

ཐུལ་གཞུང་ཕྱི་ས་ཞིབ་དབང་འཛིན།

Reporting on Economy, Efficiency & Effectiveness in the use of Public



AIN: SoCD-2023-410

**FINANCIAL AUDIT REPORT
OF
THE BHUTAN HEALTH TRUST FUND, SECRETARIAT,
THIMPHU**

PERIOD: 01/07/2022 TO 30/06/2023

OCTOBER 2023

*"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder."
- His Majesty King Jigme Khesar Namgyel Wangchuck*



རྒྱལ་གཞུང་ཕྱི་སྲིད་འཕེལ་རྒྱུ་ལྷན་ཁང་།

ROYAL AUDIT AUTHORITY
Bhutan Integrity House

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



RAA/SoCD/AR/05/BHTF/2023-24/659

Dated:13/10/2023

The Director
Bhutan Health Trust Fund
Thimphu

Subject: Financial Audit Report of Bhutan Health Trust Fund, Secretariat, Thimphu for the period 1st July 2022 to 30th June 2023

Sir,

Enclosed herewith, please find the audited **financial statements and auditors' report thereon** in respect of the Bhutan Health Trust Fund (BHTF), Secretariat, Thimphu for the financial year ended 30th June 2023. The audit was conducted as required under the Audit Act of Bhutan 2018, and in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

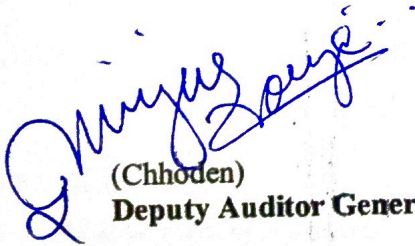
Auditor's Report on the Financial Statement

As may be noted from the auditors' report, the financial statements are prepared by the Bhutan Health Trust Fund, Secretariat in all material respects, in accordance with Financial Rules and Regulations 2016. Accordingly, the RAA has expressed unmodified (clean) opinion on the financial statements.

The auditors' review of the accounting records, internal controls and operations of the BHTF, Secretariat revealed some deficiencies and lapses. However, one [1] audit finding issued was settled in view of justifications provided, related documents and evidences furnished which are detailed in **Part I (Management Appraisal Report)** for future reference and compliance.

The Royal Audit Authority acknowledges the kind co-operation and assistance extended to the audit team by the officials of the BHTF, Secretariat, Thimphu which facilitated timely completion of the audit.

Yours sincerely,


(Chhoden)
Deputy Auditor General

Copy to:

"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder."
- His Majesty King Jigme Khesar Namgyel Wangchuck

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1. Accounts Officer, BHTF, Secretariat, Thimphu;
2. AAG, PPD, Royal Audit Authority, Thimphu;
3. AAG, Follow-Up & Clearance Division, Royal Audit Authority, Thimphu; and
4. Office copy.

TITLE SHEET

1. Title	:	Financial Audit Report of the Bhutan Health Trust Fund (BHTF), Secretariat, Thimphu
2. AIN	:	SoCD-2023-410
3. Head of the Agency	:	Kinga Jamphel, Interim Director EID No. 2101009, CID No. 11812001996 E-mail address: kjamphel@health.gov.bt
4. Drawing & Disbursing Officer	:	1. Karma, Interim Director EID No. 115225, CID No. 11703001315 E-mail address: kkarma@ricb.bt From: April 2023 to June 2023 2. Kinga Jamphel, Interim Director EID No. 2101009, CID No. 11812001996 E-mail address: kjamphel@health.gov.bt From: June 2023 till date 3. Sonam Dhendup, Officer In-Charge CID No. 11410007523 E-mail address: sdhendup@bhtf.bt From: July 2022 to April 2023 4. Sonam Chojay, Accounts Officer CID No. 10905000505 E-mail address: schojay@bhtf.bt From: July 2022 till date
5. Name of Finance Personnel	:	Sonam Chojay, Accounts Officer CID No. 10905000505 E-mail address: schojay@bhtf.bt From: July 2022 till date
6. Period Audited	:	01/07/2022 to 30/06/2023
7. Schedule of Audit	:	Start Date: 05/09/2023 End Date: 15/09/2023
8. Composition of Audit Team	:	Team Leader: Phurpa Dorji, Audit Officer (CID No. 10606002015 & EID No. 20150104954) Team Members: 1. Tashi Phuentsho, Senior Auditor (CID No. 106****1857 & EID No. 9509034) 2. Tandin Bidha, Asst. Audit Officer (CID No. 111****2344 & EID No. 202101918266)
9. Supervising Officer	:	Kencho Dorji, Assistant Auditor General EID No. 2101195

