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ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF FINANCE
TASHICHHO DZONG



PRESS RELEASE

The Ministry of Finance strengthens Internal Audit through first strategic plan and guidelines for value audits and quality assurance & improvement

November 19, 2020.

The Central Coordinating Agency (CCA) for Internal Audit Service, Ministry of Finance (MoF), Royal Government of Bhutan (RGoB) achieved another milestone by launching the following documents on 19th November 2020 at the Ministry's Conference hall. The CCA, MoF is on a journey to strengthen the internal audit function in Bhutan and the simultaneous launch of the documents is a significant achievement in this regard. The launch was graced by Dasho Nim Dorji, Hon'ble Finance Secretary. The Head of Departments under MoF, and the Internal Audit officials based in Thimphu attended the launching ceremony.

- a. Internal Audit Strategic Plan 2021-2025;
- b. Performance Audit Guidelines for Internal Auditors of RGoB, and
- c. Quality Assessment and Improvement Program Guidelines for Internal Audit Services of RGoB.

Internal audit service;

Internal audit service provides an independent and objective assessment of an organization's operations, specifically the effectiveness of its internal control structure. Internal Auditors use a systematic, disciplined approach to evaluate and provide assurance services through analyses of operations, compliance reviews, recommends controls and assures safeguards.

The strategic plan and guidelines have been prepared with the technical assistance from E&Y LLP consultant financed through Public Financial Management Multi Donor Fund (PFM-MDF). The Internal Audit and other PFM reforms in Bhutan are being supported by the PFM-MDF Program which is administered by the World Bank and funded by the Austrian Development Agency and the European Union.

Speaking at the gathering, Hon'ble Finance Secretary highlighted the importance of role that Internal Auditors play in promoting good governance, and the emerging challenges. He affirmed the gathering that the positioning of Internal Auditor right under head of agencies signifies the importance that the government places on internal audit service. Whilst assuring unwavering support of the Ministry, Dasho also called for continued support of all stakeholders in smooth implementation of strategic plans and the guidelines for internal auditors which would help organizations achieve operational efficiency.



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The Internal Audit Strategic Plan 2021-2025 outlines the strategic vision and goals of the Internal Audit Service in the RGoB. The Internal Audit Strategic Plan has been developed by CCA, MoF in consultation with the stake holders and will serve as a channel to add value to the Internal Audit function under RGoB. It aims to achieve the long-term mission of the internal audit service through various short to medium term measures including capacity building exercises, modernization in the audit techniques and quality assurance and improvement programmes. The strategic plan also sets out how internal audit can continue to provide an adequate level of assurance whilst taking into account the resource limitations. This document will serve as roadmap for strengthening the Internal Audit Service and improving service delivery to its stakeholders over the next five years.

The Performance Audit Guidelines developed primarily to provide appropriate guidance during the conduct of system/thematic audits also called as performance or value for money audit by the Internal Auditors in budgetary bodies of the RGoB. With the adoption of performance audit, Internal Audit Service will be able to provide independent and objective examination of economy, efficiency, and effectiveness of public undertakings, services, and activities. It plays an important role in keeping management well informed about its actions and the outcome of its own decisions to increase public transparency and accountability by providing objective and reliable information on how the public services perform. The guidance provided in this guideline is aligned with the standards issued by the Institute of Internal Auditors (IIA), and Performance Audit Standards issued by the International Organization of Supreme Audit Institutions (INTOSAI).

The Quality Assurance and Improvement Program (QAIP) Guideline for Internal Audit Service is developed and issued by the CCA, MoF, to develop and maintain a professional quality Internal Audit Service. QAIP is a tool to assess and improve the performance of Internal Audit Services. In the absence of such a tool, assessing the effectiveness of Internal Audit Service and gaining the stakeholders' credibility were the major challenges.

The QAIP guideline is developed based on Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF). It provides detailed guidance on how Internal Auditing standards are applied in various components of QAIP such as Internal Assessment, External Assessment, and Performance Monitoring of Internal Auditors.



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The documents are available on Finance Ministry's website www.mof.gov.bt