

ཀྲུལ་གཞུང་ཚུལ་ཞིབ་དབང་འཛིན།

ROYAL AUDIT AUTHORITY

*Bhutan Integrity House*

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources

# REVIEW REPORT

of

- 1. Performance Audit Report on Revenue Collection & Management in Thromdes**
- 2. Performance Audit Report on Bhutan Chamber of Commerce & Industry**
- 3. Review of In-country Travels**
- 4. Performance Audit Report on Provision of Drinking Water in Thimphu Municipality**
- 5. Performance Audit Report on Delivery of OPD Services at JDWNRH**
- 6. Performance Audit Report on Preparedness for Implementation of Sustainable Development Goals (SDGs)**

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

*- His Majesty the King Jigme Khesar Namgyel Wangchuck*



རྒྱལ་ཁཚུངས་ལྷན་ཞིབ་དབང་འཛིན།

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RAA/ (AG-SP)/03/2019/ 037

Date: 08 May 2019

The Hon'ble Speaker  
National Assembly of Bhutan  
Gyalyong Tshokhang  
Thimphu

**Subject: Submission of Review Report of six Performance Audit Reports**

Your Excellency,

In accordance with Chapter 13 (b) (2) of the Rules of Procedures of Public Accounts Committee, the Royal Audit Authority (RAA) has the honour to submit the review report of following six Performance Audit Reports:

1. Performance Audit Report on Revenue Collection & Management in Thromdes
2. Performance Audit Report on Bhutan Chamber of Commerce & Industry
3. Review of In-country Travels
4. Performance Audit Report on Provision of Drinking Water in Thimphu Municipality
5. Performance Audit Report on Delivery of OPD Services at JDWNRH
6. Performance Audit Report on the Preparedness for Implementation of Sustainable Development Goals (SDGs)

The RAA had reminded the concerned agencies to submit the Action Taken Report (ATR) and the latest status on implementation of recommendations. Based on the ATR and Management Action Plan (MAP) received from the concerned agencies, the RAA has attended consultative meeting organised by Public Accounts Committee (PAC) on 28 & 29 March 2019 besides bilateral meeting with Thimphu Thromde on 03 May 2019 followed by field visits, wherever possible.

The status of the reports as of 30 April 2019 are detailed in **Exhibits** enclosed herewith for kind perusal.

Thanking you and looking forward to Your Excellency's continued support.

Yours Respectfully,

(Tshering Kezang)  
**Auditor General**

*Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder.*  
- His Majesty the King Jigme Khesar Namgyel Wangchuck

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*Copy to:*

1. The Hon'ble Prime Minister, Royal Government of Bhutan
2. The Hon'ble Chairman, National Council of Bhutan
3. The Hon'ble Opposition Leader, National Assembly of Bhutan
4. The Hon'ble Minister, Ministry of Finance, *in respect of* review report on Review of In-country Travels and Performance Audit Report on Revenue Collection & Management in Thromdes
5. The Hon'ble Minister, Ministry of Home & Cultural Affairs, *in respect of* review report on Review of In-country Travels
6. The Hon'ble Minister, Ministry of Health Thimphu, *in respect of* review report of Performance Audit Report on Delivery of OPD Services at JDWNRH
7. The Hon'ble Minister, Ministry of Works and Human Settlement, Thimphu, *in respect of* review report of Performance Audit Report on Provision of Drinking Water in Thimphu Municipality and Performance Audit Report on Revenue Collection & Management in Thromdes
8. Hon'ble Chairman, Public Accounts Committee, 3<sup>rd</sup> Parliament of Bhutan (5 Copies)
9. Hon'ble Chairperson, Royal Civil Service Commission, *in respect of* review report of on Review of In-country Travels
10. Secretary, National Environment Commission Secretariat, *in respect of* review report of Performance Audit Report on Provision of Drinking Water in Thimphu Municipality
11. Thrompon, Thimphu Thromde *in respect of* review report of Performance Audit Report on Provision of Drinking Water in Thimphu Municipality and Revenue Collection & Management in Thromdes
12. Thrompon, Gelephu Thromde *in respect of* review report of Performance Audit Report on Revenue Collection & Management in Thromdes
13. Thrompon, Phuntsholing Thromde *in respect of* review report of Performance Audit Report on Revenue Collection & Management in Thromdes
14. Thrompon, Samdrupjongkhar Thromde *in respect of* review report of Performance Audit Report on Revenue Collection & Management in Thromdes
15. President, Jigme Dorji Wangchuck National Referral Hospital, Thimphu *in respect of* review report of Performance Audit Report on Delivery of OPD Services at JDWNRH
16. Secretary General, Bhutan Chamber of Commerce & Industry, Thimphu, *in respect of* review report of Performance Audit Report on BCCI
17. AAG, PSAD & TAD (2 Copies)
18. Office Copy

# Abstract of Review Reports

## **A. Performance Audit Report on Revenue Collection and Management in Thromdes**

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The Performance Audit Report on Revenue Collection and Management in Thromdes was conducted with the overall objective to assess the efficiency and effectiveness of revenue collection and management for the period covering from 01 July 2012 to 30 June 2017. The final report was issued on 25 May 2018.

The report contained 22 observations under two broad categories and 14 recommendations which are intended to address the shortcomings and deficiencies thereby enhancing efficiency and effectiveness of revenue collection and management in Thromdes.

After 1<sup>st</sup> desk review of Action Taken Report submitted by the Thromdes, Thimphu and Samdrup Jongkhar vide letter no. 03/TT/ADM/2019/1228 dated 12/04/2019 and SJT/Accts/07/2018-19/2066 dated 10/04/2019, four recommendations are considered fully implemented, nine partially implemented and one recommendation not implemented for Thimphu Thromde. In case of Samdrup Jongkhar Thromde, only one recommendation is considered fully implemented, eight partially implemented and two recommendations not implemented.

In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.

The current status of the recommendations are attached as **Exhibit – A**.

## **B. Performance Audit Report on Bhutan Chamber of Commerce & Industry**

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The Performance Audit Report on Bhutan Chamber of Commerce and Industry was conducted with the overall objective to ascertain the economy, efficiency and effectiveness of the operations of Bhutan Chamber & Industry (BCCI) in private sector development for the period covering 01.01.2013 to 31.12.2017. The final report was issued on 15 August 2018.

The report contained 31 observations under five broad categories and 15 recommendations which are aimed at enhancing economy, efficiency and effectiveness in addressing operations of the BCCI.

After 2<sup>nd</sup> desk review of Action Taken Report submitted by the Bhutan Chamber of Commerce & Industry (BCCI) vide letter no. BCCI/GAD/AFD-Audit/2019/405 dated 22/04/2019, only three recommendations are considered fully implemented and 12 partially implemented. Wherever possible, supporting documents were collected and field visits conducted to validate implementation of the recommendations.

The current status of the recommendations are attached as **Exhibit – B**.

### **C. Review of In-country Travels**

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The Review of In-country Travel was conducted with the overall objective to ascertain if the travel claims are for bonafide purposes in respect of travels actually performed, duly authorized, approved, classified, paid and recorded accurately for the period covering from 2012 to 2016. The final report was issued on 02 February 2018.

The report contained 21 observations under two broad categories and 10 recommendations which are intended to enhance greater accountability, improved decision-making and effective implementation of the same by the budgetary agencies.

After 2<sup>nd</sup> desk review of Action Taken Reports submitted by the Ministry of Finance (MoF) vide letter no. MoF/PPD/RAA/67/2018/38 dated 17 July 2018, six recommendations are considered fully implemented and four partially implemented.

The current status of the recommendations are attached as **Exhibit – C**.

### **D. Performance Audit Report on Provision of Drinking Water in Thimphu Municipality**

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The Performance Audit Report on Provision of Drinking Water in Thimphu Municipality was conducted with an overall objective to ascertain the effectiveness of Thimphu Thromde in providing safe, adequate, reliable and equitable drinking water to its population for the period from 2010 to 2016. The final report was issued on 14 August 2017.

The report contained 37 observations under three broad categories and 15 recommendations which are intended to enhance economy, efficiency and effectiveness in provision of drinking water in Thimphu thromde.

After 4<sup>th</sup> desk review of Action Taken Report submitted by the Thimphu Thromde vide letter no. TT/ID/WS/2018-19/382 dated 12/03/2019, nine recommendations are considered fully implemented and six partially implemented. Wherever possible, supporting documents were collected and field visits conducted to validate implementation of the recommendations.

The current status of the recommendations are attached as **Exhibit – D**.

### **E. Performance Audit Report on Delivery of OPD Services at JDWNRH**

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The Performance Audit Report on Delivery of OPD Services at JDWNRH was conducted with an overall objective to ascertain and report on the efficiency in the Delivery of OPD Services at JDWNRH covering the period from 2014 to 2016. The final report was issued on 22 August 2017.

The report contained 13 observations and 11 recommendations which are intended to enhance greater accountability, improved decision-making and effective implementation of plans and programmes on “Delivery of OPD Services at JDWNRH.

After 4<sup>th</sup> desk review of Action Taken Report submitted by the JDWNRH vide letter no. JDWNRH/HRD/2018-19/Mis/19/9830 dated 31/01/2019, ten recommendations are considered fully implemented and only one partially implemented. Wherever possible, supporting documents were collected and field visits conducted to validate implementation of the recommendations.

The current status of the recommendations are attached as **Exhibit – E**.

#### **F. Performance Audit Report on Preparedness for Implementation of Sustainable Development Goals (SDGs)**

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The Performance Audit Report on Preparedness for Implementation of Sustainable Development Goals (SDGs) was conducted with the objective to ascertain the adaption of 2030 Agenda by the Government into its national context, determine whether the Government has identified and secured the resources and capacities needed to implement the 2030 Agenda, and to evaluate whether the Government has established a mechanism to monitor, follow-up, review and report on the progress towards the implementation of the 2030 Agenda. The final report was issued on 30 September 2018.

The report contained 12 observations under three broad categories and five recommendations.

In absence of Management Action Plan from GNHC, the review could not be carried out. Hence the recommendations remain status quo.

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# **EXHIBIT-A**

## **Review Report of Performance Audit Report on Revenue Collection & Management in Thromdes**

<b>Audit Report</b> : Performance Audit Report on Revenue Collection & Management in Thromdes (AIN: 15086)		
<b>Date of Issue</b> : 25 May 2018		
<b>Name of Agency (s)</b> : Thromdes- Thimphu, Phuentsholing, Gelephu and Samdrup Jongkhar		
<b>No. of Review</b> : 1 <sup>st</sup> Review		
Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
<p><b>4.1 Thromdes should maintain comprehensive registry of sources of revenue</b></p> <p>At present, Thromdes lack a comprehensive central registry of taxpayers and other sources of revenue. Considering the importance of central registry of revenue sources for revenue projections assessments and enhancement and expenses related to revenue generation, it is imperative that Thromdes maintain accurate, comprehensive, reliable and up-to-date central registry. More importantly, since the registry is used as a basis for revenue collections, Thromdes should take initiatives to update the current registry and maintain complete registry. While doing so Thromdes should capture e-Sakor land inventory data of NLCS in their revenue registry in order to have conformity in the information owned by both the agencies.</p>	<p><b>Thimphu Thromde:</b></p> <p>The central inventory has been updated as of 31<sup>st</sup> Dec,18 as follows:</p> <ol style="list-style-type: none"> <li>1. Nos. of Building and plots. <b>(Refer annexure 1)</b></li> <li>2. Nos. of Active Water meter connected is 4998 numbers.</li> <li>3. Sewerage Collection <b>(50% of water charges)</b></li> <li>4. Land Taxes (Land Holding Increase, decrease- dynamic as per transactions)</li> <li>5. Rental Income(rental of public spaces, House rent)</li> <li>6. Parking Fees</li> <li>7. Land Lease (Short &amp; Long Term)</li> <li>8. Rental charges for Cispool.</li> <li>9. Fines and Penalties</li> </ol> <p><i>Attached the detailed collection of taxes with different heads.</i></p> <p>Asset Manager has been recruited, Building Inventory survey conducted, GIS data collection for infrastructure assets initiated through RTK survey. <i>Refer annexure</i></p>	<p>It has been noted that the central inventory for Thimphu thromde has been updated and database on building and water meters are developed in the Revenue Management System.</p> <p>S/Jongkhar Thromde is in the process of developing the system under the BUDP-II project and scheduled to complete by July 2019.</p> <p>Therefore, the recommendation is considered fully <b>Implemented</b> for Thimphu thromde and <b>Partially Implemented</b> for S/Jongkhar Thromde.</p> <p>In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.</p>



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<b>No. of Review</b> : 1 <sup>st</sup> Review		
<b>Recommendations</b>	<b>Action taken (as per the detailed action plan/report submitted)</b>	<b>Status/progress</b>
	<p><b>S/Jongkhar thromde:</b></p> <p>The sources of revenue has been complied and the collection is also under way in the system developed by the i-technologies as a part of the BUDP-II project. However the data for the land is still being uploaded into the system and hence the system will be fully functional from July 2019.</p>	
<p><b>4.2. Thromdes should formulate strategies towards financial sustainability</b></p> <p>Lack of strategies for financial sustainability in Thromdes is a cause of concern with the government’s plan to phase out the subsidies eventually and Thromdes’ continual dependence on grants. Therefore, Thromdes should formulate strategies towards financial sustainability. More specifically, Thromdes should give effect to Thromde Finance Policy 2012 for prudent financial management and to uphold the government’s policy of financial sustainability. Thromdes should also prepare a long-term financial plan in order to attain financial viability and reduce dependence on annual grants.</p>	<p><b>Thimphu Thromde:</b></p> <ol style="list-style-type: none"> <li>1. With the start of the 12<sup>th</sup> FYP, the Thimphu Thromde has phased out the re-current subsidy.</li> <li>2. For long term financial sustainability, proposal to revised old taxes as per 1992 Taxation Policy submitted to Government for approval.</li> <li>3. Thromde has initiated pilot PPP Project Management(Car Parking)</li> </ol> <p><b>S/Jongkhar thromde</b></p>	<p><b>Partially Implemented</b></p> <p>Thimphu Thromde has phased out the recurrent subsidy and gearing towards long term financial sustainability. However, Thimphu Thormde is yet to formulate strategies for financial sustainability.</p> <p>S/Jongkhar Thromde has not indicated any plan to phase out recurrent subsidy and formulate strategies for financial sustainability.</p> <p>In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.</p>

