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Royal Audit Authority



Review of the  
**STRATEGIC PLAN**  
*2020-2025*



## **FOREWORD**

It is with great pride and a deep sense of responsibility that I present this Strategic Plan Review of the Royal Audit Authority (RAA) for the period 2020-2025. As we complete the final year of our current strategic cycle, this review offers an opportune moment to reflect on our journey, assess our progress and draw critical lessons that will inform the development of the next Strategic Plan (2025-2030).

Since the adoption of the current plan in 2020, the RAA has carried out its mandate with steadfast commitment, despite encountering significant operational challenges ranging from resource constraints to evolving stakeholder expectations. The implementation of our strategic objectives has been guided by annual operational plans, with performance being regularly monitored and reported. This has enabled us to remain accountable, responsive and adaptive amidst an evolving public sector landscape.

Over the past five years, the RAA has made significant progress in fulfilling its strategic objectives. The review of the Strategic Plan (2020–2025) shows that a majority of the indicators were successfully achieved, reflecting steady advancement in improving public sector performance, strengthening institutional credibility, and deepening collaboration with stakeholders.

Under Outcome One, the improvement in the Corruption Perceptions Index highlights growing public confidence in governance and accountability systems. While the PEFA scores for external audit (P-30) and legislative scrutiny (P-31) did not meet expectations, largely due to factors beyond RAA's direct control, key audit outputs such as coverage, timely reporting, and follow-up on audit recommendations showed consistent improvement.

For Outcome Two, the RAA maintained high stakeholder confidence and exceeded targets for the implementation of audit recommendations. Outputs linked to performance reporting, ethical practices, infrastructure development and research achieved full completion, while ICT implementation and aspects of human resource development progressed partially due to a lack of financial resources.

The third outcome, Sustained Collaboration with Stakeholders, was fully achieved through active engagement, enhanced communication and greater public awareness of audit and accountability systems.

While certain areas remain partially achieved, particularly in audit quality assurance and ICT integration, including the adoption of Artificial Intelligence, the overall results affirm the RAA's resilience, adaptability and commitment to excellence in public sector auditing. This progress was achieved despite the unprecedented challenges posed by the COVID-19 pandemic, which led to reduced financial resources and high staff attrition in its aftermath.

These achievements provide a strong foundation for the next Strategic Plan (2025-2030) and reinforce our shared vision of accountability, transparency and good governance. As we move forward, the insights gained through this review will guide us in designing a more agile, resilient and forward-looking strategic plan.

I extend my heartfelt appreciation to all RAA employees for their unwavering dedication and commitment, and to our stakeholders, development partners and collaborating institutions for their continued support and engagement, which have been instrumental in helping us achieve most of our planned indicators.

Together, we remain committed to upholding the core principles of accountability, transparency and good governance for the greater good of our nation.

Tashi Delek.

A handwritten signature in black ink, appearing to be 'Tashi Delek', with a stylized, flowing script.

(Tashi)

**Auditor General**

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## BACKGROUND

The Royal Audit Authority (RAA) formulated its third Strategic Plan (SP) for the period 2020-2025, aligning with the tenure of the current Auditor General. The implementation of this plan is supported by Annual Operational Plans (AOPs) and a comprehensive implementation strategy that guides activities throughout the strategic period. Progress against the AOPs is monitored quarterly, with adjustments made to targets and indicators as necessary. Performance is formally reported at the end of each financial year to ensure accountability and alignment with strategic objectives.

The Results Framework of the Strategic Plan, presented in **Annexure 1**, provides a structured approach that outlines how the RAA's goals and objectives will be achieved. It clearly links outputs, expected outcomes and the overall mission and vision of the RAA, making it a key tool for planning, monitoring and evaluating the effectiveness of strategic implementation. The Strategic Plan is tracked through a defined monitoring matrix that helps assess how well the plan is being implemented and whether it is producing the intended results. To measure progress, the matrix includes performance indicators, five-year targets, baselines and assigned responsibilities. The monitoring matrix was revised following the mid-term review conducted in March 2023, to reflect changes in the operating environment and remove outdated indicators.

This review report summarises progress toward achieving the defined outcomes and outputs under the Strategic Plan 2020–2025. It provides timely insights and lessons to inform the development of the next Strategic Plan (2025–2030), which will be finalised and endorsed by the new Auditor General. The findings highlight both accomplishments and areas requiring continued attention. Annexure 2 presents detailed performance data by outcome and output, measured against their respective indicators over the five years.

Overall, most indicators achieved their intended targets. As shown in Summary **Table 1**, the Royal Audit Authority (RAA) achieved 75 percent of the outcome indicators, reflecting progress in:

- Improved public sector performance and accountability
- Higher credibility and reputation of audit
- Sustained collaboration with stakeholders

The remaining 25 percent of outcome indicators/sub-indicators, specifically those related to the Public Expenditure and Financial Accountability (PEFA) scores for P-30 (External Audit) and P-31 (Legislative Scrutiny of Audit Reports), were not achieved. These results are influenced by factors beyond RAA's direct control and depend on cooperation from other relevant stakeholders.

Similarly, the outputs that support each outcome were assessed against their defined indicators and targets. The review found that: 62.5 percent of the output indicators fully met their set targets, 29.17 percent were partially achieved, and 8.33 percent were not achieved. The non-achieved indicators primarily relate to the number of Performance Audit reports selected for Quality Assurance review and the percentage of Performance Audit reports published within the specified timeframe.

