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**Agency for Accelerated Regional
Development (AFARD)**

**Audit report for the year ended
31 December 2014**

KPMG Certified Public Accountants
P O Box 3509, Kampala

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1 CONTENTS

1	CONTENTS	ii
2	DIRECTORS, OFFICERS AND ADMINISTRATION	iv
3	LIST OF ABBREVIATIONS /ACRONYMS	v
4	INTRODUCTION	1
4.1	Background	1
4.2	Audit scope	3
4.3	Audit methodology	3
5	STATEMENT OF MANAGEMENT'S RESPONSIBILITIES	4
6	REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AFARD	5
7	FUND ACCOUNTABILITY STATEMENT	6
7.1	Income and expenditure statement for the year ended 31 December 2014	6
7.2	NOTES TO THE FUND ACCOUNTABILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014	7
7.2.1	Principal Accounting Policies	7
7.2.2	Grant income	8
7.2.3	Income from farming activities	8
7.2.4	Income from other AFARD operations	9
7.2.5	Programme Expenditure	9
7.2.6	Farming activities expenditure	10
7.2.7	Administrative costs	10
7.2.8	Cash and cash equivalents	11
7.2.9	Loans and advances receivable	11
8	MANAGEMENT LETTER	12
8.1	Introduction	12
8.2	Current year issues	13
8.2.1	The tax status of AFARD	13
8.2.2	Statutory deductions – Local Service Tax (LST)	13
8.2.3	Inadequate review of bank reconciliations	14
8.2.4	No evidence of reconciliation between the payroll and the general ledger	15
9	Appendix i): FUND ACCOUNTABILITY STATEMENTS FOR INDIVIDUAL PROJECTS IMPLEMENTED DURING THE YEAR	16
9.1	AFARD Gorta-WENDI Project: Fund accountability statement for the year ended 31 December 2014	16

9.2	AFARD Gorta-CEEP Project: Fund accountability statement for the year ended 31 December 2014	17
9.3	AFARD Irish Aid Project: Fund accountability statement for the year ended 31 December 2014	18
9.4	Food Security Programme-Manos Unidas Project: Fund accountability statement for the year ended 31 December 2014	18
9.5	AFARD Community Wide Project: Fund accountability statement for the year ended 31 December 2014	18
9.6	Civil Society Fund (CSF) Project: Fund accountability statement for the year ended 31 December 2014	19
9.7	PAYERA Community Development Project- KNH: Fund accountability statement for the year ended 31 December 2014	20
9.8	AFARD Wash Project-ULAMKULE Project: Fund accountability statement for the year ended 31 December 2014	20
9.9	OYE (SNV Funded) Project: Fund accountability statement for the year ended 31 December 2014	21
9.10	SSH4A (SNV Funded) Project: Fund accountability statement for the year ended 31 December 2014	21
9.11	Total E&P Project: Fund accountability statement for the year ended 31 December 2014	22
9.12	PELUM Project: Fund accountability statement for the year ended 31 December 2014	23
9.13	Detailed fund accountability statement for PAYERA Community Development Project- KNH for the year ended 31 December 2014	24

2 DIRECTORS, OFFICERS AND ADMINISTRATION

DIRECTORS

Rt. Rev. Dr. Sabino Ocan Odoki	- Chairperson
Mr. Kura Vasco	- Vice Chairperson
His Grace Henry Luke Orombi	- Member
Lady Justice Flavia Anglin	- Member
Ms Royce Gloria Androa	- Member
Dr. Sam Orochi Orach	- Ex-officio Member
Dr. Alfred Lakwo	- Executive Director

BOARD SECRETARY

Mr. Michael B. Okecha

SENIOR MANAGEMENT

Dr. Alfred Lakwo	Executive Director
Mr. Wilfred Cwinyaa	Monitoring and Evaluation Manager
Ms. Florence Candiru	Finance and Administration Manager
Mr. Robert Bakyalire	Programme /Ag Business Development Manager
Ms. Vuni Julie Flavia	Yumbe Team leader

AUDITORS

KPMG
3rd Floor, Rwenzori Courts
Plot 2 & 4A Nakasero Road
P O Box 3509
Kampala, Uganda

REGISTERED OFFICE AND PLACE OF OPERATION

Agency For Accelerated Regional Development
P.O. Box 80, Nebbi, Uganda
Plot: 3-5 Butiime Road
Nebbi Town Council

BANKERS

Centenary Bank,
Nebbi Branch
Stanbic Bank
Nebbi Branch

3 LIST OF ABBREVIATIONS /ACRONYMS

AFARD	Agency for Accelerated Regional Development
AMI	AFARD Micro Finance Initiative
BCC	Behavioral Change Communication
BoD	Board of Directors
BOs	Beneficiary Organisation
CERUDEB	Centenary Rural Development Bank
CSF	Civil Society Fund
EC	European Commission
FiCAP	Fisher Community Anti-Aids Project
HCT	HIV Counseling and Testing
HIV	Human Immuno-deficiency Virus
IEC	Information Education Communication
IFRS	International Financial Reporting Standards
KNH	Kinder Not Hilfe
LLG	Lower Local Government
MoU	Memorandum of Understanding
NASON	Nebbi AIDS Services Organization Network
NGO	Non-Governmental Organization
NSSF	National Social Security Fund
OVC	Orphans and Vulnerable Children
PELUM	Participatory Ecological Land Use and Management – Uganda
PMTCT	Prevention of Mother-to-Child Transmission
PLHIV	Persons Living With HIV
RNE	Royal Netherlands Embassy
UNASO	Uganda National AIDS Services Organizations
UWASNET	Uganda Water and Sanitation NGO Network
UWIN	Uganda Water Integrity Network
WAD	World Aids Day
WATSAN	Water and Sanitation Project
WENDI	West Nile Development Initiative
VAT	Value Added Tax
VCT	Voluntary Testing and Counseling
VIP	Ventilated Improved Pit latrine

4 INTRODUCTION

4.1 Background

Agency for Accelerated Regional Development (AFARD) is a local professional, not for profit Non-governmental development agency currently operating in Nebbi, Arua, Yumbe, Moyo and Zombo districts of West Nile. AFARD was formed in July 2000 and registered with the NGO Board (Reg. No S.5914/3753) and with the Registrar of Companies (Reg. No. 45179).

