

His Majesty The King appoints Zimpon Wogma Tashi as the Auditor General of Royal Audit Authority



His Majesty The King appointed Zimpon Wogma Tashi as the new Auditor General on 14 October 2020 and conferred Tashi Dhar on 28 October 2020 along with other Constitutional post holders at the Tashichhodzong.

The RAA received the new Hon. Auditor General with a simple tendrel ceremony on 20 October 2020 and took over the charges from the Acting Auditor General, Ugyen Dorji in the presence of distinguished guests and senior officials.

The Hon. Auditor General took 'Oath of Office' and 'Oath of Secrecy' at the RAA Chhoesham on 05

November 2020. In accordance with Article 31(6) of the Constitution of the Kingdom of Bhutan, the Hon. Thrimchi Lyonpo Chogyal Dago Rigdzin, Chief Justice of the Supreme Court of Bhutan presided over the Oath Taking Ceremony attended by Deputy Auditors General and Assistant Auditors General.

Dasho Tashi is the 3rd Auditor General appointed under the Constitution of the Kingdom of Bhutan. Prior to his current appointment, he was serving at the Office of the Gyalpoi Zimpon.

*The Editorial Team would like to wish you a Happy New Year 2021 and offer heartiest Trashi Delek for Losar!
May the Year of the Ox bring blessings, joy and happiness to you and your families.
Happy Reading!*



RAA bids farewell to Dasho Tshering Kezang

Dasho Tshering Kezang, the 2nd Auditor General to be appointed as per provision of the Constitution of the Kingdom of Bhutan formally demitted office on 31 July 2020 after successfully completing five-year term. He handed over the charges of RAA to the Acting Auditor General Ugyen Dorji in a simple Hand-Taking ceremony.



Dasho started his career as a trainee officer in 1989 and went on to serve as the Dzongdag of Lhuentse in 2007 and later as the Dzongdag of Pema Gatshel until 2013. Dasho met with all RAA employees before he demitted the office.

The family members of RAA wished Dasho and family a peaceful and happy retired life.

New Auditor General interacts with auditors and officials

The Hon. Auditor General, after assuming the office met with the officials and staff from 21-23 October 2020. The meeting was organized primarily to orient on the new structure and set-up of RAA besides the audit assignments being undertaken. Similar such interactions were held for the officials and staff of the Regional Offices and Professional Development Centre, Tsirang using online platform i.e. Google meet.



During the interactions, the new Auditor General shared his aspirations and visions for the next five years which include amongst others, the need to enhance and leverage the utilization of ICT to improve the efficiency and effectiveness of

auditing and reporting and tracking the performance of each Department, Division and Teams to create positive impacts and add value to life of citizens. He also spoke of the need to set realistic audit plans, making optimal use of scarce resources and taking genuine interest in the daily tasks.



Auditor General Visits Professional Development Centre, Tsirang

The Hon. Auditor General made his first visit to the Professional Development Centre (PDC), Tsirang from 03-04 December 2020. The main purpose of the visit was to review the courses being delivered at the Centre including the adequacy and the need for additional facilities.



The officials and staff of the Centre were instructed to work towards self-sustaining the centre in the near future. Dasho also urged them to upscale the course delivery and gear towards hosting some international programs as well. . During the visit, Dasho also graced the Closing

ceremony of the **"User training for the upgraded Audit Information and Management System (AIMS)"** on 04 December 2020 and urged the participants to make best use of the knowledge and skills gained from the course to enhance the service delivery.



The Hon. Auditor General himself is a certified INTOSAI Development Initiative (IDI) Training Specialist and was instrumental in bringing the concept of continuous professional development for auditors, to stay relevant in a fast changing environment.

Auditor General launches the new RAA website

The Hon. Auditor General launched the new RAA website on 11 November 2020, coinciding with the auspicious occasion of 65th Birth Anniversary of His Majesty Drukgyal Zhipa.

