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**WHY RAA DID THIS  
STUDY?**

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Article 25.1 of the Constitution of the Kingdom of Bhutan and Section 3 of the Audit Act of Bhutan 2006 states that *“There shall be a Royal Audit Authority to audit and report on the economy, efficiency, and effectiveness in the use of public resources”*. Section 40 of the Audit Act requires that *“Notwithstanding the provisions of any laws relating to the accounts and audit of any public authority, the Parliament, if satisfied that the public interest so requires, shall direct that the accounts of such authority be audited by the Auditor General”*. In line with this constitutional responsibility and in terms of Parliamentary directives received from the National Assembly vide ref. no. PAC (Ga/1)2009/9285 dated 6<sup>th</sup> August 2009, the Royal Audit Authority (RAA) has conducted the *‘Performance Audit on Civil Service Trainings’*.

For the purpose of this study, the RAA selected eight ministries and three autonomous agencies including the RCSC based on budget allocations. However, the education sector being the single largest beneficiary in terms of budget allocation, a separate review was conducted.

The study primarily focused on ex-country training as it constituted major proportion of budget allocation on HRD programme. The overall objective of the audit was to ascertain the economy, efficiency and effectiveness in the use of public resources. In particular the audit was aimed at ascertaining:

- ❖ the adequacy and existence of monitoring and evaluation systems, including the post evaluations;
- ❖ the relevance and effectiveness of trainings availed with reference to specific job responsibilities and agreed core competencies;
- ❖ the frequency of training availed by the concerned official(s);
- ❖ whether the nomination of the officials were in accordance with the prescribed norms, and routed through the HRC;
- ❖ the compliance of laid down procedures and requirements, viz. Audit Clearance, RCSC’s approval (wherever applicable), Security Clearance Certificate etc; and

- ❖ the systems, uniformity in practices and procedures to provide recommendations for better management practices.

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WHAT RAA  
FOUND?

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During the period 2004 to 2009, the Government had utilized 15,411 training slots, consisting of 6,524 in country and 8,887 ex-country trainings. For the eight Ministries and three Autonomous agencies audited, the total slots utilized during the period for ex-country trainings were 6,957. The RCSC as the central personnel agency of the government has streamlined various human resource policies and programmes to enhance transparency, accountability, and efficiency in the delivery of services. Reforms in civil service trainings were brought through the decentralization of short-term trainings in June 2008. The RCSC had also launched the revised BCSR (2010) on 17<sup>th</sup> December 2010.

While notable efforts were put in by the RCSC to enhance civil service administration, the RAA also observed certain weaknesses in the system. Some of the **significant deficiencies and weaknesses** observed were:

- ✘ There is no proper co-ordination between the HR Division and the Project Management in the ministries and agencies which led to ad-hoc trainings through the project and non-compliances of training rules;
- ✘ There were disparities in opportunities for ex-country trainings (both formal and informal) amongst civil servants. 106 officials from the central agencies had a frequency of 5 to 13 ex-country trainings availed over a period of two years (2008 and 2009) while some civil servants at the Dzongkhags have never availed any ex-country training in their service period;
- ✘ 262 officials across ministries and agencies during the period 2007 to 2009 had availed formal ex-country trainings without observing the stipulated training gap requirements;
- ✘ There was no uniformity in the functioning of the Human Resource Committees (HRC). Moreover, some ministries have not even constituted the HRC as yet;
- ✘ Training nominations in MoWHS, MoF, MoEA and NEC were not routed through the HRC;
- ✘ The specialization or developments of skills in some fields through long-term courses e.g., masters, PhD, etc do not correlate to the

current job responsibilities of the officials which impeded value for money;

- \* The GNHC officials acting as focal persons have availed trainings meant for the implementing ministries and agencies, and
- \* Significant stipend variation was observed for the trainings undertaken in countries like India, Thailand and Malaysia.

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**WHAT RAA  
RECOMMENDS?**

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Some of the significant recommendations requiring attentions are:

- ★ HR Division of the ministries and agencies should participate in all the project discussion related to the Human Resource Development programs and activities and ensure that the project activities confirm to the overall human resource development strategic plan;
- ★ The training opportunities should be provided fairly and equitably, rather than extending such opportunities only to a few excessively;
- ★ The RCSC should come up with clarity on the requirement of minimum documentations, both for formal and informal trainings to address the ambiguity observed in documentations across the agencies. Besides, a common framework for the maintenance of the HRD documents should be developed for standardization and uniformity;
- ★ The RCSC being a central agency responsible for human resource management of the entire civil service should strengthen its evaluation and monitoring capacities;
- ★ To promote efficiency and greater transparency, HRC should be constituted across all ministries and agencies;
- ★ With scarcity of resources, the agencies should ensure that officials and staff are trained only in the fields that are relevant to their work to derive maximum value for money through trainings;
- ★ Each agency should come out with Service Delivery Standard to enhance standards of quality, courtesy and responsiveness in the delivery of human resource services, amongst others; and
- ★ The government may look into the possibility of removing the disparities in stipends through alternative measures.



## 2.1 BACKGROUND

The Royal Civil Service Commission (RCSC) as a constitutional body is mandated with the responsibility of planning and implementation of all human resource activities of the civil service agencies. The Commission was established in 1982 under the Royal Charter as an independent personnel agency of the Government.

The RCSC derives its mandates from the Article 26.1, Constitution of the Kingdom of Bhutan, which provides that *“There shall be a Royal Civil Service Commission, which shall promote and ensure an independent and apolitical civil service that will discharge its public duties in an efficient, transparent and accountable manner.”*

*Article 26.5 states that “The Commission shall, in the interest of promoting merit, productivity, and equity, ensure that uniform rules and regulations on recruitment, appointment, staffing, training, transfers and promotions prevails throughout the civil service.”*

## 2.2 PROFILE OF CIVIL SERVICE

The current strength of Bhutan Civil Servants as of June 2010 was 22,018<sup>1</sup>, which comprises of 21,173 regular civil servants and 845 on contract. Of the total civil servants, 52.35% (11,085) are posted in the Dzongkhags and Gewogs. The summary of qualification of the regular civil servants as of June 2010 is as presented in the **Table 2.1**. The table depicts that only 32.09% of the civil servants have a bachelor Degrees and above and the remaining 67.91% have diplomas, certificates and school level education.

**Table 2.1: Regular Civil Servants by Qualification**

Degree	Total	%
Doctorate	17	0.08
Masters	1,161	5.48
P. G Certificates	446	2.11
P. G Diploma	713	3.37
Bachelor	4,456	21.05
Diploma	3,247	15.34
Certificate	9,285	43.85
Class XII	963	4.55
No Qualification	885	4.18
<b>TOTAL</b>	<b>21,173</b>	<b>100</b>

<sup>1</sup> Bi-annual report, Civil Service Statistics, June 2010, RCSC

## 2.3 CIVIL SERVANTS BY AGENCIES

Amongst the ten Ministries, it was noted that the Ministry of Education has the highest number of civil servants with 7,876 constituting 34.88% of the total Civil Service strength as depicted in **Table 2.2**. It had also the highest share of HRD budget allocation of Nu. 1,186.77 million over a period of last five years (2004-2009).

