

## RAA Targets Zero Irregularities in Pursuit of Transparent and Accountable Governance

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*From Thimphu*

The Royal Audit Authority (RAA) has set an ambitious goal to “achieve zero percent audit irregularities nationwide”. This bold vision underscores the Authority’s commitment to promoting transparency, accountability, and sound financial governance across all government institutions.

RAA officials report encouraging progress toward this goal, citing a consistent decline in irregularities, improved audit recoveries, and expanded audit coverage as key milestones over recent years.

The Auditor General (AG), Tashi, highlighted a notable reduction in irregularities, from Nu 7 billion in fiscal year 2021–22 to Nu 4 billion in 2023–24. “This downward trend reflects not only the RAA’s intensified oversight but also the growing compliance and cooperation among agencies,” he said,

adding that the achievement is a collective one made possible through collaborative governance.

“Creating an environment of accountability is not the RAA’s responsibility alone, it’s a collective commitment to upholding the values of good governance in the service of our nation,” said the AG, Tashi.

While acknowledging that achieving absolute zero irregularities is aspirational, the RAA views the current progress as a validation of its strategic reforms and internal control initiatives.

In tandem with falling irregularities, the RAA has more than doubled its audit recoveries. In FY 2023–24, the Authority recovered Nu 405 million, compared to Nu 206 million in FY 2022–23 and Nu 177 million in FY 2021–22.

“These recoveries represent tangible outcomes in safeguarding public funds,” said an RAA official. Recoveries included Nu 7.64 million from financial

institutions, Nu 194.4 million to the Government Budget Fund, and Nu 201.6 million from hydropower projects through adjustments and running bill corrections.

Audit coverage also expanded, with 94% of government agencies audited in 2023–24, up from 88% the previous year. The Authority conducted rigorous follow-up actions across all 20 Dzongkhags, three Thromdes, and two ministries, resolving 7,741 outstanding audit observations. These efforts led to the rectification of 91 works, 150 administrative action recommendations, and the implementation of 51 corrective measures.

Despite this progress, challenges remain. In FY 2023–24, fraud and corruption cases, although relatively small, accounted for 0.40% of total irregularities, or Nu 15.76 million. Notably, Pemagatshel Dzongkhag accounted for the highest fraud-related amount (Nu 4.73 million), largely tied to Milk Processing

Units, followed by Samtse Dzongkhag with Nu 3.89 million.

The majority of irregularities, 55.76% or Nu 2.2 billion, stemmed from non-compliance with laws, rules, and regulations. Major contributors included the Department of Infrastructure Development (Nu 344.4 million) and the State Trading Corporation of Bhutan Limited (Nu 328.7 million).

Additionally, shortfalls, lapses, and deficiencies accounted for 43.84% or Nu 1.73 billion of the total irregularities. The Punatsangchhu-II Hydroelectric Project alone contributed Nu 551.3 million, followed by the State Mining Corporation Limited (SMCL) with Nu 497.1 million.

However, Deputy AG Dorji Wangchuk of the Department of Performance and Compliance Audit emphasized that strong internal control systems are the cornerstone of transparent governance.

“When robust systems are in place, irregularities naturally decline. But the primary responsibility still rests with agencies to uphold integrity and ensure full adherence to laws and procedures,” he noted.

“To this end, the RAA continues to advocate for preventive auditing, capacity-building, and system-based reforms. Its strategic direction aligns closely with the national vision of good governance and institutional accountability under Bhutan’s broader development framework.”

Meanwhile, the RAA reiterated that achieving zero audit irregularities is a shared national responsibility, requiring sustained cooperation from ministries, autonomous bodies, corporations, and local governments.

Looking ahead, the Authority remains committed to its watchdog role, focusing on enhancing fiscal discipline, preventing misuse of public resources, and instilling a culture of transparency and good governance across Bhutan’s public sector.