

**AGENCY FOR ACCELERATED REGIONAL
DEVELOPMENT (AFARD)
AUDIT REPORT AND FUND ACCOUNTABILITY STATEMENT
AND MANAGEMENT LETTER
FOR THE YEAR ENDED 31 DECEMBER 2019**

CONTENTS	PAGE(S)
PART 1: General	
List of Acronyms	2
Corporate Information	4
Management report	5
Audit Objectives	10
Audit Scope and Approach	10
PART 2: Financial Statements	
Statement of Directors' Responsibilities	12
Report of the Independent Auditor	13
Fund Accountability Statement	16
Notes to the Fund Accountability Statement	17
Appendix: Fund Accountability Statements for Individual projects implemented during the year:	
• Erussi Ndhew Community Development Project (KNH funded)	24
• WENAGIC (Sall Family Foundation funded)	26
• YEOP (European Union funded)	27
• Jangkoro Food Security Project (Funded by Manos Unidas)	28
• Danish Assistants to Refuge (DANIDA Funded)	29
• Migration Project (Horiznt3000 funded)	30
• Panyango Community Project (KNH funded)	32
• MAYEP (Self Help Africa funded)	34
• Food and Nutrition project (FAO funded)	35
• AWO (AWO International)	36
• Decentralization (PSFU) SDF Project	38
• NURI Project	40
• ATYAK Project	42
• Detailed Fund Accountability Statement on project basis	43
• Property and Equipment Schedule (Summary of Fixed Asset Register)	47
PART 3: Management Letter	
Background	50
Ranking	51
Summary of current period findings	52
Status of implementation of Prior Period Recommendations	56
PART 4: Findings from the field visit	58

LIST OF ACRONYMS

AEO	Agricultural Extension Officer
AEC	Agricultural Extension Supervisors
AFARD	Agency for Accelerated Regional Development
AFC	Agriculture Finance Company
BoD	Board of Directors
CBT	Community Based Trainers
CBF	Community Based Facilitators
CEGED	Centre for Governance and Economic Development
CEAP	Community Environment Action Plans
CF	Community Facilitators
CLA	Cluster Level Association
EC	European Commission
FAB	Farming As a Business
FFSFs	Farmer Field School Facilitators
GAPS	Good Agronomic Practices
IEC	Information Education Communication
IP	Implementing Partner
KNH	Kindernothilfe
LECS	Local Environment Committes
LLG	Lower Local Government
MAYEP	MANZO (Maracha, Nebbi, Zombo) Youth Empowerment Project
M&E	Monitoring & Evaluation
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
PELUM	Participatory Ecological Land Use and Management- Uganda
PI	People's Institutions
PMC	Project Management Committee
QRM	Quarterly Review Meeting
SHG	Self Help Group
SMC	School Management Committee
UNASO	Uganda National AIDS Services Organisation
UWASNET	Uganda Water and Sanitation NGO Network
UWIN	Uganda Water Integrity Network
VIP	Ventilated Improved Pit latrine
WENAGIC	West Nile Agriculture Improvement and Conservation
YEEP	Youth Economic Empowerment Project

Agency For Accelerated Regional Development (AFARD)
Audit Report and Fund Accountability Statement for the year ended 31 December 2019

YMF	Young Model Farmer
YSE	Young Sanitation Entrepreneurs
VSLA	Village Saving and Loan Association

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rt. Rev. Dr. Sabino Ocan Odoki	Chairperson
Ms. Royce Gloria Androa	Vice Chairperson
Bishop Henry Luke Orombi	Member
Lady Justice Flavia Anglin Senoga	Member
Ms. Silvia Angey Ufoyuru	Member
Mr. Okecha.B. Micheal	Board Secretary
Dr. Sam Orochi Orach	Ex-officio Member

SENIOR MANAGEMENT

Dr. Alfred Lakwo	Executive Director
Ms. Florence Candiru	Finance and Administration Manager
Mr. Robert Bakyalire	Programme Manager
Ms. Vuni Julie Flavia	Yumbe Team leader

PHYSICAL ADDRESS

Agency For Accelerated Regional Development
Plot 3-5 Butiime Road
Nebbi Municipality, Uganda

INDEPENDENT AUDITOR

PKF Uganda
Certified Public Accountants
Plot 1B, Kira Road
P.O Box 24544, Kampala
Tel +256- 312-305800

BOARD SECRETARY/LAWYER

Mr. Okecha B.Michael
Okecha Baranyanga & Co Advocates
5 Floor Umoja House
Plot 20 Nakasero Road
Kampala, Uganda

PRINCIPAL BANKERS

Centenary Bank
Plot 1/3/5 Bishop Orombi Road
Nebbi, Uganda.

