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PERFORMANCE REPORT OF THE RAA

1.1 Mandate of the Royal Audit Authority

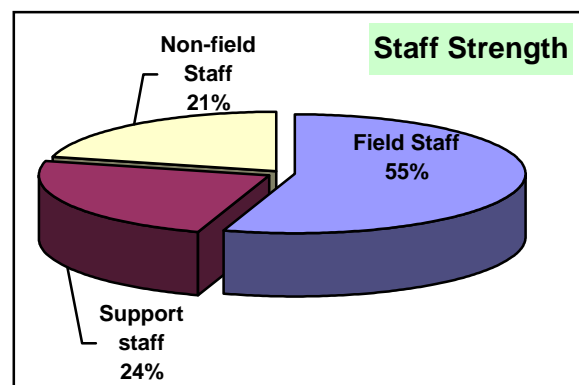
The mandate of the Royal Audit Authority has been clearly outlined in the Constitution of the Kingdom of Bhutan and the Audit Act of Bhutan 2006. Article 25.1 of the Constitution of the Kingdom of Bhutan and Section 3 of the Audit Act of Bhutan 2006 specifically states that “*there*

shall be a Royal Audit Authority to audit and report on the economy, efficiency and effectiveness in the use of public resources”. Both these documents require the RAA to carry out without fear, favour or prejudice, any forms of audit of the following:

Government or any of its instrumentalities	Legislature & related institutions	Judicial and Judicial Bodies
Zhung Dratshang, Rabdeys & related institutions	Constitutional Bodies	Defence & Security Services
Corporations & Financial Institutions established under the laws of the Kingdom in which the Government has an ownership interest.		
All entities fully or partly funded by the Government	All entities whose loans are approved or guaranteed by the Government	
All entities receiving funds, grants and subsidies directly or through the government	Collections and contributions from the people & fund raised through lottery	
Any entity or activity upon command of the Druk Gyalpo		

1.2 The Royal Audit Authority Recruits 11 Auditors

During the year 11 auditors joined the organisation. However, this did not have major impact on the overall staff strength since many of them were recruited in place of those who left the organisation in 2006 and 2007. In 2007, 3 officers left the organization; one on transfer as Dzongdag and two others to pursue political career. As on December 2007, the RAA had total staff strength of 194.



1.3 SDS Supports RAA's Expenditure

The total expenditure of the RAA for the Fiscal Year 2006-07, amounted to Nu. 52.204 million as against Nu. 50.249 million in 2005-06. The increase in expenditure was mainly due to new activities under the assistance of Sustainable Development Secretariat (SDS)

for institutional development. The total expenditure for 2006-07 represented 94% of the approved budget of Nu. 55.615 million including DANISH and SDS assistance of Nu.2.486 million and 1.050 million respectively.

1.4 RAA Controls Cost of Audit

In order to derive the cost of audit, the RAA had taken its total recurrent cost for the year as a percentage of the total government revenue and expenditure for the same year. The logic being that the RAA is required to audit both the revenue and expenditure of the government for the year through individual audits of the various government agencies and also by certifying the overall consolidated financial statement of the government. While this may not give an accurate cost of audit, it can be used as a benchmark for the RAA to control its cost of audit in order to derive value for money. Otherwise the cost of audit can be far less than the one derived since revenues and expenditures of the corporations, financial

institutions and the NGOs are not taken into consideration while their costs have been clubbed in the total recurrent cost of the RAA. Likewise, there is no denominator figure in the case of several performance, thematic and other special audits.

In 2006, the cost of audit was Nu. 0.11 for audit of every Nu. 1000. The RAA maintained almost the same cost in 2007 despite carrying out an additional assignment of reviewing 1098 reports amounting to over Nu. 3.7 billion. Comparative cost of audits presented as a percentage of the aggregate revenue and expenditure of the Government audited for past three years are given in the table below:

Sl. No.	Particulars	2006-07	2005-06	2004-05
1	Recurring expenditure (RAA)	47.57	42.63	38.79
2	Gross revenue and expenditure of the Government	41,534.19	38,429.12	32,441.20
3	Cost of audit as a percentage of aggregate of revenue and expenditure	0.11%	0.11%	0.12%

In comparison to the Audit Recoveries, the recoveries made during the year far exceeded the total cost of audit by more than 67%.

