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Royal Audit Authority

STRATEGIC PLAN
2020-25

RAA'S STRATEGIC PLAN 2020-2025

In fulfilment of the Constitutional Mandates

Royal Audit Authority's Strategic Plan 2020-25

"As a developing country, we have limited resources. We must manage our available resources wisely, minimise waste, and ensure that all our resources are directed at improving the wellbeing of the people, and in fulfilling our national vision. The civil service is tasked with the oversight, management, administration, and disbursement of funds for governance. So the responsibility falls squarely on the shoulders of our civil servants to ensure efficiency and effectiveness in utilising our scarce resources.

Our public servants will fail in their duty if they do not learn from past mistakes and correct them, if they are unreceptive to feedback, if they lack accountability, if they are unresponsive to new ideas and solutions, if they have poor communication and coordination, or if organisations expand and multiply without direction or coherent vision."

- His Majesty the King's Address on 17th December 2018 during the 111th National Day Celebration in Samtse

ACRONYMS

AAR	:	Annual Audit Report
AFS	:	Annual Financial Statement
AIMS	:	Audit Information Management System
APEMS	:	Audit Performance and Evaluation Management System
ASOSAI	:	Asian Organisation of Supreme Audit Institutions
CPDP	:	Continuing Professional Development Policy
CSO	:	Civil Society Organisation
DFR	:	Department of Follow-up and Regions
DoS	:	Directorate of Services
DPA	:	Department of Public Accounts
DPCA	:	Department of Performance and Commercial Audit
DSA	:	Department of Sectoral Audit
FRR	:	Financial Rules and Regulations
FYP	:	Five Year Plan
IDI	:	INTOSAI Development Initiative
IDEA	:	Interactive Data Extraction and Analysis
INTOSAI	:	International Organisation of Supreme Audit Institutions
ISSAI	:	International Standards of Supreme Audit Institutions
KPI	:	Key Performance Indicator
MoF	:	Ministry of Finance
NGO	:	Non-Government Organisation
NICF	:	National Internal Control Framework
NKRA	:	National Key Result Area
PAC	:	Public Accounts Committee
PEMS	:	Public Expenditure Management System
PFM	:	Public Finance Management
RAA	:	Royal Audit Authority
SAI-PMF	:	Supreme Audit Institution - Performance Measurement Framework
SDG	:	Sustainable Development Goals
SPMR	:	Strategic Planning Monitoring Reporting

Foreword by Auditor General

The Royal Audit Authority's (RAA) Strategic Plan 2020-25 draws inspirations from series of Royal Addresses on the development and governance in furthering the well-being of the Bhutanese people. We have always been guided by the timeless vision of His Majesty in propagating concept of transparency and accountability in the public sector.

The RAA, as a public sector auditor, strives to produce high-quality audit results in demonstrating its value. The strategies are intended to contribute towards fulfilling its constitutional mandates as well as to remain relevant in changing times. The process of developing strategic plan provides opportunity for RAA to consolidate its strength to enhance effectiveness and efficiency of audit services to the nation.

The RAA's Strategic Plan 2020-2025 outlines strategic outcomes and outputs that we intend to achieve during the next five years. Customarily, it is aligned to the term of the Auditor General.

I would like to express my gratitude to INTOSAI Development Initiative (IDI) for the technical guidance rendered to the team in the development of this plan. As a pre-requisite to the development of the Strategic Plan, the RAA has undergone assessment of its performance under Supreme Audit Institutions Performance Measurement Framework (SAI PMF) conducted in 2019-20. As per the SAI, PMF, the RAA should focus on improving public sector accountability, attaining higher credibility and reputation and sustaining collaboration with its stakeholders.

In addition, the RAA also used the results of stakeholder assessments carried in 2018, Stakeholders Expectations Report 2017 and consultations made with relevant stakeholders. Series of discussions were also held with management throughout the development of this plan.

The Strategic Plan is broadly aligned to INTOSAI P-12 on value and benefits of SAIs.

The RAA seeks to partner with the government and public sector organisations in attaining the goals and objectives of the 12th Five Year Plan through its oversight and insight roles. The RAA will continue to play an instrumental role in providing objective basis for decision makings through its reports and recommendations.

The plan shall be operationalised through annual operational plans (AOP), which shall be prepared and approved during the annual plan meetings. We have developed performance indicators at various levels of goals which are detailed in the monitoring framework along with responsibilities delegated to specific divisions, teams and individuals. The progress of the AOP shall also be reviewed during the quarterly progress review meetings.

The overall Annual Performance of the RAA shall be reported in the Annual Audit Report. The performance report shall form a basis for demonstrating accountability of RAA for using the resources provided by the state.

I take this opportunity to solicit cooperation and support of the government, public authorities and other stakeholders for successful implementation of our Strategic Plan.

I urge all my colleagues to take ownership of this plan and would like to solicit unwavering commitment from each individual to realise our common goals.

Trashi Delek!

(Tashi)
Auditor General of Bhutan

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Current Status of RAA and Its Environment

Mandates

The Royal Audit Authority (RAA) draws its mandates from the Constitution of the Kingdom of Bhutan, Audit Act of Bhutan 2018 and other specific legislation such as Companies Act of Kingdom of Bhutan 2016, Public Finance Act 2007 and Amendment Act 2009, Religious Organisations Act 2007, Civil Society Act 2007 amongst others.

Article 25.1 of the Constitution

"There shall be a Royal Audit Authority to audit and report on the economy, efficiency and effectiveness in the use of public resources."

The RAA functions in accordance with the Audit Act of Bhutan 2018 which specifies independence, powers, duties, roles and responsibilities of the RAA.

Summary of SAI PMF Assessment Report

The SAI PMF assessment 2020 indicated that RAA has a strong mandate explicitly laid down in the Constitution and the Audit Act of Bhutan 2018 with required organisational, functional and financial independence as well as the independence of Head of the Supreme Audit institution (SAI). The legal framework under which the RAA operates substantially meets the basic INTOSAI principles and declarations as supported by United Nations (UN) resolutions.

At the level of organisational systems and processes, the assessment indicated opportunities to bring improvement in the overall quality of audit results and reports. Despite various initiatives of improving audit process and procedures through development of manuals and guidelines, the assessments showed that there is a lack of consistency in application of manuals, guidelines and quality control processes for all streams of audit. The varied application of audit processes indicates different levels of technical knowledge of auditors.

One of the strategies under being a model organisation was developing Performance Management Framework of RAA. The RAA continued the practice of activity-based reporting rather performance-based reporting. The SAI PMF assessment showed that there were gaps in linking operational strategies and the strategic intents of SP 2015-2020. The assessment found that there were inadequacies in development of performance indicators and hence, impeded assessing performance of RAA.

The RAA has working relationship with the Parliament through Public Accounts Committee (PAC). The Annual Audit Reports, Performance Audit Reports and Follow up Reports are submitted to the Parliament through this committee and published within the legal and/or agreed timeframe. The assessment indicated scope for further engagement to ensure that RAA's reports and recommendations acted upon and addressed, besides also enforcing accountability in the government and public sector.

RAA has a robust follow up system which is facilitated through an IT

enabled system called "Audit Information Management System" (AIMS). The follow up review reports of Annual Audit Reports (AAR) and performance audit reports are submitted regularly to the Parliament. There are different levels of follow up process to review implementations of audit recommendations. The SAI PMF report indicated opportunity use information from the system to carry out trend analysis and impact assessment on implementation of RAA's recommendations.

The RAA has instituted the system of holding public and government officials accountable for issues arising from auditing. This system further enhances accountability mechanisms in the public sector.

RAA's Annual Audit Reports (financial audit reports), and performance audits reports are submitted to the Parliament. These reports render basis for numerous parliamentary resolutions and directives. The parliamentary directives are directed to the responsible agencies to initiate recommended actions based on the audit reports. Through this process, RAA

> RAA recovered total amount of Nu. 139.550 million in 2019-20 as one of the results of its work

is able to influence changes and remedial actions for improved governance and performance in the public sector. The RAA recovered total amount of Nu. 139.550 million in 2019-20 as one of the results of its work. This recovery represents cost savings to the government. The MoF had initiated amendment of existing Procurement Rules and Regulations (PRR) based on the recommendations of the reviews conducted by the RAA. The RAA's follow-up mechanisms play a major role in strengthening the fiscal discipline, making government accountable and ensuring economic and efficient use of scare public resources.

The RAA has developed Stakeholder Engagement Strategy (SES) 2018-23 which prioritises stakeholders and lays down communication plans based on the assessed interest and influence. There is an opportunity to scale up stakeholder engagement through implementation of those identified strategies.

Selected Stakeholders' Expectations

RAA operates in the rapidly changing and complex environment with varying stakeholders having different expectations and needs. The RAA in developing the strategic plan 2020-2025, used the SES 2018-2023 for purpose of discerning expectations of stakeholders. The SES was prepared based on the strategy development and operationalisation process propounded by INTOSAI Development Initiatives (IDI).

The strategic planning team carried out interview with PAC to further supplement analysis of stakeholders' expectations.