MANAGEMENT REPORT

ORGANISATION BACKGROUND INFORMATION

Agency for Accelerated Regional Development (AFARD) is a local professional, not for profit Non-governmental development agency currently operating in Nebbi, Arua, Yumbe, Pakwach 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 National NGO Forum; Participatory Ecological Land Use and Management- Uganda Chapter (PELUM); Uganda Water and Sanitation NGO Network (UWASNET); Uganda National AIDS Services Organisation (UNASO); District NGO Forum in Nebbi, Yumbe, and Moyo Districts; and Nebbi AIDS Services Organization Network (NASON).

Vision: "A Prosperous, Healthy and informed people of West Nile".

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".

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 center 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.

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 mobilisation 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.

Thematic Focus

AFARD's scope of operation is mainly focused on its current 5-year strategic plan (2015-19) that aims to "contribute to the socio-economic transformation of 150,000 vulnerable and marginalized people for inclusive and resilient livelihoods." To achieve this goal, AFARD is pursuing six strategic pillars, namely:

- **Pillar 1:** Climate-smart and nutrition-sensitive agriculture for food and nutrition security for 95% of targeted vulnerable households:
- **Pillar 2:** Economic empowerment and asset building to lift 65% of targeted women and youth out of extreme poverty line:
- **Pillar 3:** Human capital building to enhance laborer productivity through a 75% reduction in the malaria and gastro-intestinal infection rates and a 15% increase in literacy rates:
- **Pillar 4:** Community-led advocacy by partner community organizations to ensure responsive and accountable local governance in at least 20 lower local governments:
- **Pillar 5:** Community group strengthening to improve organizational management and ensure groups are financially suitable with UGX 35 million in group loan schemes: and
- **Pillar 6:** Organizational growth and suitability to strengthen AFARD's operational and financial capacity to co-fund 25% of its annual budget and build a UGX 0.5 billion reserve fund.

Funding for the year ended 31 December 2019

The projects implemented by AFARD during the year ended 31 December 2019 were funded using internally generated funds and funding from donors including: Kinder-not-hilfe (KNH), Danish International Development Agency, Sall Family Foundation, Self Help Africa, Private Sector Foundation, Horizont3000, Manos Unidas, European Union and AWO International.

MAJOR ACHIEVEMENTS

- Youth were trained in various vocational skills and provided business start-up kits.
- Expansion of VSLA to more beneficiary groups for financial inclusion.
- Increased appreciation of animal traction technology among beneficiaries for increased acreage and income
- Entrepreneurship training conducted together with business clinics.
- Partnership was developed with AFC Germany, Plan International, Caritas Switzerland, AWO International, and Manos Unidas.
- Local poultry, kitchen gardening, and sanitation and hygiene were mainstreamed in all projects, thereby improving diet diversity among beneficiaries.
- Income diversification is taking root in many households due to livelihood intensification approach.
- Rural youth uptake of agribusiness has improved (targeting niche commodities – small animals and horticulture) with positive attitude towards work.
- Farmer buy-in for collective marketing and value addition is increasing
- Improved local government support – funding, and regular involvement in monitoring.
- Peaceful co-existence between refugees and host communities
- Situation of child rights to education in Atyak Sub County has been documented.
- Women took up positions in local leadership in the community (LCI committees and SMC).
- Trained community extension agents (poultry para –vets, farmer field school facilitators).
- On-going (agri) business mentoring and coaching and market linkages
- Youth businesses and employment improved, with corresponding incomes for better livelihoods.
- Over 100 refugee beneficiaries acquired over 100 acres of land from the host community for farming.
- Strong group leadership and cohesion and members feel they own their groups.
- Access to safe water increased from 27.8% to 42.9%. 100% of the group members use improved pit latrines with hand washing facilities and consequently disease burden declines (by a sharp drop in medical cost from over UGX 400,000 to less than UGX 100,000).
- Comprehensive knowledge about HIV/AIDS increased from 94% to 100% and all group members tested and know their HIV status. They are also living less risky life styles.
- With better income, there was increased acquisition of productive assets that increased the financial net worth. Thus, asset poverty declined, food security increased while women empowerment also increased.
- Pride by women from making financial contributions to their family wellbeing.
- Supported youth were employed mainly in own-account enterprises
- Adoption of good business management practices among beneficiaries.

LESSONS LEARNT

- Targeting individuals only from a household normally weakens family wealth creation because often targeted persons develop "asset hiding strategy" as a fallback position.
- Agricultural productivity has persistently remained very low due to the production of traditional low value crops (e.g., simsim, sunflower, soybeans, beans, tobacco, cotton, etc.) that are sold without value addition only enslaves smallholder farmers to middlemen and processors. For instance, a farmer needs 89 acres of simsim, 64 acres of sunflower, 59 acres of soybeans, 26 acres of beans, 21 acres of cotton, etc. to earn an income that can afford the USD 1.90 poverty line threshold.

