

<p><b>Audit Report</b> : Performance Audit Report on Review of In-country (AIN: 14938)  <b>Schedule of Audit</b> : 10<sup>th</sup> July to 29<sup>th</sup> September, 2017  <b>Date of Issue</b> : 02<sup>nd</sup> February, 2018  <b>Period covered by Audit</b> : 2012 to 2017  <b>Name of Agency (s)</b> : Ministry of Finance  <b>No. of Review</b> : 1<sup>st</sup> Review</p>				
<b>Recommendations</b>		<b>Action taken (as per the detailed action plan/report submitted</b>	<b>Status/progress of corrective actions taken by the audited agency</b>	<b>Reasons</b>
<b>4.1</b>	<p><b>TA/DA rules should be rationalized</b></p> <p>Extant rules of travel distance of 10 KM and tour duration of 8 hours and above for TA/DA entitlements are not rational anymore and have given rise to manipulative practices and irrational claims. It is, therefore, necessary to rationalize these rules. The RAA recommends the following possible courses of actions:</p> <p>4.1.1 Since DA rates also cover cost of accommodation it is not rational to pay full DA for tours not involving night halts. Admissibility of only 50% DA may be appropriate.</p>	<p>The Ministry of Finance had written to RCSC vide letter No.MoF/PPD/RAA/67/2018/1416 dated 21/03/2018 to review and implement the recommendations under Sl.No.4.1 &amp; 4.5 and submit the action taken report to MoF for further submission to the RAA. The follow up/ reminder for the same was sent vide letter No. MoF/PPD/RAA/67/2018/8014 dated 22/05/2018. However, the response from RCSC is awaited.</p>	<b>Not Implemented</b>	<p>Recommendations 4.1.1 to 4.1.6 require MoF and RCSC to discuss and write to RAA on the application status.</p> <p>Just writing to RCSC without actual consultation to address the recommendations cannot be considered as implemented.</p> <p>Further, MoF is yet to receive the action taken report from the RCSC.</p> <p>RAA has also not received any information on the status of implementation from the RCSC as on 18 September 2018.</p>

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<p>4.1.2 The distance of farther than 10 KM may no longer be relevant in view of increased road connectivity and means of transportation. The minimum travel distance requirement should be appropriately increased.</p> <p>4.1.3 No night halts should be permitted for tours within revised minimum distance for local tours. However, due prudence should be exercised to ensure cost effective options.</p> <p>4.1.4 For team travel it would not be prudent to permit mileage claims by individuals. Pool vehicle use or pooling of vehicle may be advisable to minimize the cost.</p> <p>4.1.5 Rules should be revised to specifically disallow payment of DA for carrying out works of routine nature which can be performed within few hours such as delivery of letters, depositing cheques, payment of utilities bills, obtaining signatures, pick and drop etc.</p> <p>4.1.6 DA claims by drivers assigned to garbage trucks, Septic-tank trucks, pick and drop busses, ambulances for duties and to and from Paro airport should be rationalized.</p>			<p>MoF and RCSC should intimate RAA with concrete decision on the implementation status. Otherwise, as per section 123 of the Audit Act of Bhutan 2018, “<i>Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned.</i>”</p>
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<p><b>4.2</b></p>	<p><b>The MoF and MoHCA should rationalize the “dholam” and porter-pony system</b></p> <p>With the advent of Gewog connectivity roads, there would be lesser places entailing travel using porter and pony for more than 8 hours. However, civil servants are still found claiming dholams as per the old rates approved by the respective DTs even for places connected by roads. Thus, there is need to rationalize and revise the dholam entitlements. Proper inventory of motorable roads should be maintained and continuously updated and dholam entitlement regulated accordingly.</p>	<p>The Ministry of Finance had written to MoHCA vide letter No.MoF/PPD/RAA/67/2018/1415 dated 21/03/2018 to review and implement the recommendations under Sl.No.4.2 &amp; 4.3 and submit the action taken report to MoF for further submission to the RAA. The follow up/ reminder for the same was sent vide letter No. MoF/PPD/RAA/67/2018/8015 dated 22/05/2018. However, the response from MoHCA is awaited.</p>	<p><b>Not Implemented</b></p>	<p>This audit recommendation requires MoF and MoHCA to discuss and rationalize the Dholam issue for the payment of Porter Pony to civil servants besides ascertaining inventory of motorable roads in each Dzongkhag.</p> <p>Just writing to MoHCA without actually conducting any consultation to address the recommendations cannot be considered as implemented.</p> <p>Further, MoF is yet to receive the action taken report from the MoHCA.</p> <p>RAA has also not received any information on the status of implementation from the RCSC as on 18 September 2018.</p> <p>MoF and MoHCA should intimate RAA with concrete decision on the implementation status. Otherwise, as per section 123 of the Audit Act of Bhutan 2018, <i>“Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in</i></p>
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				<i>denial of Audit Clearance Certificate to the Head of agencies concerned.”</i>
<b>4.3</b>	<p><b>The MoF &amp; MoHCA should standardize the distance between places</b></p> <p>The existing road mapping of RSTA and Dzongkhags are not comprehensive and many places are not covered. Moreover, the dholams and road mappings approved by the DTs are not readily available. There are thus inconsistencies in distances shown in mileage claims. A clear road mapping showing details of the distances for various places including Gewogs and Chiwogs should be prepared and made widely available to regulate and rationalize travel claims.</p>	<p>The Ministry of Finance had written to MoHCA vide letter No.MoF/PPD/RAA/67/2018/1415 dated 21/03/2018 to review and implement the recommendations under Sl.No.4.2 &amp; 4.3 and submit the action taken report to MoF for further submission to the RAA. The follow up/ reminder for the same was sent vide letter No. MoF/PPD/RAA/67/2018/8015 dated 22/05/2018. However, the response from MoHCA is awaited.</p>	<b>Not Implemented</b>	<p>This audit recommendation requires MoF, MoHCA and other relevant ministry or agency to discuss and come out with a clear road mapping showing details of the distances for various places including Gewogs and Chiwogs should be prepared and made widely available to regulate and rationalize travel claims.</p> <p>Just writing to MoHCA without actually conducting any consultations with relevant agencies to address the recommendations cannot be considered as implemented.</p> <p>Further, MoF has not received action taken report from the MoHCA.</p> <p>RAA has also not received any information on the status of implementation from the RCSC as on 18 September 2018.</p> <p>MoF, MoHCA and other relevant ministry or agencies should intimate RAA with concrete decision on the implementation status.</p>