**Table 2.2: Per Capita HRD budget allocation in each agency for the period 2004-2009**

Sl. No.	Agency	Budget allocation (in mil. Nu.)	No. of Civil Servants	Per capita allocation (in mil. Nu.)	Budget Allocation (%)	No. of Civil Servants (%)
1	MoA	567.77	3,197	0.18	14.81	15.04
2	MoEA	176.98	547	0.32	4.62	2.48
3	MoE	1,186.77	7,876	0.15	30.96	34.88
4	MoF	205.37	1,555	0.13	5.36	7.33
5	MoFA	1.85	145	0.01	0.05	0.67
6	MoH	531.73	2,710	0.20	13.87	12.60
7	MoHCA	82.7	1,321	0.06	2.16	6.00
8	MoIC	34.84	355	0.10	0.91	1.57
9	MoLHR	19.89	320	0.06	0.52	1.47
10	MoWHS	121.10	1,580	0.08	3.16	7.11
11	GNHC	44.09	103	0.43	1.15	0.48
12	NEC	69.46	65	1.07	1.81	0.30
13	RCSC	486.99	72	6.76	12.70	0.33
14	Others	303.90	2,172	0.14	7.93	9.74
	<b>TOTAL</b>	<b>3,833.43</b>	<b>22,018</b>		<b>100</b>	<b>100</b>

*Source: 1. Budget & Expenditure, DBA & DPA, MoF  
2. No. of Civil Servants, Civil Service Statistics, December 2009*

Therefore, a separate review was conducted for the HRM activities of the Ministry of Education. In terms of HRD budget allocation vis-a-vis the number of civil servants, it was observed that there was a huge variation in the per capita budget allocation for each agency. As depicted in **Table 2.2**, the NEC had the highest share of HRD budget allocation per person with Nu.1.07 million (figure does not take into account open scholarship and other funding sources that do not have direct financial implication) on average over a period of five years, followed by GNHC with Nu. 0.43 million, MoEA with Nu. 0.32 million and MoH with Nu. 0.2 million. The lowest budget allocation per person has been observed in case of MoFA with Nu. 0.01 million, followed by MoHCA & MoLHR with Nu. 0.06 million each. However, the audit review also revealed that the investments were made only for few officials, and there are still many civil servants who did not avail any ex-country training over their entire service period.

The findings on the Civil Service Trainings of the ministries, autonomous agencies and the Dzongkhags are as detailed below. The audit findings and opinions were primarily inferred from the documents and information made available to the audit team. Some of the findings specific to some ministries and agencies may be prevalent in other ministries and agencies.

### 3.1 Planning and Coordination

#### 3.1.1 Inadequacies in coordination between the Human Resource Division and the Project Management

On reviewing the trainings availed by the MoWHS, MoF, MoA, MoLHR and the NEC officials for the period 2008 to 2009, it was observed that there were frequent cases of ad-hoc trainings availed through various Nationally Executed Projects. Though the trainings had been outlined in the Human Resource Development Work Plan of the related projects, most were not in line with the strategic Human Resource Development Plan of the Ministries and agencies.

The main reasons behind such case are that the HR Division of the ministries and agencies were not involved during the project

**In most of the Ministries & Agencies, the HR Division were not involved in formulating HR plan of the respective donor assisted projects.**

formulation and planning of the Human Resource Development plan of the projects. As a result, the HR Division were not aware of HR Budget allocation, trainings slots, nominations and implementation status of HR components in the respective projects.

Such practice may lead to under achievement of the strategic HRD plan of the ministries as most of the trainings availed had to be reported as ad-hoc activities. It will also result into diversion of the project HRD funds to other areas by the project manager, accounts personnel and related officials of the project management.

#### 3.1.2 Non-sharing of information between the ministries

There were lack of information sharing amongst the parent ministries and agencies using the services of civil servants on the HR activities. This may

impede informed decision making besides resulting to possible non-compliances of laid down norms including the requirement of fulfilling minimum training gap of six months as referred to in Para 3.2.6.

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## 3.2 Documentation

### 3.2.1 Short-comings in the HRD documentation system

The RAA observed varying practices across different ministries and autonomous agencies in maintenance of HRD related documents. Some agencies maintain all of the training related documents with the personal files of the individuals, while other agencies maintain separate training files without proper indexing.

There were still some agencies especially the

**The training information maintained by the RCSC do not correspond to the details maintained by the agencies.**

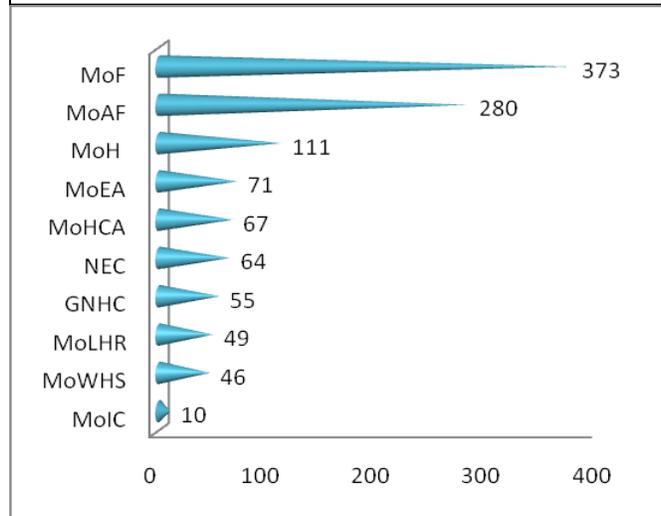
Dzongkhags that do not maintain the HRD documents at all. In addition, most of the Dzongkhag HR section had not updated the service book of its employees, and did not collect the training report or course certificates after completion of the training. Absence of uniform system of documentation impeded effective monitoring of training activities by the responsible agency. The absence of documentation in some agencies also impaired audit verification process.

There were also instances where the training related information as per the system maintained by the RCSC were not corresponding to the information available with the individual agencies. The conflicting information in the database of the RCSC and the individual agency level indicated poor coordination and sharing of information between the agencies, which exposes to risk of wrong decision-making. The variation in information between the RCSC and concerned agencies arose mainly due to non-compliance to the requirement of quarterly training report submission by the agencies and not updating information properly and timely in the system by the RCSC. Thus, the training details with the RCSC were not complete and reliable.

The RCSC guidelines issued vide Circular No. RCSC/HRD(100.00)2007/60 dated 27<sup>th</sup> February, 2007 requires the agencies to keep proper training details. However, the agencies failed to update 1,126 training details for the year 2008 to 2009 as exhibited in **Fig 3.1**. In absence of proper

documentation, the information was gathered from files maintained haphazardly in the agencies. There could still be some information, which the audit could not obtain/capture. Therefore, the figures were computed only from the available information for last two years (2008 and 2009).

