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ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG



MoF/R-Circular/2012/ 694

8 June 2012

Circular

Subject: Enforcement of cost cutting measures by Government Agencies

As part of the efforts to cut down wasteful expenditures, the Ministry of Finance would once again like to bring to the notice of all government agencies the following directives for strict compliance and enforcement.

1. *Entertainment & hospitality:* Many circulars and notifications have been issued advising government agencies to exercise control in expenditure during official functions, the last being Circular MoF/R-Circular/2009/4568 dated 9th April, 2009.
 - i. 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 lunch or reception should be considered as options.
 - ii. No imported alcoholic drinks shall be served during official entertainments.
 - iii. Dancers and entertainment groups shall be used only for important occasions.
2. *In-country meetings:* Some government agencies, citing disturbance and irregular participation of officials, hold 'Retreats' outside Thimphu which are very expensive. The practice of holding such "Retreats" shall, hereafter, not be permitted.
3. *Foreign travel under RGoB funding:*
 - i. Foreign travel through RGoB funding shall be confined to only those cases involving bilateral and multilateral commitments.
 - ii. Where economy class air tickets are provided under donor assistance or other sponsors to government officials who are normally entitled to travel by business class, no top up from RGoB funds will be permitted for upgradation to business class.
 - iii. In order to avoid the need for extended stopovers and ineligible claims for DSA, Government officials should travel only after obtaining confirmed tickets.



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4. *DSA for in-country training:* DSA for in-country training as provided for in the BCSR 2010 shall be admissible only where the training course is conducted by registered training institutes.
5. *Government advertisements:* Many government agencies are still not following the directives contained in the Ministry of Finance Circular No.MoF/R.4/3217 dated 26th June, 2007. It is again stressed that the type of media used must be most suitable and appropriate in terms of budget availability, type of advert and reach required, and that there is no need to have the advertisements put in all papers at the same time.

Advertisements on glossy paper and long supplements shall not be permitted.

This is issued with the endorsement of the Committee of Secretaries during its 39th meeting held on 3rd May 2012.

(Lam Dorji)
Secretary

Copy to:

1. The Cabinet Secretary, Cabinet Secretariat, Thimphu.
2. The Auditor General, Royal Audit Authority, Thimphu.
3. The Director, Department of National Budget, MoF, Thimphu.
4. All Government Agencies.
5. All Heads of AFDs.