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Geog Yargay Tshogchung

Chathrim, 2002

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Preamble

Whereas, His Majesty the King had established *Geog Yargay Tshogchung* in 1991 to promote local socio-economic development strategies and initiatives, by empowering the people to make decisions on their plans and programmes, and by enabling them to adopt approaches and practices adapted to local needs;

Whereas, the Royal Government has decided that the 9th Five-Year Plan shall be *geog* based and that a wide range of powers, authority, functions and responsibilities shall be devolved to the people through the *Geog Yargay Tshogchung*; and

Whereas, in pursuant to profound visions and noble conceptions of reforms of His Majesty the King aimed at strengthening decentralisation and devolution, the *Chathrim* of *Geog Yargay Tshogchung*, 1992, is herewith revised to bring greater peace, happiness and prosperity in the Kingdom.

Therefore, be it resolved, that the 80th Session of the National Assembly of Bhutan enacts "*Geog Yargay Tshogchung Chathrim, 2002*" on 13th day of the 6th month of Water Male Horse Year, corresponding to 22nd 2002.

Article 1: Title, Commencement and Amendment

1. This *Chathrim* shall be cited as the "*Geog Yargay Tshogchung Chathrim, 2002*", corresponding to the Water Male Horse Year.
2. The *Chathrim* shall come into force on the date of its ratification on 22nd 2002, corresponding to the 13th day of the 6th month of Water Male Horse Year, by the National Assembly, throughout the Kingdom.
3. This *Chathrim* shall supersede all earlier *Chathrim*, rules and regulations pertaining to *Geog Yargay Tshogchung*.
4. Any provision of this *Chathrim* may be amended, whenever necessary, by the National Assembly of Bhutan.

Article 2: Definitions

1. 'Candidate' means any person who is standing for election or nomination;
2. '*Chathrim*' means the *Chathrim* of *Geog Yargay Tshogchung, 2002*;
3. '*Chimi*' means an elected member of the National Assembly of Bhutan representing his or her constituency;
4. '*Dzongdag*' means the chief executive of a *dzongkhag* or any official for the time being exercising the functions of the office of *dzongdag*;
5. '*Dzongkhag* administration' means the agency of the Royal Government headed by the *dzongkhag*;
6. '*Dzongkhag Yargay Tshogchung*' means any *Dzongkhag Yargay Tshogchung* constituted under the provisions of the *Dzongkhag Yargay Tshogchung Chathrim, 2002*;
7. '*Gewog* plan' means a set of activities that are included in the national annual or five-year plan, and are managed and implemented by the *Geog Yargay Tshogchung*;

8. ‘*Geog Yargay Tshogchung*’ means any *Geog Yargay Tshogchung* constituted under this *Chathrim*;
9. ‘*Gung*’ means households registered in accordance with the household registration system;
10. ‘*Gup*’ means head of the *geog* elected as per the provisions of this *Chathrim*;
11. ‘*Geog clerk*’ means the clerk of the *geog* and the *Geog Yargay Tshogchung*, appointed by *Geog Yargay Tshogchung*;
12. ‘Local’ means the areas within the jurisdiction of the *Geog Yargay Tshogchung*;
13. ‘*Mangmi*’ means an elected representative of the *geog*, who can be either a *mang ap* or a *mang aum*;
14. ‘Member’ means any elected person who has fulfilled the criteria of membership of *Geog Yargay Tshogchung*;
15. ‘*Nangkhoet*’ means works or responsibilities determined by village (s);
16. ‘Observer’ means a *chimi*, or a sectoral staff who attends *Geog Yargay Tshogchung* meeting to provide clarifications and information;
17. ‘*Registered resident*’ means a person with citizenship identity card whose census record is maintained in a particular *geog*, and he or she has been living there for at least one year in the immediate past;
18. ‘*Royal Government*’ means the Royal Government of Bhutan; and
19. ‘*Tshogpa*’ means a representative of a village, or a cluster of villages.
20. ‘*Chupon*’ means a village messenger.
21. In case of conflicting interpretation of any provision of this *Chathrim*, the decision of the Court of Law shall be final and binding.
22. The original of the *Chathrim* shall be in Dzongkha which will prevail over its translations in other languages, if there are conflicting interpretations.