Current Organisational Structure

The RAA Headquarter (HQ) located in Thimphu is supported by four regional offices located in different parts of the country namely: Bumthang, Phuentsholing, Samdrup Jongkhar and Tsirang. The RAA's organogram is attached in **Appendix 2.**

Public Finance Management Situation in the country

The National Internal Control Framework (NICF) sets the control environment and sets the "tone at the top" and all agencies are obliged to follow this. The key legislation on Public Financial Management (PFM) is the Public Finance Act, 2007 passed on June 20, 2007 by the National Assembly that regulates financial management for effective and efficient use of public resources, accountability and fiscal policy, and vests the overall responsibility of managing the public finances with the Council of Ministers.

The Financial Rules and Regulations (FRR) 2001 which was revised to Financial Rules and Regulations 2016 is a set of over-arching documents governing PFM in Bhutan and consists of main document, The Financial Management Manual (FMM) and three technical documents, the Finance and Accounting Manual (FAM), the Budget Manual (BM) and Property Management Manual (PMM). There are separate documents for Procurement Rules and Regulations (PRR) and Revenue Manual (RM). The FMM introduces the FRR 2016 and prescribes the financial management principles, framework and the financial management structure of the Government.

The MoF is responsible for implementing the system of PFM in Bhutan. The Ministries and departments have Administration and Finance Divisions (AFD) and Dzongkhags and Autonomous bodies have Administration and Finance Sections to manage their financial affairs. The public sector in Bhutan comprises the Central Government (including the Local Governments, Dzongkhags, Gewogs and Thromdes (Municipality), Constitutional bodies and Autonomous Institutions), which together form the "budgetary sector" and extra-budgetary bodies such as the trust funds and the National Pension and Provident Fund (NPPF) (social security organisation), and the state-owned enterprises/corporations. The MoF is responsible for preparing the budget which is subject to legislative scrutiny and Parliamentary approval.

The Annual Financial Statements (AFS) of the Government are prepared by the Department of Public Accounts (DPA), MoF. The audit of the Government in Bhutan is governed by the Audit Act of Bhutan 2018. The AFS are audited by the RAA, which

tables in Parliament an AAR on the AFS and reports on its other audit works. The AFS has information on revenues, expenditures, grants and loans for each budgetary unit and includes statements of the government's equity portfolio in corporations and financial institutions, Government guarantees to various organisations and outstanding public debt. The AFS is normally compiled within six months from close of the financial year and submitted to RAA for audit.

The RAA undertakes financial audits at two tiers. One is at the national level which is the consolidated financial statements of the Royal Government and the other at the individual entity accounts level. The RAA submits the AAR which comprises of unresolved audit findings issued during the calendar year in the individual financial and compliance audit reports to the Parliament. The AAR contains certification of consolidated financial statements of the Royal Government of Bhutan.

The RAA places emphasis on personal accountability in holding individuals accountable for their PFM responsibilities and imposing personal sanctions until rectification is complete. Article 25 of the Constitution of Bhutan provides for the appointment of a five-member PAC to review and report on the AAR of the RAA or on any other report presented by the Auditor General. The PAC is a joint committee of both Houses of Parliament (with members from the ruling and opposition parties) and is governed by the Rules of Procedure of the Public Accounts Committee, 2015.

The Royal Monetary Authority (RMA) is the Central Bank. The Government's banking services for payment and revenue collection are managed by the Bank of Bhutan Limited (BoBL), a Government owned public corporation.

The Public Expenditure Management System (PEMS), is the basis for budget execution, in-year reporting and annual financial reporting, and covers the revenue and expenditure of all Government budgetary bodies. Externally financed projects are fully accounted in the Budget Reports and AFS. It is mandatory for all budgetary agencies to initiate process and complete transactions and accounts in the PEMS on a daily basis. The PEMS does not cover revenues and expenditures of public enterprises, the NPPF and some trusts.

Strategic issues, Outcomes and Outputs

The strategic issues were identified on the basis of SAI PMF assessment, Stakeholder Assessment, and SWOT analysis. We also took cognizance of Covid-19 in recognising impending challenges and risks to effective delivery of audit services and developing appropriate strategies and priorities during the period.

Strategic Issues

1. How can RAA contribute to improve the PFM system, improved compliance to laws and regulations and government performance when there is a lack of implementation of audit recommendations? In responding to this strategic issue, the RAA needs to forge strategies in following areas:

    a. Improvement in quality of reports (through QC and QA, methodologies);
    b. Scaling up follow-up mechanism for implementation of audit recommendations;
    c. Enhancing audit coverage (Consolidation of financial statements at central level and consolidating audit resources); and
    d. Sustaining human resource capacity.

2. How can RAA improve its internal governance to be perceived as a model organisation? Following areas need to be focussed in addressing this issue:

    a. Improving performance management and accountability of RAA;
    b. Reinforcing integrity and ethical practices in system and operations; and
    c. Improving work environment of RAA.

3. How can RAA strengthen collaboration with stakeholders to be perceived as rendering more value and benefits to the lives of Bhutan's citizens when there is a lack of communication strategy and the stakeholder engagement that is not at the desired level? The following area needs to be focused in addressing this issue:

    a. Scaled up engagement with different stakeholders based on interest and influence including gender and inclusiveness; and
    b. Citizens Participatory Audits through engaging citizens in audit process.

4. How can RAA ensure high quality audits when it is facing budget reductions and other restrictions due to Covid-19, including restrictions on travels, visiting the offices of the audited entities and reduced access to information and data for auditing? This would entail continuous risk assessment and reprioritising agencies for audit, leveraging ICT to enhance audit efficiency and taking up audit related to government expenditure in responding to current pandemic and also considering reviewing response programmes of government as deemed desirable.

RAA's Result Framework

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 (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 public sector

Outcome 1 — Improved public sector performance and accountability

OUTPUT

- High Quality Audit Reports
- Improved follow-up mechanism for implementation of audit recommendations
- Integration and consolidation of financial statements at appropriate levels
- Enhance Human Resource capacity

Outcome 2 — Higher credibility and reputation of RAA

- Strengthened Performance Management System and reporting
- Reinforced integrity and ethical practices in systems & operations
- Leveraged ICT and Solutions
- Augmented Workspace & Facilities
- Reinforced Research & Development

Outcome 3 — Sustained collaboration with stakeholders

- Scaled up communication with Stakeholders
- Improved relevance of audit works through citizens Participatory Audits
- Increased awareness of audit and accountability system

Core Values

- Accountability
- Team Work
- Professionalis
- Integrity
- Transparency

Rationale for the Outcomes

In order to be able to contribute to long term impact, the RAA's outcomes basically represent those medium to long term changes in society that RAA can substantially contribute to. The RAA may not have full control and influence over the achievement of the outcomes but it can have significant degree of control and influence over the process. The SP 2020-25 identified three outcomes based on the strategic issues.

i)   Improved public sector performance and accountability;
ii) Higher credibility and reputation of RAA; and
iii) Sustained collaboration with stakeholders.

OUTCOME 1: IMPROVED PUBLIC SECTOR PERFORMANCE AND ACCOUNTABILITY

This outcome seeks to partner with the Government and public sector in achieving the goals and objectives of 12th Five Year Plan (FYP) through its oversight and insight role. The topics for performance and compliance audits shall be based on the development priorities of the government as reflected in the 12th FYP document. The prioritisation of topics shall be done during the annual planning.

The RAA has carried out the performance audit of Preparedness for Implementation of Sustainable Development Goals (SDGs) in 2018 and submitted its report to the Parliament. The review was conducted as a cooperative audit initiated by the KSC-IDI (INTOSAI Knowledge Sharing Committee – INTOSAI Development Initiative). During the next five years, RAA will engage with Royal Government on reporting on the progress of SDGs and other priority areas in the Government's Planning Framework.

Besides, the RAA will look for cross sectoral themes such as gender equality, inclusiveness and diversity to assess the overall performance of the Government in realising the SDGs.

The RAA looks to ensure that audit results yield desirable impact in strengthening accountability, transparency and integrity in the public sector. If those charged with governance do not act on audit reports and recommendations, positive change in the public sector governance may be impeded and overall accountability mechanism may be undermined. This may lead to erosion of trust in Government and public sector potentially undermining the principles of good governance. However, the RAA must also be mindful of critical factors that would persuade Government and public sector to act on its reports and recommendations. The most fundamental pre-requisites are desirable attributes of the reports and recommendations itself and the timeliness in the issue of audit reports. It is to say that the results of RAA must be of high quality having potential to render basis for good decisions and observe timeliness of conducting audits and issuing reports. Thus, the RAA needs to be conscious of producing timely and high quality audit reports and forward looking and implementable recommendations.

However, even if systems and processes are in place to ensure good quality audit results, the apathetic attitude of those charged with governance may impede adherence to its reports and recommendations. In exercising its powers to promulgate accountability in the public sector, such cases may warrant stricter enforcement of accountability

mechanism to hold government and public sector entities accountable for their actions. The RAA shall look into reinforcing accountability mechanism in the government and public sector.

The other aspect is ensuring that subject matter chosen for RAA's review are relevant and of high importance to attract interest of stakeholders and authorities. The RAA needs to respond to emerging risks and challenges faced by the citizens including differently abled section of society and also factor in stakeholders' expectations in terms of selecting subject matters for reviews. This shall include audits related to Covid-19/ Health system/ preparedness and response to emergencies including looking from gender and inclusiveness lens.