For every Nu. 100,000.00 audited, the RAA incurred recurring expenditure of Nu.110.00

1.5 Achieved 110.12 % of the Planned Audits

The RAA conducted 457 audits during the year 2007 out of 415 audits planned. This represented achievement of 110.12% of

the planned audits. The details of the audits conducted during the year are as given hereunder:

Sl. No	Audit Types	Audit Planned	Audit conducted	Achievement in %
1	Normal, Certifications, Special and Performance	394	436	110.65
2	Statutory audits	20	20	100.00
3	Certification of Annual Financial Statements	1	1	100.00
Total		415	457	110.12

1.6 Number of Reports Issued Increased by 14.15%

The RAA issued 500 reports during 2007, comprising of 375 normal audits, 4 Special audits, 19 statutory audits, 96 project certifications, 5 Performance audits and 1 report on certification of Annual Financial

Statements of the Government. This represents an increase of 14.15% in the number of reports issued compared to 2006 where 438 reports were issued.

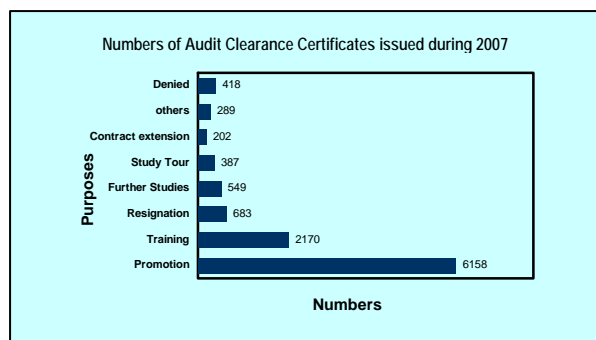
1.7 Forwarded 32 Reports to Anti-Corruption Commission (ACC)

In line with the Audit Act of Bhutan 2006, of the 500 reports issued during the year, copies of 32 reports containing significant issues including fraud and corruption cases were forwarded to the ACC. Many of these reports were also submitted to the

Hon'ble Prime Minister, Secretary to His Majesty the King and the Royal Civil Service Commission depending on the nature of cases. The list of reports forwarded to ACC is given in *Annexure A*.

1.8 Issued 10,438 Audit Clearance Certificates

Out of 10,856 applications received for issuance of Audit Clearance Certificates in 2007, the RAA issued 10,438 Audit Clearance Certificates against 9,489 certificates issued in 2006 representing an increase of 10%. The issuances of Audit Clearance



Certificates were denied to the balance of 418 applicants on the ground of having unsettled observations and providing incomplete information.

1.9 Record Increase in the Amount of Audit Recoveries

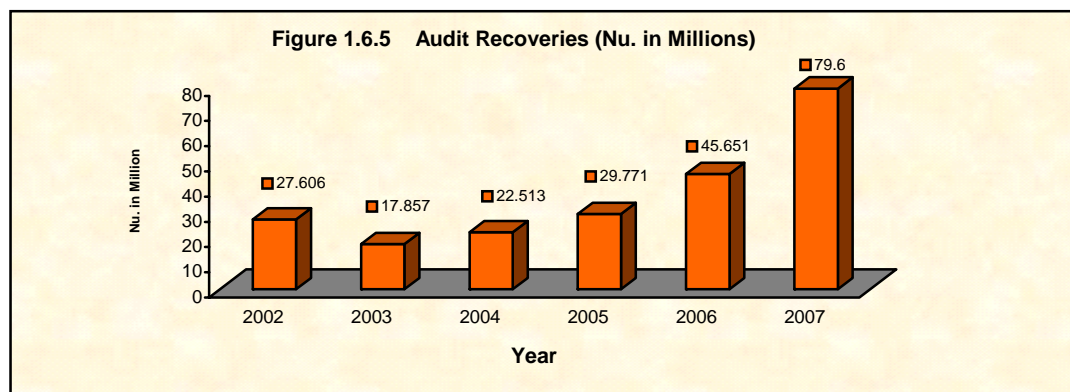
During the year, the RAA made Audit Recoveries of Nu.79.600 million surpassing the recoveries of Nu. 45.651 million and Nu. 29.771 million made in 2006 and 2005 respectively, put together. Of the total recoveries for the year, Nu. 58.659 million pertained to audit reports of 2007 alone, while Nu. 20.941 million were the recoveries from the audits of previous years.

