

Minutes of the Meeting

The 19th PRCM was held on 1st of February 2010 at 14.30 Hours in Hon'ble Lyonpo's Chamber. In his introductory remarks, the Hon'ble Chair expressed his appreciation to all the PRCM Members for their active participation in all the successive PRCMs.

Agenda 1. Outcome of the Visit to Various Hospitals in India

1. The Hon'ble Chair shared his experiences with the house related to his recent visit to various hospitals in India where Bhutanese Patients are referred. He informed that the visit was a good learning experience.
2. The Chair made the floor aware that as a part to address ever increasing referral costs, he held a series of talks with various hospitals to seek opinions/advice as to how best to curtail the increasing referral costs. It was pointed that one of the viable means could be to undertake thorough and proper diagnostic investigation in JDWNRH prior to referral of Patients (cutting cost to avoid duplication of diagnosis). Apart from that, the Chair also stated that some hospitals are willing to further provide discounts for Bhutanese Patients. Further, it was also suggested by the Chair that one of the measures to cut cost can also be by means of procuring name patient drugs directly from the Pharmaceutical Companies instead of using agents.
3. The Hon'ble Chair pointed out that prior to him visiting the various hospitals; the ACC has alleged that the Liaison Officer (LO) Kolkata has been indulging in bribery and misuse of government funds, though no official complaint has been lodged to the Ministry. To this effect, the Chair stated that a team of experts from JDWNRH has been send to investigate the allegations made by ACC.
4. The forum felt that one of the contributing factors for collusion in Kolkata may be due to lack of a separate Letter of Credit (LC) Account (as the referral money is deposited directly under the LO's Account) unlike Vellore, where there is separate LC Account of Government in State Bank of India (SBI). To this effect, the Chair directed that the AFD of the Ministry and the JDWNRH has to come up with a alternative solution to address the issue as soon as possible. – **AFD**
(MoH)/JDWNRH
5. Further, in the midst of the ongoing ACC investigation, the Hon'ble Chair and the Forum felt that JDWNRH has to strengthen the referral procedures. Thus, the Chair directed that the JDWNRH Referral Committee should convene a meeting to further improve the referral related issues at the earliest. – **JDWNRH**

Agenda 2. Motivation /Performance of Young Officers

1. The Chair made the floor aware regarding the importance of grooming upcoming young officers' right from system procedures (office mechanism) to self development procedures like improving leadership qualities, importance of team work, Punctuality etc. The Hon'ble Chair stated that it is the duty of Senior Officers like the HoDs, CPOs to motivate the young officers to enhance their performance. It was stated that the process of mentoring is very important to improve the knowledge of young officials. Thus, the Hon'ble Chair once again reiterated that the respective heads should introduce the process of mentoring. Further, the Chair also directed that there is a need to teach Management Courses to all young officers, which will enable them to develop professional skills. – **All HODs/CPOs**
2. The Floor fully agreed with the Hon'ble Chair, related to mentoring process and stated that each departments/divisions will start to initiate the mentoring process to increase the performance of young officers.

Agenda 3. Report on Improvement of Accounts Section

1. At the onset, the Hon'ble Chair indicated that it is not that the finance section is underperforming. He stated that the intention is to further enhance the finance section especially related to payment of Bills. The Chair urged that the finance section should not keep any bills pending related to payments. Further, in line with this, the Hon'ble Chair and the DCFO pointed out that all the concern departments/divisions/units should cooperate with the finance section to further improve the financial procedures (team work). – **HoD/DCFO**
2. The Members expressed their concern related to the financial procedures practiced by the finance section (till date) and pointed out that some of the advances/bills for payment are kept pending or delayed, which make it impossible for the programmes to implement their respective activities. In line with this, as pointed out by Hon'ble Chair, it was decided that the changes brought around by the finance section, especially introduction of Service Standard introduced by the accounts section based on the directives from Finance Ministry may resolve most of the issues related to finances.
3. The DCFO made a brief presentation related to the Finance & Accounts Section and came up with recommendations¹ to further improve the finance processes. All the PRCM Members while appreciating the work of finance section urged that the recommendations will be followed strictly. – **All PRCM Members**

