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**ROYAL AUDIT AUTHORITY**



**HUMAN RESOURCE STRATEGY**

**2021**

## MESSAGE FROM THE AUDITOR GENERAL

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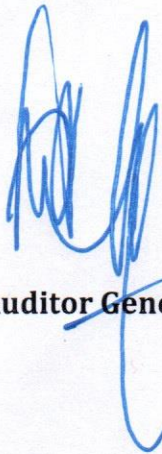
The Royal Audit Authority (RAA) is pleased to release its Human Resource (HR) Strategy, which primarily focuses on HR management and development including recruitment and retention.

For the RAA to remain relevant in a rapidly changing world, it is of utmost importance to ensure that the knowledge and skills of auditors are upgraded in a timely manner to meet the demands brought forth by the advances and development in auditing methodologies and processes. Thus, the RAA felt the need to develop a clear HR strategy aimed at addressing these issues..

In order to effectively carry out the Constitutional roles and responsibilities, of it is essential for the RAA to have a pool of competent human resources. However, recruitment of qualified professionals and retention of competent & experienced auditors remain a daunting challenge for the RAA. Therefore, the 'Supreme Audit Institution's - Performance Measurement Framework (SAI-PMF) Report 2015' developed by SAI Norway highlighted the need to develop this strategy. Besides, the RAA's Strategic Plan 2015-2020 also stressed on the need to have such a strategy.

The strategy is aimed at ensuring recruitment of right people for the job, and enhancing the skills of auditors by establishing appropriate professional capacity development programs, as well as instituting a fair system of recognizing the performers and developing appropriate interventions for the non-performers. .

I am hopeful that with the implementation of this HR Strategy, the RAA is able to improve its performance further in effectively carrying out its constitutional roles and responsibilities.



**(Auditor General)**

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## 1. INTRODUCTION

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As per Article 25.1 of the Constitution of the Kingdom of Bhutan and Section 68 of the Audit Act of Bhutan 2018, the Royal Audit Authority is mandated to audit and report on the economy, efficiency, and effectiveness in the use of public resources. In order to accomplish the mandates, it is imperative to maintain a pool of human resources with required competency and skills. Furthermore, it is inevitable to maintain workforce who are motivated, productive and satisfied with their works. Accordingly, the RAA's Strategic Plan 2015-2020 has accorded priority to develop and institute succession planning, leadership development, and competency framework and retention strategy.

The Supreme Audit Institution's Performance Measurement Framework (SAI PMF) Report 2015 conducted by SAI Norway highlighted the skill gap and need for clear strategy. The report also noted that Royal Audit Authority has not identified a specific set of indicators, baselines and targets to follow-up HR issues. Therefore, the current strategy is developed with set of strategies, corresponding performance indicator and defined target. The strategy intent to provide a roadmap for creating a unique advantage by outlining how the RAA will leverage the organization's human capital to address challenges and achieve its vision and mission.

To achieve the vision, it is imperative to recruit, retain, and develop the right people; manage, motivate, and train them well; and enable them to make a significant contribution towards achieving organizational goals. The strategy is developed with five inter-related strategic aims which will support the delivery of overall vision and mission.

Through this strategy, the RAA aspires to:

- ❖ Attract and recruit the best employee;
- ❖ Develop and support the employee to fulfill their potential and meet career aspirations;
- ❖ Retain and reward the employee through recognizing contributions;
- ❖ Promote and secure excellent leadership and management, and
- ❖ Create and maintain a progressive, collaborative and healthy working environment

## 2. ALIGNING THE HR STRATEGY WITH THE VISION, MISSION AND CORE VALUES

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### Vision

RAA aspires to be a premier audit institution that promotes good governance in the society by maintaining competent workforce.

*"A premier audit institution that promotes value for money in government operations and contribute towards good governance".*

### Mission

To contribute towards enhancing accountability and transparency, the RAA aspires to propound and instill the sense of accountability and transparency across all public sector entities. To audit without fear, favour or prejudice, the RAA will strive for highest standards of integrity,

*"To audit without fear, favour or prejudice on the prudent and effective use of public resources and report to the Parliament and stakeholders for enhancing transparency and accountability in the government".*

ethics and conduct of its employees.



## Core Values

### INTEGRITY

We are independent, honest and incorruptible in our conduct & remain impartial and trustworthy.



### TRANSPARENCY

We are transparent in all our dealings and actions, and promote culture of openness and submit ourselves to scrutiny.



