



ROYAL AUDIT AUTHORITY NEWSLETTER

A Biannual Publication



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Editorial..

We are pleased to issue the 8th publication of the bi-annual RAA Newsletter.

In this issue, we bring you a brief account of Performance Audit Report on Mining sector. The report was deliberated in the fourth session of the National Council where-in eight recommendations were provided for further review and implementation.

It also entails a brief account of various events and developments that have taken place during the period.

The editorial team would like to wish all our readers a happy reading!

"Reporting on economy, efficiency and effectiveness in the use of public resources"

22 RAA officials awarded Gold, Silver and Bronze Medals for their dedicated Service to the Nation



The Royal Audit Authority celebrated the Royal Civil Service Medal Award ceremony on 12th December 2014 in the Office of the Auditor General, Thimphu. The award was conferred in keeping with the Royal Command issued to the Royal Civil Service Commission and also as per the Chapter 22 of Bhutan Civil Service Rules & Regulations 2012 for their dedicated service to the Tsa-Wa-Sum (King, Country and the People).

Five Life Time Service Medals were awarded to superannuated officials of RAA for having served till their retirement age. Seven Gold Medals were awarded to the senior most officials in RAA who had served for more than 30 years. Five Silver medals were awarded to those having served over 20 years and 14 Bronze Medals for officials who had served over 10 years.

The Hon'ble Auditor General of Bhutan awarded the Medals & Certificates. The award ceremony was attended by the officials of the RAA. It will be an annual event where civil servants will be awarded medals and certificates for their deducted service to the nation.

NEWS& EVENTS

Professional Development Centre Construction Progress Meeting held in Tsirang



The first Progress Review Meeting between the officials of RAA and contractors on the construction of *RAA's Professional Development Centre* was held in the Office of the Assistant Auditor General (OAAG), Tsirang on 31st December 2014. The meeting was graced by Dasho Ugen Chewang, the Hon'ble Auditor General of Bhutan.

The meeting was convened after two months of handing over the project site to the contractors for two different work packages. The Package-A pertaining to construction of Academic Block has been awarded to M/S Wangnor Construction and the construction of hostels consisting of 2 self-catering, 2 general and 3 executives to M/S Thuenlam Construction as Package-B.

The meeting mainly focused on physical achievements made ever since the site was handed over on 25th October 2014 and discuss issues pertaining to both the Project Implementation Unit (PIU) and the executing firms. One of the matters put forward was items missing in the Bill of Quantities (BoQ) which are required to be executed at site.

While acknowledging the current progress as impressive, the Hon'ble Auditor General cautioned the two firms on delivery of requisite quality and on

timeliness of completion. The firms were further reminded to strictly abide by the contractual terms and conditions and inject requisite resources, overcome difficulties and showcase exemplariness in execution of such project to the RAA.

The construction is funded by the Government of India (GoI) and is expected to complete by October 2016.

Brief background on Professional Development Center (PDC)

The construction of Professional Development Centre in Tsirang marks a new chapter in the history of the Royal Audit Authority, in building its capacity to audit and report on economy, efficiency and effectiveness in the use of public resources.

The Professional Development Center is being constructed within 5.3 acres of land over the shallow-sloped terrain of Tsirang. The consultancy services, drawings and designs, construction of approach road, construction of site office and water supply works were completed during the 10th Five Year Plan. The major component of the work for this phase will be the construction of main academic block, two general hostels with accommodation capacity of around 120 heads and landscaping works.

The Government of India has committed Nu. 150 million in the eleventh five year plan to implement the second and final phase of the project including furnishing and electrification works for the buildings.

Such professional development centers are given high priority by the Supreme Audit Institutions worldwide mainly to address continuous professional development needs that may emerge with rapid advancement in science and technology. It also benefits in acquiring best international auditing practices and attaining required standards. In this context, the need of a well-equipped professional development center was conceived as

early as before the institution of constitutional monarchy in the country. The establishment of the center was since then accorded high priority and was endorsed by the 87th Session of the then National Assembly of Bhutan on June 7, 2007.