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<b>No. of Review</b> : 1 <sup>st</sup> Review		
<b>Recommendations</b>	<b>Action taken (as per the detailed action plan/report submitted)</b>	<b>Status/progress</b>
	Digitized assets register has been compiled and uploaded into the system ARMS (Asset & Revenue management system) and it will be fully operational w.e.f. July 2019, however the accrual based accounting system is still to be implemented by the PIU team, MoWHS.	
<p><b>4.3 Ministry of Finance (MoF) in coordination with Thromdes should prepare grant phase out plan</b></p> <p>There was no agreement drawn between MoF and Thromdes with regard to annual grants and the phase out plans. The MoF and Thromdes should work closely to assess the financial position of the Thromdes, the viability, ability and capacity of Thromdes to generate revenues and formulate a grant phase out plan for each Thromde along with timelines. Moreover, MoF should establish a formal assessment mechanism to obtain accurate and reliable projected revenues and estimated expenditure submitted for annual budget and accordingly approve the subsidy.</p>	<p><b>Thimphu Thromde</b></p> <p>Thromde follows and awaits the direction of MoF.</p> <p><b>S/Jongkhar thromde</b></p> <p>Since S/Jongkhar thromde’s annual tax collected along with other fees and revenues is not able to meet or sustain the salary of the staffs the drive to grant phase out plans seems more of a far flung idea unless the tax is revised amicable in consultation with the tax payers. Until such time thromdes cannot attain sustainability.</p>	<p><b>Not Implemented</b></p> <p>The Ministry of Finance and Thromdes has not conducted coordination meeting on phasing out grant.</p>
<p><b>4.4 Thromdes should develop revenue management strategy</b></p> <p>Although initiatives were taken to enhance revenue generations, Thromdes did not have an overall</p>	<p><b>Thimphu Thromde:</b></p> <p>The Thromde commits to enhance the proper Revenue Management Strategy in the 12 FYP.</p> <p><b>S/Jongkhar thromde</b></p>	<p><b>Partially Implemented</b></p> <p>The time line for development of revenue management strategy by Thimphu Thromde is June 2020 and July 2019 for S/Jongkhar Thromde respectively.</p>

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Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
<p>revenue management strategy with revenue targets set. Given that Thromdes are spending more than their revenues and dependent on grants, Thromdes should develop a holistic and practical revenue management strategy to meet the set target. Thromdes should examine the existing taxes, fees and charges, identify new charges, assess the cost of providing services and revenue collection capacity, study existing revenue administration, etc., to provide a strategic framework of resolving the deep seated financial challenges that they are facing currently. Further, Thromdes could examine the possibilities of generating revenues from revenue streams services which are currently provided for free of cost. For instance, Thromdes provide the property mortgage noting services for financial institutions providing loans based on those properties registered under Thromdes which are not currently charged. Likewise, Thromdes could propose hotel occupancy taxes and explore introducing charges for recreational and sports facilities.</p> <p>Exploring new revenue streams will enhance Thromdes' revenue generation ability and work towards financial sustainability. Therefore, Thromdes should set revenue targets to be achieved</p>	<p>Asset &amp; Revenue Management System (ARMS) is being implemented for all the services except for the land related services whereby the data is still being uploaded into the system. Once the updating is completed the system will give us the clear picture of all the sources of revenue and also the expenditures anticipated in advance to maintain the assets and thereby curbing the revenue leakages.</p>	<p>In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.</p>

**Exhibit - A**

<b>Audit Report</b> : Performance Audit Report on Revenue Collection & Management in Thromdes (AIN: 15086)		
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<b>No. of Review</b> : 1 <sup>st</sup> Review		
Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
	and develop a holistic and implementable revenue management strategy.	
<p><b>4.5 Thromdes should strengthen internal controls</b></p> <p>With the devolution of power and financial autonomy given to Thromdes, it is imperative that Thromdes establish a strong internal control framework for revenue collection and management. In particular, Thromdes should</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> implement corrective actions pointed out in the past audit reports to streamline the revenue collection and accountal process,</li> <li><input type="checkbox"/> develop a comprehensive revenue manual,</li> <li><input type="checkbox"/> segregate incompatible duties for revenue section,</li> <li><input type="checkbox"/> establish clear roles and responsibilities of all the relevant employees including the management,</li> <li><input type="checkbox"/> institute monitoring and reporting mechanisms to track financial performance and divisional performance, establish a system to carry out reconciliation of services with that of corresponding revenues earned, revenue receipts with revenue cashbook, and revenue collected with bank deposits,</li> <li><input type="checkbox"/> establish appropriate internal controls in revenue receipt management such as 1. printing of revenue receipts authorised by competent authority and documented, 2. stock register strictly maintained for new revenue receipts, 3. used and left over revenue</li> </ul>	<p><b>Thimphu Thromde:</b></p> <p>The services delivered are all system generated and Three revenue personal are assigned with different ToR as follows:</p> <ol style="list-style-type: none"> <li>1. Collection of taxes, fees, other receivable.</li> <li>2. Depositing of cash and Preparation of accounts statements.</li> </ol> <p>The Thimphu Thromde awaits the final directives for the implementation of the manuals.</p> <p>The Thimphu Thromde steadily moving from manual to system generated.</p> <p>All received and issued receipts are properly accounted in the register maintained in revenue section</p> <p>The Three Account Assistant with different ToR assigned.</p> <p><b>S/Jongkhar thromde</b></p>	<p>During bilateral meeting held on 03/05/2019 between RAA and Thimphu Thromde, it was informed that the revenue section has been strengthened with three additional man power, improvement in the system for issuing water meters and yearly issuance of occupancy certificate system which has greatly contributed to revenue generation. This has been considered fully <b>Implemented</b>.</p> <p>In case of Samdrup Jongkhar Thromde, it is considered <b>Not Implemented</b> as Thromde has not initiated to develop internal control frame work.</p> <p>In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.</p>

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Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
<p>receipts properly accounted and documented, 4. Proper record keeping space identified for revenue receipts and</p> <p><input type="checkbox"/> systematize the revenue collection and management process.</p> <p>Although every employee plays a role in strengthening the organization's internal control system, the responsibility for establishing and maintaining the control environment rests with the management.</p>	<p>To bring out the check and balance within thromde and to strengthen internal control system, thromde has put up graduate requisition to RCSC to provide us with internal auditor vide letter no. SJT/HRS-05/2017-18/2397 dated 07/05/2018. The RCSC also has aired as well as advertised twice in the Kuensel for the vacancy as lateral transfer but till date no one has come forward to fill the vacant post.</p>	
<p><b>4.6 MoF and Thromdes should review and improve financial reporting framework</b></p> <p>Existing financial reporting framework does not reflect the true nature of the operations of the Thromdes. The MoF and the Thromdes should review the relevance and appropriateness of existing financial reporting which is cash basis accounting in the view of its operations. The government may consider adopting accrual accounting for Thromdes in a phased and systematic manner. In addition, the Thromdes should implement key controls and processes needed for prudent financial management such as</p>	<p><b>Thimphu Thromde:</b></p> <p>Thimphu Thormde agreed to adopt the accrual based accounting system through the use of Tally ERP. The consultant are already migrating from cash based to accrual based accounting. The consulting firm recruited is M/s Druk Accounting Solutions.</p> <p>The TT indicated the lack of central registry of sources of revenue as the reason for not projecting revenues realistically when central registry was not in place. The Thromde also specified that the revenue generation is inconsistent every year as the major source of</p>	<p><b>Partially Implemented</b></p> <p>Thimphu and S/Jongkhar Thromdes are in the process of migrating from cash based to accrual based accounting as their financial reporting framework.</p> <p>Thimphu Thromde has provided the dateline of June 2020 to complete the exercise.</p> <p>In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.</p>

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Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
<ol style="list-style-type: none"> <li>1. revenue projections based on thorough study of revenues collected in the past years and sources of revenue,</li> <li>2. standard and uniform formats for financial reports,</li> <li>3. preparation of required financial reports,</li> <li>4. Proper maintenance of supporting documents,</li> <li>5. Verification of financial reports,</li> <li>6. defined lines of reporting</li> </ol>	<p>revenue, 5% property transaction service is unpredictable.            However there is no concrete tools and Human Capacity to forecast the revenue as of now.</p> <p>The Thromde is maintaining quarterly bank reconciliation statement and presenting to the Thromde Tshogde.            The consistent maintain of cash book in placed every month.</p> <p>Every month the financial report is submitted to Thrompon, ES and CAO and presented to Thromde Tshogde every three months.</p> <p><b>S/Jongkhar thromde</b></p> <p>In order to improve financial reporting framework, MoWHS as a part of the World Bank project has awarded the work to i-technologies, Thimphu for coming up with the accrual based accounting system for thromdes.</p>	
<b>4.7 Thromdes should strengthen expenditure control mechanisms</b>  Expenditure control is an important element of budget execution. Through effective expenditure	<b>Thimphu Thromde:</b>  The Thromde Management constantly monitoring to streamline the contract Management.	<b>Partially Implemented</b>  The Thimphu Thromde reported that outsourcing policy was discussed during the recent four Thromdes coordination meeting held

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<b>No. of Review</b>	: 1 <sup>st</sup> Review

Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
<p>control system, the agencies will not only be able to maintain high level of fiscal discipline but will also be able to implement planned activities within the approved appropriations. However, several inadequacies in expenditure control are noted in the Thromdes.</p> <p>Therefore, as a part of financial sustainability drive, Thromdes should review and carry out detailed analysis of their expenditure and identify areas where cost reduction and cost control measures can be possible. Few of the focus areas to control expenditure in Thromdes:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Expenditure of discretionary nature and those which can be avoided or minimized should be controlled.</li> <li><input type="checkbox"/> Construction and maintenance activities should be planned and synchronized to avoid delays, overlapping, inconveniences and cost overruns.</li> <li><input type="checkbox"/> Hasty implementation of activities should be avoided.</li> <li><input type="checkbox"/> Compensation should be collected for damages to structures caused by other parties.</li> <li><input type="checkbox"/> Outsourcing policy has to be developed.</li> <li><input type="checkbox"/> Cost benefit analysis for outsourcing decision should be carried out.</li> </ul>	<p><b>S/Jongkhar thromde</b></p> <p>Outsourcing of truck parking done and the outsourcing of parking fees for light vehicle at core town area is under revision phase since the first attempt was a failure and hence a comprehensive and detailed study is underway before implementing again.</p>	<p>in Gelephu. Besides, waste management and parking fees which are already outsourced, the Thromdes are looking for outsourcing water treatment and sewerage plants to cut down the recurrent expenditures.</p> <p>Based on above initiative, the recommendation is considered <b>Partially Implemented</b>. However, Thromdes still need to come up with mechanisms to control unnecessary expenditures by way of excess payments, inadmissible payments of advances, unplanned execution of activities, ensuring quality in the construction works, avoiding duplication of works, curtailing unplanned repair and maintenance works or through timely maintenance.</p> <p>In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.</p>

<b>Audit Report</b> : Performance Audit Report on Revenue Collection & Management in Thromdes (AIN: 15086) <b>Date of Issue</b> : 25 May 2018 <b>Name of Agency (s)</b> : Thromdes- Thimphu, Phuentsholing, Gelephu and Samdrup Jongkhar <b>No. of Review</b> : 1 <sup>st</sup> Review		
Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
<input type="checkbox"/> Supervisory control should be strengthen for disbursing payments.		
<b>4.8 Thromdes should devise strategies to encourage taxpayers to pay taxes on time</b>  Of several factors, optimum revenue generation for a particular period is dependent on the willingness of taxpayers to pay taxes on time. Thus Thromdes should devise strategies to encourage voluntary compliance by taxpayers by creating awareness and easing tax payments. Therefore Thromdes should: <ul style="list-style-type: none"> <li><input type="checkbox"/> conduct awareness and sensitisation on the role of Thromdes, importance of tax to the Thromdes, responsibility to pay tax, cost of providing services, service process and procedures, enforcement actions in case of non-compliance, etc.,</li> <li><input type="checkbox"/> design and implement strong enforcement mechanism for non-compliance,</li> <li><input type="checkbox"/> provide multiple modes of payments such as Point of sale at revenue counter, mBOB, e-payments, etc.,</li> <li><input type="checkbox"/> improve the existing customer care center to clarify quires, handle complains, etc. to enhance taxpayers' interaction experience,</li> <li><input type="checkbox"/> leverage the existing G2C services to improve service delivery to ensure that taxpayers experience good service,</li> </ul>	<b>Thimphu Thromde:</b> <ol style="list-style-type: none"> <li>1. For the convenient of the Tax payer, the payment of the tax is kept open year round.</li> <li>2. Developed Mobile APP for taxes and fees payment.</li> <li>3. Announcement are made for the payment of taxes.</li> </ol> <b>S/Jongkhar thromde</b>  S/Jongkhar thromde had only 3 unpaid taxes whereby 2 has made their payment along with the penalty and the remaining one has not made the payment since the incumbent needs to be provided with land replacements the total land holding as per the NLCS is more than the actual area available.	The Thimphu Thromde has taken initiatives for efficient service delivery by instituting various tax payments system, thus recommendation is considered <b>Implemented</b> .  In case of Samdrup Jongkhar Thromde, the recommendation is considered <b>Partially Implemented</b> as they have not initiated developing strategies to encourage tax payers to pay on time.  In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.