In the opinion of the RAA, an increase of over 74.37% as compared to 2006 could be mainly due to focused auditing and continued extensive follow up by the RAA. It is also an indication of increased compliance to the RAA reports by the authorities in the audittee agencies. By the

end of March 2008 the total recoveries made from the audits conducted during 2007 reached a staggering figure of Nu. 100.898 million.

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The major recoveries were made from the focussed auditing of the Tashi chho Dzong – Babesa Expressway Project of the Ministry of Works and Human Settlement and the procurement of Science Laboratory Equipment in the Ministry of Education. Comparative figures of audit recoveries for the past six years are presented in the graph below:



1.10 Reports Highest Cases of Strong Indicators of Fraud & Corruption

The year 2007 saw the highest cases of strong indicators of fraud and corruption. The RAA uncovered several cases of forgery, tampering of documents, malpractices and abuses

and other fraudulent and corrupt practices amounting to Nu. 39.280 million. Of the total cases reported, Nu. 13.068 million pertained to a single procurement scam where the said

amount was siphoned off through illegitimate payments. The shift to

intense audit focus mainly aided in uncovering such cases.

1.11 Fulfils the Directives of the 87th National Assembly

The 87th Session of the National Assembly directed all the ministries, departments, dzongkhags, gewogs and agencies to settle all pending audit reports by December 2007. A copy of the resolution was also forwarded to the RAA by the then Hon'ble Speaker.

In an attempt to assist the agencies concerned in achieving this goal, the RAA compiled a list of all the pending audit reports and prepared tentative schedules for the review which was notified to all agencies in August 2007. The RAA involved its four regional offices and four functional divisions in the nationwide follow up exercise. By the end of March 2008, the RAA held more than 890 meetings and reviewed all the pending

1098 audit reports. In the process, 684 reports were totally resolved, leaving a balance of 414 unresolved reports involving Nu. 483.612 million. Among the remaining unresolved reports, though the reports *per se* remained unresolved, many observations in those reports have been resolved during the nationwide follow up exercise. The Auditor General also participated in follow up meetings and discussions particularly those relating to the audit reports of Dzongkhags, Gewogs and some of the Ministries.

The report of the follow up exercise was presented to the Government Coordination Committee on 7th January 2008.

1.12 The 87th National Assembly Endorsed the Construction of RAA Training Centre at Tsirang

There has always been an attempt of the RAA to upgrade the knowledge and skills of the auditors by focusing more on in-house trainings. In-house trainings have the advantage over other trainings for being less expensive and for getting the desired results through focused and tailored trainings. The Continuous Professional Development Policy of the RAA requires every auditor to undergo a

minimum of 60 hours of training every year. However, all such efforts of the RAA are being constrained by not having its own Training Centre. Therefore, it came as no surprise to the RAA when such a need was felt by the National Assembly in June 2007 and accordingly endorsed for construction at Tsirang in the 10th Five Year Plan.

1.13 Introduced Monthly Progress Reports and Weekly Plan

In order to keep track of the activities and for the successful achievement of the planned targets, the RAA introduced system of Monthly Progress Reports and Weekly Audit Plans. All divisions of the RAA including the regional offices are

required to submit to the Auditor General's Secretariat, a plan on the activities to be implemented in the ensuing week and by the tenth day of every month, they also have to submit a progress report of the preceding month.

1.14 Continuous Professional Development Programmes on Track

According to the RAA's Continuous Professional Development Policy, the RAA is required to provide for all its auditors and staff at all grades, opportunities for continuous professional development to enable them to enhance quality of their performance. Accordingly, the RAA had been providing opportunities through several professional development activities.

