RULES OF PROCEDURE FOR
FINANCE AND AUDIT COMMITTEE MEETING

Central Coordinating Agency for Internal Audit Service
Ministry of Finance: Royal Government of Bhutan
March 2017

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I. Title
This procedure shall be called ‘The Rules of Procedure for Finance and Audit Committee’ established by Finance Minister in accordance with Section 178 of the Public Finance Act of Bhutan 2007 to deal with unresolved financial irregularities under exceptional circumstances.

II. Rationale
This Rules of Procedure is being adopted to ensure orderly and proper disposal of matters that come before the Audit and Finance Committee.

III. Objective
The objective of this Rules of Procedure is to establish a common understanding of the purpose, scope and application process of the ‘Audit and Finance Committee’ within the committee members and its stakeholders.

IV. Scope
This Rules of Procedure shall apply to Committee members as stipulated in Section 179 of the Public Finance Act of Bhutan 2007 and all public agencies that may have matters to deal with Finance and Audit Committee with respect to unresolved financial irregularities.

V. Effective date
This Rules of Procedure will come into effect from 1st of March 2017 corresponding to 3rd day of the first month of the Fire Female Bird Year.

VI. Composition
As provisioned in Section 179 of the Public Finance Act of Bhutan 2007, the Finance and Audit Committee shall have the following members:

i. The Minister of Finance, (Chairman);
ii. The Auditor General of Bhutan; (Permanent member)
iii. The Finance Secretary; (Permanent member) and

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iv. The Secretary of the Ministry concerned or the Chief Executive of the budgetary body concerned where the organization is not part of a ministerial hierarchy.

VII. Meeting
The Chairman shall call the Finance and Audit Committee Meeting as and when necessary depending on the agendas.

All decision in the Committee should be made by consensus of all members.

The Central Coordinating Agency for Internal Audit Service, Ministry of Finance shall serve as secretariat and the Chief of Central Coordinating Agency for Internal Audit Service shall function as member secretary to the Finance and Audit Committee.

Based on the directives of the Chairman, the secretariat shall prepare agenda in consultation with the Royal Audit Authority and circulate to all members a week before the meeting.

VIII. Agenda
Agenda item for Finance and Audit Committee Meeting must originate from a formal request made to the Chairman, Finance & Audit Committee by a budgetary body or state-owned enterprises.

To be considered as agenda item for the Finance and Audit Committee Meeting, the matter in question must be of financial nature and have exhausted all possible options of resolving it amicably including the power vested upon the Auditor General of Bhutan by section 43 of the Audit Act of Bhutan 2006 and the limited power vested to respective authorities to write-off losses due to acts of nature by the Financial Rules and Regulations.

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IX. Decision/Minutes
The Secretariat shall record all proceedings of the Meeting and safe keep all materials/information pertaining to the decision in the manner deemed appropriate.

Decision of the meeting shall be communicated to the concerned party within one week of commencing the meeting.

X. Revision of the Rules of Procedure
This Rule of Procedure shall be revised from time to time by the FAC depending on circumstances.

(NIM DORJI)  
Finance Secretary  
(Permanent Member)

(TSHERING KEZANG)  
Auditor General of Bhutan  
(Permanent Member)

(NAMGAY DORJI)  
Finance Minister  
(Chairman)

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