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 Royal Audit Authority

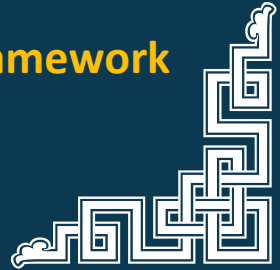


# STRATEGIC PLAN 2025-2030

*(Under the leadership of the Fourth Auditor General)*



## Volume I: Strategy, Institutional Context and Planning Framework



## Royal Audit Authority's Strategic Plan 2025-2030

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### **The Diamond Strategy**

An important thing for the people to understand is that we are pursuing “One Country, Two Systems” by establishing the GMC as a Special Administrative Region (SAR). However, we do not intend to maintain the “two systems” forever. Ultimately, they must converge into “One Country, One System.” The innovations emerging from the GMC must be mirrored across the rest of Bhutan for the nation to succeed as a whole. But this convergence will only succeed if we implement parallel reforms throughout the country—strengthening democracy, aligning the bureaucracy with future needs, improving laws, and reforming the education system to empower our people.

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### **Enlightened Entrepreneurial Bureaucracy**

The bureaucracy plays a crucial role in implementing laws, policies, and delivering public services, and I am grateful for the contributions of our civil servants. However, to align with our future goals, we must ensure the bureaucracy evolves to meet the changing demands of the nation.

While the private sector is often seen as more agile and efficient, bureaucracies are sometimes constrained by complex legal and procedural norms. With over 30,000 civil servants, reform may seem challenging. But when we look at multinational corporations, such as Unilever with 128,000 employees or the Tata Group with over a million, we see that large organizations can be managed effectively. This shows that there’s no reason we cannot improve our bureaucracy as well.

The bureaucracy must be agile enough to keep up with the rapid changes and innovations arising from the GMC. Our goal is to create an Enlightened Entrepreneurial Bureaucracy within the next 10 years to ensure successful convergence. If we fail to do this, comparisons will inevitably be made between the success of GMC and the lack of progress elsewhere in Bhutan—and if there is no convergence, I will have failed.

I am giving 10 years for this transformation to take place.

*-His Majesty The King on 17<sup>th</sup> December 2024*



## Foreword

It is with a strong sense of responsibility and purpose that I present the Strategic Plan of the Royal Audit Authority (RAA) for the period 2025-2030. This plan comes at a pivotal moment in Bhutan's development journey, as the nation navigates emerging economic, social and environmental challenges while remaining firmly guided by the principles of Gross National Happiness.



Bhutan has made commendable progress over the years in advancing human development, strengthening institutions and preserving its natural environment. At the same time, evolving demographic trends, rising unemployment, fiscal pressures and increasing demands on public service delivery call for more responsive, efficient and accountable governance systems. In this context, the role of the RAA as an independent oversight institution becomes even more critical.

This Strategic Plan reaffirms our commitment to serving as a trusted guardian of public resources. It outlines a clear and forward-looking path to enhance audit quality, strengthen institutional capacity and increase the relevance and impact of our work. The plan is anchored in the principles of independence, professionalism and integrity, and is aligned with national priorities, including His Majesty's vision for transformative development and the Diamond Strategy.

The formulation of this strategy has been guided by a comprehensive and inclusive process. It draws on lessons from past performance, particularly the findings of the SAI Performance Measurement Framework assessment, as well as valuable insights from internal consultations and stakeholder engagements. It also reflects our intent to adapt to a rapidly changing governance landscape by embracing innovation, digital transformation and risk-based auditing approaches.

Central to this plan is our focus on delivering results that matter. Beyond compliance, we aim to promote performance, efficiency and value for money in the use of public resources. We will strengthen our engagement with Parliament, the Executive, oversight institutions and citizens to ensure that our audits lead to meaningful improvements in governance and service delivery.

At the same time, we recognise that the success of this strategy depends on our people. Building a competent, motivated and values-driven workforce will remain a priority. We will continue to invest in professional development, foster a culture of learning and uphold the highest ethical standards in all that we do.

As we embark on the implementation of this Strategic Plan, I call upon all stakeholders to work collaboratively in advancing accountability and transparency in the public sector. The RAA remains committed to its constitutional mandate and to contributing meaningfully to Bhutan's long-term development goals.

Together, we can strengthen public trust, enhance institutional performance and ensure that public resources are managed in the best interest of the Bhutanese people.

A handwritten signature in blue ink, appearing to read 'Samir', written over the printed name 'Auditor General'.

**Auditor General**  
Royal Audit Authority  
Kingdom of Bhutan

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## 1. Country Profile<sup>1</sup>

### 1.1. Land Area and Location

Bhutan is a small, landlocked Himalayan nation known for its Gross National Happiness (GNH) approach to development, balancing economic progress with spiritual, social and environmental well-being. Located in Southern Asia, Bhutan covers 38,394 km<sup>2</sup> and shares borders with India and China. The country is governed as a constitutional monarchy and has been a UN member since 1971. Bhutan has made remarkable advances in healthcare, education, digital connectivity and environmental sustainability. However, rising unemployment, gender disparities and a widening trade deficit highlight the need for targeted economic and social policies.

### 1.2. Demographics & Human Development

As of 2025, Bhutan's population is estimated at approximately 784,043 with a population density of just 20.6 people per square kilometre, reflecting the country's mountainous geography and dispersed settlements. The sex ratio stands at 114.8 males for every 100 females. The country's age distribution reveals that 20.9% of the population is under the age of 15, while 9.6% is aged 60 and above, indicating a slowly aging population. Compounding this trend is a declining fertility rate, which has dropped from 1.5 births per woman in 2020 to just 1.4 in 2024, well below the replacement level of 2.1. This decline, if continued, could lead to labour shortages and increased pressure on social support systems in the coming decades.

Urbanisation is gradually increasing, with the capital Thimphu now housing over a quarter of the country's population. Despite this urban growth, much of Bhutan remains rural, and the demographic changes call for proactive policies in healthcare, education, employment and urban planning to maintain balanced and sustainable human development.

### 1.3. Economic Overview

Bhutan's economy has shown resilience in 2025, with the Gross Domestic Product (GDP) reaching USD 4.9 billion. GDP per capita has also increased to USD 3,839.00 in 2025 from USD 3,192 in 2020, reflecting gradual economic recovery. However, persistent challenges remain, such as rising unemployment, now at 3.8%, and growing inflation, with the Consumer Price Index climbing from 106 in 2020 to 125 in 2024. A particularly concerning issue is the deteriorating current account balance, which has declined to -USD 1 billion, and the worsening trade deficit, which has ballooned from -USD 2 billion in 2020 to -USD 2.9 billion in 2024. Bhutan's economic structure in 2024 is dominated by the services sector (52.4%), followed by industry (32.6%) and agriculture (15%).

The Bhutanese labour market remains heavily influenced by agriculture, which employs 44% of the workforce, despite contributing a relatively smaller share to the economy. The services sector, employing 40.8%, is becoming more prominent, reflecting Bhutan's gradual shift toward a service-based economy. The industrial sector employs 15.2% of the labour force. Female labour force participation stands at 64.1%, compared to 73.4% for males, indicating progress in gender inclusion but also highlighting the need for further support to narrow the participation gap. With youth unemployment and urban job shortages becoming more evident, the labour market requires diversification and targeted employment initiatives.

### 1.4. Social Development

Bhutan has made notable improvements in social development. Life expectancy in 2024 has increased to 75.3 years for females and 71.6 years for males, while the under-five mortality rate has dropped to 21.5 per 1,000 live births, showing strong progress in public health. However, healthcare infrastructure still faces challenges, as there are only 0.6 physicians per 1,000 people, and disparities in access

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<sup>1</sup> United Nations Statistics Division. (n.d.). Bhutan country profile. UNdata. <https://data.un.org/en/iso/bt.html>

remain, particularly in remote areas. Although health spending remains at 3.8% of GDP, there is a need for more investment in health services to ensure equitable care for all citizens.

Education continues to be a national priority, with 7.0% of GDP allocated to the sector in 2024. Bhutan has achieved gender parity in primary education, where enrolment rates are 107.9% for females and 99.9% for males. In secondary education, female enrolment exceeds male enrolment, a notable shift from past trends indicating greater female participation in formal education. However, women's political representation, while improved from 14.9% in 2020 to 17.4% in 2024, still falls short of global averages. There remains a need for policies that promote female leadership, economic participation and decision-making roles.

### 1.5. Environmental Sustainability & Infrastructure

Bhutan remains a global leader in environmental conservation, with 71.5% of its land forested and low CO<sub>2</sub> emissions at 1.5 tons per capita. The country has made significant strides in digital connectivity, with 86.8 internet users per 100 people in 2024. Energy supply per capita has also increased to 101 GJ (Gigajoules, supporting both economic activities and household needs. However, Bhutan faces rising environmental pressures, including a growing number of threatened species, which has risen from 101 in 2020 to 127 in 2024. Meanwhile, tourism, a vital sector, has yet to recover fully from the pandemic, with visitor arrivals plummeting to 21,000 in 2024 from 30,000 in 2020.

Access to basic services remains uneven, especially in urban areas. In 2024, only 58.9% of the urban population has access to safely managed drinking water, compared to 84.6% in rural areas. Similarly, sanitation access is limited, with just 41.0% coverage in urban areas and 57.9% in rural areas. These figures reflect an urgent need for infrastructure investments to improve living conditions and public health.

### 1.6. System of Government

Since 2008, Bhutan has functioned as a Democratic Constitutional Monarchy, marking a significant political evolution from absolute monarchy to a parliamentary democracy. Under this system, the Druk Gyalpo (King of Bhutan) serves as the Head of State, while the day-to-day governance of the country is managed by an elected Prime Minister, who acts as the Head of Government. The Monarch's authority is exercised within the framework of the Constitution, reflecting the principles of limited monarchy and democratic accountability.

Executive power lies with the Council of Ministers or *Lhengye Zhuntshog*, which forms the national cabinet. This body is responsible for administering public policy and overseeing the functioning of government ministries. Legislative authority is vested in a bicameral Parliament, comprising the Druk Gyalpo, the National Council and the National Assembly. This structure enables both houses of Parliament, alongside the Monarch, to participate in the creation, amendment and ratification of laws. Bhutan's Constitution clearly outlines the three distinct branches of government, ensuring a separation of powers in accordance with democratic principles. Modelled after the Westminster system, the government comprises the legislature, the executive and the judiciary. The legislative branch, represented by Parliament, is responsible for debating and enacting laws. The executive branch, led by the Prime Minister and the cabinet, implements these laws. Meanwhile, the judiciary ensures legal interpretation and enforcement through an independent system of courts.

### 1.7. Status of Public Financial Management

Bhutan's public financial management (PFM) system demonstrates sound performance overall, as reflected in the 2022 PEFA (Public Expenditure and Financial Accountability) Assessment finalised in 2023. The assessment, based on fiscal years 2019/20 to 2021/22, rated the majority of indicators at a "B" level, indicating practices aligned with international standards. Key strengths include aggregate budget reliability, budget classification, internal audit functions and external scrutiny, all contributing to

a stable and transparent financial management system. However, areas such as public investment management, medium-term budgeting and expenditure arrears control were rated low, highlighting the need for improvements in strategic fiscal planning and execution. Continued reform in these areas is essential for enhancing long-term fiscal discipline and accountability.

In terms of governance and transparency, Bhutan continues to perform well. According to Transparency International’s Corruption Perceptions Index (CPI) 2024, Bhutan scored 72 out of 100, ranking 18th out of 180 countries, its highest score and rank to date. This marks a significant improvement from previous years, where the country consistently scored 68 and ranked around 25th to 26th. Bhutan remains the least corrupt country in South Asia, reflecting strong institutional integrity. However, underlying challenges such as nepotism and elite influence persist, underscoring the importance of strengthening enforcement mechanisms and promoting merit-based systems. The CPI and PEFA findings together suggest that while Bhutan’s PFM framework is robust, strategic improvements in planning, investment oversight and risk management will further reinforce its fiscal credibility and governance standards.