During the year a total of 70 auditors availed in-house trainings on Environmental Audit, Performance Audit, Dzongkha Unicode and Basic Dzongkha Courses. A total of 22 auditors availed ex-

country trainings comprising of six long term courses in IA&AS, Masters in Public Administration, ACCA and Master in Accounting and Control including several short term ex-country trainings on Budget & Public Expenditure Management, Audit of Public Works, Auditing in EDP Environment, Audit of Procurement Process, Environmental Audit, Accounting & Financial Management and Fraud Examination Techniques.

Besides, 3 auditors from the RAA had also undergone E-Learning Course on IT Auditing through Computer based Training.

1.15 RAA Involved in Training Auditors in Other Countries

During the year, the Training Specialist of the RAA was involved in delivering a 3-weeks course on Performance Auditing at Bangkok, Thailand to the auditors from other countries like Cambodia, Myanmar, Laos, Vietnam, Maldives, Afghanistan, Thailand, Bangladesh and Nepal. The

Training Specialist was also involved in conducting Capacity Building Needs Assessment of the Office of the Auditor General of Nepal and in designing a Global Training Booklet called the 'Learning for Impact – A Better Practice Guide for Supreme Audit Institutions'.

1.16 International Cooperation Enhanced

In order to keep pace with the emerging auditing and related concepts, practices and other developments in the international arena, the RAA had been exchanging ideas and experiences with other Supreme Audit Institutions (SAIs) through greater cooperation in the fields of trainings, conferences and special delegations to other SAIs. Besides, the

RAA is also a member of the International Organisation of Supreme Audit Institutions (INTOSAI), Asian Organisation of Supreme Audit Institutions, INTOSAI IT Audit Committee and the Working Group on Environmental Auditing. In this context, the RAA attended the following assemblies, conferences and meetings;

Sl. No	Purpose	Period	Country	No. of Delegates
1	11 th Meeting of the INTOSAI Working Group on Environmental Auditing	25 th -29 th June 2007	Tanzania	2
2	XIX International Congress of Supreme Audit Institutions (INCOSAI)	3 rd – 10 th Nov. 2007	Mexico	3
3	Delegation to India to sign the extension of MoU between RAA and Office of the Comptroller & Auditor General of India	October 2007	India	2
4	16 th Meeting of the INTOSAI Standing Committee on IT Audit	3 rd – 7 th Mar. 2007	Oman	2
5	ASOSAI IDI Quality Assurance Programme Meeting	3 rd – 5 th Dec. 2007	Cambodia	1

Further, two senior level resource persons from the Office of the Comptroller and Auditor General of India conducted the 7th Indo-Bhutan Audit Training on

"*Environmental Audit*" from 9th to 13th July 2007. The training was attended by 33 auditors from the RAA headquarter and regional offices.

1.17 Underwent Organisational Development Exercise and Capacity Building Needs Assessment

In order to review its capacities for shouldering the mandates given by the Constitution of the Kingdom of Bhutan and to look for measures to further improve its performance to deliver high quality services, the RAA volunteered to be one of the first pilot organisations to undergo the Government initiated Organisational Development Exercise in

May – June 2007. Subsequently, a similar exercise, under a different title called the Capacity Building Needs Assessment, was also undertaken by the INTOSAI Development Initiative in August 2007. Many of the recommendations of the above two exercise are being implemented by the RAA.

1.18 Environmental Audit & IT Audit Gained Momentum

The RAA had been training its auditors on Environmental Audit and IT Audit during the 9th Five Year Plan, with the aim of introducing such audits in Bhutan. These issues were also thoroughly discussed during the OD and the Capacity Building Needs Assessment exercises and had accordingly been recommended in the respective reports.

Since this being one of the long awaited dreams of the RAA, it waited no further to implement the recommendations of the above two exercises. Therefore, the RAA introduced Environmental Audit and IT Audit Sections in August 2007. Such audits of selected projects are currently underway.

1.19 Auditor General Briefed Dasho Dzongdags

The Auditor General briefed Dasho Dzongdags of the twenty Dzongkhags on 3rd January 2007 on the roles and responsibilities of the RAA as a constitutional body as well as its future strategies to shoulder such important responsibility.

He briefed them on the common audit observations from the audit of various Dzongkhags and urged them to take note of their responsibilities and accountabilities and to institute adequate accounting and internal control system. Maintenance of proper documentation was also emphasized during the briefing.