It is also noted that out of the total 33 indicators and sub-indicators, one indicator was dropped during the mid-term review of the Strategic Plan in March 2024. A detailed summary of indicator performance and status is provided in **Annexure 3**.

| Table 1: Summary Table on Status of Indicators/Sub-indicators |          |                     |              |                                    |
|---------------------------------------------------------------|----------|---------------------|--------------|------------------------------------|
| Category Type                                                 | Achieved | Partially Achieved  | Not Achieved | Total Indicator/<br>Sub indicators |
| Outcome Indicators                                            | 6        | 0                   | 2            | 8                                  |
| Output Indicators                                             | 15       | 7                   | 2            | 24                                 |
| Percentage                                                    |          |                     |              |                                    |
|                                                               | Achieved | Partial Achievement | Not Achieved | Total                              |
| Outcome Indicators                                            | 75       | 0                   | 25           | 100                                |
| Output Indicators                                             | 62.5     | 29.17               | 8.33         | 100                                |

For clarity and consistency, this report uses the terms Year 1 through Year 5 to represent the corresponding financial years as follows:

- Year 1 =Financial Year 2020-2021
- Year 2 = Financial Year 2021-2022
- Year 3 = Financial Year 2022-2023
- Year 4 = Financial Year 2023-2024
- Year 5 / Final Year = Year 2024-2025

The following section provides a summary of the achievements and gaps identified across each outcome and output area for its defined indicators and set target.

## STATUS OF OUTCOMES AND OUTPUT INDICATORS

### Outcome 1: Improved Public Sector Performance and Accountability

The first outcome aims to strengthen public sector performance and accountability by enhancing anti-corruption measures and improving Public Expenditure and Financial Accountability scores. Notably, the country's Corruption Perceptions Index (CPI) score improved from 68 in 2020 to 72 in Year 4, surpassing the target of 68 and signaling increased transparency and public trust.

However, under the Public Expenditure and Financial Accountability (PEFA) framework, the score for External Audit (P-30) declined from B+ to C+, while the score for Legislative

Scrutiny (P-31) remained unchanged at B+. The decline in P-30 score was mainly due to delays in submitting the Annual Audit Reports (AARs), which include the Annual Financial Statements (AFS) of the Government, as well as concerns about the independence of the Supreme Audit Institution (SAI), even though there had been improvements in audit coverage.

The PEFA 2022 assessment, which reviewed fiscal years 2019-2022, found that in 2019, the audit report was submitted 7.8 months after the receipt of the AFS, exceeding the six-month requirement. This delay stemmed from the Audit Act 2018, which stipulates that AARs must be submitted during the fourth quarter of the following financial year. As a result, the timing negatively affected the PEFA score. However, starting from 2020, the submission timeline has improved significantly, whereby the AARs are now submitted within 2.5 months of receiving the AFS, effectively six months ahead of the statutory deadline. This improvement demonstrates stronger timeliness and institutional responsiveness, which could help raise the P-30 score to A or B in future PEFA assessments.

Another factor contributing to the drop in the P-30 score relates to the RAA's budgetary and human resource independence. The PEFA assessment noted that the RAA's budget is processed through the Ministry of Finance (MoF), and its HR matters are governed by the Civil Service Act 2010. The RAA acknowledged that remaining under the Civil Service framework offers advantages, particularly in human resource development and access to additional manpower. Moreover, routing the budget through the MoF does not compromise the RAA's independence. The PEFA report also recognised that the RAA's operational independence remains intact, noting that once Parliament approves the budget, it is implemented without interference. Recruiting through the Royal Civil Service Commission (RCSC) ensures access to highly qualified, rigorously selected graduates. After their placement, promotions and transfers are managed by the respective agencies. These positive developments indicate that the P-30 score could improve in future assessments.

### **Output 1.1: High-Quality Audit Reports**

This output aimed to enhance audit quality. For financial audits, quality assurance (QA) reviews met annual targets in all years except the first and final year. In contrast, performance audits saw QA reviews only in the third year, and none were conducted for outsourced audits until the final year. The limited QA coverage was due to the acute shortage of qualified staff, with only one QA reviewer available during the strategic plan period.

Financial audit quality improved significantly, with 67% of audits meeting QA standards in Year 4, compared to 39% in Year 1. However, the rate declined slightly to 64% in the final year, highlighting the need for management to strengthen quality assurance mechanisms.

The review also examined Quality Assurance (QA) reports across all audit streams and found that management is regularly informed of areas requiring improvement through reports such as the *Quality Assurance Review Report on Financial Audits (May 2022)*, *Quality Assurance*

*Review Report on Compliance Audits (January 2023), Quality Assurance Review Report on Financial Audits (2023), Quality Assurance Review Report on Financial Audits (April 2024), and Quality Assurance Review Report on Compliance Audits (June 2024).*

Based on the findings of these QA reviews, management has implemented several interventions to enhance audit quality. In addition, the RAA is participating in the INTOSAI Development Initiative's (IDI) programme on Establishing the System of Audit Quality Management (SoAQM). This initiative aims to further strengthen the existing QA function and integrate it more deeply into the regular audit process. These efforts are expected to yield higher-quality audits and strengthen stakeholder confidence in the credibility and reliability of the RAA's audit work.

Audit coverage also improved over the review period. Financial audits increased from 63.52% in Year 1 to 98.58% in Year 4, before recording a slight decline to 94.72% in the final year. Compliance audits rose from 29 in Year 1 to 86 in Year 4 and 76 in the final year, consistently surpassing the set targets. In contrast, performance audits fell short of their targets in both the fourth and final years, primarily due to high staff attrition. The departure of experienced performance auditors created a skill gap that could not be filled by reallocating staff from other audit types, as performance audits require specialised expertise.

Timeliness of audit reports improved for financial and compliance audits. From the second year onwards, all financial audit reports were issued within three months, while compliance audits met the six-month deadline from Year 2 onwards. However, performance audits consistently missed the six-month timeframe. Delays were caused by the need for extensive vetting, thorough analysis and prolonged response times from audited agencies and also during the strategic plan period, the Department of Performance and Compliance Audit suffered major setbacks as two divisions that catered to Performance Audits were reduced to one due to high attrition. These challenges underscore the need for dedicated performance audit resources and process enhancements.

#### **Output 1.2: Improved Follow-Up Mechanism for Audit Recommendations**

This output focused on strengthening follow-up processes. Financial audit follow-up reports achieved 100% on-time completion each year, and the Annual Audit Report (AAR) was submitted as scheduled. The follow-up of performance audit recommendations exceeded expectations, reaching 375% of the annual target, while compliance audit follow-up also surpassed the target at 186.54%. These results reflect increasing responsiveness from audited agencies and the presence of robust internal mechanisms to track and act upon audit findings.