### TEAM WORK

We believe in team spirit and diversity to unleash our full potential in achieving common goals through mutual respect, trust and support.



### ACCOUNTABILITY

We are accountable for our own actions in a similar way we propound accountability in audited agencies.



### PROFESSIONALISM

We perform quality audit services through dedicated and competent work force conforming to auditing standards and best practices.



### 3. HR TRENDS AND CHALLENGES

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With the ever-increasing number of agencies requiring mandatory audits by the RAA, the workload is growing at a pace that the RAA's available Human Resource is unable to match. This has adversely affected the audit coverage which is reported to be less than 60% every year. Hence, the coverage is not adequate in terms of providing greater assurance and effective audit services.

Further aggravating the matter, the RAA is losing experienced auditors due to lack of opportunities for upgrading and professionalizing capacities and qualifications. On the other hand, it is difficult to attract competent people to join the organization despite having 20% professional allowance. The attrition rate during the financial year 2017-2018 was found to be 4.8 percent, which is perceived to be high.

The detailed HR trends and Challenges are depicted in the form of SWOT Analysis.

### 3. GOAL AND OBJECTIVES

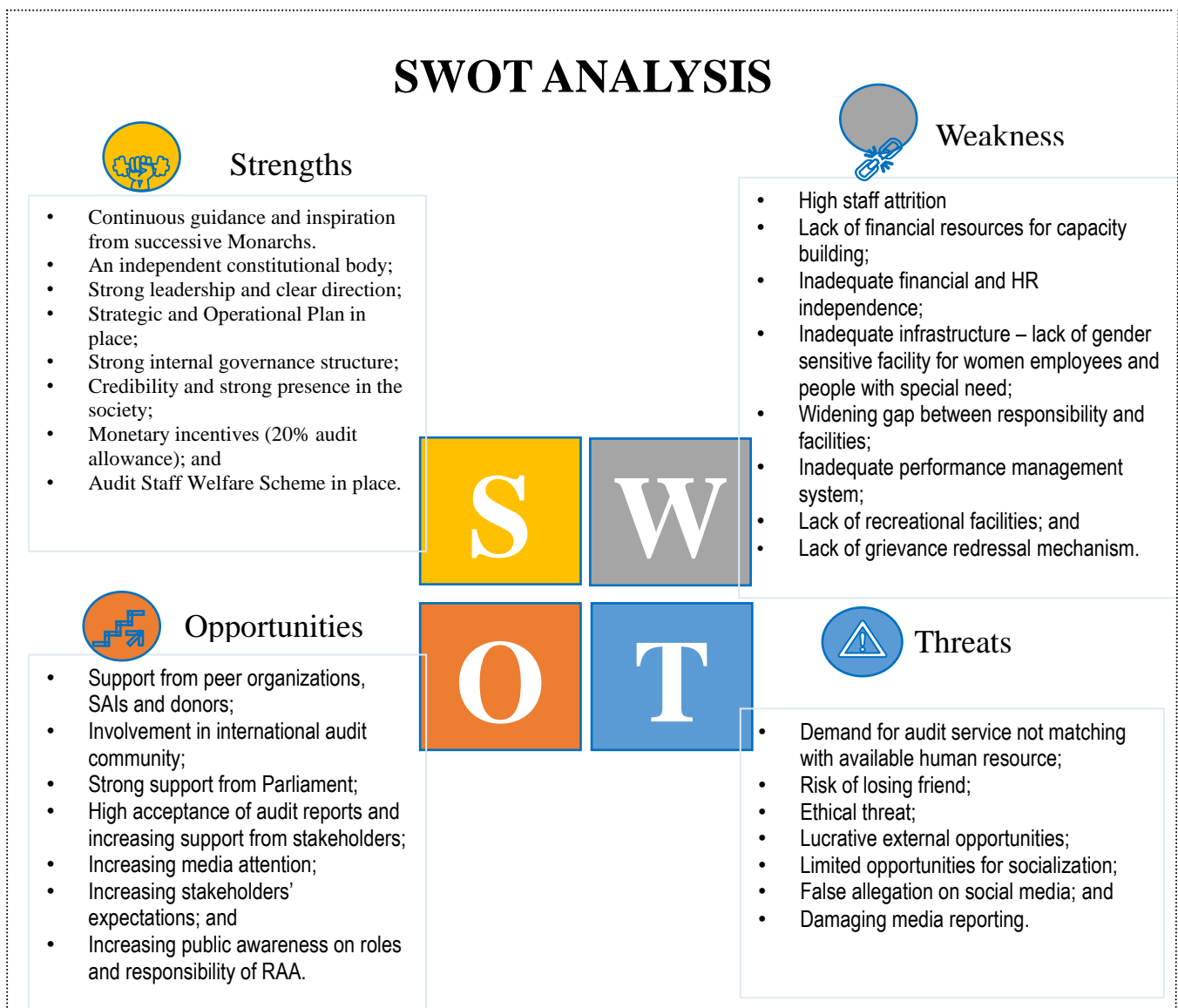
The overarching goal of the strategy is **to attract, motivate and retain competent workforce** to contribute towards realizing the Vision and Mission of the organization. Specific objectives that will contribute towards realizing the goals are:

- ❖ Value, Encourage and Support a Diverse Workforce;
- ❖ Continue Improving Individual, Organizational Capacity and Effectiveness;
- ❖ Anticipate and Meet the Changing Needs of the employees; and
- ❖ Champion Career and Professional Growth.

### 4. STRATEGIES

To realize the objectives and goal, various strategies will be defined for the four areas:

- a. Selection and Recruitment;
- b. HR Development;



- c. HR Management; and

d. Retention

**a) Selection and Recruitment**

Effective recruitment strategies are pivotal in recruiting and retaining high quality talents to contribute towards organization's success. For this, the RAA will adopt the following strategies:

- ***Identifying right talents for the organization's success***

Having right talent facilitates building right skills. In the process of recruitment plans, various talents requirements will be explored and recruitment shall be effected through lateral transfers, open competition, promotion of existing employees and recruitment of new employees based on the needs. The staffing pattern shall be prepared based on need analysis and the annual recruitment plan shall be in line with approved staffing pattern. Recruitment tools like aptitude test will be institutionalized and a pool of highly effective interview team shall be created. After recruitment, employees will be integrated into the working system through in-depth orientation programmes.

- ***Formulation of selection criteria***

The RAA will formulate and adopt comprehensive selection criteria for recruitment apart from those specified in BCSR 2018.

- ***Diversification of recruitment***

The SAI PMF 2015 has indicated the need for diversity in human resources with different professional backgrounds of the RAA. The RAA will work on identifying types of disciplines required and recruit people from multiple backgrounds through multiple entry positions. Such system must enable sound team composition with enriched diversity, ease of doing works and spirit to obtain better audit results.

In order to meet HR gap, the RAA will recruit employees on contract basis (consolidated contract, regular contract & special contract) whose contract term may keep on renewing based on the performance and need of the agency.

- ***Hiring of expert services***

Based on the competency gaps, the RAA shall embark on recruiting experts with required expertise and competency to augment professionalism. The expert services shall be availed through avenues like Officer on Special Assignment initiatives, from retired public servants or expertise available in the labor market. A set of expert services requirements shall be identified and engagement affected for deriving optimum benefits. Temporary or short term



services requirement shall be identified and interim employment opportunities explored.

- ***Improving advertisement to attract external talents***

Response for the vacant posts announcements is not encouraging. There were even cases of non-response to advertisement viz. post of Program Director and Research Officer for the Professional Development Centre, Tsirang. The RAA shall endeavor and work on innovative advertisement methods to attract best talents by making the advertised posts or positions attractive and interesting.

- ***Banking on the future employees***

Prior to recruiting employees, the RAA will focus on engaging students at the universities and tertiary institutes to instill interest to pursue auditing profession in their life. To do so, the RAA shall carry out advocacy programmes in colleges and educational institutes to generate interest in auditing professional and will also encourage taking up On-the-Job Trainings and internship programmes to students during vacation.

## **b) Human Resource Development**

The RAA has always emphasized on the importance of Human Resource Development through the Continuous Professional Development Policy (CPDP). With the Professional Development Center in full operation, the RAA will design, develop and commission relevant development programmes that meet the needs of the employees as well as proactively responding to the organization's priorities.

- ***Training Needs/Impact Assessment***

In-depth training needs analysis shall be conducted to understand the Knowledge, Skills and Abilities' (KSAs) gap. Effect of the training shall be measured by conducting training impact assessment. A yearly review shall be carried out to study the impact of the training.