Engagement of relevant stakeholders and factoring in their views and concerns in the selection of topics and subject matter therefore, is critical to produce relevant audit results. The RAA can conduct trend analysis of past issues and recommend relevant authorities/PAC for appropriate directives to entities to act upon audit recommendations.

The RAA has identified critical outputs that can significantly contribute to achievement of this outcome.

Output 1.1: High Quality Audit Reports

The audit reports are the end product of the entire audit processes involved in review of entity, programme or activities. High quality audit reports are those that meet the basic desirable criteria or the attributes such as significance, reliability, objectivity, scope, timeliness, clarity and effectiveness. In order to produce reports that possess these attributes, it is essential that the whole processes of audit are managed.

The RAA shall reinforce its quality management process including both Quality Control and Quality Assurance functions to ensure better quality audit results. The audit topics selection for performance and compliance audits shall be done in the manner that addresses the concerns of society at large and responds to emerging risks and challenges. The RAA will embark on thematic audits on government development programmes, SDGs and cross cutting issues such as gender equality, inclusiveness and diversity. In demonstrating relevance of RAA, the performance audits and financial audits of expenditure related to Covid-19 will be taken up during the period. Besides, the RAA will also focus on thematic reviews in areas of financial management system while conducting financial and compliance audits. The RAA will also continue system of producing AG's Advisory Series to report on specific reviews on matters of national importance that need policy interventions of authorities. The RAA shall also issue occasional papers on emerging/concurrent and operational issues that need to be remedied at the specific agency level in course of implementation.

In ensuring delivery of above results, the RAA needs to build capacity in terms of R&D, systems and process, and IT auditing tools must be ensured during the period.

Output 1.2: Improved follow up mechanisms for implementation of audit recommendations

Having in place an effective and efficient follow mechanism is critical in ensuring adherence to audit recommendations and also holding responsible agencies/individuals accountable. The RAA has a unique system of holding individual officials accountable for the lapses reported during financial, performance and compliance audits. Such a system allows the RAA to enforce accountability within the public sector. Therefore, RAA shall reinforce follow up mechanism to ensure that timely remedial/corrective actions are initiated by the audited agencies. The RAA will basically focus on ensuring regular follow up of reports and reporting, reinforcing accountability for inactions, trend analysis of past issues, and submit reports of compliance to appropriate authorities.

Output 1.3: Integration and consolidation of financial statements at appropriate levels

The SAI PMF assessment has identified that the challenges of ensuring adequate financial audit coverage is basically due to practice of certifying individual LC/PLC accounts operated by agencies. The audit universe for financial audits is thus, scattered and fragmented. The report recognises that undertaking separate audit for individual LC/PLC accounts results in duplication of process and resources. Further, the present system of considering all budgetary agencies as a separate audit entity irrespective of hierarchy of functions and authorities seem to slacken financial controls in the overall PFM system. The RAA is not able to provide assurances on the overall sectoral/functional financial outcomes as the financial audit at the consolidated accounts cannot be performed in the absence of consolidated financial statements at the Ministry or Central agency level. There is a need for persuading MoF to integrate smaller (agency specific) accounts and consolidate at the Central/Ministry and agency levels. This would enable RAA to consolidate its audit activities/resources and provide holistic opinion on specific sector/programme or functions of the Government.

Specific studies or consultation with relevant stakeholders needs to be initiated and piloted in the initial years of the Strategic Plan period. The adoption of proposed system will depend on viability determined through piloting the certification of consolidated accounts. The RAA will re-define the audit universe based on these exercises.

Output 1.4: Enhanced Human Resource capacity

The RAA will sustain its effort in building and enhancing Human Resource capacity. The HR development activities shall be prioritised through development and implementation of Human Resource Strategy. The RAA is in the process of drafting Human Resource Strategy which shall be a blue print to guide the RAA in management and development of its human resource for next five years and shall take into consideration the gender and inclusiveness aspects.

OUTCOME 2: HIGHER CREDIBILITY AND REPUTATION OF RAA

This outcome is basically about RAA striving to be being a model organisation. To be one, the RAA must uphold the principles of good internal governance, transparency and accountability, ensure compliances to professional code of ethics, strive for service excellence and quality and ensure its professional competencies.

The SAI PMF assessment results show various progressive developments in this sphere, but also suggest areas which need reinvigoration. With committed leadership, RAA has always been keen on improving overall governance of the organisation. It has voluntarily subjected itself to series of external scrutiny of its operations and performance. The SAI PMF assessment conducted in 2015 and 2019, Peer Reviews, Stakeholders' Satisfaction Survey 2016, and annual audit of its accounts and operations are some of the initiatives in subjecting itself to independent external scrutiny.

The RAA through this Strategic Plan looks forward to augmenting organisational performance management system, existing practices of internal governance, reinforcing code of ethics. The RAA shall focus on following outputs in order to support this outcome.

Output 2.1: Strengthened performance management system and reporting

The SAI PMF indicated that the performance reporting of RAA is merely an activity based reporting. The current strategic plan (2015-2020) does not have comprehensive performance indicators to measure its performance which is identified as sole reason for not being able to report its performance. In order to exemplify accountability of the audit institution for the use of public resources, the RAA will have a system in place for reporting its performance to the Parliament. Through this Strategic Plan, the RAA shall have performance indicators for various outputs and outcomes against which its performance would be measured periodically. The operational planning process is also being improved following the same methodology as the strategic planning process. The RAA also intends to promote accountability amongst Departments, Divisions, Sections and Units, and individuals through an annual performance compact to commit achievement of agreed targets at all levels. This will also be tied to performance incentives and awards.

Output 2.2: Reinforced integrity and ethical practices in systems and operations

For RAA to remain beyond reproach as far as the conduct of the auditors are concerned, the RAA will review existing professional code of conduct and reinforce mechanisms and safeguards in ensuring enforcement. The RAA will ensure that there is a continuous monitoring and assessment of compliance by the auditors. This shall also include outsourced auditing firms working on behalf of RAA.

Further, the RAA will continue to subject itself to independent external assessment of its work and performance. The RAA has been able to initiate benchmarking some of its

practices and systems to the international standards in a bid to improve its overall working systems.

The RAA will commit itself to implementing Organisational Integrity Plan and ensure continuous monitoring of its implantation. The RAA will ensure preparedness and readiness for conducting external independent assessment by peer SAIs and professional bodies. Besides, the RAA will ensure continuous assessment of internal control system in critical areas of operations through regular internal audits.

Output 2.3: Leveraged ICT and Solutions

The RAA will focus on leveraging ICT for improved efficiency of processes and operations of RAA and delivery of audit services. The existing information systems such as Audit Information Management System (AIMS) and Audit Resource Management System are being upgraded. The RAA shall continue to upgrade the additional IT systems to suit the changing needs for various decision making and delivery of services. Besides, in terms of improving management of its assets, the RAA will explore opportunity for development or adoption of appropriate system for asset management.

Output 2.4: Augmented Work space and facilities

The primary work space is the physical space provided to the staff with necessary equipment and amenities forming key part of working environment. Individuals spend substantial part of their time in office and it is only logical to foster an environment that drives away fatigue and fuel excitement for work. To make it more congenial and conducive, the RAA shall focus on providing adequate work space and facilities to boost morale and drive individual performance.

As far as the Head Office and two of the regional offices are concerned, the offices are housed in the independently owned building. The regional offices of Bumthang and Phuentsholing are housed in rented buildings. After securing budget, the construction of office building for Bumthang has already begun since May 2020. The process for commencing construction of office building for Phuentsholing has been halted due to current pandemic and RAA will continue to pursue with MoF in obtaining funds during the plan period. Even for head office, in view of constricted space, RAA will explore funds for building additional structures to ease congestions. Other measures to economise use of existing space and also to foster collaborative and open work culture as per the nature of auditing job, existing cubicles and partitions shall be reoriented as per the requirement.

Besides ensuring quality workspace with necessary facilities such as computers, printers, intercom, internet connections, and basic furniture, the RAA shall also explore additional facilities to be provided to staff for efficient performance of jobs.

Output 2.5: Reinforced Research and Development

With the growing need of the RAA, the existing research function shall be strengthened. The ToRs shall be reviewed and additional staff shall be deployed to ensure required

capacity to undertake research works. The Section shall on continuous basis conduct research, and scan environment to identify potential areas that RAA shall plan to undertake specific reviews or integrate appropriate auditing approaches in annual auditing to address the issues and challenges faced by the public sector. It shall also review the current audit methodologies and recommend measures to improve effectiveness of audits.

OUTCOME 3: SUSTAINED COLLABORATIONS WITH STAKEHOLDERS

The RAA will further build on established collaborations with various stakeholders. The primary focus of having effective collaborations with different stakeholders is to pursue common goals of promoting good governance.

The RAA had completed Stakeholders Analysis in 2018 and have developed communication strategies with different stakeholders based on degree of interests and influence. The RAA will continue to pursue these strategies during the period of this Strategic Plan.

