



ཀྱུལ་གཞུང་ཚུལ་ཞེས་དབང་འཛིན།

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

AIN: 13645

**AUDIT REPORT ON THE  
ACCOUNTS AND OPERATIONS OF THE NORAD  
FINANCED PROJECT NO: 1076 – “ORGANISATION  
DEVELOPEMNT PROJECT IN BHUTAN” IMPLEMENTED  
BY DISABLED PERSONS’ ASSOCIATION OF BHUTAN  
(DPAB)**

**PERIOD: 01.01.2015 TO 31.12.2015**

**MARCH 2016**



རྒྱལ་ཁབ་ཚུལ་ཞིབ་དབང་འཛིན།  
**ROYAL AUDIT AUTHORITY**  
*Bhutan Integrity House*

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



RAA/GGD/AR/CSO(DPAB-14)/2016/ 707

Date: 10/31/16

✓ The Executive Director  
Disabled Persons' Association of Bhutan  
Thimphu

**Subject: Audit Report on the Accounts and Operations of the NORAD financed project 10764 – “Organization Development Project in Bhutan” implemented by Disabled Persons' Association of Bhutan for the year ended 31<sup>st</sup> December 2015**

Sir,

Enclosed herewith please find the audited *Financial Statements and auditors' report thereon* in respect of the NORAD financed project “10764-Organization Development Project in Bhutan” for the year ended 30<sup>th</sup> December 2015. The audit was conducted as required under the Audit Act of Bhutan 2006.

**Auditors' Report on the Financial Statements**

As may be noted from the Auditor's Report, the Project had generally maintained proper books of accounts, and the financial statements were in agreement with the accounting records. Accordingly, the RAA has issued unmodified (clean) report.

**Audit Findings & Recommendations**

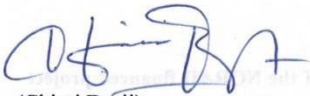
The auditors' review of the accounting records, internal controls and operations of the Project revealed some deficiencies and lapses. However, all the audit findings were settled in view of the recoveries made and related supporting documents and evidences furnished subsequently which are transmitted separately in the form of Management Appraisal Report for future reference and compliance

**Achievements**

The Royal Audit Authority had also noted certain achievements made by the Project during the period of audit which are detailed in the main report.

The RAA acknowledges the kind co-operation and assistance extended to the audit team by the officials and staff members of the Project, which facilitated the timely completion of the audit.

Yours sincerely,



(Chimi Dorji)  
**Assistant Auditor General**  
**General Governance Division**

**Copy to:**

1. The Head, Civil Society Organization Authority, Thimphu
2. The AAG, PP & AARD, RAA, Thimphu
3. The AAG, FUCD, RAA, Thimphu

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

P.O. Box 191, Kawajangsa, Thimphu, Bhutan. Tel: 322111 / 322833, Fax: 323491  
Website: [www.bhutanaudit.gov.bt](http://www.bhutanaudit.gov.bt), Email: [info@bhutanaudit.gov.bt](mailto:info@bhutanaudit.gov.bt)

**TITLE SHEET**

1. Title : Audit report on the accounts and operations of the NORAD financed project no. 10764 – “Organization Development Project in Bhutan”.
2. Implementing Agency : Disabled Persons’ Association of Bhutan, Thimphu
3. Executive Director : Sonam Wangmo, Executive Director (CID No.11411000391)
4. Finance Personnel : (i) Sonam Deki, ADM/Accounts Officer (CID No. 11911001271)
6. Period of Audit : 01.01.2015 to 30.12.2015
7. Schedule of Audit : Planning: 28/01/2016 to 04/02/2016  
Actual field: 28/01/2016 to 12/02/2016
8. Intimation letter No. : RAA/GGD/2016/322 dated 27/01/2016
9. Audit Team : 1) Karma Thinley, Auditor (EID No. 200907230) Team Leader  
2) Passang, Auditor (EID No. 9510027) Team Member
10. Supervising Officer : Chimi Dorji, Asstt. Auditor General (EID No. 9610060)
11. Date of Exit Conference : Not Conducted
12. Focal Person : Karma Thinley



**Disclaimer Note**

The coverage of this report is based on the facts, figures and information made available and accessible to the team by the management of Disabled Persons' Association of Bhutan, Thimphu. The opinion of the auditors shall only confine to the period covered and information made available till the time of issue of this report.

