

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

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



RAA/GGD (OA-01) CSO/DPAB-Project/2017/ 1062

Date: 6/4/17

The Executive Director
Disabled Persons' Association Bhutan (DPAB)
Thimphu

Subject: **Audit Report on the Accounts and Operations of the Organization Development Project, Disabled Persons' Association of Bhutan, Thimphu for the period 01/01/2016 to 31/12/2016**

Madam,

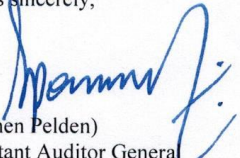
Enclosed herewith please find the audited *financial statements and auditor's report thereon* in respect of **the Organization Development Project, Disabled Persons' Association of Bhutan, Thimphu** for the year ended 31st December 2016. The audit was conducted as required under the Audit Act of Bhutan 2006 and as per the RAA's Policy on Outsourcing Audits.

Auditor's Report on the Financial Statements

As may be noted from the Auditor's Report, **the Organization Development Project, Disabled Persons' Association of Bhutan, Thimphu** had generally maintained proper books of accounts, and the financial statements were in agreement with accounting records. Accordingly, we have issued unmodified (clean report).

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

Yours sincerely,


(Dechen Pelden)
Assistant Auditor General
General Governance Division

Copy to:

1. The Assistant Auditor General, PP&AARD, Thimphu
2. The Assistant Auditor General, FUCD, RAA, Thimphu
3. The Assistant Auditor General, GGD, RAA, Thimphu
4. Secretary, Civil Society Organization Authority, Thimphu

"Every individual must strive to be principled. And individuals in positions of responsibility must even strive harder."

-His Majesty the King JigmeKhesarNamgyelWangchuck

P.O. Box 101, Kumbhassa, Thimphu, Bhutan. Tel: 377111 / 377222 Fax: 372401

AIN : 14541

**Audit Report on the Accounts & Operations of the
Organization Development Project under Disable Persons'
Association of Bhutan**

(Period: 01.01.2016 to 31.12.2016)

April, 2017

Title Sheet

1.	Title	Audit Report on the Accounts and Operations of the Organization Development Project under Disabled Persons' Association of Bhutan
2.	Head of the Agency	1) Sonam Deki, Interim Executive Director (01.01.2016 to 31.08.2016) CID # 11911001272, 2) Sonam Jamtsho, Executive Director (01.09.2016 till 31.12.2016) CID # 10711002077
3.	Drawing & Disbursing Officer	Sonam Jamtsho, Executive Director (01.09.2016 till 31.12.2016) CID # 10711002077
4.	Finance Personnel	Sonam Deki, Adm.&Finance Officer(01.01.2016 to 31.12.2016) CID # 11911001272
5.	Period of Audit	01.01.2016 to 31.12.2016
6.	Schedule of Audit	10.03.2017 to 15.03.2017
7.	Engagement letter No.	RAA(OSA-01)/AC/2017/716, Dated:8 th March, 2017
8.	Audit Team	1) Bishnual Gurung, Team Leader CID No. 11216002731
		2) Ugyen Rinchen, Member CID No. 11513003928
		3) Chimi Payday, Member CID No. 11410001856
		4) Karma Wangchuk, Member CID No. 10202001151
		5) Phub Gyeltshen, Intern CID No. 11407001593
10.	Supervising Officer	Bishnual Gurung, Team Leader
11.	Date of Audit Exit Conference	17.03.2017
12.	Focal Person	Chimi Payday, Email: cpayday123@gmail.com Mobile: +975 17743022



BUSINESS ACCOUNTING SERVICES ENTERPRISE

Post Box: 238, THIMPHU : BHUTAN

Telephone: 02 350219, Mobile #: 17600396

DISCLAIMER

The coverage of this report is based on the facts, figures and information made available and accessible to the team by the Management of the Organization Development Project under Disabled Persons' Association of Bhutan (DPAB), Thimphu, during audit. The opinion of the auditors shall confine to the period covered and the information made available till the date and time of issue of this report.

This is to certify that during the audit the auditors have neither yielded to pressure nor dispensed any favor or resorted to any unethical means that would be considered as violation of code of Good Conduct, Ethics and Secrecy of the Auditors.