1.20 Auditor General Briefed Education, Health and Finance Officials

As a proactive measure to curb fraud, corruption and other irregularities, the RAA had been taking opportunities to brief the various government officials through their annual conferences. During the year, the Auditor General briefed the officials of the Ministry of Education, Ministry of Health and the Ministry of Finance by attending their respective conferences.

The presentations mainly focussed on the constitutional roles and responsibilities of the RAA and its future directions, frequently occurring irregularities in the respective ministries and the recommendations on improving the economy, efficiency and effectiveness in the use of public resources.

1.21 RAA Audited by Independent External Audit

As required by the Audit Act of Bhutan 2006, M/s Ray and Ray, Chartered Accountants conducted the audit of the accounts and operations of the RAA covering the period from 1st July 2006 to 30th June 2007. The appointment of auditor was based on the selection of

auditors conveyed by the Hon'ble Speaker pursuant to the deliberations in the 86th Session of the National Assembly. Audited Financial Statements and Auditors' Reports are enclosed as *Annexure B*.

1.22 Prepared and Circulated Auditor General's Advisory Series

Auditor General's Advisory Series is a report from the Auditor General containing significant and frequently occurring issues that need timely attention of the government. In December 2007, the RAA issued AG's Advisory Series on Construction and Procurement. It was issued especially on the eve of commencement of the 10th Five Year Plan because the RAA was of the opinion that if the issues reflected therein were addressed appropriately, it could lead to significant savings to the Government both in terms of money and in the form of improved quality of constructions, goods and services in the 10th Five Year Plan. According to the individual audit reports, some of the wastages in these sectors were as high as 46% of the total cost and running into millions of Ngultrums. A conservative estimate puts wastage on

these areas between Nu. 4,368 million and Nu. 7,060 million in the 9th Five Year Plan. Therefore, addressing the issues reflected therein could lead to savings in billions annually to the Government.

The report pointed out core issues and problems in the Construction and Procurement and accordingly recommended measures to improve and streamline the existing systems and procedures, strengthen internal controls, improve the quality and timely delivery of services and promote economy, efficiency and effectiveness in the use of public resources. While major recommendations provided in the AG's Advisory Series have been included in the AAR 2007, the following were some of the major issues and problems in the construction and procurement as identified in the AG's Advisory Series of December 2007;

- i. Deficiency, ambiguity and impracticalities of the rules and regulations due to lack of timely review, modifications and wider stakeholder consultation and participation;*
- ii. Inadequate planning, feasibility studies, survey, consultations and co-ordinations;*
- iii. "Fit for all" Designs - one design for similar constructions in various places irrespective of the type of site and weather conditions;*
- iv. Defective Contract Agreements and inadequate supervision and monitoring of works;*

- v. *Unauthorized subcontracting and Fronting;*
- vi. *Inadequate system of check and balance;*
- vii. *Private Consultancy Firms not providing value for money;*
- viii. *Abnormal variation in costs in different places for similar works;*
- ix. *Rush of activities towards the end of financial year;*
- x. *Absence of reliable quality assurance system; etc.*

With the aim of creating awareness amongst the bureaucrats on the issues and problems in the construction and procurement sectors in Bhutan and for taking better informed decisions in the 10th Five Year Plan, the Auditor General made a presentation on the AG's Advisory Series to the Government Coordination Committee on 7th January 2008.

1.23 Strategic Plan of the RAA Finalised

In order to fulfill the Constitutional mandate and set its future direction, the RAA prepared its Strategic Plan (2008-2013). With an effort to align with the overall government policies, aims and objectives, the Strategic Plan had been prepared in line with the overall 10th Five

Year Plan of the Kingdom of Bhutan. The Plan has been developed through a series of discussions and consultations with the auditors and staff at various levels and finally endorsed by the Executive Committee of the RAA.