- Social disintegration and its weakening of social insurance system has increased economic vulnerability of elderly smallholder farmers.
- Village Saving and Loan Association (VSLA) is a critical platform upon which rural socio-economic transformation and gender equality can be anchored. It provides the poor "spaces for identity, voice, and economic action."
- Building self-reliance among refugees with small land sizes requires focusing on agricultural intensification of high-impact crop (horticulture) and small livestock (poultry) together with microenterprise promotion.
- Opportunities exist for decent youth employment in agribusiness that many youth are shying away from.
- Local governments have the mandate and willingness to support NGO work but they lack funds to do so. Unfortunately, some donors still think that by supporting the national development budget local government participation should not be funded.

MAJOR CHALLENGES

- Farm gate sale of produce by farmers
- High produce price expectations by farmers
- The low savings in the groups makes it difficult for members to borrow for investment thus many still borrow for consumption.
- Low access to land by refugees within the settlement. The 50 X 50 meters farm land provided by the OPM is far and has not been used for production.
- Some refugees are too far from the host communities and accessing land from landlords is difficult
- Inadequate budget to support a full-fledged vocational skills training;
- Climate change reduced agricultural productivity and profitability;
- Cultural constraints that inhibited access to more land for business expansion,
- Economy-wide issues related to inflation, a nascent private sector in the region and limited access to business finance.

RESULTS FOR THE YEAR

The results for the year ended 31 December 2019 are shown on Page 16.

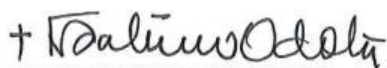
MEMBERSHIP OF THE BOARD

The present membership of the Board of Directors is as set out on page 4.

INDEPENDENT AUDITOR

PKF Uganda was appointed during the year and has expressed willingness to continue in office.

BY ORDER OF THE BOARD



CHAIRMAN

KAMPALA  2020

AUDIT OBJECTIVES

PKF Uganda Certified Public Accountants was appointed by the Board of Directors to carry out an annual audit of the Fund Accountability Statement for Agency for Accelerated Regional Development (AFARD) for the year ended 31 December 2019. The audit was performed in accordance with International Standards on Auditing (ISA).

The objective of the audit was to enable us to:

- Express an opinion on whether the Fund Accountability Statement of AFARD presents fairly, in all material respects, grants received, expenditures incurred for the year audited in conformity with the terms of the funding agreements and Generally Accepted Accounting Principles.
- Evaluate the AFARD internal controls, assess control risk, and identify reportable conditions, including material internal control weaknesses.
- Perform tests to determine whether AFARD complied in all material respects, with agreement terms and applicable laws and regulations. All material instances of non-compliance and all illegal acts that have occurred or are likely to have occurred to be identified.

In addition to the above, we were required to provide recommendations on how to improve any weaknesses noted in the system of accounting and internal control during execution of the audit. We were also required to report on the status of implementation of the audit recommendations contained in the report relating to the prior audit.

AUDIT SCOPE AND OUR APPROACH

We carried out the audit of the organisation's Fund Accountability Statement in accordance with International Standards on Auditing (ISA) promulgated by the International Federation of Accountants (IFAC) and included such tests and auditing procedures as we considered necessary under the circumstances. We paid special attention to the following:

- Assessed the financial systems and procedures maintained by the organisation.
- Assessed the internal checks and controls available – especially with regard to approvals, funds management, assets management and procurement procedures. Our review of the internal control systems involved the following areas:
 - Checking reconciliations of all bank accounts.
 - Checking the appropriate recording of administration expenditure.
 - Checking whether there is proper approval of cheque expenditure, with review of supporting documentation and cheque signing procedures.
 - Checking operation of the payroll and salary payments to ensure compliance with local legislation as regards payroll taxes, social security payments and to ensure that the amounts approved through payroll are actually paid to the verifiable staff members.

- Checking management of funds, including the review of procedures for transferring money from donors. This also included checking the effect of exchange rates, exchange gains/losses and how the same is treated and disclosed.
- Assessed the financial monitoring and reporting systems.
- Assessed whether the funds were used as per donor agreement terms and conditions.

