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Bhutan Integrity House

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



RAA/AG-SP/04/2024-25/048

PRESS RELEASE

In accordance with Article 25.5 of the Constitution of the Kingdom of Bhutan and Chapter 6, Sections 111, 115 & 116 of the Audit Act of Bhutan 2018, the **Annual Audit Report (AAR) 2023-24** of the Royal Audit Authority has been submitted to His Majesty The Druk Gyalpo, the Prime Minister and the Parliament. The report was tabled in the joint sitting of the Second Session of the Fourth Parliament on 10th December 2024.

A. AAR 2023-24

The AAR 2023-2024 has been compiled from 525 audit reports issued from 1st July 2023 to 30th June 2024. Volume I of the AAR contains the audited Annual Financial Statement of the Royal Government of Bhutan for the financial year ended 30th June 2024 and summary of audit findings with irregularities amounting to Nu. 3,961.136 million observed during the period. Volume II of the AAR contains the status of total irregularities of audit reports issued between 01st July 2023 and 30th June 2024.

The significant matters contained in AAR 2023-24 include the following:

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

The RAA issued an unmodified (unqualified) audit report of the Annual Financial Statements of the Royal Government of Bhutan for the financial year ended 30th June 2024.

Highlights of Annual Financial Statements:

- Revised Budget Nu. 77,076.936 million
- Actual Expenditure Nu. 70,223.000 million
- Revised Capital Budget Nu. 32,949.727 million
- Actual Capital Expenditure Nu. 26,798.396 million
- Underutilised Capital Budget Nu. 6,151.331 million (18.67 % of revised capital budget)

The Auditor General's report on the AFS draws attention to the following:

We draw attention to Note 4.3 of the Financial Statements which describes the effect of Prior-year Adjustments. The Consolidated Statement of Cash Receipt and Payment (CSCR) for FY 2022-23 was restated due to the omission of Nu. 0.019 million in expenditure by the Ministry of Education and the double accounting of Nu. 0.797 million in cash balances by the Ministry of Agriculture and Livestock in both the opening and closing balances for FY 2022-23. This double accounting occurred due to the reclassification from Project Letter of Credit (PLC) to Letter of Credit (LC) and the data migration in the previous FY which was rectified in the current reporting period.

However, our opinion is not modified with respect to this matter.

Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder.
- His Majesty the King Jigme Khesar Namgyel Wangchuck

II) Summary of Audit Findings for the reports issued from 1st July 2023 to 30th June 2024

As reported earlier, during the year, the RAA reported total irregularities amounting to Nu. 3,961.136 million. Irregularities by categories

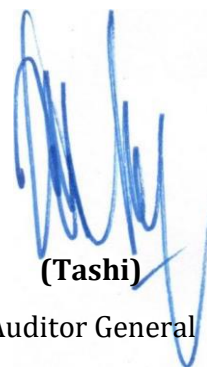
1	Fraud & Corruption	Nu. 15.762 million
2	Non-compliance to Laws, Rules & Regulations	Nu. 2,208.794 million
3	Shortfalls, Lapses & Deficiencies	Nu. 1,736.580 million

We are happy to note that looking at the trends in irregularities over the past 4 years, the overall irregularities have been reducing over the years reflecting 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.

We also recovered a total sum of Nu. 405.302 million through the audits carried out during the year. In addition, based on the insistence of RAA, 12 cases of works that were kept incomplete were made to complete and 91 cases of construction works have been rectified. The RAA has also recommended Administrative Actions against 150 officials across 33 agencies and as of today, they have taken Administrative Actions against 51 officials. Besides there are also many instances of improvement in business processes and cases where compliances have been assured.

We are also pleased to note that we have resolved 91% of the total outstanding audit observations pertaining to the financial years from 2010 to 2023 through vigorous follow-up exercise which also involved visiting all 20 Dzongkhags, three Thromdes and 2 Ministries.

The AAR 2023-2024 is available on the RAA website www.bhutanaudit.gov.bt.



(Tashi)
Auditor General

Date: 11th December 2024