

6.19 Dzongkhag Administration, Trongsa

During the period, the Royal Audit Authority had issued 2 audit reports of the Dzongkhag Administration, Trongsa. There were 26 observations pointed out in the reports involving over Nu. 18.980 million. However, 12 observations amounting to over Nu. 9.135 were settled. The total unresolved significant irregularities amounted to Nu. 5.509 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Violation of Laws and Rules	0.449	4
2	Shortfalls, Lapses & deficiencies	5.060	5
	Total	5.509	

1 Violation of Laws and Rules – Nu. 0.449 million

There was a case of violations of laws and rules involving Nu. 0.449 million as summarised hereunder:

1.1 Non-levy of liquidated damages – Nu. 0.449 million

The Dzongkhag had not levied liquidated damages of Nu. 0.449 million to a contractor for the delay in completion of the construction of Samchling Middle Secondary School. (Para 2.1, AIN 7485)

Who are accountable?

Singye Wangchuk, JE & M.B Monger, DE

2 Shortfalls, Lapses and Deficiencies – Nu. 5.060 million

There were cases of shortfalls, lapses and deficiencies involving Nu. 5.060 million as explained hereunder:

2.1 Outstanding advances – Nu. 5.060 million

- a) The Dzongkhag had advances of Nu. 0.264 million lying outstanding against various employees and contractors. (Para 3.4 AIN 7485)
- b) The Ta-Dzong renovation project had advances of Nu. 4.796 million lying outstanding against various individuals. (Para 2.1, AIN 7554)

Who are accountable?

J.L Subha, Sr. AO & Tshering Namgyel, Project Manager

6.20 Dzongkhag Administration, Tsirang

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Tsirang. There were 16 observations pointed out in the report involving over Nu. 15.293 million. The total unresolved significant irregularities amounted to Nu. 10.306 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Fraud, Corruption & Embezzlement	0.850	1 & 2
2	Mismanagement	8.824	3
3	Shortfalls, Lapses & Deficiencies	0.632	5
	Total	10.306	

1 Fraud, Corruption and Embezzlement – Nu. 0.850 million

There were cases of indicators of fraud, corruption & embezzlement involving Nu. 0.850 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
1.1	Misuse of revenue	0.751	1.1	Gyeltshen, Revenue Assistant & Tshewang Jigme, Administrative officer
1.2	Non-accountal of revenue	0.022	1.2 & 1.3	Gyeltshen, Revenue Assistant & Tshewang Jigme, Adm. Officer
1.3	Payments for works not executed	0.077	3.1 & 3.2	I.P.Phugyel, JE, Karma Jamtsho, JE & James Lingden, DE
	Total	0.850		

The cases of fraud, corruption & embezzlement are explained below:

1.1 Misuse of revenue - Nu. 0.751 million

Against the revenue collection of Nu. 1.827 million for the period from August 2006 to January 2008, only Nu. 1.076 million was deposited into Government Revenue Account. The short deposit of Nu. 0.751 million was found misused by the dealing Revenue Assistant. Subsequently, the entire amount had been deposited into Audit Recoveries Account and the case is being investigated by the Anti-Corruption Commission. (AIN 7426)

1.2 Non-accountal of revenue - Nu. 0.022 million

The Revenue of Nu. 0.022 million was not accounted in the cashbook. The unaccounted revenue was found misused by the official concerned. Subsequently, the entire amount had been deposited into Audit Recoveries Account and the case is being investigated by the Anti-Corruption Commission. (AIN 7426)

1.3 Payment for work not executed -Nu. 0.077 million

In the construction of BHU- Gr II and the staff quarter at Patala and the construction of principal quarter at Damphu Higher Secondary School, the Dzongkhag had made payments of Nu. 0.077 million for works not executed. Subsequently, the amount was deposited into Audit Recoveries Account. No action had been taken. (AIN 7426)

2 Mismanagement – Nu. 8.824 million

There was a case of mismanagement involving Nu. 8.824 million as explained hereunder:

2.1 *Retention of huge fund balances at the closure of financial year - Nu. 8.824 million (Para 4.1)*

The Dzongkhag had booked an expenditure of Nu. 8.824 million based on the 4th running bill of the contractor in the construction of Mendrelgang Middle Secondary School, Phase II. While the work was not executed due to a conflict between the contractor and the Dzongkhag, the amount was withheld in the form of cash warrant. The amount was charged as expenditure in the books of account apparently to avoid lapse of budget at the close of the fiscal year. (Para 4.1, AIN 7426)

Who are accountable?

