



Royal Audit Authority of Bhutan

The Kingdom of Bhutan is a small landlocked country in the Eastern Himalayas. Bhutan has since 1971 been on the UN's list of least developed countries. The Royal Audit Authority in Bhutan (RAA) has gained a solid reputation in Bhutan because of its constant drive to scrutinize its own work and continuously improve its performance.

The SAI PMF assessment was initiated by the Auditor General of Bhutan following a SAI PMF training course hosted by RAA in 2014. The purpose of the assessment was to:

- provide RAA with information about its **strengths and weaknesses** as compared to the ISSAIs, and thereby identify opportunities to strengthen performance
- to **establish a baseline** against which future progress can be measured
- to be used in RAAs **fund mobilization efforts**

By conducting a pilot assessment, the RAA also supported the Working Group on Value and Benefits of SAIs (WGVBS) in developing the SAI PMF and a valuable output from the assessment were observations on how the framework could be improved.

The main activity in the planning phase is to develop the Terms of Reference (ToR) that documents key decisions, defines the scope and contains a plan for the assessment process. The ToR was developed by RAA and IDI in collaboration. To reach the main objectives of the assessment and to ensure **objectivity and credibility** RAA decided to conduct the assessment as a **peer review**. The assessment was conducted by a team of four, with a team leader from the IDI and the rest of the team members were from the Office of the Auditor General of Norway. These were also the parties funding the assessment. This constituted a very **strong assessment team** where all team members had previously attended a SAI PMF training course and the team as a whole had experience from all the audit types being assessed as well as organizational management systems.

The assessment was executed as a combination of a desk review of documentation and a two-week field trip to the RAA. Strong involvement from the RAA also proved essential for the high quality of the assessment. RAA decided to establish a **shadow assessment team** consisting of a few staff members. This proved to be very valuable both for internal

The SAI PMF provides Supreme Audit Institutions (SAIs) with a framework for voluntary assessments of their performance against the International Standards for Supreme Audit Institutions (ISSAIs) and other established international good practices for external public auditing.

Key facts - Bhutan assessment:

Version	Pilot version
Purpose	<ul style="list-style-type: none"> • Identify strengths and weaknesses • Establish a baseline for measuring performance • Mobilize funding for capacity development
Approach	Peer review
Status	Published
Main benefits	<ul style="list-style-type: none"> • Informed new strategic plan • Improve internal governance • Identifying capacity development needs • Attracted support
Quality Assurance Statement from IDI¹	Included in report

¹ Renamed independent review



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RAA capacity building and for the assessment team, which could draw on RAA staff members' insights from the organization. The shadow team followed the assessment team in their fieldwork and took part in team discussions and some interviews. The staff from RAA was not involved in the final judgement and scoring of the indicators, and not in the writing of the performance report. The strong involvement from RAA staff also contributed to members of the shadow assessment team developing their SAI PMF skills. The shadow team members have been used by IDI to cofacilitate SAI PMF training courses.

It was decided early on and specified in the ToR to make use of the independent review function provided by IDI to ensure quality. This entails a review conducted by a certified independent reviewer not involved in the assessment. An independent review was conducted by the draft assessment report which checks that the SAI PMF methodology has been applied correctly. A quality assurance statement is included in the final report that was completed and published in May 2015. It took approximately one year to complete the assessment and an important lesson learned is to plan with enough staff resources for the team to complete the assessment after the field work.

The RAA has made meaningful use of the results. A factor strongly contributing to this was the strong ownership and commitment from the top management in RAA. The results have been used in the following areas:

“The SAI PMF assessment has provided good insights and greatly benefitted the Royal Audit Authority when developing the Strategic Plan 2015-2020 and in enhancing communication with stakeholders».

- Dasho Tshering Kezang, Auditor General of Bhutan

- The SAI PMF report has informed the development of RAA's **new strategic plan (2015-2020)**
- **Improved internal governance**
- **Identifying capacity development needs** which was used as a basis for **attracting support from partners** where the SAI Capacity Development Fund (SAI CDF) that is administered by the World Bank agreed to fund a capacity development program reflecting key areas in need of development identified in the SAI PMF report.

Where to find more information

For any requests please contact the SAI PMF unit within IDI at SAIPMF@idi.no

For more information please see our Website: <http://www.idi.no/en/idi-cpd/sai-pmf>

Check out our SAI PMF introductory video: <http://www.idi.no/en/idi-cpd/sai-pmf>

Link to the published Bhutan SAI PMF report: http://www.bhutanaudit.gov.bt/audit-cnt/raa-files/SAI_PMF_Report_Bhutan.pdf