

# Royal Institute of Management

The Royal Institute of Management is/was headed by the following personnel in the capacity noted against them in the year 2003:

Sl. No.	Name of Office Bearers	Designation
1.	Lyonpo Dr. Jigme Singye	Chairman
2.	Namgay Wangmo	Director
3.	Bina Rai	Finance Officer

Summary of the significant observations is given in the table below:

*Table 1.41 showing summary of the observations by category code and the amount involved.*

Sl. No.	Observation in brief	Amount (Nu. Million)	%	Category code
1.	Outstanding advance	1.088	79.42	1
2.	Procurement without tendering	0.208	15.18	3
3.	Excess payment	0.074	5.40	6
	<b>Total</b>	<b>1.370</b>	<b>100.00</b>	

## Major findings:

### 1. Outstanding advance - Nu.1.088 million.

On a review of Memorandum Register pertaining to the Royal Institute of Management (RIM), Simtokha revealed an amount of Nu.1.088 million lying outstanding against trainees, staff and other parties. It was also observed some old outstanding advances yet to recover.

***Auditee's response:***

*The management submitted that it would make every effort to recover outstanding advances where ever possible and propose for write-off where the chances for recovery are very remote.*

***Who is accountable?:***

*All over due advances must be recovered with commercial interest of 16% p.a. and deposited into audit recoveries account. The responsibility to do so is fixed on the Director & Drawing & Disbursing Officer , Royal Institute of Management.*

## **2. Procurement without tendering - Nu.0.208 million.**

The Royal Institute of Management had carried out the repairs of its fleet of 5 vehicles and procured spares without opting for competitive bidding in contravention to Procurement Norms. The value of such activities amounted to Nu.0.208 million.

***Auditee's response:***                      *The management submitted that such works in future would only be carried out upon calling of quotation.*

***Who is accountable?:***                      *No institute/organization are permitted to overlook the requirement in the Financial Manual, therefore, it must be justified with substantiated reasons. The Director, Royal Institute of Management is held accountable for justifying the lapses.*

## **3. Excess payment - Nu.0.074 million.**

The RIM had hired vehicle for office management and basic book keeping course conducted for geog clerks in different Dzongkhags. On review of the paid vouchers it was revealed that detention charges @ Nu.1800 instead of Nu.700 per day as per rule for 68 days was paid, thus resulting into excess payment of Nu.0.074 million.

***Auditee's response:***                      *The management had submitted that the matter on hiring of vehicle was discussed and agreed in the general meeting that all team members would hire vehicle from the open market and go by the prevailing market rate, whereby a vehicle traveling less than 80 KM a day is payable @ Nu.1800 per day. It was also submitted that RSTA notification elaborated by audit is nice way of looking at the forces of demand and supply chain existing in the market. The rule covers only the demand side but not that of supply and that RSTA rule do not apply to private individuals.*

***Who is accountable?:***                      *Hiring norms of the government must be respected. Therefore, accountability for making excess payment beyond the norms is fixed on the Director & the committee members, RIM. The excess amount paid must be recovered and deposited into audit recoveries account.*