ACRONYMS

DPAB	:	Disabled Persons' Association of Bhutan
CID No	:	Citizenship Identity Number
EID No	:	Employee Identity Number
MoF	:	Ministry of Finance
CSO	:	Civil Society Organization
CSOA	:	Civil Society Organization Authority
RGoB	:	Royal Government of Bhutan
RAA	:	Royal Audit Authority
SOE	:	Statement of Expenditure

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BUSINESS ACCOUNTING SERVICES ENTERPRISE

Post Box: 238, THIMPHU: BHUTAN

Telephone: 02 350219, Mobile #: 17600396

AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE ORGANIZATION DEVELOPMENT PROJECT UNDER DISABLED PERSONS' ASSOCIATION OF BHUTAN, THIMPHU FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2016

We have audited the accompanying financial statements of the Organization Development Project under Disabled Persons' Association of Bhutan (DPAB), Thimphu, which comprise Receipts and Payments and schedules forming part of the financial statements for the financial year ended 31st December 2016, as required under the Audit Act of Bhutan 2006 and as per Terms of Reference issued by the RAA vide letter Ref. No. RAA(OSA-01)/AC/2017/716, Dated: 8th March, 2017.

Management's responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the Generally Accepted Accounting Principles. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with RAA's Auditing Standard and Generally Accepted Accounting Principles. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

Scope of Audit

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the

circumstances but not for the purpose of expressing an opinion on effectiveness of the entity's internal control system. An audit also includes evaluation of the appropriateness of the accounting policies used and the reasonableness and accounting estimates made by the management, as well as evaluating the overall financial statement presentation.

We believe that the evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of the Organization Development Project under Disabled Persons' Association of Bhutan, Thimphu as at 31st December, 2016 and its financial performance for the year then ended in accordance with the Generally Accepted Accounting Principles.

For Business Accounting Services Enterprise



Ugyen Rinchen
(Auditor)

Dated : 05/04/2017

Place : Thimphu



FINANCIAL STATEMENT

DISABLED PERSONS' ASSOCIATION OF BHUTAN

RECEIPT AND PAYMENT STATEMENT FOR THE YEAR ENDED 30.12.2016
Normisjion Project (Organization Development Project - DPAB)

Amounts in Ngultrum

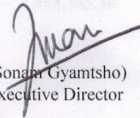
	Schedule	2016	2015
RECEIPT			
I. Opening Balance		4,964.00	81,687.00
1. Cash		-	-
2. Bank (BoBL: New A/c no. 100926866)		4,964.00	81,687.00
II. Transfer of fund from Norway (Norad + Normisjion)	1	3,698,847.64	4,000,797.00
A. Total Receipt (I + II)		3,703,811.64	4,082,484.00
PAYMENT			
III. Expenditure		3,647,205.30	4,077,520.00
1. Capital Expenses	2	198,840.00	115,635.00
2. Operating Expenses	3	3,448,365.30	3,961,885.00
B. Total Payment (III)		3,647,205.30	4,077,520.00
IV. Closing Balance (A - B)		56,606.34	4,964.00
1. Cash		-	-
2. Bank (BoBL: New A/c no. 100926866)		56,606.34	4,964.00

Prepared by:

Approved by:



(Sonam Deki)
Finance Officer



(Sonam Gyamtsho)
Executive Director



Schedules forming part of the Receipt & Payment Account

	<i>Amount in Ngultrum</i>	
	12/31/2016	12/31/2015
Schedule 1		
Transfer of fund from Norway (Norad + Normisjon)		
1st Installment dated 3.3.2016 & 30.04.15	915,024.24	1,422,250.00
2nd installment dated 27.5.2016 & 20.08.2015	1,507,102.52	1,562,797.00
3rd installment dated 22.9.2016 & 12.11.2015	627,414.24	1,015,750.00
4th Installment dated 18.11.2016	310,245.12	-
5th Installment dated 06.12.2016	339,061.52	-
TOTAL	3,698,847.64	4,000,797.00
Schedule 2		
Capital Expenses		
Equipment	90,850.00	53,700.00
Furniture & Fixture	107,990.00	61,935.00
TOTAL	198,840.00	115,635.00
Schedule 3		
Operating Expenses		
Expenses for expatriates/Meetings	25,000.00	-
Payroll expenses local staff	819,000.00	773,005.00
Local Audit	-	-
Consultant(Assessment/Within Bhutan)	91,300.00	102,740.00
Evaluation	197,000.00	-
Administration(utilities), Office Rent, Internet etc.	396,945.00	353,789.00
Out Put 1-Strengthen and Capacity Building of DPAB	558,327.00	674,163.00
Out Put 2-Registration of Disabilities	370,980.00	850,000.00
Out Put 3-Support/Rehabilitation Services	645,543.00	316,732.00
Out Put 4- Enhance Awareness and advocacy	244,585.00	698,599.00
Out Put 5-Strengthen Women's empowerment	99,635.30	192,857.00
Bank Charges	50.00	-
TOTAL	3,448,365.30	3,961,885.00