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<p><b>4.4</b></p>	<p><b>Submission of tour report</b></p> <p>Since tour report provides evidence of works performed during tour and basis for verification of claims, FRR should make it mandatory to prepare detailed tour reports for the purpose of claiming TA/DA. Besides, standard information to be included in the tour report should also be stipulated in the rules. The tour report should have a clear structure representing; dates of the travel, specific purpose and activities performed during the travel amongst other matters.</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>	<p><b>Partially Implemented</b></p>	<p>This audit recommendation requires MoF to require detail preparation of Tour Report mandatory in the FRR with a clear structure representing dates of the travel, specific purpose and activities performed during the travel. MoF has not indicated when this would effect changes in the FRR.</p> <p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p> <p>However, this does not ensure making Tour Report mandatory and capturing uniform information.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, “Any cases remaining</p>

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				<p><i>unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned” if the recommendation is not implemented fully.</i></p>
<p><b>4.5</b></p>	<p><b>Production of vehicle registration document should be mandatory for mileage claim</b></p> <p>As per the RCSC notification on the amendment of section 16.6.6 of the BCSR 2012 and as per the revised BCSR, the civil servants are not required to produce vehicle registration documents to be eligible for claiming mileage. Thus, the officials are claiming mileage irrespective of whether they own or use their private vehicles or not. This provision allows a civil servant to claim undue mileage as a matter of right despite intent of the rules being not to claim mileage as a matter of right. Such claims are irrational and RCSC should reinstate the requirement to produce the vehicle registration documents for claiming mileage.</p>	<p>The Ministry of Finance had written to RCSC vide letter No.MoF/PPD/RAA/67/2018/1416 dated 21/03/2018 to review and implement the recommendations under Sl.No.4.1 &amp; 4.5 and submit the action taken report to MoF for further submission to the RAA. The follow up/ reminder for the same was sent vide letter No. MoF/PPD/RAA/67/2018/8014 dated 22/05/2018. However, the response from RCSC is awaited.</p>	<p><b>Not Implemented</b></p>	<p>This audit recommendation requires MoF and RCSC to discuss on the reinstatement of the requirement to produce the vehicle registration documents for claiming mileage.</p> <p>Just writing to RCSC without actually conducting any consultation to address the recommendations cannot be considered as implemented.</p> <p>Further, MoF is yet to receive the action taken report from the RCSC.</p> <p>RAA has also not received any information on the status of implementation from the RCSC as on 18 September 2018.</p>