AFARD is an affiliate member of a number of active networks, namely: Uganda Water Integrity Network (UWIN); Uganda National NGO Forum; Participatory Ecological Land Use and Management – Uganda Chapter (PELUM); Uganda Water and Sanitation NGO Network (UWASNET); Uganda National AIDS Services Organizations (UNASO); District NGO Forum in Nebbi, Yumbe, and Moyo Districts; and Nebbi AIDS Services Organization Network (NASON).

1.1.1 Vision: “A Prosperous, Healthy and Informed people of West Nile”.

1.1.2 Mission: “To contribute to the molding of a region in which the local people, including those who are marginalized, are able to participate effectively and sustainably undertake a lead in the development of the region”.

1.1.3 Organizational Objectives:

- To harness the knowledge, skills and experience of the development practitioners within the region and channel it for the accelerated, equitable and sustainable development of the region.
- To act as a midwife, an interim link between the grass roots and the sources of new information, innovations expertise and the funds required for the type of development that places people firmly in the centre of all development efforts.
- To avail its expertise by way of consultancy to other development stakeholders interested in obtaining current, detailed, reliable and authoritative information about the region.

1.1.4 Organizational Strategies

- **Skills development** covering organizational management and technical training.
- **Participatory action research** into local problems to make interventions locally sensitive and policy relevant.
- **Information gathering and dissemination** from and to the grassroots communities in forms appropriate for the promotion of knowledge-based growth.
- **Resource mobilization** basing largely on locally available resources while external sources are seen as supplements for specific non-substitutable purposes.
- **Networking and linkages** with other institutions- locally, nationally and globally to share information, useful experiences, skills and other resources.
- **Advocacy and lobbying** given that regardless of the actors involved development is a human right and must be promoted equitably and to the needs of the voiceless marginalized people.

1.1.5 Thematic Focus

AFARD's scope of operation is mainly focused on:

- **Food and economic security:** This is being pursued through the promotion of improved agro-technology, entrepreneurship, nutrition skills, engaging in own production; and improved market access for poor marginalized communities.
- **Human development** through the provision of sustainable safe water facilities, the promotion of safe sanitation chain management, community-driven HIV/AIDS prevention and mitigation, and supporting pre-primary education and secondary education of children in disadvantaged communities.
- **Good governance** through building effective leadership in lower local governments as well as community empowerment to demand for responsive and accountable governance.
- **Institutional development** is conducted as a means of developing sustainable local organizations able to cause enduring development impacts in the lives of their members through self-organizing and leverage building with other stakeholders.
- AFARD sustainability development
- Other cross cutting issues such as gender, environment and HIV/AIDS

1.1.6 Funding for the year ended 31 December 2014

The projects implemented by AFARD during the year ended 31 December 2014 were funded using internally generated funds and funding from donors including: GORTA, Civil Society Fund (CSF), Kinder Not Hilfe (KNH), PELUM, SNV Netherlands Development Organisation and Total E&P.

4.2 Audit scope

The audit covered transactions recorded from 1 January 2014 to 31 December 2014 and is purely an audit of the fund accountability statement.

Our understanding of the terms of reference is based on the engagement letter signed between KPMG and AFARD and discussion held with management and is set out as follows:

The audit is to be carried out in accordance with International Standards on Auditing and will include such tests and audit procedures as the auditor considers necessary under the circumstances. More specifically, the auditor is required to;

- Confirm that funds were used in accordance with the conditions of funding agreements and only for the purposes for which the funding was provided;
- Undertake an evaluation of a system of internal control, including organization structure, authority levels, staffing competence, accounting records and supporting documents, separation of duties and monitoring arrangements. Where certain controls are impracticable to implement, appropriate compensating controls should exist;
- To plan for the audit so that there is reasonable expectation of detecting material misstatements in the fund accountability statement resulting from fraud or error.

4.3 Audit methodology

The audit methodology principally comprised of:

- (a) Audit of the fund accountability statement:
 - Reconciled the fund statement to the underlying records, principally the projects budget and expenditure report;
 - Documented findings, observations and recommendations
- (b) Review of the project's budget and expenditure reports:
 - Agreed cash receipts to supporting documents on a 100% basis for donor funds and on a sample basis for internally generated funds;
 - Agreed expenditure to supporting documents on a sample basis;
 - Reviewed the reconciliation of the status of budget to expenditure, ensuring excess or under budgeted expenditure is properly identified; and
 - Documented findings, observations and recommendations.
- (c) Evaluation of adequacy and effectiveness of the internal control structure:
 - We performed a review of the internal control structure of the project; and
 - Documented findings, observations and recommendations.
- (d) Steps to provide reasonable assurance for detecting material errors, irregularities and illegal acts:
 - Considered the audit risks as may be apparent from any weaknesses in the internal control structure, our assessment of the project management attitude and our exercise of professional judgment regarding perceived audit risks;
 - Focused on specific areas that we considered to be high risk; and
 - Were alert to identify and bring to light at the earliest stage any actions which appear to be violations of Government laws and regulations, provisions of the agreements with the donors and other relevant directives.