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<b>No. of Review</b> : 1 <sup>st</sup> Review		
Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
<input type="checkbox"/> strengthen the Thromde services app currently used in Thimphu Thromde and replicate the same in other Thromdes, and <input type="checkbox"/> improve visibility of taxes owed by individual taxpayers through various medium.		
<b>4.9 Thromdes should consider revision of taxes, fees and charges</b>  The RAA observed that the basis for tax assessments, i.e., the Taxation Policy 1992 was not revised in the last 26 years and does not reflect the true cost of providing and running services in the present environment. There is also a need to align the policy with the LG Act 2009 and Thromde Rules 2011 which came into effect later. Specifically, there is a need to define and differentiate vacant land tax and under development tax. Bearing this in mind, Thromdes should continue proposing revision of the taxes which was initiated from 2014. Further, Thromdes in coordination with MoF and MoWHS should also consider revising fees and charges which are long due for revision.	<b>Thimphu Thromde:</b>  A draft proposal report of revision of taxes is submitted to MoWHS for further perusal.  <b>S/Jongkhar thromde</b>  The revision of taxes is not at all in the viability of the thromde and is not possible unless the Parliament makes the changes to the taxation policy 1992. Until such times the thromde can only make proposals as done through the letter no. SJT/LR-06/2013-14/1729 dated 25/02/2014 (letter attached)	<b>Partially Implemented</b>  The Thimphu Thromde has submitted draft proposal report of revision of taxes to the MoF. Hence, the recommendation is considered <b>Partially Implemented</b> .  Samdrup Jongkhar Thromde has indicated that the revision of taxes is not within their authority.  In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.
<b>4.10 Thromdes should exercise due diligence and prudence in the management of government land</b>  Although Thromdes are empowered with the administration and management of government land	<b>Thimphu Thromde:</b>  As per the observation made by the RAA, the Thimphu Thromde notified the four plot owners on 18/04/2018 vide letter no.	The Thimphu Thromde reported that plot owners were served with notifications to dismantle the structures on the government land and surrender the same to the government. In the event of non-

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Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
<p>within its jurisdiction, the RAA noted several cases of imprudence and negligence resulting in revenue forgone. Thus, Thromdes should revisit these cases and also identify similar cases and take action as per the Land Act 2007.</p>	<p>TT/DCD/I&amp;MS/02/2017-2018/ 448,449,450 and 451 to kindly demolish the structures and surrender the state land. <i>(PFA a copy of the notification issued)</i></p> <p><b>a. Chophel, Core-145</b>          State land occupied under regularization process. <i>(PFA a copy of the regularization map prepared by the Urban Planner, TT to be sent to NLCS)</i></p> <p><b>b. Aum Phub Zam, Core-147</b>          Demolished the structure and surrendered the state land</p> <p><b>c. Dorji Tshering, KH1-034</b>          Several correspondences made between Thromde and the plot owner after the issuance of the above notification. The issue was later discussed in the Thromde Management Meeting. <i>(PFA a copy of the minutes of the Thromde Management Meeting)</i></p> <p><b>d. Tashi Wangchuk, CZ1-806</b>          Appeal letter submitted to Thromde for further verification and site visit <i>(case under process)</i></p> <p>The case was discussed with NLCS Secretary for approval of Fee collection.</p>	<p>surrender of the government land, the actions will be taken accordingly as per DCR.</p> <p>However the lease rent of Nu.225,246.52 is yet to be recovered from the four plot owners. Hence, the recommendation is considered <b>Partially Implemented</b>.</p> <p>In case of Phuentsholing Thromde, no action has been initiated to combat encroachment of government land. As such, the recommendation is considered <b>Not Implemented</b>.</p>

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<b>No. of Review</b> : 1 <sup>st</sup> Review		
Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
	<p><b>S/Jongkhar thromde</b></p> <p>All the lands under the jurisdiction of thromde has been utilized to the optimum level.</p>	
<p><b>4.11 Thromdes should institute mechanism to ensure equality and uniformity in application of taxes, charges, fees, etc.</b></p> <p>RAA observed several instances of non-levy of taxes and charges uniformly to the residents of the Thromdes defeating the principle of equity and fairness to the public. Thromdes should review the regulations where there are ambiguities, for example, house classification, scrutiny fees for renovation, charging of sewerage services dependent on water charges, etc.</p> <p>Therefore, Thromdes should develop robust procedures for application of taxes, fees and charges addressing the observations in para 3.2.1.3 and educate those involved in assessment and collection of revenues on the same to achieve equity and uniformity in levy of taxes, charges and fees.</p>	<p><b>Thimphu Thromde:</b></p> <p>The Thimphu Thromde has collected the applicable vacant land taxes.</p> <p>The classification of Building/Houses are thoroughly verified through OC in line with the 1992 Taxation Policy.</p> <p>Service charges are all linked with the Building unit classification.</p> <p>The minor drawings are categorized into the following:</p> <ol style="list-style-type: none"> <li>a. External renovation and facade change</li> <li>b. Internal renovation</li> <li>c. Horizontal and vertical extension</li> <li>d. Different types of walls like RCC, RRM and boundary wall</li> </ol> <p>Scrutiny, Service and amenity fee is collected based on DCR where 16.14 plus 30/ Sqm is applied for residential /institutional building</p>	<p><b>Partially Implemented</b></p> <p>The Thimphu thromde reported that they have developed new Taxation Policy which will address inequality and non-uniformity in application of taxes, charges, fees, etc.</p> <p>The Thimphu thromde also need to furnish a proof of the deposit of vacant land tax amounting to Nu.559,865.85 into revenue account.</p> <p>Hence, the recommendation is considered <b>Partially Implemented</b>.</p>

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Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
	<p>and 16.14 plus 50/Sqm is charged for commercial use for scrutiny and service and amenity fee respectively.</p> <p>When minor application a, b and d are proposed for approval, we do not have a basis to calculate the fee as there is no increase in area from the previously approved or constructed structures for a and b, and for d we have not considered for any fee since the structure does not require services and amenity.</p> <p>However upon RAA observation we have proposed to the management and the management raised the issue to the Thromde tshogde and a standard fee of Nu. 3000/ was approved for all minor applications which required scrutiny whether there was an increase in area or not from the previously approved structure. For D, standard fee of nu 3000 for wall up to 3m height and 5000 for wall exceeding 3m height were applicable after the decision of the thromde tshogde.</p> <p>The renovation of Building in Hongkong market was charged Nu. 80,479 since the approval was accorded for renovation and</p>	

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Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress
	<p>extension of the existing structure. The renovation of Building at Changzamtog was approved only as renovation during initial approval, however, the owner has converted the use of the Building from residential into commercial and the Thromde has notified the owner to submit necessary drawings for approval and then charge additional fees for commercial usage.</p> <p>Regarding the case in Core Area, initial approval was accorded only for roofing the corridor for safety purpose as the space was at a lower elevation compared to the neighboring plot and the corridor was used as an entrance for the karaoke. The Thromde notified the owner to use the space as approved.</p> <p>The Building owners those are connected to Thromde Water supply are levied monthly charge of 50% of the water bill amount as sewerage charges. This charges is for providing one time free vaccum tanker services and to maintain safety and tidiness.</p> <p>The Thromde has lifted the community Water supply and all the buildings are connected with</p>	

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Recommendations		Action taken (as per the detailed action plan/report submitted)	Status/progress
		<p>the Thromde water supply and levying the water charges.</p> <p>Letter to Kuensel to levy the charges of Nu 20/-sq.ft. If they failed to submit the supporting documents within the time frame.</p> <p><b>S/Jongkhar thromde</b></p> <p>Asset &amp; Revenue Management System (ARMS) is being implemented for all the services except for the land related services whereby the data is still being uploaded into the system. Once the updating is completed the system will take care of the uniformity in taxes, charges and fees.</p>	
<b>4.12</b>	<p><b>Thromdes should have realistic staffing plan</b></p> <p>Un-realistic staffing plan of revenue section in Thromdes had resulted in deployment of additional staff who are not qualified to handle revenue collection and management. Therefore, Thromdes should appropriately plan and deploy employees with the required skills and qualifications and based on the workload of the revenue section.</p>	<p><b>Thimphu Thromde:</b></p> <p>Two Administrative Assistant has been recruited in the water bill collection in place of water technicians and those technicians and muster roll staff have been assigned in Different Division.</p> <p><b>S/Jongkhar thromde</b></p> <p>Although thromde has requested to RCSC for staff recruitment for several times but the same has not been accorded approval bases on the</p>	<p><b>Implemented</b></p> <p>The Thimphu Thromde has reported that they have recruited additional revenue staff in the revenue section. Thus, the recommendation is considered fully <b>Implemented</b>.</p> <p>Similarly, in case of Samdrup Jongkhar Thromde, the recommendation is considered fully <b>Implemented</b>.</p>

<b>Audit Report</b> : Performance Audit Report on Revenue Collection & Management in Thromdes (AIN: 15086) <b>Date of Issue</b> : 25 May 2018 <b>Name of Agency (s)</b> : Thromdes- Thimphu, Phuentsholing, Gelephu and Samdrup Jongkhar <b>No. of Review</b> : 1 <sup>st</sup> Review											
Recommendations	Action taken (as per the detailed action plan/report submitted)	Status/progress									
	justification that we are up to our maximum strength possible and hence, thromde is left with no option than to deploy muster roll employees in the meantime to provide services to the public.	In case of Phuentsholing and Gelephu Thromdes, the recommendations remain status quo in absence of action taken reports.									
<p><b>4.13 Thromdes concerned should deposit the amount not accounted</b></p> <p>Revenues collected should be accounted for in the books of accounts and deposited into bank. However, the RAA noted revenue amounting to Nu. 20,169,057.43 was not accounted for in the books of accounts out of which Nu. 9,220,256.10 might not be deposited. Therefore, the Thromdes concerned should verify the non-accountal worked out by the RAA, fix accountability, recover and deposit the amount into Audit Recoveries Account (ARA). The amount to be recovered by the Thromdes concerned is given in Table 19.</p> <p style="text-align: center;"><b>Table 19: Amount to be recovered by individual Thromdes</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Thromdes</th> <th style="text-align: center;">Non-accounted Amount(Nu)</th> <th style="text-align: center;">Annexure</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Gelephu</td> <td style="text-align: center;">181,550.89</td> <td style="text-align: center;">Annexure VIII</td> </tr> <tr> <td style="text-align: center;">Phuentsholing</td> <td style="text-align: center;">8,433,889.21</td> <td style="text-align: center;">Annexure IX</td> </tr> </tbody> </table>	Thromdes	Non-accounted Amount(Nu)	Annexure	Gelephu	181,550.89	Annexure VIII	Phuentsholing	8,433,889.21	Annexure IX	<p><b>Thimphu Thromde:</b></p> <p>The detail reports attached vide no. TT/IAU-03/2018-2019/1151 dated 8/4/2019.</p> <p><b>S/Jongkhar thromde</b></p> <p>Not applicable to S/Jongkhar thromde.</p>	<p>A total of Nu.76,986.00 was stated to be deposited into bank as evidenced by the deposit slips, however the accountal in the books of accounts is yet to be verified in audit. Meanwhile the Thimphu thromde is tracing out the balance of Nu.527,830.00.</p> <p>Thus, the recommendation is considered <b>Partially Implemented</b> for Thimphu thromde and <b>Not Implemented</b> for Gelephu and P/ling thromdes.</p>
Thromdes	Non-accounted Amount(Nu)	Annexure									
Gelephu	181,550.89	Annexure VIII									
Phuentsholing	8,433,889.21	Annexure IX									

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Recommendations				Action taken (as per the detailed action plan/report submitted)	Status/progress
	Thimphu	6,04,816.00	Annexure XII		
	<b>Total</b>	<b>9,220,256.10</b>			
<b>4.14</b>	<b>Thromdes concerned should vigorously follow-up the outstanding revenue</b> There is adequate legal mechanism with clear enforcement actions supported by penalties to collect taxes on time. However, on ground the actual enforcement is not supplemented with adequate mechanism to ensure compliances. While the standing rules provide course of actions to be taken, the enforcements actions are often not taken and there are no prescribed procedures to annul the thram of those defaulting taxpayers in coordination with the NLCS. Consequently, it has led to outstanding land taxes ranging from one year to more than five years amounting to Nu. 17.631 million.  The Thromdes concerned should vigorously follow-up on the overdue revenue and settle the outstanding revenue at the earliest.			<b>Thimphu Thromde:</b> The defaulters are made to pay the taxes through all year round and informed through medias and also letter were forwarded to Institution for further follow-up for the taxes. The defaulter list has been drastically reduced and in constantly following up. During auditing time the list was 1374 defaulters and at present it is around 234 defaulters ( <b>List attached</b> )  <b>S/Jongkhar thromde</b> Not applicable to S/Jongkhar thromde.	While the RAA appreciates Thimphu thromde in particular for bringing down the defaulters' number to 234 from 1,374, the Thromdes in general should strengthen enforcement actions and mechanisms besides following up vigorously on the overdue revenues.  Until such dues are collected and accounted for, the recommendation is considered <b>Partially Implemented</b> for Thimphu thromde and <b>Not Implemented</b> for rest of the thromdes.

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# **EXHIBIT-B**

## **Review Report of Performance Audit Report on Bhutan Chamber of Commerce & Industry**

<b>Audit Report</b> : Performance Audit Report on Bhutan Chamber of Commerce and Industry (AIN: 15407) <b>Date of Issue</b> : 15 August 2018 <b>Period covered by Audit</b> : 01/01/2013 to 31/12/2017 <b>Name of Agency (s)</b> : Bhutan Chamber of Commerce & Industry <b>No. of Review</b> : 2 <sup>nd</sup> Review				
Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
1.1	<p><b>Need for legal recognition of BCCI</b></p> <p>Currently BCCI lacks a legal basis for existence and operation. Its operations are not governed by any law as such and legally it is in a state of quandary. Going by the International good practices, there are business chambers which are governed by specific chamber laws like in Japan and Thailand. There are also chamber that are not regulated by specific chamber laws and are registered under other laws like in USA and Singapore.</p> <p>There is an imminent need for BCCI to have a legal recognition so that it shall have legitimacy over operations such as representations, establishing institutional linkages, organizing trade fairs, membership fee collections and even the day to day operations. BCCI must insist on enactment of BCCI bill or get registered under Civil Society Organizations Act 2007 as directed by</p>	<p><b>Partially Implemented</b></p> <p>Since the BCCI is in the process of formulating appropriate documents, the recommendation is treated as partially implemented.</p> <p>The time frame for implementation of the recommendation is from January 2019 to December 2019.</p>	<p>On 8<sup>th</sup> March 2019, a bilateral meeting of the BCCI with the Cabinet chaired by Honorable Lyonchen was held at Lhengye Dhensa. In BCCI's presentation then, lack of a formal statute was raised as one of the core challenges.</p> <p>To go forward, the Honorable Lyonchen directed that the PMO shall depute its legal Officer to BCCI to study, consult and come out with recommendations to the Government on the most appropriate statute that the Chamber should have. BCCI is consistently following up with the PMO and the Legal Officer is expected to undertake the given task soon.</p>	<p><b>Partially Implemented</b></p> <p>The response has been noted. However, the recommendation is considered <b>Partially Implemented</b> until the legal recognition is granted to the BCCI within the agreed timeline of December 2019.</p>

