



## The Royal Audit Authority conducted Press Conference on the audit reports tabled to the Parliament



*Hon'ble Auditor General and senior officials of the RAA with the representatives from media houses*

The Royal Audit Authority tabled Annual Audit Report 2016 and six Performance Audit Reports to the 9<sup>th</sup> Session of the Second Parliament on 13<sup>th</sup> June. The audit reports included Performance Audit Report on Tourism Sector, Performance Audit Report on Food Corporation of Bhutan Limited, Performance Audit Report on Employment Generation and Promotion Initiatives, Performance Audit Report on Provision of Patient

Meals, Performance Audit Report on School Feeding Programme, and Performance Audit Report on Bhutan Opportunity and Information Centre. On the same day, the Royal Audit Authority also conducted Press Conference on the audit reports. It was attended by the Hon'ble Auditor General, senior officials and representatives from ten media houses.

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**Launch of Stakeholder's Satisfaction Report 2016**  
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**Audit Awareness & Advocacy Programme**  
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## Delegations from C&AG Office of India visited the Royal Audit Authority



A four member delegation from the Office of Comptroller & Auditor General of India visited the Royal Audit Authority on 20<sup>th</sup> March 2017. The delegation was led by Shri Venkatesh Mohan, Director General of International Centre for

Information Systems and Audits (iCISA), New Delhi. The visit was mainly aimed at further strengthening the institutional relationship between the two audit institutions for mutual benefits in the fast changing environment.

## RAA launched the stakeholders' satisfaction and perception survey report 2016



The Royal Audit Authority launched the 'Stakeholders' Satisfaction and Perception Survey Report 2016' on 13<sup>th</sup> June 2017. The study was undertaken by an independent consultancy firm to assess the satisfaction and perception level of

the stakeholders availing audit services with the following objectives to:

1. Gauge and understand the level of stakeholders' satisfaction and perception on the audit services delivered by the Royal Audit Authority;
2. Examine the strengths and areas requiring improvement to demonstrate the RAA's continuous relevance to its stakeholders; and
3. Obtain independent and objective insights/recommendations ensuing from the study to support beneficial change and creating



meaningful impact as the Supreme Audit Institution of Bhutan.

Stakeholders' Satisfaction and Perception Survey is one of the activities identified in the RAA's Strategic Plan 2015-2020 aiming to understand relevance of RAA's work to the expectations of its stakeholders in order to improve service delivery. The study covered a wide range of the RAA's key stakeholders including members of the Parliament, top level bureaucrats, CEOs, chief finance officers, heads of autonomous agencies, civil servants, and heads of Dzongkhags, Gewogs, Thromdes, and international agencies.

The expected outputs of the survey included ascertainment of the level of stakeholder's satisfaction, their expectations, gaps, challenges, and way forward. The study was carried out using eight Key Results Area (KRAs) and thirty seven Key Performance Indicator (KPIs) and it was conducted using a sample size of 344 respondents. According to the report, the result of the survey

showed satisfaction score of 78% on the services provided by the RAA. In regards to the RAA's current services, the general satisfaction level stood at the aggregate score of 84%.

The report also ranked the scores in eight KRAs designed for assessment. The top three scores are KRA1: *Integrity of the Royal Audit Authority* scored 79.80%, followed by the KRA 3: *Service Efficiency of the Royal Audit Authority* with the score of 79% and the KRA 2: *Service Accountability* scoring 78.2%.

The Report mentioned that stakeholders were moderately satisfied with most of the KPIs but there are some KPIs with low scores indicating that the RAA still needs to improve its services in some specific areas. Further, the study also made a set of recommendations, which include need for strengthening independence, improving on ethics and professionalism and engaging closely with stakeholders to promote accountability and transparency.

## **RAA conducted MTR Meeting 2016-2017 in Phuentsholing**



The Royal Audit Authority conducted Mid-Term Review Meeting for 2016-2017 at Phuentsholing from 11<sup>th</sup> to 14<sup>th</sup> January 2017. The 3-day meeting reviewed the progress of all

planned activities for 2016-17 and also deliberated and discussed on the many pertinent issues and challenges faced by the auditors while carrying out audits. The meeting also discussed the proposal of

adopting International Standard for Supreme Audit Institutions (ISSAIs) as authoritative standards. Further, the project team presented the implementation activities and way forward for the adoption of ISSAIs for the Royal Audit Authority. The meeting also took stock of achievements made in the past six months regarding the commitments targeted during 2016-2017. Further, during the meeting, several presentations were made to disseminate information of the various

activities taking place in RAA, as well as of the various policies and decisions made during the period, and also received valuable feedback and suggestions.