5 STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the preparation and presentation of the Fund Accountability Statement of AFARD, which comprise the Statement of Receipts and expenditures for year ended 31 December 2014 and the notes to the Fund Accountability Statement which include a summary of significant accounting policies and other explanatory notes set out on pages 6 to 11.

Management's responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and presentation of the fund accountability statement 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. They are also responsible for safeguarding the assets of the organization.

Management further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the Fund Accountability Statement, as well as adequate systems of internal control.

Approval of the Fund Accountability Statement

The Fund Accountability Statement of the AFARD, as indicated above, was approved by the Board of Directors on.....28/3/..... 2015 and was signed on its behalf by:

+ Ibrahim Odoki

Chairperson

Date: 28/3/..... 2015

BOARD SECRETARY
AFARD
Agency For Accelerated Regional Devt
P. O. Box 27559, Kampala

Secretary

Executive Director

6 REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AFARD

Report on the Financial Statements

We have audited the accompanying fund accountability statement of AFARD, which comprise the income and expenditure statement for the year ended 31 December 2014 and a summary of significant accounting policies and other explanatory notes set out on pages 6 to 11.

Management's Responsibility for the Financial Statements

The management of AFARD is responsible for the preparation of the fund accountability statement which present fairly in all material respects, the state of affairs of AFARD, the receipts and payments in accordance with obligations of AFARD as per the Memoranda of Understanding with the donors and Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal controls 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.

Auditor's Responsibility

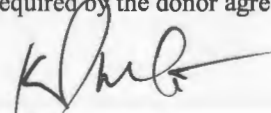
Our responsibility is to express an opinion on the Fund Accountability Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Fund Accountability Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Fund Accountability Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Fund Accountability Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the AFARD's preparation and presentation of the Fund Accountability Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Fund Accountability Statement.

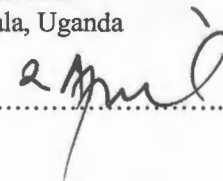
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Fund Accountability Statement gives a true and fair view of the income and expenditure of AFARD for the year ended 31 December 2014, in accordance with the accounting policies set out under note 7.2.1 and comply with the rules and conditions governing the use of funds as required by the donor agreements.



KPMG
Certified Public Accountants
P O Box 3509
Kampala, Uganda

Date:  2015

7 FUND ACCOUNTABILITY STATEMENT

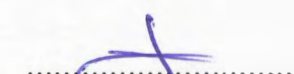
7.1 Income and expenditure statement for the year ended 31 December 2014

	Notes	2014 Ushs'000	2013 Ushs'000
Income			
Fund balance as at 1 January		430,982	2,350,359
Grant income	7.2.2	1,740,999	2,070,437
Income from farming activities	7.2.3	920,994	985,748
Income from AFARD operations	7.2.4	<u>186,178</u>	<u>574,412</u>
Total income available		3,279,153	5,980,956
Expenditure			
Program expenditure	7.2.5	1,779,779	3,987,528
Farming activities expenditure	7.2.6	908,862	770,842
Administrative costs	7.2.7	<u>257,979</u>	<u>410,252</u>
Total expenditure		2,946,620	5,168,622
Surplus for the year		332,533	812,334
Represented by			
Cash and cash equivalents	7.2.8	332,533	430,982
Loans and advances receivable	7.2.9	<u>-</u>	<u>381,352</u>
Fund balance as at 31 December		<u>332,533</u>	<u>812,334</u>

This Fund Accountability Statement was approved by management on 28/3/15 2015 and signed on its behalf by:


Chairperson


Secretary


Executive Director

The notes set out on pages 7 to 11 form an integral part of the Fund Accountability Statement.

7.2 NOTES TO THE FUND ACCOUNTABILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

7.2.1 Principal Accounting Policies

7.2.1.1 The reporting entity

AFARD is a Non-Governmental Organization (NGO) registered in Uganda under the NGO Registration Statute 1989 as an NGO and by the Registrar of Companies as a company Limited by Guarantee.

7.2.1.2 Accounting basis

- a) The fund accountability statement is prepared on a modified cash basis. Under this basis, income is recorded when it is received, while expenditures are recorded when paid for. The modification to this policy is that advances are booked as debtor balances until documentation for expenses incurred have been provided.
- b) Accordingly, the fund accountability statement is not intended to be in conformity with International Financial Reporting Standards (IFRS).

7.2.1.3 Grant income

Grant income is recognised on receipt of funds.

7.2.1.4 Expenditure

Expenditure is recognised at the time of payment. All purchases are expensed in the statement of receipts and expenditure in the year of purchase.

7.2.1.5 Fixed assets

Property and equipment, furniture and fixtures, collectively referred to as fixed assets, are funded through donor programs and internally raised funds and are recorded as an expense at the time of acquisition. Accordingly, no amortization of fixed assets is charged to fund accountability statement. A fixed assets register is maintained as a monitoring and control tool regarding the usage and ownership of the assets.

7.2.1.6 Currency

This fund accountability statement is presented in thousands of Uganda Shillings.