This is also to certify that the auditors during the audit had neither yielded to any pressure, nor dispensed any favor or resorted to any unethical means that would be considered as violation of the Royal Audit Authority's Oath of Good Conduct, Ethics and Secrecy of Auditors.

**ACRONYMS**

DPAB	:	Disabled Persons' Association of Bhutan
CID No	:	Citizenship Identity Number
CSO	:	Civil Society Organization
EID No	:	Employee Identity Number
FUCD	:	Follow-up and Clearance Division
GGD	:	General Governance Division
GNH	:	Gross National Happiness
MoE	:	Ministry of Education
MoF	:	Ministry of Finance
NGO	:	Non-Governmental Organization
NSB	:	National Statistical Bureau
PPAARD	:	Policy Planning & Annual Audit Report Division
RAA	:	Royal Audit Authority
RGoB	:	Royal Government of Bhutan
SOE	:	Statement of Expenditure
UNCRP	:	United Nations Career Records Project
UNICEF	:	United Nations Children's Fund

**Table of Contents**

*AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE ACCOUNTS AND OPERATIONS OF THE NORAD FINANCED PROJECT NO: 1076 – "ORGANISATION DEVELOPEMNT PROJECT IN BHUTAN" FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER, 2015 ...1*

*AUDIT FINDINGS ON THE ACCOUNTS AND OPERATIONS OF THE NORAD FINANCED PROJECT NO: 1076 – "ORGANISATION DEVELOPMENT PROJECT IN BHUTAN" IMPLEMENTED BY DPAB, THIMPHU FOR THE PERIOD 01.01.2015 TO 31.12.2015.....3*

*PART 1: ACHIEVEMENTS.....3*

**APPENDICES**

- A. Profile*
- B. Objectives of Auditing*
- C. Audit Methodology*

**AUDITOR'S REPORT ON THE FINANCIAL  
STATEMENTS**



**AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE ACCOUNTS AND OPERATIONS OF THE NORAD FINANCED PROJECT NO: 1076 – "ORGANISATION DEVELOPEMNT PROJECT IN BHUTAN" FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER, 2015**

---

**Introductory Paragraph**

The Royal Audit Authority (RAA) has audited the accompanying financial statements of the NORAD financed project no. 1076 -"Organisation Development Project in Bhutan" implemented by Disabled Persons' Association of Bhutan (DPAB), Thimphu which comprises the Receipt & Payments statement and schedules forming part of the financial statement for the period ended 31<sup>st</sup> December 2015, as required the Audit Act of Bhutan 2006. The RAA's responsibility is to express an opinion on these financial statements based on its audit.

**Scope Paragraph**


The audit was conducted in accordance with the RAA's Auditing Standards, Generally Accepted Auditing Standards and the audit instructions of the NORAD Project. Those Standards and instructions require that the RAA plan and perform audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The RAA believes that the audit provides a reasonable basis for its opinion.

**Opinion Paragraph**

In RAA's opinion, the financial statements present fairly in all material respects the Sources and Uses of Funds of the NORAD financed project "1076-Organisation Development Project in Bhutan" for the year ended 31<sup>st</sup> December 2015 in accordance with the Public Finance Act of Bhutan 2007 and the Financial Rules and Regulations 2001.

  
Auditor

**Concurred and noted:**

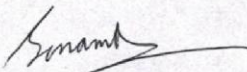
  
Assistant Auditor General  
Dated 9/3/2016  
Chief  
General Governance  
Royal Audit Authority  
Thimphu : Bhutan




**DISABLED PERSONS' ASSOCIATION OF BHUTAN**

**STATEMENT OF RECEIPT & PAYMENTS FOR NORMISJON PROJECT (Org.Dev Project DPAB)  
JANUARY 1,2015 to DECEMBER 31,2015**

RECEIPTS		PAYMENTS	
Opening Balance			
Cash		Expenditure	4,077,519.75
Bank	81,687.00		
Normisjon	4,000,796.84		
		Closing Balance	
		Cash	
		Bank	4,964.09
<b>Total</b>	<b>4,082,483.84</b>		<b>4,082,483.84</b>