**Fig 3.1: Training list not updated by the agencies**



### 3.2.2 Missing HRD Documents for the year 2004 at the Ministry of Economic Affairs

The Ministry of Economic Affairs could not provide training related documents for the year 2004. The reason stated was that they could not trace the documents. Such apathy of the management indicated lack of proper internal control. Without documents being produced to audit for verification, the audit could not establish appropriateness of the procedures followed and compliance to the rules in force. Such instances of missing documents also indicated that no proper handing-taking were done, and accountability system were short-circuited.

### 3.2.3 HRC not functioning as per the Terms of Reference

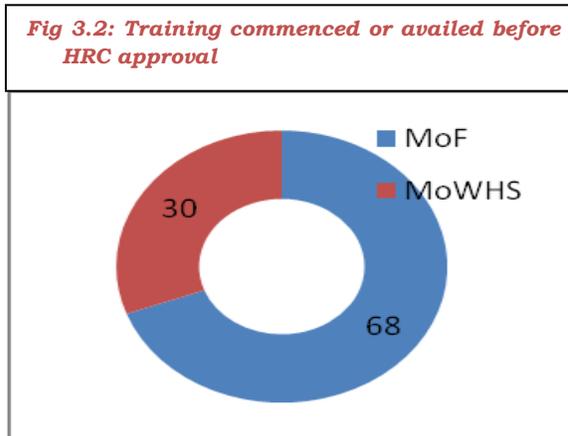
In order to promote efficiency and transparency in the civil service, the RCSC had issued a guideline on implementation of in-service short-term trainings vide circular No.RCSC/HRD(100.00)2008/74 dated 28 May 2008, which clearly outlines the procedures and roles of the Human Resource Committees for Ministry, Agency and the Dzongkhag.

**Many agencies do not follow the Terms of Reference provided for HR Committees.**

However, on review of the training nomination procedures for various agencies, the following inconsistencies and the lapses were observed:

- A. The Ministry of Labour and Human Resource and the Ministry of Home and Cultural Affairs have not instituted Human Resource Committee as on the date of audit. In case of MoLHR, the candidates were nominated by the concerned Department and approved by the Secretary. For MoHCA, the training proposal was prepared by the Human Resource Officer and was approved by the Chief Administrative Officer, Chief HRO and the Secretary.
- B. For Ministry of Agriculture, most of the trainings funded through various bilateral and multilateral sources were received by the Policy and Planning Division and then distributed to the concerned department without routing it through the HRC. In regard to the trainings funded by the NEX projects, the officials availing the trainings put up a note sheet to the Secretary and project manager. If approved, the endorsement of the HRC is sought by the incumbent officials.
- C. As regards the Ministry of Economic Affairs, the candidates proposed for the training were recommended by the concerned department head, verified by the concerned Human Resource Officer and endorsed by the Secretary, without routing through the HRC.

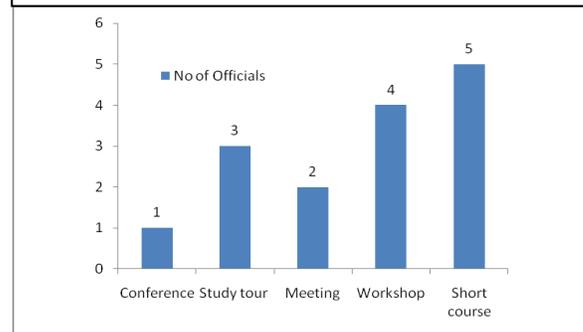
D. In case of Ministry of Finance and Ministry of Works and Human Settlement, the ad-hoc training offers received through bilateral and multilateral sources were distributed to the concerned departments by the HR Division without routing it



through the Human Resource Committee. Since these two ministries convene HRC meeting once a month, 98 officials as depicted in **Fig 3.2** had either commenced or completed their trainings, when the nomination of candidates were discussed at the HRC meetings.

In addition, 15 officials from the MoWHS had availed short term trainings without the HRC approval in the year 2008 & 2009 as exhibited in **Fig 3.3**.

**Fig 3.3: Training availed without HRC approval (MoWHS, Year 2008 & 2009)**



E. None of the Dzongkhags have discussed the HRD issues in their Human Resource Committee.

As revealed from above cases,

there were several inconsistencies in practices and functioning of the HRCs. Some agencies expressed practical problems in convening HRC meetings, especially when members are based at different geographical locations.

### 3.2.4 Nomination flaws resulting into loss of training slots

On review of the training documents for the period 2008 and 2009, it was

**The nomination flaws have resulted into wastage of several training slots offered by the donor agencies.**

observed that lapses in nomination had resulted into loss of training slots as illustrated through following cases:

#### 3.2.4.1 Case in Ministry of Agriculture

Kesang Tenzin, Engineer was nominated to undergo a PG Diploma in Irrigation Water Management funded by GOI, ITEC which was scheduled from July 2008 in India. The RCSC rejected his candidature because he was not eligible for long-term training during first three years including probation period after joining the service. Thus, the slot under GoI, ITEC funding had been lost.

#### 3.2.4.2 Case in Ministry of Labor and Human Resource

A training offer had been received seeking nomination for VET policies and systems management in South Korea vide the MoFA letter no.MFA/BDA-10/107/849 dated January 19, 2009. The HRD nominated Sangay Dorji, Chief Programme Officer, VETD vide letter no. DHR/2008-09/VETD-3/409 dated 22.1.2009. The programme was scheduled to be held from 26.2.09 to 13.03.09. Later, it was noted that the nominated candidate could not fulfill the training gap requirement of 6 month so the Committee did not approve

his nomination. The Committee nominated Kinley Penjor, Principal, RVTI and his nomination was received by the HRD only on 30<sup>th</sup> Jan, 2009. Thus, the nomination was late and the candidate was not accepted for the programme.

#### **3.2.4.3 Case in Ministry of Works and Human Settlement**

Tek Bahadur Chhetri, AE II was nominated to undergo a training on “Standard and Quality Control” scheduled from 13<sup>th</sup> July to 17<sup>th</sup> July 2009 at Malaysia through Malaysian Technical Cooperation Program Scholarship. Though he was selected for the Scholarship, the incumbent had cancelled the trainings on the ground that he wanted to apply for GOI Long term Scholarship announced by the RCSC, for which the ministry had accorded the approval.

Similarly, Pema Rinzin, Engineer, Dagana Dzongkhag was nominated to undergo PG Diploma in Water Resource Development and Irrigation Water Management at IIT, Roorkee, India scheduled from 24 July 2009 to 23 July 2010 under TCS Colombo plan Scholarship. Since the candidate does not hold a bachelor degree, the application was rejected.

The aforementioned cases indicated that the nomination procedures were not followed systematically, resulting into loss of training opportunities which could otherwise have been utilized to train other candidates fulfilling the criteria.

#### **3.2.5 Disparities in short-term training opportunities availed**

On analysis of the training details of the civil servants for the year 2008 and 2009, it was observed that some officials from the central agencies had high frequency of trainings availed as exhibited in **Annexure I**. The review was done only for last two years because of non-availability of complete information and documents for prior years. Therefore, the findings are only for the years 2008 and 2009.