¹ Refer Annex A

4. The Hon'ble Chair while applauding the efforts made by the finance section stated that the presentation made by the DCFO should be put up in the web to make the staff aware related to the dos and don'ts related to financial procedures. Further, the DCFO was directed to issue a circular along with the developed service standard and send to all the HoDs. - **DCFO**
5. It was also agreed that the finance section should clear all the bills/advances within 48 Hours (especially for programmes). However, should there be some discrepancies, the respective finance officers have to seek further justification from the programmes. – **Finance Section/PRCM Members**
6. The Chair also directed that all the PRCM Members has to ensure that their respective staff be informed related to the recommendations drawn up by the finance section. – **PRCM Members.**

Conclusion:

- a) Due to lack of time, all the agendas of the 19th PRCM could not be deliberated. However, the Chair directed that the Agenda 5/6 – Flagship Project – DMS and MDG Status by DoPH be presented during the 20th PRCM. – **All PRCM Members**
- b) The Chair also reminded that all the Charters drawn up jointly by Mc Kinsey and MoH should be looked into by the respective stakeholders and start initiating the works based on the Charters. – **HoDs/PPD**
- c) It was also directed that the CAO, AFD, CIA, IA & Legal, PPD should work together on the Annual Audit Reports. – **AFD/IA/PPD**
- d) The Hon'ble Chair once again stated that all the recommendations made in the PRCM and more so the recommendations made by the finance section should be followed strictly. – **All PRCM Members**
- e) Finally, Hon'ble Lyonpo thanked all the members for the active participation and informed that PRCM has made some positive aspects but at the same time urged not to be complacent. – **All PRCM Members**

Annex A

The 19th PRCM held on 1st of February 2010 approved the recommendations submitted by the Administration and Finance Division on measures to improve and strengthen financial management system of MoH :

1. Accounts and Budget will strictly implement the Service Standards set by MoF.
2. Personal Advances to be restricted only to a maximum of one months' net salary.
3. Program Officers should confirm the FIC from Donors before the cheque/funds are released to GNHC and DPA.
4. HRD (especially PRU and NTMH) to update the service books of individual employees.
5. Not to neither entertain nor approve pre-financings.
6. Henceforth only 80% of DSA be paid.
7. Bills to be submitted with all necessary documents to avoid rejection and delays.
8. Bills/Adjustments submitted beyond the prescribed time frame to be reassessed by procurement division.
9. Audit Reports/Review/Follow-up to be taken up the Chief Internal Auditor(CIA) to rectify and implement timely action.
10. Heads of the Departments/Divisions will be responsible for the procedures for requisition and liquidation of fund.
11. So far complaints raised were generic but henceforth we expect specific objections to be raised against any accounts personnel. This will help us to weed out the unwanted in our ability to improve the financial management services.

12. HSWS Fund Manager shall notify Accounts and HRD on the status of the loans taken by staff for inclusion in the LPC. HRD should give a copy of the transfer or relieving order to the HSWS Fund Manager.

13. A copy of the Monthly Accounts of the Ministry to be given to PPD.

14. The International Health Unit of PPD should consult with relevant agencies for the acceleration of donor related fund release. It takes substantial time of over one month for processing the release from the Donor Agency to GNHC to DNB to DPA and finally MoH. And to release funds from MoH to District Administration takes longer time.

15. As regards re-appropriation/FIC change/adjustment head, two to three working days will be required for the AFD to process with MoF. The process will begin only after necessary approval from MoH with all necessary documents. The budget Unit will follow up with the concerned agencies to accelerate the process of approval within two to three weeks.

16. Section 15 will be routed through CPO, PPD.

BUDGET Unit:

Issues & Recommendation

- *Need for a Time frame to process:*
 - *Re-appropriation/ Supplementary,*
 - *Re-vitalization of lapsed fund/ FIC change*
 - *Adjustment head for prior year's advances:*

- *All Project funded Activities have to be routed to GNHC and only after the approval of GNHC, DNB issues Sanction Order. This process in itself takes weeks even if the dealing officials are present despite regular follow ups.*

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