10. Overall Supervising Officer : Chhoden, Deputy Auditor General
EID No. 200501091

11. Audit Intimation Letter No. : RAA/DSA-SoCD/02/2023-2024/390 dated 4th September 2023

12. Focal Person : Tashi Phuntsho

13. Date of Audit Exit Meeting : N/A

ACRONYMS

AAG	:	Assistant Auditor General
AIN	:	Audit Information Number
AR	:	Audit Report
BHTF	:	Bhutan Health Trust Fund
DSA	:	Department of Sectoral Audit
EID No.	:	Employee Identification Number
MAR	:	Management Appraisal Report
RAA	:	Royal Audit Authority
RGoB	:	Royal Government of Bhutan
SoCD	:	Social Cluster Division

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**AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS**



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ROYAL AUDIT AUTHORITY
Bhutan Integrity House

Reporting on Economy, Efficiency & Effectiveness in the use of Public Resources



AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE BHUTAN HEALTH TRUST FUND, SECRETARIAT, THIMPHU FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

Opinion

We have audited the financial statements of Bhutan Health Trust Fund (BHTF), Secretariat, Thimphu (CD Account No. 201629757) which comprise of the Receipts and Payments Statement and schedules forming part of financial statements for the financial year ended 30th June 2023.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Rules and Regulations 2016.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of BHTF, Secretariat and we have fulfilled our responsibilities in accordance with the requirement outlined in *RAA's Oath of Good Conduct, Ethics and Secrecy of Auditors*. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for preparation of the financial statements in accordance with the Financial Rules and Regulations 2016 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the BHTF's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder."
- His Majesty King Jigme Khesar Namgyel Wangchuck

As part of an **audit** in accordance with ISSAIs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BHTF's internal control.

We communicate with the management, among others, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.



(Kencho Dorji)
Assistant Auditor General

Date: 17/10/2023



FINANCIAL STATEMENTS

BHUTAN HEALTH TRUST FUND

Income and Expenditure Statement for the year ended 30th June 2023

Particulars	Schedule	30.06.2023 (Nu)	30.06.2022 (Nu)
Income			
Interest Income from Investment	I	283,115,811.71	249,513,839.55
Health Contribution	III	320,083,146.08	336,079,389.96
ADB 2nd Tranche (USD \$ 5,000,000 @80.20)			401,000,000.00
Gain in Exchange Rate on ADB Grant (USD \$ 10,175,429.54)	VI (A)	32,052,603.05	36,596,928.92
Gain in Exchange Rate for BOBL FC Account (USD \$ 270.83)	VI (B)	853.11	1,922.90
Total Income		635,252,413.95	1,023,192,081.33
Expenditure			
Bank Charges and Commission		122,297.52	358,250.00
Vaccines		46,005,250.17	47,964,337.56
Essential Drugs		420,000,000.00	368,920,000.00
Gratuity Account (BLL)			2,500,000.00
Office Vehicle			3,359,266.00
24% penal interest to RAA, recovered from Serzang Lottery Agent, Tashigang.		683,735.37	
BHTF Operational Expenses		10,193,000.00	8,385,049.00
Total Expenditures		477,004,283.06	431,486,902.56
Surplus (Deficit) for the year		158,248,130.89	591,705,178.77