**The officials who availed frequent ex-country trainings were mainly from the central agencies.**

It was observed that over 106 officials from the central agencies had availed ex-country trainings as many as five to thirteen times in two years. The summary of frequency of ex-country training availed is as exhibited in **Table 3.1**. On the other hand, the information gathered from the eight sampled Dzongkhags revealed over 344 officials who have never availed any ex-country trainings in their entire service

**Table 3.1: Summary of frequency of trainings availed by officials during 2008 & 2009 (Agency-wise)**

Sl. No.	Agency	Frequency						TOTAL
		13	12	11	10	9	8-5	
1	MoA	-		1	-	3	23	27
2	MoH	-		2	2	-	14	18
3	MoEA	-		-	-	-	13	13
4	MoLHR	-		-	-	-	3	3
5	MoIC	-		-	-	1	15	16
6	MoHCA	-		-	-	-	6	6
7	MoWHS	1		-	1	-	1	3
8	NEC	1	1	1	2	1	11	17
9	GNHC	-		-	-	-	3	3
<b>TOTAL</b>		<b>2</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>89</b>	<b>106</b>

period, which ranges from 5 to 35 years of service. While the policy in place provide for giving preferences to rural posting, the actual implementation indicated otherwise, with more trainings availed by some officials in the Ministries and central agencies.

Such departure in implementations of the policies indicated flaws in the system, providing opportunity only to few officials. The analysis also revealed that the frequency of ex-country training availed was as high as 13 times in two years, indicating training opportunities of at least once in two months outside country for some officials in MoWHS and NEC. The duration of short-term training was as high as 141 days in the same period. With such disparity in training opportunities, the system has embraced and encouraged knowledge endowment only on few individuals. Such practices of training only few is also indicative that there is no proper succession plan for the organization in the events that highly trained individuals separate from the system.

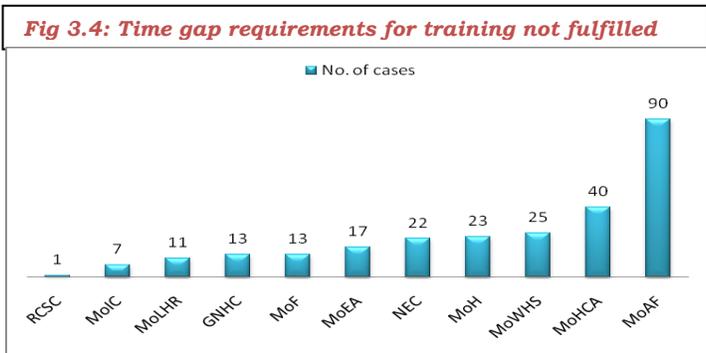
### 3.2.6 Non-fulfillment of the gap requirements for formal trainings

Clause 5.2.3 of the BCSR 2006 states that a civil servant shall not be

**There are more than 262 cases of non fulfillment of training gap by the officials from central agencies.**

eligible for training when the time gap from the last date of ex-country short-

term training and ex-country long-term training is less than six months and one year respectively. The time gap requirement pertains to formal ex-country trainings. However, the audit observed many cases where the trainings were availed without fulfilling the time gap requirement as summarized in **Fig 3.4**. In total, the audit observed 262 cases of such lapses across 8 ministries and 3 autonomous agencies for

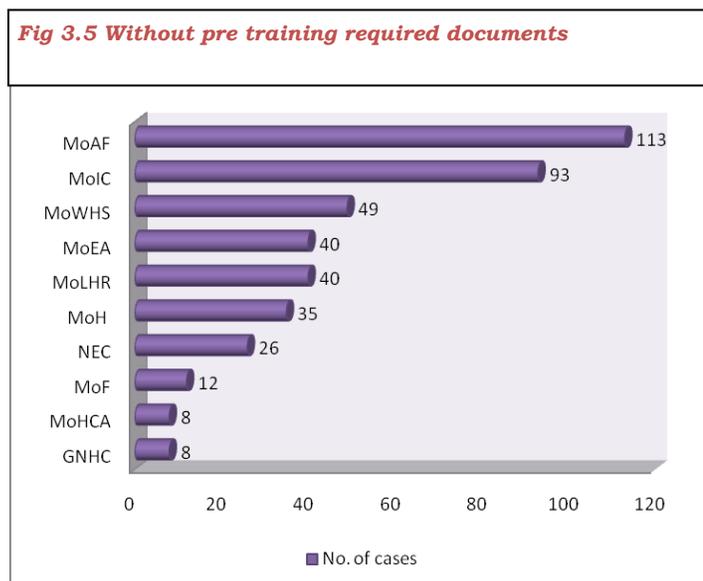


the period 2007 to 2009 as detailed in **Annexure II**. The RAA is of the view that the concerned agencies and the RCSC should monitor and rationalize such trainings and give the opportunity to other civil servants that have limited or never availed the opportunities.

### 3.2.7 Non-submission of essential documents for the Short-term trainings

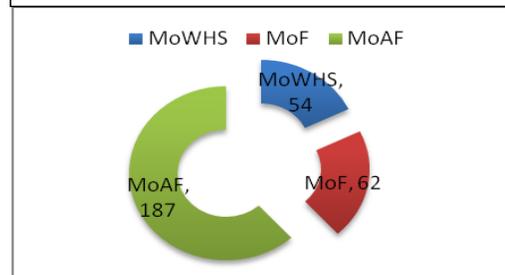
Annexure 9/3 of the BCSR 2006 requires certain procedures to be followed and documents to be submitted before availing the trainings. However, there were many cases where the required documents were not submitted, especially after the decentralization of authority to the agency level. From eight ministries and three autonomous agencies reviewed, 727 officials had not submitted required

documents for trainings during 2008 and 2009. Of this, 424 officials as exhibited in **Fig.3.5** had availed formal trainings without submitting required documents like audit and security clearance along with in-service training nomination form. In



addition 303 officials as shown in **Fig.3.6** did not submit the post training requirements like training/study tour reports and course completion certificates, which are essential for evaluation and monitoring purposes. Similarly, it was observed that the required documents were invariably not submitted in respect of informal trainings when the rules clearly specifies for such requirements.

**Fig 3.6: Formal training availed without submitting post training required documents**



### 3.2.8 Non-compliance to Long-term training obligation

Based on the long-term training documents furnished to audit team for verification, the following observations were made:

#### 3.2.8.1 Late reporting and resignation after completion of the studies

Clause 14.6, Chapter 9, BCSR 2006 (Revised) states that, "In the event a civil servant resigns from the service before serving the stipulated duration, he shall refund the expenditure on pro-rata basis".

Further, Clause 10.2, Chapter 9 of the Bhutan Civil Service Rules and Regulation 2006 states that the candidate on completion of training shall be required to report to the agency concerned upon completion of training along with the joining report, training report

RAA observed 3 officials who have resigned after completion of the Long term training, 4 officials who have not returned on time and 3 officials, who haven't submitted the course completion certificates.

and course completion certificate within two weeks from the completion of the course, after availing the traveling time of two weeks.

In this regard, the RAA observed seven cases from the MoH, MoIC and the MoLHR, where the candidates failed to return on time and resigned from their services upon completion of their studies. Based on the audit observation, the RCSC has initiated actions against the defaulting candidates.