Inventory stock/list of fixed assets per 31.12.2016 (CSOFF PROJECT)		
Date of purchase	Particulars	Amount
Furniture		
29.9.11	Computer Table(2 Nos)	3,982
29.9.11	Steel Almirah	9,500
29.9.11	Deewan(2 nos)	3,500
29.9.11	Chodrom(2 Nos)	2,767
29.9.11	Revolving Chair	6,697
30.12.11	File Rack	5,400
30.12.11	Plastic Chair with cushion(5 Nos)	2,299
26.13	Sign Board	7,500
26.13	Sign Board -small with pole	2,500
26.13	Sign Board pole	3,500
24.12.13	Hard Drive(1000 GB)	4,480
29.9.14	Manager's Table	6,996
2.7.15	Sign Board with iron pole & roof	15,000
Equipment		
30.10.11	Thumb Drive -8GB	1,000
	Thumb Drive -2 GB	500
23.7.11	Punching Machine	95
27.7.11	Extension Cord	675
29.9.11	APC Back Up(1 No)	5,476
29.9.11	Printer (Brother)	13,000
29.9.11	Computer(Dell)-1set	26,233
29.9.11	Stapler	117
29.9.11	Telephone set	500
25.11.11	Fax Machine(KX FA 701)	7,500
25.11.11	Panel Heater	3,350
30.11.11	Stapler	80
30.12.11	Computer(Dell)-1set	27,200
30.12.11	Heavy Duty Punching Machine	995
30.12.11	Heavy Duty Stapler	1,025
25.5.13	Heater 4 size	1,100
24.12.13	Lap Top	41,750
12.9.14	Brailler(Classic)	35,000
19.2.14	Hard Drive(1000 GB)	4,480
17.2.14	1 pair Sound Box(Big)	55,000
	1 pair Sound Box(Small)	25,000
	2 pcs Amplifier	44,000
	1 pc Mixer	27,000
	1 No Key Board	14,000
	1 No.Guiter	2,500
	7 pcs Micro phone	17,500
	Wires & Connectors	10,000
	Stablizer	5,500
	Mic Stand	3,800
23.2.13	Dramngyen 3 Nos	9,000
	Chiwang 2 nos	8,000
	2 Nos Flute	250
	2 Nos Yangchen	15,000
24.12.13	Punching Machine	1,050
15.5.14	5 nos Scissors	120
26.6.14	3 Nos Punching Machine	105



I. Inventory stock/list of fixed assets per 31.12.2016 (Normisjon Project)

DATE OF PURCHASE	Particulars	Amount	REMARKS
Furniture			
31.8.15	Conference table set(6pcs) @ 9,075	54,450	
	Conference table for Chair Person	12,095	
6.6.16	File Rack	3,200	
5-9.16	Steel Cupboard	13,190	
15.9.16	Executive Chair (Black)	13,500	
	Executive Table (Black)	25,990	
19.9.16	Wooden Projector Stand	3,300	
29.9.16	2 sets of deewan with cushion @ 5700	11,400	
	2 Nos Chodrom @ 2700	5,400	
3.10.16	Wooden Book Shelve	8,500	
12.10.16	Steel Cupboard	15,010	
26.10.16	Wooden Book Shelve	8,500	
Equipment			
15.4.14	Mini Display port to VGA	4,000	
15.4.14	Project Infocus	40,600	
15.4.14	TP-Link	4,480	
15.4.14	Mac book Air with accessories	79,000	
15.4.14	USB(3 nos)	1,990	
15.4.14	PCI Express	3,480	
15.4.14	Optical Wireless Mouse (2 nos)	3,470	
13.4.14	Thumb Drive 16 GB	1,085	
13.4.14	Printer 2515	9,500	
13.4.14	Dell Laptop core-i5,Ram 4GB	40,800	
13.4.14	Extension Cord	1,100	
13.4.14	Digital Camera	30,000	
14.4.14	Mac Book Air with accessories	79,000	
15.5.14	Thumb Drive 160 GB	1,200	
10.6.14	Socket 16 amp(4 nos)	580	
10.6.14	switch board with wire	690	
20.6.14	Heater Laminox	8,300	
26.6.14	2 Nos Heater(Laminox)	8,300	
29.8.15	Hitachi Vacuum Cleaner	9,700	
9.9.15	PABX(telephone)	44,000	
22.6.16	2 Nos Media Converter @ Nu.4950	9,900	
26.6.16	Wireless Access point	7,600	
28.6.16	Cisco Router(Purchased from Bhutan Telecom)	43,800	
12.10.16	Laser Jet Pro Printer	29,550	