Article 3: Composition, Terms of Office and Allowances of Members

1. *Geog Yargay Tshogchung* shall comprise of *gup*, *mangmi* and *tshogpa* as members.
2. *Chimi*, *geog* clerk, and representatives of the various sectors in the *geog* shall attend as observers. The *gup* may invite any other observer, as required.
3. The term of office for the members of the *Geog Yargay Tshogchung* shall be one year for *tshogpa*; three years each for *mangmi* and *gup*.
4. The tenure of the *gup* shall be reckoned from the date of registration with the *dzongkhag* administration, which shall coincide with the date on which the *gup* receives a *dar* from the *dzongdag*.

5. The *gup*, *mangmi* and *gaydrung* shall receive a monthly allowance of Nu. 6,000, Nu. 4,500 and Nu. 4,000 respectively, or as revised by the Royal Government from time to time.
6. All voting members and non-voting member *geog* clerk shall receive Nu. 150 per day as sitting fees for *Geog Yargay Tshogchung* sessions, or as revised by the Royal Government from time to time.

Article 4: Eligibility Criteria for Members

A candidate for *Geog Yargay Tshogchung*, including the *gup*, shall satisfy all of the following terms:

1. A candidate shall be a Bhutanese citizen under the provisions of the Citizenship Act;
2. A candidate shall not have served a prison sentence both inside and outside the Kingdom;
3. A candidate shall not have committed a criminal offence;
4. A candidate shall not have been dismissed, on dishonourable grounds such as corruption and misuse of position, from his or her previous employment in either government or private organisations;
5. A candidate shall be of sound mental health, and physically able to effectively perform his or her duties with hoesty and dedication;
6. A candidate shall be a registered resident of the *geog*, who are 25 years of age and above;
7. A candidate shall be functionally literate, with skills adequate to discharge his or her duties;
8. A candidate who is not married to a foreign national; and
9. A candidate who respects and follows the *Driglam Choesum of Pelden Drukpa*.

Article 5: Procedures for Election of GYT Members

The procedures for electing the members of the *Geog Yargay Tshogchung* shall be as per the provisions of an Election Act. However, until the Election Act is passed by the National Assembly of Bhutan, the members of the *Geog Yargay Tshogchung* shall be elected in accordance with the following procedures;

1. The candidates shall not solicit votes through bribery, threat or any other unscrupulous means;
2. All members of the *Geog Yargay Tshogchung* shall be elected through secret ballots;
3. All the registered residents of a *geog/village*, who are 21 years of age and above, with citizenship identity card, shall be eligible of vote;
4. Each eligible registered resident gathered during the time of voting shall cast one vote;
5. Ballot boxes shall be opened and votes counted in the presence of at least half of those who have participated in the voting;
6. In the case of more than one candidates, the candidate securing the highest number of votes shall be declared as elected;

7. In the case of candidate securing equal number of votes, a second round of voting shall be carried out amongst the tied candidates. If, however, the candidates with the highest number of votes still remain tied even after the second round, then, the candidate shall be elected by drawing of lots amongst such tied candidates;
8. In case there is only one candidate, secret ballot shall be held on basis of 'yes' and 'no'. the candidate shall be declared elected only if he or she secures 'yes' votes of more than fifty percent of the votes casted. Otherwise, the geog shall nominate another candidate or candidates and repeat the voting procedures.
9. For the election of *gup*, there shall be minimum of two officers appointed by the *dzongkhag* administration,, whose functions shall be to:
 - (a) verify that eligibility requirements are met by all candidates before they fill nomination forms;
 - (b) prepare polling place and ballots and conduct the election process in a fair manner, and
 - (c) countersign the form for the declaration of election results, signed by the *Geog Yargay Tshogchung* members.
10. Any registered resident of a *geog* may send a written complaint concerning the alleged election irregularity in the election of any GYT member to the *dzongkhag* administration, within a period of 10 days, after the declaration of the election results. The *dzongkhag* administration shall carry out an inquiry into the allegation. If the allegation is found true, the candidate shall be disqualified and re-elections shall be conducted. The disqualified candidate shall be barred from contesting in future elections for a period of ten years. Further, any person involved in bribery or similar unlawful acts shall be prosecuted a the Court of Law.