#### 3.2.8.2 Non-submission of course completion certificate

The RAA has also observed three cases of officials from RCSC, MoHCA and MoH, who have not submitted the required certificates after completion of the long term studies, which was in contravention to Clause 10.2, Chapter 9

of the Bhutan Civil Service Rules and Regulation 2006. Since course completion certificate is the testimony for the successful completion of the course, non submission of it, may be construed as non-completion of the course.

Based on the audit observation, the RCSC has initiated actions against the defaulting candidates.

### 3.3 Monitoring & Evaluation

#### 3.3.1 In-adequate monitoring and evaluation of trainings

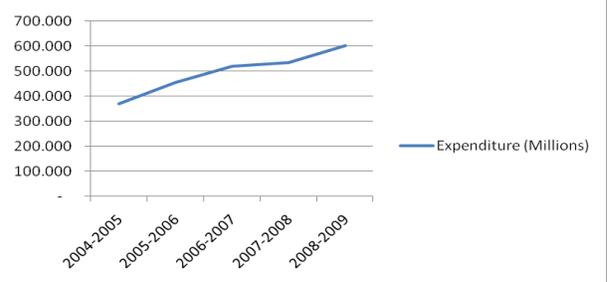
An efficient and economic training output is of little value, if it does not lead to an outcome, which support the objectives set for the training programme as a whole. Evaluating the effectiveness of training depends on being able to measure and assess output in terms of their contribution to the intended outcome.

**Owing to the increasing trend in the expenses incurred on Ex-country trainings, RCSC should establish a Monitoring & Evaluation Unit**

The BCSR 2006 and the subsequent notifications/circulars from the RCSC related to training, require monitoring and evaluation system to assess training impact and make necessary intervention. However, the audit observed that the monitoring and evaluation activities were inadequate. With huge investment on ex-country trainings, which increases every year as reflected in **Fig 3.7**, it was necessary that such trainings were monitored and evaluated appropriately so that the value for money and effectiveness of the investment on ex-country trainings were achieved.

Further, on analysis of the training list of the civil service, it was found that several officials from the RCSC have been trained on Monitoring and Evaluation of the Human Resource in the year 2005 to 2008. However, the RCSC does not have a separate monitoring and evaluation unit established as yet. Since RCSC is the central agency responsible for formulating and implementing of policies

**Fig 3.7: Summary of training expenditures**



related to Human Resource Development of the civil service, the audit team felt that there should be a separate monitoring and evaluation unit/division.

### 3.3.2 Similar trainings availed repeatedly

It was noted in the Ministry of Agriculture, the Ministry of Economic Affairs and the Ministry of Health that there were several repetition of training courses availed through the donor-funded projects.

The RAA also noted that in most of the ministries, the persons who handle the finance and accounts of the donor-funded projects were availing frequent trainings in the same or similar field due to relatively easy access to funding as compared to others. Such practices may result in ineffective use of resources and possible abuse of positions.

### 3.3.3 Trainings availed in irrelevant field

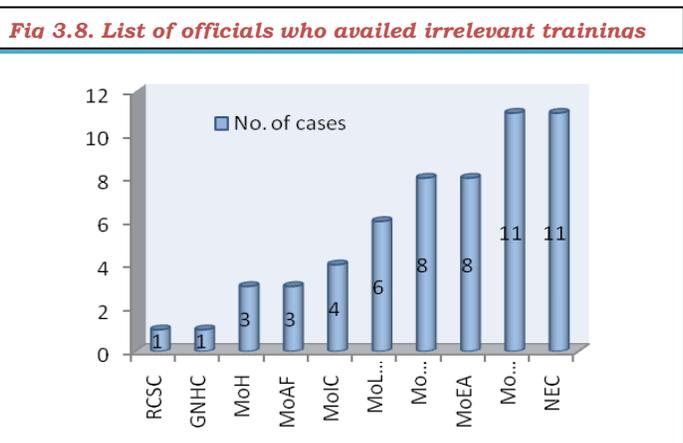
Training and development is critical activity for facilitating meaningful personal development. The

There are instances where the officials are sent on training, which were not relevant to their field and responsibilities.

government regards any training as a professional development mechanism to enhance creativity and productivity. To this end, the HRC of the concerned agency are required to nominate a relevant candidate for the relevant training programme as envisaged in Clause 4.4 of the BCSR 2006, which stipulates, *“The relevance and level of officials for the training programmes shall be determined strictly by the Agency.”*

On review of the training details provided by the agencies for the period 2006 to 2009, it was observed that 56 officials across ministries and agencies had availed trainings not directly relevant to their job responsibilities as exhibited in **Fig. 3.8** and detailed in **Annexure III**.

The main reasons behind



such nominations as observed by the audit team were as below:

1. The officials were either recommended by the sector heads or by the head of the agencies, without properly taking into account their roles and responsibilities.
2. Some officials were nominated for the training by the agencies as a reward or incentives for their hard work and also for not having provided any form of ex-country training previously.
3. The officials like Personal Assistants and Personal Secretaries were nominated for the meetings, symposiums, workshops, study tour or very important forums.
4. The HROs, program officers, project coordinators, focal persons and finance personnel had mostly availed ex-country trainings as they have access to the project funds, slots and the project management.
5. The training offers that were ad-hoc and had limited time to process had also led to participation of non-relevant officials from the central agencies.

The investment on such trainings not directly relevant to the candidates' job responsibilities would result in non-achievement of the optimum benefits of trainings by the organizations. While trainings may also act as an incentive or motivation to hard working civil servants, the primary goal of training to enhance skills should not be undermined. Therefore, the nominating authority has not exercised their authority objectively by nominating officials for trainings in irrelevant fields.

#### **3.3.4 Long term trainings availed does not correlate to the current assignments**

Review of the post training assignments of the officials who had availed long-term trainings indicated cases where the officials that have undergone specialization or development of skills in specific field did not correlate to their current job responsibilities. The trainings availed in specialized field that have no relevance to the current assignments would tantamount to ineffective skills development.

**There are instances where the current job responsibilities do not correlate to post graduate qualifications obtained.**

Therefore, the skills development did not add any value in the effective delivery of services by the officials. Considering huge investment made in providing long term courses including specialized courses, placing such candidates in the fields outside the areas of their specialization may not be prudent use of scarce resources. Such cases observed have been shown in **Table 3.2.**

**Table 3.2: List of officials trained in specialized field that do not correlate to their current job position**

Name & Designation	Course Title & Duration	Present Job Description
<b>Dorji (P), Copyright Officer, MoEA</b>	Masters in Educational Administration with Hons, Australia (Jan '08 to Jul '09)	Intellectual Property Services
<b>Mani Sangye, Dzongrab</b>	M.Sc. Mountain Forestry, Austria (Oct '03 to Sep '05)	General Administration
<b>Monira A. Y. Tsewang, Chief Info. &amp; Media Officer</b>	Masters in Development Administration, Australia (Feb 2001 to Dec 2004)	ICT and Media Services
<b>Dr. Phuntsho Namgyel, Director</b>	PhD in Forest Policy & NTFP, UK (May '02 to Aug '05)	Election
<b>Tashi Penjor, Sr. Env. Officer</b>	MSc in Engineering, Australia (Jan '05 to Jun '06)	NEC
<b>Yeshey Rangrik Dorjee, Drungpa</b>	MBA in Finance, India (Jan 2004 to Feb 2005)	General Administration

Such mismatch between courses undertaken and current job responsibilities were attributed to the rules in place that do not stipulate requirement for relevant qualifications for certain job positions. Instead, a generic requirement of either master or bachelor degree qualifications had led to candidates competing from various fields for positions or job portfolios not at all related to their professional degrees or competency.

