

Date: 28 October 2024

1. FIRM OVERVIEW

Introduction

JIGMI Audit & Financials Pvt. Ltd. (JAF) is a Small and Medium-Sized Accounting firm based out of Thimphu, Bhutan. The firm was in existence since December 2013 in the name of Parigza Associates Pvt. Ltd, which later changed its name to JIGMI Audit & Financials Pvt. Ltd. in October 2018. JAF is an empaneled firm of the Royal Audit Authority since it obtained its first empanelment from RAA on 28 Feb. 2019 vide RAA/AC-01/2019/492.

As one of the very few national audit firms in the country, JAF aspires to contribute, in whatever modest manner, towards promoting and strengthening our nascent accounting and auditing industry. The firm believes and acknowledges the significant role Accountants and Accountancy assume for the economic development of a nation. In particular, the pivotal roles of this profession as a lynchpin to provide confidence to investors, more apt than ever in view of His Majesty's upcoming grand vision of Gelephu Mindfulness City, cannot be overemphasized at this stage of our national reforms and transformation.

To this end, JAF has formally adopted the tagline '**Listen. Solve**' as the firm's *raison d'être* towards empowering our clients for BETTER performance in their ventures. Therefore, the aim of JAF with every single assignment is to promote **BETTER BUSINESS** for our clients, who are the agents in the pursuit of national economic development.

Founding and Establishment, Business and Legal Structure

The firm was incorporated under the Companies Act of the Kingdom of Bhutan, 2000 (*Amendment, 2016*) vide Incorporation Registration No.U20131212THI0428 on 12 December 2013. With the change of its name to JIGMI Audit & Financials Pvt. Ltd. on 24 October 2018, it had obtained a new Business License, bearing No. 1040155 dated 24 October 2018, and a new Tax Payer No. TPN: JAC00201.

In the absence of a Partnership law in the country, the firm had opted for an incorporation as a limited liability company under the Companies Act as opposed to a Sole Proprietorship form of an entity. Considering the nature of professional task generally undertaken by accounting firms, it would have been ideal to exist as an LLP form of legal entity if there was an appropriate legal environment. Therefore, for want of a suitable legal environment in the country, the firm has registered itself as an incorporated company.

Location and Reach

The firm's Registered Office is at Debsi Phakha, in the outskirts of Thimphu City. The daily activities are carried out from its City Office, housed in Bldg No. 11/B, Lodrey Zurlam 6SW, which is in the middle of the Thimphu City. We can be contacted at our landlines +975-2-350868 and 350869 between 9 AM to 5 PM, and at our Mobile No. +975 77719442 and 17601963 during other hours. We can be reached at jafplc2018@gmail.com and through Post Box No. 689.

2. SERVICES OFFERED

With clientele ranging from international development agencies to Government ministries/departments to State-Owned Enterprises, Public Corporations, FDI Companies, to Private Undertakings to individual family business entities, JAF provides the following services:

Audit and Assurance Services:

- Statutory Audits of all incorporated companies;
- Internal Audits of both incorporated companies and partnership ventures;
- Compliance Audits of private limited companies;
- Forensic Audits of partnership-based business entities; and
- Agreed-Upon Procedures for donor-funded philanthropic projects of CSOs and NGOs.

Taxation Services:

Overview of tax services, including tax planning, tax compliance, and tax advisory.

Advisory Services:

Other advisory services, such as business consulting, financial advisory, transaction advisory (due diligence), restructuring, business closures and winding up of incorporated companies through liquidation, and mergers and acquisitions.

Specialized Services:

Other specialized services such as company valuation services, family net worth valuations, and consulting for specific FDI industries.

3. INDUSTRY EXPERTISE

Sector Specialization:

Considering the practical reality in the country with lack of economies of scale across all sectors of our economy, the firm had realised the importance to be a '*master of all trade*' as opposed to any sector specialization. Hence, JAF participates in offering services on most of the industries or sectors, such as financial services, manufacturing, retail, public sector, and for non-profit organizations like CSOs and NGOs.