Accounts Officer
Bhutan Health Trust Fund
 Accounts Officer
 Bhutan Health Trust Fund



Interim Director
Bhutan Health Trust Fund
 Interim Director
 Bhutan Health Trust Fund



Bhutan Health Trust Fund

Statement of Affairs (Balance Sheet) as on 30th June 2023

Particulars	Schedule	30.06.2023 (Nu)	30.06.2022 (Nu)
Assets			
Investment in Local Currencies (Bonds & Fixed Deposit)	II (A)	3,887,117,471.64	3,461,476,653.11
Investment in Local Currencies (Saving Accounts)	II (B)	71,316,554.26	338,536,705.96
Invest in FC A/C with BoB	II (C)	22,573.68	21,720.57
Total Assets		3,958,456,599.58	3,800,035,079.64
Financed By:			
Capital Contributions	IV	1,280,124,774.29	1,279,951,385.24
General Fund	V	2,678,331,825.29	2,520,083,694.40
Total Capital & Reserves		3,958,456,599.58	3,800,035,079.64


Accounts Officer
Bhutan Health Trust Fund
Accounts Officer
Bhutan Health Trust Fund


Interim Director
Bhutan Health Trust Fund

Interim Director
Bhutan Health Trust Fund



Schedule I			
Interest Income on Local currencies for the year ended 30th June 2023			
Sl. No	Particulars	2023	2022
1	Interest Income from Fixed Deposit	143,944,437.30	141,500,280.31
2	Interest Income from RICBL Annuity Scheme	84,418,320.00	85,972,252.26
3	Interest on RICBL BOND	-	4,750,000.00
4	Interest Income from S/B Deposit-BDBL	4,204,512.89	945,012.22
5	Interest Income from S/B Deposit-BNBL	400,614.47	58,365.30
6	Interest Income from S/B Deposit-BoB	3,498,803.71	4,597,536.55
7	Interest Income from S/B Deposit-DPNB	622,378.00	2,323,197.00
8	Interest Income from S/B -T-Bank 001	833,991.58	1,738,982.79
9	Interest Income from S/B -T-Bank(H/C) 002	3,236,508.76	3,507,021.10
10	Interest Income from S/B -T-Bank 006	93,234.68	123,253.04
11	Interest on foreign investment (RMA) (USD \$ 402,985.07 x 83.35) (USD \$ 20,932.51 x 80.20)	33,588,805.58	1,678,787.30
12	Dividend on BNBL shares	5,968,762.20	
13	Dividend on GBRL shares	219,474.19	
14	Underutilized budget for FY 2021-2022	1,752,235.05	1,969,151.68
15	Dues on Lottery	333,733.30	350,000.00
	Total Interest Income	283,115,811.71	249,513,839.55

Gangpaighe
 Accounts Officer
 Bhutan Health Trust Fund

Hainf
 Interim Director
 Bhutan Health Trust Fund



Schedule II (A)**Investment in Local currencies (FD & Annuity Scheme) for the year ended 30th June 2023**

Sl. No	Particulars	2023 (Nu)	2022 (Nu)
1	Investment in Fixed Deposit	2,034,407,204.00	1,734,407,204.00
2	Investment in RICBL Annuity Scheme	812,000,000.00	812,000,000.00
3	Investment in RICBL Bond	-	-
4	Investment in Equity share BNBL	148,999,386.90	99,000,000.00
5	Investment in Equity share GRBL	10,000,023.00	
6	Grant from Asian Development Bank (USD \$ 10,578,414.61 @ 83.35)	881,710,857.74	816,069,449.11
	Total	3,887,117,471.64	3,461,476,653.11

Schedule II (B)**Investment in Saving Accounts for the year ended 30th June 2023**