The salient features of the Strategic Plan are as presented below:

Sl. No	Objectives	Proposed Strategies
1	To align RAA's functions with the Constitutional requirement;	<ul style="list-style-type: none"> ≈ Focus on Economy, Efficiency & Effectiveness ; ≈ Balanced & Constructive Reporting; ≈ Function with complete organisational & functional independence; ≈ Draft Service Rules & Regulations of the RAA; ≈ Issue five Annual Audit Reports
2	To conduct 3,402 audits by focussing on balanced and constructive reporting	<ul style="list-style-type: none"> ≈ Prepare realistic Audit Schedule and rationalise field work; ≈ Effective follow up of all audit reports; ≈ Increasing staff strength vis-à-vis outsourcing audit of corporations & NGOs; ≈ Prepare effective retention strategies;

3	To improve the quality and timely delivery of audit services;	<ul style="list-style-type: none"> ≈ Improve physical infrastructure & relocate western regional office; ≈ Procure and use auditing tools; ≈ Focus on customer service and assess audit impact; ≈ Institute Quality Assurance System; ≈ Peer review of the RAA after every 5 years;
4	To develop auditing standards and manuals	<ul style="list-style-type: none"> ≈ Develop Auditing Standard of Bhutan; ≈ Develop 25 manuals on relevant audit topics; ≈ Participate in developing Accounting Standards of Bhutan;
5	Enhance professional development	<ul style="list-style-type: none"> ≈ Construct RAA Training Centre; ≈ Implement planned ex-country & in-country trainings; ≈ Enhance minimum training requirement to 60 hours in a year.

LIST OF AUDIT REPORTS TRANSMITTED TO ANTI-CORRUPTION COMMISSION

SL. No.	Name of Agency	Report Reference	AIN
1	Army Welfare Project	IR(10)CFID/2006/2105 dated 03/05/07	6928
2	Bank of Bhutan, P/ling	RAA(IR-2)CFID/2007/3949 dated 24/08/07	7101
3	Bara Gewog, Samtse Dzongkhag	RAA/GGD/SD/Barageog/06-07/1165 dated 15/03/07	6788
4	Biru Gewog, Samtse Dzongkhag	RAA/GGD/SD/Biru/06-07/1164 dated 15/03/07	6789
5	Department of Roads, Thimphu	IR(DSA/SCID-02/2007/5665 dated 03/12/07	7207
6	Department of Geology & Mines, Thimphu	IR/RAA/RTICD(MTI-DGM)2003-06/3197 dated 06/07/07	6716
7	Divisional Forest Office, Sarpang	AR(26)2007-08/5540 dated 29/11/07	7197
8	Dzongkhag Administration, Bumthang	IR(26)BT/BD/05-06/1221 dated 20/03/07	6818
9	Dzongkhag Administration, Chukha	IR/RAA/GGD/CD/2007/2620 dated 05/06/07	6969
10	Dzongkhag Administration, Haa.	IR/RAA/GGD/HD/2007/3263 dated 13/07/07	7033
11	Dzongkhag Administration, Lhuentse	IR(23)RAA-BT/DAL/06-07/3208 dated 09/07/07	7031
12	Dzongkhag Administration, Mongar	IR(23)RAA-BT/DAM/05-06/2142 dated 07/05/07	6905
13	Dzongkhag Administration, Pemagatshel	RAA/OAAG-SJ/PGD-(IR-30)2007/6603 dated 13/04/07	6875
14	Dzongkhag Administration, Samtse	RAA/GGD/SD/2007/1201 dated 19/03/07	6819
15	Dzongkhag Administration, Sarpang	IR/RAA-04/Report-04/06-07/603 dated 11/04/07	6785
16	Dzongkhag Administration, Trashiyangtse	RAA/OAAG-SJ/T-(IR-36)07/6561 dated 09/04/07	6721
17	Dzongkhag Administration, Zhemgang	IR(39)BT/DAZ/05-06/1726 dated 17/04/07	6869
18	Dzongkhag Court, Jakar	IR(18)BT/07/546 dated 13/04/07	6876
19	GOI funded projects – ‘Construction of 350 bedded hospital at Thimphu and 150 bedded hospital in Mongar’	IR(SCD-Health-GOI)07/513 dated 31/01/07	6724
20	Government Property Management (System Audit)	RAA/PSADGPM/2007/ dated 14/12/07	-
21	Land Administration and Land Management, Thimphu City Corporation, Thimphu (System Audit)	RAA/CICD-System(TCC)/2007/1195 dated 19/03/07	-
22	Ministry of Foreign Affairs, Thimphu	RAA/GGD-MFA/07/5029 dated 23/10/07	7161
23	Ministry of Health, Thimphu	IR(SCD-DAN)07/1194 dated 19/03/07	6723
24	Ministry of Health, Thimphu	IR(SCD-NCWC)MoH/07/3874 dated 22/08/07	7098
25	Paro Town Development, Paro	IR/RAA/GGD/CD/2007/3968 dated 27/08/07	7104
26	Processing of Building Application, Thimphu City Corporation, Thimphu (System Audit)	RAA/CICD-System(TCC)/2007/1197 dated 19/03/07	-
27	Report on the System Audit of Land pooling procedures implemented by the Thimphu City Corporation (System Audit)	RAA/PSAD(TCC-Land Pooling)/2007/5427 dated 20/11/07	-
28	Resettlement Program, Ministry of Home & Cultural Affairs (Supplementary Report)	RAA(AG-SP)2007/3593 dated 08/08/2007	-
29	Royal Bhutan Embassy, New Delhi	IR(40)GGD/RBE-ND/07/2696 dated 11/06/07	6953
30	Secretariat, Ministry of Education, Thimphu.	IR(MoE-Sect)07/2504 dated 24/05/07	6926
31	Thrumshingla National Park, Ura, Bumthang	AR(35)BT/TNP/2006-07/336 dated 03/10/07	7131
32	Youth Development Fund, Thimphu	IR/RAA/CFID(NGO/YDF)2005/06 dated 29/01/07	6829