ARTICLE 6. Relieving of GYT Members

A member of *Geog Yargay Tshogchung*, including the *gup*, may be relieved of his or her post by *Geog Yargay Tshogchung* with two-thirds majority of all members under any of the following circumstances:

1. A member has lost the trust and confidence of the people, with demonstrable evidence;
2. A member is found to be incompetent and negligent in the duties entrusted to him or her; and
3. A member is found to have engaged in an act that is harmful and detrimental to the peace and harmony of the community or of the Kingdom.

ARTICLE 7: Geog Yargay Tshogchung Meeting Procedures

1. *Geog Yargay Tshogchung* meetings shall be convened, at least once every three months and shall be chaired by the *gup*.
2. The *Gup* may convene, if required, additional meetings.
3. In the absence of the *gup*, the *mangmi* shall chair the meeting.
4. There shall be a fixed agenda for every meeting.

5. At least two-thirds of all the members must be present at a meeting to form the quorum and pass any decision.
6. The GYT meeting shall commence with traditional opening ceremony.
7. Decisions of the meeting shall be made either by consensus or by a simple majority of those present in a meeting.
8. The *geog* clerk shall record the minutes of meeting and distribute them to all the members.
9. The agenda and the record of the meetings shall be maintained in national language. The minutes of a meeting shall be adopted upon confirmation by the members present in a meeting and subsequently signed by the chairman.
10. No members of a *Geog Yargay Tshogchung* shall be arrested or prosecuted while *Geog Yargay Tshogchung* is in session.
11. Members shall enjoy equal freedom of speech in the GYT meeting.

ARTICLE 8. Regulatory Powers of Geog Yargay Tshogchung

The following are the areas of powers and functions of *Geog Yargay Tshogchung* on which it can adopt and enforce regulations applicable within a *geog*:

1. safe disposal of waste;
2. control and prevention of pollution of air, soil and water;
3. sanitation standards;
4. control of communicable livestock diseases within the *geog* in accordance with the Livestock Act, 2001;
5. allocation of safe and clean drinking water from water supply schemes;
6. allocation of irrigation water, in accordance with the provisions of the Land Act, 1979;
7. standard of architectural designs of houses, within the broad framework of set national codes;
8. protecting and harvesting of edible forest products in the local area in accordance with the Forest and Nature Conservation Act, 1995;
9. setting up of local handicraft enterprises within the *geog*;
10. setting up of co-operatives, within the scope of the Co-operatives Act, 2001, with members within a *geog*;
11. depredation of crops by livestock and wildlife, in accordance with the provisions of the Forest and Nature Conservation Act, 1995;
12. exemption of *gung* from *nangkhoet* beneficiary contributions, in cash or in kind or in labour; and
13. creation and designation of local recreational areas around villages.

ARTICLE 9. Administrative Powers and Functions of GYT

The following are the administrative powers and functions of *Geog Yargay Tshogchung*:

1. identification, prioritisation and formulation of activities for the *geog* plan, for which the technical backstopping and advisory services shall be provided by the sector staff of the *dzongkhag* administration;
2. administration, monitoring and review of all activities that are part of the *geog*'s plans, including the maintenance of community properties such as *lhakhangs*, *goendeys* and their *nangtens*, *chheoten*, *mani dangrem*, water supply schemes, irrigation channels, footpaths, mule tracks, farm and feeder roads, suspension and cantilever bridges, micro-hydels, Basic Health Units and outreach clinics, lower secondary school and community schools and extension centres of the Renewal Natural Resources sectors;
3. discuss and submit tree monthly progress reports to the *dzongkhag* administration on sectors listed in paragraph 2 above, including on financial and administration matters, performances of civil servants etc.
4. submission of motions arising from villages for consideration of *Dzongkhag Yargay Tshogdu* and the National Assembly;
5. approval for hiring and mobilization of labour for the upkeep of communal facilities;
6. approval of the appointment of *geog* clerk;
7. conservation and protection of water sources, lakes, springs, streams, and rivers;
8. custody and care of communal lands, community forests, including communal *sokshing* and *nyekhor tsamdo*, medicinal herbs and accordingly prevention of illegal house construction and all other types of encroachments in such community lands as well as on Government land and forests;
9. prevention of construction of structures, whether on national, communal or private lands, within 50 feet of highways falling in local area;
10. protection and preservation of *ney*, *nyekhang* of *yulha* and *zhidag*, which are not part of custody of a monastic body or central agencies;
11. management of community *shedra*, *drubdey*, *gomdey*, *tshechu*, *kuchhoe bumdey*, and other community rites and festivities;
12. preservation and promotion of *driglam choesum*;
13. organisation of relief measures during natural disasters and emergencies;
14. promotion of co-operatives and community initiated and managed activities in the *geog*;
15. award of contract works; and
16. appointment of *geog* tender committee and other committees required for discharging functions of *Geog Yargay Tshogchung*.