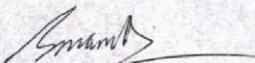
  
 (Sonam Deki)  
**Adm/Accounts Officer**  
 (Officiating Executive Director)



  
 (Sanga Dorji)  
**Chairman**  
 Board of Trustess

**DISABLED PERSONS ASSOCIATION OF BHUTAN**  
**BANK RECONCILIATION STATEMENT FOR NORMISJON PROJECT**  
**1st January 2015 to 31st December 2015**

	Particulars	Amount(Nu)
	Closing Balance as per bank statement	4,964.09
1	Receipt(Bank) Add Deposit in transit	0.00
2	Less Outstanding Cheque	0.00
	Closing Balance as per DPAB records	<b>4,964.09</b>

  
 (Sonam Deki)  
**Adm/Accounts Officer**  
**(Officiating Executive Director)**



  
 (Sanga Dorji)  
**Chairman**  
**Board of Trustees**

Account Statement for Account 20700220790380068

Address:  
 DISABLED PERSONS ASSOCIATION OF BHUTAN JT AC  
 BHUTAN JT AC  
 PO BOX NO 1531

OPENING BALANCE 0.00

SNo	Txn Ref No	Txn Desc	Txn Date	Amount	Instr No	Ccy	Dr/Cr
1	002CSDP151200159	SONAM DEKI	30-APR-15	81,687.00		BTN	Cr
2	002CSDP151200821	SONAM DEKI	30-APR-15	1,422,250.00		BTN	Cr
3	002CQWL151240028	SONAM DEKI ID 11911001271	04-MAY-15	32,830.00	100553	BTN	Dr
4	002CQWL151240029	SONAM DEKI ID 11911001271	04-MAY-15	73,903.00	100551	BTN	Dr
5	002CQWL151280085	SONAM DEKI ID 11911001271	08-MAY-15	15,000.00	100556	ETN	Dr
6	002CQWL151280110	SONAM DEKI ID 11911001271	08-MAY-15	580,520.00	100555	BTN	Dr
7	002uy06151280001	CHEQUE PAYMENT	08-MAY-15	9,097.00	100552	BTN	Dr
8	002CSWL151420315	LT NO#815 DTD 22.05.2015	22-MAY-15	138,370.75		BTN	Dr
9	002CQWL151430107	SONAM DEKI 11911001271	23-MAY-15	189,147.00	100560	BTN	Dr
10	002CQWL151430109	SONAM DEKI 11911001271	23-MAY-15	73,903.00	100557	BTN	Dr
11	002nz02151460007	CHEQUE PAYMENT	26-MAY-15	19,000.00	100554	BTN	Dr
12	002nz02151460007	CHEQUE PAYMENT	26-MAY-15	19,000.00	100559	BTN	Dr
13	0021w06151590001	CHEQUE PAYMENT	08-JUN-15	9,097.00	100558	BTN	Dr
14	022CQWL151760163	SONAM DEKI 11911001232 17692 545	25-JUN-15	82,000.00	100561	BTN	Dr
15	002tz04151910001	CHEQUE PAYMENT	10-JUL-15	9,097.00	100562	BTN	Dr
16	002nz02151910007	CHEQUE PAYMENT	10-JUL-15	19,000.00	100563	BTN	Dr
17	002CQWL151960165	SONAM DEKI ID 1191100271	15-JUL-15	130,000.00	100564	BTN	Dr
18	002CQWL152060068	sonam deki id 11911001271	25-JUL-15	34,395.00	100568	BTN	Dr
19	002nz04152190004	CHEQUE PAYMENT	07-AUG-15	19,000.00	100565	BTN	Dr
20	002cd01152320027	TRANSFER	20-AUG-15	1,562,797.44	USD23984@65.16	BTN	Cr
21	002CQWL152330017	SONAM DEKI	21-AUG-15	150,000.00	100569	BTN	Dr
22	002CQWL152400110	SONAM DEKI	28-AUG-15	20,000.00	100575	BTN	Dr
23	002CQWL152400111	SONAM DEKI	28-AUG-15	34,395.00	100570	BTN	Dr
24	002CQWL152400119	SONAM DEKI	28-AUG-15	850,000.00	100574	BTN	Dr
25	002CQWL152400120	SONAM DEKI	28-AUG-15	125,271.00	100573	BTN	Dr
26	002nz01152520002	CHEQUE PAYMENT	09-SEP-15	19,000.00	100571	BTN	Dr
27	002CQWL152610030	SONAM DEKI 11911001271	18-SEP-15	10,000.00	100580	BTN	Dr
28	002CQWL152610031	SONAM DEKI 11911001271	18-SEP-15	44,000.00	100579	BTN	Dr
29	002CQWL152610033	SONAM DEKI 11911001271	18-SEP-15	38,000.00	100576	BTN	Dr
30	002CQWL152610036	SONAM DEKI 11911001271	18-SEP-15	100,000.00	100578	BTN	Dr
31	002dz02152730001	CHEQUE PAYMENT	30-SEP-15	19,000.00	100577	BTN	Dr
32	002CQWL153100345	Sonam Deki For INR ; BTN	06-NOV-15	56,572.00	100585	BTN	Dr
33	002CQWL153100359	SONAM DEKI 11911001271	06-NOV-15	10,000.00	100583	BTN	Dr
34	002CQWL153100366	SONAM DEKI 11911001271	06-NOV-15	38,000.00	100584	BTN	Dr
35	002cd02153160026	TRANSFER	12-NOV-15	1,015,750.40	USD15484@65.60	BTN	Cr
36	002kw00153220164	CHEQUE PAYMENT	18-NOV-15	435,000.00	100586	BTN	Dr
37	002uy01153350019	CHEQUE PAYMENT	01-DEC-15	70,000.00	100587	BTN	Dr
38	022CQWL153360002	PHUNTSHO 11509000953 1730185 4	02-DEC-15	38,000.00	100588	BTN	Dr
39	002nz02153370003	CHEQUE PAYMENT	03-DEC-15	19,000.00	100582	BTN	Dr
40	002dz02153450002	CHEQUE PAYMENT	11-DEC-15	19,000.00	100589	BTN	Dr
41	002CQWL153500279	SONAM DEKI 11911001271	16-DEC-15	528,923.00	100590	BTN	Dr
CLOSING BALANCE				4,964.09			

