

AIN: COAD-2022-208

**DILLI YOK & ASSOCIATES**

**FINANCIAL AUDIT REPORT  
OF THE  
DISABLED PEOPLE'S ORGANIZATION OF  
BHUTAN (DPOB), THIMPHU: BHUTAN.**

**PERIOD: 01/01/2021 TO 31/12/2021**

**MAY 2022**

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 | Kawangangsa | Thimphu | Bhutan | Tel: +975-2-322111/328729/ Fax: +975-2-32349 |  
Website: [www.bhutanaudit.gov.bt](http://www.bhutanaudit.gov.bt) | Email: [info@bhutanaudit.gov.bt](mailto:info@bhutanaudit.gov.bt) & [auditorgeneral@bhutanaudit.gov.bt](mailto:auditorgeneral@bhutanaudit.gov.bt)



འཛིན། རྒྱལ་གཞུང་ཚིས་ཞིབ་དབང་

ROYAL AUDIT AUTHORITY  
Bhutan Integrity House

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



00-5  
RAA(BH-02)/AC/2022/198 783

Dated: 19.05.2022

The Executive Director  
Disabled People's Organization of Bhutan  
Thimphu, Bhutan

**Subject: Financial Audit Report of Disabled People's Organization of Bhutan for the financial years ended 31st December 2021.**

Sir,

Enclosed herewith, please find the audited **Financial Statements and Auditors' Report thereon** in respect of the Disabled People's Organization of Bhutan for the financial years 31 December 2021. 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 Disabled People's Organization of Bhutan, in all material respects, in accordance with Financial Rules and Regulations 2016. Accordingly, the RAA has issued unmodified (unqualified) opinion on the financial statements.

#### **Audit Findings and Recommendations**

All audit finding(s) have been reported under Management Appraisal Report, which in the opinion of the RAA needed further review and intervention as issues observed has potential to impede good governance and management practices or imminent risks are palpable if not addressed. It is also aimed at instituting appropriate systems for further improving the accounts, operations and internal controls in the management.

"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

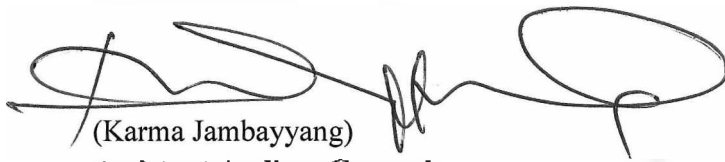
P.O. Box. 191 | Kawangjangsa | Thimphu | Bhutan | Tel: +975-2-322111/328729/328730/324961 | Fax: +975-2-323491  
Website: [www.bhutanaudit.gov.bt](http://www.bhutanaudit.gov.bt) | Email: [info@bhutanaudit.gov.bt](mailto:info@bhutanaudit.gov.bt)

**Achievements**

The RAA has noted achievements made by the Disabled People's Organization of Bhutan during the period under audit, which are detailed in **Annexure B** of this report.

The Royal Audit Authority acknowledges the kind co-operation and assistance extended to the audit team by the officials of the Disabled People's Organization of Bhutan which facilitated the completion of the audit.

Yours sincerely,



(Karma Jambayyang)

**Assistant Auditor General  
Compliance & Outsourced Audit Division**

**Cc:**

1. The Member Secretary, Civil Society Organization Authority, Thimphu
2. The AAG, PPD, Royal Audit Authority, Thimphu
3. The AAG, Follow-Up & Clearance Division, Royal Audit Authority, Thimphu
4. Office copy