During the meeting, the Hon'ble Auditor General also awarded certificates and cash prizes for the "AG's Assurance Award" for Best Audit Report, Best Performance Audit Report and Most Significant Observations.

## **Audit Awareness and Advocacy Programme continued**

The Hon'ble Auditor General completed the audit awareness and advocacy programme for all ten Ministries, twenty Dzongkhags including Gewogs, Autonomous agencies, Rabdeys, Armed Forces, Financial Institutions and Corporations. The programme was also extended to the Permanent Mission of Bhutan in Geneva and the Royal Bhutan Embassy in Brussels as well as a few selected training institutes and Central Schools. With the completion of advocacy programme, the Royal Audit Authority has covered 90% of its stakeholders and achieved strategic intent under Programme Goal three: *Fostering Collaboration*.

The advocacy programme is mainly intended towards creating awareness on the roles, mandates and challenges of RAA while discharging its constitutional responsibilities as an oversight body. The Hon'ble Auditor General talked about the 'Roles and Responsibilities of the Royal Audit Authority in promoting accountability and transparency in the use of Public Resources' besides sensitizing on the International Standards of Supreme Audit Institutions (ISSAIs) and Financial Resources Management Accountability Index (FRMAI).



During the programme, the Hon'ble Auditor General met with officials of Dzongkhag Administrations, the Lams and Lopens of the

Rabdeys, Local Government Leaders, representatives of Armed Forces and heads of regional offices including Corporations and

Financial Institutes. The advocacy programme was conducted in seven phases between November 2016 and June 2016 and the last awareness

Programme ended with Gasa Dzongkhag on 23rd June 2017.

## Auditor General attended 24th UN/INTOSAI Symposium



*Hon'ble Auditor General with the participants of Symposium*

The Hon'ble Auditor General attended the 24th UN/INTOSAI Symposium held in Vienna Austria from 31st May to 2nd June 2017. The three day symposium was organized by United Nations and International Organization for Supreme Audit Institutions on the theme *"Digitalization, open data and data mining: relevance and implications for SAls' audit work and for enhancing their contributions to the follow-up and review of the SDGs."*

A total of 149 delegates from 76 countries have participated the symposium. The symposium was aimed to:

1. include the different regional points of view;
2. compare different levels of development;

3. discuss the current implications and relevance of digitalization, open data and data mining for SAls; and
4. discuss as possibilities for enhancing their contributions to the follow-up and review of the SDGs.

The participants of the Symposium have intensively worked on the relevancy and implications of digitalization, open data and data mining for the audit work of SAls and for enhancing their contributions to the follow-up and review of the SDGs. As a result of the intensive discussions, the participants of the Symposium passed 21 resolutions pertinent to the theme of the Symposium.



## Auditor General attended the 26th Meeting of INTOSAI WGITA



### The 26<sup>th</sup> Meeting of INTOSAI Working Group on IT Audit

22-23 May 2017

Seoul, Republic of Korea

The Working Group on IT Audit (WGITA) is a part of International Organization of Supreme Audit Institutions (INTOSAI) established in 1989 to facilitate knowledge and experience sharing among support Supreme Audit Institutions (SAIs). It also supports SAIs by developing materials on IT related issues and IT auditing. The Working Group is chaired by the Comptroller & Auditor General of India and it has 46 member countries and 4 observers.

The 26th meeting of INTOSAI WGITA was hosted by Bureau of Audit and Inspection, Korea (Republic) and it was held from 22nd to 23rd May 2017 in Seoul. The two day meeting was attended by 46 delegates from 23 member countries. The Hon'ble Auditor General accompanied by two officials also attended the meeting. WGITA achieves its mission and mandates by carrying out triennial work plan comprising of projects to be completed within three years. The Work Plan 2017-

2019 adopted during the 25<sup>th</sup> meeting has five projects on different themes and topics that are relevant and pertinent for the Supreme Audit Institutions.

During the meeting, SAI Malaysia, who is currently maintaining the WGITA's website, gave updates on the Working Group website. Project leaders of the five different projects also reported their progresses as well as project plans to the house. Additionally, the meeting intensively deliberated on the alignment of WGITA work plan with Strategic Development Plan of Framework of International Professional Pronouncements (FIPP). SAI USA presented the electronic concept of WGITA-IDI Handbook on IT Audit. SAI China (Chair of Working Group on Big Data) presented the progress report on the activities of the Working Group on Big Data and SAI Zambia presented the activities of AFROSAI-E.

