

## Royal Audit Authority signs Memorandum of Understanding with National Audit Office of Finland



The Royal Audit Authority (RAA), in its endeavor to strengthen the professional capacity of the institution, had established bilateral relationship with peer Supreme Audit Institutions. So far, the RAA has Memorandum of Understanding (MoU) only with the SAIs from ASOSAI region. For the first time in the history of the RAA, the RAA signed MoU with the National Audit Office of the Finland from EUROSAI region. The MoU was signed on 22 July 2019 in New York to enhance the institutional capacities in the areas of auditing of Sustainable Development Goals (SDGs), environmental auditing and data analytics. It will

also enable the two audit institutions to share information and experiences on auditing topics from time to time that may be considered important and beneficial for both the Parties. The MoU was signed during the sideline meeting between Auditor General of Bhutan, Dasho Tshering Kezang, and the Auditor General of Finland, Ms. Tytti Yli-Viikari, who were attending the SAI Leadership and Stakeholder meeting on "*Supreme Audit Institutions making a difference: Auditing the implementation of the Sustainable Development Goals*" in New York, USA.

## Royal Audit Authority signs Memorandum of Understanding with State Audit Office of Republic of Vietnam



The Royal Audit Authority and the State Audit Office of Vietnam signed a Memorandum of Understanding (MoU) to strengthen, promote and develop cooperation between the two Supreme Audit Institutions. The MoU was also to strengthen respective institution's professional capacity and improve work methodologies specifically in the areas such as application of International Standards of Supreme Audit Institutions (ISSAIs), Environmental Auditing, IT Auditing and IT application into institutions' activities, capacity development programmes; and

any other areas of cooperation of mutual concern agreed upon by the Parties.

The MoU was signed between the Auditor General of Bhutan, Dasho Tshering Kezang and the Auditor General of Vietnam, Ho Duc Phoc on 12 November, 2019 at the State Audit Office of Vietnam corresponding to the 15th day of ninth month of the Earth Pig year. On the invitation of the National Assembly of Vietnam, the Auditor General of Bhutan also met the Vice Chairman of the National Assembly of Vietnam and discussed on the possible areas of mutual benefits.

## Hon'ble Auditor General attends the SAI Leadership and Stakeholder meeting in New York

The Auditor General, Dasho Tshering Kezang led a three-member delegation to attend the Supreme Audit Institutions (SAI) Leadership and Stakeholder meeting on "*Supreme Audit Institutions making a difference: Auditing the implementation of the Sustainable Development Goals*" in New York, USA from 22-23 July 2019. The meeting was jointly hosted by the United Nations Department of Social and Economic Affairs (UNDESA) and the INTOSAI Development Initiative (IDI).

The meeting provided a platform amongst SAIs to share and take stock of three years of experiences in conducting performance audits of government preparedness for the implementation of the Sustainable Development Goals (SDGs). The meeting also facilitated an informed dialogue between SAIs and stakeholders regarding the contribution of SAIs and external audits to the SDG review mechanism at different levels.



## Hon'ble Auditor General visits State Audit Office of the Kingdom of Thailand



The Auditor General Dasho Tshering Kezang accompanied by Deputy Auditor General and HR officer visited the State Audit Office of the Kingdom of Thailand on 18 November, 2019. The purpose of the visit was to strengthen the collaboration and cooperation between the two SAIs on the mutual interest and to promote the INTOSAI Moto "mutual experience benefits all" based on the Memorandum of Understanding (MoU) signed in 2016. Further, the two SAIs shared experiences and discussed on other areas of common interest in public sector auditing.

During the delegation, His Excellency, the President and the Auditor General of SAO of the Kingdom of Thailand highlighted on further strengthening the collaboration between the two

SAIs in the capacity development of human resource. Both SAIs shared experiences on the following areas:

- Human Resource Management
- Human Resource Development
- Performance Management System
- International Relations and Cooperation

Both SAIs also recognize a need to foster cooperation in Human Resource capacity development through exchange visits, academic conferences, auditing methodologies, ISSAIs implementation, joint and parallel audits in the areas of common interests.