EXHIBITS

**AUDIT FINDINGS ON THE ACCOUNTS AND OPERATIONS OF THE NORAD FINANCED PROJECT NO: 1076 – “ORGANISATION DEVELOPMENT PROJECT IN BHUTAN” IMPLEMENTED BY DPAB, THIMPHU FOR THE PERIOD 01.01.2015 TO 31.12.2015**

---

**PART 1: ACHIEVEMENTS**

The RAA while reviewing the accounting records, internal controls and operations of the NORAD financed project no. 1076-“Organisation Development Project in Bhutan” for the year ended 31<sup>st</sup> December 2015 implemented by the DPAB, Thimphu has also reviewed the plans and programs implemented during the period audited and noted the following achievements:

- DPAB took the lead in advocating for the human rights of persons living with disabilities at local and national levels.
- Education support is given to 38 students and 10 Persons living with disabilities from remote place are given medical support.
- Registration of Persons’ living with disabilities in 20 dzongkhag is completed jointly with other CSO’s with the financial support for 13 dzongkhags given by DPAB from the Normisjion Project. DPAB also conducted training to the supervisors and enumerators before sending them for registration in the field.
- Two women are sent to Mumbai for three months training. On return they will be the resource/focal Persons’ for conducting trainings and workshops for the people living with disabilities in Bhutan.
- The organization had developed a draft strategic five-year plan to sustainability.
- Approached the Children & Women committee member of the parliament for the rectification of UNCRP.
- DPAB is also the technical committee member for making policy for the Persons’ living with disabilities coordinated by GNH.
- DPAB in also collaborating and networking with other CSOs and NGOs nationally and internationally. DPAB is a member of Disable Persons’ International.
- DPAB has given independent living skills to many individuals living with disabilities in Bhutan.