## TITLE SHEET

Title Sheet	Financial Audit Report of the Disabled People's Organization of Bhutan, Thimphu
AIN:	COAD-2022-208
Head of the Agency	Name: Sonam Gyamtsho Executive Director
Finance Personnel	Name: Tashi Yuden, Accountant
Period Audited	Jan. 1, 2021 – Dec. 31, 2021
Schedule of Audit	Planning: 20/04/2022 to 26/04/2022
	Actual: 20/04/2022 to 26/04/2022
	Reporting:
Composition of Audit Team	Team Leader:
	<b>1. CA Dilli Ram Bista</b>
	CID No. 11810002939
	Team Members:
	<b>2 Yok Bahadur Karki</b>
	CID No:10302003793
	<b>3. Chatra Maya Rai</b>
Supervising Officer	<b>CA Dilli Ram Bista</b>
Engagement Letter	RAA(OSA-11)/AC/2021/980
Focal Person	<b>CA Dilli Ram Bista</b>
	Email: cabhutan@yahoo.com/ cabhutan@gmail.com
	Phone: 17258738/17420185
Date of Exit Conference	16-05-2022

## Acronyms

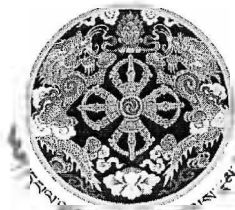
---

AAG	Assistant Auditor General
ADAPT	Able Disabled All People Together
AR	Audit Report
BOB	Bank of Bhutan
CII	Community Initiatives in Inclusion
CSOA	Civil Society Organization Authority
DPO	Disabled People's Organization
DPOB	Disabled People's Organization of Bhutan
FC	Foreign Currency
IDPD	International Day of Persons with Disabilities
ISSAI	International Standards of Supreme Audit Institutions
PWD	Persons with Disabilities
RAA	Royal Audit Authority
RGoB	Royal Government of Bhutan
RRCO	Regional Revenue and Customs Office
UNDP	United Nations Development Programme

## TABLE OF CONTENTS

SL.NO	CONTENT	PAGE NO
1	Auditors' Report on Financial Statements of DISABLED PEOPLE'S ORGANIZATION OF BHUTAN for the year ending 2021.	2-4
2	<b>Enclosures:</b>	5
3	Receipt And Payment Accounts for year ending 2021	6
4	Bank Reconciliation Statement for year ending 2021	7
4	Schedule Forming Part Of Financial Statements for year ending 2021	8
5	<b>Recommendary Observations</b>	10-11
6	<b>Annexure A:</b> profile of Disabled People's Organization of Bhutan	12-13
7	<b>Annexure B:</b> Acheivements	14-15

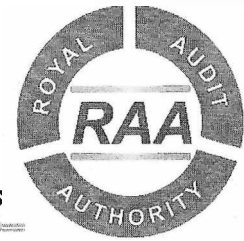
**AUDITORS' REPORT ON THE  
FINANCIAL STATEMENTS OF THE  
DISABLED PEOPLE'S ORGANIZATION  
OF BHUTAN**



ལྷན་ཁག་ལྷན་པོའི་འཕྲིད་པ་

ROYAL AUDIT AUTHORITY  
*Bhutan Integrity House*

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



## AUDITORS' REPORT ON FINANCIAL STATEMENTS OF DISABLED PEOPLE'S ORGANIZATION OF BHUTAN FOR FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER, 2021

### Opinion

We have audited the accompanying financial statements of **Disabled People's Organization of Bhutan** which comprise the Receipts and Payments Statement and schedules forming part of financial statements for the financial year ended 31<sup>st</sup> December 2021.

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 Statement* section of our report. We are independent of the Disabled People's Organization of Bhutan management, in accordance with RAA's Oath of Good Conduct, Ethics and Secrecy of Auditors, 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 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 People's 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 Disabled People's 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.