3. Inventory stock/list of fixed assets per 31.12.2016 (DPAB)		
Date of purchase	Particulars	Amount
Furniture		
26.6.14	Plastic Chair with Arm Rest & Cushion(15 Nos)	49,020
1.1.15	Computer Table(2 Nos)	3,909
1.1.15	Manager's Table	8,509
1.1.15	Writing Table	5,009
15.5.15	Revolving Chair(2 Nos)- Low Back	550
4. Inventory stock/list of fixed assets per 31.12.2016 (Donation)		
Date of purchase	Particulars	Amount
Furniture		
1.1.14	Steel Almirah	11,500
16.12.16	Revolving Chair(2 Nos) @ Nu.7800/-	15,600
Equipment		
1.1.14	Computer(Dell)-1set	27,000
1.1.14	Panel Heater(1 No.)	3,350
1.1.14	Telephone set	500
1.1.14	Photocopier Machine(1 No.)	40,000

Note:

The Furniture and Equipment purchased for Normisjon Project is also used for office.



NOTES ON ACCOUNTS:

Significant Accounting Policies

1. These accounts have been prepared in accordance with Generally Accepted Accounting Framework vis-a-vis Financial Rules and Regulation of the Government of Bhutan 2001.
2. DPAB, being a non-profit organization accounts are prepared on cash basis and the income is recognized on the date of receipt and presented its financial statement as Receipts and Payments Account with schedules to show the details of the account.
3. Account balances of the prior year such as balance of Fixed Assets, current asset items are maintained separately.
4. Most of the Fixed Asset items including items received through donations are enlisted.
5. Its financial year ends on 31st December each year.
6. All the funds for the project are received from Norad + Normisjon, Norway as donation.

AUDIT FINDINGS ON THE ACCOUNTS AND OPERATIONS OF THE ORGANIZATION DEVELOPMENT PROJECT UNDER DISABLED PERSONS' ASSOCIATION OF BHUTAN, THIMPHU FOR THE PERIOD 01.01.2016 TO 31.12.2016

PART I: ACHIEVEMENTS

1. Awareness on disability issues through following International Events & Awareness Program (National & International);

- Executive Member and 3 students and escort teacher from Wangsel Institute (Deaf Institute) participated in the International Cultural Exchange Programme at New Delhi, India in November 2016.
- 1 staff and 2 from Music group participated at Anjali Festival (Cultural Exchange Programme) at Orissa, India.

We have set up stall for three days at CSO fair in Thimphu:

- Live Music Program and Movie on Disability was shown at Jakar Higher Secondary School to students and Public and Vocational Training Centre at Bumthang, Public and Middle Secondary students at Dagana, Public and Higher Secondary students at Haa, Public & Drugyel Higher Secondary students and trainees of National Institute of Education at Paro, students of Language University & Nunnery at Trongsa, Public & Middle Secondary students at Tsirang by giving transportation support to the Music group.
- International Day of Persons with Disabilities on 3rd December 2016 at Tendu Central School which has special need children. More than 1000 people gathered for the celebration. Music group, Chairperson and the staff of DPAB attended. We have screened Movie on Disability at Army camp to Armies and their families.

2. Data for the registration of PWDs in 20 District will be compiled with our Annual Report of 2015- 2016 for future reference.

3. Painting competition among physical Disability and hearing impaired students/ at Wangsel Institute, Paro in collaboration with Nehru Wangchuck Centre Indian Embassy.

Thimphu on the topic “Inclusion is Happiness/Inclusive Society”. 42 students (38 students from Wangsel Institute, Drugyel, Paro and 4 from Draktso Vocational Training Centre, Thimphu) - 13 Female & 29 Male took part in the painting competition.