#### **Output 1.3: Integration and Consolidation of Financial Statements**

The RAA achieved consistent success in conducting consolidated audits, meeting and exceeding its minimum annual target of 20 audits since Year 2. This has supported the Ministry of Finance's efforts to cluster agency-specific accounts, optimise staffing and consolidate financial reporting. For instance, consolidation of LCs under the Regional Offices of MOAL,

MoENR and MoICE starting FY 2024-25 is one of the impacts of conducting a consolidated audit. This effort has facilitated the RAA to provide issues and recommendations more comprehensively at the consolidated level, strengthening financial accountability.

#### **Output 1.4: Enhanced Human Resource Capacity**

Significant progress was made in advancing the alignment of the HR strategy with the Annual Operating Plans (AOPs). Staff development initiatives were effectively implemented through the Professional Development and Research Centre (PDRC), which successfully delivered the Annual Training Calendar. Capacity development was enhanced through long-term training programmes, including participation in the Association of Chartered Certified Accountants (ACCA), a globally recognised professional body providing qualifications in finance, accounting and business. The SSIRD also contributed to improved HR management by supporting recruitment processes and performance management initiatives. This included the introduction of incentive schemes and recognition awards linked to training outcomes and international assignments.

Despite these achievements, certain aspects of the HR strategy were only partially realised. Staff well-being and succession planning initiatives are yet to be fully materialised. Although positive measures such as the establishment of a crèche and the Audit Welfare Scheme were in place, a comprehensive wellbeing strategy remains lacking. The absence of Human Resource Development (HRD) reports from the third year onwards also limited the ability to assess the sustainability and long-term impact of HR initiatives. Existing reports primarily focused on recruitment and training, with minimal coverage of succession planning and well-being.

#### **Outcome 2: Higher Credibility and Reputation**

Outcome Two of the Results Framework aims to enhance the credibility and reputation of the RAA. This outcome is measured through two primary indicators. The first is a Perception Index intended to assess stakeholder perception using a defined methodology. Since 2022, the RAA has implemented the Client Satisfaction and Feedback Survey (CSFS) to measure the impact of its audit services and improve operational efficiency. The survey results consistently show a high level of stakeholder satisfaction, with most respondents acknowledging the RAA's positive contributions to service delivery, accountability and transparency. At the same time, the feedback highlights areas needing improvement, such as audit clearance processes, communication and follow-up mechanisms.

Complementing this, the Professional Development and Research Centre (PDRC), Tsirang, carried out a separate survey on Effective Audit Service. The findings reflected strong confidence in the RAA's professionalism, efficiency and independence, while also identifying opportunities to strengthen ethical practices, staffing, and stakeholder engagement.

Together, these surveys provide comprehensive insights into stakeholder perceptions and expectations. Conducted annually, they serve the same purpose as a formal stakeholder perception survey, gauging public and institutional confidence in the RAA and identifying

areas for continuous improvement. Therefore, the CSFS and PDRC surveys can reasonably be considered to fulfil the intent of the planned stakeholder perception survey.

The second indicator measures the percentage of audit recommendations implemented within the agreed timeframe for Performance Audit (PA) and Annual Audit Reports (AAR). Data from Years 1 to 5 show a consistent improvement in the implementation of PA recommendations, rising from 30% to over 57%.

Although data on the implementation of AAR recommendations are not routinely tracked, relevant figures were obtained from the Public Accounts Committee's report during this review. It was found that the status of implementation of the parliamentary directives was positive and had progressed well.

#### **Output 2.1: Strengthened Performance Management System and Reporting**

This output focuses on strengthening performance management and reporting systems. Since 2020, the RAA has demonstrated a strong commitment to transparency by consistently sharing its performance results with stakeholders. Performance is reported through two main channels: a stand-alone performance report published on the RAA's website and a dedicated section within the Annual Audit Report.

#### **Output 2.2: Reinforced Integrity and Ethical Practices in Systems and Operations**

This output centres on promoting high ethical standards across the RAA's operations, primarily through the implementation of the Organisational Integrity Plan (OIP). Over the years, the RAA has shown a consistent commitment to ethical practices, with independent assessments by the Anti-Corruption Commission (ACC) rating its performance as "very good" or "excellent."

#### **Output 2.3: Leveraged ICT and Solutions**

This output addresses the use of Information and Communication Technology (ICT) in supporting the RAA's operations. In the initial year, the ICT strategy was finalised and key systems like the Audit Information Management System (AIMS) were introduced. However, the review noted a gap in integrating ICT strategy activities into the AOPs as intended, which hindered implementation.

For example, the ICT strategy's planned use of artificial intelligence in audits and the creation of infographic videos for public engagement were not incorporated into the AOPs and consequently, remained unimplemented. This gap suggests a misalignment between the ICT strategy and annual operational plannings. The review recommends ensuring that all ancillary plans, including ICT, HR, stakeholder engagement and communication are adequately considered during AOP development to ensure consistent execution and monitoring of key initiatives.

#### **Output 2.4: Augmented Workspace and Facilities**

This output focus on improving the physical infrastructure and overall work environment. Since 2020, the RAA has undertaken significant investments to enhance workplace functionality and support decentralisation. Notable achievements include the construction of new office buildings, such as the Office of the Assistant Auditor General (OAAG) in Bumthang and Phuentsholing, as well as the establishment of secure VPN connectivity across all regional offices to improve operational efficiency.

Further improvements to existing facilities were carried out to ensure a safe, comfortable and productive workspace. These included the rewiring of the RAA Head Office building, installation of additional air-conditioning units on all floors, revamping of toilets and redesign of the conference hall. Continuous efforts were made to maintain and modernise office infrastructure, such as the regular replacement of desktops, laptops and internet access points, procurement of new office furniture, and remodeling of workstations and reception areas.

