

RECOMMENDATIONS

- 1) Need to regulate External Funding Received by CSOs, NGOs and Other Agencies;
- 2) MoF should monitor compliance in enforcing termination and recovery clauses for fundamental breach of contract;
- 3) The government may consider incorporating specific clauses on applicable interest for delayed recoveries/adjustments from parties engaged in hydropower projects;
- 4) MoF should reinforce its strategies to achieve full operationalization of GIMS
- 5) Need for reinforcing control mechanism to regulate payment of salaries, allowances, benefits and other entitlements;
- 6) MoF should review the current practice of Closed Work Account and regulate its compliance for better control and accountability;
- 7) MoF should ensure robust monitoring controls to oversee compliance with activities executed as Deposit Works;
- 8) MoF should review and streamline the process of collecting the Rebate on the procurement of Cement and HDPE Pipes;
- 9) MoF should scale up the digitization of financial records across all budgetary agencies; and
- 10) The government should view fair compensation for public servants Breaking the Cycle of Audit Irregularities through Public Sector Salary Reform.

PERFORMANCE HIGHLIGHT 2024-25



	Audits Conducted	Reports Issued	Follow-up Reports Issued
Financial Audit	304	304	1070
Compliance Audit	79	79	194
Performance Audit	4	1	10

Audit Clearance Certificates Issued:

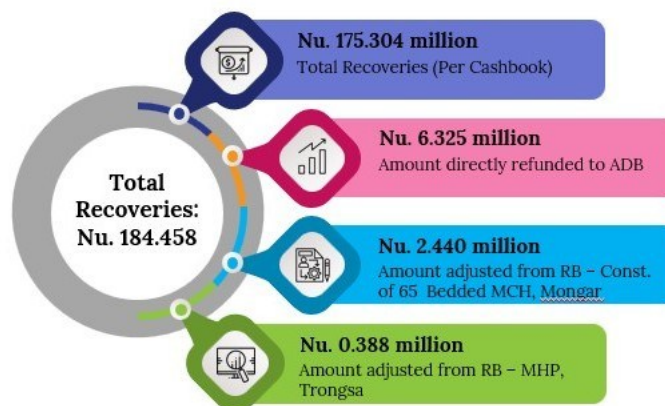
24,240

1 Training and Capacity Building	5,540
2 Promotion & Career Advancement	8,273
3 Retirement & Separation	3,333
4 Contractual & Deployment Changes	5,479
5 General Audit Clearance	1,545
6 Other Purposes	70

Outsourced Audits

✓ **90 Financial Audits** of NGOs, CSOs and ROs

✓ **60 Statutory Audits** Corporations and Financial Institutions



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Highlights Annual Audit Report 2024-2025

The Annual Audit Report 2024–25 is based on 533 audit reports and contains summaries of unresolved audit findings from 214 audit reports.

Fraud related cases accounted for 0.08% of total irregularities (Nu. 8.375 million), with Kaja Throm, Thimphu reporting the highest at Nu. 8.104 million (96.77%), followed by Trongsa Dzongkhag at Nu. 0.100 million (1.19%).

Cases under Errors accounted for 99.92% of total irregularities (Nu. 9.982.606 million), with PHPA-II reporting the highest at Nu. 7,789.653 million (78.03%), followed by FCBL at Nu. 645.202 million (6.55%).



The significant audit findings are grouped into two broad categories, **Fraud** and **Errors**, and further classified into seven functional areas:

- A. Finance and Revenue Management
- B. Procurement of Works
- C. Procurement of Goods and Supplies
- D. Procurement of Services
- E. Human Resource Management
- F. Public Service Delivery
- G. Property Management

Sl. No.	Agency	No. of Cases	Amount (Nu. in million)
1	Kaja Throm, Department of Agricultural Marketing and Cooperatives, MoAL, Thimphu	5	8.104
2	Dzongkhag Administration, Trongsa	1	0.100
3	Dzongkhag Administration, Bumthang	1	0.095
4	Royal Bhutan Police, Headquarters, including Royal Bhutan Police Division I, Paro, Prison Service Division, and Fire Fighting Services	1	0.051
5	Drungkhag Court, Panbang, Zhemgang	2	0.025
6	Regional Office of Industry, Commerce and Employment, Samdrup Jongkhar, MoICE	1	0.000
7	Regional Offices, Thimphu, Ministry of Agriculture and Livestock	1	0.000
Total		12	8.375

Sl. No.	Agency	No. of Cases	Amount (Nu. in million)
1	Punatsangchhu Hydroelectric Project Authority, Phase II	27	7,789.653
2	Food Corporation of Bhutan Limited	4	654.202
3	Punatsangchhu Hydroelectric Project Authority, Phase I	13	378.942
4	Ugyen Pema Zangdo Pelri Chhoetshok, Paro	4	180.841
5	Dzongkhag Administration, Trashiyangtse	31	142.147
6	Farm Machinery Corporation Limited	16	133.692
7	Royal Insurance Corporation of Bhutan Limited	4	78.392
8	Thromde Administration, Samdrup Jongkhar	17	42.534
9	Dzongkhag Administration, Trongsa	27	41.201
10	Sherubtse College, Royal University of Bhutan	7	35.732