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



AIN: 11503

**AUDIT REPORT ON ACCOUNTS AND OPERATIONS OF THE DISABLED  
PERSONS ASSOCIATION OF BHUTAN  
THIMPHU**

**PERIOD: 01.03.2011 TO 31.12.2012**

**JUNE 2013**



རྒྱལ་ཁབ་ལྷན་ཁྲིམས་ཞིབ་དབང་འཛིན།  
ROYAL AUDIT AUTHORITY  
Bhutan Integrity House

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



RAA /AR/GGD/NGO-DPAB/2013/ 1580

Dated: 19/6/13

The Executive Director  
Disabled Persons Association of Bhutan  
Thimphu: Bhutan

**Subject:** Audit Report on Accounts and Operations of the Disabled Persons Association of Bhutan, Thimphu for the period covering 01.03.2011 to 31.12.2012.

Madam,

Enclosed herewith please find the *audited Financial Statements and Auditors' Report thereon* in respect of the Disabled Persons Association of Bhutan (CD A/c No. 110210003760) for the period 01.03.2011 to 31.12.2012. 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 Auditors' Report, the Disabled Persons Association of Bhutan had generally maintained proper books of accounts and the financial statements were in agreement with the accounting records. Accordingly the RAA has issued an unmodified (Clean) report.

We acknowledge the kind co-operation and assistance extended to the audit team by the officials of the Disabled Persons Association of Bhutan which facilitated timely completion of the audit.

Yours sincerely,

(Kelzang Namgyel)  
Assistant Auditor General

**Copy to:**

1. The AAG, FUCD, RAA, Thimphu
2. The AAG, Policy, Planning & Annual Audit Report Division, RAA, Thimphu
3. Guard File; and
4. Office Copy

*"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 & Operations of the Disabled Persons Association of Bhutan, Thimphu
2. Head of the Agency : Sanga Dorji, Executive Director  
CID No. 11704000046  
(01.03.2011 to 30.11.2012)  
Sonam Wangmo, Executive Director  
CID No. 11410003911  
(01.12.2012 to till date)
3. Finance Personnel : Sonam Deki, Treasurer  
CID No. 11911001271
4. Period of Audit : 01.03.2011 to 31.12.2012
5. Schedule of Audit : Planned – Adhoc  
Field – 03.06.2013 to 05.06.2013
6. Intimation letter No. : RAA/GGD/NGO-DPAB/2013/1419 dated 03.06.2013
7. Audit Team :
  - i. Sonam Dorji, Assistant Audit Officer  
EID No. 201101067, Team Leader
  - ii. Passang, Auditor  
EID No. 95160027, Team Member
8. Supervising Officer : Kelzang Namgyel, AAG, GGD  
EID No. 9610068
9. Date of Exit Conference : Not conducted
10. Focal Person : Sonam Dorji



#### **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 the **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 favour 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.

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#### **Financial Statements (December 2012)**

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**AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE DISABLED PERSONS ASSOCIATION OF BHUTAN FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2011**

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The Royal Audit Authority (RAA) has audited the accompanying financial statements of the Disabled Persons Association of Bhutan, Thimphu which comprises the Receipts and Payments Statements and schedules forming part of the financial statements for the year ended 31<sup>st</sup> December 2011, as required under the Audit Act of Bhutan 2006.

**Management's responsibility for the financial statements**

Management is responsible for preparation and fair presentation of these financial statements in accordance with Financial Rules and Regulations 2001 and generally accepted financial reporting framework. These responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

**RAA's responsibility**

The RAA's responsibility is to express an opinion on these financial statements based on its audit. The RAA conducted the audit in accordance with RAA's Auditing Standards and Generally Accepted Auditing Standards. Those standards require that the RAA comply with the ethical requirement 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 disclosures in the financial statements. The procedures selected depend on 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 controls 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management as well as evaluating the overall financial statement presentation.

The RAA believes that the audit evidence obtained by it is sufficient and appropriate to provide a basis for its audit opinion.