In addition, the RAA completed major maintenance work at the PDRC, including upgrades to its PWD facility. To support auditors in carrying out their duties effectively, maintain the quality of audit work, and reduce logistical dependence on audited agencies, base offices were setup in Wangdue Phodrang and Trashigang. Other notable projects included roof replacement at OAAG Tsirang, repainting of OAAG Samdrup Jongkhar buildings, and construction of fencing walls to enhance security and aesthetics.

#### **Output 2.5: Reinforced Research and Development**

Output 2.5 focuses on strengthening research and development (R&D) capacity. The strategy aimed to formalise research functions through revised Terms of Reference, staff deployment and continuous studies to inform audit planning. Initially, however, research efforts were limited to general reviews conducted alongside regular audits, lacking structure and dedicated resources.

More recently, positive changes were observed with the creation of a dedicated R&D Unit within the Professional Development and Research Centre (PDRC). Although the majority of submissions (114 in Year 2, 98 in Year 3, 92 in Year 4 and 93 in Year 5) were more review-based than research-focused, the institutionalisation of the process along with committee vetting and auditor incentives marks significant progress. These developments signal a cultural shift towards learning, professional growth and innovation, gradually aligning with the original vision of Output 2.5.

#### **Outcome 3: Sustained Collaboration with Stakeholders**

Outcome Three highlights significant progress in stakeholder engagement through structured awareness programmes and enhanced media outreach. Under the first indicator, which tracks the number of awareness programmes conducted, awareness activities were held consistently, with a peak of 25 programmes in Year 4. Recently, the awareness initiative was extended to government executives. While no numeric target was set, the consistent delivery of these

programmes demonstrates an intentional and methodical approach aligned with the RAA's communication strategy.

For the second indicator, which measures media coverage of audit reports, an average of 12 news items was recorded annually, with a peak of 26 instances in the final year. These were disseminated through various channels, including print, social and broadcast media. This sustained media visibility indicates successful public outreach efforts and strengthens the RAA's transparency and accountability credentials.

### **Output 3.1: Scaled Up Communication with Stakeholders**

This output reflects the RAA's structured engagement with institutional stakeholders, aligned with its communication protocols. Over the reporting period, regular communication was maintained with key agencies such as the Public Accounts Committee, Anti-Corruption Commission, Royal Civil Service Commission, Gross National Happiness Commission and Ministry of Finance. In later years, the scope expanded to include the Office of the Attorney General and educational institutions through the formation of Audit and Integrity Clubs (AICs).

A particularly positive outcome of these efforts was observed in Year 5, when the recruits cited their participation in AICs as a motivating factor for joining the RAA. This demonstrates that the outreach initiative succeeded in raising awareness and interest in the audit profession. The review recommends scaling these initiatives to reach wider audiences and further enhance public understanding of the RAA's role.

### **Output 3.2: Improved Relevance of Audit Works Through Citizens Participatory Audits**

This output was dropped during the mid-term review of the Strategic Plan in March 2023, as it was deemed no longer relevant due to changing dynamics and priorities in the operating environment. Consequently, this output has not been assessed.

### **Output 3.3: Increased Awareness of Audit and Accountability System**

Output 3.3 targeted greater stakeholder understanding of audit processes through awareness programmes. Over the years, 46 such programmes were conducted, varying from one to 11 annually. These sessions were designed for diverse stakeholder groups, helping to promote accountability and transparency. The consistent implementation of these programmes contributed to enhanced stakeholder knowledge of the RAA and its mandate, thereby supporting the achievement of Outcome Three.

## **CONCLUSION**

The review of the RAA's Strategic Plan (2020-2025) reveals commendable progress across key outcomes and outputs, particularly in enhancing audit quality, expanding audit coverage and improving the timeliness and follow-up of audit reports. The improvement in the Corruption Perceptions Index and the high rate of implementation of audit recommendations reflect growing institutional effectiveness and public trust. However, the review also identifies areas

requiring further attention, such as quality assurance reviews of performance audits, succession planning, integration of strategic initiatives into operational plans and the development of meaningful performance indicators.

Outcome indicators show that while the RAA has made headway in strengthening public sector accountability and transparency, certain foundational aspects such as institutional independence, stakeholder perception metrics and structured research and development remain underdeveloped. The review underscores the importance of aligning strategy, capacity and operational execution to ensure sustained improvements and to inform the development of the next Strategic Plan (2025-2030).

## **RECOMMENDATIONS**

The review proposes the following recommendations to be considered as lessons learned and for improvements in future planning. These recommendations aim to build on current achievements and address critical gaps, enabling the RAA to consolidate its reforms and position itself more strongly for the next strategic cycle.

### **Enhance Quality Assurance Across all Audit Types**

- Expand QA coverage to include performance and compliance audits as part of the indicator to assess the achievement of output.
- Invest in training and recruitment of qualified QA reviewers to address skill shortages and improve overall audit quality.

