

## **Thromde council approves study tour to its members**

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### *RAA observes conflict of interest*

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In 2018, seven Thimphu Thromde Thuemis were sent on a study tour to South Korea. The 10th Thromde tshogde decided the study tour.

The Royal Audit Authority (RAA) after in its financial audit report of the thromde's current account stated that it was a clear case of conflict of interests. The tshogde (council) comprising of the seven same theumis approved the two- week tour from November 8 to 24.

The audit team found that they were paid a total of Nu 782,092 as daily sustenance allowance (DSA). The thromde didn't keep budget provision for the ex-country study tour. "The expenditure was instead booked under the travel outside the country," the report stated.

The audit, which was conducted from July 2018 till June 2019, showed that the ex-country tour was availed after receiving an invitation from UNITAR CIFAL Jegu, South Korea. The Thromde tshogde was conducted on February 27, 2018 at Chuniding Resort, Serbithang.

"The Thromde management should appropriately comment on undertaking such ex-country travel without budget provision," the report states. "The office should also explain the non-according of approval of a study tour from a competent authority, which is works and human settlement ministry."

The Thromde had not yet responded to the observation.

The RAA pointed out that the thromde should note that internal revenue generation hardly covered the current expenditure and still receive a huge subsidy from the government. "Thromde must exercise prudent use of the tax money," the report recommended.

In another Thromde tshogde, held in October 2018, the committee members decided to pay a one-time cash allowance of Nu 100,000 to the new executive secretary. The cash was paid as a cash contribution "to support his office joining ceremony."

The tshogde in the past decided the cash contribution when a new executive secretary and Thrompon joined office.

In its response to audit, thromde management stated that there was no definite amount to contribute and that the management decided on Nu 100,000 to adjust from internal revenue. However, it was also decided to budget this amount under the entertainment budget.

During the review, the audit team found that as per the finance ministry's revision of allowances and benefits of public servants in the local government do not cover the cash allowances to the executive secretary or Thrompon.

“Instead such allowance or remuneration shall be either governed by the Local Government members entitlement Act or by the Pay Revision Act,” the report stated. “Therefore, the cash contribution to executive secretary ultra vires the law in force.”

The audit commented that tshogde or management could not exercise such authority that is not in its power and set such precedence in the Thromdes.

Although the audit is yet to receive an explanation from Thromde, it recommended that Nu 100,000 must be recovered and Thromde tshogde must abide by Local Government Act 2009.

In another case, the audit team also found the inadmissible payment of DSA amounting to Nu 32,607 to eight thromde officials and violated BCSR 2018.

The report stated that BCSR 2018, Clause 16.4.9 allows DSA payment for only two days’ halts for a round trip on official travel besides halts in transit, irrespective of the source of funding.

However, these officials had claimed for three days beside DSA claimed for transits. The amount ranges from Nu 4,000 to Nu 9,000 each. The team has asked the Thromde office to recover the amount from concerned officers.

Thromde officials justified that the officials were not aware that the round trips halts are entitled to two days and the claim was made, as they were unaware of BCSR Clause. It was also claimed with the understanding that 8-hour transit will have an additional cost on the agency.

Officials also stated that since they do not receive such third country training frequently, they took a day’s halt in Thailand for exposure and sightseeing. “We hardly get to fill up TA/DA forms, the claim was made for actual travelled days,” the justification stated.

Since the Audit Exit meeting could not be conducted owing to the risks of Covid-19 pandemic, the RAA finalised the report based on the replies furnished by the Thimphu Thromde.