Output 3.1: Scaled up Stakeholder Communication with stakeholders

The Stakeholders Analysis 2018 identified and prioritised various stakeholders of RAA based on degree of interest and influence. The report contains various communication strategies to engage with different stakeholders.

Output 3.2: Improved relevance of audit works through Citizen's Participatory Audits

The RAA has ventured into conducting pilot audits of Citizens' Participatory Audit basically to draw experiences for future engagements. The engagement was limited to suggesting development areas/programmes for audit in one of the local Governments. The RAA will develop guidelines for engaging citizens/beneficiaries throughout the audit process (topic selection to final report) and embark on such audits through a regular audit schedules.

Output 3.3: Increased awareness of audit and accountability system

Creating awareness about the work that RAA does and roles mandate by the Constitution and the Audit Act has been a continuous initiative of RAA. In the recent past, the RAA focused more on local government and community leaders. The RAA will continue to pursue sensitization and awareness to specific groups who are at pivotal place in promoting transparency and accountability. These include elected Members of Parliament, Local Government Leaders, NGOs, media, and others as may be considered critical. The RAA will also cater to educational institutions to create awareness amongst younger generations who are on the verge of taking up individual responsibilities in the government and public sector.

Appropriate resources and materials for awareness and sensitization shall be developed to cater to the needs of differently abled people. The RAA shall continue to collaborate with international peer organisations in terms of pursuing common interest.

Assumptions and Risks

Managing the assumptions and risks is the last key component in crafting the strategic plan. RAA analysed the assumptions and risks which could challenge the achievement of the outcomes and outputs. RAA formulated assumptions that enabled the presumed cause effect linkages i.e. fulfill the required capacities (institutional, organisational and professional) to achieve the outcomes and outputs.

The next step was to identify and assess the risk associated with the assumptions. The SWOT analysis (opportunities and threats) constituted an important source for risk identification. The impact and likelihood of the risks that may occur were carefully identified so that risks could be managed (prioritised) and mitigated with appropriate strategies, thereby reducing/minimising the impact on the achievement of outcomes and outputs. The set of assumptions and risk identified for each output shall be documented. It shall be constantly monitored, updated and managed.

Monitoring and Reporting

The monitoring framework which sets out the RAA's performance indicators, baselines milestones and targets shall be the basis for monitoring of performance. It shall contain the type of data and its source, frequency of measurements, methods and responsibilities of data gathering, verification and analysing. The monitoring framework is attached as **Appendix 4**. The Policy Planning Division (PPD) shall be the focal Division responsible for preparing the monitoring plan consistent with the monitoring framework. Other Divisions/Sections are responsible for maintaining the data on progress of performance as per the designed indicators of results.

The PPD shall prepare annual plans in consultation with Departments and Divisions. It shall carry out mid-year reviews of plan and produce annual performance report on annual basis.

At the end of the strategic plan period, the Division shall publish terminal report on the overall performance of RAA during the period.

Resourcing

The total resource allocated to RAA for the 12th Five Year Plan is Nu. 1,193.40 comprising of capital budget of Nu. 200.00 million and current budget of Nu. 993.40. The RAA will seek supplementary budgets based on the requirements. The allocation for the FY 2023-24 and 2024-25 shall be incorporated in the next five year plan of government.

Appendices

Parliament

Entrusts & Empowers

Delivers high quality audit reports for Parliamentary deliberations & resolutions

Accountable on implementation of planned activities and public service delivery

RAA's Stakeholders:
- Parliament
- Government
- Citizens
- Audit entities
- Donors
- Internal Peer Organisations/ ACC/ OAG/RCSC
- CSOs/ NGOs
- INTOSAI, ASOSAI, IDI and peers SAIs
- Media

ROYAL AUDIT AUTHORITY

RAA

Provides an independent views of public sector activities, service delivery and stewardship of public funds through financial, compliance & performance audit

Executive

The RAA Oversight Audit Model depicts the allocation of resources to the Executive by Parliament, to implement plans and programmes of the Government. The Government Executive is responsible and accountable to implement plans and activities and report to Parliament. The RAA, as an independent body, provides third party opinion on the accounts and operations of public entities to Parliament. From this relationship, the RAA draws its roles and responsibilities in promoting accountability.

Through the Model the RAA aims to increase the impact of its audit results through partnership with its stakeholders. The RAA considers Parliament, which is the representative of the citizens, as the key stakeholder in determining the effectiveness of its audit services. The Government and its agencies play a vital role in supporting the RAA to discharge its Constitutional Mandates. Peer institutions like the ACC, Judiciary and OAG are enablers for addressing effective accountability issues towards promoting good governance. For professional growth and collaboration, the RAA seeks to strengthen its ties with international organisations and bodies like INTOSAI, ASOSAI, IDI and regional bodies. The engagement of the media, CSOs and citizens is essential to attract

the attention of our stakeholders on the issue of efficiency and the effectiveness of the public resources accountability system in the country.

Through this all-embracing audit oversight model and by maintaining strong relationships with various stakeholders, the RAA seeks to deliver the intended results and fulfill the mandate as enshrined in the Constitution. Ultimately, the RAA aims to contribute to the achievement of national goals and objectives aligned to the GNH policy and also to meet the commitments of the SDGs to benefit the citizens of Bhutan.

The following diagram depicts the RAA's Strategic Management Framework and how it contributes to the achievement of national goals and objectives.
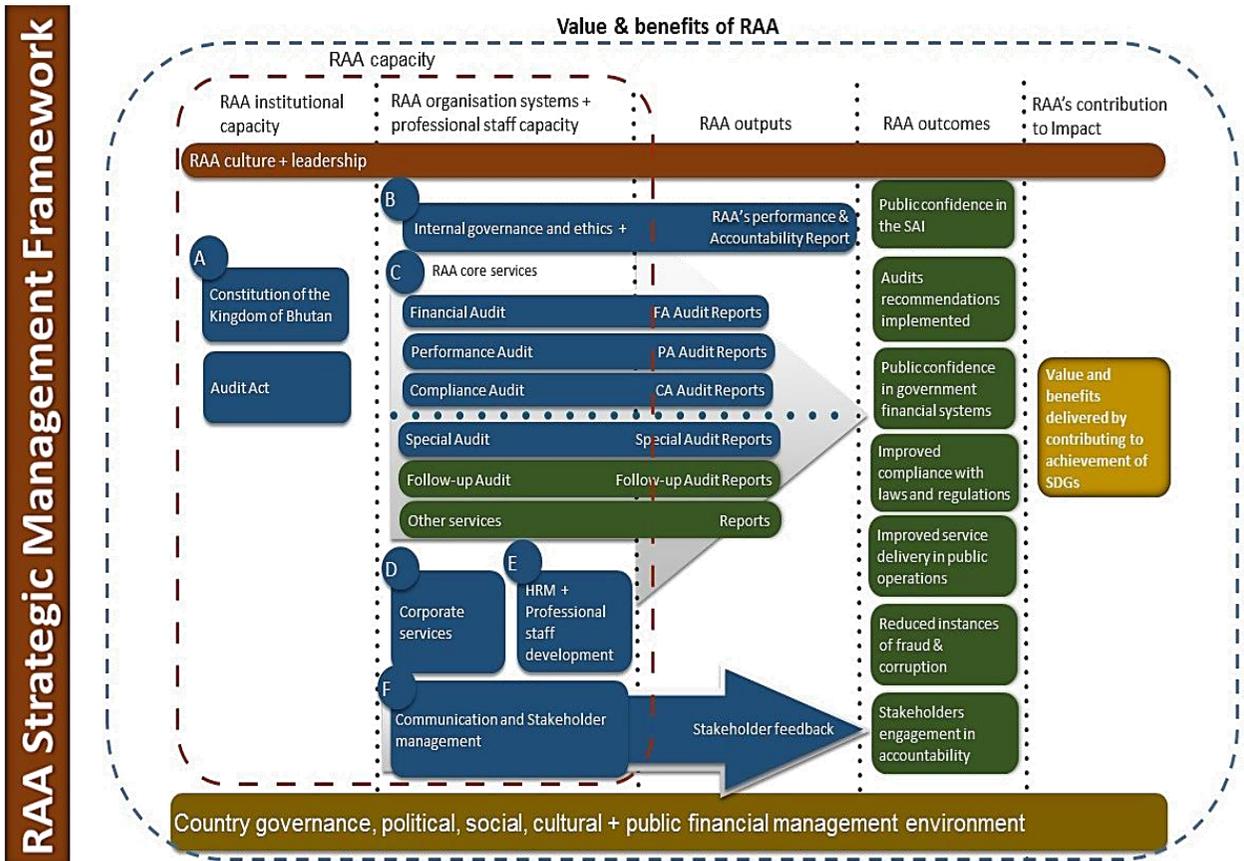
The legal mandate of the RAA is enshrined in the Constitution of the Kingdom of Bhutan 2008. The Constitution also provides for the RAA to be an independent authority, headed by the Auditor General. The Audit Act establishes the institutional framework and provides a detailed mandate and jurisdiction of audit. The Audit Act requires the RAA to conduct financial, performance and compliance audits. Therefore, the core service of the RAA is to conduct three streams of audit. Subsequent to endorsement of the first set of ISSAIs in XXth INCOSAI in 2010, the RAA has since embarked on ISSAI implementation initiatives. During the Strategic Plan period 2015-20, the RAA had successfully transitioned into conducting ISSAI compliant audits for all streams of audits and ISSAI was adopted as authoritative auditing standards for RAA.