Relevant Experience:

JAF has on-hand experience and expertise in financial sector, including our notable involvement with financial institutions (Eg., Bhutan National Bank Ltd., Bhutan Development Bank Ltd., Druk PNB Bank Ltd., and National Pension & Provident Fund). Besides, the firm has experience of extensive collaboration with development partners, such as UNDP, ADB, EU, and other European specific countries on successful Agreed-Upon Procedure engagements and outcomes.

4. TEAM COMPOSITION AND KEY PERSONNEL:

Leadership Team:

JAF is managed by a Fellow Chartered Certified Accountant (FCCA - UK), who has a longstanding professional experience of more than twenty-eight years in the field of auditing, finance, and

governance in both corporate and public sector spheres. Besides a team of regular full-time employees, the firm is supported by a mix of human resource from multiple professional backgrounds possessing knowledge and skills earned from their respective longstanding field experiences, who are available on 'project-based assignment' basis.

Brief biographies of the Managing Partner, Senior Audit Managers, and Team Leaders are provided separately.

Audit Team Structure:

List of regular employees are provided separately.

Professional Staff:

Evidence for a qualified professional, i.e., Partner, is separately provided.

Professional Development:

In addition to the events organised by the RAA at the Professional Development Centre (PDC) in Tsirang, the management of JAF attempts to provide refresher in-house continuous professional development and training opportunities, albeit its modest scale, to the employees. Further, opportunities are provided to attend frequent webinars on topical issues offered by ACCA, IFAC, IAASB, Accounting Today, etc.

5. QUALITY ASSURANCE AND COMPLIANCE:

Quality Control Framework:

Attempts are made to institute firm's quality control policies and procedures to promote high standards of audit quality and compliance with professional standards and regulations. Publications of RAA and INTOSAI are constantly used for in-house quality control measures.

Regulatory Compliance:

As mandated by the RAA regulations, all-out efforts are made to ensure compliance with relevant regulatory requirements, such as adherence to the International Standards on Auditing (ISA), Generally Accepted Auditing Standards (GAAS), and other applicable standards.

External Peer Reviews:

Notwithstanding the firm's value system on acknowledging the importance of external peer reviews, no such exercise is conducted so far for the firm. The firm would explore to avail such external peer review in the foreseeable future.

6. TECHNOLOGY AND INNOVATION:

Use of Technology:

The firm intends to avail supports from external agencies on the deployment of required technology and software tools to enhance audit efficiency, data analytics, cybersecurity, and overall service delivery.

Digital Transformation:

Being an SME-sized firm, it has been practically beyond the firm's financial capacity to initiate any digital transformation, including investments in technology and innovation to stay ahead of industry trends and provide value-added services. Nonetheless, the firm strongly believes in the immense benefits of digital transformation and therefore intend to avail such opportunities.

7. CLIENT PORTFOLIO AND REFERENCES:

Client Base:

The firm provide services to clients from different background of organizations ranging from international development agencies to Government ministries/departments to State-Owned Enterprises, Public Corporations, FDI Companies, to Private Undertakings to individual family business entities.

Our clientele, therefore, represents diverse sectors ranging from:

- manufacturing to financial institutions;
- trading to construction businesses;
- infrastructure development to mining and quarrying activities;
- airlines and air service providers to agriculture, livestock and forestry services;
- natural resources & environmental to National Parks and Sanctuaries;
- media & communication to colleges and training institutions;
- consultancy firms to IT and BPO firms;
- hydropower companies to Stock Exchange, Credit Bureau and Brokerage firms;
- Hospitality, Food & Beverage Companies to NGOs, CSOs, Religious Organizations and Political Parties, and
- international agencies and multilateral organizations to development partners and donor-funded projects.

Key Clients:

A list of notable clients or a description of the types of engagements undertaken, without disclosing confidential information are separately provided.

Client Testimonials or Case Studies:

Evidence of some Client testimonials or case studies that highlight successful engagements, positive outcomes, and the firm's value proposition are separately provided.