**Exhibit - B**

<b>Audit Report</b> : Performance Audit Report on Bhutan Chamber of Commerce and Industry (AIN: 15407) <b>Date of Issue</b> : 15 August 2018 <b>Period covered by Audit</b> : 01/01/2013 to 31/12/2017 <b>Name of Agency (s)</b> : Bhutan Chamber of Commerce & Industry <b>No. of Review</b> : 2 <sup>nd</sup> Review				
Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
	<p>the Parliament. With a comprehensive mandate and legal teeth, BCCI will have a renewed sense of direction and purpose in pursuit of its objectives. In fact, having a comprehensive legal mandate can have an enormous impact on resolving most of the issues reported herein.</p>			
1.2	<p><b>Need to revise and update BCCI Charter</b></p> <p>If Chamber Bill do not get enacted as an Institutional legislation, then BCCI must update its Charter. Operations of BCCI are governed by the BCCI Charter. However, the Charter has not been updated or amended with change in the legal and policy environment. The BCCI charter must be comprehensively amended with specific focus on the following:</p> <ul style="list-style-type: none"> <li>▶ Outdated provisions such as article 8.2, 10.1.1, 11.3.4 which conflict with the extant laws of the land;</li> </ul>	<p><b>Not Implemented</b></p> <p>The time frame for implementation of the recommendation is from January 2019 to December 2019.</p>	<p>This recommendation is being pursued by the Chamber. Conflicting and outdated sections / provisions are being reviewed for further consultation at the ECM level which then will be tabled to the Annual General Meeting (<i>Supreme Decision Making Body of BCCI</i>) for endorsement. The existing Charter is also adopted in the AGM.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is being pursued by the Chamber.</p> <p>The timeline given for implementation of recommendation is by December 2019.</p>

<b>Audit Report</b>	: Performance Audit Report on Bhutan Chamber of Commerce and Industry (AIN: 15407)
<b>Date of Issue</b>	: 15 August 2018
<b>Period covered by Audit</b>	: 01/01/2013 to 31/12/2017
<b>Name of Agency (s)</b>	: Bhutan Chamber of Commerce & Industry
<b>No. of Review</b>	: 2 <sup>nd</sup> Review

Recommendations	RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
<ul style="list-style-type: none"> <li>▶ There are no details of election process of President, Vice-President and regional representatives;</li> <li>▶ Terms of President, Vice-Presidents and other members are increased to five years without amendment of the BCCI Charter which states that it is only three years;</li> <li>▶ BCCI Charter do not have terms of references of Vice-Presidents;</li> <li>▶ BCCI Charter also need to include well-defined organization structure with clear lines of reporting; and</li> <li>▶ BCCI Charter do not spell out anything on the working modality and processes between BCCI and sector specific associations.</li> </ul> <p>BCCI Charter lacks adequate details and the provisions as mentioned above. Therefore, it is recommended to amend</p>			

<b>Audit Report</b> : Performance Audit Report on Bhutan Chamber of Commerce and Industry (AIN: 15407) <b>Date of Issue</b> : 15 August 2018 <b>Period covered by Audit</b> : 01/01/2013 to 31/12/2017 <b>Name of Agency (s)</b> : Bhutan Chamber of Commerce & Industry <b>No. of Review</b> : 2 <sup>nd</sup> Review				
Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
	the BCCI Charter to address (not limited to) the issues.			
1.3	<p><b>Need to institutionalize strategic planning framework</b></p> <p>BCCI do not have a documented strategic and long-term plan. BCCI undertakes an annual planning exercise which is largely confined to annual programmes and activities. The programmes and activities either provide a remote or no linkage with the BCCI's objectives stated in its Charter. As a relatively large institution, it is important to chart its direction as to where it wants to position within a given time frame and with given resources. It is recommended, that BCCI start a strategic planning process by mapping its resources against its long-term objectives. The annual plans must be drawn from the strategic plans and the individual work plans must provide clear linkage with annual plans.</p>	<p><b>Not Implemented</b></p> <p>The time frame for implementation of the recommendation is from January 2019 to June 2020.</p>	<p>The relevant division within BCCI is studying the practicability of developing such a document vis-à-vis the nature of mandate and meagre resources at current. Any Chamber, by nature of its role, must remain as an evolving institute that should have space to align its services to the changing economic situation and expectations of its members. The broad objective of BCCI itself accords direction for its operations. Uncertainty in institutionally resources is one reason for BCCI to go for annual resource-based planning rather than going for a long-term planning.</p> <p>Against this, long-term strategic planning framework without first</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> since initiatives has been taken by the BCCI on the development of the strategic planning framework.</p> <p>The timeline given for implementation of recommendation is by June 2020.</p>

**Exhibit - B**

<b>Audit Report</b> : Performance Audit Report on Bhutan Chamber of Commerce and Industry (AIN: 15407) <b>Date of Issue</b> : 15 August 2018 <b>Period covered by Audit</b> : 01/01/2013 to 31/12/2017 <b>Name of Agency (s)</b> : Bhutan Chamber of Commerce & Industry <b>No. of Review</b> : 2 <sup>nd</sup> Review				
Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
			addressing the fundamental challenges is perceived futile.	
<b>1.4</b>	<p><b>Need to draft it's own financial manual governing its financial operations</b></p> <p>Currently BCCI do not have its own financial manual. It is following the RGoB financial rules and regulations pertaining to financial operations. Although broad principles of financial propriety and prudence could be replicable, specific practices and accounting treatments may not be applicable. Operations of BCCI are different from that of a government entity since the organizational structure and goals are different. It is therefore recommended to draft a financial manual that suits and shall regulate the financial operations of the organization.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is partially implemented since the drafting of financial manual of the chamber is in the process.</p> <p>The time frame for implementation of the recommendation is from January 2019 to December 2019.</p>	<p>Internal Committee within the Chamber has been instituted pulling officials from each Department to draft the Financial Manual. Drafting work has already begun. Relevant references are being sourced to make the manual relevant and inclusive. The Committee is positive that the document would be ready by the set timeline.</p>	<p><b>Partially Implemented</b></p> <p>It has been noted that the drafting of financial manual is still in the process and will completed within the agreed timeline of December 2019.</p>

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Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
2.1	<p><b>Need to develop system of assessment and protocols before undertaking projects</b></p> <p>Most of the projects had remote or no linkage with the mandates of BCCI, thereby failing to make desirable impact. BCCI must amongst others:</p> <ul style="list-style-type: none"> <li>▶ Properly assess any projects that they undertake individually or in partnerships with others. BCCI must ensure that they undertake projects that are in sync with its objectives and having direct linkage in promoting its own mandates that can deliver value and benefits to its members; and</li> <li>▶ Undertake in-depth researches and prefeasibility studies before implementing projects such as ODTP.</li> </ul> <p>BCCI must ensure that the projects that it undertakes has direct linkage with the mandates and can deliver benefits to its members of the private sector.</p>	<p><b>Not Implemented</b></p> <p>The time frame for implementation of the recommendation is from January 2019 to December 2019.</p>	<p>The delegated division (Research &amp; Planning Division) is working on developing the project screening tools.</p>	<p><b>Partially Implemented</b></p> <p>The work is under progress and will be completed within the agreed timeline of December 2019.</p>

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Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
2.2	<b>BCCI must undertake training needs assessment of the private sector entities</b>  BCCI needs to step up its efforts in terms of HR development of the private sector. BCCI do not have data on the trainings needs of the private sector entities to begin with. BCCI must undertake a training needs assessment of the private sector entities with special focus on the medium and small enterprises which do not fall under the jurisdiction of any other sector specific associations. BCCI must accordingly design courses that can address these needs.	<b>Partially Implemented</b>  The RAA noted the institution of private sector HR division and initiation of the training need assessment.  However, the audit recommendation stands partially implemented unless the BCCI develops and deliver the trainings as per the need assessment.  The time frame for implementation of the recommendation is from January 2019 to December 2019.	Private Sector HR Division has already initiated the task gathering <i>training needs assessment reports</i> from all twenty Dzongkhags except from Samdrup Jongkhar and Phuentsholing (which is expected to receive within next week). Thereafter, detailed report will be prepared including all the regional assessment reports within next few months.  The Private Sector HR Capacity Development Division is confident of executing the recommendation within the set timeline	<b>Partially Implemented</b>  The work is under progress and will be completed within the given timeline of December 2019.
3.1	<b>Long term financial sustainability of BCCI must be reviewed</b>  Operations of BCCI are financially unsound. It is merely surviving on the government grants. Annual membership fees collected are not able to cover the pay and allowance expenses of the BCCI	<b>Partially Implemented</b>  Since the initiative is in the process, the recommendation is considered as partially implemented.	<ul style="list-style-type: none"> <li>▪ As per the bilateral meeting with the Cabinet on 8<sup>th</sup> March 2019, more focus was made on the financial sustainability of BCCI. Delegation of certain activities relevant to the Chamber (as government-delegated functions) is one area that has been identified</li> </ul>	<b>Partially Implemented</b>  The work is under progress and will be completed within the given timeline of June 2020.



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Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
	<p>secretariat. The regional offices are into deficit spending. Trade fairs are expenditure intensive and net revenues generated are meagre.</p> <p>There is an impending risk of financial unsustainability given the current practice of financial management. Therefore, BCCI must review its long term financial sustainability and devise strategies to enhance current revenue base and identify new sources of revenue. There is also a need to review the operation of regional offices since they are expenditure intensive.</p>	<p>The time frame for implementation of the recommendation is from January 2019 to June 2020.</p>	<p>as an interim measure for a certain number of years for sustenance of the chamber and also towards creating the institutional visibility.</p> <ul style="list-style-type: none"> <li>▪ The avenues for long-term financial sustainability will be explored as permitted within Chamber's mandate</li> </ul> <p>Appropriate strategies for mobilization of the Annual Membership Fees would be drawn-up once BCCI puts in place its legal statute which would serve as a guiding document.</p>	
<b>3.2</b>	<p><b>Need to strengthen control over revenue management</b></p> <p>Revenue management practices are weak in BCCI. There are issues of inadequate monitoring over printing, usage and custody of money receipts. In absence of defined membership base, it is important to strengthen controls over collection of membership fees. Given poor revenue performance as against a</p>	<p><b>Partially Implemented</b></p> <p>Since the initiative is in the process, the recommendation is considered as partially implemented. However, in regard to the missing revenue receipt booklets, 4 out of 19 booklets could be traced out and same was verified during joint physical verification conducted on</p>	<p>To align with the audit's recommendation following actions were taken:</p> <ul style="list-style-type: none"> <li>▪ New money receipt of BCCI was developed with new features. Against this arrangement, Inter-Office Memo (IOM) was issued describing processes and procedures to strengthen control</li> </ul>	<p><b>Partially Implemented</b></p> <p>The BCCI reported that they have incorporated new features in the money receipts, delineated roles and responsibilities of the officials for printing, custody and management of money receipt booklets.</p>

**Exhibit - B**

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Recommendations	RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
<p>huge potential there are risks of revenue pilferage through current system of management. In view of the issues observed BCCI must:</p> <ul style="list-style-type: none"> <li>▶ Device ways and means of authenticating and adding more security features on money receipts;</li> <li>▶ Institute and strengthen controls over printing, usage and custody of revenue/money receipts;</li> <li>▶ Monitor collection, deposit and remittance of revenues from the regional offices within defined periods of time;</li> <li>▶ Trace out missing money receipts (19 booklets)</li> </ul> <p>It is therefore recommended to institute the controls and systems to enhance revenue management of BCCI.</p>	<p>20/12/2018. The balance of 15 receipt booklets are yet to be traced out and verified by the RAA.</p> <p>The BCCI is still looking for the missing revenue receipt booklets. As such, the BCCI should make an attempt to produce the missing receipt booklets for audit verification within the timeframe, i.e. January 2019 to December 2019.</p>	<p>system. (IOM enclosed as Annexure 1)</p> <ul style="list-style-type: none"> <li>▪ As recommended, procurement unit has been set-up manned by dedicated staff who is fairly experienced (Administrative Order attached as Annexure 2)</li> <li>▪ Store-In-Charge is also identified and positioned to ensure proper inventorying, control and management of office stores, consumables, its issue and records. (Administrative Order attached as Annexure 3)</li> <li>▪ An official has also been assigned to hold the additional charge of the <i>custodian</i> of BCCI official money receipt booklets, its safekeeping, issuance, control and overall administration of these cash-value documents (Administrative Order attached as Annexure 4)</li> <li>▪ A special committee (from within the Chamber) was formed to study in detail about the missing money</li> </ul>	<p>Attempts were also made by BCCI to trace out the missing receipt booklets but has failed to locate the receipt booklets.</p> <p>Further, the public has been notified on the missing receipt booklets through Kuensel issue on August 2018.</p> <p>In view of special committee formed and study carried out on missing receipts, it is considered <b>Partially Implemented</b>.</p> <p>However, until the BCCI takes Administrative Actions against the responsible officials, the recommendation shall remain unresolved.</p>

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Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
			receipt and also to come up with the suggestions and recommendations for future revenue management. The detailed report about the missing money receipt together with suggestions and recommendations from the committee is enclosed as Annexure 5 which was already submitted to RAA before.	
<b>3.3</b>	<b>Need to strengthen controls over revenue recognition and follow up mechanism on trade fair revenues</b>  BCCI had not recognized receivables amounting to Nu.1.908million from four parties from various trade fairs between 2013 and 2017. BCCI must institute a system of accurate recognition of revenue and timely follow-up processes for revenues from trade fairs. It must expedite the recovery of Nu.1.908 million from the debtors.	<b>Partially Implemented</b>  While the RAA noted the recovery of amount from three parties, the BCCI must expedite in recovering Nu.1,266,748.00 from M/s Alpha Associates and RAA intimated accordingly. Until such time, the recommendation shall remain as partially implemented.  The time frame for implementation of the recommendation is from January 2019 to December 2019.	<ul style="list-style-type: none"> <li>▪ Upon consistent follow-up on the receivables amounting to Nu. 1.908 million (from four parties against from various business expos between 2013-2017), an amount of Nu. 641,252/- has been realized from three parties who fully liquidated their dues. In the case of M/s Alpha Associates, the outstanding amount of Nu. 12,66,743 is still lying as receivable (Report already shared with the RAA).            To recover the outstanding amount of Nu. 12,66,743/- from M/s Alpha</li> </ul>	<b>Partially Implemented</b>  The BCCI must expedite recovery of Nu.1,266,748.00 from M/s Alpha Associates within the agreed timeline of December 2019.