The outcomes reflect the aspirations of the RAA to contribute towards society in providing value and benefits as the nation's Supreme Audit Institution. These shall guide all plans and programmes that the RAA will undertake during the period.

AUDITOR GENERAL

ADVISORY COMMITTEE

RESEARCH AND QUALITY ASSURANCE DIVISION

DEPUTY AUDITOR GENERAL DIRECTORATE OF SERVICES

- PROFESSIONAL DEVELOPMENT CENTRE, TSIRANG
- POLICY AND PLANNING DIVISION
- ADMINISTRATION AND FINANCE SECTION
- ICT DIVISION
- HR & INTERNATIONAL RELATIONS DIVISION
- LEGAL SERVICES

DEPUTY AUDITOR GENERAL DEPARTMENT OF PERFORMANCE AND COMPLIANCE AUDIT

- PERFORMANCE AUDIT DIVISION
- THEMATIC AUDIT DIVISION
- COMPLIANCE AND OUTSOURCED AUDIT DIVISION

DEPUTY AUDITOR GENERAL DEPARTMENT OF FOLLOW-UP AND REGIONS

DEPUTY AUDITOR GENERAL DEPARTMENT OF SECTORAL AUDIT

- GENERAL GOVERNANCE DIVISION
- RESOURCE, TRADE, INDUSTRIES AND COMMERCE DIVISION
- SOCIAL, COMMUNICATION AND INFORMATION DIVISION

- FOLLOW-UP AND CLEARANCE DIVISION THIMPHU
- OFFICE OF THE ASSISTANT AUDITOR GENERAL BUMTHANG
- OFFICE OF THE ASSISTANT AUDITOR GENERAL PHUNTSHOLING
- OFFICE OF THE ASSISTANT AUDITOR GENERAL SAMDRUP JONGKHAR
- OFFICE OF THE ASSISTANT AUDITOR GENERAL TSIRANG

The Royal Audit Authority is the Supreme Audit Institution of the Kingdom of Bhutan. It has undergone a series of organisational and structural changes since its establishment as a mere Committee of Accounts and Audit in 1961. It was instituted as a department under the Ministry of Finance in 1974 and was declared as a fully autonomous body in 1985, when it was renamed as the Royal Audit Authority. As it went through these changes, the Royal Decrees of 1970, 1997, 1999, 2000 and 2005 bestowed strong mandates and reiterated the independence of the Royal Audit Authority. Recognising the significant role of the RAA in promoting good governance and financial discipline through auditing and reporting on prudent and effective use of public resources, the RAA was bestowed with constitutional status in December 2005.

In June 2006, the 85th session of the National Assembly passed the Audit Act of Bhutan 2006, providing the RAA with full organisational and functional independence and authority to determine and administer its own organisational structure, budgetary and personnel requirements. With the adoption of the Constitution of the Kingdom of Bhutan in 2008, the RAA derives its mandate from the Constitution and the Audit Act of Bhutan 2018.

With the mandate to audit and report on the economy, efficiency and effectiveness in the use of public resources, the RAA is bestowed with vast jurisdiction covering ministries and departments; offices under legislature and judiciary; all public authorities and bodies administering the public funds; the police and the armed forces; public and other monies received; the advances and reserves of Bhutan. In line with the Constitution of the Kingdom of Bhutan, the RAA provides an independent, unbiased, fair and balanced opinion to His Majesty the King, Parliament and the Prime Minister on the use of public resources and of the stewardship of public funds through auditing and reporting without fear, favour and prejudice.

The RAA's organisational model is the Westminster Model, headed by the Auditor General whose term is five years or 65 of age, whichever is earlier. It has four departments, namely the Department of Follow-Up and Regions; Department of Sectoral Audit; Directorate of Services and the Department of Performance and Compliance Audits, each headed by Deputy Auditor General. It has 10 divisions; six auditing divisions and four non-auditing divisions at the headquarters, four regional offices located in the East, West, Central and South. The RAA currently has 281 employees comprising of 88 females and 187 males. Its human resources form a part of Royal Civil Service and are governed by the Civil Service Act of Bhutan 2010.

| INDICATORS | Baseline 2019 | Milestones | | | | | Target 2020-25 | Data | Frequency | Source & Methods | Responsibilities |
		2020-21	2021-22	2022-23	2023-24	2024-25					
OUTCOME ONE: IMPROVED PUBLIC SECTOR PERFORMANCE AND ACCOUNTABILITY											
Indicator one definition: Improvement in score of Corruption Perceptions Index as per Transparency International	68/100	>68	>68	>68	>68	>68	>68	Scores out of 100	Annual as per publication of Transparency International	Scores as per publication of Transparency International	PPD
Indicator two definition: Public Expenditure and Financial Accountability on RAA PEFA 2016, Performance Indicators P-30 (External Audit) and P-31 (Legislative scrutiny of audit reports)	P-30: B+ P-31: B+						A A	Scores	Based on publication of assessment report	Scores as per PEFA assessment scores	PPD
OUTPUT ONE: HIGH QUALITY AUDIT REPORTS											
	CA - 3	CA - 2	CA - 2	CA - 2	CA - 2	CA - 2	CA - 2		Annual		RQAD

INDICATORS	Baseline 2019	Milestones					Target 2020-25	Data	Frequency	Source & Methods	Responsibilities
		2020-21	2021-22	2022-23	2023-24	2024-25					
Indicator one definition: Numbers of audit reports selected for QA review (CA, FA & PA)	FA - 14	FA - 7	FA - 7	FA - 7	FA - 7	FA - 7	FA - 7	No. of reports selected for QA review	Annual	RQAD shall consider those reports selected for QA review during the year	
	PA - 0	PA - 2	PA - 2	PA - 2	PA - 2	PA - 2	PA - 2		Annual		
	OA - 0	OA - 3	OA - 3	OA - 3	OA - 3	OA - 3	OA - 3		Annual		
Indicator two definition: Percentage of QA requirement/standards met (CA, FA, PA)	NA	50%	55%	60%	65%	70%	70%	Quantified results of QA review report	Annual	The RQAD shall adopt appropriate methods of calculating percentage of reports that meet critical compliance requirements for each type of audit.	RQAD
Indicator three definition: Audit Coverage	FA (%)- Dimension score - 2, 64.25% (2017-18SAI PMF 2020-21)	73% (2019-2020 AAS and audit universe)	>75	>80	>85	>90	>90	Percentage of audit conducted against financial audit universe	Annual	ARMS and APEMS. It shall be calculated based on number of audits completed (consider actual completion date) during the year divided by total FA universe. It may be noted that audits of previous AAS may actually end during current year and audits planned during current year may not be completed during the current year. Therefore, data of audit completed needs to be segregated using information in the ARMS.	PPD
Indicator three definition: Audit Coverage	CA (No.) - Audit coverage of 0 for	14	14	14	14	14	14	Number of CA completed during the year	Annual	ARMS and APEMS. The PPD shall besides collecting number of compliance audit reports conducted, must carry out qualitative analysis	PPD

INDICATORS	Baseline 2019	Milestones					Target 2020-25	Data	Frequency	Source & Methods	Responsibilities
		2020-21	2021-22	2022-23	2023-24	2024-25					
	2017-18 as per SAI PMF 2020-21									of compliance audit coverage considering sector coverage as per the suggested guidance of SAI PMF and report accordingly. Other considerations that need to be given are coverage in terms of SDGs encompassing the themes of gender equality, inclusiveness and diversity across government and public entities.	
Indicator three definition: Audit Coverage	PA (No.) - Dimension Score of 3 as per SAI PMF 2020-21	3	4	6	6	8	8	Number of PA completed during the year	Annual	ARMS and APEMS. The PPD shall besides collecting number of performance audit reports conducted, must carry out qualitative analysis of compliance audit coverage considering sector coverage as per the suggested guidance of SAI PMF and report accordingly. Other considerations that need to be given are coverage in terms of SDGs encompassing the themes of gender equality, inclusiveness and diversity across government and public entities.	PPD

INDICATORS	Baseline 2019	Milestones					Target 2020-25	Data	Frequency	Source & Methods	Responsibilities
		2020-21	2021-22	2022-23	2023-24	2024-25					
Percentage of audit reports completed during the year which are published within 3 months for FA and 6 months for CA and PA.(within completion of field audit)	FA (%)-Dimension Score-4 (SAI PMF)	>70	>75	>80	>85	>90	>90	Number of FA reports issued within 3 months of completion	Annual	ARMS and APEMS. Consider those reports issued during the year.	PPD
	CA (%)-Dimension Score-4 (SAI PMF)	100%	100%	100%	100%	100%	100%	Number of CA reports issued 6 months of completion	Annual	ARMS and APEMS. Consider those reports issued during the year.	PPD
	PA (%)Dimension Score-4 (SAI PMF)	100%	100%	100%	100%	100%	100%	Number of PA reports issued within 6 months of completion	Annual	ARMS and APEMS. Consider those reports issued during the year.	PPD
OUTPUT TWO: IMPROVED FOLLOW UP MECHANISM FOR IMPLEMENTTION OF AUDIT RECOMMENDATIONS											
Indicator one definition: **F**ollow up reports issued	FA (%) - NA	100%	100%	100%	100%	100%	100%	Number of follow up reports and number of reports falling due for follow up based on ATR	Half yearly	FUCD. Consider listing number of reports falling due for follow up based on ATR during the year and number of follow up reports issued within one month from ATR against those and express it in percentage. Consideration may also be given to repeat follow up reports issued based on frequent action taken reports and qualitatively indicate as performance of follow up activities.	FUCD collaboration with follow up section of OAAGs

