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**ROYAL AUDIT AUTHORITY**

*( A Clean Public Service - Nation's Pride )*



RAA(AAR-2002)/

Dated: 16<sup>th</sup> October, 2003

**Foreword**

*“Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder”.*

HRH The Crown Prince Dasho Jigme Khesar Namgyel Wangchuck.

The Royal Audit Authority is pleased to publish the Annual Audit Report 2002 (AAR 2002).

This is the third Annual Audit Report, a sequel to the Annual Audit Report 2001. We hope this report would reinforce the national effort to safeguard the national integrity and enhance the quality of governance in Bhutan.

All authorities and readers we hope will appreciate that the Annual Audit Report is a universally accepted practice and an obligation of the National Auditing Agency. It is required to be placed before the government and the society. It is also a performance report of the national accountability machinery itself. It should thus be read as a necessary and inevitable obligation of the RAA and viewed accordingly.

The report mainly contains the significant audit findings and observations contained by the Inspection Reports issued within the year 2002. The RAA has also in gist incorporated the auditee’s replies/responses/action taken for the information of the general public.

This time the RAA had also indicated the identity of the officers responsible/accountable for each lapses given under every observation. While some are directly accountable for the lapses as mentioned some accountability are fixed based on the concept of succession responsibility where the predecessors are either transferred else where or no more in the service.

In the year 2002, the Royal Audit Authority had transmitted 182 inspection reports.

In the last Annual Audit Report, we had reported audit recovery of over Nu. 19 million. In the year 2002, we had recovered over Nu. 27 million. We believe that the deterrent effect of audit has probably caused more public money and resources from being misused/squandered than the amount that was detected and recovered by audit.

The Report that follows is also an account of one year of dedicated service rendered by the auditors inspired by the His Majesty's Farsighted Vision. I would like to acknowledge the support and cooperation rendered by all auditors in our endeavour to serve the Nation.

We hope with the issues raised by the RAA in the report, the agencies may strengthen the internal control system and work towards better performance.

I also express my gratitude for the valuable support and cooperation of all the audited agencies.

Please feel free to suggest or comment on the Annual Audit Report for our guidance and to improve the future editions.

**Sd-**

(Kunzang Wangdi)

**Auditor General of Bhutan**