**Dilli Yok & Associates**

**Chartered Accountants**

(FRN: 1041252)

  
CA Dilli Ram Bista

(Membership No: 542831)

Date: 31/5/22

Place: Thimphu



**ENCLOSURES**

**Disabled People's Organization of Bhutan**  
**Statement of Receipts and payments for the year ended December 31, 2021**

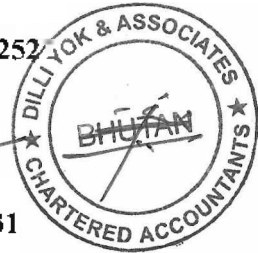
Receipts	Schedule	As at 31.12.2021	As at 31.12.2020	Payments	Schedule	As at 31.12.2021	As at 31.12.2020
To opening Balance				By Expenditure	1	662,148.78	1,601,997.00
Advance			50,000.00	By Refunds		30,000.00	
Cash at Hand	3	197,140.00	786,562.00				
Cash in Bank	2	2,381,336.00					
To Grants Received			1,001,880.00				
Other Income		36,000.00	2,392,031.00				
Income	4	4,596,165.30		By closing Balance			
				Advance			50,000.00
				Cash at Bank		6,424,501.52	2,381,336.00
				Cash in Hand		93,991.00	197,140.00
<b>TOTAL</b>		<b>7,210,641.30</b>	<b>4,230,473.00</b>	<b>TOTAL</b>		<b>7,210,641.30</b>	<b>4,230,473.00</b>

Dilli Yok & Associates

Chartered Accountant  
 Firm License No: 1041252

CA Dilli Ram Bista  
 Membership No: 542831

Place: *Thimphu*  
 Date: *31/12/22*



Disabled People's Organization of Bhutan

*Tashi Yuden*  
 Tashi Yuden  
 Accountant

*Sonam Gyamtsho*  
 Sonam Gyamtsho  
 Executive Director

**Disabled People's Organization of Bhutan  
Bank Reconciliation Statement  
For the year ended December 31, 2021**

**Druk PNB (Acc. No. xxx3760)**

Particulars	Amount (Nu.)
Closing Balance as per Bank Statement	301,125.33
Add: Deposit in transit	-
Less: Cheque issued but not encashed	-
<b>Closing Balance as per DPOB records</b>	<b>301,125.33</b>

**Disabled People's Organization of Bhutan  
Bank Reconciliation Statement  
For the year ended December 31, 2021**

**BOBL (Acc. No. xxx3756)**

Particulars	Amount (Nu.)
Closing Balance as per Bank Statement	637,415.00
Add: Deposit in transit	-
Less: Cheque issued but not encashed	-
<b>Closing Balance as per DPOB records</b>	<b>637,415.00</b>

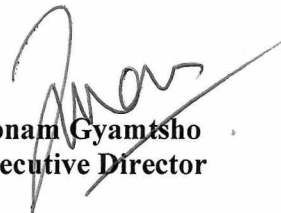
**Disabled People's Organization of Bhutan  
Bank Reconciliation Statement  
For the year ended December 31, 2021**

**BDBL (Acc. No. xxx2101)**

Particulars	Amount (Nu.)
Closing Balance as per Bank Statement	5,485,961.19
Add: Deposit in transit	-
Less: Cheque issued but not encashed	-
<b>Closing Balance as per DPOB records</b>	<b>5,485,961.19</b>



**Tashi Yuden  
Accountant**



**Sonam Gyamtsho  
Executive Director**



**Schedules Forming Part of Receipts and Payments Statement 2021**

**Schedule 1: Expenditure**

Particulars	Dec 31,2021	Dec 31,2020
SNV. Expenses	50,000.00	6,500.00
UNDP Expenses	612,148.78	25,888.00
IDPD Expenses		75,724.00
UNICEF Expenses		1,359,825.00
<b>TOTAL</b>	<b>662,148.78</b>	<b>1,467,937.00</b>

**Schedule 1A: UNDP Expense**

Particulars	Dec 31,2021
Purchase of Braille	85,649.00
Expenses on printing	12,300.00
Expenses on printing	5,200.00
Kurtoep hardware	509,000.00
<b>TOTAL</b>	<b>612,149.00</b>