**Opinion**

In RAA's opinion, the financial statements present fairly, in all material respects the financial operations of the Disabled Persons Association of Bhutan for the year ended 31<sup>st</sup> December 2011 and of its fund balance as on that date in accordance with the Financial Rules and Regulations 2001 and generally accepted financial reporting framework.



**Auditor**

**Noted & Concurred:**



**Assistant Auditor General, GGD**

**Date: 19/06/2013**



**AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE DISABLED PERSONS ASSOCIATION OF BHUTAN FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012**

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The Royal Audit Authority (RAA) has audited the accompanying financial statements of The Disabled Persons Association of Bhutan, Thimphu which comprises the Receipts and Payments Statements and schedules forming part of the financial statements for the year ended 31<sup>st</sup> December 2012, as required under the Audit Act of Bhutan 2006.

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The RAA's responsibility is to express an opinion on these financial statements based on its audit. The RAA conducted the audit in accordance with RAA's Auditing Standards and Generally Accepted Auditing Standards. Those standards require that the RAA comply with the ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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**Auditor**

**Noted & Concurred:**

  
Assistant Auditor General, GGD

**Date:** 19/06/2013



**DISABLED PERSONS ASSOCIATION OF BHUTAN**  
**STATEMENT OF RECEIPTS & PAYMENTS FOR THE YEAR ENDED 2011**

RECEIPTS		PAYMENTS	
Opening Balances			
Cash	0.00		
Bank	3,000.00	Expenditure	358,863.00
Total Opening Balances	3,000.00		
Grant received from CSO	200,000.00	<b>Total Fund Balance</b>	<b>453,876.00</b>
Donations	609,739.00	Balance (Bank)	453,086.00
		Balance (Cash)	790.00
<b>Total Fund</b>	<b>812,739.00</b>	<b>Total Fund</b>	<b>812,739.00</b>



Sonam Deki

Treasurer



YSanga Dorji

Executive Director



**Schedule I: Statement of details of donations received during the year 2011**

Sl. No.	Particulars	Amount (Nu.)
1	Talung Rinpoche	100,000.00
2	Bhutan Society of UK	150,182.00
3	Datong Tulku	5,000.00
4	Ashi Beda Dorji & Dasho Ugyen Dorji	300,000.00
5	Etsuko Sinono	15,000.00
6	Tashi Dawa Associates	10,000.00
7	Queensland Community	29,557.00
	<b>Total</b>	<b>609,739.00</b>

  
Sonam Deki

Treasurer



Sangha Dorji

Executive Director



DISABLED PERSONS ASSOCIATION OF BHUTAN

BANK RECONCILIATION STATEMENT

1<sup>st</sup> March 2011 to 31<sup>st</sup> December 2011

A	Particulars	Amount (Nu.)
1	Receipts (Bank)	807,739.00
	Receipts (Cash)	5,000.00
	<b>Total Receipts</b>	<b>812,739.00</b>
2	<i>Less: Closing Balance as per Cash Book</i>	453,876.00
3	Difference: Funds withdrawn as per Cash Book (1-2)	358,863.00
<b>B Reconciliation</b>		
		<b>Amount (Nu.)</b>
1	<b>Funds withdrawn as per Bank Statement (Debit Balance)</b>	<b>298,974.00</b>
2	<i>Add: Cheques issued but not cashed</i>	55,679.00
3	<i>Add: Amount debited in cash book but not in Bank Statement</i>	4,210.00
	<b>Total (1+2+3)</b>	<b>358,863.00</b>
4	<i>Less: Amount debited in Bank Statement but not in Cash Book</i>	0.00
	<b>Total (1+2+3+4)</b>	<b>358,863.00</b>