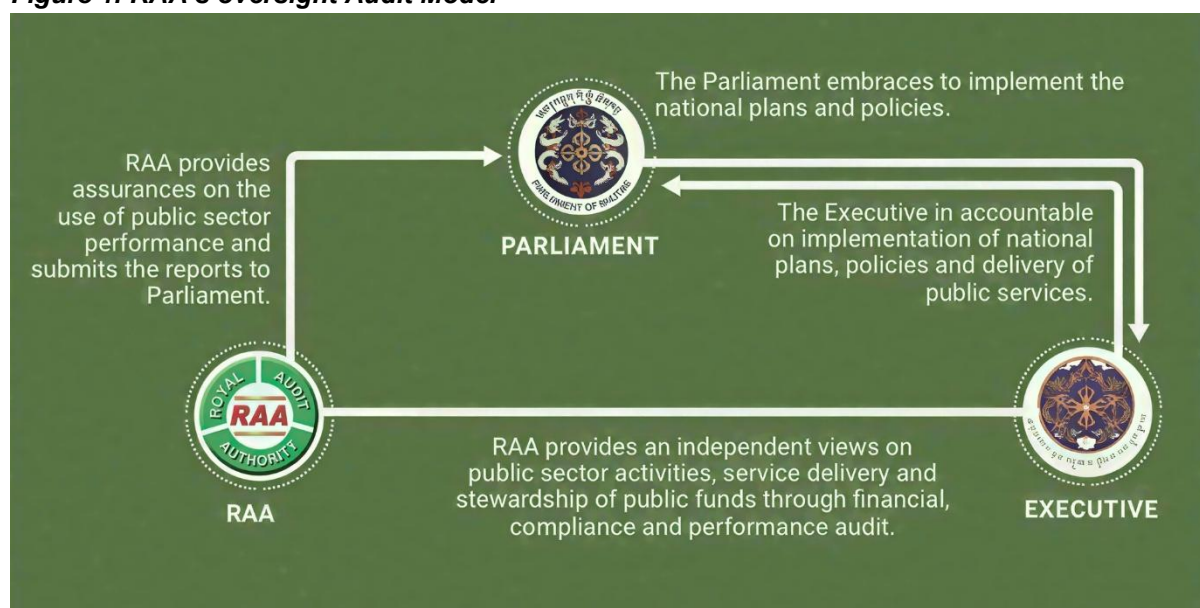
## 2. About Royal Audit Authority

The Royal Audit Authority (RAA) of Bhutan is an independent constitutional body that plays a pivotal role in ensuring accountability, transparency and good governance in the management of public resources. Mandated by Article 25.1 of the Constitution of the Kingdom of Bhutan and empowered by the Audit Act of Bhutan 2018, the RAA is instrumental in strengthening public financial management and reinforcing democratic governance. As an autonomous body, the RAA conducts independent audits of public entities and reports directly to the Parliament of Bhutan, thereby ensuring an unbiased assessment of the use and management of public resources.

### 2.1. The Oversight Audit Model

The RAA Oversight Audit Model outlines the accountability framework in Bhutan's governance system (See **Figure 1**). It depicts how Parliament allocates resources to the Executive, which is responsible for implementing government plans and programmes. The Executive, in turn is accountable to Parliament for the execution of these plans. The RAA plays a third-party oversight role, offering objective and independent opinions on the financial accounts and operational efficiency of public sector institutions.

**Figure 1: RAA’s oversight Audit Model**



The RAA adopts the Westminster model of public sector auditing, characterised by its institutional independence and accountability to the Parliament. From this model, the RAA derives its core responsibilities and reinforces its role in enhancing public accountability. Through strategic engagement with its stakeholders, the RAA seeks to increase the impact and relevance of its audit outcomes.

The Parliament, as the representative of the people, is considered the primary stakeholder in evaluating the effectiveness of RAA's audit services. Meanwhile, the Government and its agencies are essential in facilitating the implementation of RAA's recommendations and in upholding accountability.

Peer institutions such as the Anti-Corruption Commission (ACC), Judiciary and Office of the Attorney General (OAG) are seen as key enablers in addressing governance and accountability challenges. For professional growth and knowledge exchange, the RAA actively collaborates with international and regional bodies including International Organisation of Supreme Audit Institutions (INTOSAI), Asian Organisation of Supreme Audit Institution (ASOSAI), INTOSAI Development Initiative (IDI) and other relevant organisations.

In addition, the RAA recognises the crucial role of the media, civil society organisations (CSOs) and citizens in drawing public attention to issues of efficiency, effectiveness and accountability in the use of public resources.

Through this inclusive and participatory audit oversight model, and by fostering strong, cooperative relationships with various stakeholders, the RAA endeavours to fulfil its constitutional mandate effectively. The ultimate aim is to contribute meaningfully to the achievement of national goals and objectives, aligned with the Gross National Happiness (GNH) policy and the Sustainable Development Goals (SDGs), for the benefit of all Bhutanese citizens.

The Auditor General, appointed for a five-year term by His Majesty the King, leads the institution. Accordingly, the strategic plan is aligned with the tenure of the Auditor General to ensure coherence in leadership and planning.

## 2.2. Legal Framework and Institutional Independence

### Functional Independence

The RAA enjoys full functional independence in planning, executing, investigating and reporting its audit activities. As mandated by the Audit Act, the Authority exercises its duties without fear, favour or external influence. The RAA is not subject to direction or control by any person or authority except as specifically provided in the law.

### Financial Independence

The Audit Act requires the State to provide adequate financial provisions for the RAA's independent operations. In instances of delayed parliamentary budget decisions, the Ministry of Finance must provide interim funding equal to the previous year's allocation, ensuring uninterrupted functioning.

### Independence of Human Resources

The RAA is empowered to determine its own organisational structure in consultation with the Royal Civil Service Commission (RCSC). It has full authority to manage staff appointments, performance and separation, except for the Auditor General, in accordance with the Civil Service Act.

## 2.3. Organisational Structure

The Auditor General leads the RAA and is supported by three core departments:

- Department of Sectoral Audit (DSA)
- Department of Follow-up and Regions (DFR)

- Department of Performance and Compliance Audit (DPCA)

Each department is headed by a Deputy Auditor General and consists of audit divisions led by Assistant Auditors General. These divisions carry out audit execution and follow-ups.

Supporting the core departments are the support functions which includes:

- Professional Development and Research Centre,
- Support Services and International Relations Division,
- Policy and Planning Division, and
- Auditor General's Secretariat

These divisions support capacity development and research; administration, finance, international relations and Human Resource Management; planning, monitoring and evaluation; and regular support to the Auditor General respectively. The detailed organogram is provided in **Annexure 1**.

### 3. Strategic Management

Strategic management for RAA involves the use of policies, strategies and techniques aimed at guiding leadership and staff toward the continuous and holistic improvement of performance, in alignment with the desired changes outlined in the strategic plan. This approach signifies a shift from the traditional focus on managing inputs (such as budgets and staff) and processes (such as rules and structures), to a model of “managing for results.” Under this model, the RAA seeks to steers its inputs and processes toward achieving clearly defined performance goals. The strategic management process for RAA comprises three main stages: Strategy formulation, strategy implementation and strategy evaluation (See **Figure 2**).

**Figure 2: Strategic Management stages and process adopted by RAA**



*(Adapted from SAI Strategic Management Handbook, IDI)*

Each of those stages contains several critical aspects: 1. Ensuring effectiveness by “Doing the right things” through strategy formulation; 2. Achieve efficiency by “Doing things right” through strategy implementation; 3. Ensuring accountability and learning by “Being held responsible for what is done” through control and strategy evaluation

This document outlines the three stages of strategic management. It described the process of ‘Strategy Formulation’, and also sets forth the proposed approaches for Strategy Implementation and Strategy Evaluation in subsequent stages.

#### 3.1. Strategy Formulation Process

The preparation of this strategic plan was guided by the *Strategic Management Handbook for Supreme Audit Institutions* developed by the INTOSAI Development Initiative. The planning process was informed by review of Supreme Audit Institution Performance Measurement Framework (SAI PMF) assessment report 2021, stakeholder consultation and engagement, followed by the identification and prioritisation of key strategic issues.

### **Stakeholder consultation**

The internal consultation process engaged senior management, Assistant Auditors General, team leaders and auditors. Focus group discussions were held with individuals in key positions to gather strategic insights. Consultations were conducted both face-to-face and through the distribution of a structured questionnaire via Google Docs to all employees.

External engagement followed the RAA's Stakeholder and Communication Strategy. Key external consultations included the Public Accounts Committee (PAC), which provided feedback through a structured questionnaire. Although other external stakeholders were not directly consulted, the RAA reviewed several key national documents to incorporate relevant perspectives:

- Royal Address of His Majesty the King: The address highlighted key priorities such as good governance, public sector efficiency and financial accountability, which set the tone for this strategic plan.
- RCSC Roadmap 2025-2035: Emphasised leadership and a high-performing workforce which is highly relevant since RAA staff are governed by RCSC policies.
- Client Satisfaction and Feedback Survey: Reflected the views and expectations of audited agencies regarding the audit work and the RAA.
- Media Sentiment Analysis: Although media outlets were not directly engaged, the findings of a rapid assessment of media sentiment, particularly regarding the ease of access to information from public institutions, including the RAA were taken into consideration.

### **3.2. Strategic Intent**

The shortcomings and achievements of SAI PMF 2021 report and stakeholder insights from both internal and external sources were mapped into a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. This analysis informed the identification of key strategic issues. These issues were then prioritised in consultation with senior management, resulting in the finalisation of a set of prioritised strategic intents, as outlined below:



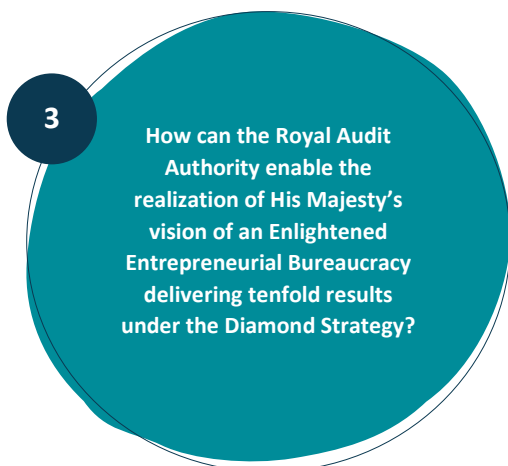
Following the AG's assumption of office, particular emphasis was placed on aligning the SP with the **Diamond Strategy of the Gelephu Mindfulness City (GMC)**. In this context, the RAA revisited His Majesty's National Day Address, which underscored that while the GMC operates under a "One Country, Two Systems" arrangement as a Special Administrative Region, this is a transitional phase. The ultimate objective is convergence toward "One Country, One System," with innovations emerging from GMC being mirrored across the rest of Bhutan. His Majesty emphasized that successful convergence requires parallel reforms nationwide, including strengthening democracy, aligning the bureaucracy with future needs, improving laws and reforming education to empower citizens. Central to this vision is the creation of an **Enlightened Entrepreneurial Bureaucracy** within the next ten years.



"To align with our future goals, we must ensure the bureaucracy evolves to meet the changing demands of the nation... The bureaucracy must be agile enough to keep up with the rapid changes and innovations arising from the GMC. Our goal is to create an Enlightened Entrepreneurial Bureaucracy within the next 10 years to ensure successful convergence... I am giving 10 years for this transformation to take place."

-His Majesty The King on 17 December 2024

In analysing His Majesty's vision for the country, the AG recognized the need for the RAA to meaningfully contribute to this national transformation. Accordingly, a third strategic issue was derived from His Majesty's address:



**3** How can the Royal Audit Authority enable the realization of His Majesty's vision of an Enlightened Entrepreneurial Bureaucracy delivering tenfold results under the Diamond Strategy?

Anchored on these three strategic issues, the Results Framework for the RAA for the period 2025-2030 has been developed under five thematic areas. Spearheaded by the Auditor General, the vision, mission and values of RAA was articulated to be relevant to the changing dynamics of the public sector.

#### 4. Vision, Mission and Values



##### Vision

A trusted guardian of public resources that strengthens integrity, accountability and performance across the nation, enabling the success of the Diamond Strategy.

##### Mission

To provide independent, high-quality audits and constructive oversight, conducted without fear, favour or prejudice, that enhance transparency, ethical governance and performance in public sector.



### Core Values

The core values of the RAA, depicted in **Figure 3**, underpin its ethical and professional conduct and guide the institution in achieving its mandate.

