



Audit questions legality of RUB's university allowance

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The Royal Audit Authority has flagged the Royal University of Bhutan for paying university allowance without the recommendation of the second Pay Commission but on Cabinet's approval and for paying the allowance during long-term studies.

According to the audit report of August 2018, the 15 percent university allowance paid from July 2013 to June 2018 is worth Nu 153.57 Million (M). The inadmissible payment of university allowance for long-term studies amounts to Nu 6.078M for the period 2013-2017.

University allowance without the pay commission's recommendation

The RAA found that the payment of university allowance to RUB staff on the approval of the Cabinet was not consistent with Article 30 of the Constitution on the Pay Commission.

On August 10, 2012, the Cabinet secretariat had written to the finance ministry stating that the 138th Lhengye Zhungtshog, approved the payment of 15 percent University Allowance to staff of RUB from the first year of the 11th Plan.

The finance ministry on August 15 responded stating that such allowances to public servants had to be recommended by the Pay Commission as per the Constitution and requested the government to reconsider the decision. The cabinet secretariat and the finance ministry exchanged similar letters in March and April 2013 and again in August 2014.

Through the correspondences, the audit noted that the finance ministry had expressed reservations in view of the constitutional stipulations while the cabinet had insisted on paying the allowance.

The finance secretary's letter of August 26, 2014 had stated the ministry receiving another letter from the Cabinet reiterating the earlier letters and conveying that notwithstanding the opinion of the ministry, it was not possible to change the decision at that state. It had also stated that the second pay commission had deliberated the issue but not recommended the 15 percent university allowance.

No budget was provisioned for the allowance in the 2014-15 fiscal year. Should the government wish, the finance ministry had proposed two options – provide pay revision at par with civil servants and not refer to the 15 percent university allowance or to provide the 15 percent university allowance without a pay revision.

“However, the RAA observed that the RUB has been paying 15 percent university allowance to its employees from fiscal year 2013-14 along with benefits of pay revision, which was effective from July 2014,” the audit report states.

The audit found that a major portion of the RUB budget was drawn from the government exchequer in the form of student fees. “As such, the payment of 15 percent university allowance along with pay revision without respecting the provisions of the Constitution was not proper,” the report, states.

RUB’s response

Following an executive order granting it autonomy in March 2010, the RUB through its inter-ministerial committee (RUB, MoF, MoE, GNHC) had submitted a proposal to the finance ministry and the cabinet to support the funding of 15 percent university allowance.

The cabinet, it states, approved the proposal twice despite concerns from the finance ministry. The pay commission did not recommend the proposal because RUB falls outside its mandate. RUB states that it requested the cabinet again on August 2014, but the finance ministry stood by its views and did not provide the funding.

RUB states that on September 12, 2014, the University Council, in its 30th meeting directed the RUB to pay the 15 percent university allowance from RUB’s own revenue if not approved by the government. According to RUB, the University Council, instituted by the Royal Charter, remains the supreme governing authority of the Royal University.

The chair of the University Council, former foreign minister Damcho Dorji who also provided additional response said the allowance was paid as per the approval of Lhengye Zhungtshog.

“The university council in its 30th meeting had emphasised the need and importance of compensating employees of the RUB adequately to attract and retain the best talents in the university in the overall interest of delivering quality education,” the chair stated. “The Council directed the university to continue to pay the 15 percent University Allowance from its own revenue, if no budgetary support is bring provided by the ministry of finance.”

However, the RAA states that the legality of the payment of university allowance is questionable and requires to be recommended by the pay commission as may be formed by the government of the day. Kuensel learnt that the audit issue has not yet been resolved.

Inadmissible payment during long-term study

The RAA found that for the period 2013-2017, the RUB paid 15 percent university allowance to officials on long-term studies worth Nu 6.078M. Of the total inadmissible amount, Nu 763,559 was paid after RUB’s adoption of the HRM manual.

The payment was found to be in contravention of the Bhutan Civil Service Rules (BCSR), 2010 and RUB’s HRM manual 2017.

After it was delinked, the RUB, in its 20th Council Meeting on July 2011 had decided to adopt the BCSR 2010 as an interim measure as the RUB then did not have its own service manual.

Audit found that the BCSR 2010 was however, not followed. Chapter 9, clause 8.2.8 of the rules states, “allowance of any form shall not be paid during the training period, when the duration exceeds one month.”

The RUB, in its response to the RAA stated that the payment during long-term study was provided as per the approval of the University Council Human Resource Committee on May 12, 2014.

“The decision was made based on the need to incentivise faculty to undertake higher studies especially in India,” the RUB’ response stated. “It may be mentioned here that RUB being an autonomous organisation does not receive scholarships from donor agencies except for a few based on competition and most people have to got to India for cost reasons.”

The RUB HRRR 2017, RUB states, encapsulates this by stating that, “a staff shall be paid basic pay, university allowance and house rent allowance only while on long term professional development.”

The audit observation today stands resolved after the vice chancellor wrote to RAA stating that unclear rules following its delinking had led to the payment of the allowance. His response stated that RUB has stopped paying the allowance for long term studies.

However, a closer look shows that rules were clear. The university council had decided to adopt the BCSR, 2010 until it farmed its own service manual. The BCSR and the HRM manual state that this allowance shall not be paid during long-term studies.

Sonam Pelden