Bhutan Trust Fund for Environmental Conservation
Terms of Reference for Internal Auditor

OVERVIEW

Position Title	:	Internal Auditor
Employer	:	Bhutan Trust Fund for Environmental Conservation (BTF)
Work station	:	Thimphu, Bhutan
Services/Unit	:	Internal Audit Unit
Terms of Employment	:	Regular Employment

1. INTRODUCTION

Founded in 1991, Bhutan Trust Fund for Environmental Conservation (BTF) is the first of its kind in the world involving a partnership of government and donors specifically committed to environmental conservation under the auspices of the Royal Charter 2021.

The primary function of BTF is to manage its endowment prudently, ensure its growth and provide funding for the promotion of social welfare through environmental conservation by supporting activities for preserving biodiversity, mitigation and adaptation of climate change, enabling human-wildlife coexistence and addressing adverse environmental impacts of development on the environment.

BTF's strategic plan, which is updated periodically, is aligned with the overall national priorities for environmental conservation. It ensures that the program support activities are in line with the strategic plan. Since its inception, BTF has provided substantial funding toward establishing a protected areas network in the country, capacity building, and supporting smart environment friendly initiatives that have integrated conservation and social development targets and demonstrated the feasibility of a trust fund mechanism to support long-term, sustainable financing of environmental conservation for Bhutan.

2. PURPOSE AND OBJECTIVES

The Internal Audit Unit is an independent and objective assurance and advisory function established to add value and improve BTF's operations. The objectives of the Unit are to:

a) Provide independent assurance to the Board of Trustees and Governance & Audit Committee on the adequacy and effectiveness of governance, risk management, and internal control systems;
b) Promote accountability, transparency, economy, efficiency, and effectiveness in the use of BTF resources;
c) Ensure compliance with applicable laws, regulations, donor agreements, and internal policies;
d) Support management in strengthening systems, processes, and controls without assuming management responsibilities.

3. SCOPE OF INTERNAL AUDIT UNIT

Under the overall guidance of BTF's Service and Operations Manual, 2025 and direct supervision of the Governance and Audit Committee and the Managing Director, the Internal Audit Unit shall undertake audits on a periodic basis or more frequently, if required for improved accountability and efficient operation of BTF. The scope of the Unit shall extend to all activities, systems, processes, and entities under BTF's purview, including the Secretariat, Project Partners and Sinking Fund. In order to evaluate and improve the effectiveness of project implementation, risk management, internal controls, and governance processes in BTF, the Internal Audit Unit/Auditor shall systematically review systems and operations.

Under the supervision of the Governance and Audit Committee, the scope shall include, but not prescriptive to:

a) Providing internal audit services in accordance with the Section: E of the Service and Operations Manual 2025, Standards of RGoB Internal Audit Manual and/or international best practices;
b) Ensuring integrity and reliability of accounting records and financial reports;
c) Strengthening internal control systems;
d) Statutory and other regulations binding on BTF are compiled;
e) Effective implementation of directives/decisions/recommendation of Board and its' Committees and Management of BTF;
f) Assessment of the adequacy of BTF and projects' financial management system, including risk management and internal controls. This would include aspects such as adequacy and effectiveness of accounting, financial, procurement and operational control; level of compliance with various documents;
g) Quality and continuous improvement and/or best practices are fostered in the organization's control process.

4. RESPONSIBILITIES OF THE INTERNAL AUDIT UNIT

4.1. Planning;

a) Understand the mandate and strategic needs of BTF, and its current systems and procedures;
b) Develop annual work plan and budget for effective delivery of the internal audit services;
c) Prioritize audit areas based on risk, materiality, donor requirements, and management concerns;

4.2. Plan Implementation/ Execution:

Implement the annual audit plan and undertake any special tasks directed by the management and Governance and Audit Committee or Board of Trustees by:

i. Reviewing the adequacy and effectiveness of the risk management and internal control systems (M&E and compliance) in place and identifying potential improvements in the systems and procedures;
ii. Reviewing the accuracy and reliability of the accounting records and financial reports;

iii. Identifying how well risks are managed in relation to financial, program, gender, ESS, fraud and corruption and Anti-money Laundering/Countering of Financing Terrorism (AML/CFT);
iv. Reviewing the compliance (of the Secretariat and the Grantees) with the systems and procedures, applicable laws and regulations, including the Secretariat's monitoring of Grantees;
v. That all BTF financed projects are used in accordance with the Grant Agreement with due attention to economy and efficiency and only for the purposes for which the financing was provided;
vi. That all necessary supporting documents, contracts, records, and accounts have been kept in respect of all project expenditures reported by the implementing units, and that clear linkages exist between the accounting records and the quarterly/semi-annually financial reports submitted by Grantee Institutions to BTF;
vii. That adequate records are maintained regarding the assets created and assets acquired by the project, including details of cost, identification, and location of assets; and that physical verification of assets is being done;
viii. Assess and ensure that all procurements and recruitments are conducted in accordance with the relevant guidelines and approved plans;