**TO
THE NATIONAL ASSEMBLY OF BHUTAN,
THIMPU,
BHUTAN.**

AUDITORS' REPORT

1. We report that we have audited the annexed Receipts & Payments Account of Royal Audit Authority's Budgetary Operation for the year ended 30th June 2007 drawn on cash basis, in which are incorporated all branch accounts on the basis of returns submitted by the branches not visited by us and these are in agreement with the books of account as per provisions of the Financial Manual. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Our examinations of books and records are based on generally accepted auditing standards and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary for this purpose.
3. The Receipts and Payments Account have been drawn up on the basis of budgetary allocations by Department of Budget & Accounts of Royal Government of Bhutan.

4. As required by the Terms of Reference of Audit, issued with the letter of appointment, we enclose a Long Form Management Report on the matters specified therein.
 5. Statutory deductions regarding Salary Tax, Health Contributions, GPF, GIS and TDS have been deducted as per the prescribed rate of the Royal Government of Bhutan.
- a) We report that :
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) Proper books of account have been maintained by the Authority so far as appears from our examination of the books.
 - iii) In our opinion and according to the information and explanations given to us, the Receipts and Payments Account for the year ended 30th June, 2007 read with the Management Report gives a true and fair view of the Budgetary Funds received and payment made there from.