Lekey Tshering, AO & G.R.Mongar, SE

3 Shortfalls, Lapses and Deficiencies – Nu. 0.632 million

There was a case of shortfalls, lapses & deficiencies involving Nu. 0.632 million as summarised hereunder:

3.1 *Outstanding advances - Nu. 0.632 million*

The Dzongkhag had advances of Nu. 0.632 million lying outstanding against various officials, contractors and suppliers. (Para 6.1, AIN 7426)

Who are accountable?

Lekey Tshering, AO & Lhendup Wangchu, Dzongda

6.21 Dzongkhag Administration, Wangduephodrang

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Wangduephodrang. There were 23 observations pointed out in the report involving over Nu. 0.618 million. However, 10 observations amounting to over Nu. 0.416 million were settled. The total unresolved significant irregularities amounted to Nu. 0.099 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Shortfalls, Lapses and Deficiencies	0.099	5
	Total	0.099	

1 Shortfalls, Lapses and Deficiencies – Nu. 0.099 million

There were cases of shortfalls, lapses & deficiencies involving Nu. 0.099 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
1.1	Excess payment to suppliers	0.051	1.6	Ugyen Dorji, LRO, Dorji Wangdi, Store Officer, Phub Tshering, Former Dzungda & Sangay Wangchuk, Dzongrab
1.2	Excess payment to employees	0.048	2.1 & 2.6	Sonam Dorji, HRO & Sangay Wangchuk, Dzongrab
	Total	0.099		

The cases of shortfalls, lapses & deficiencies are explained below:

1.1 *Excess payment to suppliers - Nu. 0.051 million*

The Dzongkhag had made excess payments of Nu. 0.051 million by awarding supply contracts to bidders other than the lowest evaluated bidders or by not regulating payments as per the agreed rates. (AIN 7490)

1.2 *Excess payment to employees - Nu. 0.048 million*

The Dzongkhag had made excess payment of Nu. 0.048 million and under payment of Nu. 0.039 million to various employees due to errors in pay fixation. (AIN 7490)

6.22 Dzongkhag Administration, Zhemgang

During the period, the Royal Audit Authority had issued 1 audit report of the Dzongkhag Administration, Zhemgang. There were 28 observations pointed out in the report involving Nu. 8.315 million. However, 12 observations amounting to Nu. 4.589 million were settled. The total unresolved significant irregularities amounted to Nu. 3.636 million as summarised below:

Sl. No.	Observations in brief	Nu. in million	Category Code
1	Fraud, Corruption & Embezzlement	0.160	1 & 2
2	Shortfalls, Lapses & Deficiencies	3.476	5
	Total	3.636	

1 Fraud, Corruption and Embezzlement – Nu. 0.160 million

There was a case of indicator of fraud, corruption and embezzlement involving Nu. 0.160 million as summarised hereunder:

1.1 *Payment for materials not received - Nu. 0.160 million*

The Dzongkhag had made payment of Nu. 0.160 million to a supplier on account of procurement of 745 bags of cement without receiving it. No action had been taken. (Para 1.1, AIN 7344)

Who are accountable?

Phurpa Wangchuk, Gup, L.K Sharma, JE & Sangay Drukpa, Dy. Executive Engineer

2 Shortfalls, Lapses and Deficiencies – Nu. 3.476 million

There were cases of shortfalls, lapses & deficiencies involving Nu. 3.476 million as summarised hereunder:

Sl. No.	Observations in brief	Nu. in million	Para No.	Who are accountable?
2.1	Excess payment to contractors	0.042	2.7	Sonam Dorji, JE & Kelzang Penjor, Dy. Executive Engineer
2.2	Outstanding advances	3.434	5	Tshewang Tobgyel, Dzongrab & Til Bdr. Ghalley, AO (Supervisory)
	Total	3.476		

The cases of shortfalls, lapses & deficiencies are explained below:

2.1 *Excess payment to contractors - Nu. 0.042 million*

The Dzongkhag had made excess payment of Nu. 0.042 million to a contractor in the construction of Livestock Extension Centre at Kaktong. The excess payment had occurred due to payment for quantities in excess of actual quantities of works executed. (AIN 7344)

2.2 *Outstanding advances - Nu. 3.434 million*

The Dzongkhag had advances of Nu. 3.434 million lying outstanding against various employees and suppliers. (AIN 7344)