- ***Systematic Training Plan/Approach***

A systematic training plan/approach shall be instituted as follows:

- ✓ Minimum of two months induction/orientation programme for the newly recruited employees to impart hands on field experience and knowledge sharing;
- ✓ Performance enhancement programme for employees more than five to ten years in service for competency building and re-skilling program for poor performers; and
- ✓ Change and reforms related training programme to senior level employees

- ***Position based competency enhancement programme***

The RAA shall develop competency framework and impart trainings to its employees as per the competency requirement for various positions and job relevancy.

- ***Advanced professional development programme***

The RAA will work on professional advancement of peak performers through various masters and certification courses. The required resources shall be explored through potential donors and funding support from the Royal Government of Bhutan.

- ***Leadership development programmes***

The RAA shall encourage its employees to engage in leadership development programs both in-country and ex-country. Management shall encourage the Departments and Division Heads to participate in executive management programmes offered by relevant institutes. Other employees will be encouraged to explore leadership development programmes such as Young Leadership programme, Foundational Leadership Programme, Future Leadership Mentoring Programme among others.

- ***Knowledge and Experience Sharing Programme***

For continuous learning process, senior and experienced employees (internal & external) shall be provided platform to share their experiences and knowledge to their peers. In addition, those employees returning from training, seminar, and workshops shall be required to share their knowledge acquired from such programs. Such arrangements should promote the culture of peer learnings amongst the employees. Apart from this, coaching and mentorship, attachment, deputation program, exchange visits and study tour shall be organized.

- ***Dynamic Annual Training Programme Calendar***

The RAA shall formulate training programmes based on the available resources which will be implemented on continuous basis. The programmes shall be implemented in the form of in-house, in-country and ex-country trainings. PDC will also publish annual training calendar.

## **c) Human Resource Management**

While RAA strive to remain relevant and responsive organization in a fast-changing governance, it can only be done when staff are motivated, managed properly and fairly rewarded. With the shift of roles in HR functions from the rudimentary administrative

support and ensuring rules compliance to HR as a strategic partner, for the success of the organization, the HR shall remain focused on delivering professional and enabling services that are aligned to the strategic priorities as outlined in RAA's Strategic Plan. Since achievement of organizational goals depends on availability of competent and motivated human resources, the following strategies shall be adopted to engage, motivate, develop, and reward the employees:

- ***Organizational Restructuring***

The RAA shall undertake timely organizational restructuring processes based on its increasing responsibilities, technological advancement, change in external environment and its priorities. Organizational restructuring will help in delineating clear roles and responsibilities, eliminate duplication and promote accountability

- ***Roles & Responsibility Charting***

The RAA shall carry out exercise to bring more clarity in roles and responsibilities, which will promote greater accountability amongst employees.

- ***Competency Framework***

Mapping of roles and responsibilities will help in identifying the competency requirements and addressing competency gaps. Therefore, RAA shall develop a Competency Framework for auditors. Many organizations use Competency frameworks as a foremost tool in the strategic management of people. Having in place an all-encompassing competency framework will serve multi-purpose function of HR. Towards this, the RAA shall identify core competencies of audit professionals at Manager, Supervisor or team leader level and team member level and define specific competencies required for three audit disciplines (financial, compliance & performance audit) aligning to ISSAIs. The frameworks will guide in informing and prioritizing all human resource activities from recruitment through training and development, and performance appraisal and promotion.

- ***Human Resource Assessment***

The RAA shall undertake a Human Resource assessment exercise at an appropriate time to identify the talent, ascertain the resources and skills gaps requiring HR interventions like talent management, hiring and deployment, and training and development, etc. This exercise will help in adopting strategy to optimize its existing human resources and addressing resource or skill gaps.

- ***Performance Management System***

The RAA shall embrace and complement the new PMS–MaX of RCSC with adaptation to our context blending with internal PMS-APEMS. RAA shall introduce and institutionalize new schemes for recognition and reward performers and development of strategies to manage poor performers. Reward can be in the form of meritorious promotion, training programmes, and other opportunities/incentives. The RAA shall also institute system of celebration of successes and achievements of both individuals and the organization. Giving away of Certificate of Achievement or Excellence Award shall be instituted for top performers along with token of monetary incentives annually. Employee of the Year, best team leader, best team member and best non-field staff award can also be instituted.

- ***Succession Planning***

For meeting present needs and to ensure future sustenance of the human resources, the RAA shall work on instituting succession planning. These can be pursued through identifying succession gaps in key positions that cannot be kept vacant. The RAA shall develop strategies to develop sufficient talent to ensure immediate fill in of such positions whenever vacancy arises for various reasons.

