

PRESS RELEASE

In accordance with Article 25.5 of the Constitution of the Kingdom of Bhutan and Chapter 6, Section 111, 115 & 116 of Audit Act of Bhutan 2018, the **Annual Audit Report (AAR) 2022-2023** of the Royal Audit Authority has been submitted to The Druk Gyalpo and the Chief Advisor of the Interim Government. The report was tabled in the Joint Sitting of the Third Parliament on 11th October 2023.

A. AAR 2022-2023

The AAR 2022-2023 has been compiled from 379 audit reports issued from 1st July 2022 to 30th June 2023, including one performance audit report. Volume - I of the AAR contains audited Annual Financial Statement of the Royal Government of Bhutan for the financial year ended 30th June 2023 and summary of audit findings with irregularities amounting to Nu. 2,840.093 million observed as compared to Nu.7,525.50 million in 2021-2022. Despite the year recording the highest audit recoveries so far (i.e. Nu.202.5 million), such reducing trends in the irregularities reflect improved compliances to the extant norms, laws, rules and regulations of the government arising from the positive improvements in the objectivity and integrity of the public servants.

The Volume-II of the AAR contains the status of total irregularities of audit reports issued between 01st July 2022 and 30th June 2023.

The significant matters contained in AAR 2022-2023 include the following:

I) Certification of Annual Financial Statement (AFS) of the Royal Government of Bhutan

The RAA issued an unmodified (unqualified) audit report of the Annual Financial Statement of the Royal Government of Bhutan for the financial year ended 30th June 2023.

Highlights of Annual Financial Statements:

- Revised Budget Nu. 79,360.850 million
- Actual Expenditure Nu. 71,690.977 million
- Revised Capital Budget Nu. 43,611.951 million
- Actual Capital expenditure Nu. 33,798.154 million
- Underutilized Capital budget Nu. 9,813.797 million (22.50 % of revised capital budget)

II) Summary of Audit Findings for the reports issued from 1st July 2022 to 30th June 2023

Total irregularities reported in AAR 2022-2023

Nu. 2,840.093 million

Irregularities by categories

1. Fraud & corruption	Nu. 39.605 million
2. Non-compliance to laws & rules	Nu. 2,244.804 million
3. Shortfall, lapses & deficiencies	Nu. 555.683 million

The report also contains some of the tangible outcomes achieved during the year.

The AAR 2022-2023 is available on the RAA website www.bhutanaudit.gov.bt.

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(Tashi)
Auditor General

Date: 19th January 2024