INDICATORS	Baseline 2019	Milestones					Target 2020-25	Data	Frequency	Source & Methods	Responsibilities
		2020-21	2021-22	2022-23	2023-24	2024-25					
										For this separate information needs to be maintained by FUCD and Regions.	
Indicator one definition: Follow up reports issued	AAR(No.) - 2	AAR – 1	AAR – 1	AAR – 1	AAR – 1	AAR – 1	AAR – 1	No. of follow up reports of AAR submitted to PAC	Annual	FUCD. No of follow up reports on AAR submitted to Parliament based on parliamentary directives and regular follow up.	FUCD & Regions
Indicator one definition: Follow up reports issued	PA - NA	100% as per implementation deadline in the MAP						No. of follow up reports issued based on action taken on recommendations.	Annual	As per deadline of MAP	FUCD in consultation with PAD and TAD.
Indicator one definition: Follow up reports issued	CA - NA	100% as per due date for ATR						No. of follow up reports issued based on action taken on recommendations.	Annual	AS per ATR date	FUCD in consultation with COAD.
OUTPUT THREE: INTEGRATION AND CONSOLIDATION OF FINANCIAL STATEMENTS AT APPROPRIATE LEVELS											
Indicator one definition: No. of consolidated audits conducted		1	>20	>20	>20	>20	>20	No. of audit conducted at consolidated accounts level	Annual from second year	Divisions responsible for undertaking audit of consolidated accounts level should maintain the records as per AAP	PPD and relevant Division
OUTPUT FOUR: ENHANCED HUMAN RESOURCE CAPACITY											
Indicator one definition: Development and	NA	Indicators for human resource development and management shall be as per the KPIs developed as per HR Strategy. The activities shall be annualised in the operational plans.						HR Development & Management	Annual	Annual HR Report prepared by HRD. It shall encompass all HR Management and	HRD and PDC

INDICATORS	Baseline 2019	Milestones					Target 2020-25	Data	Frequency	Source & Methods	Responsibilities
		2020-21	2021-22	2022-23	2023-24	2024-25					
Implementation of HR Strategy								activities and targets as per HR strategy		Development activities including recruitment, training and development, wellbeing, succession planning, performance management etc. All trainings delivered and organised by Professional Development Center shall also be taken care in this report.	
OUTCOME TWO: HIGHER CREDIBILITY AND REPUTATION OF RAA											
Indicator one definition: Positive stakeholder perception of RAA (on scale of 1 to 10)	**2016**			Methodologies to be developed and assessment	assessment			Perception Index	Twice	Stakeholder Survey Report	PPD
Indicator two definition: Percentage of audit recommendations implemented by the audited agencies within the agreed timeframe	AAR	20%	30%	40%	50%	60%	60%	Recommendation issued and implemented	Annual	Parliamentary Directives and information of recommendations maintained by specific agencies. The number of recommendations implemented should be qualitatively reviewed based on parliamentary directives/resolutions and action taken by intended authorities and agencies and then express as percentage based on total number of recommendations issued.	PPD in collaboration with FUCD

INDICATORS	Baseline 2019	Milestones					Target 2020-25	Data	Frequency	Source & Methods	Responsibilities
		2020-21	2021-22	2022-23	2023-24	2024-25					
	PA	20%	30%	40%	50%	60%	60%	Recommendation issued and implemented	Annual	Based on Management Action Plan (MAP) of PA reports issued during the year as well as those recommendations of past PA reports falling due for implementation in the current year, the percentage of recommendations shall be expressed as percentage. It may need to be substantiated with qualitative assessment based on nature of recommendations.	PAD, TAD and FUCD
OUTPUT ONE: STRENGTHENED PERFORMANCE MANAGEMENT SYSTEM AND REPORTING											
		2020-21	2021-22	2022-23	2023-24	2024-25	2020-25				
Indicator one definition: RAA's performance reporting to its Stakeholders including RAA performance vis-a-vis the SP's output and internal audit	NA	Yes	Yes	Yes	Yes	Yes	Yes	Annual Audit Plan progress	Annual	Plan monitoring report maintained by PPD	PPD
OUTPUT TWO: REINFORCED INTEGRITY AND ETHICAL PRACTICES IN SYSTEMS AND OPERATIONS											

INDICATORS	Baseline 2019	Milestones					Target 2020-25	Data	Frequency	Source & Methods	Responsibilities
		2020-21	2021-22	2022-23	2023-24	2024-25					
Indicator one definition: Implemented Organisational Integrity Plan	NA	Yes	Yes	Yes	Yes	Yes	Yes	Assessment Report	Annual	Assessment Report	HRD
OUTPUT THREE: LEVERAGED ICT AND SOLUTIONS											
Indicator one definition: ICS strategy developed and implemented	NA	As per ICS strategy						Implementation of ICS strategies	Annual	Activities of ICS implemented as per the strategy	IT Division
OUTPUT FOUR: AUGMENTED WORK SPACE AND FACILITIES											
Indicator one definition: Infrastructure developed	0	As per infrastructure and facilities to be provided						Infrastructure developed and facilities provided	Annual	Adm and Fin Section. Record of infrastructure developed and facilities provided	Adm. & Fin Section
OUTPUT FIVE: REINFORCED RESEARCH AND DEVELOPMENT											
		2020-21	2021-22	2022-23	2023-24	2024-25	2020-25				
Indicator one definition: Research and Development Unit instituted and related research conducted	NA	Research activity targets set after establishing dedicated Section						Research Report	Annual	Research report	Spearheading Division and Research Unit
OUTCOME THREE: SUSTAINED COLLABORATION WITH STAKEHOLDERS											
Indicator one definition: No. of awareness and sensitization programmes conducted	NA	To be determined as per Communication Strategy						Implementation record of communication strategy	Annual	Record of communication strategy implemented	As per communication strategy

INDICATORS	Baseline 2019	Milestones					Target 2020-25	Data	Frequency	Source & Methods	Responsibilities
		2020-21	2021-22	2022-23	2023-24	2024-25					
Indicator two definition: Increased Media coverage on audit reports (number of news items on audit report in media)		Target to be determined as per communication Strategy						News on audit reports published in print media, discussed in social media, and broadcast media	Annual	Records maintained by media and communication focal person	Media focal person
OUTPUT ONE: SCALED UP COMMUNICATION WITH STAKEHOLDERS											
Indicator one definition: Continuous engagement with different stakeholders (as per protocols or strategy)	NA	As per RAA's Communication Strategy						Implementation record of communication strategy	Annual	Record of communication strategy implemented	As per communication strategy
OUTPUT TWO: IMPROVED RELEVANCE OF AUDIT WORKS THROUGH CITIZENS PARTICIPATORY AUDITS											
Indicator one definition: No. of audits conducted by engaging citizens	NA	1	2	2	4	4		Document of engagement of citizens in audit process	Annual	Divisions Concerned	Divisions concerned
OUTPUT THREE: INCREASED AWARENESS OF AUDIT AND ACCOUNTABILITY SYSTEM											
Indicator one definition: No. of awareness programme conducted for different stakeholders	NA	To be decided in the annual plan						Document of programmes conducted	Annual	Presentation and attendance and report on awareness programme. Concerned Divisions to submit report to PPD after the event	PPD and Division concerned.