### **Institutionalise Succession Planning and Staff Well-being**

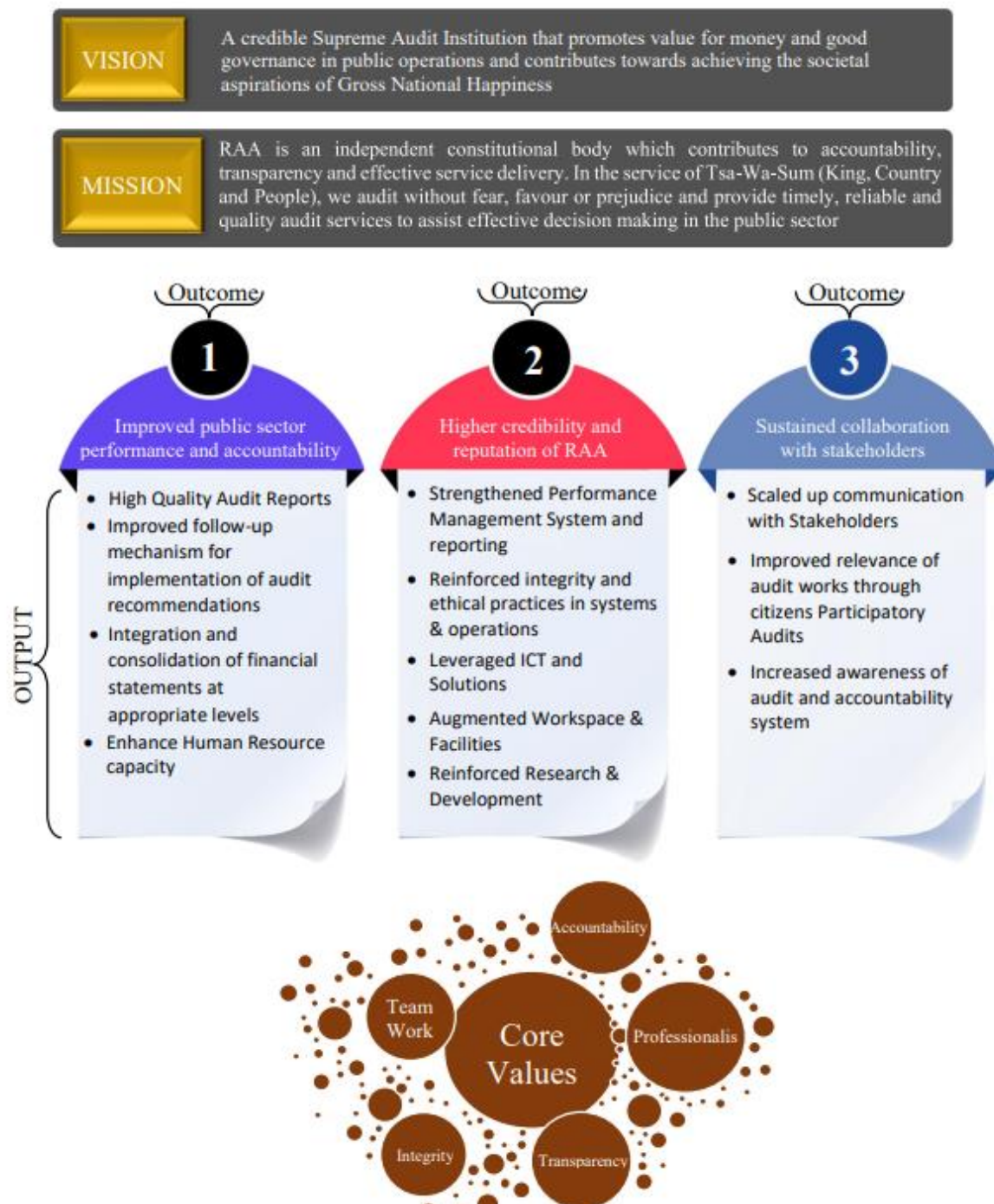
- Develop a comprehensive HRD strategy with measurable indicators covering succession planning, career development and employee wellness.
- Regularise the production of HRD reports to support strategic workforce planning.

### **Align ICT and Other Strategic Plans with Operational Planning**

- Ensure that initiatives from the ICT strategy, HR strategy and communication plans are explicitly integrated into Annual Operational Plans to support systematic implementation.

## ANNEXURES

### Annexure 1: Result Framework of the Strategic Plan 2020-2025



## Annexure 2: Performance Against Targets for Outcome and Output Indicators

| INDICATORS                                                                                                                                                                                                                           | Baseline<br>2019 | 2020-21 |        | 2021-22 |        | 2022-23 |        | 2023-24 |        | 2024-025 |        | Source<br>Information                                           | of | Remarks      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------|--------|---------|--------|---------|--------|---------|--------|----------|--------|-----------------------------------------------------------------|----|--------------|
|                                                                                                                                                                                                                                      |                  | Target  | Status | Target  | Status | Target  | Status | Target  | Status | Target   | Status |                                                                 |    |              |
| OUTCOME ONE: IMPROVED PUBLIC SECTOR PERFORMANCE AND ACCOUNTABILITY                                                                                                                                                                   |                  |         |        |         |        |         |        |         |        |          |        |                                                                 |    |              |
| Indicator one<br>definition:<br>Improvement in<br>score of<br>Corruption<br>Perceptions<br>Index as per<br>Transparency<br>International                                                                                             | 68/100           | >68     | 68     | >68     | 68     | >68     | 68     | >68     | 72     | >68      | NA     | Scores as<br>publication<br>of<br>Transparency<br>International |    | Achieved     |
| Indicator two<br>definition:<br>Public<br>Expenditure and<br>Financial<br>Accountability<br>on RAA.<br>PEFA 2016,<br>Performance<br>Indicators P-30<br>(External Audit)<br>and P-31<br>(Legislative<br>scrutiny of audit<br>reports) | P-30: B+         |         |        |         |        |         | C+     |         |        |          |        | Scores as per PEFA<br>assessment scores                         |    | Not achieved |
|                                                                                                                                                                                                                                      | P-31: B+         |         |        |         |        |         | B+     |         |        |          |        |                                                                 |    | Not achieved |