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Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
	There is also a need to review the PIP agreements to include penalty clauses amongst others with the view to encourage prompt payments.		Associates, BCCI on the direction of its Executive Committee, has now resorted to request Embassy of India for intervention and recovery of the amount. Bilateral meeting has already been conducted with the Embassy on 16 <sup>th</sup> April 2019 seeking for their support. An update will soon be submitted to RAA once BCCI receives the response from the Embassy.	
<b>3.4</b>	<b>BCCI should strengthen budgeting system and processes</b>  BCCI do not have a proper system of budgeting and its execution. It is recommended to strengthen budgeting systems and processes of BCCI to enhance its performance in achievement of the organizational objectives through: <ul style="list-style-type: none"> <li>▶ Documentation of budget processes and systems;</li> <li>▶ Engagement of representatives from regional offices in the budget discussions; and</li> </ul>	<b>Partially Implemented</b>  The recommendation is considered as partially implemented since the drafting of the financial manual of the chamber is in the process.  The time frame for implementation of the recommendation is from January 2019 to December 2019.	Strengthening of the whole budgeting system and processes will be one component that we will be incorporated in the Financial Manual, which is still in the process of drafting.	<b>Partially Implemented</b>  The recommendation is considered <b>Partially Implemented</b> until the drafting of financial manual is completed and approved for implementation within the agreed timeline of December 2019.

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<b>Recommendations</b>	<b>RAA's Last Comments</b>	<b>Action Taken Submitted by BCCI</b>	<b>RAA's Further Comments</b>	
	Clear lines of reporting for exercising budgetary controls, monitoring and adherence to budgetary norms.			
<b>3.5</b>	<p><b>BCCI need to exercise prudence over infructuous expenditure</b></p> <p>BCCI had not exercised prudence over expenditures in general. It incurred substantial expenditure on hospitality and entertainment during the period 2015-17. Hospitality and entertainment expenditures exhausted more than 70% membership fees collected from all regional offices combined. BCCI must take initiatives to exercise prudence over infructuous expenditure and reduce hospitality and entertainment expenditure. BCCI is recommended to exercise judiciousness in making expenditures that are unnecessary and uneconomical in nature including hospitality and entertainment.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered as partially implemented since the drafting of the financial manual of the chamber is in the process.</p> <p>The time frame for implementation of the recommendation is from January 2019 to December 2019.</p>	<p>In order for the Chamber to exercise prudence use of its budget, the clauses will be incorporated to strictly monitor the expenditures in the Financial Manual, which is still in the process of drafting. Albeit lack of financial manual, systemic measures have already introduced over control infructuous expenditures.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> until the drafting of financial manual is completed and approved for implementation within the agreed timeline of December 2019.</p>
<b>3.6</b>	<p><b>Need to strengthen procurement function of the BCCI</b></p>	<p><b>Partially Implemented</b></p>	<p>BCCI has adopted the already existing Procurement Rules and Regulations 2009 of the Ministry of Finance,</p>	<p><b>Implemented</b></p>

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<b>Recommendations</b>	<b>RAA's Last Comments</b>	<b>Action Taken Submitted by BCCI</b>	<b>RAA's Further Comments</b>
<p>BCCI had not undertaken open and competitive bidding process in the procurement of services such as trade fairs, catering and vehicle hire resulting in uneconomical expenditures. BCCI must specifically undertake the following:</p> <ul style="list-style-type: none"> <li>▶ Constitute procurement committees as required by PRR 2009;</li> <li>▶ Depute staff with appropriate qualifications in the procurement section;</li> <li>▶ Exercise due diligence in award of contracts for events management and trade fairs;</li> <li>▶ Undertake competitive bidding processes for procurements where appropriate to derive value for money; and</li> <li>▶ Immediately recover the outstanding rental charges of Nu.4800 from the canteen operator.</li> </ul>	<p>Since the initiative is in the process, the recommendation is considered as partially implemented.</p> <p>The time frame for implementation of the recommendation is from January 2019 to June 2020.</p>	<p>RGoB through an office order (Office Order enclosed as Annexure 6 - Implemented).</p>	<p>The BCCI has adopted Procurement Rules &amp; Regulations 2009 for procuring of goods and services.</p>

**Exhibit - B**

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Recommendations		RAA's Last Comments	Action Taken Submitted by BCCI	RAA's Further Comments
	BCCI must ensure stringent and improved compliance to the requirements of procurement norms in procuring services such as event management, catering and canteen services.			
<b>4.1</b>	<p><b>BCCI must draw HR master plan</b></p> <p>Currently BCCI do not have HR master plan. HR master plan must align with the strategic plan that shall determine the organizational vision and HR requirements to fulfil it.</p> <p>It is recommended to draw HR master plan which amongst others should address, policies such as HR strength for a given time frame, succession plans, requisite capacities, retention policies etc.</p>	<p><b>Not Implemented</b></p> <p>The time frame for implementation of the recommendation is from January 2019 to June 2020.</p>	<p>Under the BCCI OD Plan 2018, a separate unit to take care of the in-house HR matters has been created and positioned in General Affairs Department. The assigned official is compiling the reference materials such as HR policies and relevant documents to initiate the drafting process of HR master plan.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> as drafting of HR master plan is under process and expected to complete within given timeline of June 2020.</p>

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# **EXHIBIT-C**

## **Review of In-country Travels**



<b>Audit Report</b> : Review of In-country Travels (AIN: 14938) <b>Schedule of Audit</b> : 10 July to 29 September 2017 <b>Date of Issue</b> : 02 February 2018 <b>Period covered by Audit</b> : 2012 to 2017 <b>Name of Agency (s)</b> : Ministry of Finance <b>No. of Review</b> : 2 <sup>nd</sup> Review				
Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
4.1	<p><b>TA/DA rules should be rationalized</b></p> <p>Extant rules of travel distance of 10 KM and tour duration of 8 hours and above for TA/DA entitlements are not rational anymore and have given rise to manipulative practices and irrational claims. It is, therefore, necessary to rationalize these rules. The RAA recommends the following possible courses of actions:</p> <p>4.1.1 Since DA rates also cover cost of accommodation it is not rational to pay full DA for tours not involving night halts. Admissibility of only 50% DA may be appropriate.</p> <p>4.1.2 The distance of farther than 10 KM may no longer be relevant in view of increased road connectivity and means of transportation. The minimum travel</p>	<p><b>Not Implemented</b></p> <p>Recommendations 4.1.1 to 4.1.6 require MoF and RCSC to discuss and write to RAA on the application status.</p> <p>Just writing to RCSC without actual consultation to address the recommendations cannot be considered as implemented.</p> <p>Further, MoF is yet to receive the action taken report from the RCSC.</p> <p>RAA has also not received any information on the status of implementation from the RCSC as on 18 September 2018.</p> <p>MoF and RCSC should intimate RAA with concrete decision on the implementation status. Otherwise, as</p>	<p>The Ministry of Finance had written to RCSC vide letter No.MoF/PPD/RAA/67/2018/141 6 dated 21/03/2018 to review and implement the recommendations under Sl.No.4.1 &amp; 4.5 and submit the action taken report to MoF for further submission to the RAA. The follow up/ reminder for the same was sent vide letter No. MoF/PPD/RAA/67/2018/8014 dated 22/05/2018. However, the response from RCSC is awaited.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> after the consultative meeting held between PAC, MoF and RAA on 28 &amp; 29 March 2019.</p> <p>As of 30 April 2019, the RAA has not received any comment from the RCSC.</p>

**Exhibit - C**

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<b>Recommendations</b>	<b>RAA's Last Comments</b>	<b>Action Taken Submitted by MoF</b>	<b>RAA's Further Comments</b>
<p>distance requirement should be appropriately increased.</p> <p>4.1.3 No night halts should be permitted for tours within revised minimum distance for local tours. However, due prudence should be exercised to ensure cost effective options.</p> <p>4.1.4 For team travel it would not be prudent to permit mileage claims by individuals. Pool vehicle use or pooling of vehicle may be advisable to minimize the cost.</p> <p>4.1.5 Rules should be revised to specifically disallow payment of DA for carrying out works of routine nature which can be performed within few hours such as delivery of letters, depositing cheques, payment of utilities bills, obtaining signatures, pick and drop etc.</p>	<p>per section 123 of the Audit Act of Bhutan 2018, <i>“Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned.</i></p>		

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Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
	4.1.6 DA claims by drivers assigned to garbage trucks, Septic-tank trucks, pick and drop busses, ambulances for duties and to and from Paro airport should be rationalized.			
4.2	<p><b>The MoF and MoHCA should rationalize the “dholam” and porter-pony system</b></p> <p>With the advent of Gewog connectivity roads, there would be lesser places entailing travel using porter and pony for more than 8 hours. However, civil servants are still found claiming dholams as per the old rates approved by the respective DTs even for places connected by roads. Thus, there is need to rationalize and revise the dholam entitlements. Proper inventory of motorable roads should be maintained and continuously updated and dholam entitlement regulated accordingly.</p>	<p><b>Not Implemented</b></p> <p>This audit recommendation requires MoF and MoHCA to discuss and rationalize the Dholam issue for the payment of Porter Pony to civil servants besides ascertaining inventory of motorable roads in each Dzongkhag.</p> <p>Just writing to MoHCA without actually conducting any consultation to address the recommendations cannot be considered as implemented.</p> <p>Further, MoF is yet to receive the action taken report from the MoHCA.</p>	<p>The Ministry of Finance had written to MoHCA vide letter No.MoF/PPD/RAA/67/2018/141 5 dated 21/03/2018 to review and implement the recommendations under SI.No.4.2 &amp; 4.3 and submit the action taken report to MoF for further submission to the RAA. The follow up/ reminder for the same was sent vide letter No. MoF/PPD/RAA/67/2018/8015 dated 22/05/2018. However, the response from MoHCA is awaited.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> after the consultative meeting held between PAC, MoF and RAA on 28 &amp; 29 March 2019.</p> <p>As of 30 April 2019, the RAA has not received any comment from the MoHCA.</p>

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Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
		<p>RAA has also not received any information on the status of implementation from the RCSC as on 18 September 2018.</p> <p>MoF and MoHCA should intimate RAA with concrete decision on the implementation status. Otherwise, as per section 123 of the Audit Act of Bhutan 2018, <i>“Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned.”</i></p>		
4.3	<b>The MoF &amp; MoHCA should standardize the distance between places</b>	<p><b>Not Implemented</b></p> <p>This audit recommendation requires MoF, MoHCA and other relevant</p>	The Ministry of Finance had written to MoHCA vide letter No.MoF/PPD/RAA/67/2018/141 5 dated 21/03/2018 to review and	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> after the</p>

**Exhibit - C**

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<b>Recommendations</b>	<b>RAA's Last Comments</b>	<b>Action Taken Submitted by MoF</b>	<b>RAA's Further Comments</b>
<p>The existing road mapping of RSTA and Dzongkhags are not comprehensive and many places are not covered. Moreover, the dholams and road mappings approved by the DTs are not readily available. There are thus inconsistencies in distances shown in mileage claims. A clear road mapping showing details of the distances for various places including Gewogs and Chiwogs should be prepared and made widely available to regulate and rationalize travel claims.</p>	<p>ministry or agency to discuss and come out with a clear road mapping showing details of the distances for various places including Gewogs and Chiwogs should be prepared and made widely available to regulate and rationalize travel claims.</p> <p>Just writing to MoHCA without actually conducting any consultations with relevant agencies to address the recommendations cannot be considered as implemented.</p> <p>Further, MoF has not received action taken report from the MoHCA.</p> <p>RAA has also not received any information on the status of implementation from the RCSC as on 18 September 2018.</p>	<p>implement the recommendations under SI.No.4.2 &amp; 4.3 and submit the action taken report to MoF for further submission to the RAA. The follow up/ reminder for the same was sent vide letter No. MoF/PPD/RAA/67/2018/8015 dated 22/05/2018. However, the response from MoHCA is awaited.</p>	<p>consultative meeting held between PAC, MoF and RAA on 28 &amp; 29 March 2019.</p> <p>As of 30 April 2019, the RAA has not received any comment from the MoHCA.</p>

<b>Audit Report</b> : Review of In-country Travels (AIN: 14938) <b>Schedule of Audit</b> : 10 July to 29 September 2017 <b>Date of Issue</b> : 02 February 2018 <b>Period covered by Audit</b> : 2012 to 2017 <b>Name of Agency (s)</b> : Ministry of Finance <b>No. of Review</b> : 2 <sup>nd</sup> Review				
Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
		<p>MoF, MoHCA and other relevant ministry or agencies should intimate RAA with concrete decision on the implementation status. Otherwise, as per section 123 of the Audit Act of Bhutan 2018, <i>“Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned.”</i></p>		
<b>4.4</b>	<p><b>Submission of tour report</b></p> <p>Since tour report provides evidence of works performed during tour and basis for verification of claims, FRR should make it mandatory to prepare detailed tour reports for the purpose of claiming TA/DA. Besides, standard information</p>	<p><b>Partially Implemented</b></p> <p>This audit recommendation requires MoF to require detail preparation of Tour Report mandatory in the FRR with a clear structure representing dates of the travel, specific purpose and activities performed during the travel.</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was</p>	<p><b>Implemented</b></p> <p>The recommendation is considered <b>Implemented</b> after the consultative meeting held between PAC, MoF and RAA on 28 &amp; 29 March 2019.</p>

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Recommendations	RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
<p>to be included in the tour report should also be stipulated in the rules. The tour report should have a clear structure representing; dates of the travel, specific purpose and activities performed during the travel amongst other matters.</p>	<p>MoF has not indicated when this would effect changes in the FRR.</p> <p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p> <p>However, this does not ensure making Tour Report mandatory and capturing uniform information.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, "<i>Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned</i>" if the recommendation is not implemented fully.</p>	<p>uploaded on MoF website and copies distributed to the agencies.</p>	<p>However, the compliance shall still be reviewed during the audit of budgetary agencies.</p>

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Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
4.5	<p><b>Production of vehicle registration document should be mandatory for mileage claim</b></p> <p>As per the RCSC notification on the amendment of section 16.6.6 of the BCSR 2012 and as per the revised BCSR, the civil servants are not required to produce vehicle registration documents to be eligible for claiming mileage. Thus, the officials are claiming mileage irrespective of whether they own or use their private vehicles or not. This provision allows a civil servant to claim undue mileage as a matter of right despite intent of the rules being not to claim mileage as a matter of right. Such claims are irrational and RCSC should reinstate the requirement to produce the vehicle registration documents for claiming mileage.</p>	<p><b>Not Implemented</b></p> <p>This audit recommendation requires MoF and RCSC to discuss on the reinstatement of the requirement to produce the vehicle registration documents for claiming mileage.</p> <p>Just writing to RCSC without actually conducting any consultation to address the recommendations cannot be considered as implemented.</p> <p>Further, MoF is yet to receive the action taken report from the RCSC.</p> <p>RAA has also not received any information on the status of implementation from the RCSC as on 18 September 2018.</p> <p>MoF and RCSC should intimate RAA with concrete decision on the</p>	<p>The Ministry of Finance had written to RCSC vide letter No.MoF/PPD/RAA/67/2018/141 6 dated 21/03/2018 to review and implement the recommendations under Sl.No.4.1 &amp; 4.5 and submit the action taken report to MoF for further submission to the RAA. The follow up/ reminder for the same was sent vide letter No. MoF/PPD/RAA/67/2018/8014 dated 22/05/2018. However, the response from RCSC is awaited.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> after the consultative meeting held between PAC, MoF and RAA on 28 &amp; 29 March 2019.</p> <p>As of 30 April 2019, the RAA has not received any comment from the RCSC.</p>