Sl. No	Particulars	2023 (Nu)	2022 (Nu)
1	Investment in S/B Deposit-BDBL	487,006.38	78,224,109.11
2	Investment in S/B Deposit-BNBL	6,736,256.66	1,197,922.10
3	Investment in S/B Deposit-BoBL	19,012,000.92	99,881,562.44
4	Investment in S/B Deposit-Druk PNB	10,344,259.00	40,361,191.00
5	Investment in S/B Deposit-T-Bank 001	5,009,154.96	42,850,513.38
6	Investment in S/B Deposit-T-Bank 002	27,866,781.06	76,005,532.38
7	Investment in S/B Deposit-T-Bank 006	1,861,095.28	15,875.55
	Total Investment	71,316,554.26	338,536,705.96

Schedule II (C)**Investment in Foreign currencies for the year ended 30th June 2023**

Sl. No	Particulars	2023 (Nu)	2022 (Nu)
1	USD Investment (Equiv.Nu.)-BoB FC Account(USD \$ 270.83 @83.35)	22,573.68	21,720.57
	Total Investment	22,573.68	21,720.57

Gendargy
Accounts Officer
Bhutan Health Trust Fund

Hainf
Interim Director
Bhutan Health Trust Fund



Schedule III

Health Contribution Received as of 30th June 2023

Sl. No	Particulars	Month	2023 (Nu)	2022 (Nu)
1	RRCO,Thimphu	June'2022	27,824,474.70	24,574,246.59
2	RRCO,Thimphu	July'2022	21,907,920.63	20,712,772.35
3	RRCO,Thimphu	August'2022	27,038,318.20	22,622,111.79
4	RRCO,Thimphu	September'2022	23,076,619.98	25,824,902.04
5	RRCO,Thimphu	October'2022	22,752,755.99	23,620,892.74
6	RRCO,Thimphu	November'2022	26,026,348.06	23,910,733.71
7	RRCO,Thimphu	December'2022	29,520,556.47	29,951,120.81
8	RRCO,Thimphu	January'2023	19,101,264.10	20,150,246.87
9	RRCO,Thimphu	February' 2023	28,838,500.93	18,876,926.91
10	RRCO,Thimphu	March'2023	31,025,614.92	25,858,087.59
11	RRCO,Thimphu	April'2023	24,856,265.56	21,464,899.56
12	RRCO,Thimphu	May'2023	27,218,063.26	30,185,593.22
13	RRCO,Thimphu	Refund for FY 2021-2022	10,896,443.28	48,326,855.78
Total			320,083,146.08	336,079,389.96


Accounts Officer
Bhutan Health Trust Fund


Interim Director
Bhutan Health Trust Fund



Schedule IV

Capital Contributions as on 30th June 2023

Particulars	2023 (Nu)	2022 (Nu)
Contributions brought forward (30.06.2022)	1,279,951,385.24	1,279,922,591.24
Capital Contributions for the year	173,389.05	28,794.00
Total	1,280,124,774.29	1,279,951,385.24


Accounts Officer
Bhutan Health Trust Fund


Interim Director
Bhutan Health Trust Fund



Schedule V

Details of General Fund as on 30th June 2023

Sl. No	Particulars	2023 (Nu)	2022 (Nu)
1	Surplus (Deficit) brought forward	2,520,083,694.40	1,928,378,515.63
2	Surplus for the year ended 30.06.2023	158,248,130.89	591,705,178.77
	Total	2,678,331,825.29	2,520,083,694.40


Accounts Officer
Bhutan Health Trust Fund


Interim Director
Bhutan Health Trust Fund



Schedule VI (A)

DETAILS OF GAIN/LOSS IN EXCHANGE RATE FOR THE YEAR 2022-2023

SI No.	Particular	Amount
1	Opening Balance of ADB Grant as on 30/06/2023 (USD \$ 10,175,429.54 @ 83.35)	848,122,052.16
2	Less: Closing Balance of ADB Grant as on 30/6/2022 (USD \$ 10,175,429.54 @ 80.20)	816,069,449.11
	Total Gain in Exchange Rate for the Fiscal Year 2022-2023	32,052,603.05