## Hon'ble Auditor General meets the Comptroller General of Government Accountability Office, USA



Hon'ble Auditor General, while attending the SAI leadership and Stakeholder meeting in New York, visited the Government Accountability Office and met with the Comptroller General, Mr. Gene Dodaro in Washington D.C. on 26 July 2019. The meet was mainly organized to discuss on future

possibility of collaboration between the two institutions in improving public accountability and good governance in public operations. During the meeting, the Auditor General conveyed appreciation to GAO in extending support for International Auditor Fellowship Program in GAO every year for two candidate from the RAA.

## RAA presents Annual Audit Report 2018 to PAC and other Members of Parliament



The Royal Audit Authority presented the Annual Audit Report 2018 to the Public Accounts Committee and other Members of Parliament on 24 July 2019. The presentation covered the contents of the AAR 2018 focusing on significant findings and key recommendations. The presentation was followed by questions and

answers session. The AAR 2018 was submitted to His Majesty the Druk Gyalpo and tabled in the Parliament on 21 June 2019. The report will be reviewed by the PAC and presented to the Parliament for deliberation in the next Parliamentary Joint Sitting of the National Council and National Assembly.

## RAA conducts its 16<sup>th</sup> Audit Conference at PDC, Tsirang



The RAA hosted its 16<sup>th</sup> Audit Conference after four years at the Professional Development Center, Tsirang from 8 to 12 July 2019 on the theme 'Value and Benefits of SAI: Making a difference in the lives of citizens'. The opening ceremony was graced by His Excellency the Hon'ble Speaker of the National Assembly, Tshogpon Wangchuk Namgyel as the Chief Guest and attended by the Hon'ble members of Public Accounts Committee, Dasho Dzungda, Dasho Drangpon, Superintendent of Police, and Lam Neten of Rabdey.

The synopsis of the theme paper was briefly presented to the floor by Tashi Tobgay, AAG during the opening ceremony. Besides, the Lam Neten administered the "Oath of Good Conduct, Ethics and Secrecy" to 36 new employees in presence of the Chief Guest, Auditor General, and other distinguished guests. The Chief Guest also awarded the promotion orders to 24 employees and AG's Compliance Assurance Award for three best Audit Reports during the FY 2016-17 and 2017-18 and best three Significant Audit Observations for 2016-17 and 2017-18.

The Hon'ble Auditor General presented the AG's Report to the 16th Audit Conference on the initiatives and accomplishments of RAA from July 2015 to June 2019. The Chief Guest launched the Financial Audit Manual, Performance Audit Guidelines, Environment Audit Guidelines, Follow-up Guidelines and Outsourcing Policy. The website of PDC, Tsirang was also launched by the Hon'ble Chief Guest.

During the four-day conference, there were presentations from Public Accounts Committee (PAC), Ministry of Finance (MoF), Gross National happiness Commission (GNHC), Certified Professional Accounts (CPA) Australia and Anti-corruption Commission on various thematic and emerging issues. The house also reviewed status of RAA's Strategic plan 2015-2020, ISSAI based audit review, Common issues raised during audit sensitization program and challenges faced by the RAA. There were presentations on the stakeholder engagement strategy, Human resource retention strategy and competency framework of auditors.

## Mr. Prem Mani Pradhan, Joint Auditor General superannuates



Mr. Prem Mani Pradhan, Joint Auditor General, retired after serving 36 years and 3 months of dedicated service to Tsa Wa Sum. Mr. Prem started his career in 1983 as a Trainee Officer in the Royal Audit Authority.