4.3. Communicating the Result/Reporting:

i. Discuss preliminary findings/report to the concerned auditee during the course of the audit and prior to exit meeting and provide reasonable time for the response;
ii. Conduct an audit exit meeting with the concerned Services/Units/project partners to discuss and review audit findings and agree on corrective actions;
iii. Reporting to the Governance and Audit Committee, including work undertaken, findings, and recommendations.

4.4. Follow-Up and Monitoring

i. Internal auditor shall work with the Secretariat on a plan of action on recommendations to ensure corrective actions are being taken and strengthen accountability through the following:
    - Implementation of internal controls within BTF;
    - Monitoring of projects.

ii. Periodically review and verify implementation of agreed corrective actions;
iii. Report the status of outstanding recommendations to the Governance and Audit Committee.

4.5. Coordination with External Audit

i. Coordinate and liaise with external auditors, including Statutory Auditors and the Royal Audit Authority, to enhance audit coverage and maximize the benefit of audit services;
ii. Provide consulting and advisory service to BTF on external audit findings and recommendation and action plans whenever necessary;
iii. Laise or coordinate with third parties on behalf of BTF on the matter concerning the External Audit;

4.6. Others

i. Carrying-out the special investigations based on the instruction of Management, Governance & Audit Committee and, or Board of Trustees;
ii. Strengthen internal auditing capacity with adequate knowledge and skills, experience and professional capacities in alignment with growth of the BTF;
iii. Work in close collaboration with internal staff and external partners to strengthen the quality and consistency of monitoring and evaluation activities in the field.

5. CONFIDENTIALITY

5.1. All information obtained during internal audit activities shall be treated as confidential and used solely for official purposes;

i. Audit reports and working papers shall be disclosed only to authorized persons;
ii. Internal auditors shall ensure secure handling of sensitive and donor-related information.

6. QUALITY ASSURANCE AND IMPROVEMENT

a) Periodic internal self-assessments shall be conducted to ensure compliance with professional standards;
b) External quality assessments shall be facilitated as required or as directed by the Governance and Audit Committee or Board of Trustees.

7. QUALIFICATIONS AND EXPERIENCE

Prerequisites to apply for the post:

a) Minimum of Bachelor's degree (full time) in BBA, B. Com, Bachelor in Accounting or related fields such as Finance or Management, from a recognized university. Preference may be given to candidate with master's degree in accounting or related fields, such as finance or management;
b) Minimum nine (9) years working experience of which, at least three (3) years in auditing;
c) Specialized training or experience in auditing will be given preference;

8. COMPETENCIES

a) Good interpersonal and communication skills with various socio-economic populations.
b) Strong oral and written skills in Dzongkha and English.
c) Good analytical skills.
d) Proven skills in critical thinking, assessment and analysis.
e) Demonstrated ability in report writing and presentation.
f) Good knowledge of computer applications for information collection, management and dissemination.
g) Ability to undertake regular field visits and interact with different stakeholders;
h) Display cultural, gender, religion, race, nationality and age sensitivity and adaptability.

9. MANDATORY DOCUMENTS (required to submit along with application)

a) Cover Letter
b) Job Application Form *(available on BTF website)*
c) Curriculum Vitae with details of work experience and position held over different time periods.
d) Authenticated copy of Degree certificates.
e) Citizenship ID Card copy *(with valid period).*
f) Valid Security Clearance Certificate copy.
g) Valid Audit Clearance, if applicable.
h) Names and contact details of two professional (non-family related) referees including one from the current/latest employer.

Non-submission of any of the above documents may lead to the rejection of the application.

Additionally, the following documents shall be produced by the shortlisted candidate, prior to his/her appointment:

a) No objection certificate letter from the employer, if currently employed.
b) A valid medical certificate
c) Any other relevant certificates