With the Professional Development Center in place, the Royal Audit Authority besides fulfilling its own requirements to audit and report on the economy, efficiency and effectiveness in the use of public resources will also organize national and international level events such as meetings, seminars and workshops to foster progressive partnership in auditing and reporting.

The Human Resource and International Relations Division in pursuit to achieve the Programme Goal 5 of Strategy Goal No. 5.4 of the RAA's Strategic Plan 2010-15 is in the midst of developing training curriculum for the Professional Development Centre.

Under the Executive order issued by the Hon'ble Auditor General, a 15 members core group was formed, four subject matters experts identified, two members each for layout & design and editorial team constituted for the purpose of curriculum development.

Hon'ble Auditor General of Bhutan led six members delegation to State Audit Office of Vietnam



A six member delegation headed by the Hon'ble Auditor General of Bhutan visited State Audit Office of Vietnam (SAV) from 5th to 8th August

2014, on the invitation from His Excellency Nguyen Huu Van, Auditor General of the State Audit of Vietnam.

During the visit, the two offices reviewed the goodwill cooperation established and renewed areas of cooperation in future. The discussions were held on mutual agreement on deriving benefits like exchanging of information, audit materials, expertise and knowledge sharing between the two SAIs as to enhance each other's capacity towards providing a value added audit services to the nation.

The delegation attended to a courtesy meeting with Madam Nguyen Thi Kim Ngan, the Vice President of the National Assembly of Vietnam. The mutual talks shared the common interest on the importance of strengthening the Supreme Audit Institutions for creating the prudent use of the national resources and promoting good governance in the two countries.

The Hon'ble Auditor General also visited one of the Regional Offices of SAV located in Ha Long City and met with the regional officials. Later the delegates attended a courtesy luncheon hosted by the Vice Chairman of the Quang Ninh Province.

Being members to the International Organization of Supreme Audit Institutions (INTOSAI) and the Asian Organization of Supreme Audit Institutions (ASOSAI), first foundation stone of the relationship between two SAIs was laid in 2012 through the delegation of SAV to RAA headed by Mr. Cao Tan Khong, the Deputy Auditor General of SAV. This visit marked yet another milestone in the history of RAA in building strong cooperation with other SAIs worldwide.

RAA attended the 16th Meeting of INTOSAI WGEA in Philippines

The Hon'ble Auditor General of Bhutan, Dasho Ugen Chewang accompanied by two senior officers Mr. Tashi Tobgay and Mr. Chandra B. Gurung,

attended the 16th Meeting of INTOSAI WGEA in the Philippines.



The meeting stretching over the period of four days from 29th September to 2nd October of 2014 was hosted by the Commission on Audit of Philippines.

It was expected to provide the member of Supreme Audit Institutions (SAIs) with a broader knowledge and experience on current environmental issues and serve as a forum for sharing environmental audit experiences, building external relationship and setting an aspired future direction of the INTOSAI WGEA.

The RAA became the member to INTOSAI in 1985 and WGEA in October 2011.

Public Accounts Committee's Recommendation and Resolution on issues of Past Performance Audit Reports of RAA deliberated in the fourth Parliament



The Public Accounts Committee (PAC) on 5th December, 2014 submitted its recommendations to the Joint sitting of the parliament on the following issues;