**Schedule 2: Cash at Bank**

Particulars	Dec 31,2021	Dec 31,2020
Druk PNB (Acc.no.xx3760)	301,125.33	741,125.00
BOBL (Acc.no.xx3756)	637,415.00	587,956.00
BDBL (Acc.no.xx2101)	5,485,961.19	1,052,255.00
<b>TOTAL</b>	<b>6,424,501.52</b>	<b>2,381,336.00</b>

**Schedule 3: Cash on Hand**

Particulars	Dec 31,2021	Dec 31,2020
Cash on Hand	93,991.00	197,140.00
<b>TOTAL</b>	<b>93,991.00</b>	<b>197,140.00</b>

**Schedule 4: Income**

Particulars	Dec 31,2021
Bank Interest	186,145.85
DPAB Donation	930,160.00
Membership Fund	2,672,035.45
SNV Fund	50,000.00
UNDP Account	757,824.00
<b>Total</b>	<b>4,596,165.30</b>

**MANAGEMENT APPRAISAL REPORT**

**1. Board meetings not held as per the requirement of CSO Act**

For the financial year 2021, the organization held only two board meetings, as per section 57 of the CSO Act the meetings of the Board of a CSO shall be held at least once every three months, provided that the secretary serves the notice of meeting at least two weeks in advance. Though there may be a difficulty due to the current pandemic situation, in the absence of any specific exemption provided under the Act or rules made thereof, it is recommended same may be held virtually where physical meeting becomes difficult.

**Management's Response:**

*With an appreciation for minute details of lapses pointed out, the management team would like to furnish its response. As required by the CSO Act, the management team failed to organize its two quarterly Board Meetings in 2021. As much as we wished to organize the two remaining Board Meetings, the circumstance was mired by the pandemic followed by a prolonged lockdown. This truly thwarted the plan of organizing the remaining Board Meetings.*

*The management team also tried to organize virtually as recommended. However, since the majority of the Board Members are persons with disabilities, the virtual meeting was out of the solution as many face difficulties in using technology.*

*Owing to these reasons, the management team could not organize the Board Meeting. However, we assure you that such lapses would not happen hereafter.*

**The memo is treated as settled:**

*Board meetings plays critical role for overall governance and management of the Disabled People's Organization of Bhutan. Management should attempt to conduct board meeting by alternative means. In the view of ongoing pandemic same way is done through virtual platforms.*

**Compliance to be made by management:**

*The management should conduct required number of Board meetings as per the CSOA Act. The compliance shall be verified in next audit.*

**2. Non- preparation of the statement of Financial Position**

During the course of the audit, it was observed that as of now it does not maintain the records of assets and liabilities. The current practice being followed is to prepare only the receipt and payment account. The CSO Act requires that accounting records shall contain a record of the PBO's assets and liabilities. Further Civil Society Organization Rules and Regulations 2017 under rule 150(2) requires PBO to prepare to statement of financial position relating to the period covered by the annual report statement. In the view of above requirements and to align

compliance and avoid the non-compliance in future, it is recommended to separately maintain a full record of assets and liabilities and prepare a statement of financial position for each financial year.

**Management's Response:**

*Since the past auditors did not point out this issue, the management team was of the view that this does not merit maintaining with depreciation values. However, as recommended, the management team will take up the issue and accordingly maintain a system that records all assets and liabilities with their depreciation values henceforth.*

**The memo is treated as settled:**

*Civil Society Organization Rules and Regulations 2017 under rule 150(2) requires PBO to maintain the records of assets and liabilities. As management had ensure of maintaining the assets and liabilities from the current year, the observation has been settled for future compliance.*

**Compliance to be made by management:**

*The management should maintain the list of assets and liabilities henceforth. The compliance shall be verified in next audit.*





## **Annexure – A: Profile of Disabled People’s Organization of Bhutan**

### **Background:**

The Disabled People's Organization of Bhutan (DPOB), formerly the Disabled Persons' Association of Bhutan (DPAB), was founded by a group of persons with disabilities to recognize the voice of our own. Under the Royal Patronage of His Royal Highness Prince Namgyal Wangchuk - the XXVIth Paro Penlop, the organization was legally registered with the Civil Society Organizations Authority (CSOA) on November 26, 2010.