The improved website is designed to be more robust, dynamic and versatile, in keeping with the changing times. Visitors and users will find the webpage more interactive and user-friendly in terms of navigation and for viewing a variety of information including significant audit reports of the RAA.



Annual Audit Report 2019 presented to the Parliament



The Royal Audit Authority made a presentation on the AAR 2019 to the Hon. Members of the National Council and National Assembly on 05 October 2020. The Public Accounts Committee organized the presentations to clarify doubts and queries on audit findings reported in the AAR

2019. The presentations were followed by the discussions on the Certification of the Annual Financial Statement of the RGoB for FY 2018-2019 and the significant irregularities reported in the AAR 2019.

Public Accounts Committee (PAC) presents Annual Audit Report (AAR) 2019 to the Parliament



The Public Accounts Committee presented its Review Report of the RAA's Annual Audit Report 2019 and Review Reports of AARs 2010 to 2018 to the third Joint Session of fourth session of the Third Parliament on 11 December 2020.

The Hon. Auditor General accompanied by Deputy Auditor General and Assistant Auditors

General attended the Joint Session. The Hon. Members of Parliament deliberated at length on the audit findings and endorsed all four recommendations from the AAR 2019. The AAR 2019 was submitted to His Majesty The King, Prime Minister and Speaker of the National Assembly in accordance with the Constitution and Audit Act of Bhutan 2018.

Summary of the Annual Audit Report 2019

The AAR 2019 is a compilation of un-resolved significant issues from 565 audit reports issued during the year 2019. It includes the certification of the Annual Financial Statements of the Royal Government for the fiscal year ended 30 June 2019, audit of accounts and operations of the RAA, accomplishments made by RAA during the year and summary on significant issues from the Audit of Hydropower projects.

The RAA issued an unmodified (unqualified) audit report of the Annual Financial Statement of the Royal Government of Bhutan for the year ending 30 June 2019.

Highlights of Annual Financial Statements:

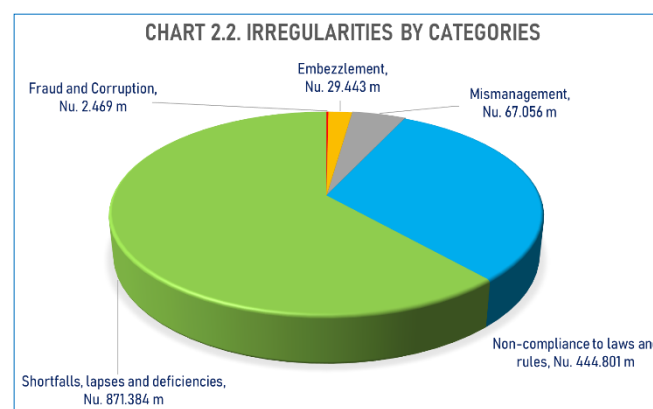
Revised Budget	Nu. 49.527 billion
Revised Resources	Nu. 43.634 billion
Actual Expenditure	Nu. 44.054 billion
Realised Resources	Nu. 42.033 billion
Revised Capital Budget	Nu. 20.355 billion
Actual Capital Expenditure	Nu. 16.285 billion
Under-utilised Capital Budget	Nu. 4.070 billion (20.89% of revised capital budget)
Total Public Debt	Nu. 184.174 billion (Domestic Debt Nu. 5.059 billion and External Debt Nu. 179.114 billion)

AAR 2019 reported a total amount of Nu. 1.415 billion as unresolved irregularities and Nu. 0.182 billion as audit recoveries made during the year.

Agencies with significant fraud corruption and embezzlement cases

MoWHS	Nu. 14.113 m
Dzongkhag Administration, Samdrup Jongkhar	Nu. 8.398 m
FCBL	Nu. 6.504 m
Thimphu Thromde	Nu. 1.669 m
Bhutan Telecom Limited	Nu. 1.163 m

Observation by categories



Joint Audits of Hydro-Electric Projects

The AAR 2019 also reflects on issues noted during the joint audits undertaken for two hydroelectric projects of MHEP and PHEP-I during the year 2019. The joint audits were conducted as per the Standard Operating Procedures signed between the RAA and the Comptroller and Auditor General (C&AG) of India, and the Projects Agreement signed between the Royal Government of Bhutan (RGoB) and the Government of India (GoI).

