

## Chapter XIII Ministry of Labour and Human Resources

The Royal Audit Authority during the year had issued 9 inspection reports of agencies under the Ministry of Labour and Human Resources. The following officials headed the Ministry and departments under it during the year 2004:

Sl. No	Name of Office bearers	Designation
1.	Lyonpo Ugyen Tshering	Minister,
2.	Dasho Pem L. Dorji	Secretary
3.	Pema Wangda	Director, Department of Labour
4.	Dawa Gyeltshen	Director, Department of Human Resources
5.	Karma Tshering	Director, Department of Employment
6.	Sangay Dorji	Director, Bhutan Vocational Qualification Authority
7.	Nim Dorji	Head, Administration & Finance Division

The following table exhibits the summary of the findings in a consolidated form:

Table 1.35 showing the summary of the observations by category code and the amount involved.

Sl.No	Observation in brief	Amount (Nu. Million)	%	Category Code
1.	Outstanding advance	3.949	94.70	1
2.	Excess payment	0.221	5.30	6
3.	Review of selection system of candidates for Youth Exchange Program and Korean-Bhutan Cooperation Foundation	0.000	0.00	16
	<b>Total</b>	<b>4.170</b>	<b>100.00</b>	

### Major Findings:

#### 1. Excess payment – Nu. 0.221 million

Various agencies under the Ministry of Labour and Human Resources had made excess payment amounting to Nu. 0.221 million as shown in the table below:

Table 1.36 showing the agencies which had made excess payment.

Sl. No.	Agencies	Amount (Nu. Million)
1.	Royal Bhutan Institute of Technology	0.094
2.	National Institute of Zorig Chusum	0.098
3.	National Institute of Zorig Chusum	0.029
	<b>Total</b>	<b>0.221</b>

A. A total sum of Nu. 0.094 million were paid excess DSA to the following officials of RBIT during the short-term training on Project Planning and Management and repair of electronic equipment in India as detailed below:

Sl.No	Name & Designation	US \$	Excess payment (Nu. Million)
1.	Kezang Chhodar, Principal	1,193 @48	0.047
2.	Nima Dukpa, Lecturer	1,193@48	0.043
3.	Sangay Dorji, Sr. Instructor	250@48	0.004
	<b>Total</b>		<b>0.094</b>

The officials under Sl.no 1 & 2 were paid DSA of \$181.00 instead of \$ 100.00 per day for 10 days and \$90.00 for 5 days. As per the RCSC circular the DSA of US \$ 100.00 is admissible for training period less than 10 days and half DSA for exceeding 10 days in India.

On the contrary the official under Sl.No. 3 was paid \$100.00 per day although the source of fund was same. However, he was paid DSA twice for one day resulting into excess payment of Nu. 0.012 million. The balance of Nu. 0.004 million has to recovered.

**Auditee's response:** *The Institute explained that the officials were paid according to the circular issued by RCSC where it was mentioned that \$181.00 to be paid if it was funded by DANIDA. However, it was agreed that excess DSA would be recovered on installment basis.*

**Who is accountable?:** *Until such times it is deposited into the Audit Recoveries Account with commercial interest of 16% p.a the concerned officials are held responsible.*

**B.** As per the Ministry of Finance the hire charges for the private vehicle is Nu. 9.00 Per k.m for long body 4WD and Nu. 700 for halt charges. However, the National Institute of Zorig Chusum had paid from the SDA project for the financial year 2001-2002 at a higher rate thus resulting into excess payment of Nu. 0.054 million. Similarly, for the Financial Year 2002-2004, the NIZC had made an excess payment of Nu. 0.044 million on account of hire charges for private vehicle.