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				<p>MoF and RCSC should intimate RAA with concrete decision on the implementation status. Otherwise, as per section 123 of the Audit Act of Bhutan 2018, “<i>Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned.</i>”</p>
<p><b>4.6</b></p>	<p><b>The travels of the employees should be relevant and aligned with their job responsibilities and travel plans</b></p> <p>The travel performed by the civil servants should be in line with the travel plans and their job responsibilities. It is essential for the agencies to ensure that travel plans accord with the individual work plan. Travel should be permitted only if required by the job and not as incentives.</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>	<p><b>Partially Implemented</b></p>	<p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p> <p>This audit recommendation requires to curb unnecessary travels which are not consistent with the Individual Work Plans.</p> <p>No notification was found uploaded in the MoF Website as stated.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, “<i>Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned.</i>”</p>

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				<p><i>Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned” if the recommendation is not implemented fully.</i></p>
<p><b>4.7</b></p>	<p><b>Procedure for approving travel authorizations and travel claims should be strictly adhered</b></p> <p>The agencies must ensure that all the travel procedures prescribed in clause 16.2 of the BCSR 2012 are complied by the respective officials. Considering the wisdom of requiring the travel authorization before making the travels and also requiring the travel authorizations to be signed and countersigned by various authorities, the agencies should ensure that this requirements are fulfilled for making travel claims.</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>	<p><b>Partially Implemented</b></p>	<p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p> <p>This audit recommendation requires to curb unnecessary travels through prior approvals by the competent authority.</p> <p>No notification was found uploaded in the MoF Website as stated.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, “<i>Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned”</i> if the recommendation is not implemented fully.</p>

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<p><b>4.8</b></p>	<p><b>There should be a proper coordination between the controlling and disbursing officers</b></p> <p>The supervisors should conduct a periodic monitoring of the travels made by the employees. Monitoring of travel authorizations, actual travels and maintenance of travel registers, etc by Head of Finance and proper coordination between controlling and disbursing officers would facilitate effective controls over travel claims.</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>	<p><b>Partially Implemented</b></p>	<p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p> <p>This audit recommendation requires to strengthen effective control over unnecessary travels and travel claims through regular monitoring and coordination between controlling and disbursing officers.</p> <p>No notification was found uploaded in the MoF Website as stated.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, “<i>Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned</i>” if the recommendation is not implemented fully.</p>
<p><b>4.9</b></p>	<p><b>Travel should be properly monitored and controlled</b></p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated</p>	<p><b>Partially Implemented</b></p>	<p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p>

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	<p>Presently there is no system of effectively monitoring staff while on tour. Lack of effective monitoring leaves avenues for claiming TA/DA without proper performance of their duties and even remaining absent from their duty stations thereby impeding service delivery. Therefore, there is need for instituting appropriate monitoring system to ensure that officials and staff are in their respective places of tour and carry out their responsibilities effectively.</p>	<p>01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>		<p>This audit recommendation requires to strengthen effective control over unnecessary travels and travel claims through regular monitoring and coordination between controlling and disbursing officers.</p> <p>No notification was found uploaded in the MoF Website as stated.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, “Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned” if the recommendation is not implemented fully.</p>
<p><b>4.10</b></p>	<p><b>Travel budget should be used prudently</b></p> <p>Travel budgets are not being used wisely. Most agencies exhaust their travel budget much before the year end. Frequent travels were found performed by officials and other staffs</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with</p>	<p><b>Partially Implemented</b></p>	<p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p> <p>This audit recommendation requires to exercise prudence in the use and</p>

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	<p>for activities not directly related to their job responsibilities. Officials were also found paid to and fro mileage on daily basis for travelling far off places like Paro and Thimphu as well as full DA indicating lack of prudence in managing travel budget. Transit halts were allowed for travelling to places which can be covered in a day. As required in BCSR agencies should exercise prudence in the use and management of travel budget by encouraging carpooling and discouraging unnecessary travels and halts. Heads of agencies should be responsible to ensure that travel budgets are used prudently in due compliance to travel rules.</p>	<p>regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>		<p>management of travel budgets to avoid travel budgets being exhausted much before the financial year end.</p> <p>No notification was found uploaded in the MoF Website as stated.</p> <p><i>As per section 123 of the Audit Act of Bhutan 2018, “Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned” if the recommendation is not implemented fully.</i></p>
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