The unresolved significant irregularities reported for the two Hydropower Projects amounted to Nu. 380.624 million. MHEP had irregularities with Nu. 231.954 million, followed by PHEP-I with Nu.148.670 million.

Recommendations

A dedicated chapter on audit recommendations is maintained aiming at promoting accountability and improving economy, efficiency and effectiveness in the use of public resources.

There are four generic recommendations drawn on the basis of the overall findings and deficiencies noted in the operations of audited agencies during the year. It is also based on the experiences and observed issues that require to be addressed through appropriate interventions.

- * Need for agencies to enforce contractual provision of insurance for works;

- * Need to ensure compliances to government property management manual in managing government properties;
- * Need for rectification/ reconciliations of differences in accounts of budgetary agencies; and

RAA paid respect and signed condolence books

On the invitation of the Ministry of Foreign Affairs, the Acting Auditor General, Ugyen Dorji paid respects to Late Shri Pranab Mukherjee, former President of India and signed the condolence book at the Indian Embassy in Thimphu on 05 September 2020.



The Acting Auditor General and Deputy Auditors General also paid respects and offered condolences in honor of late Emir Sheik Sabah Al-Ahmad Al-Jaber Al-Sabah of Kuwait and signed the condolence book at the Kuwaiti Embassy in Thimphu on 02 October 2020.

- * Review the prevalent practice of granting advances to contractors beyond the scope of PRR;
- * Need for guidelines on hospitality and entertainment expenses;
- * Need to review policy of direct purchase of HDPE pipes from domestic manufacturers.



RAA released the Auditor General's Term Report

The RAA released the 2nd Auditor General's Term Report covering the period from July 2015 to July 2020. The report is a reflection of the accomplishments made by the RAA during the tenure of Dasho Tshering Kezang. The Term Report also acknowledges the generous support, cooperation and assistance extended by the government and stakeholders that had enabled the RAA to conduct the audit without fear, favour or prejudice towards fulfilment of Constitutional mandate.

RAA Stays Active during Interim Period and Lockdown

The new Auditor General was appointed on 14 October 2020 which is after 80 days of exit of former Auditor General. During the interim period of 80 days, the Royal Audit Authority had carried out its normal functions and ensured continuous delivery of audit services to stakeholders. Despite having to reschedule or drop many audits planned during the period, owing to COVID-19 outbreak, the RAA conducted more desk reviews and continued to audit where possible, without physical interactions with the auditee agencies.

During the period, the RAA made presentations on seven Audit Reports to Members of Public Accounts Committee (PAC), Parliament for consideration and deliberation during the winter session of the Parliament.

As members to four INTOSAI Working Groups, the RAA attended and participated in the virtual meetings of the Working Group on Environmental Audits (WGEA), Working Group on Public Debt (WGPD), Working Group on Big Data (WGBD) and Working Group on IT Audit (WGITA). The virtual events hosted by INTOSAI and ASOSAI were mainly centered on areas of capacity building and knowledge sharing.

To stay relevant and ready for the term of the new Auditor General, the RAA pursued drafting of RAA's Strategic Plan 2020-2025 and Operational Plan 2020-2021.