ARTICLE 10. Financial Powers of Geog Yargay Tshogchung

Geog Yargay Tshogchung shall be vested with adequate budgetary and financial powers to enable it to effectively carry out its roles and responsibilities under this *Chathrim*, particularly the following:

1. approval of the *geog*'s annual budget;
2. accordance of approval by GYT for works or activities costing above Nu. 50,000;
3. accordance of other financial approvals as required under regulations;
4. re-appropriation of *geog* plan budget, as provided in regulation;
5. approval of the plan for maintenance of development infrastructures to be met from the retained rural taxes;
6. approval of the plan for use of other funds raised by the *Geog Yargay Tshogchung* itself;
7. approval of rates of local utilities like irrigation water, locally generated power and drinking water necessary for the upkeep of such utilities; and
8. review of the accounts of all expenditures of the *Geog* and ratify, in accordance with the financial rules and regulations.

The Ministry of Finance shall from time to time review and frame rules and regulations on the financial powers and functions of the Geog Yargay Tshogchung that shall include but not limited to the above.

ARTICLE 11. Powers and Responsibilities of Gup

As the head of the *geog*, the *gup* shall:

1. oversee the overall affairs of the *geog* and implement the decisions of the *Geog Yargay Tshogchung*;
2. chair the *Geog Yargay Tshogchung* meetings, school management and admission boards and the *geog*'s other important meetings, and maintain decorum and order in these meetings;
3. submit progress reports of the *geog* in accordance with Article 9(3) to the *dzongkhag* administration;
4. appoint and exercise administrative control of non-civil service personnel, such as the *geog* clerk and communal caretakers, appointed in the *geog* under the authority of the *Geog Yargay Tshogchung*;
5. carry out works approved by the GYT in accordance with the financial rules and regulations in execution of works;
6. authorise payments for the works, procurements, and administrative claims;
7. accord financial sanctions for activities costing up to Nu. 50,000;
8. maintain registration records of land, livestock and other properties and population and issue certifications and testimonials thereof;

9. compile and submit annual records of population, houses, land and cattle to the *dzongkhag* administration not later than December of every year;
10. collect annual rural taxes not later than October of every year;
11. collect and deposit premiums for rural life and house insurance with the *dzongkhag* administration not later than February of every year;
12. verify life and house insurance claims;
13. verify applications for timber, fuel wood and such other facilities;
14. verify applications for *kidu*;
15. mediate and conciliate disputes of minor civil nature referred by the people in the *geog* by involving, if required, conciliators of good standing in the community.

ARTICLE 12. Responsibilities of Mangmi, Geog Clerk, Tshogpa and Chupon

1. As the deputy head of the *geog*, *mangmi* shall assist the *gup* in the administration of the functions and responsibilities delegated to the *gup*. *Mangmi* shall officiate as *gup* in the absence of the *gup*.
2. The *geog* clerk shall maintain records of appointments of Geog Yargay Tshogchung and such other meetings. He or she shall be responsible for management of the office.
3. *Tshogpa* beside attending the GYT meetings, shall be responsible for overall affairs of his or her constituency and liaise between *Geog Yargay Tshogchung* and the constituency he or she represents.
4. *Chupon* shall be entrusted with the traditional responsibilities within the *geog* of communicating directives of the chairman of the *Geog Yargay Tshogchung (gup)* to the people.

