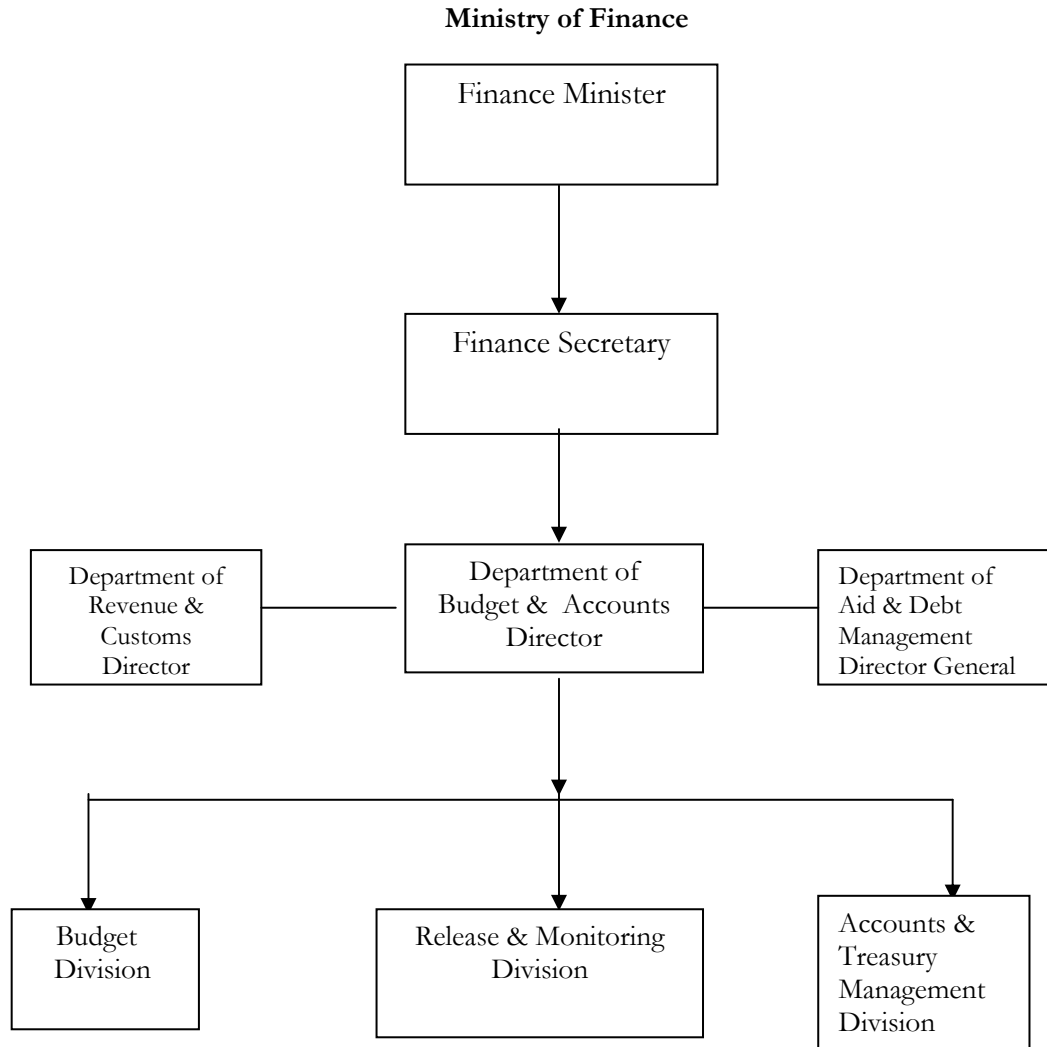


Government Accounting System in Bhutan

The Ministry of Finance, Royal Government of Bhutan is structured along the following lines. Headed by the Finance Minister, the Ministry has three separate departments.



The Department of Budget and Accounts, which functions as the Department of Budget as well as the office of the Controller General of Accounts, is headed by a Director, and it has three main Divisions:

Budget Division

The Budget Division is responsible for issuing budget calls, preparation of the national budget,

submitting the budget for approval to the Council of Ministers and the National Assembly, issuing budget approval notifications and interim modifications (processing for supplementary budget and re-appropriation of budget etc.) in the approved budget.

Headed by a Chief Budget Officer, the division is structured into 8 main sections along sectoral lines.

Release & Monitoring Division

This division releases funds to Government agencies in their allotted Letter of Credit (LC) bank accounts. The fund releases are made based on the requirements set in the financial rules & regulations such as timely submission of expenditure accounts, availability of externally funded resources, etc.

The organizational set up of this division is along the same lines as that of the Budget Division, i.e. with 8 different sections.

Monitoring is not a regular exercise. It is carried out on ad-hoc basis.

A Chief Budget Officer heads the division.

Accounts & Treasury Management Division

This division is responsible for proper recording and accounting of all government receipts and payments including domestic revenue and external aid. The preparation and submission of annual financial statements of the Government is also one of the main functions of the division. Treasury management and furnishing of financial information to other agencies are some of the other important functions carried out by this division.

This division has the same organizational structure as that of the other two divisions with one additional section for Treasury Management.

A Chief Finance Officer heads the division.

As the accounting function in Bhutan is still growing, the Government has felt that a separate accounting department was not necessary at this stage. The Accounts and Treasury Management Division of the Department of Budget and Accounts presently handle all accounting functions of the Government.

The Department of Budget and Accounts has around 60 officers and staff.

Internal Audit is an independent function in each ministry and is outside the scope of the Department of Budget and Accounts.