Schedule VI (B)

SI No.	Particular	Amount
1	Opening Balance of F.C A/C 1241 as on 30/06/2023 (USD \$ 270.83 @ 83.35)	22,573.68
2	Less: Closing Balance of F.C A/C 1241 as on 30/06/2022 (USD \$ 270.83 @ 80.20)	21,720.57
	Total Gain in Exchange Rate for the Fiscal Year 2022-2023	853.11


Accounts Officer
Bhutan Health Trust Fund


Interim Director
Bhutan Health Trust Fund



PART I: MANAGEMENT APPRAISAL REPORT

This part contains audit memos/observations that are resolved based on the compliances assured to institute necessary controls or remedies by the management, and those issues, which are recommendatory in nature and intended to bring improved compliances through appropriate interventions. It also includes those audit memos/observations resolved in view of recoveries made, replies and related supporting documents and evidences furnished, for future reference.

1. Management of Bhutan Health Trust Fund and need for alternative fund raising

The Bhutan Health Trust Fund was officially launched at the World Health Organization (WHO) headquarters in Geneva and the Royal Charter for the same was issued by the His Majesty the Fourth King of Bhutan on 3rd August 2000 providing the legal framework for its establishment and governance.

The primary vision and the key concern of the BHTF was “To attain sustainability in the Primary Health Care delivery system”. Overall Fund status as of 30 June 2023 stands at Nu. 3,958,456,599.58 equivalent to USD \$ 47,491,980.80.

Hon’ble Chairperson, BHTF vide letter No. BHTF/Prog-03/2022-2023/114 dated 9th December, 2022, had requested the Ministry of Finance for revision and streamlining of Health Contribution remittance raising the concerns on the correctness of the Health Contributions remitted to BHTF. Further, shared the decision of the 30th Meeting of the BHTF Management Board seeking the support of the Ministry of Finance for the following two proposal

- Review of the HC collection system so as to encompass the excluded population who are not currently paying the HC, and
- The Department of Revenue and Customs (DRC) current system for collecting health contributions to be streamlined.

The audit team is of opinion that as the Health Contributions (HC) continues to be the major source of income for the BHTF, the following concerns raised by the BHTF Board as listed below needs to be addressed so as to authenticate the genuineness/correctness of the HC remittances from the DRC.

- Inclusion of some segments of the populations, such as small and micro businesses who are not eligible for the HC;
- What is the control system that DRC has put in to oversee whether the HC collected are correctly remitted and whether all population included are actually paying the HC; and
- To make sure that DRC remits the HC on time, as there is no control over the total HC collections and completely dependent on the reports produced by the DRC.

Such initiative would enhance the HC contributions and every citizen eligible would be contributing their own share of the HC. The BHTF should take up the matter with the Ministry of Finance to see the possibility of directly remitting the HC to BHTF rather than routing through the DRC, which would enable the BHTF to confirm the correctness and would also entail some controls/check and balance.

As could be seen from the Financial Statement of the BHTF, the main source of income as of now is mainly constituted by the interest on the deposits, investments, dividends from the shares and the HC remitted from the Ministry of Finance and the vision of the BHTF is ‘To attain sustainability in the Primary Health Care delivery system’ with an objective ‘to eliminate financing uncertainties for priority health care services out of income generated from investment of fund’.

The BHTF besides the normal source of income as stated above, has not carried out any activities till date to raise the funds, thus the RAA is of opinion that simply banking on the above source of income may not improve the fund position and sustainability of the BHTF may be at stake.