- i. The PAC and a follow up committee of the RAA had a meeting and after a lengthy discussion agreed to close 18 reports like; Department of Roads-9th plan review, Report on National Park Management, Dzongkhag Local Area Network and Internet Connection, IT Audit of Electricity Billing and Collection System of BPC, Performance Audit on Operational of Tala Hydro Power Authority, Chukha Dzongkhag-9th FYP Review, Health Sector, 9th Plan Review, Environmental Compliance by Industries in Pasakha and Gomtu, Education Development project, Operation of BBSC, Farm roads in Bhutan, NPPF, Civil Service Training, Environmental issues in Forestry, Constituency Development Grant and Information System Audit of Budget and Audit on Drinking Water Supply and Sanitation;
- ii. The PAC decided not to review the 2008 report on Mining operation in Bhutan as the National Council had directed the RAA to conduct a study on the socio-economic and environmental impact of mining and quarrying in the country;
- iii. The PAC reviewed and followed up and found that all the recommendations have been implemented. Hence, the PAC has decided to also close the Performance Audit Report reports like PAC report on the Audit of Medical Waste Management, PAC report on the Audit of Solid Waste Management, PAC report on the Audit of Human Resource Management, PAC report on the audit of IT Controls in Revenue Accounting System, PAC report on IT audit of Information Security and Report on the Auditor General Advisory series 2013 on Procurement of Consultancy Service in the Public Sector;
- iv. The report states that PAC has decided to report and recommend that the Ministry of Education

(MoE) submit periodic status reports with regards to the recommendation on human resource projection and planning;

- v. PAC observed that a total of Nu. 4,594.15mn was incurred for the financial years 2007-08 to 2011-12 in accruing the consultancy services indicating expenditure almost to tune of Nu.1bn annually;
- vi. According to the report on the auditor general's advisory series 2013 on procurement of consultancy services in public sector, the government had incurred expenditures aggregating to Nu. 4,596.15mn purely on procurement of consultancy services and the Ministry of Economic Affairs (MoEA) had highest amount of expenditure on consultancy services amounting to Nu.2, 344.23mn mainly for the preparation of Detailed Project Report (DPR), pre-feasibility studies and pre-construction activities in the hydro power projects;
- vii. The PAC recommended that the Ministry of Finance (MoF) must ensure that the procurement Rules and Regulations (PRR) are review from time to time with relevant clauses inserted in order to avoid future lapses and waste of government resources;
- viii. PAC has also recommended that the public Procurement Policy Division (PPPD), MoF is the central agency that looks into public procurement and therefore, any agency that seeks to procure consultancy services beyond a threshold amount must obtain a clearance from the PPPD;
- ix. The following Performance Audit Reports; System Audit of Hydro Electricity Energy (2013), Environmental Audit Report on Timber Harvesting in FMUs and WSs, April, 2014 and Audit Report on Public Debt Management (2014) will be reviewed in the fifth session.

National Council of Bhutan deliberated on Performance Audit report on Mining & Quarry in Bhutan



On the 3rd December 2014, the 14th Sitting of the House deliberated and adopted the Recommendations of the Special Committee on Mining and Quarrying Sector.

The House adopted eight recommendations which calls upon the Government to expedite establishment of a State Mining Corporation, immediately terminate the existing mining leases, amend Section 2.6 of the Rules on Income Tax Act 2001, conduct diagnostic tool in the Department of Geology and Mines, initiate new legislature, conduct regular audit of all companies engaged in the business of extracting or utilizing mineral resources, affirm legality and procedural compliance of international financial transaction by the Royal Audit Authority and to request the ACC to find out who were involved in disclosing and sharing the Final Mines Feasibility Study Reports and to take action against individuals.

The RAA had carried out Performance Audit on Tax of Mining and Quarrying Sector as required by the National Council in October 2013. It is also in line with the mandates of the RAA as enshrined in the Constitution of the Kingdom of Bhutan 2008 and the Audit Act of Bhutan 2006.

Following are the findings in brief:

- ❖ There is no specific provision or law for protection of minority interest. Existing provisions for certain disclosure requirements for related party transactions in the Companies Act of the Kingdom of Bhutan 2000 is not adequate to prevent related party transactions and conflict of interest situations;
- ❖ The Companies Act of the Kingdom of Bhutan 2000 does not contain any specific stipulations providing basis for fair and just remunerations such as salaries, commissions, donations and fees of Directors of the Board and Chief Executive Officers of the companies. Nor there are any guidelines or other directives issued in fixation of remuneration, fees and commission payable to executives and directors;
- ❖ The policy intent of the Government to float 30% shares to the public is not supported by the legislation to safeguard the interest of minority shareholders.
- ❖ There is no guideline or policy to regulate implementation of Corporate Social Responsibilities by the mining companies;
- ❖ There is no specified authority to oversee propriety issues of companies and regulate practices in protecting larger interests;
- ❖ There are inadequacies in the provision of the Income Tax Act 2001 which exempts income from the hire of trucks despite huge income earned by transporters. The exemption is not seen to be in conformity to the policy of progressive taxation;
- ❖ There is no maximum time limit for granting tax exemptions and tax holidays to loss making mining and quarrying business which use natural resources of the country. Such incentives are not seen to be a good deal for the government;
- ❖ There is no justified basis for allowing offsetting of losses other entity against the profit of quarrying business units;
- ❖ The Companies Act does not restrict formation of intermediaries through proper check on the purpose, intent and implications to protect the interest of the minority shareholders;
- ❖ Despite endowment of huge mineral resources in the country, the DGM has reportedly completed geological mapping of only 33% of the mineral resources of the country;
- ❖ Despite requirement by the MMR 2002, the DGM had leased out most of the mines and quarries on 'first come first' basis instead of leasing out through public auction. The RAA's analysis showed that the Government had lost Nu. 307.392 million by allocating seven mines on the first come first serve basis;
- ❖ The royalty rates of minerals had not been revised for duration ranging 8 to 13 years resulting in revenue losses to the Government. Further, the RAA computed revenue loss of Nu. 328,860,252.72 on the basis of comparison of royalty rates of dolomite and other major minerals;
- ❖ There were cases of non-collection of Environmental Restoration Bonds from various mines and quarrying operators;
- ❖ The RAA's review showed that there were lack of internal controls in the transportation of minerals from mine sites to stock yards pertaining to dolomite, gypsum and coal;
- ❖ RAA noted weak enforcement of final mines and feasibility study reports;
- ❖ There is lack of regulations on controlling related party transactions in the mining business. The existence of related party transactions were seen to be pre-judicial to the interest of the minority shareholders and the public companies;
- ❖ The RAA noted instances of allowing ERB as deductible expenses which was not eligible as per MMR 2002. This had resulted in revenue foregone of Nu. 12, 471,952.02;
- ❖ The RAA also noted revenue foregone of Nu. 1643,023.50 on account of allowing fines and penalties as deductible expenses;

- ❖ RAA noted few quarrying businesses were not registered with the RRCO and thereby escaping tax obligations;
- ❖ The RAA observed that many medium and small scale business units have not maintained proper books of accounts and associated records as required;
- ❖ Despite requirement by MMR 2002, there is not registry of mineral titles established in the DGM to collect and maintain the documents listed in the regulations;
- ❖ The RAA noted that the DGM does not have central database on mines as required under the mining regulations; and
- ❖ There were huge delays in the approval of applications caused by unsystematic procedures, unclear delineations of responsibilities within the department and lack of proper coordination with relevant authorities in obtaining clearances.

Audit Resource Management System Launched



The web-enabled Audit Resource Management System (ARMS) was launched in the Royal Audit Authority (RAA) Office Complex on 15th July, 2014 by His Excellency Finance Minister Lyonpo Namgay Dorji. Present in the event were Hon'ble Auditor General, Hon'ble Chairperson, Public Accounts Committee, Representatives from Asian Development Bank, Gross National Happiness

Commission, Ministry of Finance, media and officials of Royal Audit Authority.

The programme began with the traditional marchang ceremony followed by welcome note by the then Dy. Auditor General Mr. Jamtsho, Address by Hon'ble Finance Minister and concluded with the demonstration of ARMS by system technical team.

In the address, Hon'ble Minister on behalf of the Royal Government of Bhutan extended his heartfelt appreciation to the Royal Audit Authority for coming up with the system and expressed his wishes success in implementing the system.