ARTICLE 13. Code of Practice of Members of Geog Yargay Tshogchung and Office Bearers

1. Any member of office bearer of Geog Yargay Tshogchung with any personal or pecuniary interest shall disqualify himself or be disqualified from participation in decision making process when circumstances seem to affect his impartiality.
2. The following acts or omissions of members and office-bearers of *Geog Yargay Tshogchung* shall constitute corrupt practices, which are hereby unlawful;
 - (a) taking possession or disposing by illicit means of government and public money and property;
 - (b) approving or awarding any contract works, procurement, and jobs in favour of a person or organisation, not competent or entitled to such works, procurement, and jobs or in favour of an indirect representative of a person or organisation who is not competent or entitled;

- (c) directly or indirectly requesting or receiving any gift in cash or kind, in connection with contract works, procurement, and jobs, which may affect fair decisions;
- (d) neglecting, after due request, without sufficient justification, to process or act expeditiously on a matter pending before him or her, for the purpose of getting irregular pecuniary returns from a person or organisation, or discriminating against a person or organisation;
- (e) divulging valuable information of a confidential character, acquired in his or her official capacity to unauthorised persons or organisation or releasing such information in advance of the authorized release date; and
- (f) giving any private individuals or organisations unwarranted benefits and preferences in the discharge of his or her duties through partiality.

ARTICLE 14. Penalties for Violation of Code of Practice

1. Any member, or an employee of *Geog Yargay Tshogchung*, or a functionary serving the community in any capacity committing any violation of Article 13 shall be subject to penal sanctions.
2. Any violation proven in a administrative proceeding, instituted by *dzongkhag* administration, shall be sufficient ground for his or her dismissal even if no criminal prosecution is instituted against him or her.
3. Any person or organisation committing any of the unlawful acts, which is deemed serious, shall be tried in court by criminal prosecution
4. Any person or organizatin abetting with the members or office bearers in violation of Article 13 of this Chathrim, shall be subject to penal liabilities as per the laws.

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Annex- 1

སྤྱི་ལོ་ ༢༠༠༢ ལོའི་དངུལ་རྩིས་ཁྲིམས་ལུགས་དང་བྱ་སྐོའི་ལམ་ལུགས་བསྐྱར་བཅོས་བསྐྱོད་ཡོད་པ་རྣམས་ རྟོག་འཇགས་ལས་རིགས་
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Financial Rules and Regulations 2002-Changes Applicable to *Geog*
Executed Activities

Financial Rules and Regulations 2002-Changes Applicable to *Geog* Executed Activities

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Financial Rules and Regulations 2002-Changes Applicable to *Geog* Executed Activities

Preamble:

In accordance with Article 10 of the *Geog Yargay Tshhogchhung Chathrim*, 2002, the Ministry of Finance hereby issues the changes in the Financial Rules & Regulations 2001(FRR 2001) for facilitating the decentralization process to the *geog* levels;

Title, Scope and Commencement

These Rules shall be called the FRR 2002 – Changes Applicable to *Geog* Executed Activities.

Except to the extent specifically modified in these Rules, the procedures prescribed in the FRR 2001 shall continue to be applicable.

These Rules shall come in to force from 22nd July, 2002.

These Rules may be amended from time to time by the Ministry of Finance.

Objective:

These Rules are aimed a facilitating the *Geog Yargay Tshogchhung* to make decisions with regard to the execution and regulation of activities by *geogs*.

Financing:

The funds for *geog*-level activities shall comprise of the following:

1. Rural Taxes and locally mobilized resources:

a. Rural Taxes:

The following rural taxes shall be collected and retained by the *geogs* for meeting the maintenance expenditures of the *geogs*' infrastructure facilities.

i. Land Tax including Grazing Tax;

ii. House Tax;

iii. Cattle Tax;

(Introduction of new taxes including rural taxes and revision of tax rates shall be carried out only by the Royal Government.)

b. *Geog*'s locally mobilized funds:

Any locally mobilized resources may be used to supplement the rural tax amounts to meet the local requirements.

2. Centrally allocated funds for specific plan activities.

Such funds would constitute allocations from the national budget for the implementation of specific activities of the *geogs*' 5-years plan and which involve larger financial outlays.

System for Implementation of Activities:

In accordance with the two modes of financing, the activities shall be implemented on the basis of a two-tier system as follows:

1. For expenditures to be met from Rural Taxes and other locally mobilized resources.

a. General

The gups shall prepare annual estimates of the rural tax revenue, along with the estimates of locally mobilized resources, and submit them to the *Geog Yargay Tshogchung* (GYTs) along with the proposals for expenditure.