7.2.2 Grant income

Project	2014 Ushs'000	2013 Ushs'000
AFARD Gorta-WENDI	176,315	920,011
AFARD Gorta-CEEP	896,645	-
AFARD Irish Aid Project	-	773,339
Food Security Programme-Manos Unidas	-	-
AFARD Community Wide	65,921	-
Civil Society Fund(CSF)	199,307	117,677
Payera Community Development Project- KNH	139,400	186,768
AFARD Wash Project-Ulamkule	50	19,501
OYE & SSH4A(SNV Funded)	62,579	-
Total E&P	151,135	21,620
PELUM	49,647	-
Food and Nutrition Organisation	-	31,521
	<u>1,740,999</u>	<u>2,070,437</u>

These are cash transfers from the donors received in the year. Grants are used for the specific donor projects and separate accounts are maintained for each project.

7.2.3 Income from farming activities

Project	2014 Ushs'000	2013 Ushs'000
Farm	50,391	4,536
Grains	340,364	858,748
Poultry	127,553	-
Tractors	62,996	44,610
Lorry Hire	19,315	810
Other Incomes	19,863	-
Interest Earned on Deposits	18,517	45,527
Sale of seeds	-	10,585
Sale of iron sheets	-	15,285
Guest House	120	1,005
Loan Refund	165,000	-
Procurement Refunds	116,875	4,642
	<u>920,994</u>	<u>985,748</u>

7.2.4 Income from other AFARD operations

	2014 Ushs'000	2013 Ushs'000
Members Contribution	121,530	486,229
Bid fee	-	6,302
Hall Hire	800	-
Interest Income	62,914	81,881
Staff medical insurance contribution	934	-
	<u>186,178</u>	<u>574,412</u>

Members' contributions are cash and non-cash contributions made by the founder members of AFARD to the Organization. Such contributions are made voluntarily by the members, with no ceiling or minimum contribution for each member in a particular period. The contributions are used for the daily running of the organization, purchase of property and equipment and the current construction work being undertaken by the agency.

7.2.5 Programme Expenditure

Project	2014 Ushs'000	2013 Ushs'000
AFARD Gorta-WENDI	346,588	2,786,559
AFARD Gorta-CEEP	710,021	-
AFARD Irish Aid Project	24,812	799,606
Food Security Programme-Manos Unidas	49	7,031
AFARD Community Wide	67,431	64,339
Civil Society Fund(CSF)	209,111	95,336
Payera Community Development Project- KNH	190,030	139,112
AFARD Wash Project-Ulamkule	4,022	44,446
OYE & SSH4A(SNV Funded)	62,579	-
Total E&P	141,331	15,963
PELUM	23,805	-
Food And Nutrition Oragnisation	-	35,136
	<u>1,779,779</u>	<u>3,987,528</u>

Programme expenditure relates to expenses incurred in the implementation of project activities as funded by different donors. A detailed comparison of the project expenditure against the approved budgets for each project is provided in fund accountability statement for each project in section 5 of this report.

7.2.6 Farming activities expenditure

	2014 Ushs'000	2013 Ushs'000
Purchase of seed	473,109	450,272
Farm Administration Expenditure	142,191	98,803
Capital Expenditure	27,268	72,643
Factory Expenditure	1,264	-
FAL Expenditure	800	4,706
Farm Expenditure	11,943	10,755
Grain Collection Cost	4,532	369
Maintenance Expenditure	10,631	-
Personnel Expenditure	56,482	23,533
Poultry Expense	96,240	99,075
Sales and Marketing Expenditure	100	-
Store Costs	2,557	2,282
Tractor Expense	54,861	-
Transportation to Main Store	17,400	7,696
Transport and Cost to Buyer	50	-
Transporting Cassava	4,841	-
Travel Expenses	4,264	607
Utilities	329	101
	<u>908,862</u>	<u>770,842</u>

7.2.7 Administrative costs

	2014 Ushs'000	2013 Ushs'000
Governance	6,726	700
Personnel cost	44,699	44,943
Other Staff Costs	27,225	85,782
Capital Costs	153,401	169,276
Office Supplies	1,933	22,445
Training, Research, Documentation & Awareness	9,372	36,398
Other Costs	14,623	33,096
VAT refund to EC	-	17,612
	<u>257,979</u>	<u>410,252</u>

7.2.8 Cash and cash equivalents

	2014 Ushs'000	2013 Ushs'000
AFARD Operational Account	20,949	21
AFARD Personnel Account	1,485	12,947
AFARD Microfinance Account	36,614	118,695
AFARD GORTA Account	169,823	175,324
Civil Society Fund	12,538	22,341
PAYERA Community Project Account	915	51,540
AFARD Decentralisation Account	15,462	5,657
AFARD Community Wide Project Account	5,053	1,510
AFARD Irish Aid Project Account	1,260	26,072
AFARD Seed Capital Account	3,213	12,731
AFARD Wash Project-Ulamkule	25,964	4,095
AFARD Medical Insurance	934	-
AFARD Poultry Account	14,421	-
AFARD Tractor Account	7,100	-
AFARD Farm Account	16,802	-
FOOD Security Programme	-	49
	<u>332,533</u>	<u>430,982</u>

7.2.9 Loans and advances receivable

	2014 Ushs'000	2013 Ushs'000
Advances to contractors	-	216,352
Interest receivable	-	15,000
Loan Receivable	-	<u>150,000</u>
	-	<u>381,352</u>

8 MANAGEMENT LETTER

8.1 Introduction

We have completed the audit of the Fund Accountability Statement of AFARD for the year ended 31 December 2014 and accordingly wish to record our appreciation for the assistance accorded to us by management.