The development of ARMS started on 26th June, 2011 by the RAA technical team along with one international system analyst and one national consultant. It was developed with the objective to enhance RAA's efficiency and effectiveness in providing audit services and to computerize and automate work processes of the RAA.

The ARMS consist of six major modules and forty four sub-modules. Among other modules, the Audit Management module having six sub-modules is the most important and largest. This module comprises of strategic plan, audit scheduling, audit planning, detailed audit programme, audit execution, field audit monitoring, reporting, follow-up, quality assurance, audit team performance evaluation, audit references, audit data bank (criteria bank), risk assessment, internal control assessment, e-documentation and data bank of audited agencies.

Along with the above mainstream auditing modules, the ARMS also consists of System Administration module, Time & Attendance module, Inventory module, Human Resource Management module and General Administration module.

With the launching of this web-enabled system, it will now enhance RAA's efficiency and effectiveness in providing audit services. It will potentially improve the audit management processes such as planning and programming, risk

assessment, efficiently plan and schedule audit assignments, monitor audit progresses in the field and track status of audit observations.

The development of ARMS was funded by the Asian Development Bank. The system is being pilot-run for the plan period 2014-2015.

Four Senior Officers certified in Performance, Financial & Compliance Auditing by IDI

Four senior officers of the Royal Audit Authority were awarded with the International Standards of Supreme Audit Institutions' (ISSAI) Facilitator Certificates in Performance Auditing, Financial Auditing and Compliance Auditing. The Certificates were awarded for successful completion of the ISSAI Certification Programme initiated by the INTOSAI Development Initiative (IDI).

The certified facilitators are Tashi Tobgay in Performance Auditing, Karma Tenzin in Financial Auditing, Dechen Pelden and Sonam Yangchen in Compliance Auditing. They were accredited as ISSAI Facilitator by the INTOSAI Development Initiative (IDI) and INTOSAI Professional Standards Committee.

ISSAI certification programme has been an intensive programme for developing participants' knowledge and skills in understanding ISSAIs, using ISSAI Compliance Assessment Tools (iCAT) and facilitating ISSAI implementation in Supreme Audit Institutions. The certification programme was designed in mix mode of classroom and online courses. The accredited facilitators will support ISSAI implementation activities at national, regional and international level.

Four New Assistant Auditor Generals Appointed

As per the Section 13.7 of the Bhutan Civil Service Rules and Regulations 2012, Royal Audit Authority appointed four new Assistant Auditor Generals on December 1, 2014.



Mr. Karma Tenzin was appointed as the Assistant Auditor General to the Corporation & Financial Institutions Division (CFID). He joined

the RAA in January 2000 and was officiating as the Assistant Auditor General, CFID. He is the Certified Chartered Accountant holding ACCA from London, United Kingdom.



Mr. Chandra Bdr. Gurung was appointed as Assistant Auditor General for Thematic Audit Division. He joined RAA in January

2001 and was serving as the Dy. Chief Auditor under Thematic Audit Division before assuming the new post. He holds Master Degree in Environmental Management and Development Studies from the Australian National University, Canberra.



Mr. Dorji Wangchuk was appointed as Assistant Auditor General for Policy, Planning and Annual Audit Report Division. He joined the RAA in January 2003

and was officiating as Assistant Auditor General for Policy, Planning and Annual Audit Report Division. He holds Master Degree in Business Administration from the Hague University of Applied Sciences, the Netherlands.



Mr. Minjur Dorji was appointed as the Assistant Auditor General for Follow Up and Clearance Division. He joined the RAA

in January 2003 and was officiating as the Assistant Auditor General, Follow Up and Clearance Division before the promotion. He holds Master Degree in Business Administration from the Hague University of Applied Sciences, the Netherlands.

OAAG, Tsirang conducted an audit awareness programme to School Principals under Sarpang Dzongkhag



The Assistant Auditor General (AAG) of the Office of Assistant Auditor General, Tsirang accompanied by two senior auditors conducted an audit awareness programme in Sarpang Dzongkhag on 17th October 2014. A total of 21 School Principals attended the programme at the sideline of 23rd Dzongkhag Education Conference held in Dzongkhag Tshogdu Hall.