| OUTPUT 1.1: HIGH QUALITY AUDIT REPORTS                                                                              |                                                                                      |                                                               |        |        |        |        |     |        |            |      |        |                                  |                                                                                             |
|---------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------|--------|--------|--------|--------|-----|--------|------------|------|--------|----------------------------------|---------------------------------------------------------------------------------------------|
| Indicator one<br>definition:<br>Numbers of<br>audit reports<br>selected for QA<br>review (CA, FA &<br>PA)           | CA - 3                                                                               | CA - 2                                                        | 0      | CA - 2 | 0      | CA - 2 | 5   | CA - 2 | 4          | CA-2 | 0      | Annual<br>Performance<br>Reports | Partially<br>achieved                                                                       |
|                                                                                                                     | FA - 14                                                                              | FA - 7                                                        | 0      | FA - 7 | 8      | FA - 7 | 7   | FA - 7 | 7          | FA-7 | 0      |                                  | Partially<br>achieved                                                                       |
|                                                                                                                     | PA - 0                                                                               | PA - 2                                                        | 0      | PA - 2 | 0      | PA - 2 | 5   | PA - 2 | 0          | PA-2 | 0      |                                  | Not achieved                                                                                |
|                                                                                                                     | OA - 0                                                                               | OA - 3                                                        | 9      | OA - 3 | 0      | OA - 3 | 1   | OA - 3 | 0          | OA-3 | 7      |                                  | Partially<br>achieved                                                                       |
| Indicator two<br>definition:<br>Percentage of<br>QA<br>requirement/st<br>andards met<br>(CA, FA, PA) for<br>FA only | NA                                                                                   | 50%                                                           | 39%    | 55%    | 59%    | 60%    | 60% | 65%    | 67%        | 70%  | 64%    | Annual<br>Performance<br>Reports | Partially<br>achieved<br>QA requirement<br>targets not met<br>for year 1 and<br>final year. |
| Indicator three<br>definition: Audit<br>Coverage                                                                    | FA (%) -<br>Dimensio<br>n score - 2,<br>64.25%<br>(2017-<br>18SAI<br>PMF<br>2020-21) | 73%<br>(2019-<br>2020<br>AAS<br>and<br>audit<br>univers<br>e) | 63.52% | >75    | 86.34% | >80    | 95% | >85    | 98.58<br>% | >90  | 94.72% | Annual<br>Performance<br>Reports | Achieved                                                                                    |

|                                                                                                                                                                                           |                                                                   |      |        |      |       |      |      |      |      |      |      |                            |                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------|--------|------|-------|------|------|------|------|------|------|----------------------------|--------------------|
| Indicator three definition: Audit Coverage                                                                                                                                                | CA (No.) - Audit coverage of 0 for 2017-18 as per SAI PMF 2020-21 | 14   | 29     | 14   | 59    | 14   | 57   | 14   | 86   | 14   | 79   | Annual Performance Reports | Achieved           |
| Indicator three definition: Audit Coverage                                                                                                                                                | PA (No.) - Dimension Score of 3 as per SAI PMF 2020-21            | 3    | 4      | 4    | 6     | 6    | 8    | 6    | 0    | 8    | 1    | Annual Performance Reports | Partially Achieved |
| Indicator four definition: 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  | 54.66% | >75  | 88.74 | >80  | 99%  | >85  | 100% | >90  | 100% | Annual Performance Reports | Achieved           |
|                                                                                                                                                                                           | CA (%) - Dimension Score- 4 (SAI PMF)                             | 100% | 82%    | 100% | 93%   | 100% | 100% | 100% | 100% | 100% | 100% | Annual Performance Reports | Achieved           |
|                                                                                                                                                                                           | PA (%) - Dimension Score- 4 (SAI PMF)                             | 100% | 0%     | 100% | 43%   | 100% | 63%  | 100% | 0%   | 100% | 50%  | Annual Performance Reports | Not achieved       |

**OUTPUT 1.2: IMPROVED FOLLOW UP MECHANISM FOR IMPLEMENTTION OF AUDIT RECOMMENDATIONS**

|                                                                                                |                 |                                          |      |                                          |         |                                       |         |                                       |      |                                       |         |                                   |                 |
|------------------------------------------------------------------------------------------------|-----------------|------------------------------------------|------|------------------------------------------|---------|---------------------------------------|---------|---------------------------------------|------|---------------------------------------|---------|-----------------------------------|-----------------|
| Indicator one<br>definition:<br>Follow up<br>reports issued                                    | FA (%) -<br>NA  | 100%                                     | 112% | 100%                                     | 117%    | 100%                                  | 102%    | 100%                                  | 100% | 100%                                  | 167.45% | Annual<br>Performance<br>Reports. | <b>Achieved</b> |
| Indicator one<br>definition:<br>Follow up<br>reports issued                                    | AAR(No.) -<br>2 | AAR – 1                                  | 1    | AAR – 1                                  | 1       | AAR – 1                               | 1       | AAR – 1                               | 1    | AAR – 1                               | NA      | Annual<br>Performance<br>Reports  | <b>Achieved</b> |
| Indicator one<br>definition:<br>Follow up<br>reports issued                                    | PA - NA         | 100%                                     | 100% | 100%                                     | 153.85% | 100%                                  | 135.29% | 100%                                  | 375  | 100%                                  | NA      | Annual<br>Performance<br>Reports  | <b>Achieved</b> |
| Indicator one<br>definition:<br>Follow up<br>reports issued                                    | CA - NA         | 100%<br>as per<br>due<br>date for<br>ATR | 100% | 100%<br>as per<br>due<br>date for<br>ATR | 105%    | 100% as<br>per due<br>date for<br>ATR | 100%    | 100% as<br>per due<br>date for<br>ATR | 140% | 100% as<br>per due<br>date for<br>ATR | 186.54% | Annual<br>Performance<br>Reports  | <b>Achieved</b> |
| <b>OUTPUT 1.3: INTEGRATION AND CONSOLIDATION OF FINANCIAL STATEMENTS AT APPROPRIATE LEVELS</b> |                 |                                          |      |                                          |         |                                       |         |                                       |      |                                       |         |                                   |                 |
| Indicator one<br>definition: No. of<br>consolidated<br>audits<br>conducted                     |                 | 1                                        | 1    | >20                                      | 21      | >20                                   | 22      | >20                                   | 22   | >20                                   | 44      | Annual<br>Performance<br>Reports  | <b>Achieved</b> |
| <b>OUTPUT 1.4: ENHANCED HUMAN RESOURCE CAPACITY</b>                                            |                 |                                          |      |                                          |         |                                       |         |                                       |      |                                       |         |                                   |                 |