The primary purpose of our audit was to enable us to express an opinion as to whether or not AFARD's Fund Accountability Statement presents a true and fair view in all material respects of the financial position in accordance with generally accepted accounting practices and the donor agreements.

As part of our Audit scope and in accordance with the requirements of International Standards on Auditing, we reviewed and evaluated systems of internal accounting controls only to the extent we considered necessary, in order to establish the nature, timing and extent of auditing procedures necessary for expressing an opinion on the Fund Accountability Statement.

Our audit of the Fund Accountability Statement for the year ended 31 December 2014 therefore would not necessarily disclose all weaknesses in the system because it is based on selective testing of accounting transactions.

This report summarizes certain observations and recommendations which resulted from our audit. The implementation of these recommendations should assist management in improving internal controls.

Finally, we shall be pleased to discuss and explain these recommendations and to provide any assistance and support you may require to put them into effect.

8.2 Current year issues

8.2.1 The tax status of AFARD

Observation

AFARD registered as a Not for profit Non-governmental development agency in July 2000 and registered with the NGO Board (Reg. No S.5914/3753) and with the Registrar of Companies (Reg. No. 45179). With its status as an NGO, it would qualify for tax exemption but only with the confirmation of a tax exemption certificate from Uganda Revenue Authority (URA).

We however noted that the organization has not yet obtained a tax exemption certificate and has not been remitting corporation tax to URA.

Implication / risk

Absence of a tax exemption certificate could expose the organization to tax claims, including fines and penalties for noncompliance and or late remittance/filing.

Recommendation

Management should expedite the process to secure a tax exemption certificate to safeguard the organization from potential tax claims by URA.

Management Comments

The Board of Directors resolved that the Board Secretary should expedite processing of tax exemption.

8.2.2 Statutory deductions – Local Service Tax (LST)

Observation

From our review of AFARD's computation of LST, we noted that the deductions made by management in the year were not in compliance with the LST Act, resulting in an under recovery and remittance by Ushs 200,000 in 2014.

Risk

The under deduction and remittance of LST above could attract fines and penalties from URA.

Recommendation

Management should ensure the LST deductions made are compliant with the provisions of the LST Act. Furthermore, the under deduction should be remitted to the Local authorities to avoid fines and penalties.

Management Comments

The LST processing was based on staff net salary, as was advised by the Town Treasurer, Nebbi Town Council. Review will be done in processing LST in 2015.

8.2.3 Inadequate review of bank reconciliations

Observation

Our review of bank reconciliations as at 31 December 2014 noted deficiencies in the reconciliation process as follows;

Bank Account Description	Closing Cash Balance per the Bank Reconciliation (Ushs)	Closing Balance per the GL (Ushs)	Variance (Ushs)	Narration
AFARD PERSONNEL ACCOUNT	1,485,480	14,782,356	(13,296,876)	NSSF and PAYE for December not reflected in the cash book
PAYERA COMMUNITY PROJECT ACCOUNT	915,228	3,715,941	(2,800,713)	Workman's compensation paid in December 2014 not reflected in the cash book

Risk

Inadequate review of bank reconciliations may lead to financial losses to the organisation.

Recommendation

Management should ensure that bank reconciliations prepared are adequately reviewed and any review errors detected investigated and corrected promptly.

Management comment

These were un-presented cheques at year end. For instance, the NSSF and PAYE Cheques were processed awaiting e-payment only effective in January 2015.

8.2.4 No evidence of reconciliation between the payroll and the general ledger

Observation

In our review of staff costs, there was no evidence of reconciliation of the monthly payrolls to the general ledger. As a result, management was unable to reconcile a variance of Ushs 19 million between the payroll and the general ledger;

Risk

This variance could be indicative of misstatements in payroll expenses. Fraud incidences may be perpetuated without easily being detected.

Recommendation

Management should investigate and reconcile the payrolls to the general ledger. Monthly reconciliation process should also be initiated to ensure that the staff costs posted to the general ledger agree to the payroll.

Management Comments

Noted. This gap accrued due to cash flow problems. From April to December we were unable to effect payment on Medical Insurance Account. Reconciliation of the payroll to the general ledger shall be commenced on a monthly basis.

9 APPENDIX i): FUND ACCOUNTABILITY STATEMENTS FOR INDIVIDUAL PROJECTS IMPLEMENTED DURING THE YEAR

The fund accountability reports for the different projects implemented by AFARD during the year compare to the budget as follows;

9.1 AFARD Gorta-WENDI Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Actual 2014 Ushs'000
Income		
At 1 January	175,324	175,324
Refund from Liwa Project	12,640	12,640
Grants and Donation	<u>163,675</u>	<u>163,675</u>
	<u>351,639</u>	<u>351,639</u>
Expenditure		
Access to Sustainable and improved technologies increased	32,209	32,110
Access to safe public water and sanitation facilities increased	10,191	10,191
Educational participation of Children increased	29,793	29,817
AFARD Capacity to initiate, Coordinate, Account for and learn from Development programmes improved	93,400	80,475
Completion of Strategic Plan 2014-18-Consultant's fee	15,925	15,769
Baraka Students Tution funded from Uncommitted fund c/f 2012 and planning for 2014	5,140	1,284
Develop AFARD Farm	13,313	13,313
Unrestricted funds	288	385
Administration Cost	24,700	25,795
Personnel cost	94,400	94,400
Mandatory one off Legal payments	40,575	39,671
Planning for 2014	<u>4,000</u>	<u>3,378</u>
Total Expenditure	<u>363,934</u>	<u>346,588</u>
(Deficit)/Surplus for the year	<u>(12,295)</u>	<u>5,051</u>