Further, on review and comparison of the income and expenditure statement for two years the status of balance fund after the expenses was found to be declining as shown in the Table No. 1:

Table No.1. Comparison of fund status			
SL. No.	Particulars	30.6.2023 (Nu.)	30.06.2022 (Nu.)
Income			
1	Interest income from the investment	283,115,811.71	249,513,839.55
2	Health Contribution	320,083,146.08	336,079,389.96
3	ADB 2 nd Tranche		401,000,000.00
4	Gain in exchange rate on ADB grant (USD10,175,429.54)	32052,603.05	36,596,928.92
5	Gain in exchange rate from BoBL FC account	853.11	1,922.90
Total Income		635,252,413.95	1,023,192,081.33
Expenditure			
1	Bank charges	122,297.52	358,250.00
2	Vaccines	46,005,250.17	47,964,337.56
3	Essential drugs	420,000,000.00	368,920,000.00
4	RAA 24% PI	683,735.37	
5	Gratuity account		2,500,000.00
6	Office vehicle		3,359,266.00
5	BHTF operational expenses	10,193,000.00	8,385,049.00
Total Expenditure		477,004,283.06	431,486,902.56
Balance fund transferred to capital account		158,248,130.89	591,705,178.77

Thus, the RAA feels that if this trend continues and the BHTF does not initiate for alternative fund-raising activities the requirement of the maintaining minimum of US\$ 24 million at any time as enshrined in the Royal Charter of Bhutan Health Trust Fund 2000 may be questionable though the current fund status exceeds the requirement of US\$24 million.

Therefore, the comment of BHTF is invited.

Auditee's Response:

The BHTF secretariat appreciates the auditing team for the observations and the recommendations in relation to the health contribution, fund raising activities and sustainability of the BHT Fund.

In order to ensure efficient remittance system for the sustainability of the BHTF, the BHTF Secretariat through the Chairperson already requested the Ministry of Finance for revision

and streamlining of health contribution (HC) remittance system raising the concerns related to the correctness of the health contributions remitted to the BHTF. The Secretariat will follow up on any further possibilities and actions on the matter.

As regards the possibility of directly remitting the HC to BHTF rather than routing through the DRC, “which would enable the BHTF to confirm the correctness and would also entail some controls/check and balance”, it may not be the appropriate decision because BHTF Secretariat does not have a system as well as manpower to cross check whether the remitter has deposited the health contribution. This system will require an IT system expert and administrator with access to HC information and the skills to verify and trace the transactions and remittances from all the relevant organizations. Since, the DRC has the system, manpower as well as the legal provisions and authority to impose penalties to the eligible contributors at the end of every financial year while they are filling income tax (PIT, BIT and CIT) through RAMIS system, the current system of remitting through the DRC system looks more practical at this point of time.

In addition, sustainability of the BHTF is the main concern of the Board considering the increasing expenditure on essential drugs and vaccines. The Board has continuously discussed this matter and explored best investment options with less risks. The Board has also discussed alternative ways like offshore investments and fund-raising initiatives.

However, the fund-raising activities could not be done due to limited staff in the organization. In the past few months, most of the available staff like Sr. Program Officer, Sr. Investment Officer, and Media and Communications Officer have resigned. The Office has also been without the Director since 2021. This attrition trend is faced by many other agencies in the country. Although there has been shortage of staff, this lean management system has also indirectly saved a lot of money for the BHTF through reduction in payment of staff salary and personnel emoluments. Appointment of new staff is underway. For the fiscal year 2023-2024 the secretariat has already proposed fund raising activities to the Board and some of the awareness and fund-raising initiatives will be taken up once there is adequate staff.

Therefore, based on the justifications provided above, this audit memo may be dropped.