Expenditure shall include minor maintenance of development infrastructure in accordance with the following procedure:

- i. Works and other goods & services costing up to Nu.25,000/- by reasonable inquiries from local parties;
- ii. Works and other goods & services costing above Nu.25,000/- and below Nu.500,000/- through limited inquiry from local parties. If suitable local parties are not available, then the inquiries may be obtained from parties located within the *dzongkhag*.
- iii. Works and other goods & services costing up to Nu.50,000/- the procedures shall be in accordance with the rules for centrally allocated funds.

b. Accounting

- i. A current account shall be opened in the name of the *geog* in the nearest bank, into which shall be deposited the rural taxes and other locally mobilized funds of the *geog*, and the payments shall also be made through the same account.
- ii. The *gup* shall operate the bank account jointly with the *geog* clerk, and the **geog** clerk shall maintain the accounts and documents.
- iii. The receipts & payments statement shall be prepared on a monthly basis. Such statements shall be submitted to the GYT half-yearly for review and ratification. Such a statement shall also be submitted to the *Dzongkhag Yargay Tshogdu* and the *dzongkhag* administration annually for review. A copy of the annual statements shall be submitted to the Department of Budget & Accounts (DBA) as well.
- iv. The records should be maintained and stored properly to ensure future verification and proper handing and taking over between the out-going and in-coming gups.

(For the maintenance of accounts, the geog clerk shall be provided training by the Dzongkhag's Finance personnel on the basis of budgeting, procurement, book-keeping, and record maintenance. The Dzongkhag's Finance personnel who shall initially open the books of accounts for them, shall also visit the geogs periodically to supervise the maintenance of accounts)

c. Revenue Collection & Accounting Procedures

- i. The *gups* shall collect the rural taxes as per prevailing practices and deposit them into the current account in the bank.
- ii. The *gups* shall maintain separate books of accounts for the collection on the basis of different types of taxes collected and on individual taxpayers' basis as per the format to be issued by the Department of Revenue & Customs (DRC), Ministry of Finance(MoF).
- iii. The details of taxes collected shall be submitted to the *Geog Yargay Tshogchung* annually for review and ratification.
- iv. A statement of taxes collected shall be submitted to the *dzongkhag*, which shall in be forwarded to the DRC, MoF.

d. Engineering and Other Technical Services

The *Dzongkhag* Engineering Section (DES) must provide the necessary technical support wherever necessary.

2. For expenditures to be met from centrally allocated funds for 5-years plans:

a. General

The GYT shall approve the execution of activities limited to their *geogs* subject to the availability of annual fund allocations from the national budget. The *gups* shall execute the activities in accordance with the provisions of the FRR 2002, subject to the following variations:

b. Budget Appropriations and Releases

- i. The annual budget proposals shall be prepared by the *gups* with the help of the *Dzongkhag* Finance Sections (DFS) and submit to the GYT.
- ii. After the GYT's approval, the proposals shall be submitted to the *dzongkhag* administrations, which will in turn after incorporation with its own budget submit to the DBA, MoF.
- iii. The DBA, MoF shall open separate Letter of Credit (LC) accounts for each of the *geogs* at the *dzongkhags*.
- iv. The appropriated provisions shall be released to the *dzongkhags* in the LC accounts of the respective *geogs*.
- v. The LC accounts shall be operated by the respective *gups* and the head of the DFS jointly.

c. Finance Powers

In the exercise of their financial responsibilities, the GYTs and the *gups* shall have the powers as specified in these Rules and as delegated in the schedule attached the these Rules.

d. Payments & Accounting

- i. The authorizations for payments shall be given by *gups* as the head of the GYT, and based only on such authorizations, the DFS shall make the payments.
- ii. Payments shall be regulated as per the FRR 2002. The DFS shall maintain all the books of accounts and other financial records separately for each *geog*.

e. Accounts Reporting

- i. The monthly receipts & payments statements with the prescribed schedules shall be submitted to the Department of Budget & Accounts (DBA), MoF.
- ii. The accounts of all receipts and payments must be submitted to the GYT and the DYT annually for review and ratification.

f. Engineering and Other Technical Services

- i. The payments for works shall be made upon the verification of the bills by the engineers. Such verifications shall be based on the entries in the works execution records as prescribed in Section 6.3 of the Finance & Accounting Manual of the FRR 2001. For this purpose, the DES shall provide the necessary services.
- ii. The DES shall prepare the design, estimates, tender documentation, etc..
- iii. The functional design, location, the cost estimates, and the mode of undertaking the works shall be scrutinized and approved by the GYT.
- iv. The DES shall be responsible for the supervision of works, maintenance of relevant records, and certification of claims as required under the FRR 2002.

