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ROYAL AUDIT AUTHORITY
(A Clean Public Service - Nation's Pride)



RAA(AAR-2003)/1558

Dated: 17thMay, 2004

Foreword

“Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder”.

HRH The Crown Prince Dasho Jigme Khesar Namgyel Wangchuck.

The year 2003 concluded with a historic victory of good over evil when under His Majesty’s personal participation the nation rid of the menace of invasive terrorism. The success came at a time when other nations falter and at least found ineffective to tackle the malaise of the evils of terror.

The Annual Audit Report 2003 (AAR 2003) is an account of one year’s of service under the rule of His Majesty to fight the menace within the society. His Majesty’s vision of a complete nation we believe is one safe from external threat and aggression; and morally and ethically a correct society internally.

We hope in this framework this report reinforces the national efforts to safeguard the national integrity and further enhances the quality of governance of Bhutan.

We are happy to report in the year 2003, the Royal Audit Authority had conducted 203 normal audits, 5 special audits, 69 project certifications and 17 statutory audits. During the same year the RAA had transmitted a total of 275 audit reports including 184 inspection reports, 6 special audit reports, 68 project certifications and 17 statutory audit reports.

This report mainly contains the significant audit findings and observations contained in the Inspection Reports that were issued within the calendar year 2003 as presented in the Annexure.

The RAA has also in gist incorporated, the auditees’ recent replies/responses/action taken reports for information of the general public.

This report also points out actions, those that were taken by the government agencies.

As in the AAR 2002 this report also indicates the identity of the officers responsible/accountable for each lapses. While most are directly held accountable for the lapses as mentioned accountability are fixed on others based on the concept of succession responsibility where the predecessors are either transferred else where or no more in the service.

In the last Annual Audit Report, we had reported audit recovery of over Nu. 27 million. In the year 2003, we had recovered only over Nu. 17 million. We are happy to report that lesser collection as indicator of the positive impact. It would imply that the Zero Tolerance Approach in preventing more public money and resources from being misused/squandered is beginning to see its impact.

The Report that follows is also an account of one year of dedicated service rendered by the auditors inspired by the His Majesty's Farsighted Vision. I would like to acknowledge the support and cooperation rendered by all auditors in our endeavour to serve the Nation.

As many were concerned that audit findings not to end in reporting, follow-up of previous Annual Audit Reports have been reviewed. These shall form Chapter II of Part I of this Report.

We hope with the issues raised by the RAA in the report will strengthen the internal control system in agencies towards better performance.

We highly appreciate the cooperation and support rendered to us by all the government agencies. Let us all endeavour towards promoting the three pillars of Good Governance; accountability, effectiveness and transparency.

Please feel free to suggest or comment on the Annual Audit Report for our guidance and to improve the future editions.

Lastly the RAA family joins the Nation in offering our gratitude for the selfless and unparalleled leadership of our Beloved Druk Ngadag Gyalpo Pal Jigme Singye Wangchuck.

May the sun of His rule shine eternally.

(Kunzang Wangdi)
Auditor General of Bhutan

“Establishing proper governance, providing leadership and guidance from the centre, managing programs effectively in departments, managing people well, collecting information and reporting results – these are all essential ingredients of delivering good public service” Auditor General of Canada