



**FINANCIAL AUDIT REPORT
OF THE NORAD-FUNDED
ORGANIZATION
DEVELOPMENT PROJECT,
IMPLEMENTED BY THE
DISABLED PEOPLES'
ORGANIZATION OF
BHUTAN (DPOB),
THIMPHU, BHUTAN**

PERIOD: JAN. 1, 2020 to DEC. 31, 2020

APRIL 2021

TITLE SHEET

Title	:	Financial Audit Report of the NORAD-funded Organization Development Project implemented by Disabled Peoples' Organization of Bhutan, Thimphu, Bhutan
AIN	:	
Head of the Agency	:	Mr. Sonam Gyamtsho, Executive Director CID No. 10711002077
Finance Personnel	:	Ms. Tashi Yuden, Accountant CID No. 12007001085
Period Audited	:	January 1, 2020 – December 31, 2020
Schedule of Audit	:	Planning: March 18, 2021 – March 24, 2021 Actual: March 19, 2021 – March 29, 2021 Reporting: April, 2021
Composition of Audit Team	:	<u>Team Leader:</u> Tashi Rinzing Schmidt, Audit Partner CID No. 11410002120 <u>Team Members:</u> 1. Shrijana Rai, Sr. Audit Associate CID No. 11306001532 2. Tashi Dorji, Audit Associate CID No. 11606002776
Supervising Officer	:	Tashi Rinzing Schmidt, Audit Partner
Focal Person	:	Tashi Rinzing Schmidt Email: tashi@rinzingfinancial.com Phone: +975 7765 3070
Date of Audit Exit Conference	:	April 1, 2021

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ACRONYMS

ADAPT	:	Able Disabled All People Together
CID	:	Citizenship Identification Card
CII	:	Community Initiatives in Inclusion
CPA	:	Certified Public Accountant
CSOA	:	Civil Society Organization Authority
DPOB	:	Disabled Peoples' Organization of Bhutan
DPAB	:	Disabled Persons' Association of Bhutan
PWD	:	Persons with Disabilities
RAA	:	Royal Audit Authority of Bhutan

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AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE NORAD-FUNDED ORGANIZATION DEVELOPMENT PROJECT, IMPLEMENTED BY THE DISABLED PEOPLES' ORGANIZATION OF BHUTAN, THIMPHU FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

Opinion

We have audited the accompanying financial statements of the **NORAD- funded Organization Development Project implemented by Disabled Peoples' Organization of Bhutan**, which comprise the Receipts and Payments Statement and schedules forming part of the financial statements for the financial year ended December 31, 2020.

In our opinion, the 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 Disabled Peoples' Organization of Bhutan, Thimphu in accordance with RAA's Code of Ethics, and we have fulfilled our responsibilities in accordance with the requirements outlined in this code. We believe that the audit evidence we have 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 the 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 Disabled Peoples' Organization of Bhutan'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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of audit in accordance with ISSAIs, we exercise professional judgment 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 Disabled Peoples' Organization of Bhutan'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.

For Rinzing Financial Private Limited

Tashi Rinzing Schmidt, CPA

Audit Partner

CPA License No. 34762

Date:

Place: Thimphu, Bhutan

ENCLOSURES

Disabled Peoples' Organization of Bhutan
Statement of Receipts and Payments for the year ended December 31, 2020
Normisjon Project (Organization Development Project - DPOB)

(Amount in Nu.)

Receipts	Schedule	December 31, 2020	December 31, 2019	Payments	Schedule	December 31, 2020	December 31, 2019
To Opening Balance:				By Expenditure	2	5,439,093	4,887,761
Cash on Hand		105,600	45,000				
Cash at Bank		479	364				
To Grants Received	1	5,403,615	4,948,476				
				By Closing Balance:			
				Cash on Hand		70,600	105,600
				Cash at Bank		1	479
TOTAL		5,509,694	4,993,840	TOTAL		5,509,694	4,993,840