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Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
		<p>implementation status. Otherwise, as per section 123 of the Audit Act of Bhutan 2018, “Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned.”</p>		
<b>4.6</b>	<p><b>The travels of the employees should be relevant and aligned with their job responsibilities and travel plans</b></p> <p>The travel performed by the civil servants should be in line with the travel plans and their job responsibilities. It is essential for the agencies to ensure that travel plans accord with the individual work plan. Travel should be permitted</p>	<p><b>Partially Implemented</b></p> <p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p> <p>This audit recommendation requires to curb unnecessary travels which are not consistent with the Individual Work Plans.</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>	<p><b>Implemented</b></p> <p>The recommendation is considered <b>Implemented</b> after the consultative meeting held between PAC, MoF and RAA on 28 &amp; 29 March 2019.</p> <p>However, the compliance shall still be reviewed during the audit of budgetary agencies.</p>

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Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
	only if required by the job and not as incentives.	<p>No notification was found uploaded in the MoF Website as stated.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, “Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned” if the recommendation is not implemented fully.</p>		
4.7	<p><b>Procedure for approving travel authorizations and travel claims should be strictly adhered</b></p> <p>The agencies must ensure that all the travel procedures prescribed in clause 16.2 of the BCSR 2012 are complied by</p>	<p><b>Partially Implemented</b></p> <p>The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the</p>	<p><b>Implemented</b></p> <p>The recommendation is considered <b>Implemented</b> after the consultative meeting held between PAC, MoF and RAA on 28 &amp; 29 March 2019.</p>

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Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
	<p>the respective officials. Considering the wisdom of requiring the travel authorization before making the travels and also requiring the travel authorizations to be signed and countersigned by various authorities, the agencies should ensure that this requirements are fulfilled for making travel claims.</p>	<p>This audit recommendation requires to curb unnecessary travels through prior approvals by the competent authority.</p> <p>No notification was found uploaded in the MoF Website as stated.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, <i>“Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned”</i> if the recommendation is not implemented fully.</p>	<p>in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>	<p>However, the compliance shall still be reviewed during the audit of budgetary agencies.</p>
<b>4.8</b>	<p><b>There should be a proper coordination between the controlling and disbursing officers</b></p>	<p><b>Partially Implemented</b></p> <p>The RAA appreciates for the initiatives taken by the MoF by serving</p>	<p>The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the</p>	<p><b>Implemented</b></p> <p>The recommendation is considered <b>Implemented</b> after the</p>

**Exhibit - C**

<b>Audit Report</b> : Review of In-country Travels (AIN: 14938) <b>Schedule of Audit</b> : 10 July to 29 September 2017 <b>Date of Issue</b> : 02 February 2018 <b>Period covered by Audit</b> : 2012 to 2017 <b>Name of Agency (s)</b> : Ministry of Finance <b>No. of Review</b> : 2 <sup>nd</sup> Review			
Recommendations	RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
<p>The supervisors should conduct a periodic monitoring of the travels made by the employees. Monitoring of travel authorizations, actual travels and maintenance of travel registers, etc by Head of Finance and proper coordination between controlling and disbursing officers would facilitate effective controls over travel claims.</p>	<p>notification to all the budgetary agencies to comply.</p> <p>This audit recommendation requires to strengthen effective control over unnecessary travels and travel claims through regular monitoring and coordination between controlling and disbursing officers.</p> <p>No notification was found uploaded in the MoF Website as stated.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, <i>“Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies</i></p>	<p>budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.</p>	<p>consultative meeting held between PAC, MoF and RAA on 28 &amp; 29 March 2019.</p> <p>However, the compliance shall still be reviewed during the audit of budgetary agencies.</p>

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Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
		<i>concerned</i> " if the recommendation is not implemented fully.		
<b>4.9</b>	<b>Travel should be properly monitored and controlled</b>  Presently there is no system of effectively monitoring staff while on tour. Lack of effective monitoring leaves avenues for claiming TA/DA without proper performance of their duties and even remaining absent from their duty stations thereby impeding service delivery. Therefore, there is need for instituting appropriate monitoring system to ensure that officials and staff are in their respective places of tour and carry out their responsibilities effectively.	<b>Partially Implemented</b>  The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.  This audit recommendation requires to strengthen effective control over unnecessary travels and travel claims through regular monitoring and coordination between controlling and disbursing officers.  No notification was found uploaded in the MoF Website as stated.  As per section 123 of the Audit Act of Bhutan 2018, " <i>Any cases remaining unresolved for 12 months after</i>	The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.	<b>Implemented</b>  The recommendation is considered <b>Implemented</b> after the consultative meeting held between PAC, MoF and RAA on 28 & 29 March 2019.  However, the compliance shall still be reviewed during the audit of budgetary agencies.

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Recommendations		RAA's Last Comments	Action Taken Submitted by MoF	RAA's Further Comments
		<i>deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned” if the recommendation is not implemented fully.</i>		
4.10	<b>Travel budget should be used prudently</b>  Travel budgets are not being used wisely. Most agencies exhaust their travel budget much before the year end. Frequent travels were found performed by officials and other staffs for activities not directly related to their job responsibilities. Officials were also found paid to and fro mileage on daily basis for travelling far off places like Paro and Thimphu as well as full DA indicating lack of prudence in managing	<b>Partially Implemented</b>  The RAA appreciates for the initiatives taken by the MoF by serving notification to all the budgetary agencies to comply.  This audit recommendation requires to exercise prudence in the use and management of travel budgets to avoid travel budgets being exhausted much before the financial year end.	The Ministry of Finance had issued notification vide letter No.DNB/Rules/2017-18/1743 dated 01/05/2018 to all the budgetary agencies on the compliance to the relevant rules and regulations with regard to the in-country travels. The same was uploaded on MoF website and copies distributed to the agencies.	<b>Implemented</b>  The recommendation is considered <b>Implemented</b> after the consultative meeting held between PAC, MoF and RAA on 28 & 29 March 2019.  However, the compliance shall still be reviewed during the audit of budgetary agencies.

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<b>Recommendations</b>	<b>RAA's Last Comments</b>	<b>Action Taken Submitted by MoF</b>	<b>RAA's Further Comments</b>
<p>travel budget. Transit halts were allowed for travelling to places which can be covered in a day. As required in BCSR agencies should exercise prudence in the use and management of travel budget by encouraging carpooling and discouraging unnecessary travels and halts. Heads of agencies should be responsible to ensure that travel budgets are used prudently in due compliance to travel rules.</p>	<p>No notification was found uploaded in the MoF Website as stated.</p> <p>As per section 123 of the Audit Act of Bhutan 2018, <i>“Any cases remaining unresolved for 12 months after deliberation in the Parliament shall be referred to the Court of Law by the agencies concerned. Failure to refer such cases to the Court of Law shall result in denial of Audit Clearance Certificate to the Head of agencies concerned”</i> if the recommendation is not implemented fully.</p>		

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# **EXHIBIT-D**

## **Review Report of Performance Audit Report on Provision of Drinking Water in Thimphu Municipality**



<b>Audit Report</b>	: Performance Audit Report on 'Provision of Drinking Water in Thimphu Municipality (AIN: 14732)
<b>Date of Issue</b>	: 14 August 2017
<b>Name of Agency</b>	: Thimphu Thromde, Royal Centre for Disease Control (RCDC), Ministry of Health (MoH), Ministry of Works and Human Settlement (MoWHS) and National Environment Commission Secretariat (NECS)
<b>No. of Review</b>	: 4 <sup>th</sup> Review

Recommendations		RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
<b>4.1</b>	<p><b>Thimphu Thromde should provide reliable and equitable water supply to its population</b></p> <p>Analyzing the water received in each zone of Thimphu Municipality as against the required amount, it was noted that the zones received varying amount of drinking water ranging from 28% to 94% of the requirement depicting inequity in water supply. Further, some areas do not have Thromde's water connection at all despite having enough water produced to meet the required amount of water.</p> <p>The RAA also noted inadequate storage capacity of service tanks leading to water shortages in certain areas. Strategic water distribution plan considering the size and density of population, area and different user groups to ascertain the amount of water</p>	<p><b>Partially Implemented</b></p> <p>While the RAA is appreciative of the various actions taken by the management through the construction of water tanks, it is to reiterate that there is still a need to have a strategic plan to provide reliable and equitable water supply.</p> <p>The RAA has noted that various water supply tanks are being constructed to provide reliable and equitable water supply to its population. However, with regard to some areas that do not have Thromde's water connection at all despite having enough water produced to meet the required amount of water, nothing has been intimated on the action taken on this matter. And at the same time to ensure reliable and equitable drinking water considering the size and density of population,</p>	<p>There is no Strategic Drinking Water Master Plan. However, considering the existing water shortage and future demand for Thimphu Thromde, development of water sources, treatment plants, transmission lines, service tanks and distribution network has been planned to address the shortcoming with regard to inadequate and equitable drinking water supply in various LAPs and areas within Thimphu Thromde.</p> <p>While some of the major water infrastructure development works have been completed, the remaining activities are targeted to be in place by the end of 12<sup>th</sup> FYP.</p> <p>With the starting of Central water supply scheme from Dodena in the third week of April 2019, the drinking water shortage in Changjiji,</p>	<p><b>Partially implemented</b></p> <p>The Thimphu Thromde reported that although there is no strategic water master plan, the existing water shortages are being addressed through numerous initiatives in addressing the water shortages and equitable distribution of water supply to its population. Besides, the activity is incorporated under 12<sup>th</sup> FYP as one of the flagship programs.</p> <p>The Thromde also reported that with the recent commissioning of central water supply from Dodena, it has resolved water shortages in most of the areas. The efforts are still being taken to enhance the distribution network through inter connections.</p>

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<b>No. of Review</b>	: 4 <sup>th</sup> Review

Recommendations	RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
<p>supply required for each zone in order to ensure reliable and equitable drinking water. Thromde should also construct adequate numbers of service tanks proportionate to water requirement.</p>	<p>area and different user groups to ascertain the amount of water supply required for each zone, nothing has been mentioned in the reply to RAA.</p> <p>While the recommendation is also to have adequate number of service tanks, it is partially also to formulate a strategic water distribution plan. Therefore, para has been treated as partially implemented since a thorough study still needs to be carried out to have equitable and reliable water supply.</p>	<p>Yangchenphu has been resolved and water supply has successfully transited from intermittent to 24x7 in the above areas including Langjuphaka.</p> <p>Improvement of water supply in core city area include hotel and buildings in the vicinity of clock tower; Norzin lam has been achieved through the adjustment of overall available water balance from Dodena source through interconnection of old/new service tanks, transmission and distribution pipe networks.</p> <p>Two additional boreholes have been installed; one to augment the water supply to JDWNRH including new hospitals for Kidney, mother &amp; child and several other institution buildings and the other one to improve water supply to Changzamtog area.</p>	<p>However, the Thimphu Thromde may consider developing strategic water distribution plan taking into account the size and density of population, area and different user groups to ascertain the amount of water supply required for each zone in order to ensure reliable and equitable drinking water within the agreed timeline of <b>June 2019</b>.</p>

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<b>No. of Review</b>	: 4 <sup>th</sup> Review

Recommendations		RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
			<p>Efforts are ongoing to optimize the distribution network and planned water activities shall be completed within the 12<sup>th</sup> FYP under the water flagship program.</p> <p>In view of substantial measures taken towards achieving the provision of reliable and equitable water supply to the population of Thimphu Thromde, the recommendation may be considered implemented.</p>	

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<b>No. of Review</b>	: 4 <sup>th</sup> Review

Recommendations		RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
4.2	<p><b>Thimphu Thromde should establish a robust system to monitor and supervise the water distribution network</b></p> <p>Absence of monitoring system for water sources and the distribution network has led to huge loss of water, water revenue and interruption in water supply. To ensure quality and reliable supply of drinking water and also to control water loss in the water distribution network, there should be robust monitoring system established for water distribution networks. The Thromde should come up with components of monitoring system such as monitoring standards and protocol, formation of monitoring team, schedule and reporting, etc. to have established system in place.</p>	<p><b>Partially Implemented</b></p> <p>The RAA noted that works are already under progress through a diagnostic study to ensure established monitoring system in place including monitoring standards and protocol, formation of monitoring team, schedule and reporting, etc.</p> <p>The recommendation shall be treated as partially implemented until the aforementioned study is completed and measures appropriately implemented in relation to the monitoring and supervision of the water distribution network.</p>	<p>Formal request was made to the project office in the MoWHS through Thromde's project coordinator. However, WB proposed to support only in terms of consultancy and would be unable to provide fund for infrastructure and other inputs. During the discussion with NA and RAA, it was informed that Thromde would be using its own resources even if there is no WB support.</p> <p>In this connection, Thromde has started to monitor the distribution network by delineating specific water management zones and drawing up job description and responsibilities of engineers and technicians. The job responsibilities are incorporated in the IWPs to ensure quality and reliable supply including reduction of water losses in the distribution system.</p>	<p><b>Partially Implemented</b></p> <p>The Thimphu Thromde has come up with the job descriptions and responsibilities of the engineers, technicians and plumbers as one of the components of monitoring system</p> <p>However, the monitoring standards, protocol, and reporting system is yet to be developed as recommended.</p>

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<b>No. of Review</b>	: 4 <sup>th</sup> Review

Recommendations		RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
			<p>This activity has also been incorporated in the 12<sup>th</sup> FYP under the Flagship program for 24x7 safe drinking water supplies.</p> <p>List of bulk water meters installed at treatment plants and service tanks is attached.</p> <p>With the support from World Bank, all water infrastructures are being digitized on GIS platform so that automatic monitoring and management through proper technology can be implemented at an appropriate time.</p> <p>In addition, ADB has already expressed support in terms of TA for smart water management for a pilot area which will be up-scaled for other areas in Water flagship program.</p> <p>The RAA was informed about the TA AIDE-MEMOIRE dated 1 May 2019 of ADB inception mission for TA – 9048 regarding promoting smart water</p>	

