

BHU/RAA/IPR

The Hon'ble Auditor General of Bhutan,  
Royal Audit Authority,  
Tashichhodzong,  
Thimphu, Bhutan.

**AUDITOR'S REPORT**

1. We report that we have audited the annexed Receipts & Payments Account of Royal Audit Authority's Budgetary Operations for the year ended 30<sup>th</sup> June 2005 drawn on cash basis, in terms of letter No. RAA/AC/2005/7306 dated 17.10.2005 and these are in agreement with the books of accounts maintained as per the provisions of Financial Manual. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Our examinations of books and records are based on generally accepted auditing standards and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary for this purpose.
2. The Trial Balance and Receipts and Payments Account have been drawn up on the basis of budgetary allocations by DBA of Royal Government of Bhutan.
3. As required by the Terms of Reference of Audit issued with the letter of appointment, we enclose a statement on the matters specified therein.
4. Statutory deductions regarding Salary Tax, Health Contributions, GPF, GIS and TDS have been deducted as per the prescribed rate of RGOB.
5. We report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii) Proper books of account have been maintained by RAA so far as appears from our examination of the books;
  - iii) In our opinion and to the best of our information and according to the explanations given to us and read with the Notes on Accounts and Significant Accounting Policies, the Receipts and Payments Accounts for the year ended 30<sup>th</sup> June 2005 gives a true and fair view of the budgetary funds received and payment made there from.

Date: 8<sup>th</sup> February 2006  
Place: Kolkata

L. B. Jha & Co.  
Chartered Accountants  
*L. B. Jha*  
(T. Mandal)  
Partner-In-Charge  
Membership # 50070

**ROYAL AUDIT AUTHORITY : THIMPHU BHUTAN**

**RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED ON 30TH JUNE 2005**

Particulars	Receipts		Particulars	Payments	
	For the Year ended as on 30.06.04 Amt.in Nu.	For the Year ended as on 30.06.05 Amt.in Nu.		For the Year ended as on 30.06.04 Amt.in Nu.	For the Year ended as on 30.06.05 Amt.in Nu.
<b>To Opening Balance</b>			<b>By Revenue Remittances</b>		
a Cash	-	-	a Personal Income Tax ( Salary)	360,647.00	310,142.00
b Bank	-	-	b House Rent	647,119.00	1,030,091.00
<b>To Releases</b>			c Health Contribution	135,744.00	148,851.00
a Budgetary	33,297,179.00	36,112,048.00	d Tax Deducted at source	100,510.62	113,436.66
b Non Revenue	208,052.23	374,222.13	e Cost of Tender forms	6,800.00	18,000.00
c Refundable deposits	515,588.17	-	f Other Revenues	13,800.00	14,000.00
d Un-cashed cheques	(11500.00)	(678.00)	<b>By Other Remittances</b>		
<b>To Grants in-kind</b>			a GPF Employees contribution	774,483.00	841,594.00
a Donor - A	-	-	b GIS Group Insurance Scheme	79,580.00	85,920.00
b Donor - B	-	-	c Other Insurance Scheme	236,130.00	281,042.00
<b>To Borrowings in-kind</b>			d Loan from Financial Institutions		
a Lender - A	-	-	i. Bank of Bhutan	654,426.00	675,791.00
b Lender - B	-	-	ii. Bhutan National Bank	1,062,385.00	1,042,082.00
<b>To Revenue Receipts</b>			e Personal Advances	3,900,110.46	5,138,882.00
a Personal Income Tax ( Salary)	360,647.00	310,142.00	<b>By Miscellaneous Payments</b>		
b House Rent	647,119.00	1,030,091.00	a Non Revenue deposits	165,212.00	5,000.00
c Health Contribution	135,744.00	148,851.00	b Refundable deposits	535,030.17	-
d Tax Deducted at source	100,510.62	113,436.66	c Payment to DBA	2,297,301.14	1,464,448.69
e Cost of Tender forms	6,800.00	18,000.00	d Audit Recoveries	9,250.00	-
f Other Revenues	13,800.00	14,000.00	e Others	504,396.68	808,920.00
<b>To Other Recoveries</b>			f Suppliers Advance	1,205,509.94	103,000.00
a GPF Employees contribution	774,483.00	841,594.00	g Other Deposits	6,550.00	-
b GIS Group Insurance Scheme	79,580.00	85,920.00	<b>By Budgetary Expenditure</b>		
c Other Insurance Scheme	237,130.00	281,042.00	a Current (Exp statement enclosed)	27,550,135.44	28,793,948.98
d Loan from Financial Institutions			b Capital (Exp statement enclosed)	2,693,517.79	7,064,215.13
i. Bank of Bhutan	654,426.00	675,791.00	<b>By Closing Balances</b>		
ii. Bhutan National Bank	1,062,385.00	1,042,082.00	a Cash	-	-
e Personal Advances	4,271,256.28	5,069,278.67	b Bank	-	-
<b>To Miscellaneous Receipts</b>					
a Non Revenue deposits	-	-			
b Refundable deposits	19,442.00	-			
c Payment to DBA	-	-			
d Audit Recoveries	9,250.00	-			
e Others	167,686.00	810,544.00			
f Suppliers Advance	382,509.94	1,013,000.00			
g Other Deposits	6,550.00	-			
<b>Total:</b>	<b>42,938,638.24</b>	<b>47,939,364.46</b>		<b>42,938,638.24</b>	<b>47,939,364.46</b>

Expenditure Statement - Schedule 1. Notes on Accounts and Significant Accounting Policies - Schedule 2. In terms of our report of even date - 8th Feb. 2006

Prepared By:   
Gattu Dukpa, Dy. Chief Auditor  
Admin & Finance Division.