4. A consultative meeting on the data collection for Incheon Strategy indicators was held at DPAB conference attended by the delegates from the UNESCAP, Ministry of Health and other four relevant CSOs on 28th October, 2016.
5. DPAB provided transportation and daily living allowances as well as assistive devices for 7(Seven) disabled patients- 2 male + 5 female from remote places who could not afford to travel and to attend specialized medical services.
6. Staff and volunteers of DPAB modified a home for 1 physically disabled person with the initiative by DPAB staff in Thimphu.
7. Helped 7(Seven) members to avail timely medical services for various medical issues.
8. Education support for 47 students including 7 visually impaired children sponsored by DPAB patron are being continued (21 Female & 26 Male) from Primary School to University.
9. Staff Capacity Building:
 - Adm & Accounts attended 5 days Financial Management basics rights at Mandala Hotel, Paro.
 - IT Assistant attended ICT training program held in Penang, Malaysia which aimed to provide ICT based knowledge and skills to visually impaired and low vision individuals in Asia and the Pacific w.e.f 9.7.16 till 23.7.2016.
 - Assistant Programme Officer completed 3(three) months training on community initiatives in inclusion at ADAPT, Mumbai, India. As a result of her training, she conducted a day workshop on Inclusion and Inclusive Education to 14 staff of DPOs in Thimphu and also a day workshop at Nunnery in Paro.
 - Assistant Programme officer attended training on Regional Training on Advancing Inclusion and Annual Review meeting at Bangkok on w.e.f 1.10.2016 to 8.10.2016.
10. Independence living skill training is given to 1 youth in Music, 3 low Vision in office Management.

11. Continue providing assistive devices (Wheel Chair, Crutches, walking stick etc.) to PWDs.
12. Mid Term Evaluation is completed and recommendations are implemented.
13. DPAB is glad to coordinate a meeting of our delegates from DIGNI and Normisjon with our Prime Minister.
14. DPAB is again receiving equipment from Physio net, United Kingdom in march 2017
15. DPAB led by Executive Director is exploring Collaboration and support from Local & International Donors

Vision

"An inclusive Bhutanese society that recognizes and respects the rights and needs of all persons living with disabilities in Bhutan, and promotes their long-term physical, psychological and social wellbeing"

Mission

"To facilitate the provision of inclusive education and improve the living conditions of persons with disabilities in Bhutan so that they can meaningfully participate in social, economic and political front".

Objectives

- To raise awareness of an advocate for the rights of persons in Bhutan with disabilities
- To enhance the education and capacity of persons with disabilities
- To improve the quality of life and living conditions of persons with disabilities
- To facilitate communication, coordination and collaboration with relevant organizations within and outside the country.

B. OBJECTIVES OF AUDITING

- I. To express an opinion as to whether the financial statements of the Organization Development Project under Disabled Persons' Association of Bhutan, presents a true and fair view of the results of operations;
- II. To determine that the Receipts & Payments correctly reflect the financial operations in accordance with the financial rules and budgetary norms and whether the agency has complied with the laws, policies, rules and regulations issued by the government from time to time;
- III. To determine whether the agency has been managing and utilizing its financial resources economically and efficiently;
- IV. To determine whether the desired results or benefits established by the agency are being achieved; and
- V. To determine whether the taxes and levies are realized accounted accurately.

A. PROFILE

Disabled Person's Association of Bhutan (DPAB) is one of the first registered Disabled Person's Organization (DPOs) in Bhutan initiated by persons with disabilities dedicated to the service of all persons with disabilities in the country. Founded under the patronage of His Royal Highness Prince Namgyal Wangchuck, who established the first National School for the visually impaired in 1973, DPAB endeavors to look into addressing the needs and concerns of persons with all types of disabilities in Bhutan, mainly through awareness program and the provision of appropriate facilities and services that can enable them to live a productive life.

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 percent of the population. The two-stage child disability study from age 2-9 conducted in 2010-2011 by Ministry of Education, Ministry of Health, National Statistic Bureau and UNICEF has indicated that about 21.3 percent of the children are with risk of disabilities in Bhutan.

Extended Bhutanese families have served the basic needs of the disabled persons traditionally. However, with development this support base is fast dwindling due to changes in the 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 (NIVI), a school for deaf, six integrated schools for children special learning needs and one vocational school for children with disabilities exist now in the Bhutan. Consequently, thousands of persons with disability are lacking any access to education and other support services.

To address the growing needs of persons with disabilities and to complement the efforts of the royal government, the Disabled Persons Association of Bhutan was registered as a civil society organization on 26 November 2010 by a group of visually impaired persons.

CAUDITING METHODOLOGY

- I. Reviewing internal controls in place in the system;
- II. Inspection and examination of the records, documents and financial statements;
- III. Determining if the rules and regulation that are in force have been complied with;
- IV. Seeking relevant information from knowledgeable person inside and outside the Organization;
- V. Checking the arithmetical accuracy of the accounting records; and
- VI. Conducting the physical verifications of assets, stores and undertaking site visits and take measurements of the constructions.