## APPENDICES

### A: PROFILE

---

Bhutanese society is generally sympathetic and compassionate to Persons' living with disabilities, but at the same time, the gap remains wide in both knowledge and understanding among Bhutanese of relevant disability issues. Very little data is available on the prevalence and types of disabilities in Bhutan. The population and housing census 2005 found 21,894 Persons' with disabilities or about 3.4% of the population. The two-stage child disability study from age 2-9 conducted in 2010-2011 by the Ministry of Education, Ministry of Health, NSB and UNICEF has indicated that about 21.3% of the children are with risk of disabilities in Bhutan.

Extended Bhutanese families have served the basic needs of the disable Persons' traditionally. However, with development this support base is fast dwindling due to changes in family structure, rural urban migration and breaking down of community bondages. Persons' with disabilities are facing the double burden of having to fend for themselves as well as compete for limited vacancies in the increasingly skilled job market.

These issues are further heightened by the country's mountainous terrain and lack of adequate infrastructure. Only one school for the blind, National Institute for the visually impaired, a school for deaf, six integrated schools for children special learning needs and one vocational school for children with disabilities exist now in the country. Consequently, thousands of Persons' with disabilities are lacking any access to education and other support services.

To address the growing needs of Persons' living with disabilities and to complement the efforts of the royal government, DPAB was founded or at least officially registered with CSO authority on 26<sup>th</sup> November 2010 and certificate was awarded on 20<sup>th</sup> December 2011 at a small office. Since then due to lack of budget it took till 1<sup>st</sup> of July 2011 to start a small office. However DPAB is formally launched on 25<sup>th</sup> September 2011. DPAB was founded by a group of visually impaired Persons'.

The founder of DPAB made objectives like DPAB will enhance and support people with disabilities in Bhutan to attain their highest level of education and, physical and psychological wellbeing but in practically DPAB will be playing more of a facilitator. MoE and other relevant institute will be directly responsible for implementation. DPAB will support wherever possible to encourage and facilitate with integrity and at the same time provide moral support through experience.

**B: OBJECTIVES OF AUDITING**

---

The objective of the audit is to ascertain and report:

- i. Whether the financial statements fairly reflect the operations of the Project for the calendar years 2015;
- ii. Whether the project has complied with the laws, policies, rules and regulations of the government and the Operations Manual of the Project;
- iii. Whether the funds acquired were utilized efficiently and effectively for the intended purposes and to check the legality, regularity and propriety of the expenditure;
- iv. Whether adequate and effective internal control system has been instituted, and
- v. Whether planned activities were carried out and achieved as per the Annual Work Plan.

**C: AUDIT METHODOLOGIES**

---

- i. Reviewing internal controls in place in the system;
- ii. Inspection and examination of the records, documents and statements;
- iii. Vouching;
- iv. Checking the compliance of applicable rules and regulations that are in force;
- v. Seeking relevant information from knowledgeable person inside and outside the organization;
- vi. Checking and confirming the arithmetical accuracy of the accounting records;
- vii. Computation and analysis of relevant data, and
- viii. Conducting the physical verification of assets and stores.



**ENCLOSURES**



**Appendix 1 - Confirmation of receipt of the audit instructions, including confirmation of independence and sufficient competence**

Mr. Chimi Dorji  
Assistant Auditor General  
General Governance Division  
Royal Audit Authority

20.01.2016

To the audit general of the NORAD Project 10764 Organisation develop Project -BDO AS

This letter will be sent in connection with your audit of the organization for the year ended 31.12.2015 with the purpose of being able to give an account of whether the financial statements in all material provide an adequate representation (give a true and fair view) of the NORAD Projects financial position as of 31.12.2015 and of its results and cash flows for the year, in accordance with international accounting standards.

We confirm receipt of your instructions of (28/01/2016) asking us to perform the specified work in conjunction with the financial information to the NORAD Projects for the year ending 31.12.2015

We confirm that:

1. We will be able to comply with your instructions. / We hereby inform you that we will not be able to comply with the following instructions [specify instructions] for the following reasons [specify reasons].
2. The instructions are clear and we understand them. / We will appreciate if you could clarify the following instructions [specify instructions].
3. We wish to work with you and give you access to relevant audit documentation.
4. Our firm is registered and authorized by local authorities to practice.