Approved By:   
Cheda Jamtsho, Chief Auditor,  
Admin & Finance Division

Certified By:   
T. Mandal (Membership # 50070),  
Partner In-Charge, LB Jha & Company



## ROYAL AUDIT AUTHORITY : THIMPHU BHUTAN

Schedule-I

## EXPENDITURE STATEMENT FOR THE YEAR ENDED ON 30TH JUNE 2005

Object Code	Object Classification	For the Year ended on 30.06.04	For the Year ended on 30.06.05
		Amt.in Nu.	Amt.in Nu.
	<b>CURRENT</b>		
1.01	Pay & Allowances	13,580,910.00	15,530,516.00
2.01	Other Personnel Emoluments	862,045.00	124,660.00
11.01	Travel - Incountry	5,881,491.89	6,853,832.24
11.02	Travel - Outside Bhutan	1,021,653.55	933,087.04
12.01	Utilities - Telephone, Telex, Fax, E-mail, Internet	1,088,105.50	871,773.00
12.02	Utilities - Telegram, Wireless Transmission, Postage	111,347.00	88,295.00
12.03	Utilities - Electricity, Water, Sewerage.	169,407.60	183,867.20
13.01	Rental of Properties - Buildings	42,300.00	28,200.00
14.01	S & M - Office Supplies, Printing, Publications	1,737,397.97	1,273,348.49
14.08	S & M - Others	19,987.00	-
15.01	Maintenance of Property - Buildings	49,717.10	97,442.01
15.02	Maintenance of Property - Vehicles	1,039,869.01	1,137,955.22
15.05	Maintenance of Property - Equipments	90,276.00	52,171.00
15.07	Maintenance of Property - Computers	40,695.00	44,794.00
15.08	Maintenance of Property - Others	19,734.34	58,776.55
17.01	Operating Expenses - Advertising	75,553.00	27,815.00
17.02	Operating Expenses - Taxes, Duties, Royalties, Handling charges, Bank charges	2,473.00	16,623.69
18.01	Hospitality/Entertainment	169,976.28	271,176.16
21.01	Current Grants - Individuals/Non-profit Orgs.	197,745.00	56,295.00
24.01	Subscription to International Orgn.	105,961.80	103,766.38
24.03	Contributions - Provident Fund	774,403.00	841,594.00
25.01	Retirement Benefits	112,380.00	130,800.00
	<b>Adjustment of Previous Year Advances</b>		
2.01	Other Personnel Emoluments	1,500.00	-
11.01	Travel: InCountry	263,000.00	67,161.00
14.01	S & M - Office Supplies, Printing, Publications	4,000.00	-
17.02	Operating Expenses - Taxes, Duties, Royalties, Handling charges, Bank charges	88,206.40	-
	<b>Sub Total</b>	<b>27,550,135.44</b>	<b>28,793,948.98</b>
	<b>CAPITAL</b>		
45.01	Training - Human Resource Development	636,464.79	3,283,509.62
45.02	Training-Others	-	1,638,207.67
51.01	Expdt.on Structure - Buildings	-	700,000.00
51.08	Expdt.on Structure - Others	164,038.00	150,000.00
54.01	Furniture	83,212.00	65,000.75
54.02	Office Equipment	159,533.00	670,102.34
54.03	Computers and Peripherals	582,330.00	428,873.00
55.01	Professional Services	267,940.00	128,521.75
54.03	Computers and Peripherals ( SDS Support to RAA)	800,000.00	-
	<b>Sub Total</b>	<b>2,693,517.79</b>	<b>7,064,215.13</b>

Prepared By:  
Gattu Dukpa, Dy. Chief Auditor  
Admin & Finance Division

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Admin & Finance Division

Certified By:  
T. Mandal (Membership # 50070),  
Partner In-Charge, LB Jha & Company



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### Royal Audit Authority's Budgetary Operations

#### Schedule 2 – Significant Accounting Policies & Notes on Accounts

##### A. SIGNIFICANT ACCOUNTING POLICIES

1. The Receipts and payments accounts are prepared on cash basis in accordance with the practice of RAA.
2. Funds received are accounted for as and when fund is credited to the LC Account.

##### B. NOTES ON ACCOUNTS

1. This project has received Nu.36,486,270.13 during the year from 01.07.2004 to 30.06.2005.
2. Balance of remittances received from DBA during the year, lying with the Project as on 30.6.2005 amounting to Nu.1,464,448.69 has been refunded to DBA.
3. Previous year's figures have been regrouped/rearranged wherever necessary.

8, Netaji Subhas Road  
Kolkata-700001

The \_\_\_\_\_

L. B. JHA & CO.  
Chartered Accountants  
10, Netaji Subhas Road  
Kolkata-700001  
(Netaji Subhas Road)  
Kolkata