g. Procurement Procedures

The *gup* shall execute the activities in the following manner:

- i. The activity should be part of the plan approved by the GYT and for which funds have been mobilized.
- ii. He / She should get the estimates for the activity prepared, and have the tenders floated. Among other specifications, a suitable condition to encourage the use of local labour, materials and skills shall be included.
- iii. Before embarking on any particular activity costing more the Nu.50,000/-, he /she shall obtain the sanction of the GYT.
- iv. The procurements shall be conducted in accordance with the provisions of the FRR 2002 subject to the following variations:

A. For Works

- i. For works estimated to cost not more than Nu.500,000/-
Inquires shall be made from registered local contractors or community groups in the *geog*. If there are not more than one such party, and whose rates are within a range of +/- 5% of the estimates, the GYT may decide and award the work to the party.

- ii. For works costing between Nu.500,000/- to Nu.4,000,000/-
Tenders shall be floated in the entire dzongkhag
- iii. For works costing above Nu.4,000,000/-
Open tenders shall be floated in the entire country.

B. For Other Goods and Services

- i. Generally, purchases of items such as school textbooks, medical supplies, chemicals, fertilizers etc. shall be purchased directly from the respective department's central supplying units/agents.
- ii. However, should there be other purchases required for which there are no central supplying units/agents of the Government, the procedures outlined in the FRR 2002 shall be followed.

Tender Committee:

- a. A tender committee of the geog shall be formed to recommend the award of contracts for both the tiers of implementation.
 - i. the *gup* as the chairperson;
 - ii. the *geog* clerk or the *Dzongkhag* Finance Section head as the case may be;
 - iii. the relevant field staff or the *dzongkhag* relevant sector head as the case may be; and
 - iv. three elected GYT members other than the *gup* for a period of one year.
- b. The *Geog* Tender Committee shall be equated with the Departmental Tender Committee (DTC), and accordingly its powers shall be at par with those of the DTC.
- c. The final decision shall be given only the GYT.

Audit:

All accounts shall be subject to audit periodically, and the audit reports shall be submitted to the GYT, DYT, Finance Ministry and the Home Ministry for review and follow-up action.

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Annex – 2

ཚོང་ཁག་དང་རྒྱུ་ལོག་ཁག་ལུ་ དབང་ཆ་སྲོད་ཞིའི་ལས་རིག་།

Schedule of Delegation of Powers to *Dzongkhag* and *Geog*
levels

Schedule of Delegation of Powers to the <i>Dzongkhag</i> and <i>Geog</i> Levels							
Sl.No.	Powers Delegated	Nature of Power	DYT	Head of Dzongkhag	GYT	Gup	Remarks
1.	PERSONNEL & OTHER PERSONNEL EMOLUMENTS						
	a. Payment of emoluments	O	NA	FP	NA	FP	
	b. Encashment of leave	O	NA	FP	NA	NA	
	e. Sanction of arrears emoluments	O	NA	FP	NA	FP	
	f. Payment of salary advance	O	NA	FP	NA	Nil	Subject to liquidation within the same Financial Year.
2.	SANCTION OF HONORARIUM	EO	NA	Up to the Ceiling prescribed for discretionary grant.	NA	Nil	
3.	MEDICAL BENEFITS						
	Travel & medical expense						
	i. Within Bhutan	O	NA	FP	NA	Nil	
	ii. Within India	EO	NA	Nil	NA	Nil	As per clearance of the Medical Referral Committee
4.	TRAVEL						
	a. Tours						
	i. Within Bhutan & India	O	NA	FP	NA	FP(Within Bhutan only)	
	b. Seminars/Conferences						
	i. Within Bhutan & India	O	NA	FP	NA	FP(Within Bhutan only)	
	c. Leave travel claims	O	NA	FP	NA	NA	
	d. Transvel benefits(TG/Transport)	O	NA	FP	NA	NA	
	e. Travel by ineligible modes	EO	NA	Nil	NA	Nil	