- ***HR Information Management System***

RAA shall use information technology to drive data-focused decisions. There shall be complete and real-time information on HR for making informed decisions. HR processes shall be automated either by enhancing the HR business modules of the ARMS or using other tools & technologies.

#### **d) Employee Retention Strategy**

Employee retention is one of the biggest challenges for the RAA. While it is important to frame appropriate strategies to overcome the challenges, it is crucial to understand the factors affecting retention in the organization. Based on the factors discerned from the Employees' Satisfaction Survey 2016-2017, the RAA will work on instituting following strategies:

- ***Recruitment policy***

It is important to identify and recruit people with right attitude and mind-set. The RAA will embark on recruiting right people and focus on building capacity and organizational loyalty through various professional enhancement programmes and other initiatives.

- **Recognition of performance**

While we have MAX system introduced by the Royal Civil Service Commission and internal Audit Performance Management System (APEMS) adopted, the RAA will institute a fair and transparent way of measuring the performance of its employees. It shall institute the system of acknowledgement, recognition and reward to its employees based on their performance. Celebrate diversity within the workforce recognizing how all staff contribute to and enhance the overall success of the authority. Internal self-assessment system such as moderation exercise may be instituted.

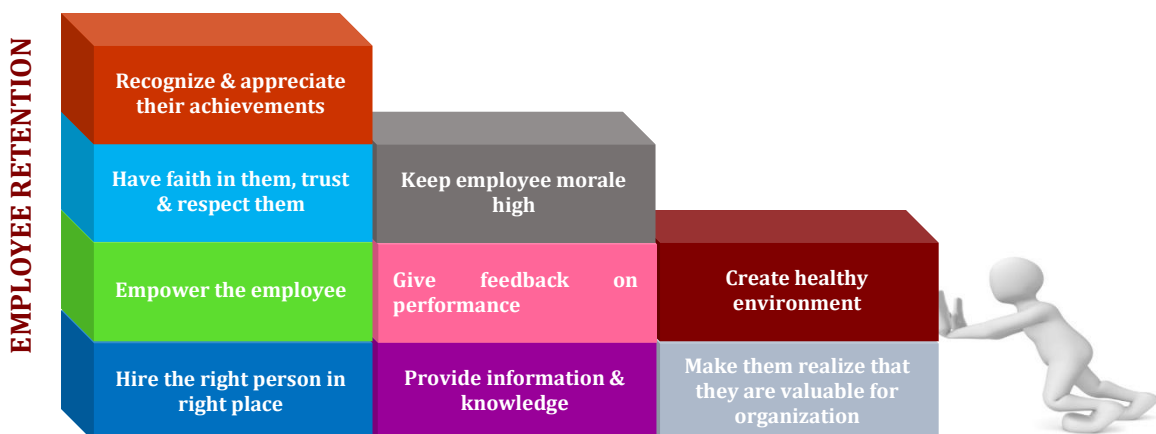
- **Improved working environment**

While RAA always strives for creating good working conditions within available resources, providing conducive and friendly work environment in the premises of audit entities through proper dialogue and discussion shall be explored and encouraged, to enhance productively. Apart from this, the RAA will also provide necessary support to its employees to help them overcome work related stress and conflicts.

At present, the RAA has impressive number of female employees. For working mothers, conducive working facilities such as crèche facilities may be explored. This is to enhance the work productivity and also to comply with Government’s initiative of investing in early years for every Child in Bhutan. Additionally, special facilities for employees with special need will be explored based on requirement. This is to comply with the gender sensitive policy of RAA.

- **Exploring professional development opportunities**

Professional development opportunities act as an effective tool to retain its employees. The RAA will explore both long term and short term training opportunities for the employees and closely work with RCSC, INTOSAI/ASOSAI/IDI and bilateral arrangement with other SAIs/organizations





and prospective donors.

- ***Frequent reviews and open communication***

The RAA will conduct frequent review of its employees' works in order to provide proper guidance in accomplishing organizational goals and objectives. In providing support and assurance to its employees, an open communication channel shall be introduced to make its employees feel they are valued. Critical feedback mechanism may be instituted wherein the employee openly provides feedback/criticism to the management. This way the management may take corrective measures without fear of reprisal to feedback provider.

- ***Grievance Redressal Mechanism***

In order to understand the areas that require improvement for the welfare of its employees, the RAA shall explore and institute system of grievance redressal.

