

RAA suspends audit clearance certificates amid huge unresolved issues worth billions

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With audit issues amounting to billions of ngultrum remaining unresolved over the past two decades, the Royal Audit Authority (RAA) has suspended the issuance of Audit Clearance Certificates (ACC) to compel timely resolution of audit accountability.

The RAA announced that it will no longer issue audit clearance certificates through undertakings. It has also decided to suspend transfer clearances and withhold ACCs for heads of agencies with unresolved audit issues from April 1.

The authority stated that the audit clearance certificate is not merely a procedural formality but a statutory

control mechanism to ensure that public servants are free from audit accountability. It serves as a public assurance that individuals entrusted with national resources have discharged their responsibilities without any outstanding audit issues.

The audit clearance certificate is also fundamental to decisions relating to promotions, training, and post-retirement benefits.

In a notification issued on December 9 last year, the RAA directed all agencies to resolve outstanding audit issues within three months from the date of the notice. The period was provided as a final opportunity for audited agencies to submit Action Taken Reports (ATRs).

According to RAA re-

cords, approximately 2,456 unresolved cases amounted to Nu 15.66 billion before the notification.

Since the notification in December last year, only 695 cases worth Nu 11.41 billion have been resolved. Additionally, 498 cases involving Nu 987.27 million are currently under review by law enforcement agencies.

An RAA official said that despite the directive issued last year, several heads of agencies have either failed to comply or submitted incomplete or unsatisfactory ATRs. As a result, a substantial number of audit issues remain unresolved.

As of March 31 this year, 1,263 cases amounting to Nu 3.26 billion remain unresolved.

The official added that earlier, audit clearance certificates were issued as an exceptional and temporary measure, allowing agencies to resolve audit observations at a later stage.

However, this practice was misapplied, contributing to the deferral and dilution of accountability, prolonging pendency and the continued accumulation of unresolved audit observations, and weakening the integrity of the audit clearance certificate system.

The RAA stated that the suspension of ACC issuance is expected to compel the timely resolution of audit issues, strengthen accountability in the management of public resources, safeguard public trust in institutions, and preserve the integrity

and credibility of the audit clearance system.

The authority has urged all heads of agencies and public servants to resolve outstanding audit issues on or before June 30, 2026. Failure to comply will be treated as dereliction of duty and will attract additional sanctions, including the continued withholding of audit clearance certificates, as provided under the Audit Act of Bhutan 2018.

The RAA also reported 19 cases involving missing persons linked to unresolved audit issues, amounting to Nu 13.9 million. A Standard Operating Procedure was developed last year to address such cases, and the government will handle them in accordance with these guidelines.