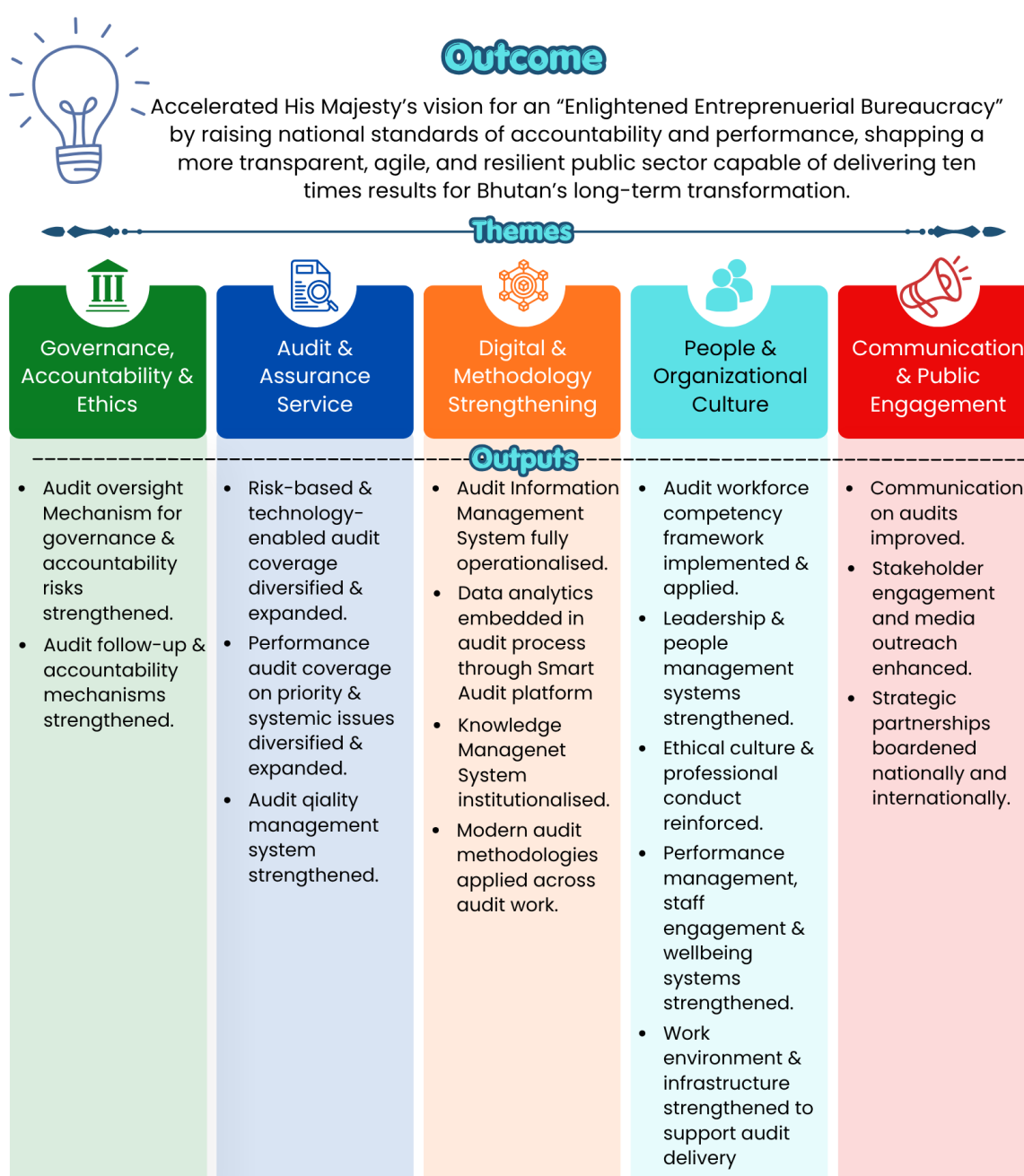
**Figure 3: Core Values applicable to all staff**



## 5. Strategic Results Framework

The results framework sets a clear direction for strengthening public accountability and performance in support of Bhutan’s Diamond Strategy. It focuses on being a trusted guardian of public resources by delivering independent, high-quality audits and constructive oversight that promote transparency, ethical governance and results. Through stronger governance and audit oversight, expanded risk-based and technology-enabled audits, modern methods and digital systems, and a capable and values-driven workforce, the framework aims to raise national standards across the public sector. Improved communication, stakeholder engagement, and strategic partnerships ensure audit work has real impact. Together, these efforts contribute to an enlightened, entrepreneurial bureaucracy that is transparent, agile, resilient, and able to deliver transformational outcomes for the country. The result framework indicating the chain of expected changes are indicated in **Figure 4**.

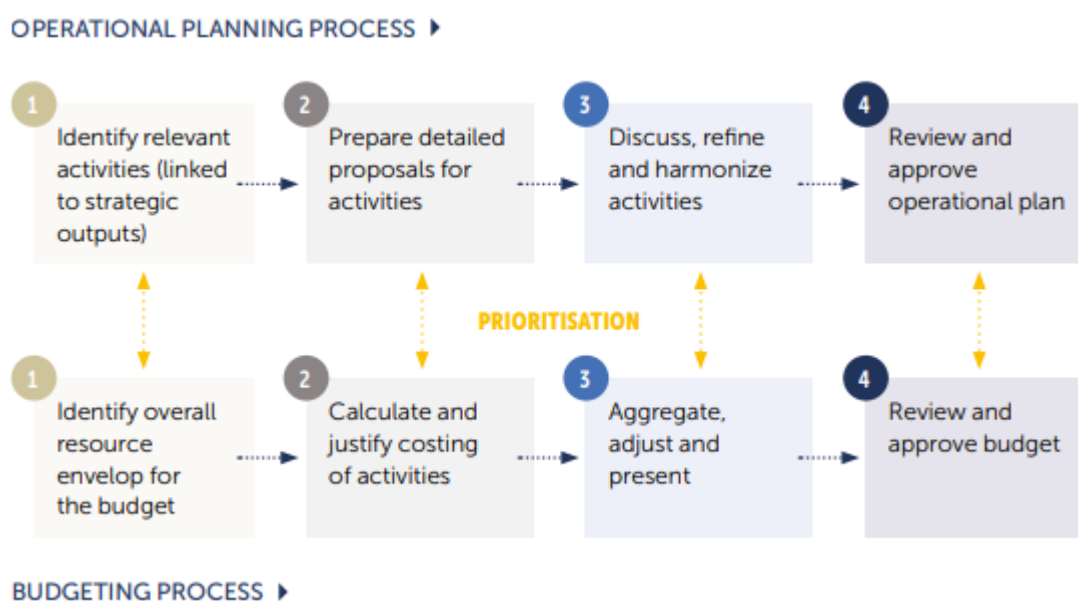
**Figure 4: The result framework of RAA**



## 6. Operational Plan

The operational plan (OP) translates the strategic plan into actionable activities. It details timelines, responsible units and required resources to implement the strategic plan in a given year. The plan ensures that every strategic objective is adequately resourced and linked to concrete implementation steps (see Implementation Matrix in **Annexure 4**). The preparation of OP is an annual activity which captures the intents of other ancillary plans such as Annual Audit Plan (Annual Audit Schedule), Stakeholder Engagement and Communication Strategy, ICT Strategy and Human Resource (HR) Strategy of RAA and the budget for the year. The alignment of Operational Planning Process with the Budgeting processes is indicated in **Figure 5**.

**Figure 5: Alignment of Operational Planning and Budgeting**



(Source: SAI Strategic Management Handbook, IDI)

All activities in the operational plan should be clearly linked to the outputs of the SAI strategy. **Figure 6** outlines the minimum format for operational plan.

**Figure 6: Operational Plan format**

Theme 1:								
Output	Activity	Milestone	Target	Date	Responsible	Budget	Staff assigned	Other resources
Output 1.1	Activity 1.1.1....							
	Activity 1.1.2.....							
	Activity 1.1.3.....							
Output 1.2	Activity 1.2.1....							
	Activity 1.2.2.....							
	Activity 1.3.3.....							
Theme 2:								

Output	Activity	Milestone	Target	Date	Responsible	Budget	Staff assigned	Other resources
Output 2.1	Activity 2.1.1....							
	Activity 2.1.2.....							
	Activity 2.1.3.....							
Output 2.2	Activity 2.2.1....							
	Activity 2.2.2.....							
	Activity 2.2.3.....							

(Adapted with modification from SAI Strategic Management Handbook, IDI)

## 7. Resourcing

A total capital budget of Nu. 72.49 million has been allocated to the RAA for the 13th Five Year Plan (July 2024-June 2029) by the Royal Government of Bhutan (RGoB). The annual allocations are illustrated in **Figure 7**. While this represents the planned budget outlay, the RAA may request supplementary budgets as needed to address emerging requirements. The budget for the fifth year of the Strategic Plan will be determined only upon the approval of the 14th Five Year Plan, which is scheduled to commence in July 2029.

**Figure 7: Planned annual budget allocation.**

Strategic Year	Year 1	Year 2	Year 3	Year 4	Total
Fiscal Year	2025-26	2026-27	2027-28	2028-29	
Planned Budget (Nu. In million)	20.38	25.02	19.85	7.24	<b>72.49</b>

## 8. Monitoring and Reporting

### 8.1. Monitoring

The achievement of the results framework will be monitored using the Monitoring Matrix, which includes a set of indicators for each output, outcome and impact. Each indicator is linked to milestone targets across the five-year period. The matrix also defines the monitoring frequency and assigned responsibilities for data collection and reporting. (Refer to **Annexure 2**)

To ensure consistency in monitoring, the Indicator Definition Table (Refer **Annexure 3**) provides detailed descriptions for each indicator, including their intended purpose and formulas for measurement. This ensures standardised interpretation and calculation, regardless of who conducts the measurement, thereby promoting uniformity in performance monitoring and indicator measurement.

### 8.2. Performance measurement and reporting arrangement

The plan will follow the following reporting arrangement which is a minimum guidance. The report should cover other information where necessary to indicate the actual achievement of RAA. Performance will be reported quarterly, semi-annually and annually (See **Figure 8**).

**Figure 8: Reporting Frequency and Deadlines.**

Report Type	Time Period	Due Date	Main Contents
<b>Quarterly Report</b>	Q1: July-September Q2: October-December Q3: January-March Q4: April-June	Q1: October Q2: January Q3: April Q4: July	<ul style="list-style-type: none"> <li>✓ Progress on activities as per the operational plan,</li> <li>✓ Budget execution vs. plan</li> </ul>
<b>Semi-Annual Report</b>	June-December	January	<ul style="list-style-type: none"> <li>✓ Overall progress toward operational plan (by strategic objective)</li> <li>✓ Assessment of implementation status.</li> <li>✓ Explanation of deviations</li> <li>✓ Adjustments for next six months</li> <li>✓ Financial and human resources overview</li> </ul>
<b>Annual Performance Report</b>	July-June	July-September of next year	<ul style="list-style-type: none"> <li>✓ Introduction to SAI: mission, vision, mandate, structure</li> <li>✓ Message from the Head of the SAI</li> <li>✓ Annual performance vs. strategic goals</li> <li>✓ Narrative on performance and risks</li> <li>✓ Key organisational statistics</li> <li>✓ Summary of audit results (if applicable)</li> <li>✓ Financial report vs. budget</li> <li>✓ Outlook for the next year</li> </ul>

The Annual Performance Report outline is dedicated below which is a minimum content. The report should include relevant information which could reflect the true achievement for the year.

1. **Contextual Overview**
  - ✓ Significant developments or changes from the previous year
2. **Achievement of Targets**
  - ✓ Output/outcome targets achieved, with supporting narrative
3. **Risk Realisation**
  - ✓ Summary of key risks that materialised and their impact
4. **Organisational Statistics**
  - ✓ Total staff numbers
  - ✓ Gender composition
  - ✓ Staff qualifications
  - ✓ Average person-days per audit
5. **Financial Information**
  - ✓ Financial Achievement (Planned Budget vs Expenditure)
6. **Success Stories**
  - ✓ Highlighting impactful audits and outcomes
7. **Lessons Learned**
  - ✓ Key takeaways from implementation and performance
8. **Strategic Adjustments**
  - ✓ Any changes or revisions to the institutional strategy
9. **Forward Planning**

- ✓ Actions and plans for the upcoming year

## 9. Communication and Change Management

Effective communication is essential for successful change management and strategy implementation. It fosters inclusion, avoids misunderstandings, promotes clarity and ensures both the people and technical aspects of change are aligned. Clear, consistent messaging enables smooth change management and fosters organisational alignment. Communication must be two-way, inclusive and ongoing, promoting a culture of openness and continuous improvement.