The organization, which is tax exempted, is governed by a Board of Trustees, whose members are chosen for a certain term of office from among the organization's members. The DPOB has a seven-member Board of Directors and fifteen-member Technical Committee. There are Twenty Focal Persons (DT Secretaries in Dzongkhags), who provide the DPOB with data updates on persons with disabilities in their districts, as well as facilitate coordination and communication at the Dzongkhag level. In the management team, there are six staff, who oversee the day-today functions of the organization. The Disabled People’s Organization of Bhutan is the only DPOB in the country with persons with disabilities serving on the Board of Directors, Technical Committees, and Management Team.

As required by the Civil Society Organization Act 2007, our operations are guided by its Charter and the Articles of association. Our financial transactions and performance are subject to external auditing from the Royal Audit Authority (RAA) and inspection by the board of directors and contributors.

**Vision:** An inclusive society that recognizes respects and promotes the rights and needs of persons with disabilities in Bhutan.

**Mission:** To promote physical, psychological and socio-economic wellbeing of persons with disabilities through a right based approach.

### **Objectives:**

1. Function as a platform to represent all persons with disabilities in policy formulation, legislations and programme that impact the lives of persons with disabilities. Profile and the achievement of Disabled People’s Organization of Bhutan
2. Raise awareness and advocate for the rights of persons with disabilities in Bhutan.
3. Create opportunities for PWDs to realize the potentials and abilities to lead a meaningful life.
4. Enhance the capacity of persons with disabilities through life-long learning.
5. Improve the quality of life and living conditions of persons with disabilities.
6. Empower persons with disabilities through employment, effective participation and decision-making.
7. Facilitate communication, coordination and collaboration with relevant organizations within and outside the country.



As a DPOB, we provide technical knowledge and oversight to other service providers based on Disability Equality Training. However, it is critical that actual outcomes are provided, piloted, and shown for scaling-up in the early stages. Thus, we assist service delivery interventions carried out by other disability-related organizations. Wherever possible, we also give direct services to needy persons with disabilities

Our services are:

- Education scholarship to children with disabilities;
- Medical allowance to persons with disabilities, who get referred to within and outside.
- Independent Living Skills Training to persons with disabilities.
- Disability Inclusive Consultancy.
- Braille Production



## ANNEXURE B: ACHIEVEMENTS

The Royal Audit Authority while reviewing the accounting records and operations of the LC/PLC Account operated by Disabled People's Organization of Bhutan had also reviewed the plans and programs implemented during the period under audit and noted the following accomplishments:

**Capacity of DPOB strengthened:** DPOB could develop capacity of its entire employees i.e., six employees in a variety of areas. In 2018, DPOB had only 4 employees who have undergone trainings. The training equipped DPOB staff with the ability to operate its office autonomously as an institution.

**Membership developed to gain an income from membership fees.** DPOB could register and raise funds through membership contribution that will be used to cover future operational costs. DPOB initially did not have single registered contributing member. However, by the end of the project, it could register 2521 contributing members. A member contributes minimum of Nu. 100 per month and their membership duration varies from one to two years.

• **People with disabilities are empowered:** Persons with disabilities are employed. Individuals with disabilities continue to have a lower likelihood of finding work or starting a business than the general population. To safeguard the right of persons with disabilities to work and establish their own businesses on an equal footing with others, the project supported employment opportunities for PWDs. This included the right to earn a living through work that is freely chosen or accepted in the labor market, as well as work in an open, inclusive, and accessible work environment. Some PWDs were able to receive entrepreneurial training and eventually establish their own businesses. 57 PWDs were employed in various agencies. Of 57 PWDs, 17 PWDs were employed in different agencies while 40 PWDs got self-employed by becoming entrepreneurs after undergoing entrepreneurship training.

