



Audit finds major flaws in travel claims

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The Royal Audit Authority (RAA) has uncovered civil servants making table tours or fictitious tours during its review of in-country travel by civil servants.

The RAA audited travel and daily allowance claims of civil servants in the agriculture ministry, Paro, Punakha, and Thimphu dzongkhags during the financial year 2016-17.

It found that officials had claimed travel and daily allowance (TA/DA) amounting to Nu 1.110 million (M) without actually travelling or travels for which TA/DA was inadmissible. (See box for details)

“While many tours are fabricated with supporting documents, the RAA was informed during the audit that table tours are usually entertained by the management during the close of financial year,” the RAA report which was made public on June 20 states.

Cases of TA/DA claims without tours worth Nu 1.11 million

Instances	Agency
Signing the attendance registers while officials were on tour (Nu 45,778)	MoAF, Thimphu, Paro, Punakha dzongkhags
Performing familiarisation tour in the peak of election time and mismatch of common forum schedule with travel dates (Nu 39,630)	Thimphu and Punakha dzongkhag
Accounts personnel on tour usually during June closing time (June) (Nu 209,195)	MoAF, Thimphu, Paro, and Punakha dzongkhags
Signing of cheques and vouchers while on tour (Nu 10,000)	Thimphu dzongkhag
Husband and wife claiming same amount of TA/DA in a month for travelling to same places and dates (Nu 125,104)	Punakha dzongkhag
Conducting familiarisation tour during peak of winter in Naro gewog (Nu 52,000)	Thimphu dzongkhag
Overtime payment to ESP/GSP made through travel (Nu 18,648)	MoAF, Paro and Punakha dzongkhags
Travel without purpose (Nu 409,246.92)	Paro, Punakha, and Thimphu dzongkhags
Claiming TA/DA as well as overtime payment (Nu 70,900)	MoAF
TA/DA claims by two employees without performing tours (Nu 79,800)	Ministry of Health
TA/DA claims by four employees without performing tours (Nu 50,381)	Flood warning section, Ministry of Economic Affairs

A messenger at agriculture minister’s office has claimed TA/DA for 153 days in FY 2016-17 worth Nu 70,900 and he made an overtime claim for 139 days amounting to Nu 18,648. The messenger claimed an average of Nu 10,128 monthly as travel claims and 504 hours of overtime. All claims the messenger made neither mentioned the purpose of the tour nor were there any verifications of the supervisor on the overtime payment forms.

“Even so, all the payments were approved by the hon’ble Lyonpo and passed by the head of the finance,” the report states.

The messenger’s statement to RAA stated that the messenger was in office almost every day until 9pm and sometimes beyond such hours. The claimant attended office even on weekends for official work and meetings at the conference hall.

The RAA observed double or overlapping payments made to the messenger and his overtime payments invalid.

“Lack of proper monitoring and control by the head of finance and supervisor have resulted in double payments,” the RAA report states.

For the financial year 2016-17, an amount of Nu 3.32 million has been paid as TA/DA to the ESP and GSP employees of Paro, Punakha and Thimphu dzongkhags.

On verification of the payment vouchers, it was observed that the payments were mostly made for activities like reaching letters to the gewogs and lhakhang caretakers, chadis and dismantling the chadi, reach nyendar and tshogs to the lhakhangs and for cleaning and collecting dustbins from the collection points. On discussion with relevant authorities in the dzongkhags, it was informed that the payments were made as incentive and overtime allowance as the ESP/GSP were engaged beyond their normal working time.

Other significant deficiencies and weaknesses the RAA observed were inconsistent provision in the travel rules, travel budgets not used prudently, and inadequate controls over processing and scrutiny of travel claims, among others.

“The Bhutan Civil Service Rules 2012 (BCSR, 2012) and Financial Rules and Regulation 2016 indicated varying provisions related to submission of tour reports. Moreover, the existing provision of requiring 8 hours absence from the workstation to claim half DA and 12 hours absence or more to claim full DA encouraged manipulation of time for claiming TA/DA,” the report states.

The finance ministry responded to RAA stating that while the BCSR provides for all officials to submit tour report to claim TA, FRR provides room for those not required to submit tour reports to be exempted, thereby reducing the administrative burden.