Roles and responsibilities for communication are outlined in **Figure 9**, emphasising leadership’s role in explaining vision and empowering staff; middle management’s responsibility in cascading information and collecting feedback; and Staff’s engagement in clarifying and contributing to the strategy

**Figure 9: Internal Communication Roles and Responsibilities**

Role	Responsibilities
<b>SAI Head and Leadership</b>	<ul style="list-style-type: none"> <li>✓ Clearly and regularly communicates strategic plan contents and updates</li> <li>✓ Sets tone for accountability and internal control culture</li> <li>✓ Empowers middle management to lead</li> <li>✓ Justifies diverging decisions</li> <li>✓ Ensures coordination and alignment between departments</li> </ul>
<b>Middle Management</b>	<ul style="list-style-type: none"> <li>✓ Maintains open, honest communication with staff</li> <li>✓ Provides clear instructions and expectations</li> <li>✓ Consults and updates staff on implementation progress</li> <li>✓ Keeps an open-door policy</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>✓ Seeks clarification on unclear tasks or activities</li> <li>✓ Provides feedback to supervisors on implementation progress</li> </ul>

## 10. Strategic Risk Management

Risk management is integrated throughout the strategic plan. Regular assessments will identify potential barriers to implementation and allow the RAA to proactively develop mitigation strategies. This ensures the plan remains adaptable and resilient to emerging challenges. The risk register provided in **Annexure 5** indicates the probable risk identified during the preparation of the Strategic Plan.

## 11. Evaluation

A mid-term evaluation of the strategic plan will be conducted to assess if the indicators are valid and relevant. Based on the evaluation report, necessary changes to indicators and targets will be incorporated.

SAI Performance Measurement Framework (SAI PMF) assessment will be carried out by fifth year of the implementation. The evaluation will assess the relevance, effectiveness and efficiency of the plan’s implementation and identify areas for adjustment. Lessons learned will inform the remaining implementation period and future planning.

## 12. Conclusion

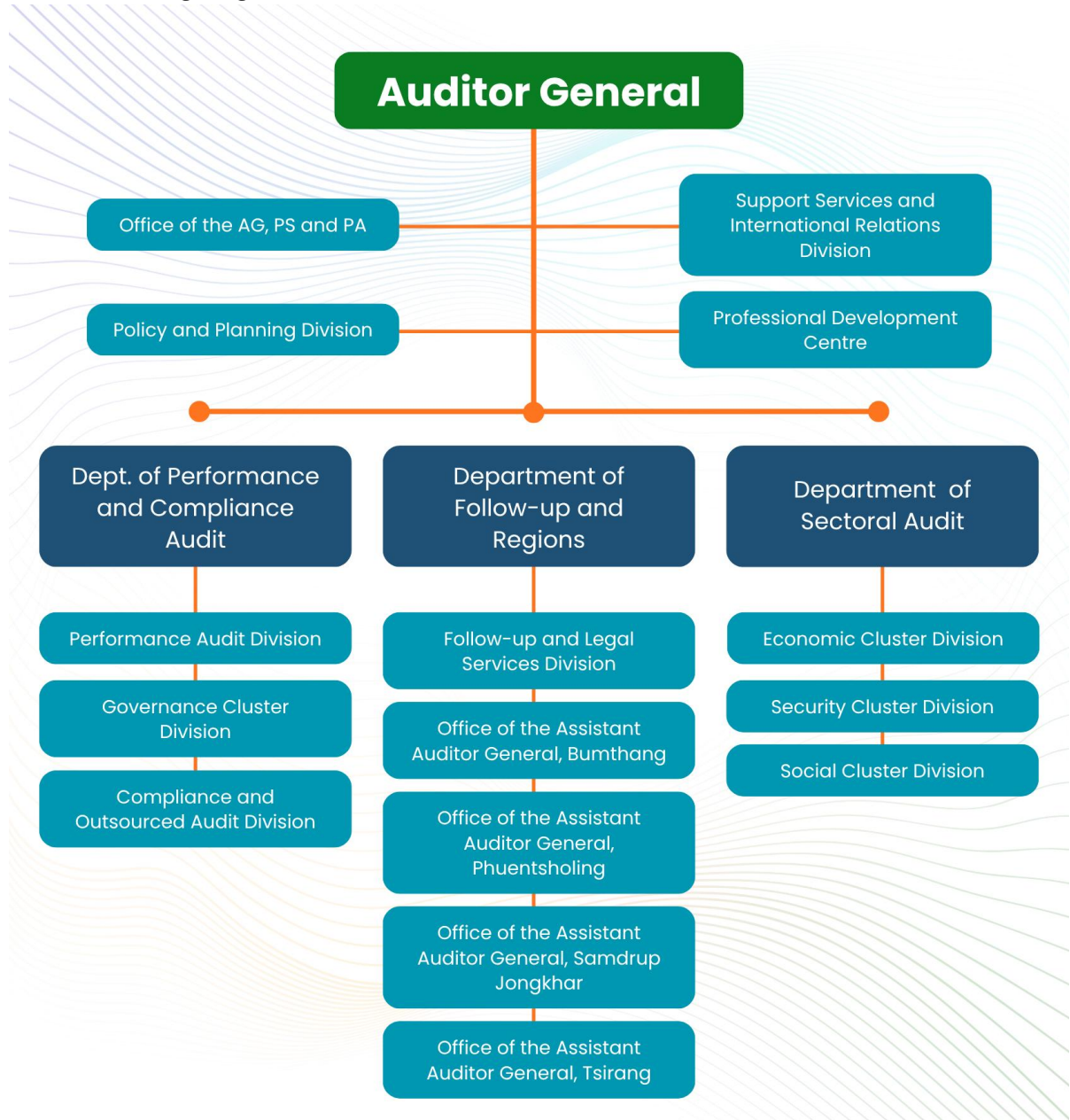
This strategic plan reflects the RAA's commitment to strengthening its institutional capacity, audit quality and contribution to good governance. It is aligned with national priorities, His Majesty's vision, and the expectations of stakeholders. Through this strategy, the RAA aspires to uphold its constitutional mandate and remain a key partner in Bhutan's development, ensuring accountability, transparency and the prudent use of public resources in service of the people.

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Annexures

Annexure 1: Organogram of RAA



**Annexure 2: Monitoring Framework**

Indicators	Baseline (2024-2025)	Milestones					Target	Frequency	Source of Data	Responsibility
		2025-26	2026-27	2027-28	2028-29	2029-30	2025-20			
<b>Outcome</b>	<b>To accelerate His Majesty's vision for an "Enlightened Entrepreneurial Bureaucracy" by raising national standards of accountability and performance, shaping a more transparent, agile, and resilient public sector capable of delivering ten times results for Bhutan's long-term transformation.</b>									
% of unqualified audit reports	56.57%	57%	60%	65%	70%	75%	<b>75%</b>	Annually	Annual Performance Report	Departments and PPD
Percentage of PA/FA/CA audit recommendations implemented within the provisional timeframe (3 months for FA/CA and 12 months for PA)	57%	60%	65%	70%	75%	80%	<b>80%</b>	Annually	AIMs data	FLSD
Transparency Index Score	72	72	72	72	73	73	<b>73</b>	Annually	Corruption Perception Index/ACC	PPD
% of expenditure in compliance with laws/rules	94.86%	95.00%	95.00%	96.00%	96.00%	97.00%	<b>97.00%</b>	Annually	AAR/Annual Financial Statement of RGoB	PPD and GCD
Score of PEFA19 PI-31: Legislative Scrutiny of Audit Reports	B+ (June 2023)	As per PEFA assessment				A	<b>A</b>	Every 4-5 years	PEFA report database/ MoF	PPD
Stakeholder satisfaction with the usefulness of audit and oversight reports	NA	≥85%	≥85%	≥85%	≥85%	≥85%	<b>≥85%</b>	Annually	Client Satisfaction and Feedback Survey Report	Departments and PPD
<b>Theme 1: Governance, Accountability &amp; Ethics</b>										
<b>Output 1.1: Audit oversight mechanisms for governance and accountability risks strengthened.</b>										
Annual Audit Report published by second quarter of the FY	2nd quarter of the FY	Yes	Yes	Yes	Yes	Yes	<b>Yes</b>	Annually	Annual Performance Report	PPD
<b>Output 1.2: Audit follow-up and accountability mechanisms strengthened.</b>										
% of ATR submitted within the prescribed timeframe (FA/CA/PA)	NA	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	Annually	AIMs Data	FLSD
<b>Theme 2: Audit and Assurance Service</b>										
<b>Output 2.1: Risk-based and technology-enabled audit coverage diversified and expanded.</b>										
% of audit entities audited annually (FA and CA)	94.40%	95.00%	97.00%	100.00%	100.00%	100.00%	<b>100.00%</b>	Annually	Annual Audit Schedules/Annual Performance Report	PPD
% reduction in audit cycle time due to risk-based and technology enabled audits.	NA	0.00%	10.00%	15.00%	≥20%	≥20%	<b>≥20%</b>	Annually	Annual Audit Schedule	PPD

<b>Output 2.2: Performance audit coverage on priority and systemic issues diversified and expanded.</b>										
Number of performance audits conducted.	2 (2023-24)	2	2	2	2	2	10	Annually	AIMs Data	PPD and PAD
<b>Output 2.3: Audit quality management system strengthened.</b>										
% of remediations undertaken after SoAQM	NA	NA	NA	25%	50%	100%	100%	Annually	Annual Performance Report	PPD
<b>Theme 3: Digital &amp; Methodology Strengthening</b>										
<b>Output 3.1: Audit Information Management System fully operationalized</b>										
% of audit engagement managed end-to-end through AIMS (AAS, Planning, Execution, Reporting and Follow-up)	NA	0%	0%	50%	100%	100%	100%	Bi-Annually	AIMs data	PPD/AIMS Team
% reduction in paper consumption due to AIMS	NA	0%	0%	50%	≥ 60%	≥ 85%	≥ 85%	Annually	Annual Procurement Data	SSIRD
<b>Output 3.2: Data analytics embedded in audit processes through Smart Audit Platform</b>										
% of audits using data analytics through SAP	NA	0%	10%	25%	50%	≥ 80%	≥ 80%	Bi-annually	Progress report submitted to SAP Steering Committee	SAP Project Team
% of audits using full-population data analysis instead of sampling	NA	0%	10%	20%	30%	≥ 50%	≥ 50%	Annually	Progress report submitted to SAP Steering Committee	SAP Project Team
<b>Output 3.3: Knowledge Management System institutionalized.</b>										
% of employees using the KMS	NA	0%	40%	≥ 60%	≥ 70%	≥ 80%	≥ 80%	Annually	KMS System logs	SAP project Team
<b>Output 3.4: Modern audit methodologies applied across audit work.</b>										
All the audit manuals, standards, or guidelines are reviewed and updated.	NA	Yes	Yes	Yes	Yes	Yes	Yes	Annually	Annual Performance Report	PPD
<b>Theme 4: People &amp; Organisational Culture</b>										
<b>Output 4.1: Audit workforce competency framework implemented and applied.</b>										
% of training plans aligned with competency gaps	NA	90%	100%	100%	100%	100%	100%	Annually	Annual HR Report	SSIRD/PDRC
Time required for new audit officials to become operational on audit assignments	9 weeks	9 weeks	9 weeks	8 weeks	7 weeks	5 weeks	5 weeks	Annually	HR records on IPNR, Mentoring form, Division Records	SSIRD
<b>Output 4.2: Leadership and people management systems strengthened.</b>										
Staff Perception Score on leadership effectiveness	NA	80.00%	80.00%	85.00%	85.00%	90.00%	90.00%	Annually	Annual Leadership Survey	SSIRD/PDRC
% of active workforce retained annually			90%	90%	90%	90%	90%	Annually	Annual HR Report	SSIRD