Amongst others, the participants were acquainted with the historical evolution of Royal Audit Authority (RAA), its mandates and roles and responsibilities as one of the Constitutional Bodies in promoting accountability, transparency and effectiveness in the use of public resources.

In response to concerns expressed on lack of accounting knowledge and risks associated with it, the participants were informed that any decisions that are backed by sufficient and relevant documentation followed by due diligence are not likely to attract unnecessary scrutiny. Shying and shirking from decision making is not an alternative for managers entrusted with public resources, said AAG.

The Programme was initiated in pursuant to resolution of 59th Policy, Planning and Consultative Meeting held on 16th September 2014 at RAA, HO, Thimphu.

16 RAA officials availed ToT course in Bangkok

The Royal Audit Authority had trained around 16 officers on Training of Trainers (ToT) courses in Bangkok, Thailand held from 18th September, 2014 to 26th September 2014.

The participants were oriented in basic hands on experience of auditing methodologies and tools required for effective course delivery. They were also introduced to key learning processes with focus on adult learning principles.

After availing the training, the participants were expected to engage in designing course materials and conducting in-house trainings of RAA in the near future aligned with INTOSAI and ASOSAI structured training standards.

The ToT course was conducted under the financial assistance of Austrian Development Cooperation through Capacity Development Project of the RAA.

Course Design Development & Review Workshop held in Phuentsholing

Around a two week Course Design Development & Review Workshop was held in Phuentsholing from 13th October to 21st October 2014. It is in line with the spillover activity of the Capacity Development

Project of Royal Audit Authority (RAA) supported by Austrian Coordination Office, Thimphu.



The key major activity of the Project comprised of developing and launching of 22 Audit Manuals and two Policy Documents. The participants were trained on designing and developing of course materials for effective training delivery on Audit Manuals.

OAAG, Tsirang signs Performance Compact for 2014-15



The 3rd Annual Meeting of the Office of Assistant Auditor General, Tsirang was held on 11th July 2014. A total of 20 officials and staff were in attendance. Apart from gauging the achievements made in terms of audits conducted and reports issued in financial year 2013-14, the meeting also deliberated on other areas of common interests like:

- ✚ Budgetary support for the financial year 2014-15;
- ✚ Status of fund position of Tsirang Audit Staff Welfare Scheme as of 30th June 2014;

- ✚ Report of Inspection Committee on Annual Physical Verification of Stores;
- ✚ Presentation on AAS 2014-15 and Audit Thrust Areas shared by PPAARD, RAA; and
- ✚ Inconsistencies noticed in draft Audit Reports submitted by respective Teams.

Following the day long deliberation, the Audit Teams signed Performance Compact for 2014-15 with the Assistant Auditor General, encompassing the following areas among others:

- ✚ Conduct 134 audits in 2014-15;
- ✚ Conduct one desk audit each on a pilot basis;
- ✚ Conduct audit of public service delivery by Local Government; and
- ✚ Conduct review of 62 Management Appraisal Report (MAR).

59th PPCM held in the RAA Headquarters

The 59th Policy Planning and Consultative Meeting chaired by Hon'ble Auditor General was held on 16th September, 2014 in the headquarters. The meeting was attended by around 50 participants including Assistant Auditor Generals of regional offices and headquarters. Issues discussed were on the following agenda items:

- ✚ Internal Sensitization on Financial Resources Management Accountability Index model;
- ✚ Proposed Curriculum Framework for Professional Development Centre;
- ✚ Review of Past PPCM, MTRM & AAC Resolutions;
- ✚ Final Review of AAS 2013-14; and
- ✚ Initial Proposal for the Development of Strategic Plan 2015-2020 Framework.

RAA's Strategic Plan 2015-2020 being formulated

The Royal Audit Authority has formed an eight member core group for the formulation of RAA's Strategic Plan 2015-2020.

