



རྒྱལ་ཁབ་ལྷན་ཁྲིམས་ཞིབ་དབང་འཛིན།
ROYAL AUDIT AUTHORITY

Bhutan Integrity House

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



RAA/AG-SP/03/2023-24/ 066

Date: 01/04/2024

The Hon'ble Speaker
National Assembly of Bhutan
Gyalong Tshogkhang, Thimphu

Subject: Review Report of Annual Audit Report 2021-2022

Your Excellency,

Pursuant to Section 42(b) of the Rules of Procedures of the Public Accounts Committee, 2017, the Royal Audit Authority, (RAA) has the honor to submit the Review Report of Annual Audit Report 2021-2022.

The report has been finalized based on the actions taken by the agencies as of 29 February 2024 and follow-ups carried out by the Royal Audit Authority.

Out of the total unresolved irregularities of Nu. 7,525.498 million reported in the Annual Audit Report 2021-2022 against three categories namely Fraud and Corruption, Non-compliances to Laws and Rules & Regulations and Shortfalls, Lapses and Deficiencies, the irregularities aggregating to Nu. 3,708.58 were resolved, leaving a balance of Nu.3,816.92 million as on 29 March 2024 which are as summarized below:

Sl. No.	Categories	Irregularities reported in AAR (Nu.in million)	Total irregularities resolved as of 29 Feb. 2024 (Nu .M)	Balance irregularities as on 29/02/2024	Percentage of irregularities resolved as on 29/02/2024
1	Fraud and Corruption	26.14	7.12	19.02	72.76
2	Non-compliances to Laws and Rules & Regulations	2,038.58	1,548.79	489.79	24.03
3	Shortfalls, Lapses and Deficiencies	5,460.78	2,152.67	3,308.11	60.57
Total		7,525.50	3,708.58	3,816.92	

The AAR 2021-2022 contains seven recommendations offered by the RAA based on the issues observed while auditing during the year.

The RAA would like to request the Public Accounts Committee to kindly guide RAA in tracking the implementation of recommendations contained in the AARs. The following recommendations were offered by the RAA in AAR 2021-2022:

*"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་ཕྱི་སྐབ་ཞིབ་དབང་འཛིན།
ROYAL AUDIT AUTHORITY

Bhutan Integrity House

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



Sl. No.	Brief Recommendation
1	Need to expedite the enforcement of court verdicts on audit irregularities prosecuted by the respective agencies in the court of law.
2	Need to reinforce controls in regulating traveling and daily subsistence allowance
3	Need for an enhanced collaboration and coordination between Forestry Sector and executing agencies for collection of royalties on extraction and utilization of boulders in the construction of roads
4	Need to review the practices of assigning deposit works to line agencies and identifying spillover activities during budget preparation.
5	Need for improved governance in the project management specifically through a robust monitoring and evaluation system
6	Need to consolidate all CD accounts operated by budgetary agencies
7	Need for consistent and strict enforcement of entitlement of designated vehicles as per Pay Revision Act 2023

Looking forward to Your Excellency's support and cooperation.

Yours respectfully,

(Tashi)
Auditor General

Copy to:

1. The Hon'ble Prime Minister of Bhutan, Gyalyong Tshogkhag, Thimphu;
2. The Hon'ble Chairperson, National Council of Bhutan, Thimphu;
3. The Hon'ble Opposition Leader, Gyalyong Tshogkhag, Thimphu;
4. The Hon'ble Chairperson, Public Accounts Committee, Gyalyong Tshogkhag, and
5. The Hon'ble Members, Public Accounts Committee, Gyalyong Tshogkhag, Thimphu.

"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