We understand that:

1. The financial information on the NORAD Projects will be included in the accounts of the organization.
2. You may find it necessary to be involved in the work you have asked us to perform in connection with the statements of the NORAD Projects for the year ending 31.12.2015.
3. You intend to evaluate and, where appropriate, use our work in the audit of the organization



Audit Engagement Instructions  
December 31<sup>st</sup> 2015

In association to the work we will perform in connection with the statements of the NORAD Projects, a project account associated with the organization, we confirm the following:

1. We have an understanding of relevant ethical requirements that is sufficient to meet our obligations in connection with the audit of the accounts, and will comply with these requirements. With regards to the organization and the NORAD Project, we are independent in accordance with relevant ethical requirements and comply with the applicable requirements of rules issued by the authority.
2. We have an understanding of the International Standards of Auditing, and other standards regarding auditing of the project accounts that is sufficient to meet our obligations in association with the audit of the accounts. We will perform our work in association with the financial information from the NORAD Projects for the year ending 31.12.2015 in accordance with the International Standards of Auditing.
3. We possess the specific skills that are necessary to perform work in connection with the financial information from the NORAD Projects.
4. We have an understanding of relevant financial reporting framework, and NORAD's guidelines for financial reporting, and the organization's guidelines for entities that are included in their consolidated financial statements that is sufficient to meet our obligations in association with the audit of the accounts.

We will inform you if there are any changes in the statements above in the course of our work in conjunction with the financial information from the NORAD Projects.

  
[Auditor's signature]

[Date] 28/11/2016

[Auditor's address]

Karma Thinley, GGD  
Royal Audit Authority  
Thimphu, Bhutan.



**Appendix 2 - Contact information for the audit team project 10764**

**To:** Hege Sotvik Sorfla, BDO AS  
E-mail: [Hege.Sotvik.Sorflaa@bdo.no](mailto:Hege.Sotvik.Sorflaa@bdo.no)/ Fax (+47) 64 84 68 01

**Subject:** NORAD Project10764 - Organisation Development Project

**Contact information for the audit team / key personnel**

<b>Auditor</b>	
Auditor's company name	Mr. Karma Thinley Auditor General Governance Division Royal Audit Authority Thimphu, Bhutan.
Address	
<b>Auditor team</b>	
Name of manager	Mr. Karma Thinley, Auditor
Phone / fax manager	0097517718479
E-mail manager	kthinley@bhutanaudit.gov.bt
Skype/Lync manager	
Name of executive auditor	Mr. Chimi Dorji, Asst. Auditor General
Phone / fax executive auditor	009752334075
E-mail executive auditor	cdorji@bhutanaudit.gov.bt
Skype/Lync executive auditor	

<b>Project</b>	
Project name	NORAD financed project "10764-Organisation Development Project in Bhutan"
Address	Disable Person's Association of Bhutan, Registration No.CSOA/PBO-09
Name of accounting manager	M/s. Sonam Deki, Offgt. Executive Director
Phone / fax accounting manager	00975339996
E-mail accounting manager	
Skype / Lync accounting manager	



**Appendix 4 - Group auditor reporting**

Questions	Reply			Comments
	Yes	No	NA	
Have you visited the project?	Yes			Date for visit: 28/01/2016 to 03/02/2016
If not, please tell us the reason why.				

**PURPOSE AND RESULT OF THE AUDIT 2015**

Questions	Reply			Comments
	Yes	No	NA	
Has the audit been carried out without any comments? If not, please specify the cause.	Yes			
Does the result of the audit give rise to any special comments? If yes, please elaborate.		No		
Do the working papers contain any documentation relating to the planning of the year's audit?	Yes			
Did the audit planning consist of an assessment of the internal control to identify strength and weaknesses?	Yes			
Do the working papers contain any documentation relating to material auditing and accounting problem-areas that have come to light during the audit, as well as a description of their solution?	Yes			
Has the audit been carried out and documented as planned?	Yes			
Has a conclusion been made on the individual areas covered by the audit?	Yes			
Are there any unexplained items in the accounts that need to be followed up?		No		