ACTIVITY		SUB-ACTIVITY	TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
OUTCOME 1: IMPROVED PUBLIC SECTOR PERFORMANCE AND ACCOUNTABILITY									
OUTPUT 1.1: HIGH QUALITY AUDIT REPORTS									
1. Prepare Annual Plan	1.1	Obtain list of donor funded projects for annual audit	1st March	PPD	√	√	√	√	√
	1.2	Review audit universe and agency categorisation	1st March	PPD	√	√	√	√	√
	1.3	Prioritise topics for PA & CA	15th March	PAD, TAD & COAD	√	√	√	√	√
	1.4	Prepare Annual Audit Schedule (AAS)	15th May	Divisions & Regions	√	√	√	√	√
	1.5	Prepare Annual Work Plan of non-audit Divisions		Divisions	√	√	√	√	√
	1.6	Identify Thrust Areas for FA	15th May	PPD to coordinate with Divisions	√	√	√	√	√
	1.7	Develop modalities for thrust areas	7th June		√				
	1.8	Conduct Annual Plan meeting to finalise Annual Plan	15th June	PPD	√	√	√	√	√
	1.9	Endorsement of Annual Plan	21st June	Advisory Committee	√	√	√	√	√
2. Conduct audits (FA, CA & PA)	2.1	As per Annual Audit Schedule	30th June	All Audit Divisions	√	√	√	√	√
3. Conduct Quality Assurance (QA) review of past audits	3.1	Planning for QA review as per work plan		RQAD	√	√	√	√	√
	3.2	Conduct Review/Reporting as per work plan		RQAD	√	√	√	√	√
	3.3	Follow Up as per work plan		RQAD	√	√	√	√	√
4. Align AAR to AFS reporting period	4.1	Consult PAC & MoF on requirement to complete AFS and certification	March/April	PPD	√	√	√	√	√
	5.1	Restructuring Annual Audit Report format	April/May	AAR Task Force	√				

ACTIVITY	SUB-ACTIVITY		TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
5. Publish Annual Audit Report (AAR)	5.2	Identification of drafting team	May/June	PPD/Technical Committee	√	√	√	√	√
	5.3	Drafting AAR	July	AAR Drafting Team	√	√	√	√	√
	5.4	Vetting by the AAR Technical Committee	September	AAR Drafting team & Technical Committee	√	√	√	√	√
	5.5	Publication and submission	October	PPD	√	√	√	√	√
6. Empanel Professional Audit Firms	6.1	Determine agencies to be outsourced in addition to existing entities	August	Audit Committee		√			
	6.2	Notification inviting expression of interest	September	Audit Committee		√			
	6.3	Conduct due diligence of short listed firms	January	Audit Committee		√			
	6.4	Finalisation and Approval of empanelment	March	Audit Committee		√			
7.Outsource audits of Incorporated Companies, Civil Society Organisations (CSO) and Religious Organisations (RO)	7.1	Appointment of auditors for government incorporated companies	November	Audit Committee	√	√	√	√	√
	7.2	Appointment of auditors for ROs, CSOs, cooperatives and others	based on request	Audit Committee	√	√	√	√	√
	7.3	Monitoring of audit of government incorporated companies and issue of reports	December to June	Audit Committee	√	√	√	√	√
10. Conduct pilot concurrent Audits	8.1	Develop modalities for concurrent audit	15th March	AAG, SCID and team		√			
	8.2	Select, plan areas for concurrent audit and conduct audit	15th March	Auditing Divisions		√	√	√	√
11. Update Compliance Audit guidelines	9.1	Workshop			√				
	9.2	Approval	30.05.2021			√			
12. AG Advisory Series	10.1	Identify potential areas and topics				√	√	√	√
	10.2	Planning and Execution				√	√	√	√
	11.3	Reporting and presentation				√	√	√	√
13. Occasional Paper	12.1	Identify topics by teams/divisions/departments on quarterly basis				√	√	√	√
	12.2	Conduct review and report				√	√	√	√
14. Apply big data and data analytics	14.1	Formation of a pool of data analytical experts	Jun-21	ICTD/All functional Divisions	√				

ACTIVITY		SUB-ACTIVITY	TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
	14.2	Exploration and acquisition of analytical tools	Jun-22	ICTD/Task Force/AFS	√	√			
	14.3	Train pool of experts and further train auditors on the use of tools	Jun-23	ICTD/Expert Pool		√	√		
	14.4	Pilot use of analytical tools in audits	Jun-24	Respective Division			√	√	
15. Use of data visualisation	15.1	Exploration and acquisition of data visualisation tools	Jun-22	ICTD/Task Force/AFS	√				
	15.2	Train auditors on the use of tools	Jun-23	ICTD/Expert Pool		√	√		
	15.3	Use data visualisation in audit reports	Jun-24	Respective Division/Expert pool		√	√	√	√
16. Implement online/remote auditing	16.1	Consult with MoF and other relevant agencies to agree on the modality of sharing data	Jun-22	ICTD/PPD		√			
	16.2	Setting up a server to archive data dumps from audited agencies/use ePEMS	Jun-22	ICTD/PPD/AFS		√			
	16.3	Use emails/video/tele-conference for conducting audit	Jun-21	ICTD	√				
17. Automate routine audit processes	17.1	Identify routine processes that can be automated to improve efficiency (FA, PA, CA) and study how these processes can be automated	Jun-25	ICTD/Experts			√	√	√
	17.2	Automate the identified processes	Jun-25	ICTD			√	√	√
18. Application of Artificial Intelligence (Machine Learning) in audits - Innovations	18.1	Train ICT professionals in AI and Machine Learning	Jun-25						√
	18.2	Create Innovation lab with ICT facilities to conduct research	Jun-25	ICTD					√
	18.3	Conduct R&D on how AI can be incorporated in auditing process to enhance efficiency; how ARMS can be converted to SMART system	Jun-25						√

ACTIVITY		SUB-ACTIVITY	TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
19. Explore Mobile Apps	19.1	Explore Mobile Apps that assist auditors while carrying out physical verifications (E.g. measuring quantities, lengths, calculating the area, etc.) and recommend appropriate Apps to be used	Jun-23	ICTD/All functional Divisions		√	√		
OUTPUT 1.2: IMPROVED FOLLOW-UP MECHANISM FOR IMPLEMENTATION OF AUDIT RECOMMENDATIONS									
1. Conduct follow-up of audit reports after ATR	1.1	Planning follow-up of audit reports based on AAS	15th March	FUCD	√	√	√	√	√
	1.2	Conducting review		FUCD	√	√	√	√	√
	1.3	Finalisation and submission of follow-up reports		FUCD	√	√	√	√	√
2. Conduct follow-up of unsettled audit reports	2.1	Conducting aging analysis of unsettled audit issues from the AIMS	15th March	FUCD		√	√	√	√
	2.2	Intimation to agencies		FUCD		√	√	√	√
	2.3	Review and updation of status		FUCD		√	√	√	√
	2.4	Enforce accountability through further recommendations		FUCD		√	√	√	√
3. Pursue for finalisation of RoP for PAC and RAA	3.1	Study the existing RoP of the PAC to identify areas for augmentation of collaborative mechanism		FUCD/PPD	√				
	3.2	Consultation meetings with PAC		FUCD	√				
4. Submit review report of past AAR	4.1	Conduct review and determine status of past AARs		FUCD	√	√	√	√	√
	4.2	Preparation and submission of report	October	FUCD	√	√	√	√	√
5. Submit review report of PA	5.1	Conduct review and determine status of past PA reports		FUCD along with PAD/TAD	√	√	√	√	√
	5.2	Preparation and submission of report	April		√	√	√	√	√
6. Conduct trend analysis of past audit issues to re-enforce audit recommendations, identify new areas for audit and to determine the impact of audit (considering issues reported in MAR)	6.1	Planning the review		PPD/Task force	√	√	√	√	√
	6.2	Orienting use of appropriate IT tools for data extraction and analysis		PPD/Task force	√	√	√	√	√
	6.3	Data analysis and reporting		PPD/Task force	√	√	√	√	√

ACTIVITY		SUB-ACTIVITY	TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
7. Implement Online and MBoB portal for Audit Recoveries Payment	7.1	Explore e-payment system for audit recoveries	Jun-21	ICTD	√				
	7.2	Integrate with AIMS	Jun-21	ICTD	√				
8. Conduct follow-up audit of Performance and Compliance audits	8.1	Identify from past audits	April/may	PAD, TAD & COAD	√				
	8.2	Planning the follow-up audits	April/May	PAD, TAD & COAD		√	√	√	√
	8.3	Conducting and reporting		PAD, TAD & COAD		√	√	√	√
OUTPUT 1.3: INTEGRATION AND CONSOLIDATION OF FINANCIAL STATEMENTS AT APPROPRIATE LEVELS									
1. Conduct consultation with MoF on consolidation of financial statements of government agencies	1.1	Bi-lateral meeting with MoF	31.03.2021	PPD	√				
	1.2	Consultation meeting with MoF	30.04.2021	PPD	√				
	1.3	RAA's proposal for consolidation of financial statements	31.05.2021	PPD	√				
	1.4	Piloting of audit at consolidated accounts level		PPD and assigned Division	√				
	1.5	Finalisation of modality for audit at consolidated level				√			
	1.6	Planning and conducting audit at consolidate accounts level				√	√	√	√
OUTPUT 1.4: ENHANCED HR CAPACITY									
1.Finalise and implement HR Strategy	1.1	Consultation and review of draft HR Strategy		HRIRD	√				
	1.2	Finalise and approve HR Strategy	March	HRIRD	√				
	1.3	Implementation as per Strategy		HRIRD/PDC	√	√	√	√	√
2. Create eLearning platform	2.1	Procure eLearning software & hardware	1-Jun-2025	ICTD/PDC			√		
	2.2	Set up eLearning environment in PDC (installation of hardware and software)	1-Jun-2025	ICTD/PDC			√		
	2.3	Pilot eLearning course (develop eLearning courses and deliver through the eLearning platform)		PDC & HRIRD				√	√
OUTCOME 2: HIGHER CREDIBILITY AND REPUTATION OF RAA									
OUTPUT 2.1: STRENGTHENED PERFORMANCE MANAGEMENT SYSTEM AND REPORTING									
1. Prepare strategic plan and annual plan	1.1	Prepare and finalise Strategic Plan 2020-2025		SP Team	√			√	√