9.2 AFARD Gorta-CEEP Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Actual 2014 Ushs'000
Income		
Grants and Donation	872,096	888,898
Interest Income	<u>7,747</u>	<u>7,747</u>
	<u>879,843</u>	<u>896,645</u>
Expenditure		
Resource		
KRA 1: 35 viable BO agri-businesses are established and nurtured into profitable entities		
Cofund 26 BO agroenterprise establishments (year 1 only)	497,061	395,002
Train and mentor 136 Agroenterprise Community Frontline Extension Agents' (CEFA)	58,660	58,455
Train 5 trainers in Business management	-	-
Train 160 BMCs members in collective business management	80,600	55,820
Conduct 104 business mentoring and coaching visits	1,040	1,039
Conduct 130 business management trainings	3,597	3,596
Support 96 market and business-to-business linkages	-	-
Hold 10 participatory agroenterprise review meetings	10,227	9,867
Conduct 6 district network review meetings	16,700	16,700
KRA 2: Programmes management and accounting improved		
Conduct 264 periodic management monitoring visits	7,920	7,825
Periodic Board/LG monitoring visits	10,750	10,750
Produce/disseminate periodic performance report production	2,500	-
Monitoring and Evaluation (Audit)	20,000	-
Provide for Project staffs	60,375	60,375
Programmes Management cost		
Provide administrative cost support	90,900	90,592
Excess Disbursement over budget	<u>11,767</u>	<u>-</u>
Total Expenditure	<u>872,097</u>	<u>710,021</u>
Surplus for the year	<u>7,746</u>	<u>186,624</u>

9.3 AFARD Irish Aid Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Actual 2014 Ushs'000
Incomes		
At 1 January	26,072	26,072
Grants and Donations	-	-
	<u>26,072</u>	<u>26,072</u>
Expenditure		
Provide Admin. Cost Support	11,452	10,192
Conduct Exchange Visits	14,620	14,620
Total Expenditure	<u>26,072</u>	<u>24,812</u>
Surplus for the year	-	<u>1,260</u>

9.4 Food Security Programme-Manos Unidas Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Actual 2014 Ushs'000
Income		
At 1 January	49	49
	<u>49</u>	<u>49</u>
Expenditure		
Administrative Costs	49	49
Surplus for the year	-	-

9.5 AFARD Community Wide Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Actual 2014 Ushs'000
Income		
At 1 January	1,510	1,510
Transfer from Seed Account	64,152	64,152
Inter-account fund	514	514
Sale of Solar	1,255	1,255
	<u>67,431</u>	<u>67,431</u>
Expenditure		
Administrative Costs-Bank Charges	456	456
Simsim Procurement	49,905	49,905
Solar Procurement	17,070	17,070
Total Expenditure	<u>67,431</u>	<u>67,431</u>
Surplus for the year	-	-

9.6 Civil Society Fund (CSF) Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Actual 2014 Ushs'000
Income		
At 1 January	22,341	22,341
Grants and Donation	<u>199,307</u>	<u>199,307</u>
	<u>221,648</u>	<u>221,648</u>
Expenditure		
Conduct 1 Bi-Annual Community Dialogue Per Parish	17,150	17,150
Conduct 6 Radio Talk Shows Targeting General Populat	2,368	2,368
Conduct 120 Mobile HCT in 3 Sub counties	17,500	17,500
Mobilise & Refer 600 Men for SM Circumcision	360	144
Conduct Community PMTCT Services	6,580	6,580
Conduct 1 Training for 140 Peer Educators	2,750	1,874
Conduct Behavioural Change Communication to	15,960	16,015
Reproduce & Distribute 24,000 IEC Materials	8,440	8,440
Conduct 1 Community Dialogue Session	2,683	2,683
Sensitise the District Probation Officers & Po	1,807	1,776
Hold 5 PTC Formation Meetings Attended by 175	5,468	5,468
Conduct 2 Training Session for New PTC Members	32,621	32,621
Engage 28 PLHIV to Give Live Testimonies During	3,360	2,965
Conduct 42 Dialogue to Men & Women	6,282	6,282
Conduct Quarterly Mentorship, Supervision & Feedback	11,002	10,964
Participate in 6 National HIV/AIDS Meetings	700	-
Participate in 3 Annual WAD Celebrations	120	5,207
Hold Joint Quarterly Review Meetings	19,155	18,644
Produce & Distribute Data Tools(BCC,HCT	25,810	21,132
Build Capacity of Project Staff	6,880	760
Other M&E Activities	3,777	1,105
Programme Management	<u>30,920</u>	<u>29,433</u>
Total expenditure	<u>221,693</u>	<u>209,111</u>
(Deficit)/Surplus for the year	<u>(45)</u>	<u>12,537</u>

9.7 PAYERA Community Development Project- KNH: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Final 2014 Ushs'000
INCOME		
At 1 January	-	51,540
KNH Project Budget grant	<u>203,544</u>	<u>139,400</u>
Total Income	<u>203,544</u>	<u>190,940</u>
EXPENDITURE		
To Support children in developing their skills for the future	23,030	23,289
To ensure people's institutions are strengthened enough	20,051	18,186
Personnel	87,300	84,066
Running & administration costs	26,825	20,299
Other costs	19,278	19,865
Purchase of assets	22,860	21,334
PAYERA field area maintenance	<u>4,200</u>	<u>2,991</u>
Total expenditure	<u>203,544</u>	<u>190,030</u>
Surplus for the year	<u>-</u>	<u>912</u>

Refer to section 9.13 for a detailed fund accountability statement of PAYERA Community Development Project- KNH.