Participants from SAI Australia, China, Japan, Korea, Kuwait, and South Africa shared their experiences and best practices on different IT audit topics. Representative from ISACA also shared the

results of IT Survey conducted for SAIs including evolution of cyber security. The house discussed and endorsed the proposed venues for 28<sup>th</sup> and 29<sup>th</sup> meetings.

## Summary on AAR 2016 and Performance Audit Reports

### Annual Audit Report 2016

The Annual Audit Report 2016 is a compilation of un-resolved significant issues from 815 audit reports issued during the year 2016. It includes the certification of the Annual Financial Statements of the Royal Government for the fiscal

year ended June 30th 2016, audit of accounts and operations of the RAA, accomplishments made by RAA during the year and summary on significant issues from the Audit of Hydropower projects.

### Performance Audit Report of Tourism Sector

The Performance Audit Report of Tourism Sector reviewed the adequacy of legal and policy framework in achieving the policy objectives of 'high value, low impact', assessing the effectiveness of internal controls in preventing or checking the occurrences of undesirable practices

such as, undercutting of tourism tariff; reviewing the adequacy of institutional framework, in particular the monitoring and coordination mechanism; and evaluating the achievement of targets and objectives of the Tourism Sector. The audit covered the period from 2011 to 2015.

### Performance Audit Report on Food Corporation of Bhutan Limited

The Performance Audit Report on Food Corporation of Bhutan Limited reviewed the legal, policy and institutional framework, procurement management system, store management and

human resources management of the Corporation for the period from 2011 to 2015. The audit also covered risk areas identified as vital in fulfilling the Corporation's intended objectives.

### Performance Audit Report on Employment Generation and Promotion Initiatives

The Performance Audit Report on Employment Generation and Promotion Initiatives was carried out to ascertain whether due regard was given in ensuring economy, efficiency and effectiveness in generation and promotion of employment in the country, in particular the

effectiveness of employment generation and facilitation programs undertaken by the MoLHR. As such, the audit gave more emphasis on reviewing the systemic issues pertinent for effective administration of employment. The audit covered the period from 2010 to 2015.

### Performance Audit Report on Provision of Patient Meals

The Performance Audit Report on Provision of Patient Meals was conducted with a focus on nutrition and management of patient food service system. The audit ascertained whether meals provided met the nutritional requirement of the patient for fast recovery; overall health

improvement; and to evaluate the quantity, safety and hygiene of food for in-patients. The audit also aimed to assess whether hospitals provided conducive environment encouraging in-patients to eat and enjoy their meals.



## **Performance Audit Report on School Feeding Programme**

The Performance Audit Report on School Feeding Programme was carried out with a focus on nutrition and to ascertain whether the Programme helped in improving nutrition and

reducing nutrient deficiencies, and initiatives instituted by the relevant authority to improve nutritional status of schoolchildren.

## **Performance Audit Report on Business Opportunity and Information Centre**

The performance audit report on 'Business Opportunity and Information Centre' was conducted with an objective to verify whether adequate policy and institutional framework existed in governing the Centre and whether the revolving funds were utilized efficiently and effectively for the intended purpose. Accordingly,

the review focused among others, on ascertaining whether adequate and effective monitoring systems were in place and whether planned activities were achieved. The audit covers the period from inception till 31st May 2016 (closure of the Centre).

### **Audit Officers attended training on construction of Hydropower Projects**

A total of fifteen Audit Officers consisting of two each from the four Regional Offices and Functional Divisions underwent a weeklong training at Basochu Hydro Plant, Rurichu, Wangdue.

The training was facilitated by the officers of Druk Green Power Corporation (DGPC) who are endowed with rich experiences in implementation of power projects. It was organized as joint efforts of capacity building so that the RAA remain



relevant by appropriately responding to the expectations of different stakeholders and the emerging risks and changing environments in which audits are conducted.

The training was funded by Austrian Development Coordination (ADC) and the training concluded on 26th May 2017.

### **An Officer Received Meritorious Promotion**

Ms. Kinley Zam, an ICT Officer working with the Thematic Audit Division was meritoriously promoted to the post of Sr. ICT Officer with effect from 1st April 2017. Ms Kinley Zam received her promotion order in a simple ceremony at the RAA Executive Hall on 7th April 2017. On behalf of Hon'ble Auditor General, the Deputy Auditor General, DFR & HRM handed her the promotion



order with a Tashi Khadar. Also present were other DAGs and officials of the Human Resource and International Relations Division.