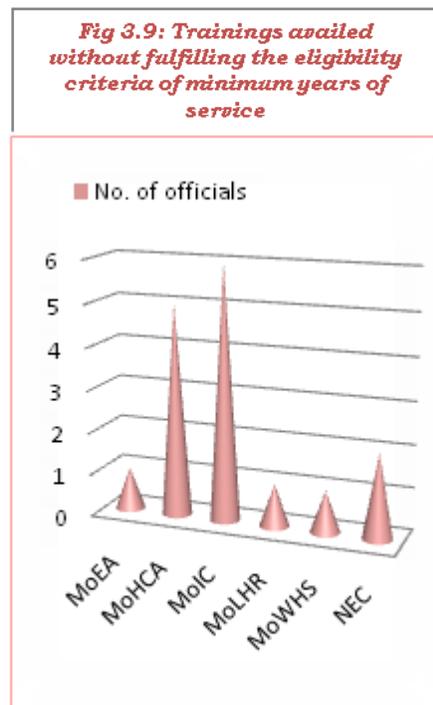
### 3.3.5 Nominations without fulfilling the eligibility criteria of minimum years of service

Clause 5.3.5 of the BCSR 2002 and Clause 5.1.2 of the BCSR 2006 stipulates that a candidate is eligible for the long-term course, if he/she has rendered a minimum of two years of service, excluding the probation

Instances were noted where some officials were sent on long-term studies without fulfilling the eligibility requirements, and some officials were sent on training during the probation period.

period at the time of submitting an application. Similarly, the Clause 5.3.6 of the BCSR 2002 and Clause 5.1.3 of the BCSR 2006 specifies that a candidate has to satisfactorily complete the probation period to avail a short term course, except for the orientation programme conducted by the Agency/RCSC.

However, on review of the training list provided by the concerned agencies for the year 2004 to 2009, the RAA noted cases where MoF, MoEA, MoWHS, MoLHR, MoHCA and NEC had not adhered to the rules stated above as presented in **Fig. 3.9**. Those ministries had nominated officials for long-term trainings before rendering the minimum years of service and short-term trainings during their probation period. The details are as exhibited in **Annexure IV**.



Some of the reasons cited were that the long term professional courses like Indian Administrative Service & Indian Revenue Service were not recognized as a part of PG or Masters Degree and thus, the agencies nominated the officials for the same as there were no other officials willing to avail the course. Some of those trainings were availed because the RCSC had endorsed them on special grounds. Some trainings were availed during the probation period with the notion that symposiums and attachment programmes were not part of training when the rules in force clearly mention that training includes

both formal and informal trainings, and the individuals are not eligible for any kind of trainings during their probationary period. The above training rules were thus not observed.

### 3.3.6 Training slots offered by donor agencies not utilized

Development partners of Bhutan offer fellowships in various fields to civil servants as part of assistance to develop HR capacity. Such assistance has immensely helped in progressing the developmental activities and the

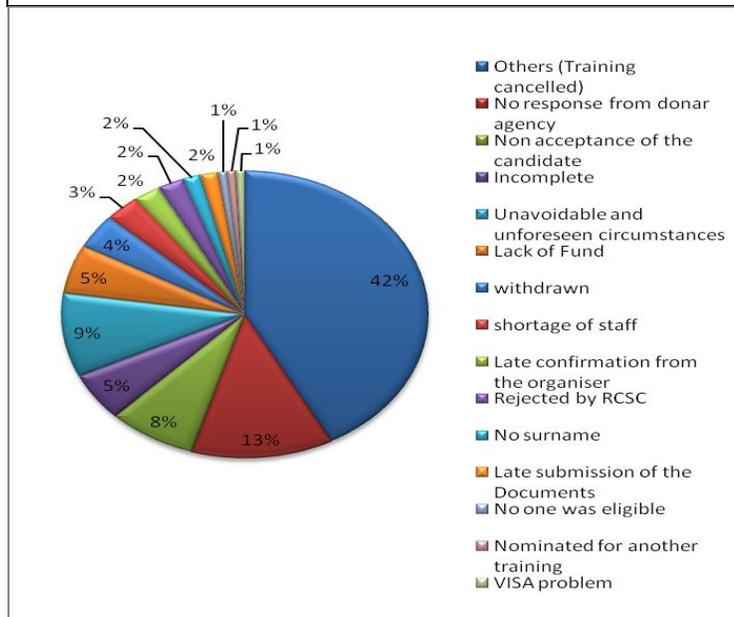
technological advancement. However, the recipient ministries and agencies have not taken the full advantage of the opportunities. The records made available to audit revealed 128 courses being either cancelled or withdrawn

**Most of the trainings slots unutilized were offer received from various bilateral and multilateral sources, which doesn't have a good source of funding.**

by the nominee and rejected by the organizers due to various reasons as illustrated in **Figure 3.10**. As depicted

from the figure, 42 % of the above trainings were cancelled for the reasons not provided to audit. However, it was made to understand that most of the reasons cited for unutilized training slots could have been avoided through proper identification and nomination of candidates, and by observing requirements and procedures prudently. Such reasons as

**Fig 3.10: Summary of training slots wasted on various grounds, offered by the donor agencies**



withdrawal, cancellation due to shortages of staff in the agencies, rejection by the RCSC, late submission of documents, non-fulfillment of working experience, late confirmation from the organizer, and incomplete application are some of the reasons provided for not utilizing the training offers. Most of the unutilised trainings were funded by TICA, SCPTA, MTCP, GOI, ITEC and TCS Colombo plan.

### 3.3.7 Irregular funding of Bachelors Degree Programme funded by RGoB

Tsheten Dorji, Section Officer, HIDP, MoH had been sent for pursuing Bachelor's Degree Programme at Vitus Bering University College, Denmark for 24 months starting 28<sup>th</sup> January, 2006. Only tuition fee was paid by the University. However, other expenses have been borne by the RGoB which

contravenes with the provisions of Clause 3.4, Chapter 9 of the BCSR 2006 which stipulates that the RCSC or Agency shall not provide funds to pursue a full time in-service Bachelor’s Degree Programmes. Such case indicates that the Ministry and the RCSC did not comply with the rules in force. The RCSC and the MOH should take appropriate action as per the BCSR.

### 3.3.8 Large number delegation members for the Conference of Director Generals of Civil Aviations

The Conference of Director Generals of Civil Aviation, Asia Pacific Region is an annual event of the Department of Civil Aviation. Every year the Conference is attended by five to six members delegation led by the Director General with full expenditure borne by the RGoB which amounted to Nu. 457,000 and Nu. 885,000 for the year 2008 and 2009 respectively. Such sheer size of delegations every year costing heavily on the government exchequer does not appear to add much value in the system.