<b>Output 4.3: Ethical culture and professional conduct reinforced.</b>										
% of staff completing sensitisation on code of ethics	NA	100%	100%	100%	100%	100%	100%	Annually	Annual HR Report	SSIRD
<b>Output 4.4: Performance management, staff engagement, and wellbeing systems strengthened</b>										
Staff engagement and wellbeing index score	NA	70%	73%	76%	79%	82%	82%	Annually	Annual HR Report	SSIRD
% of Annual Work Plan completed	NA	100%	100%	100%	100%	100%	100%	Annually	Annual HR Report	SSIRD
Number of wellbeing initiatives implemented and utilised by staff	NA	2	3	3	3	3	14	Annually	Annual HR Report	SSIRD
<b>Output 4.5: Work environment and infrastructure strengthened to support audit delivery.</b>										
Staff satisfaction score regarding the physical work environment, safety and accessibility	NA	80.00%	85.00%	90.00%	95.00%	100.00%	100.00%	Annually	Annual HR Report	SSIRD
<b>Theme 5: Communication and Public Engagement</b>										
<b>Output 5.1: Communication on audits improved.</b>										
% of audit reports published within agreed timelines (FA &CA)	83%	100%	100%	100%	100%	100%	100%	Annually	AIMs data	PPD
% of audit reports published within agreed timelines (PA)	NA	100%	100%	100%	100%	100%	100%	Annually	AIMs data	PPD
<b>Output 5.2: Stakeholder engagement and media outreach enhanced.</b>										
% of planned engagements delivered as scheduled	100%	100%	100%	100%	100%	100%	100%	Annually	Annual Performance Report	PPD/Media Focal
<b>Output 5.3: Strategic partnerships broadened nationally and internationally.</b>										
Number of active cooperation with peer SAIs, international and regional professional bodies.	NA	Need basis	Need basis	Need basis	Need basis	Need basis	Need basis	Need basis	Annual HR Report	SSIRD

**Annexure 3: Indicator Definition**

Outcome/Output	Indicator (s)	Definition
<p><b>Outcome:</b> To accelerate His Majesty’s vision for an "Enlightened Entrepreneurial Bureaucracy" by raising national standards of accountability and performance, shaping a more transparent, agile, and resilient public sector capable of delivering ten times results for Bhutan’s long-term transformation.</p>	% of unqualified audit reports	<p><b>Description:</b> Measures the proportion of audited entities that receive unqualified audit opinions in a given financial year. It reflects improvements in financial management practices, compliance with laws and regulations, and the overall quality of public financial administration across government.</p> <p><b>How it is measured:</b>                      Numerator: Number of audit reports issued with unqualified opinions in the financial year                      Denominator: Total number of audit reports issued in the same year                      Measurement unit: Percentage (%)                      Data source: Audit Information Management System                      Frequency: Annual</p>
	Percentage of PA/FA/CA audit recommendations implemented within the provisional timeframe (3 months for FA/CA and 12 months for PA)	<p><b>Description:</b> Measures the responsiveness of audited entities to audit recommendations within a defined timeframe. It reflects the effectiveness of audit follow-up mechanisms and the extent to which audit findings translate into corrective actions.</p> <p><b>How it is measured:</b>                      Numerator: Number of FA/CA audit recommendations fully implemented within one year of issuance                      Denominator: Total number of FA/CA audit recommendations issued in the same year                      Measurement unit: Percentage (%)                      Data source: AIMs data and FLSD's record                      Frequency: Annual</p> <p><b>Note:</b> Those recommendations partially implemented shall be considered as not implemented for calculating this indicator</p>
	Transparency Index Score	<p><b>Description:</b> Provides a high-level indication of perceived transparency and corruption risks in the public sector. This indicator reflects broader governance conditions and is influenced by multiple institutions and reforms beyond the audit function.</p> <p><b>How it is measured:</b>                      Measurement based on scores published by the Anti-Corruption Commission or relevant national/international transparency indices                      Measurement unit: Index score                      Data source: Corruption Perception Index / ACC publications                      Frequency: Annual</p>

	<p>% of expenditure in compliance with laws/rules</p>	<p><b>Description:</b> This indicator measures the proportion of the total approved budget of budgetary bodies that is affected by financial irregularities identified through audits during a financial year. It reflects the scale of financial non-compliance and control weaknesses relative to the size of public expenditures, and serves as a proxy for overall financial discipline in the public sector.</p> <p>A declining value indicates improved compliance with financial laws and regulations, stronger internal controls, and a deterrent effect of audit and oversight.</p> <p><b>How it is measured:</b> Numerator: Total amount of financial irregularities Denominator: Total approved budget for the audited FY Measurement unit: Percentage (%) Data source: AIMS/Audit Reports Frequency: Annual</p> <p>Approved budget refers to the total approved annual budget of all budgetary bodies covered under the audit mandate for the financial year.</p> <p>Financial irregularities refer to quantified monetary values of irregular transactions identified through audits, as reported in audit reports and consolidated in the Annual Audit Report.</p> <p><b>Exclusion criteria:</b> This indicator does not measure losses recovered or amounts corrected, only the value of irregularities identified.</p>
	<p>Score of PEFA19 PI-31: Legislative Scrutiny of Audit Reports</p>	<p><b>Description:</b> Assesses the effectiveness of legislative scrutiny of audit reports, including timeliness of examination, quality of hearings, and follow-up actions by Parliament. It reflects how well audit findings are used in oversight and accountability processes.</p> <p><b>How it is measured:</b> Measurement based on the PEFA assessment methodology for PI-31 Measurement unit: PEFA rating (A–D scale) Data source: PEFA assessment reports Frequency: Every 4–5 years</p>
	<p>Stakeholder satisfaction with the usefulness of audit and oversight reports</p>	<p><b>Description:</b> Measures stakeholders’ perception of the relevance, clarity, and usefulness of audit and oversight reports. It reflects credibility, communication effectiveness, and alignment of audits with stakeholder needs.</p> <p><b>How it is measured:</b> Numerator: Number of respondents rating audit reports as “useful” or “very useful” Denominator: Total number of respondents surveyed</p>

		<p>Measurement unit: Percentage (%)                  Data source: Annual stakeholder satisfaction survey/Annual Performance Report                  Frequency: Annual</p> <p><b>Note:</b> Survey methodology and respondent categories should be standardized.</p>
<b>Theme 1: Governance, Accountability &amp; Ethics</b>		
Output 1.1: Audit oversight mechanisms for governance and accountability risks strengthened.	Annual Audit Report published by second quarter of the FY	<p><b>Description:</b>                  Measures the timeliness of preparation and publication of the Annual Audit Report, reflecting internal governance discipline, reporting efficiency, and compliance with statutory reporting timelines.</p> <p><b>How it is measured:</b>                  Report publication date compared against the end of the second quarter of the subsequent financial year.                  Measurement unit: Yes/No                  Data source: Published Annual Performance Report                  Frequency: Annual</p>
Output 1.2: Audit follow-up and accountability mechanisms strengthened.	% of ATR submitted within the prescribed timeframe (FA/CA/PA)	<p><b>Description:</b>                  Measures the timeliness of submission of Action Taken Reports (ATRs) by audited entities following the issuance of audited reports (FA/CA/PA) which adequately addresses the irregularities (observations) highlighted in audit reports. It reflects the responsiveness, accountability, and commitment of agencies in addressing audit findings within the prescribed timeframe.</p> <p><b>How it is measured:</b>                  Numerator: Number of ATRs submitted which adequately address the irregularities noted in the audit reports                  Denominator: Total number of ATRs due for submission                  Measurement unit: Percentage (%)                  Data Source: AIMS Data/FLSD                  Frequency: Annual</p>
<b>Theme 2: Audit and Assurance Service</b>		
Output 2.1: Risk-based and technology-enabled audit coverage diversified and expanded.	% of audit entities audited annually (FA and CA)	<p><b>Description:</b>                  Measures audit coverage of entities in the audit universe, reflecting planning effectiveness and execution capacity.</p> <p><b>How it is measured:</b>                  Numerator: Number of entities audited during the year                  Denominator: Total number of entities in the audit universe                  Measurement unit: Percentage (%)                  Data source: Annual Audit Schedules, Annual Performance Report                  Frequency: Annual</p>

	<p>% reduction in audit cycle time due to risk-based and technology enabled audits</p>	<p><b>Description:</b> Measures the efficiency gains achieved in the audit process through the adoption of risk-based approaches and technology-enabled tools. It reflects the reduction in time spent on key audit activities such as travel, data collection, data cleaning, preparation, and analytics, indicating improved productivity and streamlined audit workflows.</p> <p><b>How it is measured:</b> Numerator: Difference of total allocated man-days and total man-days spent to complete the Annual Audit Schedule (AAS) Denominator: Total man-days allocated for the whole AAS as per the Audit Universe Measurement unit: Percentage (%) Data Source: AIMS/ Annual Performance Report Frequency: Annually</p>
<p>Output 2.2: Performance audit coverage on priority and systemic issues diversified and expanded.</p>	<p>Number of performance audits conducted.</p>	<p><b>Description:</b> Tracks delivery of performance audits focusing on emerging or priority issues, reflecting responsiveness and relevance of audit work - as per the Performance Audit Strategic Plan</p> <p><b>How it is measured:</b> Count of performance audit reports completed and published Measurement unit: Number Data source: Annual Performance Report Frequency: Annual</p>
<p>Output 2.3: Audit quality management system strengthened.</p>	<p>% of remediations undertaken after SoAQM</p>	<p><b>Description:</b> Reflects how effectively the organisation responds to audit quality findings and strengthens its quality management system over time.</p> <p><b>How it is measured:</b> Percentage of remediation actions from the SoAQM assessment that have been fully completed against the total number of remediation actions identified, calculated as:  Percentage of remediations undertaken =(Number of remediations completed/Total number of remediations identified)×100  Measurement unit: Percentage (%) Data source: SoAQM Report / Remediation Action Plan Tracker / Annual Performance Report Frequency: Annual</p> <p><b>Note:</b> Only actions marked as completed and supported by verifiable evidence will be considered for reporting.</p>
<p><b>Theme 3: Digital &amp; Methodology Strengthening</b></p>		

Output 3.1: Audit Information Management System fully operationalized	% of audit engagement managed end-to-end through AIMS (AAS, Planning, Execution, Reporting and Follow-up)	<p><b>Description:</b> Measures the extent to which audit engagements are fully managed through the Audit Information Management System (AIMS) across all stages of the audit lifecycle: AAS, planning, execution, reporting, and follow-up. It reflects the level of digital adoption, process integration, and standardization in audit management.</p> <p><b>How it is measured:</b> Numerator: Audits managed entirely through AIMS Denominator: Total audits conducted Measurement unit: Percentage (%) Data source: AIMS system data Frequency: Annual</p>
	% reduction in paper consumption due to AIMS	<p><b>Description:</b> Measures the reduction in paper consumption resulting from the adoption of the Audit Information Management System (AIMS), reflecting the shift towards digital audit processes, improved environmental sustainability, and enhanced operational efficiency.</p> <p><b>How it is measured:</b> Numerator: Difference of total bundles of printing papers distributed to auditing divisions in FY 2024-25 and the concerned FY Denominator: Total bundles of printing papers distributed to auditing divisions in FY 2024-25 Measurement unit: Percentage (%) Data source: Store Records/Procurement Data Frequency: Annual</p>
Output 3.2: Data analytics embedded in audit processes through Smart Audit Platform	% of audits using data analytics through SAP	<p><b>Description:</b> Measures the proportion of audit engagements that utilize data analytics through SAP, reflecting the integration of advanced analytical tools into the audit process to enhance audit quality, evidence-based decision-making, and operational efficiency.</p> <p><b>How it is measured:</b> Numerator: Number of audit engagements that used data analytics outputs, dashboards, or data models through SAP during the reporting period Denominator: Total number of audit conducted during the reporting period Measurement unit: Percentage (%) Data source: AIMS/SAP records Frequency: Annual</p>
	% of audits using full-population data analysis instead of sampling	<p><b>Description:</b> Measures the proportion of audit engagements that apply full-population data analysis instead of traditional sampling techniques, reflecting the shift towards comprehensive, data-driven audits that enhance assurance, accuracy, and audit effectiveness.</p>