8. ETHICAL STANDARDS AND INDEPENDENCE:

Code of Ethics:

With the Partner being an FCCA of the Association of Chartered Certified Accountants (ACCA), which prescribes its own set of ethical standards, integrity, and professional conduct, the firm is strongly grounded in terms of ensuring fulfilling the mandated standards of ethics, good conduct and behaviour by all its employees. Further, the firm has policy of ensuring that each employee is familiar with RAA's publications, such as, the Audit Rules and Regulations of the Kingdom of Bhutan 2020, Auditor General's Standing Instructions 2022, and IAASB Handbooks, etc.

Independence Policy:

The firm attempts to abide by the independence policy and related matters promulgated by the RAA to ensure impartiality and objectivity in all our engagements.

9. CERTIFICATIONS AND ACCREDITATIONS:

Professional Certifications:

Evidence of certifications and accreditations of ACCA held by the firm for its FCCA Partner are separately provided herewith.

Memberships:

The Partner's ACCA Memberships is separately provided herewith.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR):

CSR Initiatives:

The firm has not taken up any specific CSR initiatives so far. Nonetheless, JAF believes in contributing towards the wholesome communal development as much as we receive from the community where we exist. One unaccounted activity with JAF is the number of interns we facilitate every year. The firm accommodates University graduates and Class XII passed-out students for 2-3 months internship every year.

Of all such unaccounted features is our participation with the De-suung Skilling Programme (DSP). JAF is honoured and privileged for its annual association with the DSP for taking Desuup Interns comprising Graduate Diploma in Accounting (GDA) and Certificate in Accounting (CiA) trainees from Royal Institute of Management (RIM) for two to three months internships for industrial placement. The firm had, thus far, facilitated providing internship to two each of GDA and CiA Desuup in 2022, four GDAs and three CiAs in 2023, and two GDAs and four CiAs in 2024.

11. AWARDS AND RECOGNITION:

Awards and Honors:

The firm has not yet had any fortune to be blessed with any awards, recognitions, or accolades for our modest service as a professional audit firm. Nonetheless, it is always in the firm's belief to continue playing our little part for the greater cause.

12. CONTACT INFORMATION:

Office Locations:

Our Addresses and contact details are as under:

Bldg 11/B, Lodrey Zurlam 6SW, P.O. Box. No. 689, Thimphu 11001, Bhutan.
Tel. +975 2 350868, +975 2 350869; Mobile: +975 17601963, +975 77719442,
Email: jafplc2018@gmail.com, pjrinzin@gmail.com

Key Contacts:

As provided above.

Website and Social Media:

Website: www.jaf.bt

Facebook: JIGMI Audit & Financials

13. WHY CHOOSE US:

Unique Selling Proposition (USP):

Despite our smallness in size and operation, we believe we are the homegrown professionals who have strong roots with local knowledge and expertise blended with global exposure and international perspectives. Further, our Partner and Senior Audit Managers have more than 2 ½ decades of practical and hands-on experiences with Bhutanese systems, local ethos and psyches.

We have strong conviction that domestic audit firms are not just involved in the business per se but are duty bound to benefit the overall Bhutanese economy. Outright benefits of involving own Bhutanese audit firms can be summarised as under:

- i. Employment opportunities to our youth and university graduates;
- ii. Capacity development of individual professionals;
- iii. Control of foreign exchange outflow and its positive impact on the Balance of Trade; and
- iv. Overall promotion and strengthening of Accounting and Auditing industry;

Therefore, it is our unequivocal belief that involving the national audit firm is in the interest of the entire country. We profoundly acknowledge the efforts of RAA towards strengthening the national Accounting and Auditing industry.

14. TERMS OF ENGAGEMENT:

Engagement Process:

Our typical engagement process, from initial consultation and proposal development to audit execution, reporting, and follow-up are strictly as per the procedures prescribed by the RAA.

Fee Structure:

Our fee structure and billing practices are also strictly as per the ToR issued by the RAA.

15. CONCLUSION:

Call to Action:

We strongly uphold the Audit Outsourcing policy of RAA as our collective strong call to action inviting all the potential clients to contact us for a consultation or to learn more about the services we offer.

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