**Auditee's response:** *Response awaited.*

**Who is accountable?:** *The excess amount should be deposited into the Audit Recoveries Account and the responsibility is fixed on Jigme Cholen Yezer, Principal, Thinley Wangchuk, Assistant Principal and Jamtsho, Project Accountant.*

**C.** The project management of National Institute of Zorig Chusum had entertained 4 to 5 days as enforced halts for the officials who had attended the short term training on Vocational Education Training at Philippines, FDDI, India & Training on casting and Prorated in Himalayan Pure House, Nepal. As per the circular from Ministry of Finance, the enforced halt entertained is at the most for 2 days only for a round trip. This resulted into an excess payment of Nu. 0.029 million as shown below:

Sl. No.	Name & Designation	Enforce halt claimed (US\$)	Admissible (US\$)	Difference	Exchange rate	Excess payment (Nu.Million)
1.	Jamtsho, Sr. Accountant	130 x 4 days = 520	130 x 2 days = 260	260	45	0.012
7.	Singye Karma, Instructor	100 x 4 days = 400	100 x 2 days = 200	200	46.10	0.009
8	Dawa Penjore, Instructor	120 x 5 days = 600	120 x 2 days = 240	360	44.30	0.008
					<b>Total</b>	<b>0.029</b>

**Auditee's response:** *The Institute submitted that the excess payment would be recovered.*

**Who is accountable?:** *The excess payment should be deposited into the Audit Recoveries Account with commercial interest of 16% p.a and the accountability to do so is fixed on Jigme Cholen Yezer, Principal, Thinley Wangchuk, Assistant Principal and Jamtsho, Project Accountant.*

## 2. Outstanding advance – Nu. 3.949 million

Various agencies under the Ministry of Labour and Human Resources had not adjusted the advance against officials and suppliers as shown in the table below:

*Table 1.37 showing the agencies which had not adjusted the advances.*

Sl. No	Agency	Amount (Nu. Million)
1.	Royal Bhutan Institute of Technology	0.055
2.	National Institute of Zorig Chusum- SDS Project Phase II	3.680
3.	National Institute of Zorig Chusum	0.214
	<b>Total</b>	<b>3.949</b>

**Auditee's response:** *The agencies had assured that the outstanding amount will be liquidated and the outcome would be intimated to the RAA.*

**Who is accountable?:** *The old outstanding advances should be deposited into the Audit Recoveries Account with commercial interest of 16% p.a the accountability is fixed on Kezang Wangdi, AFO.*

*Pema Gyeltshen, Project Manager and Samten Wangdi, Project Accountant is held accountable to adjust/deposit into the Audit Recoveries Account.*

*Jigme Cholen Yezer, Principal, Thinley Wangchuk, Assistant Principal is held accountable to adjust/ deposit into the Audit Recoveries Account.*

## 3. Review of selection system of candidates for Youth Exchange Program and Korean-Bhutan Cooperation Foundation

The Department of Employment and Labour had conducted various programs to create self-employment opportunities for students who could not complete their higher studies or those unemployed. The programs offered were:

- a) Youth exchange program with Holland, to create more concrete and realistic images of the society and culture in the minds of the youth both in Bhutan and The Netherlands for a period of 10 months;
- b) Korean- Bhutan Cooperation Foundation (KBCF) to provide vocational training in Bakery, Beautification, Boiler Making, Electronic Repairs, Carpentry,

Mandarin Cultivation and Souvenir Making, as of now 16 candidates had completed the work. However, on review of the documents it revealed that two candidates who had participated in the Youth Exchange Program were selected again for KBCF, thus defeating the objective of providing fair and equal chance. It revealed lack of fairness and transparency in the selection criteria and procedure, which has provided sufficient room to be subjective in the decision of the selection committee.

**Auditee's response:** *It was intimated that the decision to allow the participant to take part in both the programs were made jointly by the department and KBCF as the two programs had different objectives. The Youth program was to help understand the culture and tradition, concept of sustainable development, work ethics, employment and labour issues while the KBCF aimed to provide an opportunity to acquire basic skills to help them create an opportunity for self employment. Further, the candidates would not be eligible for credit guarantee scheme loan (free of collateral) offered by the financial institutions for self-employment. The Department stated that the selection was done by a committee comprising of representation from BCCI, DEL and KBCF, Both oral and written examination were conducted and procedures followed strictly in line with the in country training rules and regulations.*

**Who is accountable?:** *Since both programs have common objectives of employment and labour issues, the justification provided is not acceptable. The accountability is fixed on Karma Tshering, Director, DEL.*