		<p><b>How it is measured:</b>                  Numerator: Number of audit engagements that used full-population data analysis during the reporting period                  Denominator: Total number of audit engagements conducted during the reporting period                  Measurement unit: Percentage (%)                  Data source: AIMS/SAP records                  Frequency: Annual</p>
Output 3.3: Knowledge Management System institutionalised.	% of employees using the KMS	<p><b>Description:</b>                  Measures the proportion of employees actively using the Knowledge Management System (KMS), reflecting the extent of knowledge sharing, accessibility of institutional resources, and adoption of digital learning and collaboration practices within the organisation.</p> <p><b>How it is measured:</b>                  Numerator: Number of employees who have actively used the KMS during the reporting period (e.g., accessing, uploading, or interacting with knowledge resources)                  Denominator: Total number of employees in the organisation during the reporting period                  Measurement unit: Percentage (%)                  Data source: KMS usage logs, system analytics, and user activity records                  Frequency: Annual</p>
Output 3.4: Modern audit methodologies applied across audit work.	All the audit manuals, standards, or guidelines are reviewed and updated.	<p><b>Description:</b>                  Measures the extent to which all audit manuals, standards, and guidelines are systematically reviewed and updated within the defined period/as per requirement, ensuring their continued relevance, alignment with emerging practices, and compliance with national and international auditing standards.</p> <p><b>How it is measured:</b>                  Count of manual/standards/guidelines reviewed and updated.                  Measurement unit: Number                  Data source: Annual Performance Report                  Frequency: Annual</p>
<b>Theme 4: People &amp; Organisational Culture</b>		
Output 4.1: Audit workforce competency framework implemented and applied.	% of training plans aligned with competency gaps	<p><b>Description:</b>                  Measures the proportion of training plans that are aligned with identified competency gaps, reflecting the extent to which capacity development efforts are evidence-based, targeted, and responsive to organisational and individual skill needs.</p> <p><b>How it is measured:</b>                  Numerator: Number of training plans developed based on identified competency gaps during the reporting period                  Denominator: Total number of training plans developed during the reporting period                  Measurement unit: Percentage (%)                  Data source: HR Report                  Frequency: Annual</p>

	Time required for new audit officials to become operational on audit assignments	<p><b>Description:</b> Measures the average time required for new audit officials to become operational on audit assignments, defined as their ability to independently perform audit tasks using learnings from IPNR, guidance, mentoring, and the Knowledge Management System (KMS). The indicator reflects the effectiveness of onboarding, training, and knowledge support systems in accelerating auditor readiness and productivity.</p> <p><b>How it is measured:</b> Count of total number of weeks taken by new audit officials to become operational during the reporting period Measurement unit: Number of weeks Data Source: HR Report Frequency: Annual</p>
Output 4.2: Leadership and people management systems strengthened.	Staff Perception Score on leadership effectiveness	<p><b>Description:</b> Measures the overall staff perception of leadership effectiveness within the organisation, reflecting the quality of leadership in terms of communication, decision-making, support, integrity, and the ability to inspire and guide employees towards organisational goals.</p> <p><b>How it is measured:</b> Numerator: Total average score obtained from staff responses on leadership effectiveness in the perception survey Denominator: Maximum possible score from all survey respondents Measurement unit: Percentage (%) or Index Score Data source: Staff perception surveys/ organisational climate surveys Frequency: Annual</p> <p><b>Note:</b> The survey questionnaire should be designed professionally to eliminate the risk of assessment based on personal grudges and relationships.</p>
	% of active workforce retained annually	<p><b>Description:</b> Measures the proportion of active employees retained within the organisation over a year, excluding those on deputation, O level, ESP, and GSP, reflecting workforce stability, employee satisfaction, and effectiveness of retention strategies.</p> <p><b>How it is measured:</b> Numerator: Number of active employees at the end of the reporting period (excluding deputation, O level, ESP, GSP) who were also employed at the beginning of the period Denominator: Total number of active employees at the beginning of the reporting period (excluding deputation, O level, ESP, GSP) Measurement unit: Percentage (%) Data source: HR records, employee database, separation and transfer records Frequency: Annual</p>
Output 4.3: Ethical culture and professional conduct reinforced.	% of staff completing sensitisation on code of ethics	<p><b>Description:</b> Measures the proportion of staff who have completed sensitisation on the Code of Ethics, reflecting the</p>

		<p>organisation’s efforts to promote integrity, ethical awareness, and compliance with professional standards.</p> <p><b>How it is measured:</b>                      Numerator: Number of staff who have completed sensitisation on the Code of Ethics during the reporting period                      Denominator: Total number of staff required to undergo sensitisation during the reporting period                      Measurement unit: Percentage (%)                      Data source: Training attendance records, HR training database, sensitisation program reports                      Frequency: Bi annual</p>
Output 4.4: Performance management, staff engagement, and wellbeing systems strengthened	Staff engagement and wellbeing index score	<p><b>Description:</b>                      Measures the overall level of staff engagement and wellbeing within the organisation, reflecting employees’ motivation, job satisfaction, emotional wellbeing, and sense of belonging.</p> <p><b>How it is measured:</b>                      Numerator: Total average score obtained from staff responses on engagement and wellbeing survey components                      Denominator: Maximum possible score from all survey respondents                      Measurement unit: Percentage (%) or Index Score                      Data source: Staff engagement and wellbeing surveys                      Frequency: Annual</p>
	% of Annual Work Plan completed	<p><b>Description:</b>                      Measures the proportion of planned activities and outputs successfully completed within the Annual Work Plan, reflecting organisational performance, efficiency, and execution capacity.</p> <p><b>How it is measured:</b>                      Numerator: Number of activities/outputs completed during the reporting period                      Denominator: Total number of activities/outputs planned in the Annual Work Plan                      Measurement unit: Percentage (%)                      Data source: Annual Work Plan, progress reports, performance monitoring records                      Frequency: Annual</p>
	Number of wellbeing initiatives implemented and utilised by staff	<p><b>Description:</b>                      Measures the number of wellbeing initiatives (ASWS, counselling services, health check-ups, recognitions, celebrations, incentives, safety, etc.) implemented by the organisation and actively utilized by staff, reflecting efforts to promote employee wellbeing and the uptake of such initiatives.</p> <p><b>How it is measured:</b>                      Count of wellbeing initiatives implemented and utilized by staff during the reporting period                      Measurement unit: Number                      Data source: HR records, program reports, participation/attendance records                      Frequency: Annual</p>

<p>Output 4.5: Work environment and infrastructure strengthened to support audit delivery.</p>	<p>Staff satisfaction score regarding the physical work environment, safety, and accessibility</p>	<p><b>Description:</b> Measures staff satisfaction with the physical work environment, including workplace safety, infrastructure, and accessibility, reflecting the organisation’s ability to provide a conducive and inclusive working environment.</p> <p><b>How it is measured:</b> Numerator: Total average score obtained from staff responses on work environment, safety, and accessibility Denominator: Maximum possible score from all survey respondents Measurement unit: Percentage (%) or Index Score Data source: Staff satisfaction surveys, workplace assessments Frequency: Annual</p>
<p><b>Theme 5: Communication and Public Engagement</b></p>		
<p>Output 5.1: Communication on audits improved.</p>	<p>% of audit reports published within agreed timelines (FA &amp;CA)</p>	<p><b>Description:</b> Measures the proportion of Financial Audit (FA) and Compliance Audit (CA) reports published within the agreed timelines (30 days for A category agencies, 20 for B category agencies and 10 days for C category agencies with exceptions for A1 agencies), reflecting efficiency and timeliness in audit reporting.</p> <p><b>How it is measured:</b> Numerator: Number of FA and CA audit reports published within agreed timelines during the reporting period Denominator: Total number of FA and CA audit reports due for publication during the reporting period Measurement unit: Percentage (%) Data source: AIMS/Annual Performance Report Frequency: Annual</p>
	<p>% of audit reports published within agreed timelines (PA)</p>	<p><b>Description:</b> Measures the proportion of Performance Audit (PA) reports published within the agreed timelines (refer PAG 2025 for timeline), reflecting efficiency and timeliness in delivering complex audit outputs.</p> <p><b>How it is measured:</b> Numerator: Number of PA audit reports published within agreed timelines during the reporting period Denominator: Total number of PA audit reports due for publication during the reporting period Measurement unit: Percentage (%) Data source: AIMS/Annual Performance Report Frequency: Annual</p>
<p>Output 5.2: Stakeholder engagement and media outreach enhanced.</p>	<p>% of planned engagements delivered as scheduled</p>	<p><b>Description:</b> Measures the proportion of planned audit related engagements delivered according to the approved schedule, reflecting effectiveness in planning, coordination, and execution of audit activities including press conferences.</p> <p><b>How it is measured:</b> Numerator: Number of planned engagements delivered as per schedule during the reporting period Denominator: Total number of planned engagements for the reporting period Measurement unit: Percentage (%)</p>

		Data source: Annual Performance Record Frequency: Annual
Output 5.3: Strategic partnerships broadened nationally and internationally.	Number of active cooperation with peer SAIs, international and regional professional bodies.	<p><b>Description:</b> Measures the number of active collaborations and engagements with peer Supreme Audit Institutions (SAIs), and international and regional professional bodies, reflecting the organisation’s efforts in knowledge exchange, capacity building, and global engagement.</p> <p>How it is measured: Count of active cooperation initiatives (e.g., MoUs, joint audits, trainings, knowledge exchanges, participation in forums) during the reporting period Measurement unit: Number Data source: International relations records, MoUs, program reports, participation records Frequency: Annual</p>

**Annexure 4: Implementation Matrix**

ACTIVITY	SUB-ACTIVITY	TARGET DATE	RESPONSIBILITY	2025-26	2026-27	2027-28	2028-29	2029-30
<b>Outcome: Accelerated His Majesty’s vision for an "Enlightened Entrepreneurial Bureaucracy" by raising national standards of accountability and performance, shaping a more transparent, agile, and resilient public sector capable of delivering ten times results for Bhutan’s long-term transformation.</b>								
<b>THEME 1: Governance, Accountability &amp; Ethics</b>								
<b>Output 1.1. Audit oversight mechanisms for governance and accountability risks strengthened.</b>								
Prepare Strategic Plan and Operational Plan	Prepare Strategic Plan 2030-2035	31-Dec	PPD					√
	Prepare annual Operational Plan	15-Jul	PPD	√	√	√	√	√
	Continuous monitoring and quarterly review of Operational Plan	Each Qtr.	PPD	√	√	√	√	√
	Mid-term review of Strategic Plan 2025-2030	31-Jan	PPD			√		
Assessment of Internal Control	Define Terms of Reference for internal audit	31-Mar	Audit Committee	√	√	√	√	√
	Identification of internal auditors	30-Jun	Audit Committee	√	√	√	√	√
	Conduct external audit	Jul-Oct	Identified Team	√	√	√	√	√
	Publish audited financial statement in AAR	31-Dec	PPD	√	√	√	√	√
Update SOPs and ToRs	Establishment of SOP and ToR Inventory	30-Jun	PPD	√				
	Periodic updating of SOPs and ToRs	30-Jun	PPD	√	√	√	√	√
Strengthening Digital Governance and Timeliness of Decision Documentation	Standardize MoM/RoD templates and approval workflows	Jul-Jun	Committees/Secretariat	√	√	√	√	√
	Set and monitor turnaround time (TAT) compliance	Jul-Jun	Committees/Secretariat	√	√	√	√	√
<b>OUTPUT 1.2: Institutional follow-up mechanism strengthened</b>								
Enhance Follow-Up Methodology	Identification of loopholes and lapses in follow-up workflow	30 Apr	Follow-up Committee	√				
	Institutionalise criteria to evaluate the adequacy of ATRs and selection of observations to be forwarded to the ACM	30 Jun	Follow-up Committee	√				
	Revise and enforce deadlines for ATR submission	30 Apr	Follow-up Committee	√	√	√	√	√
Conduct follow-up of PA, CA, FA and Statutory Audit (SA) reports	Planning the follow-up audits	April/May	PAD/COAD/FLSD	√	√	√	√	√
	Conducting and reporting	As per schedule	PAD/COAD/FLSD	√	√	√	√	√
Conduct follow-up of audit reports after ATR	Planning follow-up of audit reports based on AAS	15-Mar	FLSD	√	√	√	√	√
	Conducting review	As per AWP	FLSD	√	√	√	√	√
	Finalization and submission of follow-up reports	As per AWP	FLSD	√	√	√	√	√