For RAY & RAY
Chartered Accountants



(K. K. GHOSH)
Partner
Membership No. 59781

Place: Kolkata

Date: 14 DEC 2007

ROYAL AUDIT AUTHORITY
Expenditure Statement
 For A/C. No. 108.01/01 - LC

FAM-9.12

For the Year Ending JUNE - 2007

OBC	Name	Current Budget (Nu.)				Annual Progressive Expenditure (Nu.)				Total (Nu.)	Variance
		HQ	OAAG,S/J	Bum.	OAAG, Tsirang	HQ	OAAG,S/J	Bum.	OAAG, Tsirang		
1.01	Pay & Allowances	21,549,000.00	2,304,000.00	2,151,000.00	2,265,000.00	20,238,447.83	2,257,578.00	2,150,148.00	2,092,186.00	26,738,359.83	5.41%
2.01	Other Personnel Emoluments	196,000.00	115,000.00	75,000.00	76,000.00	162,200.00	86,800.00	71,300.00	74,400.00	394,700.00	14.57%
11.01	Travel - Incountry	6,816,000.00	1,181,000.00	1,270,000.00	1,793,000.00	6,813,359.23	1,180,960.00	1,202,338.00	1,751,881.00	10,948,538.23	1.01%
11.02	Travel - Outside Bhutan	990,000.00				989,727.72				989,727.72	0.03%
12.01	Utilities -Telephones, Telex, Fax, E-mail, Internet	910,000.00	155,000.00	112,000.00	105,000.00	909,694.72	114,062.50	106,591.00	105,000.00	1,235,348.22	3.64%
12.02	Utilities -Telegram, Wireless Transmission, Postage	221,000.00	45,000.00	35,000.00	30,000.00	220,515.00	43,465.00	34,992.00	30,000.00	328,972.00	0.61%
12.03	Utilities - Electricity, Water, Sewerage	228,000.00	20,000.00	20,000.00	18,000.00	227,259.00	19,110.70	11,495.00	17,999.38	275,864.08	3.54%
13.01	Rental on Properties- Building	13,000.00		152,000.00	36,000.00	12,600.00		151,800.00	31,583.00	195,983.00	2.50%
14.01	S & M - Office Supplies, Printing, Publications	1,773,000.00	110,000.00	78,000.00	194,000.00	1,772,538.85	108,642.00	69,993.00	194,000.00	2,145,173.85	0.46%
15.06	Maintenance of Property - Plantation				10,000.00				10,000.00	10,000.00	0.00%
15.01	Maintenance of Property - Buildings	91,000.00	20,000.00		28,000.00	90,126.18	20,000.00		28,000.00	138,126.18	0.63%
15.02	Maintenance of Property - Vehicles	1,162,000.00	132,000.00	132,000.00	177,000.00	1,161,886.30	131,999.80	131,999.22	157,917.00	1,583,802.32	1.20%
15.05	Maintenance of Property - Equipment	23,000.00	12,000.00		12,000.00	22,266.00	11,210.00		12,000.00	45,476.00	3.24%
15.07	Maintenance of Property - Computers	33,000.00	22,000.00	18,000.00	20,000.00	32,750.00	22,000.00	12,250.00	20,000.00	87,000.00	6.45%
17.01	Op. Exp. - Advertising	46,000.00			10,000.00	45,770.00			9,999.50	55,769.50	0.41%
17.02	Op. Exp. - Taxes, Duties, Royalties, Handling Charges, Bank Charges	6,000.00	10,000.00	8,000.00	5,000.00	3,109.00	8,842.50	3,545.00	5,000.00	20,496.50	29.32%
18.01	Hospitality & Entertainment	200,000.00	20,000.00	11,000.00	20,000.00	198,749.50	19,918.00	10,694.00	19,991.00	249,352.50	0.66%
21.01	Current Grants - Individuals/Non-profit Orgs.	100,000.00				99,389.00				99,389.00	0.61%
24.03	Contributions - Provident Fund	1,306,000.00	150,000.00	137,000.00	145,000.00	1,304,420.00	143,105.00	134,562.00	126,917.00	1,709,004.00	1.67%
24.01	Subscriptions to International Organisation	92,000.00	14,000.00			91,396.98	14,000.00			105,396.98	0.57%
25.01	Retirement Benefits	33,000.00		10,000.00		33,000.00		9,300.00		42,300.00	1.63%
45.02	Training - Others	133,000.00				132,654.60				132,654.60	0.26%
54.03	Computers & Peripherals	1,087,000.00	250,000.00	110,000.00	150,000.00	1,086,977.00	248942	106,994.00	150,000.00	1,592,913.00	0.26%
54.01	Furniture	640,000.00	50,000.00		40,000.00	639,230.93	43,737.00		40,000.00	722,967.93	0.96%
54.02	Office Equipments	171,000.00			45,000.00	170,044.49			45,000.00	215,044.49	0.44%
55.01	Professional Services	152,000.00				151,896.00				151,896.00	0.07%
88.01	Personal Advances										
93.05	PWA - Others										
	Total RGOB Financing Current	35,788,000.00	4,310,000.00	4,209,000.00	4,944,000.00	34,429,205.31	4,181,693.50	4,101,007.22	4,686,873.88	47,398,779.91	
	Capital	2,183,000.00	300,000.00	110,000.00	235,000.00	2,180,803.02	292,679.00	106,994.00	235,000.00	2,815,476.02	