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<b>No. of Review</b>	: 4 <sup>th</sup> Review

Recommendations		RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
			<p>management in south Asian cities. Following are the outputs: (i)operational efficiency improvement and plans developed, (ii)knowledge-building and skills-development programs on smart drinking water management and technologies implemented, (iii) financial sustainability improvement plans prepared, and (IV) new drinking water contract modalities introduced.</p> <p>Study area has been identified and these are Lungtenphu and Olakha. The proposed tentative completion of TA is 15 October 2020.</p> <p>Thimphu Thromde has several “WE CHAT” groups related to operation and maintenance of water supply system: Water complaint management group, Thimphu Thromde Plumbers and Infrastructure Division.</p>	

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<b>No. of Review</b>	: 4 <sup>th</sup> Review

<b>Recommendations</b>		<b>RAA's Last Comments</b>	<b>Action Taken Submitted by Thimphu Thromde</b>	<b>RAA's Further Comments</b>
			Considering the actions taken towards establishing a robust system to monitor and supervise the water distribution network, the recommendation may be considered implemented.	
<b>4.3</b>	<p><b>Thimphu Thromde should maintain and safeguard water distribution network</b></p> <p>Several inadequacies were noted in the water distribution network relating to infrastructure and water protection such as inappropriate laying of water distribution pipes and Installation of water meters, improper fencing at</p>	<p><b>Partially Implemented</b></p> <p>It has been noted that geo-coordinated network data of the water distribution system for use in GIS is being developed.</p> <p>The RAA has noted that the issue shall be addressed through the diagnostic study on Thromde Water services conducted by the World</p>	<p>First phase of the Installation of bulk/master water meters has been completed.</p> <p>Compound security fencing and gate constructions are completed for Yangchenphu, Zilukha and Tanks above swimming pool are completed.</p> <p>Other areas shall be continued in the 12<sup>th</sup> 5YP.</p>	<p><b>Partially Implemented</b></p> <p>While the inadequacies noted in the water distribution network such as installation of water meters and improper fencing at service tanks were carried out, the inappropriate laying of water distribution pipes and non-functional of bulk meters are not fully rectified.</p>

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Recommendations	RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
<p>water source and service tanks and non-functional bulk meters .</p> <p>In order to address the inadequacies noted, Thimphu Thromde should develop blueprint of water network system, conduct periodic maintenance of water distribution network infrastructure and develop guidelines on water meter installation.</p>	<p>Bank. Since the issue has already been conceptualized and measures initiated to maintain and safeguard water distribution network the para shall be treated as partially implemented. However, the Thromde should intimate RAA until actual implementation is done.</p>	<p>Procurement and installation of meter test bench has been initiated.</p> <p>Process for the digitization of water supply infrastructure is being done in 2018-19 for which TOR has already been drawn up.</p> <p>Provision of facilities such as workshop for operation &amp; maintenance, tools and equipment including further strengthening of security fencing and lighting for water treatment plant and service tank compounds are made.</p> <p>The blue print for core city is available in GIS. Digitization of the as built infrastructure for North and South Thimphu is planned to be carried out during the 12<sup>th</sup> FYP. <i>The digitization of Dechencholing water network (blue print) has been completed. Other remaining LAPs are ongoing which is expected to take some more time.</i></p>	<p>The RAA noted that the blue print of water network system for core city available in GIS is stated to be out of date and needed an updated version. The Digitization of the as built infrastructure for North and South Thimphu is under process while the digitization of Dechencholing water network has been completed and yet to be updated in the GIS.</p> <p>Further, the Thromde is also in the process of developing guidelines and SOPs for O&amp;M of water supply systems as software component in the 12<sup>th</sup> FYP.</p>



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Recommendations		RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
			<p>Guidelines and SOPs are being developed for O&amp;M of water supply systems as software component in the 12<sup>th</sup> FYP</p> <p>Inappropriate laying of pipelines has reference to the community/private water connections and lines. With gradual discontinuation of the community/private water supply lines, these existing pipelines are being lifted. <i>The community water supply in Lungtenphu, Olakha and Dechencholing has been lifted.</i></p> <p>Considering substantial actions taken to maintain and safeguard water distribution Network, the recommendation may be considered implemented.</p>	
<b>4.4</b>	<p><b>Irregularities noted in water network system should be corrected</b></p> <p>Instances of irregularities such as unauthorized tapping of water, water</p>	<p><b>Not Implemented</b></p> <p>The RAA has noted that the customer service centre has initiated discussion to streamline the deficiencies by</p>	<p>Surveys have been carried out and interventions are ongoing to ensure that all Thromde connections are metered.</p>	<p><b>Implemented</b></p> <p>The 9<sup>th</sup> Thromde Tshogde has approved the proposal for water related fees such as reconnection</p>

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<b>Recommendations</b>	<b>RAA's Last Comments</b>	<b>Action Taken Submitted by Thimphu Thromde</b>	<b>RAA's Further Comments</b>															
<p>connection bypassing meters, water connection from transmission lines, allowing more than one connection per dwelling and diversion of water supply to community tanks were noted in the process of audit.</p> <p>Thimphu Thromde should further investigate and take appropriate action immediately. In addition, the Thromde should also institute corrective measures in order to prevent such cases in the future.</p>	<p>coming up with a separate rules and regulations specific to Thromde. However, the Thromde has not taken any appropriate actions on the irregularities noted in the report because Customer Service centre was already there in place. Therefore, proper action plan with document evidences are required in order to implement the recommendation.</p> <p>No substantial action has been taken to implement the recommendation. Irregularities such as unauthorized tapping of water, water connection bypassing meters, water connection from transmission lines, allowing more than one connection per dwelling and diversion of water supply to community tanks needs to be corrected and intimated to RAA.</p> <p>Until Thimphu Thromde intimates RAA with proper implementation</p>	<p>Connection process has been streamlined and necessary corrective measures are implemented.</p> <p>The 9<sup>th</sup> Thromde Tshogde has approved the proposal for water related fees such as reconnection charge, illegal connection water wastage and water contamination which are being implemented. <i>The list of approved water related fees is as follows:</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Water connection related fees</i></th> <th style="text-align: center;"><i>Existing</i></th> <th style="text-align: center;"><i>Approved</i></th> </tr> </thead> <tbody> <tr> <td><i>Reconnection charge</i></td> <td style="text-align: center;">500</td> <td style="text-align: center;">2,000.00</td> </tr> <tr> <td><i>Illegal connection</i></td> <td style="text-align: center;">0</td> <td style="text-align: center;">5,000+estimated unpaid bills</td> </tr> <tr> <td><i>Water wastage</i></td> <td style="text-align: center;">0</td> <td style="text-align: center;">1,000.00</td> </tr> <tr> <td><i>Water contamination</i></td> <td style="text-align: center;">0</td> <td style="text-align: center;">10,000.00</td> </tr> </tbody> </table>	<i>Water connection related fees</i>	<i>Existing</i>	<i>Approved</i>	<i>Reconnection charge</i>	500	2,000.00	<i>Illegal connection</i>	0	5,000+estimated unpaid bills	<i>Water wastage</i>	0	1,000.00	<i>Water contamination</i>	0	10,000.00	<p>charge, illegal connection water wastage and water contamination which are being implemented to overcome irregularities in water network system.</p>
<i>Water connection related fees</i>	<i>Existing</i>	<i>Approved</i>																
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		status, it shall remain as not implemented.	<p><i>The unauthorized tapping of water at Hejo has been disconnected. With the lifting and discontinuation of community water supply in Olakha and Lungtenphu in May and August respectively, diversion of Thromde water supply has been stopped.</i></p> <p>Further; existing Thromde water regulation is being reviewed with regard to allowing more than one connection per dwelling.</p> <p>Considering the actions taken towards correcting the irregularities noted in water network system, the recommendation may be treated as implemented.</p>	
<b>4.5</b>	<b>Thimphu Thromde should develop comprehensive and accurate database on buildings and water meters</b>	<b>Partially Implemented</b> The RAA has noted that the Thromde intends to address the issue through	The updated number of buildings and number of metered water connections was 5258 and 4529 respectively as of 30 <sup>th</sup> June 2018.	<b>Implemented</b> It has been noted that the database on building and water meters are

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<b>Recommendations</b>		<b>RAA's Last Comments</b>	<b>Action Taken Submitted by Thimphu Thromde</b>	<b>RAA's Further Comments</b>
	<p>Maintaining a comprehensive and up to date database on property holdings and issuance of water meters within the Municipality's jurisdiction is very crucial for the Thromde to levy correct property taxes and water charges as mandated by law. Maintaining comprehensive and accurate database will not only help Thimphu Thromde to determine the actual number of water meters connected and those buildings that need to be connected. In addition, it will also help in assessing Thromde's water coverage and proper accounting of water consumption and water revenue. This in turn would help the Thromde in effective planning and decision making in water supply management. Thus, Thimphu Thromde should develop comprehensive and accurate database on building and water meters.</p>	<p>World Bank conducted diagnostic study on Thromde Water services.</p> <p>The RAA has noted that the Thromde has requested the World Bank to carry out diagnostic study on Thromde Water services.</p> <p>Comprehensive and accurate database on buildings and water meters are yet to be developed. Therefore, the recommendation shall remain partially implemented.</p>	<p>All the properties having Thromde water supply connections are metered and data on metering is regularly updated.</p> <p>The number of buildings updated till 25<sup>th</sup> July 2018 was 5594. The updating is regularly continued as it is dynamic process.</p> <p>The number of water connection/meter status stands at 4838 as on 31<sup>st</sup> March 2019.</p> <p>Buildings in E-4 zones (Taba, Samteling, Pamtsho, Lubding and Changdelo) are not metered as yet since Thromde doesn't provide treated water.</p> <p>In view of the above, the recommendation may be considered implemented.</p>	<p>developed in the Revenue Management System and updating is being done regularly.</p>

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<b>Recommendations</b>		<b>RAA's Last Comments</b>	<b>Action Taken Submitted by Thimphu Thromde</b>	<b>RAA's Further Comments</b>
<b>4.6</b>	<p><b>Thimphu Thromde should develop clear job roles and responsibilities for the officials working in Water Supply Section</b></p> <p>To ensure efficient and effective delivery of mandates of organization, divisions and sections should clearly understand their roles and responsibilities. There should be formal instructions for all units in the organization on how businesses are to be conducted. It shall be the collective responsibility of officials in the organization to facilitate achievement of Organizational goal.</p> <p>Thimphu Thromde should develop clear job roles and responsibilities for each position in Water Supply Section with accountability to address many inadequacies noted in this audit such as ineffective monitoring of the water network system, delay in providing</p>	<p><b>Not Implemented</b></p> <p>Until Thimphu Thromde intimates RAA with proper implementation status, it shall remain as not implemented.</p> <p>Thimphu Thromde is yet to come up with clear job roles and responsibilities for the officials working in Water Supply Section.</p> <p>Therefore, the recommendation shall remain as not implemented.</p>	<p>Job responsibilities for Engineers and Technicians/Plumbers have been developed. These are being institutionalized through the individual work plan from 2018-19</p> <p>Capacity building of existing human resource, facilities for mobility, monitoring complaints and water quality has been improved. Additional HR requirement is being considered towards improving the service delivery.</p> <p>In view of the above, the recommendation may be considered implemented.</p>	<p><b>Implemented</b></p> <p>The Thimphu Thromde has developed job descriptions and responsibilities of the engineers, technicians and plumbers and institutionalised through office order issued in 2018.</p>

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<b>Recommendations</b>		<b>RAA's Last Comments</b>	<b>Action Taken Submitted by Thimphu Thromde</b>	<b>RAA's Further Comments</b>
	water related services, inefficiency in addressing complaints, inadequacies in monitoring of water quality, etc.			
<b>4.7</b>	<p><b>Water meter needs to be installed for every water connection provided by Thromde and accordingly charged.</b></p> <p>Thromde's drinking water supplied to Babesa, Lungtenphu and Olakha from Megaypang water treatment plant since November 2014 was never charged. Furthermore, commercial car washing units did not have water meters installed despite having Thromde's water supply. As a result, there was a loss of government revenue amounting to Nu. 20.37 million. Thimphu Thromde should ensure to install water meter for every water connection provided and also justify for the forgone revenue.</p>	<p><b>Partially Implemented</b></p> <p>Thimphu Thromde reported that water meters are installed and billings started in Babesa, Lungtenphu and Olakha areas and commercial car washing units.</p> <p>However, there were no justifications provided for the forgone government revenue of Nu. 20.37 million.</p> <p>Hence, RAA awaits justifications from Thimphu Thromde and accountability for the revenue forgone from the Thromde. Until then the recommendation shall remain partially implemented.</p>	<p>Ever since the O&amp;M came under the present water supply section in February 2018, the issue has been prioritized and action has been initiated to meter all the Thromde water connections through surveys in the field.</p> <p>As on date, all the treated water supply connections including commercial car washing units are metered and charges collected. Monitoring of illegal connections and bypassing of water meters are done effectively.</p> <p>A total of 384 connections are metered in Babesa and Olakha. This was during the period when the O&amp;M of water supply was managed by Customer Service Division.</p>	<p><b>Implemented</b></p> <p>The water metering at Babesa, Lungtenphu and Olakha were completed and bills are raised including the commercial car washing units.</p>

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			<p>However, while going through the detailed workout on the revenue loss as a result of not levying water and sewerage charges, it has been observed that the non-revenue water/unaccounted for water has not been considered. This non-revenue/unaccounted for water accounts for about 37% in Thimphu Thromde. Therefore, it is opined that the loss of revenue worked out should be arrived at after deducting the system loss.</p> <p>The community water supply was also used during that time and they were reluctant to lift them as the supply from Thromde (ADB Project) water supply was not reliable. The water transmission pipeline was not stabilized as pipe joints failed along the steep ridge below Semtokha - Chamgang road which took weeks to reinstate.</p>	