The Acting AG conducted virtual meetings with forty-one (41) audit teams of both Head Office and Office of the Assistant Auditors General to

remind everyone on the importance of shouldering the responsibilities 'smartly' in a fast changing environment and highlighted the following:

- Key activities being undertaken by RAA, Head Office & participation in international arena;
- Expectation of the top management and impact of COVID-19 on field audits;
- Disseminated key findings raised by last Internal Audit team; and

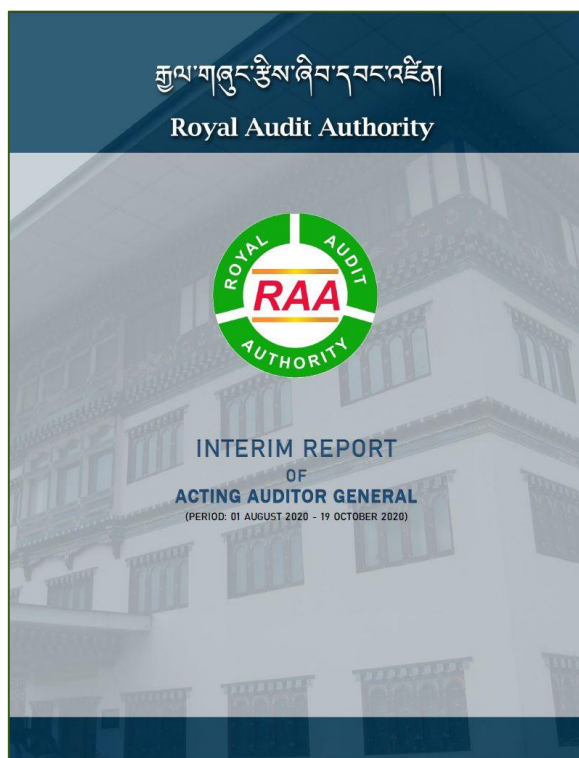
- Highlighted importance of team spirit and harmony towards achievement of teams and respective Divisional output, which is imperative for the overall achievement of Organizational goals and objectives.

The RAA also formulated and adopted the "new normal" Engagement Plan in an effort to help control the spread of COVID 19.

As part of the **#OurGyenkh** initiatives, the RAA provided support to the government's

efforts to fight COVID-19 as follows:

- A total of fifty-three (53) Desuups were engaged in the field operations to contain the spread of the virus in the country;
- The Professional Development Centre at Tsirang was allowed to use as one of the quarantine centers;
- 3 officials continue to engage in Kidu fund management; and
- 5 pool vehicles were engaged during the lockdown to assist the National Tasks Force for COVID 19.



Royal Civil Service Award 2020 Organized on 16 December 2020

The RAA organised the Royal Civil Service Award 2020 on 16 December 2020 in recognition of dedicated service to the *Tsa-Wa-Sum* by the employees.

Former Auditor General, Dasho Tshering Kezang received the Lifetime Service Award for his dedicated service of over 31 years. Rinzin Lhamo, AAG, RTICD received the Silver Medal for her 20 years of service along with six other medal recipients.

A total of one Lifetime Service Award, two Silver Medals for 20 years and five Bronze Medals for 10 years of service were honored during the ceremony.

The ceremony was graced by Hon. Auditor General and attended by the Deputy Auditors General and Assistant Auditors General at the RAA Conference Hall.