Audit Engagement Instructions  
December 31<sup>st</sup> 2015

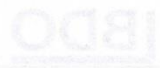
Have all principal items that require an explanation been made available to the group auditor, or documented in a separate report?	Yes			
--	-----	--	--	--

Question	Yes	No	Comments
Has the audit been carried out without any comments?	Yes		
Has the result of the audit given rise to any special comments?	No		
Do the working papers contain any documentation relating to the planning of the year's audit?	Yes		
Did the audit planning consist of an assessment of the material control to identify strengths and weaknesses?	Yes		
Do the working papers contain any documentation relating to internal auditing and accounting systems that have come to light during the audit, as well as a description of their solutions?	Yes		
Has the audit been carried out and completed as planned?	Yes		
Has a conclusion been made on the individual areas covered by the audit?	Yes		
Are there any reservations from the accounts that need to be followed up?	No		



**OTHER INFORMATION**

Questions	Reply			Comments
	Yes	No	NA	
Has there been uncovered any cases of non-compliance with local laws or regulations that may result in material misstatements in the organizations accounting, including reporting and payment of taxes and fees?		No		
Have copies of identification of the person in charge of the entity been obtained?  And is a copy of this attached?	Yes			
Has there been uncovered any signs of lack of objectivity with the management?		No		
Have there been uncovered signs of the management to override the internal control function hereunder the possibility to manipulate the accounting system and prepare manipulated financial statements.		No		
Are there any comments you want to make us aware of, assuming that these have not been noted in the questionnaire?		No		
Are all the board reports reviewed?	Yes			
Do any of the board reports contain any information we should be aware of?		No		
Are all the balances between associated companies clearly presented in the submitted accounts?  Have these been reconciled?	Yes			
Has there been uncovered any transactions with related parties that are not valued according to the "arms length principle"?  If so; please elaborate.		No		
Is the received list of related parties reviewed and found complete? If not; have you submitted the new list of related parties, which in an auditor's opinion is complete, to BDO?	Yes			
Have conclusion been made about the entity's handling of local taxes and VAT?	Yes			



OTHER INFORMATION

Audit Engagement Instructions  
December 31st 2015

Has the 2015 field report been quality checked by the auditor before it was sent to the organizations headquarter?	Yes			
--	-----	--	--	--

STATEMENTS

Questions	Reply			Comments
	Yes	No	NA	
Has a statement letter been submitted by the management and signed?  A copy of this must be attached.	Yes			
Is there a balance enquiry to debtors or other documentation on the accuracy of accounts receivable?		No		
For property - are mortgage obligations and other obligations registered in the public register? .		No		

Any comments should be specified in a separate appendix.

Appendix: List over not corrected errors, but not below the threshold for clearly insignificant errors.






**Appendix 5 - Corruption**

**Directions for handling corruption or suspicion of corruption**

**Clarification of the term Corruption:**

- Corruption is a conscious, self-interested, and criminal individual or institutional action, at the sacrifice of community.
- Corruption depends on associates.
- Corruption erupts from attitude - and is not a result of bad economics.
- Corruption is systematic, not an accidental occurrence.
- Abuse of money is a symptom, and not a cause, of corruption.

Corruption covers interaction between voluntary or public participants, who in an illegitimate or dishonest way, make these participants equipment to their personal benefit.

**Explained suspicion or proof of corruption shall be reported. The report should emphasize on the following information:**

- The size of the amount.
- How were the control routines for the corruption in the project?
- How long did the corruption go on?
- How did you discover the fraud?
- Is there a pattern?
- What kind of actions is taken?
- What experiences have you made?
- Conclusion

**→We would like a positive confirmation if no corruption or suspicion of corruption is revealed**

The component auditors from Royal Audit Authority of Bhutan visited and verified all the transactions relating to the **NORAD Project10764 - Organization Development Project** from 28/01/2016 to 03/02/2016. On verifying the related transactions, the component auditors did not come across any transactions that would give rise to suspicion of corruption.

2/18/2016  
Karma Thinley,  
Component Auditor,  
Royal Audit Authority, Bhutan.