Dzongkhags

RAA also found that most of the agencies exhausted travel budget much before the year-end. Officials and other staff were also found to have made frequent travels for activities not directly related to their job responsibilities.

Lack of standardised route inventory was attributed for inconsistencies in the mileage claims by the agencies.

Instances of approving Dholam(porterage) by the dzongkhag tshogdu despite places being connected by roads and availability of public transport were observed.

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It was observed that drivers in Paro, Punakha and Thimphu assigned to garbage trucks, septic-tank trucks, pick and drop buses, ambulance and many other pool vehicles claim DA on a daily basis as their work jurisdiction is farther than 10 kilometers. Claims made by waste collector drivers and pool vehicle drivers in 2016-17 was Nu 797,450.

RAA states that the nature and extent of irregularities observed in the past suggest that these irregularities are still wide spread in many agencies.

The report highlights significant accomplishments and initiatives, as well as shortcomings and deficiencies observed by the RAA. The RAA observed various notable and prudent measures like carpooling system in Bhutan Agriculture and Food Regulatory Authority, requiring approved note-sheet and office order in Thimphu dzongkhag, road mapping within gewogs and chiwogs and rationalising the travel allowance/daily allowance (TA/DA) entitlement in Punkaha dzongkhag and a comprehensive tour report format in National Plant Protection Centre (NPPC) instituted in order to effectively manage the travel budget.

Annually, travel expenditure (in-country travel) forms more than 8 percent of total current expenditure of the country excluding travel expenditures booked under work charges, both in-country and ex-country trainings and in-country meetings.

For the years 2012-13 to 2016-17, of the total current expenditure of Nu 104,079.9 million, an expenditure of Nu 8,453.66 million was incurred for in-country travel expenditure. It is the third highest current expenditure item after pay and allowances and interest payment, which accounted for 8.12 percent of the total current expenditure of the government.

Of the total in-country travel expenditures, 20 dzongkhags incurred Nu 3,587.7 million during the period 2012-13 to 2016-17, representing 42.43 percent, followed by 10 ministries accounting for 38.49 percent and 38 autonomous agencies accounting for 19.07 percent.

Among the ministries, agriculture ministry incurred the maximum in-country travel expenditures, accounting for 45.18 percent of the total expenditure incurred by the 10 ministries.

Among the dzongkhags, Trashigang incurred the highest, accounting for 8.83 percent of the total during the same period.

For the financial years 2012-13 to 2015-16, an amount of Nu 8.5 million has been recorded as financial lapses related to travel claims without performing the tour, irregular/inadmissible payments and travel payments made without adequate supporting documents.

The audit authority also found poor initial estimation and misallocation of budgeted sub-activities. Most of the expenditures were not made as per the budget segregated for each sub-activity. In Social Forestry Division Nu 0.3 million was allocated for monitoring of National Level Community Forest. However, only 24 percent of the expenditure incurred was for monitoring purpose and the rest were spent for other purposes.

At the agriculture minister's office, a total of Nu 0.523 million was allocated for in-country travel expenditure and verification of the expenditure indicated that 34 percent of the expenditure was exhausted by other departments rather than the minister's office.

"The budget proposals are generally based on the previous estimates without assessing the activities for the current year," the report states.

RAA's review of the in-country travel focused on legal and policy, implementation and management and control environment. The RAA reviewed records and interviewed relevant officials of the agriculture ministry, dzongkhag administrations of Thimphu, Paro and Punakha and proximity of the agencies. The agencies were chosen based on the travel expenditure trends incurred over the years between 2012 and 2017. The RAA also reviewed the past audit reports and related issues observed in the ongoing audits of other agencies.

The audit was conducted to ascertain if the travel claims are for bonafide purposes in respect of travels actually performed, duly authorised, approved, classified, paid and recorded accurately.

Recommendations

Based on the audit findings, the RAA provided some recommendations that are aimed at improving the system.

TA/DA rules should be rationalised, the finance and home ministries should rationalise the "dholam" and porter-pony system and standardise the distance between places, and make submission of tour reports mandatory.

Producing vehicle registration document for mileage claim, adhering to procedures to approve travel claims, and proper coordination between the controlling and disbursing officers, were other recommendations.

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