• **Rehabilitation programme at the community level strengthened.**

The rehabilitation programme has a tremendous impact on the lives of people with disabilities. PWDs received educational and medical help. Education is a fundamental socioeconomic human right for all children, especially those with impairments. Inadequate schooling continues to be a major cause of poverty and isolation of children with and without disabilities from larger societal issues. Inadequate education and marketable occupational training for children and adolescents with disabilities results in a lack of options for future personal development, increasing their marginalization and vulnerability. It obstructs their access to jobs, other sources of income, and business development. Thus, the programme during its three years project period benefited 97 PWDs by enabling them to pursue formal education in central schools. In the final year of the project period, 28 PWDs have availed the support. Despite the fact that the project's goal was to eliminate education support by the conclusion of the project, it was forced to maintain 28 PWDs since the government abandoned the notion of a central school, which offers basic amenities to schoolchildren. Similarly, PWDs received medical assistance. Individuals with disabilities are frequently predisposed to secondary Profile and the achievement of Disabled People's Organization of Bhutan health problems as a result of their original handicap. The project recognized that individuals with disabilities had the right to the best feasible standard of health free of disability prejudice. Through the medical support programme, the project guaranteed that PWDs had access to medical services and care.



- **Women and men with disabilities trained on life skills.**

Women and men with disabilities had the opportunity to participate in a variety of life skill training programs, including tailoring, SPA, bakery, entrepreneurship, etc. 66 men and women were trained on life skills with the support from various stakeholders. Some PWDs were able to obtain employment opportunities as a result of life skill training, while others were able to start their own businesses. PWDs' lives have been transformed by the programme.

- **Attitude and values of the society towards person with disabilities are improved.**

Society and persons with disabilities informed on the rights/needs of persons with disabilities. The project made significant strides in terms of advocacy and public awareness. The programme could educate all segments of society, including legislators, bureaucrats, local government officials, frontline workers, NGO groups, international organizations, educators, students and general public. The initiative had beneficial effect on how people see persons with disabilities. The public perception of those with disabilities has shifted.

- **Local government leaders and health care workers trained on inclusiveness and participation of persons with disabilities in development process.**

A total of 2712 local government leaders and participants were trained and sensitized on inclusiveness and participation of PWDs in the development process. Local leaders now understand the dynamics of PWDs and work with DPOB to empower and rehabilitate PWDs in their communities.

- **Disability friendly environment:**

The campaign resulted in the establishment of an enabling environment for PWDs to live independently. Offices became more accessible to persons with disabilities. For example, the UN office in Bhutan has been made disability-friendly by installing ramps for wheelchair users and accessible washrooms. PWDs have priority seating on public transportation (city bus). Bank of Bhutan Limited offers priority counters for PWDs at all branch offices. Important public places such as National Memorial Chorten, Athletes Ground, National Football Stadium were made accessible and disability friendly. All of the above efforts are voluntary and are not regulated by the government. However, it is the good influence of the National Disability Policy. The policy commits the country to creating a disability-friendly environment.

DPOB, the beneficiaries, and the general public have all reaped the benefits of the project in a variety of ways. PWDs were able to improve their competency and find work through job possibilities and self-employment thanks to the rehabilitation and skill development programs. In addition to helping DPOB finance its operational expenses, the project has helped develop the organization's human resource capabilities, making DPOB a more dynamic, effective, and self-reliant organization. In terms of project management, the DPOB has gathered enough experience to be useful in future initiatives. International conferences, seminars, and forums provided an excellent opportunity for DPOB staff to broaden their horizons and learn about best practices in disability inclusion from around the world. DPOB was also recognized as a DPOB by the United Nations, demonstrating the organization's identity

