

Govt. spends over Nu 126 million on entertainment and discretionary grants

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Thukten Zangpo

The government's hospitality and entertainment expenditures in the past three years crossed a whopping Nu 91 million, according to the Royal Audit Authority's (RAA) Annual Audit Report 2023-24.

This amount was spent across 10 ministries, the Supreme Court, the National Council, the National Assembly, and the Cabinet Secretariat.

In addition, these agencies combined together spent Nu 35.23 million on discretionary grants.

In this wake, the RAA has recommended the government to come up with clear guidelines on hospitality and entertainment expenses.

While some guidelines have been issued, they have often been vague, allowing room for broad interpretation. As a result, officials have justified expenses not explicitly disallowed as permissible, provided they stay within prescribed limits.

The audit report states that the absence of required documentation, such as receipts or bills, for discretionary grants, raises concerns about transparency in the use of public funds.

The RAA also pointed out that even expenses that could have been covered under discretionary grants were instead charged to hospitality and entertainment accounts.

Despite the established ceiling of Nu 1.5 million for hospitality and entertainment expenses for cabinet ministers and equivalent position holders, the RAA found that this limit was routinely ignored.

Additional funds were allocated without any objections.

In the fiscal year 2022-23, for example, the hospitality and entertainment budget was revised from Nu 18.5 million to Nu 82.71 million.

The Authority also observed that *ngyendhar*, *semso* and cash *soelra* or tips were paid from hospitality and entertainment expenses. Since these expenses are meant to be at the discretion of the individual, the RAA recommended that they should be categorised under discretionary grants instead.

Among the most concerning findings were several instances of large cash *soelra* payments, including a Nu 30,000 cash *soelra* given to a cook.

While the RAA suggested that this payment might have been intended as "tokha", it is not permitted under hospitality and entertainment spending rules.

In addition, the *soelra* to drivers and security personnel escorting the ministers were found unnecessary since it was paid from the government fund.

The audit also revealed that a large number of ghos and kiras were purchased under hospitality and entertainment expenses during constituency visits. Similarly, *semsos* were paid to constituents. Some expenses were also incorrectly charged to both travel and in-country meetings or celebrations.

Another issue raised in the audit report was the absence of clear criteria regarding what should be classified as discretionary grants.

Without such guidelines, these grants effectively become an additional source of income for recipients, with all expenses—whether discretionary or not—being paid from hospitality and entertainment funds.

The audit report also reported that with the recent pay revision, the discretion grant was pro-rated per month and paid along with the monthly salary.