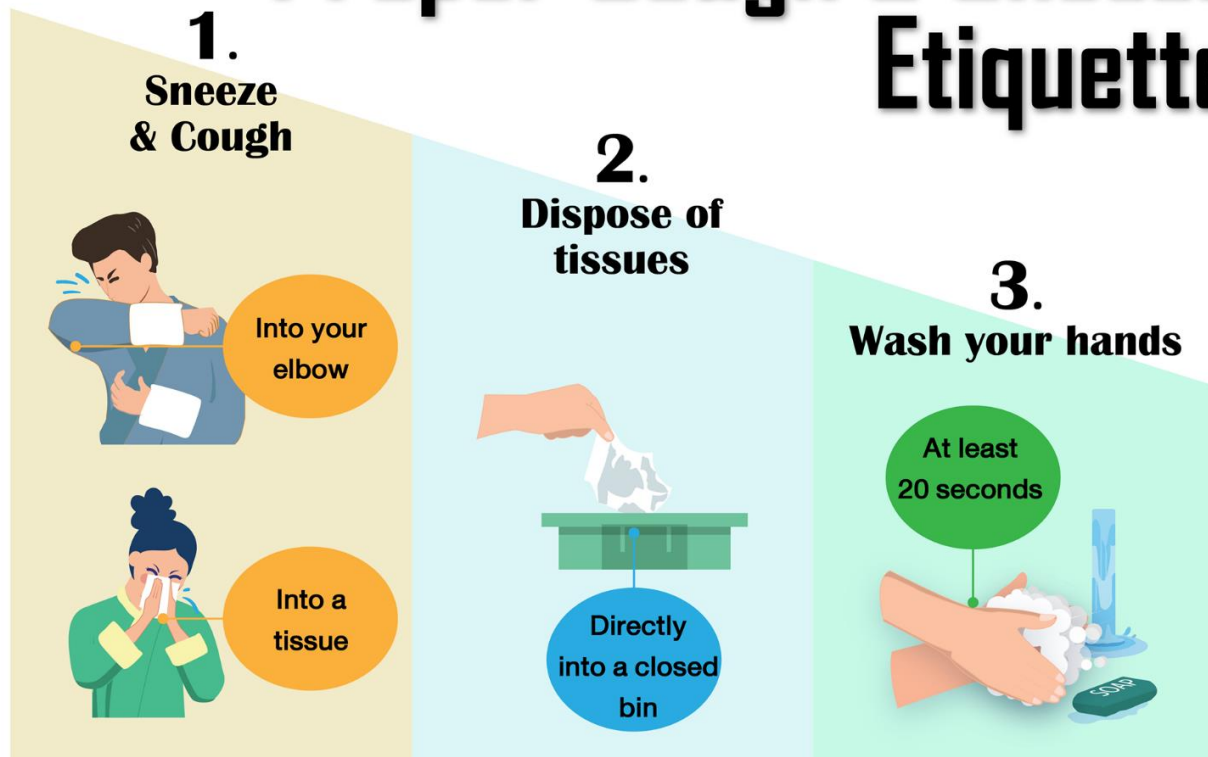


Consultative Meeting between the GNHC and the RAA

A consultative meeting between the RAA and GNHC was held on 03 November 2020 at the RAA conference Hall to discuss matters relating to auditing of donor funded projects. The meeting deliberated on current practices and areas of improvements to ensure better coordination between the RAA, GNHC and Agencies implementing various projects.

Such consultative meetings with the GNHC and other agencies provides a platform for raising issues and seeking clarifications to understand perspectives and explain the difference in opinions and interpretations. It also helps ensures fulfilment of respective mandates in a coordinated manner and enhances cooperation.

Proper Cough & Sneeze Etiquette



Things you can do during Lockdown



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6060



Promotion of Officials

Ten officials were promoted to the next higher rank effective in July 2020. A simple khadar ceremony was held in recognition of their hard work and unwavering service to the *Tsa-Wa-SuM*. Hon. Auditor General, Dasho Tshering Kezang

while presenting the promotion orders, reminded the officials of their respective roles and responsibilities that come with the next higher position. Three officials received meritorious promotions.



Workshop on Finalization of Compliance Audit Guidelines

A workshop to finalise the Compliance Audit Guidelines was held from 8-12 December 2020 at the Professional Development Centre in Tsirang.

A five-member team from Head Office reviewed

and improved the existing draft guidelines to reflect changes in the ISSAIs for Compliance Audits. The revised and updated guidelines based on the Compliance Audit ISSAI Implementation Handbook (revised by INTOSAI Development Initiative in 2019) will further customize the methodology to suit RAA's audit practices and make it consistent with our own context and environment.

The RAA has adopted ISSAI (International Standards of Supreme Audit Institutions) as its authoritative auditing standards for all types of audit in 2017.



Professional Development Centre, Tsirang hosted the User's Training on the Upgraded AIMS

The RAA is poised to launch the up-graded AIMS which is expected to expedite the follow-up process and issuance of audit clearance. It is also expected to help minimize recurrent and avoidable expenditure on stationery such as papers and other necessities.

