Bhutan: Strengthening Audit Resource Management

**Project Name**  
Strengthening Audit Resource Management

**Project Number**  
44246-012

**Country**  
Bhutan

**Project Status**  
Closed

**Project Type / Modality of Assistance**  
Technical Assistance

**Source of Funding / Amount**

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<td>TA 7723-BHU: Strengthening Audit Resource Management</td>
<td>Technical Assistance Special Fund US$ 450,000.00</td>
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<tr>
<td>TA 7723-BHU: Strengthening Audit Resource Management (Supplementary)</td>
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**Strategic Agendas**  
Inclusive economic growth

**Drivers of Change**  
Governance and capacity development

**Sector / Subsector**  
Public sector management - Public administration - Public expenditure and fiscal management

**Gender Equity and Mainstreaming**  
No gender elements

**Description**  
The TA builds on the work of the ongoing ADB TA 7032 on Strengthening Public Financial Management Project, which has a component that focuses on strengthening audit resource management of the RAA. Among the activities supported by this TA is assisting the RAA in acquiring and implementing IT systems, including auditing software, to enhance its operational efficiencies and to improve in-house training. By strengthening the operational efficiency and effectiveness of the RAA through a strategic IT intervention, the TA will seek to fill an important accountability gap in Bhutan’s governance and operating environment. An effective external audit institution is essential to transparency and accountability. Due to Bhutan’s rapid growth amidst its combined pursuit of democratization and decentralization, an audit gap is growing wider and faster than what the RAA can fill. In this regard, ADB assistance has been requested to close the gap and help ensure the country continues its steady progress to meeting its bold developmental goals.

**Project Rationale and Linkage to Country/Regional Strategy**  
The TA supports Bhutan’s 10th Five Year Plan (2008-2013), specifically the plan’s emphasis on enhancing transparency and accountability of the country’s institutions as part of the Government’s economic development strategy. In keeping with the plan’s focus on governance and decentralization, the strengthening of the RAA and other accountability agencies is considered by the Government to be crucial. At the same time, the TA expressly supports the Country Partnership Strategy (CPS) for Bhutan, notably its 3rd pillar on good governance. The rapid growth of Bhutan’s economy, the expansion of the government’s expenditures and its continuing fiscal decentralization all require that the RAA scale up its capacity to ensure that government’s performance is compliant with its accountability criteria.

**Impact**  
Improved public financial management in Bhutan

**Project Outcome**

**Description of Outcome**  
Increased accountability and transparency of public accounts

**Progress Toward Outcome**

**Implementation Progress**

**Description of Project Outputs**  
Reengineered RAA business processes and audit procedures/Program Management RAA auditors and relevant staff trained in new audit resource management system Customized ARMIS designed and installed in RAA

**Status of Implementation Progress (Outputs, Activities, and Issues)**  
As of November 2013, the consulting firm has successfully completed all equipment configuration as well as deployed ARMIS for pilot testing. An introductory training and User Manual for three of the five modules have also been completed. In July 2014, the RAA successfully launched ARMIS country-wide

**Geographical Location**

**Summary of Environmental and Social Aspects**

**Environmental Aspects**

**Involuntary Resettlement**

**Indigenous Peoples**

**Stakeholder Communication, Participation, and Consultation**

**During Project Design**  
tbd

**During Project Implementation**  
tbd

**Business Opportunities**
An international consulting firm has been contracted to implement the TA. The selected firm has fielded a senior systems analyst and programming specialist who will serve as the team leader of the project (international, 10 person-months). The team leader is being assisted by a public sector audit specialist (international, 1 person-month) in the conduct of a business process review and systems design for the RAA. The team leader is also being assisted by a programming specialist (national, 10 person-months) who will provide technical support to the RAA team in the programming of the ARMIS.

**Responsible ADB Officer**
Takuya Hoshino

**Responsible ADB Department**
South Asia Department

**Responsible ADB Division**
Public Management, Financial Sector and Trade Division, SARD

**Executing Agencies**
Royal Audit Authority
Kawangjangsa, PO Box 191, Thimphu, Bhutan

**Timetable**

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<td>Concept Clearance</td>
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<td>Fact Finding</td>
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**TA 7723-BHU**

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**Project Page**
https://www.adb.org/projects/44246-012/main

**Request for Information**
http://www.adb.org/forms/request-information-form?subject=44246-012

**Date Generated**
21 July 2019

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