### **RAA administered Oath of Good Conduct, Ethics and Secrecy for new family members**

The Oath of Good Conduct, Ethics and Secrecy of Auditors were administered on 6th February 2017 for the new auditors who have joined the Royal Audit Authority in the year 2016 and 2017. A total of 22 new recruits pledged and subscribed to the 16 Principles essential for good conduct, ethics and secrecy to be an ideal auditor in carrying out the duties and responsibilities as an auditor of the Royal Government of Bhutan. The



Venerable Guenzhug Neten of the Zhung Dratshang administered the Oath in presence of the Hon'ble Auditor General of Bhutan.

## Workshop on planning ISSAIs based pilot audits conducted in Thimphu

A total of 32 auditors attended a six day workshop on planning ISSAIs based pilot audits on three audit disciplines of Financial, Performance and Compliance at Namgay Heritage Hotel, Thimphu from 3<sup>rd</sup> to 8<sup>th</sup> February 2017. The workshop was funded by the World Bank and it was facilitated by three Subject Matter experts from the INTOSAI Development Initiatives (IDI), Norway.

In preparation for the said workshop, the RAA had carried out revisions of audit



methodologies in the month of November 2016 and the pilot audits are to be carried out based on the revised methodologies. The ISSAIs based pilot audits are slated to conduct in six different agencies and expect to set the benchmark for future audits.

## Mr. Pem Chewang, superannuated from RAA after 38 years of service



After 38 years of an illustrious service to the nation in general and the RAA in particular, Mr. Pem Chewang, Deputy Chief Audit Officer superannuates from the RAA on the forenoon of 1st January 2017. The family of RAA acknowledged his sincerity and commitment in service towards

Tsa-Wa-Sum and expressed deep gratitude for being a very dedicated officer on whom the younger generation can look upon.

Mr. Pem Chewang joined the civil service in 1978 and reflecting back on the 38 years of his service, he said that RAA has come a long way and transformed from a mere Audit Department to a Constitutional Body. He recalled a time when the entire RAA had only one Mahindra Jeep to be used by the Deputy Auditor General then and how the field auditors travelled by buses through bumpy and narrow roads.

To mark the occasion, the Hon'ble Auditor General awarded the life time service medal and certificate of appreciation for his exemplary service to the RAA and wished him a peaceful and successful retired life.

## RAA participates in Lessons Learned and Exit Workshop

The Deputy Auditor General, Department of Follow-up, Regions & Human Resource Management led a two member delegation to



Jan-June 2017



Oslo, Norway to attend the Lessons Learned and Exit Workshop under the Trans-Regional programme on the Audit of lending and Borrowing Frame work, which was scheduled for two days from 30-31 March 2017.

During the meeting, there were discussions and sharing of experiences on what worked well

and what could be improved. More importantly, the meeting agreed on each stakeholder's commitment in ensuring sustainability of programme results. The workshop was hosted by the INTOSAI Development Initiative (IDI) at Radisson Blu Scandinavia, Norway.

## *Vision*

A credible Supreme Audit Institution that promotes value for money and good governance in public operations and contributes towards achieving the societal aspirations of Gross National Happiness.

## *Mission*

RAA is an independent constitutional body which contributes to accountability, transparency and effective service delivery. In the service of Tsa-Wa-Sum (the King, Country and People), we audit without fear, favour or prejudice and provide timely, reliable and quality audit services to assist effective decision making in the sector.

## *Core Values*

Integrity, Accountability, Transparency, Professionalism, Team Work

RAA Outcomes: What the RAA is working to achieve?	
RAA OC 1	Greater audit impact leading to improved accountability, transparency and ethical behaviour in the public sector in Bhutan.
RAA OC 2	Improved public sector performance in National Key Result Areas and Sustainable Development Goals commitments in achieving Gross National Happiness.

RAA Strategy: How the RAA will add value?	
RAA SG 1	RAA delivers high quality audits as per international standards including ISSAIs- Delivery Quality.
RAA SG 2	RAA leads by example in being an accountable, transparent and ethical organization- Demonstrating excellence.
RAA SG 3	RAA enjoys strong partnerships and cooperation with key stakeholders- Fostering collaboration.

RAA Capacity: What Capacity does the RAA need to achieve its goals?	
RAA C 1	Strong leadership and professional culture
RAA C 2	Appropriate institutional framework, organizational structure and systems
RAA C 3	Competent and motivated team

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