ACTIVITY		SUB-ACTIVITY	TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
	1.2	Prepare and finalise Annual Plan		PPD	√	√	√	√	√
	1.3	Monitoring and review of Annual Plan		PPD	√	√	√	√	√
	1.4	Publish annual performance report of RAA		PPD	√	√	√	√	√
	1.5	Midterm and terminal review of SP					√		√
2. Implement Performance Compact system	2.1	Develop Performance Compact framework and modalities	April	Task Force	√				
	2.2	Draw Annual Compact Agreements	June	PPD	√	√	√	√	√
	2.3	Evaluate, and reward performances	July	HRIRD		√	√	√	√
3. Conduct RAA's performance assessment	3.1	Identify independent assessors						√	
	3.2	Appoint and conduct assessment						√	
OUTPUT 2.2: REINFORCED INTEGRITY AND ETHICAL PRACTICES IN SYSTEMS AND OPERATIONS									
1. Develop and Implement Organisational Integrity Plan	1.1	Activities relating to strengthening transparency and accountability and integrity system		HRIRD	√	√	√	√	√
	1.2	Activities relating to enhancement of integrity consciousness			√	√	√	√	√
	1.3	Activities relating to enhancing compliance to regulations			√	√	√	√	√
2. Reinforce ethical practices of employees	2.1	Intra-transfer guidelines revised and implemented		HRIRD	√				
	2.2	Institute system of logistic arrangement for field auditors & implement		AFS/OAAGs	√	√	√	√	√
	2.3	Review, and revision of AG's Standing Instructions		RQAD		√			
	2.4	Review and revision of code of good conduct, ethics and secrecy		RQAD		√			
	2.5	Feedback system for various levels from audited agencies		HR and ICT	√	√	√	√	√
3. Assessment of internal control	3.1	Define Terms of Reference for internal audit (include assessment of critical	31.3.2021	Audit Committee	√	√	√	√	√

ACTIVITY		SUB-ACTIVITY	TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
		functions (HR, Procurement, Store mgt., Audit recoveries etc.)							
	3.2	Appointment of internal auditors	June	Audit Committee	√	√	√	√	√
	3.3	Planning, Execution, Reporting and follow up of internal audit reports	July/August	Audit Committee	√	√	√	√	√
4. Conduct external audit	4.1	Conduct external audit of RAA			√	√	√	√	√
	4.2	Publish audited financial statement in AAR			√	√	√	√	√
OUTPUT 2.3: LEVERAGED ICT AND SOLUTIONS									
1. Implement ARMS	1.1	Integrate additional modules	Dec-21	ICTD	√				
	1.2	Train users	Jun-22	ICTD		√			
	1.3	Develop manuals and tutorial videos for users and publish	Feb-22	ICTD		√			
2. Develop information system	2.1	Develop asset inventory management system including online requisition	Jun-24	ICTD/AFS				√	√
	2.2	Integrate with ARMS	Jun-24	ICTD					√
	2.3	Implement asset inventory management system	Jun-25	ICTD/AFS					√
	2.4	Develop leave and attendance system (integrate biometric system)	Jun-25	ICTD/HRIRD					√
	2.5	Integrate with ARMS and implement the system (leave and attendance)	Jun-25	ICTD					√
	2.6	Integrate monitoring and reporting of Operational Plan in ARMS	Jun-21	ICTD/PPD	√				
	2.7	Install smart TV (at the entrance) to display management information on audits and other important events or milestones	Jun-21	ICTD/AFS/PPD/HRIRD	√				
3. Develop Mobile Apps	3.1	Mobile App to check audit observations by agencies/individuals and also to apply audit clearances; to remind auditors on audit schedules and to check audit statuses by the management ; to apply leave	Jun-25	ICTD				√	√

ACTIVITY	SUB-ACTIVITY		TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
OUTPUT 2.4: AUGMENTED WORK SPACE AND FACILITIES									
1. Review of Organisation structure	1.1	Conduct review of existing organisation structure		PPD	√				
	1.2	Pursue proposal for upgradation of ROs & PDC to Directorate Services		PPD	√	√			
	1.3	Draft proposal for revised/new Organisation structure		PPD/HRIRD			√		
2. Construct regional office buildings at OAAG, Bumthang and Phuntsholing	2.1	OAAG, Bumthang - drawings, designs and award of work		OAAG, Bumthang	√				
	2.2	Construction and completion			√	√			
	2.3	OAAG, Phuntsholing - drawing, design and estimates		OAAG, Phuntsholing	√	√			
	2.4	Construction and completion				√	√		
3. Extension of headquarter office	3.3	Drawing and estimates		AFS		√			
	3.2	Explore funding		AFS/PPD		√			
4. Provision of laptops	4.1	Develop modalities to procure laptop on cost sharing basis		ICTD/AFS		√			
	4.2	Proposal for disposal of old laptops at depreciated value to employees		ICTD/AFS		√			
	4.3	Approve and implement cost sharing basis for allotment of laptops		ICTD/AFS		√			
5. Provide crèche facility within office campus	5.1	Identify space in the office campus		AFS/OAAGs		√			
	5.2	Provide minimum facilities		AFS/OAAGs		√			
	5.3	Employ care taker		AFS/OAAGs		√			
6. Provide health kits	6.1	Arrangement for regular basic health checkup of employees and sensitization		AFS/OAAGs		√			
7. Social Activities	7.1	Arrangements for social and religious activities for spiritual well being		AFS/OAAGs		√			
8. Provision of common pantry with basic facilities	8.1	Identify space and set up facilities		AFS/OAAGs		√			
	9.1	Conduct assessment for establishing VPN	Jun-21	ICTD	√				
	9.2	Procure hardware/equipment	Jul-21	ICTD	√				

ACTIVITY		SUB-ACTIVITY	TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
9. Create Virtual Private Network (VPN) to facilitate mobility of auditors and work from home	9.3	Install or establish VPN in Head Office Thimphu	Jun-22	ICTD	√	√			
	9.4	Install or establish VPN in Regional Offices	Jun-22	ICTD		√			
10. Upgrade ICT infrastructure	10.1	Conduct assessment of the data center in the Head Office and Regional Offices	Jun-22	ICTD		√			
	10.2	Procure hardware (servers and network equipment) and necessary software	Jun-22	ICTD		√			
	10.3	Install Local Area Network in Head Office and Regional Offices	Jun-22	ICTD		√			
11. Build resilient cyber security internal network	11.1	Conduct vulnerability assessment of ARMS, RAA's Website and internal network	Jun-22	ICTD		√			
	11.2	Update ICT security policy	Jun-23	ICTD			√		
	11.3	Implement measures to address weaknesses identified from the assessment (this might entail procurement and installation of hardware and software related to security)	Jun-24	ICTD				√	
	11.4	Identify and establish DR site	Jun-24	ICTD				√	
OUTPUT 2.5: REINFORCED RESEARCH & DEVELOPMENT									
1. Conducting research and development works	1.1	Drafting ToRs			√				
	1.2	Strengthen Human Resource			√	√			
	1.3	Conducting R&D				√			
OUTCOME 3: SUSTAINED COLLABORATION WITH STAKEHOLDERS									
OUTPUT 3.1: SCALED UP ENGAGEMENT WITH STAKEHOLDERS									
1. Update content, security and uptime of the RAA's web page	1.1	Procurement of website templates and info graphics video templates	year long	ICTD/Focal person	√	√	√	√	√
	1.2	Hosting upgraded website	Jun-21	ICTD	√				
	1.3	Procurement of new servers for website	Jun-21	ICTD	√				
	1.4	Develop info graphic videos & publish on website and social media	year long	ICTD/Focal person	√	√	√	√	√

ACTIVITY		SUB-ACTIVITY	TARGET DATE	RESPONSIBLE	2020-25				
					1	2	3	4	5
2. Engage citizens in audit process	2.1	Finalise guidelines on citizens' Participatory Audit (CPA)	30.06.2021		√				
	2.2	Pilot CPA				√			
	2.3	Conducting CPA					√	√	√
3. Conduct audit awareness and sensitization	3.1	Design presentation for specific target audience (Parliamentarians, LG leaders, schools & institutions, Internal Stakeholders, etc.)	year long	ICTD/HRIRD/PPD	√	√	√	√	√
	3.2	Develop audios, visual materials like brochures & pamphlets about RAA and its services	year long	ICTD/Outsource	√	√	√	√	√
4. Creating various platform for interacting with stakeholders and soliciting audit topics through ICT (website or social media)	4.1	Creating chat or discussion forum on the website	Jun-21	ICTD/Focal person	√				
	4.2	Creating feedback on the website for getting suggestions for audit topics from the stakeholders	Jun-21	ICTD/Focal person	√				
5. Integrating with INTOSAI community	5.1	Undertaking cooperative audits			√				
	5.2	Participation in INTOSAI/ASOSAI Working Groups			√	√	√	√	√
	5.3	Collaboration with peer SAIs			√	√	√	√	√
	5.4	Participation in Capacity Building Initiatives			√	√	√	√	√

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"Every individual must strive to be principled. And individuals in the positions of responsibility must even strive harder"

- H.M THE KING JIGME KHESAR NAMGYEL WANGCHUCK

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