9.8 AFARD Wash Project-ULAMKULE Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Final 2014 Ushs'000
Income		
At 1 January	4,095	4,095
Members Contribution	<u>50</u>	<u>50</u>
	<u>4,145</u>	<u>4,145</u>
Expenditure		
Launch Bye-Laws	1,640	1,640
Local IECs	1,127	1,127
5% Administration Cost	318	195
Debrief Area Local Government	340	340
VIP Latrines	<u>720</u>	<u>720</u>
Total Expenditure	<u>4,145</u>	<u>4,022</u>
Surplus for the year	<u>-</u>	<u>123</u>

9.9 OYE (SNV Funded) Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Actual 2014 Ushs'000
Income	<u>29,397</u>	<u>29,397</u>
Expenditure		
Staff cost	13,000	10,857
Travels	4,000	540
Stakeholders consultative meeting	2,748	2,748
Stationery	1,000	436
AFARD Administration	<u>8,649</u>	<u>4,816</u>
Total Expenditure	<u>29,397</u>	<u>29,397</u>
Surplus for the year	<u>-</u>	<u>-</u>

9.10 SSH4A (SNV Funded) Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Actual 2014 Ushs'000
Income	<u>33,182</u>	<u>33,182</u>
Expenditure		
Baseline Survey	6,565	7,520
Sub-county stake holders work plan meeting	808	856
Demand creation /sanitation triggering meetings with HHs	5,805	5,805
Sanitation improvement meetings with HHs	8,456	2,860
Management Costs	<u>11,548</u>	<u>16,141</u>
Total Expenditure	<u>33,182</u>	<u>33,182</u>
Surplus for the year	<u>-</u>	<u>-</u>

9.11 Total E&P Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Final 2014 Ushs'000
Income		
At 1 January	5,659	5,659
Donation	<u>154,399</u>	<u>151,135</u>
	<u>160,058</u>	<u>156,794</u>
Expenditures		-
Train Secondary Sch Youth in Life Skills	1,687	1,687
Train Youths Out of School in Life Skills	8,148	8,148
Train Bodaboda Riders in Life Skills	2,212	2,212
Train CSWs in Life Skills	7,424	7,424
Conduct a Baseline Survey	1,655	140
Retrain Peer Educators-Cum-Counsellors	8,808	8,808
Equipping and Tooling	3,130	3,130
Hold BCCE Seminars	9,200	9,020
Support PECs/CFs Operations	7,741	7,741
Hold Drama Shows	3,300	3,300
Hold Awareness Video Shows & Seminars	4,800	-
Support VCT Outreaches	5,200	5,200
Retrain Bedkuwengi PTCs As Care Centre	5,169	5,169
Hold Legal Awareness on Women's Rights & SGBV	5,783	5,783
Train PECs in Data Form Management	907	907
Hold Joint Quarterly Review Meetings	3,884	3,884
Other M&E Activities	16,900	12,914
Other Costs	17,979	9,733
Personnel Cost	37,631	37,631
World AIDS Day Celebration	<u>8,500</u>	<u>8,500</u>
Total Expenditure	<u>160,058</u>	<u>141,331</u>
Surplus for the year	<u>-</u>	<u>15,463</u>

9.12 PELUM Project: Fund accountability statement for the year ended 31 December 2014

	Budget 2014 Ushs'000	Final 2014 Ushs'000
Income	<u>49,647</u>	<u>49,647</u>
Expenditure		
Conduct Baseline Survey	1,598	1,598
Conduct a gender-responsive market survey	1,768	-
Support farmers to dialogue with market actors	3,640	-
Train Members in Mgt & CBA analysis	22,544	20,068
Training farmers in business planning	2,980	-
Business plan follow up meetings	1,700	-
Sensitising Farmers Gps to Advocate	1,160	1,160
Sensitising groups on policies	3,130	-
Training farmer groups on GALS	2,990	-
Engage with LG/LLG on agric. Policies	3,640	-
Radio Talk shows	520	-
management monitoring	450	-
Administration support	1,187	859
Personnel support	<u>2,340</u>	<u>120</u>
Total Expenditure	<u>49,647</u>	<u>23,805</u>
Surplus for the year	<u>-</u>	<u>25,842</u>

**9.13 Detailed fund accountability statement for PAYERA Community Development
Project- KNH for the year ended 31 December 2014**

	Budget 2014 Ushs'000	Final 2014 Ushs'000
INCOME		
At 1 January	-	51,541
KNH Project Budget grant	203,544	139,400
Total Income	203,544	190,941
EXPENDITURE		
To Support children in developing their skills for the future		
Facilitation of letter writing	4,230	4,230
Conducting quarterly child census	2,016	2,538
Promoting Child rights, Participation & development	-	-
Support and monitoring of children's groups	406	388
Carry out 1 exchange visit for for the children's group	3,840	3,840
Celebration of African Child prayer Day	5,890	5,890
Conduct games and sports competition among the groups	640	640
Training children groups on Goal setting and vision building	217	217
Followup of weak children group's book writers	212	212
Support C.Gs in understanding children's rights and responsibilities	217	112
Support CGs to run MDD activities to disseminate information	580	540
Training children on Leadership skills	212	212
Childrens records	962	962
Monthly monitoring of groups	48	48
Designing Christmas cards	1,850	1,750
Children's Christmas party	1,710	1,710
To ensure people's institutions are strengthened enough		
Carry out monthly monitoring of SHGs	240	240
Conduct Monthly Child and Community facilitator's meeting	360	360
Conduct 2 quarterly review meetings with CLAs and CGs representatives	2,180	2,180
Participatory grading (PG) financial & Auditing for SHG	225	225
Train 32 CLA representatives/10 C.Fs on M & E specifically on women's rights	209	209
Training 24 CLA sub committee members in Resource mobilisation	95	95
Mentoring of CLAs in selection of CLAs representatives	162	162
Follow-up of trained CLAs on wise investment	160	160
Training of 3 CLAs	170	170
Training of 32 CLA members on participatory monitoring	158	158