### 3.3.9 Cancellation of Danish Fellowships

Bhutan being a developing country receives several fellowship grants from the Danida Fellowship Centre,

**Cancellation of full scholarship trainings offered by the donor agencies will have repercussion to the Government.**

Copenhagen every year. As the fellowship grants are offered based on the capacity-building framework of the developing countries, the courses are

found to be very relevant to the government.

**Table 3.3: List of officials who cancelled the fellowship offer of Danida**

Name & Agency	Title of the Course	Cancellation Date
<b>Ugyen Wangdi, ACC</b>	Project Management	08/12/2006
<b>Tshering Dorji</b>	Financial Mgt/ Good Governance	21/09/2006
<b>Therchung Kencho, MoHCA</b>	Conflict Management	21/09/2006
<b>Jigme Singye</b>	Integrating Human Rights in	18/10/2006
<b>Chhoeki Penjor</b>	Gender Mainstreaming	25/01/2007
<b>Kunzang Lhamu, GNHC</b>	Gender Mainstreaming	16/02/2007

On examination of the documents, it was found that several fellowship were cancelled by various officials of the respective Ministries and Departments in the year 2006 and 2007 as detailed in the **Table 3.3**.

Because of the cancellations, the Resident Coordinator, Liaison Office of Denmark had served a letter to the Director General, Department of Aid and Debt Management on 23 Feb 2007 stating that Danida fellowship Programme for Bhutan will be kept on hold until a firm commitment has been received from the government that the candidates nominated for the trainings will actually be going for the trainings. The letter also stated that it has drained financial resources of DKK 20,000 to DKK 60,000 on Danida Fellowship Centre depending on the courses and deprived other developing countries from reaping the benefits.

Such lapses from the concerned agencies and ministries had a serious repercussion to the image of the government as it has to rely on the donor-assisted projects. It also shows laxity on the part of the concerned department to identify and nominate right candidates.

### 3.3.10 Focal persons from GNHC availing trainings meant for implementing agencies

On review of the training documents for the period 2007 to 2009 in the GNHC, it was observed that there were several cases of trainings availed by the GNHC focal persons. The trainings were designed for the officials in the respective ministries, agencies, and departments who were in the field to actually implement the activities. Such trainings would have added more value had those been offered to those officials in the field who were in the forefront of implementation.

Such trainings availed by the focal persons are as exhibited in the **Table 3.4**.

**Table 3.4: List of focal persons from GNHC who have availed trainings meant for implementing agencies**

Name & Designation	Title of the Course/Country/Period	Approving Authority	Focal Person For:
Norbu Wangchuk, PO	Study Tour on environmental mainstreaming at Bangkok & Korea (14/01/08 – 20/01/08)	NEC	MoA
Sonam Chokey, APO	Training on child right sensitization Bangkok (9/06/08 – 19/06/08)	Planning Commission	Autonomous Agencies,
	Workshop on child wellbeing at Nepal (6/05/08 – 08/05/08)	Planning Commission	MoFA & MoF

<b>Tshering Wangmo, APO/CDCD</b>	Training on child right sensitization at Bangkok (2/06/07 – 15/06/07)	MoFA & UNICEF	
	Workshop on Education Policy and Right to Education at Nepal (17/09/07 – 20/09/07)	MoFA	MoE
<b>Yeshey Pelzang, PO</b>	Conference on Advocacy to achieve Universal Access to Reproductive health services at Nepal (28/07/09 – 30/07/09)	N/A	MoH
<b>Wangchuk Namgay, PO</b>	Training Project Monitoring & Evaluation, PPP & project design in Road Infrastructures at P/Pines (3/10/09 – 14/10/09)	MoWHS	MoWHS
<b>Khandu Dorji, PO</b>	Training Project Monitoring & Evaluation, PPP & project design in Road Infrastructures at P/Pines (3/10/09 – 14/10/09)	MoWHS	MoWHS

Since the focal persons were looking after the relevant agencies/departments and ministries, they have easy access to fund and at the advantageous position to process for any training. This may also result in conflict of interest situations besides impeding achievement of intended objectives of the programmes.

### 3.4 Policy review

#### 3.4.1 Significant Stipend variation in the Scholarship availed in Thailand, Malaysia and India

The government of Bhutan received several trainings offers from various bilateral and donor agencies for the capacity building of the key sectors. On review of the training files, it was observed that there was huge disparity in the stipend and Daily Subsistence Allowance even within the same country.

Few of the cases were as exhibited in **Table 3.5**.

**Table 3.5: Stipend provided under different scholarship**

Funding Agencies	Donor Stipend	RGoB rate
TICA, Thailand	Thai Baht 7,000 Plus accommodation	USD 800 for first month & USD 700 for the subsequent month
MTCP, Malaysia	Malaysian Ringgit 1,200/month	USD 900 for first month & USD 800 for the subsequent month
GoI Scholarship	Rs. 7,800/ month; Rs. 6,000/year as contingent grants	Capital Cities: Rs.20,000/month Other Places: Rs.16,000/month

TICA, Thailand	Thai Bhat 500/day	USD 130 per day
MTCP, Malaysia	Malaysian Ringgit 1,200/month	USD 130 per day

The subsistence allowances provided under these scholarships were much below the RGoB's rates, which resulted into very few takers of the scholarship in the region with possible loss of training opportunities. Since most of the slots offered under such bilateral and donor agencies were very relevant to the government, there was a need for reviewing and addressing the disparity in stipend and DSA for the civil servants availing scholarship in this region.



Based on the audit findings and further discussions and analysis, the following recommendations are made to address the identified deficiencies and weaknesses in the system:

**4.1 The Human Resource Division should be involved in all the HR activities of the Nationally Executed Projects**

Though the concerned department and sector should route their project proposals through the Policy and Planning Division to mobilize external funds, Human Resource Division should be actively involved in all training activities of the NEX Projects. They should inform HR Division of their respective ministries and agencies of all HR proposals and activities. The HR Division should participate in all the project discussion related to the Human Resource Development programs and activities and ensure that the project activities confirm to the overall human resource development strategic plan of the ministries. Further, the GNHC being the nodal agencies for coordinating and management of external assistance within the framework of the Development Cooperation Policy, it should refer to the HR master plan, when it receives proposal from the concerned ministries and agencies to fund for short term trainings.

**4.2 The HRD documents and record of training data should be properly maintained**

All the documents related to the HRD should be properly filed with appropriate indexing. This will ensure uniformity and adequacy in the maintenance of the documents.

The RCSC should also determine HRD document retention period specifying the minimum period of retention. These documents and information are crucial for effective monitoring and evaluation.

The agencies and the RCSC should maintain and regularly update HR Data. The trainings availed by the individuals should be entered in the list with complete information. Availability of full range of training data would allow

the management to make informed decisions as a good information system helps proper planning, analysis, coordination, effective monitoring and effective decision-making.

