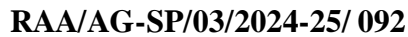


Bhutan Integrity House

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



Date: 08.04.2025

Subject: Review Report of Annual Audit Report 2020-2021

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 2020-2021.

Out of the total unresolved irregularities of Nu. 4,002.46 million reported in the Annual Audit Report 2020-2021, the irregularities aggregating to Nu. 3,044.35 million was resolved leaving a balance of Nu. 958.11 million as on 31 March 2025 which are as summarized below:

Sl. No.	Agencies	Irregularities reported in the AAR (Nu.in M)	Total irregularities resolved as of 31 March 2025	Irregularities resolved during the period 29 Feb. 2024 - 31 March 2025	Balance irregularities as on 31 March 2025	Percentage of irregularities resolved as on 31 March 2025
1	Ministries	215.12	184.70	5.77	30.42	85.86
2	Dzongkhags Administrations	160.03	146.62	5.65	13.41	91.62
3	Dungkhags Administrations	28.53	12.38	0.07	16.15	43.39
4	Gewogs Administrations	41.95	39.24	0.60	2.71	93.54
5	Autonomous Agencies	204.26	197.66	28.60	6.60	96.77
6	Corporations	1,172.72	1,068.41	1.63	104.31	91.11
7	NGOs	49.16	27.41	5.85	21.75	55.76
8	Hydro-Powers	2130.69	1,367.93	-	762.76	64.20
	Total	4,002.46	3,044.35	48.17	958.11	76.06

Regarding the follow-up status of recommendations of the AAR, the RAA is not able to update its implementation status as RAA is yet to be communicated of who are authorities or agencies identified as responsible for implementation based on the deliberation in the Parliament.

"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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ROYAL AUDIT AUTHORITY

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



Therefore, 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 2020-2021:

Sl. No.	Brief Recommendation
1	Government should reinforce the system of accountability and sanctions for public agencies and individuals to drive ethical behaviors and performance.
2	Government should review the need for a policy to bring consultants under the ambit of public accountability.
3	Government should reinforce quality management system in construction projects undertaken by agencies.
4	Government should review community contract protocol.
5	Government should exercise caution in regulating its current expenditure, sustaining growth of internal revenues and in exercising prudence in raising debts.

Looking forward to your continued and kind support.

Yours respectfully,

(Tashi)
Auditor General

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 Member, Public Accounts Committee, Gyalyong Tshogkhag, Thimphu.

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- His Majesty the King Jigme Khesar Namgyel Wangchuck



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ROYAL AUDIT AUTHORITY

Bhutan Integrity House

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



RAA/AG-SP/03/2024-25/093

Date. 08.04.2025

The Hon'ble Speaker
National Assembly of Bhutan
Gyalyong 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 31 March 2025 and follow-ups carried out by the Royal Audit Authority.

Out of the total unresolved irregularities of Nu. 7,525.50 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. 6,916.13 million was resolved leaving a balance of Nu.607.56 million as on 31 March 2025 which are as summarized below:

Sl. No.	Categories	Irregularities reported in AAR (Nu.in M)	Total irregularities resolved as on 31 March 2025	Balance as on 31 March 2025	Percentage of irregularities resolved as on 31 March 2025
1	Fraud and Corruption	26.142	10.09	13.50	38.60
2	Non-compliances to Laws and Rules & Regulations	2,038.58	1,648.32	390.43	80.86
3	Shortfalls, Lapses and Deficiencies	5,460.78	5,257.72	203.63	96.28
Total		7,525.50	6,916.13	607.56	91.90

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



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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 continued and kind support.

Yours respectfully,

(Tashi)
Auditor General

Copy to:

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

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- His Majesty the King Jigme Khesar Namgyel Wangchuck



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ROYAL AUDIT AUTHORITY

Bhutan Integrity House

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



RAA/AG-SP/03/2024-25/ 094

Date. 08.04.2025

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

Subject: Review Report of Annual Audit Report 2022-2023

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 2022-2023.

The report has been finalized based on the actions taken by the agencies as of 31 March 2025 and follow-ups carried out by the Royal Audit Authority.

Out of the total unresolved irregularities of Nu. 2,836.50 million reported in the Annual Audit Report 2022-2023 against three categories namely Fraud and Corruption, Non-compliances to Laws and Rules & Regulations and Shortfalls, Lapses and Deficiencies, the irregularities aggregating to Nu. 2,106.01 million was resolved leaving a balance of Nu.730.49 million as on 31 March 2025 which are as summarized below:

Sl. No.	Categories	Irregularities reported in AAR (Nu.in M)	Total irregularities resolved as on 31 March 2025	Balance as on 31 March 2025	Percentage of irregularities resolved as on 31 March 2025
1	Fraud and Corruption	49.6	43.28	6.32	87.26
2	Non-compliances to Laws and Rules & Regulations	2,230.71	1,573.79	656.92	70.55
3	Shortfalls, Lapses and Deficiencies	556.19	488.94	67.25	87.91
Total		2,836.50	2,106.01	730.49	74.25

The AAR 2022-2023 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 2022-2023:

"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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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 travelling and daily subsistence allowance
3	Need for an enhance 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 continued and kind support.

Yours respectfully,

(Tashi)

Auditor General

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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 Member, Public Accounts Committee, Gyalyong Tshogkhag, Thimphu.

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- His Majesty the King Jigme Khesar Namgyel Wangchuck



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ROYAL AUDIT AUTHORITY

Bhutan Integrity House

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



RAA/AG-SP/03/2024-25/ 095

Date.08.04.2025

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

Subject: Review Report of Annual Audit Report 2023-2024

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 20223-2024.

The report has been finalized based on the actions taken by the agencies as of 31 March 2025 and follow-ups carried out by the Royal Audit Authority.

Out of the total unresolved irregularities of Nu. 3,961.14 million reported in the Annual Audit Report 2023-2024 against three categories namely Fraud and Corruption, Non-compliances to Laws and Rules & Regulations and Shortfalls, Lapses and Deficiencies, the irregularities aggregating to Nu. 1,581.50 million was resolved leaving a balance of Nu.2,379.64 million as on 31 March 2025 which are as summarized below:

Sl. No.	Categories	Irregularities reported in AAR (Nu.in M)	Total irregularities resolved as on 31 March 2025	Balance as on 31 March 2025	Percentage of irregularities resolved as on 31 March 2025
1	Fraud and Corruption	15.76	7.40	8.36	46.95
2	Non-compliances to Laws and Rules & Regulations	2,208.79	966.08	1,242.72	43.74
3	Shortfalls, Lapses and Deficiencies	1,736.58	608.02	1,128.56	35.01
Total		3,961.14	1,581.50	2,379.64	39.93

The AAR 2023-2024 contains seven recommendations offered by the RAA based on the issues observed while auditing during the year.

"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

Looking forward to your continued and kind support.

Yours respectfully,

A handwritten signature in black ink, appearing to be 'Tashi', with a long horizontal flourish extending to the right.

(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 Member, Public Accounts Committee, Gyalyong Tshogkhag, Thimphu.



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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
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Looking forward to your continued and kind support.

Yours respectfully,

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