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ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG



MoF/R-Circular/2009/4568
April 9, 2009

NOTIFICATION

As a measure to control and minimize wasteful expenditures, the Ministry of Finance hereby issues reminders and directives to all government agencies to comply with the following cost reduction measures:

1. Travel

1.1 Mandatory tours and travel by field personnel:

Mandatory tours and travel by field staff used to be practised in the past. Circulars No.F.DBA/Budget/2004-05/2758 dated 30th September 2004 and MoF/R.4/2008/1614 dated 15th January 2008 were issued with the objective to do away with this practice. Hence, the directives in the circular should be enforced strictly. Tours should be undertaken for specific purposes only and staff should not be required to take up the so called mandatory tours.

1.2 Travel on vehicle pooling basis:

Any official travels requiring the use of pool vehicles may be optimized by vehicle pooling or tying up the schedule and places of tours amongst different sectors in the agencies, in order to save on mileage claims or vehicle use.

1.3 Daily allowance (DA) for official travel

In addition to DA entitlement provision 5.1 on page 175 of BCSR 2006, DA shall be paid only when an official tour involves overnight halt in the place of the tour assignment.

1.4 Travel outside Bhutan

The burden to the country's exchequer from the cost associated with travelling abroad by government officials is significant despite several cost reduction measures taken in the past. Air ticket being one of the major cost components, the Ministry of Finance issued circular No. MoF/R.4/ 2349 dated 18th February 2002 with the directives to arrange air travel by the shortest route possible incurring cheapest fare. Hence, this is to remind all the



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agencies to strictly adhere to the air ticketing process prescribed in the above cited circular. Further, air ticket quotations should be called separately for each travel and not on a periodical basis as notified vide MoF/Circular/2009/4299 dated 30th March 2009.

1.5 Time- barred approval:

The Ministry of Finance receives time barred payment approval requests for TA/DA claims by officials on return from long term studies (for claims related to their travel to headquarters to complete pre-training formalities with respective Ministry & the Royal Civil Service Commission) and payment of bills for construction activities that are carried over from one financial year to another. Such claims are not to be treated as time-barred and hence need no approval of the Finance Ministry. This is in view of the fact that there is continuity, and the claims and unsettled accounts against any initial advance taken remains valid until the activities are fully completed. However, such claims should be made *within one month of the completion of the activities/studies.*

2. Telephone, Faxes, Internet & Office Supplies

Office supplies and utilities are required throughout the year and its cumulative expenditure for the government takes a significant share of the annual total budget. There are opportunities to scale down expenditures especially in the use of telephones, faxes, internet, office supplies, etc., For this reason, the government has decided to enforce the following cost cutting measures in the use of office supplies & utilities:

- 2.1 Reduce paper wastage by *endorsing copies to only relevant offices* and also by avoiding duplication & stockpiling of copies that are unnecessary. Staff should be encouraged to optimize the use of stationery, for example by *using both sides of a paper.*
- 2.2 Discontinue the practice of providing *bags, note pads and pens* for office use and during meetings/workshops.
- 2.3 Optimize the use of *emails and other internet facilities* for correspondences and sharing draft to save costs on telephones and papers.



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- 2.4 Promote the use of Intercom and PABX system to do away with the *direct telephone lines* to officers below Heads of Agencies.
- 2.5 Where direct telephone lines are provided, the officials should be provided with call barring facility by the Administration to ensure full accountability by the officer.
- 2.6 Install *time limit calls restriction*, so that calls get automatically disconnected if the time taken exceeds the allowable time. This is required particularly to control international calls.
- 2.7 Discontinue the system of reimbursement of telephone calls *made from residence*.

3. Pool Vehicles' Rules

The amended version of 1999 rules on use of pool vehicles was issued vide circular No. 19/FMS/2000/3777 dated 13th January 2000, and a more recent addition on the rules titled "Additional Rules on the use of pool vehicles" was issued vide circular No. MoF/R.4/9568 dated 24th May 2005. These are two circulars containing major rules on the use of pool vehicles. In addition, numerous other guidelines and circulars both new and reminders have been issued. The Ministry of Finance reminds all agencies to strictly enforce the rules and regulations on the use of pool vehicles.

4. Advertisement & Publicity

With significant budget allocated to procurement activities every financial year and the rules requiring publicity of quotations for competitive bidding, government agencies have been spending huge money on advertisement and publicity through both print media and television. To control expenditures without undermining the importance of wider publicity, all government agencies are requested to implement the following cost reduction measures:

- 4.1 The directives for placing of government advertisements in the print media was issued vide circular No. MoF/R.4/3212 dated June 26, 2007. In implementing the directives, government agencies are advised to use the media that is most suitable and appropriate in terms of budget availability, type of advertisement and reach.



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4.2 Government agencies with internet facilities should optimize the resource by using their *website* for advertisement.

4.3 Advertisements and notifications on glossy paper should be stopped.

5. Entertainment & Hospitality

The Government has issued many circulars requiring government agencies to exercise due control in expenditures on hospitality & entertainment during official functions. The following circulars were issued to this effect:

- a) MF/CAO(2)/85/2890 dated 19th July 1985
- b) 19/MFS/01/2913 dated 13th March 2001, and
- c) F.DBA/ Budget/2004-05/2758 dated 30th September, 2004.

In keeping with the situation of limited resources, all government agencies are requested to strictly comply with the following cost cutting directives while hosting official functions:

- 5.1 Only Ministers/Secretaries/Heads of Agencies shall provide official dinners. The number of guests shall be limited to reasonable size as may be relevant for the occasion. Simple lunches or receptions should be considered as options, in order to save costs.
- 5.2 No *foreign alcoholic drinks* (and expensive local products) shall be served during official entertainments.
- 5.3 *Dancers and entertainment groups* shall be used only for important occasions. Since there are now many groups providing such service, quotations should be called. Fooding for such entertainment groups should be arranged at lower cost than the guests. Further, no *soilra* beyond the fees should be paid.

6. Purchase of Computers

The Government has noted that there has been a considerable increase in the number of computer procurements including laptops in recent years. Notwithstanding the need for one computer each, many officers have both



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desktops and laptops in their names. Providing both is a luxury since they serve the same purpose. Therefore, where laptops are provided, Heads of Agencies must ensure that the officers are also not provided desktop computers. Excess ones should be withdrawn for distribution to those without a computer.

The Ministry of Finance solicits kind cooperation and support from all agencies for strict enforcement of these rules and procedures.

All the previous circulars referred herein are uploaded along with this notification at www.mof.gov.bt

A handwritten signature in blue ink, appearing to read 'Lam Dorji'.

(Lam Dorji)

Finance Secretary

All Government Agencies

Copy to:

1. Hon'ble Chairman, Royal Civil Service Commission.
2. Cabinet Secretary, Cabinet Secretariat, Tashichho Dzong.
3. Chairperson, Anti Corruption Commission.
4. Auditor General, Royal Audit Authority.
5. Director, Department of National Budget.