Based on the INTOSAI Strategic Planning Processes, encompassing phase 1 to phase 9, the core group members met recently at the Office of the Assistant Auditor General, Tsirang and had worked on the GAP analysis with due reference to the SAI Performance Measurement Framework report.

The couple of strategic issues were identified under the seven International Development Initiatives (IDI) domains which were further translated into preliminary Goal Statements and Objective Statements completing the fifth phase of the Strategic Planning Process. Currently, works were delegated to club identified issues under the Goal & Objective Statements with clear performance measurement indicators. In the upcoming meet, the core group will work on the remaining phases of developing implementation matrix, documenting Strategic Plan, Implementing, Evaluation and Monitoring processes of the Plan.

Seven Officers Joined the RAA



The Royal Audit Authority was joined by seven new officers on 7th January, 2015 through the Royal Civil Service Commission recruitment. They were selected through the Civil Service Common

Examination held in December, 2013. Prior to joining the RAA, they pursued a yearlong mandatory course in Post Graduate Diploma in Financial Management at the Royal Institute of Management, Thimphu in 2014.

The new officers attended a month long induction course organized by the Human Resource & International Relations Division. During the programme, they were familiarized on policies, plans, organizational structure and functions of the RAA and is expected to provide them with minimum exposure before the formal placement in their respective divisions.

The induction course was organized as required by the Bhutan Civil Service Rules and Regulations 2012 and adjourned on 5th February, 2015.

Professional Development Initiatives in RAA

In an effort to continually upgrade the knowledge and skills of the Royal Audit Authority's employees and enhance their performances to effectively deliver the RAA's mandates, the Continuing Professional Development Policy (CPDP) of RAA conducts numerous in-house trainings that are delivered by in-house as well as experts and resource persons from other agencies.

During the period following trainings were conducted:

Sl No.	Course Name	Course Duration	No. of Participants
1	Non revenue and refundable deposits & Google Apps	29 Oct-3 rd Nov, 2014	13
2	Interpretation of Drawings and Estimate	24-28 Nov, 2014	14
3	Financial Data and Financial Statement Analysis	8-14 September 2014	37

ABOUT RAA

Vision

A premier audit institution that promotes value for money in government operations and contribute towards good governance.

Mission

To audit without fear, favour or prejudice on the prudent and effective use of public resources and report to the Parliament and stakeholders for enhancing transparency and accountability in the government.

WHO WE ARE	WHAT WE DO	CORE VALUES	MANDATES
The Royal Audit Authority (RAA) is the Supreme Audit Institution (SAI) in the country, responsible to audit and report on the economy, efficiency and effectiveness in the use of public resources as per provisions of the Constitution of the Kingdom of Bhutan. The Auditor General (AG) heads the Royal Audit Authority for a period of five years or until attaining the age of sixty five years, whichever is earlier.	We have over 1194 entities and over 234 employees to audit and report through a network of four Regional Offices and functional divisions located in the Head Office, Thimphu. We carry out performance, financial, compliance, propriety, regularity and Special audit and report to His Majesty the King, the Prime Minister and to the Parliament as required under the Constitution of the Kingdom of Bhutan.	Every auditor subscribes to Sixteen Principle of Oath of <i>Good conduct, Ethics and Secrecy</i> upon their appointment to audit and report on the effective of public resources without fear, favour or prejudice. Our Core Values are: <ul style="list-style-type: none">✓ <i>Independence</i>✓ <i>Objectivity</i>✓ <i>Integrity</i>✓ <i>Commitment</i>✓ <i>Professionalism</i>✓ <i>Reliability</i>	Prior to 2006, the RAA derived its mandates mainly from the <i>Royal Decrees</i> and the General Auditing Rules and Regulations (GARR) promulgated in 1989. Presently, the RAA derives its duties and powers from Article 25 of the Constitution of the Kingdom of Bhutan and the Audit Act of Bhutan 2006 enacted under the provision of the Constitution.

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