Sl.No.	Powers Delegated	Nature of Power	DYT	Head of Dzongkhag	GYT	Gup	Remarks
5	UTILITIES	O	NA	FP	NA	FP	
6	RENTAL OF PROPERTIES						
	a. Hiring of buildings	EO	NA	FP	NA	Nil	
	b. Hiring machinery/equipment	O	NA	FP	NA	FP	
7	SUPPLIES & MATERIALS	O	NA	FP	NA	FP	
8	MAINTENANCE OF PERPERTY						
	a. Insurance	O	NA	FP	NA	FP	
	b. Repairs	O	NA	FP	NA	FP	
9	MAINTENANCE OF VEHICLES						
	a. POL for official vehicles	O	NA	FP	NA	Nil	
	b. Repair of vehicles/equipment	O	NA	FP	NA	Nil	
	c. Purchase of spare parts	O	NA	FP	NA	Nil	
10	OPERATING EXPENSE	O		FP		FP	
11	HOSPITALITY/ ENTERTAINMENT						
	a. Entertainment of guests	EO	NA	Up to Nu.0.10m **/Year	NA	Nil	** With no suppl. Budget;
	b. Gifts	EO	NA	Up to Nu.5,000 per occasion	NA	Nil	To be managed out of the budget for item 11.a above
12	WRITE-OFF	O	NA	FP	NA	Nil	
	a. Write off of losses						
	i. Due to theft/natural calamity	EO	Up to Nu. 50,000	Up to Nu. 10,000	Nil	Nil	Per incidence

Sl.No.	Powers Delegated	Nature of Power	DYT	Head of Dzongkhag	GYT	Gup	Remarks
	ii. In transit, handling and storage	EO	Up to Nu. 50,000	Up to Nu. 20,000	Nil	Nil	Per incidence
	b. Unserviceable and obsolete stores	EO	Up to Nu. 50,000	Up to Nu. 50,000	Nil	Nil	Per incidence
13	RETIREMENT BENEFITS						
	a. Sanction of post service benefits	O	NA	FP	NA	NA	
	b. Recovery of dues from retirement benefits	O	NA	FP	NA	NA	
14	PURCHASES OF NON-EXPENDABLE PROPERTIES						
	a. land & buildings (within Bhutan)	EO	Nil	Nil	NA	Nil	
	b. Tools/plants/equipment	O	NA	FP	NA	FP	
	c. Vehicles	O	NA	FP	Nil	Nil	
	d. Furniture/office equipment	O	NA	FP	NA	FP	
15	LEASES						
	a. Private land	EO	Nil	Nil	Nil	Nil	
	b. Govt. land & property	EO	Nil	Nil	Nil	Nil	
16	ADVANCES						
	a. Advances for approved purposes	O	NA	FP	NA	Nil	
17	CONSTRUCTIONS						
	a. Administrative approval & financial sanction	O	NA	FP	FP	Up to Nu. 50,000/-	Technical sanctions shall be issued by a competent technical authority.

Sl.No.	Powers Delegated	Nature of Power	DYT	Head of Dzongkhag	GYT	Gup	Remarks
	b. Award of work	O	NA	FP	FP	Up to Nu. 50,000/-	
18	HIRING OF VEHICLE	O	NA	FP	Nil	Nil	
19	TIME BARRERD CLAIMS/ ADJUSTMENTS	O	NA	1 year	1 year	Nil	
20	REAPPROPRIATION OF BUDGET						
	a. From one object code to another object code in same activity	EO	Up to Nu. 50,000 per occasion	Up to Nu. 30,000 per occasion	Up to 20,000 per occasion	Nil	Permitted from current to capital expenditure and not vice versa.
	b. From one activity to another activity in the same programme/ sub-programme	EO	Up to Nu. 50,000 per occasion	Up to Nu. 30,000 per occasion	Up to 20,000 per occasion	Nil	-do-
	c. From one sub-programme to another sub-programme in the same programme	EO	Up to Nu. 75,000 per occasion	Up to Nu. 50,000 per occasion	Up to 20,000 per occasion	Nil	-do-
	d. From one programme to another programme	EO	Up to Nu. 75,000 per occasion	Nil	Up to 20,000 per occasion	Nil	-do- within the same administrative unit.

Note: These powers are all subject to the entitlements and/or budget provision.

Abbreviations;

- O Ordinary, i.e., which can be further delegated
- EO Extra Ordinary, i.e., which cannot be further delegated.
- NA Not Applicable
- FP Full Powers