Proposed fund-raising activities for fiscal year 2023-2024

Sl. No	Objectives	Method/Strategy	Stakeholder/Partner
1	Create public awareness on the mandates and functions of BHFT	<ul style="list-style-type: none"> Panel discussion on BBS TV/Radio Interview 	Chairperson/Board Directors
2	Promoting messages on the merits of making donations to the Trust Fund	<ul style="list-style-type: none"> TV Interview/Panel discussion on BBS 	One Venerable Lopen of <i>Zhung Dratshang</i> and Board Directors
3	Provide messages and create platform for the donations	<ul style="list-style-type: none"> Seek Approval and display standee banners at the Paro International Airport 	Department of Air Transport (DoAT)
		<ul style="list-style-type: none"> Seek approval and standee banners in the major hospitals 	Ministry of Health
4	Encourage donors through spiritual motivation	<ul style="list-style-type: none"> Approach to His Holiness the Je Khenpo (through JDWNRH Lam) to organize <i>Men-lha-</i> 	<i>Zhung Dratshang/ Potential Jin-das</i>

		<i>Drubchen</i> at Kuensel Phodrang <ul style="list-style-type: none"> Join as co-sponsor with potential <i>Jin-das</i> 	
5	Fund raising through spiritual motivation on 10 th & 15 th days of the lunar calendar at the Memorial Chorten	<ul style="list-style-type: none"> Interview/talk show and facilitation by film stars 	Actor Tandin Sonam
6	Promote messages on donation	<ul style="list-style-type: none"> Writeup on BHTF on Denkars Blog/ Facebook Page 	Denkars Gateway
7	Donation drives from interested Bhutanese individuals/communities abroad	<ul style="list-style-type: none"> Seek approval and support from Dept. of Bilateral Affairs in Ministry of Foreign Affairs and External Trade (MoFAET) 	Bhutanese Embassy in Australia Bhutanese Association in Australia and other countries
8	Build networks to create a pool of future funds raising activities	<ul style="list-style-type: none"> Seek support and approval of Ministry of Education and Skills Development (MoESD) to network with the health clubs in major schools 	MoESD

The memo was treated as settled:

The memo was treated as settled based on the justification provided in the audit response and submission of proposed alternative fund-raising activities besides assurance to execute the stated activities by the management in the fiscal year 2023-2024.

Compliance to be made by the management:

While the memo was settled based on the justification provided in the audit response and assurance provided by the management, the management should ensure to execute the proposed activities to improve the fund position. The compliance assured will be reviewed in the next audit.



PROFILE

Bhutan Health Trust Fund

The Constitution of the Kingdom of Bhutan- “The state shall provide free access to basic health services in both modern and traditional medicines.”

It was His Majesty the Fourth King of Bhutan, King Jigme Singye Wangchuck who formulated the concept of Gross National Happiness, which emphasized the need of happiness as an indicator to determine the progressive growth of a nation and its people. With all the development processes in Bhutan being guided by the GNH philosophy and Health being one of the domains of GNH, providing free healthcare system for all Bhutanese people has become imperative in promoting happiness for all times to come. This reason gave birth to the establishment of the Trust Fund. Bhutan Health Trust Fund (BHTF) plays a pivotal role in realising the goals of GNH especially pertaining to improving health and living standards for the people of Bhutan by providing free Primary Health Care services.

With the Royal Government of Bhutan’s key concern being the sustainability of this idea of free health care system, on 12th May 1998, the Bhutan Health Trust Fund was officially launched at the World Health Organization (WHO) headquarters in Geneva. The Royal Charter which was issued by His Majesty the Fourth King of Bhutan, Jigme Singye Wangchuck on 3rd August 2000 provides the legal framework for its establishment and governance.

Vision

- To attain sustainability in the Primary Health Care delivery system.

Mission

- To help provide basic health care services to the people

Objectives

- To promote the quality of life of people through provision of primary health care services.
- To help sustain primary health care through the assurance of continued and uninterrupted supply of critical vaccines and essential drugs.
- To eliminate financing uncertainties for priority health care services out of income generated from investment of the fund.

As of June 2023, Nu. 466,005,250.17 million has been supported for essentials drugs and vaccines.