- ***Involving in decision making at appropriate level (informed decision-making)***

For any new changes happening, the RAA shall keep its employees informed and involved in key decision making. It shall institute the culture of celebration for every goal or milestone achieved. For boosting employees' morale and performance, the RAA will introduce regular feedback mechanism to gather issues and address it through appropriate interventions.

- ***Investing in Leadership***

The RAA accords top priority in the investment of leadership development programme since leaderships at various levels plays a vital role in employee retention. The RAA will focus on imparting leadership courses at appropriate levels thereby strengthening employee-managers relationship.

- ***Identifying and engaging top talents***

For any organizations to be successful, identification of top talents or performers is important. The RAA shall work on defining essential parameters to identify top talents and fruitfully engage them on special and challenging assignments. Such initiatives should instill in other employees a sense of competition and attitude to perform better, providing equal platform to exhibit competency or talents and experience a satisfying professional growth and advancement.

## **5. IMPLEMENTATION, EVALUATION AND AMENDMENT**

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The Human Resource and International Relations Division shall assume the custodianship of this strategy document and work its implementation. Implementation strategies like collaboration, consultation, coordination and communication must be embraced through the delegation of responsibilities for each defined task.

Specific action plan will be developed based on the delegation of responsibilities. Implementation shall be monitored and evaluated on yearly basis. Bottlenecks and

challenges in implementation shall be discussed and addressed appropriately. The changes to the Strategies shall be affected sensing obsolescence in the contents or based on any other requirements brought about by regulatory or other changes and reforms.

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## 6. IMPLEMENTATION MATRIX

Output	Activity	Sub-activity	Timeline				Baseline	Responsible	Remarks
			2021-2022	2022-2023	2023-2024	2024-2025			
1. HRM	1.1. Selection & Recruitment	a) Exercise single-window recruitment as per approved 12 <sup>th</sup> Five Year Staffing Pattern. This type of recruitment is meant to diversify the professionals and at the same time to meet the manpower requirements of RAA.	10	10	6	5	5	HRIRD	The number will be determined as per approved RAA's 12 <sup>th</sup> FY Staffing Pattern.
		b) Recruitment through lateral transfer to meet immediate manpower needs.	2	2	2	2	2	HRIRD	As per approved Recruitment Plan and needs of the agency
		c) Recruitment of Operational Category Employees and General Service Category Employees.	3	5	4	4	4	HRIRD	Basis will be the carpet area of RCSC and HR Data Base.
		d) Provide OJT and internships platform to the university graduates and trainees of various universities and institutes.	10	12	13	15	15	HRIRD/ Regions/ Divisions	From RIM, Gedu College of Business Studies, Sherubtse, Taktse, India, etc.
		e) Succession planning to fill up the immediate competency gap (skills, knowledge and	1	1	1	1	1	HRIRD	Basis will be the approved Recruitment Plan and Competency-based Framework (CBF) for Auditors. For the

Output	Activity	Sub-activity	Timeline				Baseline	Responsible	Remarks
	1.2. Retention	abilities requirement).							non-auditors, the approved staff strength and organogram will be taken as basis.
		a) Employee Satisfaction Survey to study the level of employees' satisfaction and accordingly determine appropriate interventions.	1	0	1	0	1	HRIRD	Once every two years.
		b) Recognition of top performers through avenues such as Best Employee, Best Auditor, etc.	1	1	1	1	1	HRIRD/ Various Committee	
		c) Regular Feedback Mechanism/Grievance Redressal System.	Continuous process					Assigned Division	Focal Person to be identified.  As per approval of the management and endorsement of Anti-Corruption Commission.
		d) Improved working environment both within and outside the organization.	Continuous process					Management	
2. HRD	2.1. Human Resource Capacity Building	a) Two-month Induction Programme for New Recruits.	10	10	6	5	5	PDC/HRIRD	The number is subject to change.
		b) 10 months of Mentoring Programme for probationers.	10	10	6	5	5	HRIRD/ Regions/ Divisions	The number is subject to change.
		c) Leadership training for P1 and above managers.	2	2	3	3	3	HRIRD	The number is subject to change.
		d) In-house training as per CBF	7	7	8	10	10	HRIRD	Number is determined as per CBF

Output	Activity	Sub-activity	Timeline				Baseline	Responsible	Remarks
		e) Ex-country training as per CBF and availability of donor project.	3	5	7	3	3	HRIRD	Number is determined as per CBF
		f) Long Term Training as per CBF	4	4	5	5	5	HRIRD	Number is determined as per CBF



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