Sonam Deki

Treasurer



Sanga Dorji

Executive Director



**DISABLED PERSONS ASSOCIATION OF BHUTAN**

**STATEMENT OF RECEIPTS & PAYMENTS FOR THE YEAR ENDED 2012**

RECEIPTS		PAYMENTS	
Opening Balances		Expenditure (Bank)	284,800.00
Cash	790.00	Expenditure (Cash)	18,841.00
Bank	453,086.00		
<b>Total Opening Balances</b>	<b>453,876.00</b>		
Donations	252,087.00	Total Payments	303,641.00
		<b>Total Fund Balance</b>	<b>402,322.00</b>
<b>Total Fund</b>	<b>705,963.00</b>	<b>Total Fund</b>	<b>705,963.00</b>



**Sanga Dorji**  
Executive Director



**Sonam Deki**  
Treasurer





**Schedule I: Statement of details of donations received during the year 2012**

Sl. No.	Particulars	Amount (Nu.)
1	Tashi Dawa Associates	45,000.00
2	Karma Dorji (Cash)	500.00
3	Karma Convience Store (Cash)	1,500.00
4	Dema (Cash)	50.00
5	Leki Dorji T/Khang (Cash)	500.00
6	Namgay Dorji (Cash)	120.00
7	Tashi Namgay (Cash)	100.00
8	Gopi (Cash)	50.00
9	Karma (Cash)	50.00
10	Reiden Kippenese (Cash)	1,500.00
11	Einar Kippenese (Cash)	1,500.00
12	Pal Kippenes Family(Cash)	4,500.00
13	Mc Master University	53,132.00
14	Mr. Phento Tshering (Cash)	5,000.00
15	Zamling Arts & Rubber Stamp (Cash)	2,985.00
16	India Bhutan Foundation (Airfare & DSA ) for participants of Sambhav, New Delhi	135,600
<b>Total</b>		<b>252,087.00</b>



Sonam Deki

Treasurer



Sanga Dorji

Executive Director

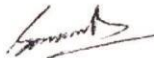


DISABLED PERSONS ASSOCIATION OF BHUTAN

BANK RECONCILIATION STATEMENT

1<sup>st</sup> January 2012 to 31<sup>st</sup> December 2012

A	Particulars	Amount (Nu.)
	Opening Balance (Bank)	453,086.00
	Opening Balance (Cash)	790.00
1	Receipts (Bank)	233,732.00
	Receipts (Cash)	18,355.00
	<b>Total Receipts</b>	<b>705,963.00</b>
2	Less: Closing Balance as per Cash Book	402,322.00
3	Difference: Funds withdrawn as per Cash Book (1-2)	303,641.00
<b>B Reconciliation</b>		<b>Amount (Nu.)</b>
1	Funds withdrawn as per Bank Statement (Debit Balance)	340,679.00
2	Add: Cheques issued but not cashed	0.00
3	Add: Amount debited in cash book but not in Bank Statement	18,841.00
	<b>Total (1+2+3)</b>	<b>359,520.00</b>
4	Less: Amount debited in Bank Statement but not in Cash Book	55,879.00
	<b>Total (1+2+3+4)</b>	<b>303,641.00</b>



Sonam Deki  
Treasurer



Sanga Dorji  
Executive Director



## **Annexure – B**

### **Objectives of Auditing**

- i. To determine that the Receipts and Payment Statements and the Consolidated Expenditures Statements correctly reflect the financial operations in accordance with the financial rules and regulations and budgetary norms;
- ii. To check legality, regularity and propriety, 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;
- v. To determine whether the taxes and levies are realized and accounted for accurately; and
- vi. To ascertain the adequacy and effectiveness of internal control system.

## **Annexure – C**

### **Methods adopted for auditing**

- i. Review of operational activities;
- ii. Reviewing internal controls, monitoring procedures and the system in place;
- iii. Review procurement and work awarding procedures;
- iv. Inspection and examination of the records, documents, and the financial statements;
- v. Determining if the rules and regulations that are enforced have been complied with;
  - a. Seeking relevant information from knowledgeable person inside and outside the organization;
  - b. Comparison, computation and analysis to ascertain the arithmetical accuracy and reconciliation of accounts; and
- vi. Physical verification of assets, stores and site visits.