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	Recommendations	RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
			In order to provide reliable water supply, Thromde has laid additional transmission pipeline besides strengthening the existing ones.	
4.8	<p><b>Thimphu Thromde should provide adequate water supply in order to discontinue private and community connections</b></p> <p>The residents in Thimphu Thromde currently gets water supply from three sources viz. Thromde's water supply, privately and community obtained water supply. Some residents just have one of the three water connections while the others have combination of two or all three of them. As per the Section 90 of the Water Regulation of Bhutan 2014, Thromde's water supply should be the only source of potable water supply and all other water supply</p>	<p><b>Partially Implemented</b></p> <p>Thimphu Thromde has initiated to centralise the water sources and there are also plans to gradually discontinue usage of private and community connections by providing adequate water supply from Thromde.c. <i>Ensuring the quality of drinking water supply through enhanced coordination with RCDC which include taking prompt actions to remedy and minimize the risk and hazards associated with contamination of water supplies.</i></p> <p>Since the work are initiated and still under process, the recommendation</p>	<p>Thimphu Thromde shall be able to ensure provision of adequate water supply after full commissioning of the Central water supply scheme from Dodena and completely discontinue private and community connections towards the end of the 12<sup>th</sup> FYP wherein, the water flagship is expected to address the existing water supply challenges.</p> <p>The community water supply in Lungtenphu, Olakha and Dechencholing has been lifted.</p>	<p><b>Implemented</b></p> <p>The recommendation is considered <b>Implemented</b> as the central water supply from Dodena has been commissioned and started its distribution.</p> <p>Further, the community water supply in Lungtenphu, Olakha and Dechencholing has been lifted and Thromde water supply has been provided.</p>



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	<p>should be discontinued when Thromde supplies adequate water.</p> <p>Therefore, the Thromde should have plans to provide adequate water supply to all and eventually discontinue the private and community water supply connections.</p> <p>Further, quality of drinking water from the private and community source are grossly polluted, thus the concerns for human health also warrants discontinuation.</p>	<p>shall remain as partially implemented. Thimphu Thromde should complete the works as assured and intimate RAA.</p>		
<b>4.9</b>	<p><b>Coordination amongst the relevant agencies and authorities should be strengthened</b></p> <p>The Water Act of Bhutan 2011 envisions the holistic management of water resources requiring collaboration and cooperation of all key stakeholders</p>	<p><b>Not Implemented</b></p> <p>Until Thimphu Thromde intimates RAA with proper implementation status, it shall remain as not implemented.</p>	<p>The National Water Resources Board at Secretaries level was difficult to convene meetings when required. Therefore the Board was replaced by the Water Resources Technical Advisory Committee which is at Chief level. Three meetings were convened</p>	<p><b>Partially Implemented</b></p> <p>The National Water Resources Board instituted to enable coordination among relevant agencies is still inactive.</p>

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<p>for making informed decision on water and its development. The main agencies involved in provision of drinking water in Thimphu Municipality include Ministry of Works and Human Settlement (MoWHS), Ministry of Health (MoH), National Environment Commission Secretariat (NECS), and Thimphu Thromde. Recognizing the importance of effective coordination, National Environment Commission formed the National Water Resources Board (NWRB) comprising of all the stakeholders. Since NWRB was inactive from 2014, the NECS should initiate to revive the NWRB and ensure they function as per the Water Regulation of Bhutan 2014.</p>	<p>Action taken if any has not been intimated to RAA.</p>	<p>thus far. However, RCDC is missing in the committee.</p> <p>Water flagship will also address the issue of coordination.</p> <p>The rural water mandate has been transferred to MoWHS through MoU which serves as an interim measure until the amendment of the clause in the Water Act</p>	<p>However, the Water Resources Technical Advisory Committee at Chief level was constituted and meeting convened. Further, Wangchu River Basin Committee involving four Dzongkhags meets on regular basis to discuss on issues relating to water.</p>

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<b>4.10</b>	<p><b>The Ministry of Works and Human Settlement (MoWHS) should develop the master plan for drinking water supply</b></p> <p>As required by the Water Regulation of Bhutan 2014, the MoWHS should develop master plan for the national drinking water and wastewater management system for Thromde in consultation with local government in order to identify available options to ensure sufficient water for future generations. The plan would also provide clear strategic direction and holistic approach in the management of water supply system in the country.</p>	<p><b>Partially Implemented</b></p> <p>The audit follow up team on 28<sup>th</sup> March 2018 verified that a Draft Water Master Plan for Thimphu Thromde water supply was drafted by Thimphu Thormde in consultation with MoWHS.</p> <p>The para shall remain partially implemented until a comprehensive Water Master Plan is prepared, approved and the actions taken in accordance to the plans.</p>	<p>Water master plan will be developed by Thimphu Thromde (lead) with T.A from KEI within the 12FYP.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> as the draft water master plan for Thimphu Thromde water supply is yet to be approved and implemented.</p>

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<b>4.11</b>	<p><b>The National Environment Commission Secretariat (NECS) should finalize the Water Resources Inventory at the earliest</b></p> <p>Water Resources Inventory is the study carried out on the availability of water from different sources and its quality aspects. Having water resources inventory would help in providing information in proper allocation of water from various sources to meet the current and future water needs. Till the date of audit, the inventory on water resources conducted by the NECS was found to be in the draft form. Thus, the NECS should immediately finalize the Water Resources Inventory.</p>	<p><b>Not Implemented</b></p> <p>Action taken if any has not been intimated to RAA.</p> <p>Until Thimphu Thromde intimates RAA with proper implementation status, the status shall remain as not implemented.</p>	<p>National Water Resources Inventory was developed and printed in July 2018 which includes Thimphu Dzongkhag. However the inventory is not comprehensive enough.</p>	<p><b>Partially Implemented</b></p> <p>The recommendation is considered <b>Partially Implemented</b> as the inventory for national water resources developed and printed in July 2018 by NEC is yet to be finalised.</p>
<b>4.12</b>	<p><b>Thimphu Thromde and the Royal Centre for Disease Control (RCDC) should ensure routine testing of the water quality</b></p>	<p><b>Partially Implemented</b></p> <p>While water testing is conducted, there is a lack of systematic process for carrying out the testing,</p>	<p>RCDC is sharing the monthly water quality surveillance report with Thimphu Thromde.</p> <p>Thimphu Thromde tests water quality at the water treatment plants on daily</p>	<p><b>Implemented</b></p> <p>The water quality tests at the treatments plants and reservoir tanks are being carried out by the</p>

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<b>Recommendations</b>	<b>RAA's Last Comments</b>	<b>Action Taken Submitted by Thimphu Thromde</b>	<b>RAA's Further Comments</b>
<p>The Thromde does not carry out the water quality tests on regular basis especially in the South Thimphu. Further, there was no test conducted for the private and community water supply by the Thromde, except for few tests in schools and institutes by Royal Centre for Disease Control (RCDC). Absence of regular testing could lead to provision of unsafe drinking water which in turn could trigger outbreak of water-borne diseases. Therefore, the Thromde and the RCDC should institute system to conduct water quality testing regularly as required by the WSP to ensure that the water supplied is safe at all times. Special attention should be given to test the water quality of schools, institutes and hospitals irrespective of the water supply source.</p>	<p>monitoring and reporting on water quality.</p> <p>Therefore, Thimphu Thromde should ensure compliance to Bhutan Drinking Water Quality Standard 2016 and Water Safety Plan. Until such actions are taken and status informed to RAA with documentary evidence, the recommendation shall be treated as partially implemented.</p>	<p>basis including most of the service tanks within the water supply system for residual free chlorine.</p> <p>Chlorination facilities for some of the remaining service tanks are being carried out including setting up of new water sampling stations within the system.</p> <p>Dechencholing HSS has already been connected to Thromde water supply system. Similarly, schools technically feasible to be connected to Thromde water supply system are being surveyed to facilitate provision of Thromde connections.</p> <p>The School principals are appraised on the findings of the RCDC water quality surveillance reports and necessary help is rendered by Thromde water supply section.</p> <p>Follow up actions on reports requiring attention are taken by water section.</p>	<p>Thimphu Thromde on regular basis and RCDC on the monthly basis.</p>

<b>Audit Report</b>	: Performance Audit Report on 'Provision of Drinking Water in Thimphu Municipality (AIN: 14732)
<b>Date of Issue</b>	: 14 August 2017
<b>Name of Agency</b>	: Thimphu Thromde, Royal Centre for Disease Control (RCDC), Ministry of Health (MoH), Ministry of Works and Human Settlement (MoWHS) and National Environment Commission Secretariat (NECS)
<b>No. of Review</b>	: 4 <sup>th</sup> Review

Recommendations		RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
			<p>Implementation of water safety plan is a dynamic process. The water quality reports of all the water treatment plants are compiled as per BDWQS 2016. Thimphu Thromde and the Royal Centre for Disease Control (RCDC) have ensured routine testing of the water quality</p> <p>In view of the above, the recommendation may be considered implemented.</p> <p><i>Water test report details are furnished.</i></p>	
<b>4.13</b>	<p><b>Thimphu Thromde in collaboration with the Royal Centre for Disease Control (RCDC) should institute monitoring and reporting mechanism on water quality</b></p> <p>The report on the water quality tests conducted by technicians was neither monitored nor was the result submitted for review. Furthermore, there was no</p>	<p><b>Not Implemented</b></p> <p>The RAA has noted that the Bhutan Drinking Water Quality Standards 2016 will be implemented with effect from July 2017. However, Thimphu Thromde &amp; RCDC has not instituted monitoring and reporting mechanism on water quality.</p>	<p>There already exist water systems like water and sanitation information (WASIS-MoWHS), Water Quality Monitoring System (QMIS-NECS), UDWQS, Bhutan Water Security Index (BWSI-NECS) and Rural Drinking Water Quality System (RDWQS-MoH). As mandated by the Water Regulation, NECS will take the lead in</p>	<p><b>Implemented</b></p> <p>The water quality tests at the treatments plants and reservoir tanks are being carried out by the Thimphu Thromde on regular basis and RCDC on the monthly basis.</p>

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<b>No. of Review</b>	: 4 <sup>th</sup> Review

Recommendations		RAA's Last Comments	Action Taken Submitted by Thimphu Thromde	RAA's Further Comments
	<p>action taken on the test results despite showing high presence of faecal coliform and residual chlorine. In absence of monitoring and reporting mechanism, appropriate treatment and timely actions cannot be taken if the water is contaminated.</p> <p>Therefore, Thromde in collaboration with RCDC should institute proper monitoring and reporting mechanism on water quality.</p>	<p>Hence, the recommendation shall remain as not implemented until Thimphu Thromde intimates RAA with proper implementation status.</p>	<p>integrating these systems into one National Water information system.</p>	

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# **EXHIBIT-E**

**Review Report of Performance  
Audit Report on Delivery of  
OPD Services at JDWNRH**



<b>Audit Report</b> : Performance Audit Report on Delivery of OPD Services at JDWNRH (AIN: 14724) <b>Date of Issue</b> : 22 August 2017 <b>Period covered by Audit</b> : 2014 to 2016 <b>Name of Agency</b> : Jigme Dorji Wangchuck National Referral Hospital <b>No. of Review</b> : 4 <sup>th</sup> Review				
Recommendations		RAA's Last Comments	Action Taken Submitted by JDWNRH	RAA's Further Comments
4.1	<b>JDWNRH should formulate strategic plan</b>  The healthcare system in the country prior to granting autonomy to the JDWNRH was found inept owing to unclear responsibilities and accountabilities within the Departments/ Divisions/ Units under the MoH. The RAA observed that the JDWNRH does not have a strategic focus and direction. It has not formulated its strategic and operational plans. The Hospital does not have a mechanism instituted to implement its 11 <sup>th</sup> FYP activities.  Therefore, JDWNRH should formulate strategic and operational plans to enhance efficient delivery of healthcare services.	<b>Partially Implemented</b>  While the RAA noted the formulation of the strategic plan which is in the final draft, the fact is that the final draft is yet to be submitted to the cabinet for approval.  Therefore, the recommendation shall remain as partially implemented until it is approved by the cabinet and formally operationalized.	The final draft document will be submitted to JDWNRH Board members for approval. The final draft document will be put as an agenda to the Parliament of Bhutan for the final approval. With the approval from Parliament of Bhutan, the document will be published and implemented as per the developed milestones and timeline.  The document will be reviewed at regular interval to improve the service delivery. Draft strategic plan document is attached for your kind reference.	<b>Implemented</b>  The draft strategic plan has been formulated and awaiting Board's approval.
4.9	<b>JDWNRH should develop robust patient information system to enhance informed decision making</b>	<b>Partially Implemented</b>  The response has been noted. However, since the ToR for	Implementing hospital information system in JDWNRH alone will not fulfill the objective of having complete medical record, since we	<b>Partially Implemented</b>  It has been noted that the initiatives are being taken in coming up with

**Exhibit - E**

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Recommendations		RAA's Last Comments	Action Taken Submitted by JDWNRH	RAA's Further Comments
<p>In absence of Hospital Information System, the details of services provided and details of patients were not recorded. Records related to appointment and token were maintained manually without much ease of tracking and monitoring. A systematic patient information system would benefit doctors to efficiently examine follow-up patients. The system would provide all the details of the patient instantly to the doctors, provide quality time and avoid extensive paper works. Therefore, as an apex healthcare institution in the country, the need to develop robust patient information system was found necessary for ensuring quality care services to the patients.</p>		<p>procurement, installation and implementation of ePIS were jointly developed by MoH, DITT and JDWNRH, the RAA would recommend the JDWRNH to closely work with the Ministry of Health as per the action plan. Therefore, the status of the recommendation shall remain as partially implemented until the system is fully developed and operationalized.</p>	<p>receive referral and self-referred patient from all Dzongkhags. In order to have complete medical record HIS has to be implemented in all the hospitals in Bhutan. Besides, it would incur additional cost to the government coffer should JDWNRH develop its own information system when ministry of health is already developing one for across the nations.</p> <p>Implementing electronic Patient Information System (ePIS) is one of the component under Digital Drukylul Flagship Program of 12 FYP. The system will be rolled out first in JDWNRH, successively in other hospitals. The program lead is MoH, ICTD. The evaluation of EoI for ePIS has been completed by 1<sup>st</sup> week of March, 2019. The evaluation of EoI was carried out in 3 parts, evaluation of EoI document, interfacing of proposed system with the laboratory</p>	<p>the ePIS for all the hospitals in Bhutan.</p> <p>Since, the works are under progress, the recommendation is considered <b>Partially Implemented</b> until the ePIS is fully developed and operationalized.</p>

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<b>No. of Review</b>	: 4 <sup>th</sup> Review

	<b>Recommendations</b>	<b>RAA's Last Comments</b>	<b>Action Taken Submitted by JDWNRH</b>	<b>RAA's Further Comments</b>
			and radiology equipment and system presentation.	

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