	Budget 2014 Ushs'000	Final 2014 Ushs'000
Training of CFs and CLAs on Financial Auditing in SHGs & CLAs	80	80
Feedback meeting to the community-on Proposal writing	2,860	-
Bicycles for 6 CFs	1,500	1,500
Holding internal exchange visit for 8 CLAs/Empower	738	738
Exposure visit for CLA representatives in Amuru	3,100	3,100
Train SHG in rotational leadership	-	118
SHG Book writers	-	134
Holding SHG Day	5,562	6,862
House hold Survey	<u>2,252</u>	<u>1,695</u>
Total Project cost	<u>43,081</u>	<u>41,475</u>
PERSONNEL		
Basic Salary	55,275	57,687
Leave Allowance	7,594	3,797
N.S.S.F 10%	6,050	5,791
Medical Insurance	4,840	5,304
Provident fund 15%	9,075	8,686
Workman's Compensation	<u>4,466</u>	<u>2,801</u>
	<u>87,300</u>	<u>84,066</u>
RUNNING & ADMINISTRATION COSTS		
Computer Consumable supplies	1,260	625
Postage	300	-
Telephone	1,290	1,110
Internet	1,020	1,020
Travel & Transport for staff on official duties	14,570	9,329
Accommodation and meals	600	600
Meetings	360	360
Utilities	1,195	846
Audit fees	4,000	4,000
Bank Charges	600	1,442
Monitoring by AFARD Management	<u>1,630</u>	<u>967</u>
Sub total	<u>26,825</u>	<u>20,299</u>
Other Costs		
Office Stationeries	1,861	1,864
Welfare	1,608	1,325
Hospitality to Visitors	909	376
Support Staff	-	-
Watchmen	2,100	2,350
Cleaner	480	510
10 Community Facilitators	7,700	8,400
6 Child facilitators	<u>4,620</u>	<u>5,040</u>
Sub total	<u>19,278</u>	<u>19,865</u>

	Budget 2014 Ushs'000	Final 2014 Ushs'000
Assets		
Riding Gears (Riding Boots, Riding Gloves etc)	1,700	1,249
Laptop	1,500	1,500
Procurement of office furniture	3,000	3,312
Motorcycle DT	15,000	13,800
Plastic Chairs	240	240
Sign Post	300	300
Curtains	195	195
Pad locks for Doors	80	70
Fire Extinguisher	175	-
Office Notice board	500	500
Jerricans for Storing fuel	20	20
Wooden guard for office veranda	150	148
	<u>22,860</u>	<u>21,334</u>
PAYERA FIELD AREA MAINTENANCE		
Field office rent	2,200	1,900
Motorcycle repair	2,000	1,091
Sub total	<u>4,200</u>	<u>2,991</u>
Total costs	<u>203,544</u>	<u>190,030</u>
Surplus for the year	<u>-</u>	<u>911</u>

10 **APPENDIX ii). PROPERTY AND EQUIPMENT MOVEMENT SCHEDULE**

	Free-hold Land	Buildings	Motor vehicles and cycles	Furniture	Equipment	Computer equipment	Work in progress	Total
	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000
COST								
At 1 Jan 2013	100,611	738,702	360,248	64,788	68,215	25,249	290,311	1,648,124
Additions	28,170	40,579	329,725	1,844	403,542	2,700	136,158	942,718
At 31 December 2013	128,781	779,281	689,973	66,632	471,757	27,949	426,469	2,590,842
At 1 Jan 2014	128,781	779,281	689,973	66,632	471,757	27,949	426,469	2,590,842
Additions	-	-	137,452	2,430	2,800	7,361	144,520	294,563
Transfer from WIP	-	136,158	-	-	-	-	(136,158)	-
At 31 December 2014	128,781	915,439	827,425	69,062	474,557	35,310	434,831	2,885,405
DEPRECIATION								
At 1 January 2013	-	129,321	233,837	20,883	26,939	14,286	-	425,266
Charge for the year	-	38,964	154,983	8,329	58,970	7,557	-	268,803
At 31 December 2013	-	168,285	388,820	29,212	85,909	21,843	-	694,069
At 1 January 2014	-	168,285	388,820	29,212	85,909	21,843	-	694,069
Charge for the year	-	45,772	170,654	8,633	59,320	7,659	-	292,038
At 31 December 2014	-	214,057	559,474	37,845	145,229	29,502	-	986,107
NET BOOK VALUE								
At 31 December 2014	128,781	701,382	267,951	31,217	329,328	5,808	434,831	1,899,298
At 31 December 2013	128,781	610,996	301,153	37,420	385,848	6,106	426,469	1,896,773

Property and equipment is expensed upon purchase. A fixed assets register and this movement schedule are however maintained for tracking purposes.