Tashi Yuden
Accountant

Sonam Gyamtsho
Executive Director

Disabled Peoples' Organization of Bhutan
Bank Reconciliation Statement for the year ended December 31, 2020
Normisjon Project (Organization Development Project - DPOB)

Druk PNB (Acc. No.- xx6866)

Particulars	Amount (Nu.)
Closing Balance as per Bank Statement	243,385
Add: Deposit in Transit	-
Less: Cheque issued but not encashed	
Check #763459	(140,000)
Check #763460	(103,384)
Closing Balance as per DPOB records	1

Tashi Yuden
Accountant

Sonam Gyamtsho
Executive Director

Schedule 1: Donation**(Amount in Nu.)**

Particulars	Dec 31, 2020	Dec 31, 2019
Normisjon - 1st Instalment	1,242,848	1,229,200
Normisjon - 2nd Instalment	1,503,127	1,491,563
Normisjon - 3rd Instalment	893,870	502,379
Normisjon - 4th Instalment	1,763,770	1,725,333
	5,403,615	4,948,476

Schedule 2: Expenditure**(Amount in Nu.)**

Particulars	Dec 31, 2020	Dec 31, 2019
Expenses for expatriates/meetings	70,000	50,000
Payroll expenses local staff	1,697,733	1,591,320
Travel	120,000	-
Audit	45,000	45,000
Consultant (assessment/within Bhutan)	-	119,995
Miscellaneous Expenses	50	-
Administrative expenses	430,028	419,687
Capital Expenses (Equipment)	275,000	-
Strengthen and Capacity Building of DPAB	410,400	460,400
Empowered Persons with Disabilities	-	1,200,000
Improved attitude & values of the society	-	1,001,359
Support & Rehabilitation Expenses	1,155,000	-
Awareness & Advocacy Expenses*	1,235,882	-
	5,439,093	4,887,761

** DPOB has saved approximately Nu.1.05M from their Normisjon project. This has been communicated verbally to the Normisjon Project Head and the Board Members. With the green signal from both parties (Board members and Normisjon project head specified in the meeting minutes), DPOB has managed to carve out the amount for their sustainability as the Normisjon project term will cease by the end of this year (2021). No intentions for their personal benefits was observed and it was mainly done for sustainability purpose.*

ANNEXURES

ANNEXURE - A: PROFILE

Disabled Persons' Association of Bhutan (DPAB) was founded by group of persons with disabilities and has been registered under the Civil Society Organization Authority (CSOA) since 2010 under the Royal Patron of His Royal Highness Prince Namgyel Wangchuck. On September 21, 2020 Disabled Persons' Association of Bhutan (DPAB) was endorsed to Disabled Peoples' Organization of Bhutan (DPOB).

DPOB today, as the central organization between the Government and beneficiaries at large, is creating opportunities for persons with disabilities and at the same time lobbying with the government for support. Ever since its inception, DPOB's main task has been to educate the general populace about the rights of persons with disabilities (PWDs) and also to lobby with the government of the day for support to beneficiaries. Further, DPAB's major contribution has been in alleviating many of the persons with disabilities from poverty to dignity through skill-based programs and education.

The Objectives of DPOB are to:

- To raise awareness and advocate on the rights of persons with disabilities;
- To promote inclusion and effective participation of persons with disabilities in the community;
- To enhance the livelihood and independence of persons with disabilities in the society;
- To facilitate the empowerment and involvement of persons with disabilities in socio-political decision making; and
- To explore and strengthen the communication, coordination and collaboration with relevant organizations within and outside the country.

ANNEXURE - B: ACHIEVEMENTS

- We got recognized by the Government as the country's only Disabled People's Organization (DPO). We are now a certified DPO of Bhutan.
- We have also received an unwavering support in the form of membership from the society. Currently, we have 2088 contributing members for financial sustainability.
- We have completed Disability Equality Training (DET) to 12 Districts of Bhutan including some autonomous institutions, policy makers, Frontline Personnel and Taxi Association.
- We have successfully brought together all five organizations for persons with disabilities (OPDs) to work collaboratively on disability issues.