The 'Users' Training of Upgraded AIMS' was held at Professional Development Centre, Tsirang for 36 follow-up personnel from head office and regional offices in two batches, from 23 November to 04 December 2020.

The opening ceremony was graced (virtually) by the Deputy Auditor General, Directorate of Services and emphasized on taking ownership of upcoming changes in the AIMS. He urged active participations to familiarize with the system and its new features.

At the end of the training, the participants acknowledged of having learned the following:

- recording observations, accountabilities (direct and supervisory) and recovery details against individuals' CID.
- authorizing payment of audit recovery made online and through MBOB and issue e-receipt to the payee.
- performing Follow-up Audits and correspond on implementation of audit recommendations through the system; and
- generating follow-up reports, doing reconciliation of audit recoveries and various other kinds of reports.

The AIMS upgradation project was implemented by in-house ICT experts in collaboration with private consultant M/s iTechnologies and financial support from the Department of Local Governance (DLG).



RAA observed 12th Coronation Day of His Majesty The King



The RAA observed the 12th Coronation Day of His Majesty Jigme Khesar Namgyel Wangchuck at the RAA *chhoesham*. The Hon. Auditor General, Deputy Auditors General and Assistant Auditors General offered butter lamp and recited the *Zhabten* of His Majesty for long and healthy life and also for the continued peace and prosperity under the golden reign of His Majesty The King.

RAA Celebrate 65th Birth Anniversary of Drukgyal Zhipa

The RAA celebrated the 65th Birth Anniversary of His Majesty Jigme Singye Wangchuck on 11 November 2020 and offered sincere and heartfelt felicitations for His Majesty's good health and long life. The Hon. Auditor General, Deputy Auditors General and Assistant Auditors General offered butterlamps and recited the *Zhabten* of

His Majesty in the RAA *Chhoesham* to mark the joyous day. The Regional Offices and PDC also observed the day and offered prayers.

The 11th of November is also observed as Constitution Day of Bhutan, Gross National Happiness Day, and Children's Day.



Chimi Dorji, Deputy Auditor General appointed as the new Zhemgang Dzongdag

His Majesty The King appointed Chimi Dorji, Deputy Auditor General, as the new Zhemgang Dzongdag on 26 November 2020.

Prior to his appointment as Dzongdag, he served as the Deputy Auditor General for the Department of Follow-up and Regions (March-November 2020). He also held other significant posts in the RAA and was the DAG for Department of Performance & Commercial Audits (2016-2020). He served as the Assistant Auditor General for the General Governance Division (2014 to 2016) and Assistant Auditor General of the Office of Assistant Auditor General, Samdrup Jongkhar (2011-2014).



Dasho Chimi joined the Royal Audit Authority in 1998 as a Senior Auditor. He holds a Master of Business (Advanced Accounting) from the Queensland University of Technology (QUT), Brisbane, Australia, a Post Graduate certificate in Financial Management from the Royal Institute of Management, and a Bachelor's Degree in Commerce (Honours) from the Sherubtse College, Kanglung, Trashigang in 1996. He is from Gangzur, Lhuntse and has one daughter and one son.

Dasho Chimi assumed the new post as Dzongdag of Zhemgang on 26 December 2020.

The RAA family wishes Dasho Chimi the very best and grand successes in all his endeavours.



Vision

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

Mission

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

Core Values

Integrity, Accountability, Transparency, Professionalism, Team Work

Editorial Team	:	Sonam Delma, Assistant Auditor General Tashi Lhamo, Deputy Chief Auditor and
Published by	:	ROYAL AUDIT AUTHORITY (RAA) Bhutan Integrity House, Peling Lam, Kawangjangsa P.O. Box 191, Thimphu – 11001: BHUTAN
Contact	:	Telephone: +975-2-322111 Fax: +975-2-323491

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