The Royal Audit Authority, on behalf of the Government thanked Mr. Prem Mani Pradhan for his unwavering commitment and contribution for the institutional building of Authority in his capacities. He officially handed over his responsibility on 30 July 2019 in presence of all senior officials. To pay due respect, the senior officials of RAA accompanied him to his residence after handing and taking of records.

## Appointment of new Deputy Auditor General



On 13 September 2019 corresponding to the fourteen day of the eighth month of the Bhutanese calendar, Mr. Tashi Tobgay was promoted to the position of Deputy Auditor General for Department of Sectoral Audits. He

formerly served as the Assistant Auditor General for Resource, Trade, Industry and Commerce Division and was selected through an open competition selection procedure held on 23 August 2019.

The Hon'ble Auditor General presented Promotion Order along with Trashi Khadar and good wishes in presence of department heads,

division heads and RAA's officials. The Hon'ble Auditor General also reminded him of the roles and responsibilities that come along with the higher position.

### 3<sup>rd</sup> Assistant Auditors General Meet at PDC, Tsirang



The 3<sup>rd</sup> Assistant Auditors General's Meet was held from 5-6 July 2019 at Professional Development Centre, Tsirang. Joint Auditor General, two Deputy Auditors General, and Assistant Auditors General of Divisions from Head Office and Regional Offices attended the meeting. The meeting was held mainly to discuss and prepare the Annual Audit Schedule 2019-2020. Apart from review of past resolutions and Strategic Plan 2015-2020, the meeting deliberated on the audit thrust areas and area of

concerns that need to be focused while conducting audit and also revisited on the Audit Universe and its priorities and categories.

The human resource gaps as well as human resource rationalization exercises were carried out and strategized on how audits can be managed with the available resources. Additionally, the meeting discussed and identified activities to be included in the Annual Audit Plan 2019-2020.

### RAA Officials attend Quality Assurance Review Meeting in Maldives



The Quality Assurance (QA) Meeting of Audits for ASOSAI and PASAI regions for nine SAIs in Maldives was organized in Maldives from 5-13 September 2019. Ms. Sonam Wangmo, Assistant Auditor General, Performance and System Audit Division and Mr. Bikram Gurung, Dy. Chief

Auditor, Office of the Assistant Auditor General, Tsirang participated as QA reviewers.

The QA Meeting is a component under the INTOSAI Development Initiative (IDI) Global Programme on SAIs Fighting Corruption launched in 2015. A part of the programme, 61 Supreme Audit Institutions (SAIs) in the INTOSAI community have taken up cooperative audits of Institutional Frameworks for Fighting Corruption and are either in the process of finalizing their audit reports or have already published their reports. Participants from 61 member SAIs participated in the IDI funded QA Meeting.

### RAA participates in QA Review Panel Meeting

The INTOSAI Development Initiative (IDI) organized Quality Assurance (QA) Review Panel Meeting for training QA Reviewers on conducting QA Reviews for SAIs who participated in the Cooperative Performance Audits of preparedness for implementation of SDGs. The Quality Assurance review is the last stage of the IDI cooperative audit support model. The purpose of the QA is to verify if the audits were conducted in accordance with the ISSAIs.

Nine auditors from SAIs of Bhutan, Brazil, Georgia, Ghana, Indonesia, Jamaica, Philippines, Thailand and Uganda took part in the panel meeting held

from 9-12 September 2019 in Manila, Philippines. The trained QA Reviewers will conduct QA Reviews for audit reports published by 12 SAIs as part of the Cooperative Performance Audits programme.



## SAI-Donor Engagement Workshop

The Royal Audit Authority participated in the Supreme Audit Institutions (SAI)-Donor Engagement workshop aimed at empowering SAIs to engage in fruitful and mutually beneficial partnerships with donors in leading their institutional strengthening strategy.



During the meeting, participants from various SAIs shared their experiences of donor engagements and discussed on the importance of

donors in enhancing SAIs' capacities. The RAA also participated in the roundtable meeting with Asian Development Bank's (ADB) Public Financial Management (PFM) Portfolio Manager to discuss areas of future partnership with the RAA, focusing on RAA's strategic plan period 2020-2025 and ADB Strategy 2030.