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Conduct follow-up of unsettled audit reports	Analyze and monitor unsettled audit issues	30 May	FLSD	√	√	√	√	√
	Strengthen accountability and follow-up	31 Jul	FLSD	√	√	√	√	√
Submit review report of past AAR	Conduct review and determine status of past AARs	Feb-Mar	FLSD	√	√	√	√	√
	Preparation and submission of report	15 Apr	FLSD	√	√	√	√	√
Submit review report of past PA reports	Conduct review and determine status of past PA reports	30 Aug	PAD	√	√	√	√	√
	Preparation and submission of report	30 Sep	PAD	√	√	√	√	√
Conduct Audit Impact Assessment	Formation of team	30 May	Advisory Committee	√				
	Prioritise Audit Stream (FA/CA/PA)	15 Jul	Advisory Committee	√	√	√	√	√
	Conduct assessment	30 Sep	Assessment Team	√	√	√	√	√
	Publish standalone Audit Impact Report	11 Nov	Assessment Team	√	√	√	√	√
Conduct trend analysis of past audit issues	Planning the review	Jul-Jun	SAIL		√			√
	Data analysis and reporting (internal)	Jul-Jun	SAIL		√			√
Strengthen Accountability Mechanism	Evaluate and strengthen the existing accountability fixing mechanisms	Jul-Jun	Audit Committee	√				
	Periodic updating and implementation of the revised mechanisms	Jul-Jun	Audit Committee/FLSD	√	√	√	√	√
<b>THEME 2: Audit and Assurance Service</b>								
<b>OUTPUT 2.1: Risk-based and technology-enabled audit coverage diversified and expanded.</b>								
Conduct annual plan meeting	Conduct annual workshop to finalize the Annual Operational Plan for the subsequent FY	10 June	PPD	√	√	√	√	√
	Endorse the Annual Operational Plan	30 June	Advisory Committee	√	√	√	√	√
Annual Audit Planning	Obtain the list of donor-funded projects and review and update the audit universe, including agency categorization and risk profiles.	31 March	Divisions/OAAGs/PPD	√	√	√	√	√
	Prepare and publish Annual Audit Schedule (AAS)	30 June	Divisions/OAAGs/PPD	√	√	√	√	√
	Identify audit Thrust Areas and develop modalities	15 July	Divisions/OAAGs/PPD	√	√	√	√	√
Conduct Audits	Financial audit fieldwork and reporting	As per AAS	Divisions/OAAGs	√	√	√	√	√
	Compliance audit fieldwork and reporting	As per AAS	Divisions/OAAGs	√	√	√	√	√
Empanel Professional Audit Firms	Identify and select agencies for outsourcing	31-Aug	Audit Committee	√	√	√	√	√
	Evaluate and empanel service providers	15-Sep	Audit Committee	√	√	√	√	√

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	Arrange for empanelment of the Big Four	30-Jun	Audit Committee		√	√		
Outsource audits of Incorporated Companies, Civil Society Organisations (CSO) and Religious Organisations (RO)	Appointment of auditors for government incorporated companies	30-Nov	Audit Committee	√	√	√	√	√
	Appointment of auditors for ROs, CSOs, cooperatives and others	As per request	Audit Committee	√	√	√	√	√
	Monitoring of audit of government incorporated companies and issue of reports	Dec-Jun	Audit Committee	√	√	√	√	√
Enhance audit efficiency	Develop and Publish Guideline on Handling of Non-Cooperation	30 Jun	AAR Task Force	√				
	Periodic updating and continuous Implementation	Jul-Jun	Divisions/OAAGs	√	√	√	√	√
<b>OUTPUT 2.2: Performance audit coverage on priority and systemic issues diversified and expanded.</b>								
Conduct Performance Audit	Performance audit fieldwork and reporting	As per AAS	PAD	√	√	√	√	√
Conduct Special Audits	Identify and prioritize topics/themes pertaining to emerging issues/high risk sectors	Jul-Jun	Audit Team	√	√	√	√	√
	Special audit fieldwork and reporting	As per schedule	Audit Team	√	√	√	√	√
Assessment of Fragmentation, Overlapping and Duplication	Project Scoping and Planning	15 Apr	Audit Team	√	√	√	√	√
	Analysis and Assessment	As per schedule	Audit Team	√	√	√	√	√
	Validation and Reporting	As per schedule	Audit Team	√	√	√	√	√
Publish AG's Advisory Series	Identify potential areas and topics	1st Qtr.	Audit Committee		√	√	√	√
	Planning and Execution	1st Qtr.	Identified Team		√	√	√	√
	Reporting and presentation	As per Plan	Identified Team/PPD		√	√	√	√
Publish Occasional Papers	Identify topics by teams/divisions/departments on quarterly basis	1st Qtr.	Audit Committee		√	√	√	√
	Planning and Execution	1st Qtr.	Identified Team		√	√	√	√
	Reporting and presentation	As per Plan	Identified Team/PPD		√	√	√	√
<b>OUTPUT 2.3: Audit quality management system strengthened.</b>								
Established System of Audit Quality Management (SoAQM)	Conduct need analysis	30-Jun	Global and Envelope Team (GT/ET)	√				
	Develop and approve SoAQM Policy	30-Jun	GT and ET and audit committee	√				
	Identification of Working Group for Risk Management Process (RMP)	30-Jun	Audit committee	√	√	√	√	√

	Implementation of RMP	30-Jun	Working Group	√	√	√	√	√
	Implementation of Monitoring, Remediation and Evaluation process	30-Jun	All Departments/Divisions	√	√	√	√	√
<b>THEME 3: Digitalization &amp; Methodology Strengthening</b>								
<b>OUTPUT 3.1: Audit Information Management System fully operationalized</b>								
Integrate AI and Machine Learning	Identify and design AI integration pathways within the Audit Information Management System (AIMS)	30 Jun	BESC/AIMS Team	√				
	Develop and institutionalize Audit Data Governance and AI Ethics Standards	30 Jun	BESC/AIMS Team	√				
	Pilot AI-enabled audits for risk profiling and advanced data analytics	Jul-Jun			√			
	Establish an AI-driven auditing framework and operating model	Jul-Jun	BESC/AIMS Team		√			
Integrate AIMS & NDI	AIMS & NDI integration both in .NET 2.2 & .NET 10.0 with user manual	1 Apr	AIMS Team	√				
AIMS Upgrade Upgrading from .NET Core 2.2 to .NET 10.0	Project Environment setup, Admin Panel Theme installation and setup project solution architecture & Database Restructuring in .NET 10.0	30 Jan	BESC/AIMS Team	√				
	System Administration & HRM Module	31 Mar	BESC/AIMS Team	√				
	Annual Audit Schedule Module (Requirement Collection, Development, Testing, Demonstration & Deployment with Manual)	June 2026	PPD/BESC/AIMS Team	√	√			
	AWP Automation (Financial Audit)	1 Jun	BESC/AIMS Team	√	√			
	AWP Automation (Compliance Audit)	31 Dec	BESC/AIMS Team		√			
	AWP Automation (Performance Audit)	31 Dec	BESC/AIMS Team			√		
	Follow-up Module	30-Jun	BESC/AIMS Team			√		
	Audit Clearance	30-Jun	BESC/AIMS Team				√	
	Reconciliation	30-Jun	BESC/AIMS Team				√	
	Performance Rating	30-Jun	BESC/AIMS Team				√	
MIS Report	30-Jun	BESC/AIMS Team				√		
Optimize AIMS to address residual limitations and emerging user needs	Identify upgrade needs	Jul-Jun	PPD + AIMS Team	√	√	√	√	√
	Implement upgrades	Jul-Jun	PPD + AIMS Team	√	√	√	√	√
	Prepare and disseminate user guides / SOP	Jul-Jun	AIMS Team	√	√	√	√	√

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Output 3.2: Data analytics embedded in audit processes through Smart Audit Platform								
Governance and Planning	Establish SAP governance structure (Steering Committee, Data Governance Committee)	1 May	Management / SAP Team	√				
	Establish SAP Core Implementation Team	1 May	HRGC / Management	√				
	Develop SAP implementation roadmap	1 May	SAP Core Team	√				
	Develop data governance and data access policies	1 Jun	Data Governance Committee	√	√			
	Annual review of SAP roadmap and priorities	Jun annually	SAP Steering Committee	√	√	√	√	√
Infrastructure and Platform Setup	Setup SAP infrastructure and environment	July 2026	ICT services					
	Install and configure data platform software and tools	August/Sept 2026	SAP Team		√			
	Setup data storage and analytics environment	August/Sept 2026	SAP Team		√			
	Setup security, access control and backup	August/Sept 2026	ICT/ SAP Team		√			
	Infrastructure upgrade and optimisation	Annual	ICT/SAP Team		√	√	√	√
Data Onboarding and Data Foundation	Conduct data source inventory	May 2026	SAP Team/Divisions	√				
	Prioritise datasets for onboarding	Mar annually	SAP Team / Task Forces		√	√	√	√
	Develop data request templates	Mar annually	SAP Team / Task Forces		√	√	√	√
	Develop data ingestion pipelines	Continuous	SAP Team		√	√	√	√
	Develop data cleaning and transformation processes	Continuous	SAP Team	√	√	√	√	√
	Establish audit data marts (procurement, payroll, revenue etc.)	Annual	SAP Team		√	√	√	√
	Develop metadata and data catalogue	Dec 2026	SAP Team		√	√	√	√
Analytics and Dashboards	Identify audit analytics use cases	Annual	SAP Task Forces	√	√	√	√	√
	Develop analytics models and scripts	Continuous	SAP Team	√	√	√	√	√
	Develop dashboards and indicators	Continuous	SAP Team	√	√	√	√	√
	Develop full-population audit tests	Annual	SAP Team		√	√	√	√
	Validate analytics results and refine models	Continuous	SAP Team	√	√	√	√	√
Pilot Audits and Rollout	Conduct pilot audits using SAP analytics	Annual	Divisions / SAP Team		√	√		
	Review pilot results and refine analytics	Annual	SAP Team		√	√		

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	Expand SAP use across audit types	Annual	SAP Team		√	√	√	√
	Integrate SAP outputs into audit planning and reporting	Annual	PPD / Divisions		√	√	√	√
Training and Institutionalisation	Conduct SAP training for auditors	Annual	SAP Team	√	√	√	√	√
	Develop SAP SOPs and protocols	October 2026	SAP Team		√			
	Develop user manuals and documentation	Dec 2026	SAP Team		√			
	Institutionalise SAP use in audit methodology	Dec 2027	PPD		√	√	√	√
Monitoring and Continuous Improvement	Monitor SAP usage and performance	Bi-annually	SAP Team		√	√	√	√
	Review SAP analytics effectiveness	Annual	SAP Steering Committee		√	√	√	√
	Update analytics models and dashboards	Continuous	SAP Team		√	√	√	√
Enhance Remote/Hybrid audits	Issuance and periodic update of remote/hybrid audit guidelines	30 Sep	Task Force/BESC	√				
	Prepare remote/Hybrid-Audit Universe	31 May	PPD	√	√	√	√	√
	Implement remote/hybrid audit	As per AAS	Divisions/OAAGs	√	√	√	√	√
<b>OUTPUT 3.3: Knowledge Management System institutionalised.</b>								
System Development and Setup	Develop and implement AI Knowledge Assistant for Knowledge Management System (KMS)	1 Jun	SAP Team	√				
	Develop KM policy/guideline	1 Jun	PPD and SAP Team	√				
	Develop document classification and metadata	May 2026	PPD	√				
	Develop and launch KMS		SAP Team		√			
Develop Knowledge Repository and Knowledge Capture	Upload policy references, audit manuals and guidelines, SOPs, templates, HR decisions, HR policies, administrative decisions, IR documents	Continuous	KM Admins	√	√	√	√	√
	Upload guidance notes on lessons learned and audit experiences	Continuous	Divisions	√	√	√	√	√
	Develop knowledge domains, document categories, and tagging		PPP/KM Admins/SAP Team	√	√			
Knowledge Reuse	Integrate KMS into audit planning and methodology	Continuous	PPD/Divisions		√	√	√	√
	Integrate KMS into onboarding of new recruits	Annual	SSIRD		√	√	√	√
	Encourage reuse of templates and guidance notes	Continuous	KM Admins/SAP Team		√	√	√	√
	Conduct knowledge sharing sessions	Annual	PPD/Year End Meeting Coordinators	√	√	√	√	√
KMS Training and Adoption	Train on KMS usage	Annual	SAP Team	√	√	√	√	√