|                                                                                                                                                           |      |                                                                                                                                                                              |     |     |      |     |     |     |      |     |       |                                                                              |                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|------|-----|-----|-----|------|-----|-------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Indicator one<br>definition:<br>Development<br>and<br>Implementation<br>of HR Strategy                                                                    | NA   | Indicators for human resource development and management shall be as per the KPIs developed as per HR Strategy. The activities shall be annualized in the operational plans. |     |     |      |     |     |     |      |     |       | Annual HR Reports<br>prepared by HRD<br>and Annual<br>Performance<br>Reports | Partially<br>Achieved<br>Succession<br>planning and staff<br>well-being<br>strategies remain<br>underdeveloped. |
| OUTCOME TWO: HIGHER CREDIBILITY AND REPUTATION OF RAA                                                                                                     |      |                                                                                                                                                                              |     |     |      |     |     |     |      |     |       |                                                                              |                                                                                                                 |
| Indicator one<br>definition:<br>Positive<br>stakeholder<br>perception of<br>RAA (on scale of<br>1 to 10)                                                  | 2016 |                                                                                                                                                                              |     |     |      |     |     |     |      |     |       |                                                                              | Achieved                                                                                                        |
| Indicator two<br>definition:<br>Percentage of<br>audit<br>recommendatio<br>ns implemented<br>by the audited<br>agencies within<br>the agreed<br>timeframe | AAR  | 20%                                                                                                                                                                          |     | 30% | 100% | 40% |     | 50% | 100% | 60% | 71.96 | Public Accounts<br>Committee Reports                                         | Achieved                                                                                                        |
|                                                                                                                                                           | PA   | 20%                                                                                                                                                                          | 30% | 30% | 44%  | 40% | 41% | 50% | 57%  | 60% | NA    | Annual<br>Performance<br>Reports                                             | Achieved                                                                                                        |
| OUTPUT 2.1: STRENGTHENED PERFORMANCE MANAGEMENT SYSTEM AND REPORTING                                                                                      |      |                                                                                                                                                                              |     |     |      |     |     |     |      |     |       |                                                                              |                                                                                                                 |

|                                                                                                                                                                                |    |                               |                                              |     |                         |     |              |     |                                   |     |     |                               |                                  |                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------------------------|----------------------------------------------|-----|-------------------------|-----|--------------|-----|-----------------------------------|-----|-----|-------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Indicator one<br>definition:<br>RAA's<br>performance<br>reporting to its<br>Stakeholders<br>including RAA<br>performance<br>vis-a-vis the SP's<br>output and<br>internal audit | NA | Yes                           | Yes                                          | Yes | Yes                     | Yes | Yes          | Yes | Yes                               | Yes | Yes | Yes                           | Annual<br>Performance<br>Reports | <b>Achieved</b>                                                                                                                                                                   |
| OUTPUT 2.2: REINFORCED INTEGRITY AND ETHICAL PRACTICES IN SYSTEMS AND OPERATIONS                                                                                               |    |                               |                                              |     |                         |     |              |     |                                   |     |     |                               |                                  |                                                                                                                                                                                   |
| Indicator one<br>definition:<br>Implemented<br>Organisational<br>Integrity Plan                                                                                                | NA | Yes                           | Not<br>include<br>d in the<br>annual<br>plan | Yes | "Excellent"             | Yes | very<br>good | Yes | Excellent                         | Yes |     |                               | Annual<br>Performance<br>Reports | <b>Achieved.</b><br>Rating has been<br>discontinued<br>since the previous<br>FY.                                                                                                  |
| OUTPUT 2.3: LEVERAGED ICT AND SOLUTIONS                                                                                                                                        |    |                               |                                              |     |                         |     |              |     |                                   |     |     |                               |                                  |                                                                                                                                                                                   |
| Indicator one<br>definition: ICT<br>strategy<br>developed and<br>implemented                                                                                                   | NA | As per<br>ICT<br>strateg<br>y | ICT<br>Strateg<br>y<br>Finalise<br>d         |     | Impleme<br>nted<br>AIMS |     |              |     | Imple<br>mentat<br>ion of<br>AIMS |     |     | Implemen<br>tation of<br>AIMS |                                  | <b>Partially<br/>Achieved</b><br>Activities from<br>the ICT<br>implementation<br>matrix not fully<br>reproduced in the<br>Annual<br>Operational Plans<br>as intended in the<br>SP |

| OUTPUT 2.4: AUGMENTED WORK SPACE AND FACILITIES                                                         |    |                                                                    |                                                         |  |                                                                  |  |                                                                                                                    |  |                                              |  |                                                                                                            |                            |          |
|---------------------------------------------------------------------------------------------------------|----|--------------------------------------------------------------------|---------------------------------------------------------|--|------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------|--|------------------------------------------------------------------------------------------------------------|----------------------------|----------|
| Indicator one<br>definition:<br>Infrastructure developed                                                | 0  | As per infrastructure and facilities to be provided                | Build/construct office building at OAAG, Bumthang OAAG, |  | Install/establish VPN in head office, Thimphu & Regional Offices |  | Completed construction of Office Building of OAAG BT and installed VPN in regional offices: Tsirang and S/Jongkhār |  |                                              |  | Construction of Office Building, OAAG, Phuentsholing and improvement of washroom infrastructure in RAA HQs | Annual Performance Reports | Achieved |
| OUTPUT 2.5: REINFORCED RESEARCH AND DEVELOPMENT                                                         |    |                                                                    |                                                         |  |                                                                  |  |                                                                                                                    |  |                                              |  |                                                                                                            |                            |          |
| Indicator one<br>definition:<br>Research and Development Unit instituted and related research conducted | NA | Research activity targets set after establishing dedicated Section | Research Officer post created                           |  | 114 research papers submitted by auditors                        |  | 98 research papers submitted by auditors                                                                           |  | 92 Research papers submitted by the auditors |  | 93 Research papers submitted by the auditors                                                               | Annual Performance Reports | Achieved |