The workshop hosted by INTOSAI Development Initiative (IDI) in collaboration with the Asian Development Bank (ADB) was being held at the ADB Headquarters in Manila, Philippines from 16 to 18 September 2019. The RAA was represented by Yangchen Karma, Programme Officer, PPAARD.

## ISSAI based Financial and Performance Audit Training



International Standards of Supreme Audit Institutions (ISSAI) based Financial and Performance Audit Training was conducted from 15-17 July 2019 at Professional Development Centre, Tsirang. 116 financial auditors attended the financial audit training and 14 performance auditors attended the performance audit training. The training was delivered by ten and three in-house ISSAI's facilitators and mentors for Financial Audit and performance audit respectively. The three-day financial audit training was mainly imparted in-depth knowledge on the applications of ISSAI's in financial auditing process that encompasses the pre-engagement activities,

planning and conducting an audit, completion and review, and reporting. It will also familiarize the participants on revised Financial Audit Manual of the RAA, which was published during 16th Audit Conference.

Likewise, the performance audit training covered General Principles and Standards of ISSAI's for Performance Auditing. It also included development of Strategic Plan of Performance audits, planning individual performance audit, conducting, reporting and follow up of performance audit. The training also discussed issues the teams had encountered while using the

guideline in the field and came up with common understanding of applying the Performance Audit

## Effective Follow-up Training



Follow-up is a main tool of the RAA to ensure that audit issues are timely and sufficiently addressed by the audited agencies and accountable officials. It also enables the RAA to keep track of all

## Training on Interpretation and Analysis of Financial Statements



A five-day capacity development training on Interpretation and Analysis of Financial Statements was conducted from 26-30 August 2019 at Professional Development Centre –

Guideline.

unresolved audit issues and provide Audit Clearance service to the general public. As such, a three-day training on “Effective Follow-up of Reports” was held at Professional Development Centre, Tsirang facilitated by three experienced senior officials of the RAA from 29-31 July 2019. During the training, participants were familiarized on the newly developed Follow-up Guidelines of the RAA which was launched on 8 July 2019. The training imparted hands-on sessions on follow-up of Annual Audit Report with practical case studies. The training course also included the method of interest calculation on the audit recoveries, record keeping of the audit recoveries that are not credited into Audit Recovery Accounts, Audit Information Management System (AIMS) and eZotine. At the end of the training, the participants developed SOPs and Annual Plan for the Follow-up Division of RAA head office and the Follow-up Sections of four Regional Offices.

Tsirang. The opening ceremony for the training was graced by Hon’ble Chief Guest, Chairman of the Public Accounts Committee in presence of Deputy Auditor General, Dept. of Follow-up, Region and HRM and Assistant Auditor General, Office of the Asst. Auditor General – Tsirang/Oftg. Program Director.

Three resource persons Jigme Dema, Senior Audit Officer and Nima, Audit Officer headed by Karma Jambayyang, Assistant Auditor General, Corporation and Financial Institutions Division delivered the training to 40 team leaders of the Royal Audit Authority. The training aimed at making the participants have clear understanding of all the elements and contents of financial statements of Government, corporation and other agencies so as to minimize audit detection risks which in turn will reduce risk of expressing erroneous audit opinion on the audit financial statements.

## Construction Audit training



Capacity development training on Construction Audits was held from 9-13 September 2019 at the Professional Development Centre, Tsirang. Hon'ble Dasho Auditor General graced the opening ceremony using Google Hangouts and reminded the participants on the importance of construction audit and urged to make best use of the opportunities and resources made available. The training was attended by 40 participants

including three officials from Anti-Corruption Commission and intended to provide better understanding on the fundamentals of construction audit and the methods and techniques of construction audit. It is also expected to equip auditors with adequate knowledge and skills towards enhancing professionalism.