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	Develop user manuals	30-Jun	SAP Team	√	√	√	√	√
Monitoring and Improvement	Monitor KMS usage Statistics	Annual	SAP Team	√	√	√	√	√
	Review knowledge gaps and update repository	Annual	PPD	√	√	√	√	√
Strengthen Research and Development	Revise internal R&D policy	30 Jun	PDRC	√			√	
	Continuous monitoring, evaluation and reporting of researches	30 Jun	PDRC	√	√	√	√	√
Improve in-house capacity development materials	Identify pool of resource person - for all the subjects/topics delivered	30 Jan	HRGC	√				
	Assess the effectiveness of the current resources and materials	Jul-Jun	Resource Persons	√	√	√	√	√
	Revise/Update the materials with progressive training strategies	Jul-Jun	Resource Persons	√	√	√	√	√
Institutionalize Innovation	Pilot RAA Innovation Challenge to gather ideas and recognize efforts		PPD/SSIRD/PDRC	√				
	Prioritize and refine innovative ideas and integrate into audit cycle		Innovation Unit		√	√	√	√
<b>OUTPUT 3.4: Modern audit methodologies applied across audit work.</b>								
Revise Audit Manuals (FA, CA, and PA including other subsidiary manuals and guidelines)	Formation of Task Force	30 Apr	Advisory Committee	√				
	Development, Validation, and Dissemination of Manual/Framework/Guideline/Document	30 Jun	Task Force	√	√	√	√	√
Revised reporting formats	Periodic update of formats for Annual Audit Reports, individual Audit Reports and other important reports	30 Jun	Committees	√	√	√	√	√
<b>THEME 4: People &amp; Organisational Culture</b>								
<b>OUTPUT 4.1: Audit workforce competency framework implemented and applied.</b>								
Provide capacity development programs	Design and adopt a comprehensive institutional training and capacity development strategy	28 Feb	PDRC/SSIRD	√				
	Revise the Continuous Professional Development Policy	30 Jun	PDRC/SSIRD	√				
	Implement the training strategy through structured programs, partnerships, and continuous learning mechanisms	Jul-Jun	PDRC/SSIRD	√	√	√	√	√
Post Training Impact Assessment	Design and institutionalize a Training Impact Assessment Framework	30 Apr	PDRC/SSIRD	√				
	Conduct systematic post-training impact assessments	30 Jun	PDRC/SSIRD	√	√	√	√	√
Professional Certification	Support ACCA/IAAS/PESA etc.	Annual Intake	SSIRD	√	√	√	√	√
<b>OUTPUT 4.2: Leadership and people management systems strengthened.</b>								
Institutionalize mentorship	Design and institutionalize a structured mentorship and coaching framework	15 Apr	SSIRD	√				

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	Continuous implementation and improvement	Jul-Jun	SSIRD	√	√	√	√	√
	Introduce a formal recognition and incentive mechanism for innovation and excellence	Jul-Jun	SSIRD	√	√	√	√	√
Succession Planning	Conduct a comprehensive talent and competency assessment	31 Jan	HRGC	√				
	Establish and regularly update succession pools for key positions	Jul-Jun	HRGC		√	√	√	√
	Identify capacity gaps and develop targeted individual development plans (IDPs)	Jul-Jun	HRGC		√	√	√	√
	Implement and monitor a structured succession and capacity development programme	Jul-Jun	SSIRD		√	√	√	√
Employee Retention	Develop and institutionalize an Employee Retention Strategy (ERS)	30-Jun	SSIRD	√				
	Implement the ERS and report annually to YEPCM on retention outcomes and workforce trends	30 Jun	SSIRD		√	√	√	√
<b>OUTPUT 4.3: Ethical culture and professional conduct reinforced.</b>								
Develop Organisational Integrity Plan	Develop OIP based on the ACC's recommendation	Jul	OIP Focal	√	√	√	√	√
	Implement OIP and ensure continuous monitoring	Jul-Jun	OIP Focal	√	√	√	√	√
	Report OIP achievements/findings to management	Quarterly	OIP Focal	√	√	√	√	√
Reinforce Code of Conduct	Enhance handling of Conflict of Interest	Jul-Jun	SSIRD	√	√	√	√	√
	Refine Code of Conducts for auditors to meet the expected ethical requirements	30 Jun	PPD	√				
	Implement Code of Conducts	Jul-Jun	Divisions/OAAGs	√	√	√	√	√
<b>OUTPUT 4.4: Performance management, staff engagement, and wellbeing systems strengthened</b>								
Provide Wellbeing Support	Implement wellbeing support programs under ASWS scheme	Jul-Jun	SSIRD	√	√	√	√	√
	Develop and conduct employee-wellbeing survey	15 Jul	SSIRD	√	√	√	√	√
	Initiate measures to address issues identified and present to YEPCM	30 Jun	SSIRD	√	√	√	√	√
Appreciation, Recognition and Motivation	Develop clear and transparent selection criteria for Best Audit Report, Significant Observations and Best Employee	30 Jun	Teams	√				
	Implement and continuously refine the recognition program	30 Jun	SSIRD	√	√	√	√	√
	Showcase staff achievements across multiple platforms	Continuous	Media Team	√	√	√	√	√
Open communication and trust	Establish anonymous feedback channels	30 Jan	PPD	√				
	Documentation, accountability and timely resolution	Jul-Jun	PPD	√	√	√	√	√

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Professional Safeguarding	Develop and institutionalize an Auditor Protection Guideline	30-Jun	PPD	√				
	Publish, implement, and monitor adherence to the guideline	Jul-Jun	PPD/Divisions/OAAGs	√	√	√	√	√
Institutional Bonding	Celebrate RAA day	16 Apr	All	√	√	√	√	√
<b>Output 4.5: Work environment and infrastructure strengthened to support audit delivery.</b>								
Augmented work environment	Conduct a comprehensive workplace assessment (software/hardware/infrastructure/etc)	May and Nov	AFS	√	√	√	√	√
	Analyse findings and prioritize gaps	Jun and Dec	AFS	√	√	√	√	√
	Implement solutions and report outcomes	Jul-Jun	AFS	√	√	√	√	√
Office Construction - OAAG, Samdrup Jongkhar	Form Project Committee	30 Jun	Advisory Committee	√				
	Design and drawing	30 Jun	Project Committee	√				
	Source budget	30 Jun	Project Committee	√				
	Construction	11 Nov	Project Committee		√			
<b>THEME 5: Communication and Public Engagement</b>								
<b>OUTPUT 5.1: Communication on audits improved.</b>								
Publish Annual Audit Report (AAR)	Identification of drafting team	Apr/May	AAR Technical Committee	√	√	√	√	√
	Drafting AAR and Vetting	30-Sep	AAR Drafting team & Technical Committee	√	√	√	√	√
	Publication and submission	31-Oct	PPD	√	√	√	√	√
	Issue separate AAR for agencies under GMC	30 Jun	AAR Drafting Team	√	√	√	√	√
Publish Annual Institutional Reports	Publish RAA's annual HR report	30-Aug	SSIRD		√	√	√	√
	Publish PDRC's annual report	30-Aug	PDRC		√	√	√	√
	Publish RAA's annual Performance Report	30-Sep	PPD	√	√	√	√	√
Internship	Develop and institutionalize an Internship Engagement Guideline	31-Jan	SSIRD/PDRC	√				
	Implement and monitor internship engagement	Jul-Jun	SSIRD	√	√	√	√	√
<b>OUTPUT 5.2: Stakeholder engagement and media outreach enhanced.</b>								
Enhance Stakeholder Engagement	Revise Stakeholder Engagement Strategy	30-Jun	PPD	√				
	Implement and report on stakeholder engagement	11 Nov	PPD	√	√	√	√	√
Conduct Advocacy and Awareness	Identify target agencies and stakeholders for audit awareness and advocacy	Jul-Jun	Advisory Committee	√	√	√	√	√

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	Develop comprehensive audit advocacy and awareness materials	Jul-Jun	PPD	√	√	√	√	√
	Conduct executive and stakeholder engagement forums	Jul-Jun	PPD	√	√	√	√	√
	Hold press conferences for significant audit reports	Jul-Jun	PPD	√	√	√	√	√
Improve digital presence and online visibility	Establish a dedicated Media and Communications Team	28 Feb	HRGC	√				
	Develop and institutionalize Terms of Reference (ToR) for the Media Team	30 Jan	PPD/SSIRD	√				
	Create and disseminate engaging awareness content (infographics/video/audio clips) via official social media platforms	Jul-Jun	Media Team	√	√	√	√	√
	Regular update of RAA's webpage	Jul-Jun	Media Team	√	√	√	√	√
	Publish key leadership communications	Jul-Jun		√	√	√	√	√
<b>OUTPUT 5.3: Strategic partnerships broadened nationally and internationally.</b>								
Integrate with INTOSAI communities	Participate in INTOSAI/ASOSAI working groups	Jul-Jun	SSIRD	√	√	√	√	√
	Collaborate with peer SAIs	Jul-Jun	SSIRD	√	√	√	√	√
	Participate in capacity building initiatives	Jul-Jun	SSIRD	√	√	√	√	√
Engage with Oversight Bodies (ACC)	Explore inter-agency contributions for better integrity and accountability	Jul-Jun	PPD/FLSD	√				
	Conduct accountability assessment	Jul-Jun	PPD/FLSD		√	√	√	√
	Publish joint report in pertinent issues	Jul-Jun	PPD/FLSD		√	√	√	√
	Collaborate with the BIG Five	Jul-Jun	Audit Committee		√	√	√	√

**Annexure 5: Risk Register**

No.	Risk Type	Specific Risk	Impact (1-5)	Probability (1-3)	Risk Rating (I×P)	Improved Control Measures	Control Owner	Alert Code
1	Strategic (Reputational Risk)	Quality of audit reports is low due to ineffective system of audit quality management	5	2	10	Short-term: Conduct targeted QA training for AAGs/DAGs; conduct peer reviews (within Divisions) and routine QA meetings. Long-term: Institutionalise SoQMS across all divisions; mandate independent QA review units; implement audit report scoring system/Implementation of ISSAI 140 by institution of System of Audit Quality Management.	AG, DAGs, AAGs	SR-R1
2	Strategic (Reputational Risk)	Public mistrust or low acceptance of audit reports due to poor quality of audit works and less professionalism	5	2	10	Launch a stakeholder engagement strategy; improve report communication (use infographics and summaries on social medias and webpage); engage CSOs and academia in post-audit forums.	AG, DAGs, AAGs	SR-R2
3	Strategic Risk (Reputational Risk)	Not able to create value or deliver impacts through our audit works	5	2	10	Strategic Planning, Selection of PA topics,		
4	Strategic (Ethical Risk)	Resistance to implementation of ethics control system	5	1	5	Establish clear ethics guidelines with examples; hold ethics awareness sessions; rotate teams periodically to avoid familiarity risk; appoint Ethics Focal Officers to monitor compliance.	AAGs, Team Leaders	SR-E1
5	Strategic (Technological Risk)	Emerging tech risks (cybersecurity, fintech, AI)	5	3	15	Develop a Tech Risk Framework; train auditors in AI and blockchain; include tech risk audits in annual plans; collaborate with GOVTech (national cyber agencies).	SSIRD, IT Cell, DAGs	SR-T1
6	Strategic (Other External Risk)	No proactive submission of documents by auditees	5	2	10	Use entry meetings to reinforce legal obligations under Sections 146/147 of the Audit Act; send pre-field reminders; escalate uncooperative behaviour to the management.	DAGs, AAGs, Team Leaders	SR-O1
7	Strategic (Other External Risk)	Events like COVID-19, reforms, or conflicts disrupt operations	5	2	10	Implement remote audit capability; ensure VPN-based access to government systems; draft BCPs (Business Continuity Plans) and simulation exercises.	AG, DAGs	SR-O2
8	Operational (HR Risk)	Risk of losing experienced auditors to other sectors	5	3	15	Develop retention schemes (training, recognition, progression plans); secure HR delegation from RCSC for audit-specific positions; create internal mentoring and capacity-building pathways.	Head of SAI, DAGs, SSIRD	OR-HR1

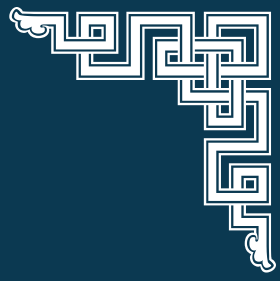
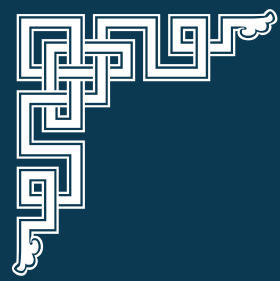
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9	Strategic (Technological Risk)	Budget for construction of OAAG-SJ	5	3	15	Option 1: Sought budget through project proposal. Option 2: Include it as priority activity during the first year of 14th FYP (2029-2030)	AG, DAGs, OAAG SJ	SR- T2
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Colour code	Priority:
	1–5: Low (monitor)
	6–10: Medium (active controls needed)
	11–15: High (urgent mitigation)







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