| OUTCOME THREE: SUSTAINED COLLABORATION WITH STAKEHOLDERS                                                                                    |    |   |   |   |    |   |    |   |    |  |    |                                  |          |
|---------------------------------------------------------------------------------------------------------------------------------------------|----|---|---|---|----|---|----|---|----|--|----|----------------------------------|----------|
| Indicator one<br>definition: No. of<br>awareness and<br>sensitization<br>programmes<br>conducted                                            | NA | 3 | 3 | 6 | 6  | 1 | 1  | 1 | 25 |  | 11 | Annual<br>Performance<br>Reports | Achieved |
| Indicator two<br>definition:<br>Increased Media<br>coverage on<br>audit reports<br>(number of<br>news items on<br>audit report in<br>media) |    |   |   |   | 12 |   | 12 |   | 12 |  | 26 | Annual<br>Performance<br>Reports | Achieved |
| OUTPUT 3.1: 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 | Engagement with PAC, ACC, RCSC, GNHC, MoF |   | Engagement with PAC, ACC, RCSC, GNHC, MoF |   | Engagement with PAC, ACC, OAG, MoF, Universities and Colleges through Integrity clubs |   | Engagement with PAC, ACC, OAG, MoF, Universities and Colleges through Integrity clubs |   |    | Annual Performance Reports | Achieved |
| OUTPUT 3.2: IMPROVED RELEVANCE OF AUDIT WORKS THROUGH CITIZENS PARTICIPATORY AUDITS                        |    |                                     |                                           |   |                                           |   |                                                                                       |   |                                                                                       |   |    |                            |          |
| Indicator one definition: No. of audits conducted by engaging citizens                                     | NA |                                     | Dropped                                   |   |                                           |   |                                                                                       |   |                                                                                       |   |    |                            | Dropped  |
| Indicator Dropped during Mid-term review in March 2023.                                                    |    |                                     |                                           |   |                                           |   |                                                                                       |   |                                                                                       |   |    |                            |          |
| OUTPUT 3.3: INCREASED AWARENESS OF AUDIT AND ACCOUNTABILITY SYSTEM                                         |    |                                     |                                           |   |                                           |   |                                                                                       |   |                                                                                       |   |    |                            |          |
| Indicator one definition: No. of awareness programme conducted for different stakeholders                  | NA | 3                                   | 3                                         | 6 | 6                                         | 1 | 1                                                                                     | 1 | 25                                                                                    | 1 | 11 | Annual Performance Reports | Achieved |

### Annexure 3: Summary of Status of Indicators/Sub-indicators

| Outcome/Output                                                            | Indicator                                                                         | Sub-Indicator                                | Status             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------|--------------------|
| <b>OUTCOME ONE: Improved Public Sector Performance and Accountability</b> | Improvement in score of Corruption Perceptions Index (Transparency International) |                                              | Achieved           |
|                                                                           | Public Expenditure and Financial Accountability (PEFA)                            | P-30 (External Audit)                        | Not Achieved       |
|                                                                           |                                                                                   | P-31 (Legislative scrutiny of audit reports) | Not Achieved       |
| OUTPUT 1.1: High Quality Audit Reports                                    | Number of audit reports selected for QA review                                    | CA                                           | Partially Achieved |
|                                                                           |                                                                                   | FA                                           | Partially Achieved |
|                                                                           |                                                                                   | PA                                           | Not Achieved       |
|                                                                           |                                                                                   | OA                                           | Partially Achieved |
|                                                                           | Percentage of QA requirements/standards met (FA only)                             |                                              | Partially Achieved |
|                                                                           | Audit Coverage                                                                    | FA                                           | Achieved           |
|                                                                           |                                                                                   | CA                                           | Achieved           |
|                                                                           |                                                                                   | PA                                           | Partially Achieved |
|                                                                           | Percentage of audit reports published within timeframe                            | FA                                           | Achieved           |
|                                                                           |                                                                                   | CA                                           | Achieved           |
|                                                                           |                                                                                   | PA                                           | Not Achieved       |
| OUTPUT 1.2: Improved Follow-Up Mechanism                                  | Follow-up reports issued                                                          | FA                                           | Achieved           |
|                                                                           |                                                                                   | AAR                                          | Achieved           |
|                                                                           |                                                                                   | PA                                           | Achieved           |
|                                                                           |                                                                                   | CA                                           | Achieved           |
| OUTPUT 1.3: Integration and Consolidation of Financial Statements         | Number of consolidated audits conducted                                           |                                              | Achieved           |
| OUTPUT 1.4: Enhanced Human Resource Capacity                              | Development and Implementation of HR Strategy                                     |                                              | Partially Achieved |
| <b>OUTCOME TWO: Higher Credibility and Reputation of RAA</b>              | Positive stakeholder perception of RAA                                            |                                              | Achieved           |
|                                                                           | Percentage of audit recommendations implemented                                   | AAR                                          | Achieved           |
|                                                                           |                                                                                   | PA                                           | Achieved           |

|                                                                                     |                                                            |  |                    |
|-------------------------------------------------------------------------------------|------------------------------------------------------------|--|--------------------|
| OUTPUT 2.1: Strengthened Performance Management System and Reporting                | RAA's performance reporting to stakeholders                |  | Achieved           |
| OUTPUT 2.2: Reinforced Integrity and Ethical Practices                              | Implemented Organisational Integrity Plan                  |  | Achieved           |
| OUTPUT 2.3: Leveraged ICT and Solutions                                             | ICT Strategy developed and implemented                     |  | Partially Achieved |
| OUTPUT 2.4: Augmented Work Space and Facilities                                     | Infrastructure developed                                   |  | Achieved           |
| OUTPUT 2.5: Reinforced Research and Development                                     | R&D Unit instituted and research conducted                 |  | Achieved           |
| <b>OUTCOME THREE: Sustained Collaboration with Stakeholders</b>                     | Number of awareness and sensitization programmes conducted |  | Achieved           |
|                                                                                     | Increased media coverage on audit reports                  |  | Achieved           |
| OUTPUT 3.1: Scaled Up Communication with Stakeholders                               | Continuous engagement with stakeholders                    |  | Achieved           |
| OUTPUT 3.2: Improved Relevance of Audit Works through Citizens Participatory Audits | No. of audits conducted by engaging citizens               |  | Dropped            |
| OUTPUT 3.3: Increased Awareness of Audit and Accountability System                  | No. of awareness programmes conducted for stakeholders     |  | Achieved           |

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