## IT Audit Training



Recognizing the role of Information Technology in a fast changing world, a three-day capacity development training on IT Audit for 26 auditors

was provided from 28-31 October 2019 at the Professional Development Centre, Tsirang. The training is part of annual capacity development programme 2019-2020.

The Program Director graced the opening of the training and reminded the participants to make best use of the resource persons to take away adequate knowledge and skills to enhance professionalism. The training aimed at making the participants understand the concepts of IT auditing, role of information technology and its controls in generating reliable reports, and understand the processes involved in IT audit. Imparting knowledge on these areas is expected to increase the coverage in IT audit which would enable RAA to make timely recommendations on IT controls of different agencies.

## Data Analytics Trainings



The paper based record keeping are being replaced by uses of wide range of IT tools and technology in their business processes and everything is connected and every single communication of information is recorded as 'data'. In the process, it generates massive volumes of data, commonly known as Big Data. Hence, Auditors need to be aware of such developments as far as the availability of information is concerned. The recent initiative of Ministry of Finance to introduce e-Payment System is another paradigm shift in the country.

As such, a three-day capacity development training on Data Analytics was held at PDC,

Tsirang from 4-8 November 2019. The main objective of conducting such a training was to build adequate knowledge and skills on fundamentals of data analytics which has gain paramount importance in a rapidly changing and data driven environment.

During the three days, the training covered the fundamentals of data analytics in line with ISSAIs of Analytical Procedure and key features of IDEA software and MS-Excel. After availing the training, the participants were expected to perform analytical procedure using IDEA software and MS-EXCEL to the extent that it is in compliant to ISSAI 1520. The Program Director graced the opening of the training and reminded the participants to make best use of available resources to get equipped with software and application. He emphasized that the participants must remain inquisitive and keep exploring and using the tools on a day-to-day basis.



## Vision

*A credible Supreme Audit Institution that promotes value for money and good governance in public operations and contributes towards achieving the societal aspirations of Gross National Happiness.*

## Mission

*RAA is an independent constitutional body which contributes to accountability, transparency and effective service delivery. In the service of Tsa-Wa-Sum (the King, Country and People), we audit without fear, favour or prejudice and provide timely, reliable and quality audit services to assist effective decision making in the sector.*

## Core Values

*Integrity, Accountability, Transparency, Professionalism, Team Work*

RAA Outcomes: What the RAA is working to achieve?	
RAA OC 1	Greater audit impact leading to improved accountability, transparency and ethical behaviour in the public sector in Bhutan.
RAA OC 2	Improved public sector performance in National Key Result Areas and Sustainable Development Goals commitments in achieving Gross National Happiness.

RAA Strategy: How the RAA will add value?	
RAA SG 1	RAA delivers high quality audits as per international standards including ISSAIs- Delivery Quality.
RAA SG 2	RAA leads by example in being an accountable, transparent and ethical organization- Demonstrating excellence.
RAA SG 3	RAA enjoys strong partnerships and cooperation with key stakeholders- Fostering collaboration.

RAA Capacity: What Capacity does the RAA need to achieve its goals?	
RAA C 1	Strong leadership and professional culture
RAA C 2	Appropriate institutional framework, organizational structure and systems
RAA C 3	Competent and motivated team

**Editorial Team:** Chimi Dorji, Deputy Auditor General; Sonam Delma, Assistant Auditor General and Vikram Gurung, Sr. Audit Officer

**Published by:** ROYAL AUDIT AUTHORITY (RAA)  
Bhutan Integrity House, Peling Lam, Kawangjangsa  
P.O. Box 191, Thimphu – 11001: BHUTAN

**Telephone :** +975-2-322111; **Fax:** +975-2-323491  
[www.bhutanaudit.gov.bt](http://www.bhutanaudit.gov.bt)