#### **4.3 The HRC's terms of reference should be reviewed**

One of the functions of HRC is to equally and fairly distribute trainings amongst the officials, nominate a right candidate, and tackle the Human Resource gaps in the organization. The agencies not having the HRC constituted should institute HRC for carrying out HR function. For the training nomination of the Dzongkhag officials, the parent ministries should nominate their staff stationed at the Dzongkhag in consultation with the Dzongkhag administration through HRC at the Dzongkhags.

The RCSC may also review the composition of HRC members, especially for those larger agencies where regular HRC meetings is not possible given the voluminous activities.

#### **4.4 The documentation requirement for informal trainings should be clarified**

Currently, the agencies across the civil service do not maintain the documents for such type of trainings whereas Clause 8.1.3, Chapter 9, BCSR 2006 and Annexure 2 of the guidelines for implementation of in-service short term trainings issued vide circular no. RCSC/HRD(100.00)2008/74 dated 28th May, 2008 provide for requirement of complete documents. Therefore, there should be proper clarity on the minimum documentation requirement for informal ex-country trainings, so that there would be consistency and uniformity of maintenance of documents across the civil service.

#### **4.5 The monitoring and evaluation of the trainings should be periodically conducted**

The training programmes should succeed in achieving the expected outcome. The post training monitoring and evaluation should be carried out in order to ascertain if the organizational needs are being met and performance of civil servants improved through the training programmes implemented. The inadequacy of performance review could also lead to failure in detecting inappropriate and poor quality trainings.

The RCSC in consultation with concerned agencies should develop adequate post training impact assessment systems. Although the importance of evaluation needs to be balanced against the cost involved, it is imperative that the concerned agencies have proper evaluation system if the trainings are to be effective in assessing whether its trainings and development programmes are meeting the objective set.

The RCSC may also look into instituting a system of monitoring the academic performance of candidates undergoing long-term studies by setting mandatory requirement of minimum GPA for each semester as practiced by certain scholarship providers. Such system may check on the performance of the candidates and minimize incompleteness of courses, and thus achieving the value for money investment on long-term trainings.

**4.6 The trainings availed by the finance and accounts personnel in the same field should be rationalized**

The accounts and finance personnel in the agencies deal with standard system of accounting. The training facilities for these systems are available adequately within the country. Therefore, the ex-country trainings for accounts and finance personnel in such fields are not justified. There were also cases of ex-country trainings being repeatedly availed in the same or similar field by the accounts personnel through donor-assisted projects. Therefore, such nominations for repeated ex-country trainings should be avoided.

**4.7 The right people should be trained in the right field**

Training should be a planned and systematic activity to impart knowledge or develop individual or group skills and attitudes for the purpose of improving performance. The effective training should focus on the needs of the organization, delivered in short time frame and result in improved performance. Thus, it is of utmost importance that the right people are selected to avail the right trainings. For the trainings awarded as reward or incentives for their services, the concerned agencies should look for the trainings which are relevant to their work.

The agencies should identify and select the right candidates for trainings based on the relevance to his/her works so as to derive optimum return from the training investments. Besides, the practice of nominating the focal persons of the GNHC for courses allocated to implementing agencies should be avoided.

**4.8 Officials trained in specialized fields should be deployed in relevant job**

There were cases where officials trained in specialized field investing huge resources were deployed in positions which were not relevant to their field of expertise and specialization. Considering the shortages of human resources in such specialized field deployment of such highly trained people in other positions particularly in administrative services may not be prudent and judicious. The RCSC may review existing policy in this regard and take corrective actions to avoid such cases of mismatches.

**4.9 The training reports should be submitted to the RCSC in prescribed forms**

The agencies should strictly adhere to the monthly/quarterly reporting requirements and other procedures of the RCSC to facilitate smooth coordination, proper planning, and monitoring.

The RCSC should also ensure that those reports are timely received and regularly up-dated into its information system. Such system in place would allow the RCSC to make timely interventions and enhance effective decision-making and monitoring.

**4.10 The disparity in the training opportunities amongst civil servants should be properly studied, and mechanism instituted to promote balanced and sustainable human resource development**

The training opportunities, especially the ex-country trainings should be provided fairly and objectively amongst the officials and agencies. The trainings serve the purpose of professional developments as well as motivational tools to enhance output of individuals. Therefore, the practice of providing training opportunities to only few excessively should be avoided.

Else, such practice would only encourage indispensable civil servants in the system, and pose problem on their separation from the system.

The proper interventions should also be made to balance HRD budget allocation amongst the agencies in the civil service. The distribution of training opportunities between the central agencies and the dzongkhags/regions should also be rationalized as majority of the civil servants are employed in the Dzongkhags. The policy of giving preferences to the rural postings may need strict implementation.

**4.11 The training slots offered by the development partners should be properly utilized**

The development partners of Bhutan have been offering fellowships in various fields as a part of their assistance to build up civil service capacities. Therefore, the concerned agencies should take optimum advantage of training offers by ensuring compliance of required procedures and avoiding wrong nominations, cancellations and withdrawals, except for the reasons beyond their control.

**4.12 The agencies should initiate to develop Service Delivery Standard**

Each agency should come out with Service Delivery Standard to enhance standards of quality, courtesy and responsiveness in the delivery of human resource services, amongst others. The Standards would allow individual service provider with clear direction of their duties. It would also promote accountability of each civil servant in the system, and avoid grievances. Institution of Service Delivery Standard would also lead to uniformity of practice in HR activities across the civil service.

**4.13 The stipend variation between the RGoB's scholarship and offer from the developing partners in Thailand, Malaysia, India and others may be reviewed and rationalized**

The wide disparity in stipend paid by the RGoB and some donor countries for scholarship in countries like Thailand, Malaysia, India and others discourage takers for scholarship provided by these donor countries. Therefore, the RCSC may need to review and rationalize the variation in the stipend

provided by the donor and RGoB for encouraging takers for donor scholarship in these countries.

**4.14 Cases of late return and tendering of resignations upon completion of courses should be reviewed and appropriate actions taken**

The RCSC needs to review cases of late return and tendering of resignations by officials upon completion of courses and take appropriate actions as per the BCSR. It may also be necessary to devise ways and means of ascertaining dates of completion of exams and convocation dates through exchange of letters with the universities and institutions so that timeframe may be specified within which the candidates should report to the RCSC and respective agencies upon completion of their courses. While the RCSC has initiated actions on the reported cases, it should also institute further mechanism to discourage such practices.

**4.15 Efforts should be made to maximize the use of training offers**

Since training courses enhance the skill and competence of civil servants, it is imperative that offers received are promptly reviewed and nomination procedures completed correctly and in time to avoid loss of such opportunities due to rejections owing to incomplete documentations, wrong identification and nominations of candidates, late submission of nominations and for other reasons. The RCSC may in this regard appropriately advise the ministries and agencies concerned and devise ways and means to minimize the incidences of loss of offers for trainings.

**4.16 Government funding for bachelors degree programme to in-service civil servants should be avoided**

The RCSC should review the cases of funding made by the government in respect of in-service civil servants pursuing bachelor degree programmes including the case reported by the RAA as the extant rules do not allow such funding besides taking appropriate corrective action.

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