- **Fraud and Corruption:** We considered the risks of material misstatements in the Financial Statements due to fraud as required by ISA 240: The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements. We identified and assessed these risks (of material misstatement of the financial statements) due to fraud, obtained sufficient appropriate audit evidence about the assessed risks and responded appropriately to identified or suspected fraud.
- **Laws and Regulations:** In designing and performing audit procedures, evaluating and reporting the results, we considered whether there was noncompliance by AFARD to funding laws and regulations and specific terms and conditions that may materially affect the financial statements as required by ISA 250: Consideration of Laws and Regulations in an Audit of Financial Statements.
- **Governance:** We communicated audit matters of governance interest arising from the audit of financial statements with those charged with governance of the organization as required by International Standards on Auditing 260: Communication of Audit Matters with those Charged with Governance.
- **Risks:** In order to reduce audit risk to an acceptable low level, we determined the overall responses to assessed risks at the financial statement level and designed and performed further audit procedures to respond to assessed risks at the assertion level as required by Internal Standard on Auditing 330: the Auditor's Procedures in Response to Assessed Risks.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of Board of Directors to prepare the Fund Accountability Statement for the year which presents fairly in all material respects the state of affairs of the organisation as at the end of the financial year and of the surplus for that year. The board is also required to ensure that the organisation maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the organisation. The board is also responsible for safeguarding the assets of the organisation.

The Board accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. The Board also accept responsibility for:

- i. designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. selecting and applying appropriate accounting policies; and
- iii. making accounting estimates and judgements that are reasonable in the circumstance.

The Board is of the opinion that the Fund Accountability Statement presents fairly in all material respects the financial position of the organisation as at 31 December 2019 and of the organization's financial performance for the year then ended in accordance with Generally Accepted Accounting Practices and AFARD accounting policies set out on pages 17 to 19.

Nothing has come to the attention of the Board to indicate that the organisation will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board of Directors on May 12th 2020 signed on its behalf by:

+ Sabino Odoki

RT. REV DR. SABINO OCAN ODOKI
CHAIRPERSON

Dr. Alfred Lakwo
DR. ALFRED LAKWO
EXECUTIVE DIRECTOR

REPORT OF THE INDEPENDENT AUDITOR TO THE BOARD OF DIRECTORS OF AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD).

Opinion

We have audited the Fund Accountability Statement of Agency for Accelerated Regional Development (AFARD for the year ended 31 December 2019 and the notes to the Fund Accountability Statement including a summary of significant accounting policies as set out on pages 16 to 23.

In our opinion, the accompanying Fund Accountability Statement presents fairly in all material respects the income and expenditure for the year ended 31 December 2019 in accordance with modified cash basis of accounting described in note 2(a) to 2(f).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Fund Accountability Statement section of our report. We are independent of the organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Fund Accountability Statement in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- Basis of preparation

Without qualifying our opinion, we draw attention to accounting policy Note 2(a) of AFARD's Fund Accountability, which describes the basis of preparation. The Fund Accountability Statement was prepared to assist AFARD management to report to the members and its donor on the organization's financial performance and status.

Other information

The board is responsible for the other information. The other information comprises the report of the management, the schedule of expenditure and any other reports that comprise the annual report but does not include the financial statements and our auditor's report thereon.

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Partners: Charles Oguttu*, Frederick Kibbedi *, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda***
(*Ugandan, ** Kenyan, *** British)

Our opinion on the Fund Accountability Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Fund Accountability Statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the financial statements

The board is responsible for the preparation of the Fund Accountability Statement in accordance with the accounting policies set out in note 2 and for such internal controls as the directors determine is necessary to enable the preparation of Fund Accountability Statement that is free from material misstatement, whether due to fraud or error.

In preparing the Fund Accountability Statement, the directors are responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Fund Accountability Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 this Fund Accountability Statement. As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Fund Accountability Statement, 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 omissions, misrepresentations, or the override of internal control.

- ii. 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 the organization's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting to this report of the independent auditor is:



Charles Oguttu (P0141)

Engagement Partner



Certified Public Accountants

Kampala

Date 12/5/2020

Ref: CO/AO76/093/2020

Agency For Accelerated Regional Development (AFARD)
Audit Report and Fund Accountability Statement for the year ended 31 December 2019

FUND ACCOUNTABILITY STATEMENT

	Notes	2019 Ushs'000	2018 Ushs'000
Income			
Fund balance as at 1 January		541,034	1,350,990
Grant income	3	2,911,892	2,991,072
Income from AFARD operations	4	675,875	330,847
Exchange gain/(loss)		(15,251)	302
Total income available		4,113,551	4,673,211
Expenditure			
Program expenditure	5	3,637,413	3,916,767
Administrative costs	6	269,697	215,409
Total expenditure		3,907,110	4,132,177
Net Surplus for the year		206,440	541,034
Represented by			
Cash and cash equivalents	7	691,815	639,335
Advances	8	29	5,519
Deferred income	3.1	(485,404)	(103,820)
Fund balance as at 31 December		206,440	541,034

This Fund Accountability Statement was approved and authorized for issue by the Board of Director's on May 12, 2020 and was signed on its behalf by:



RT. REV DR. SABINO OCAN ODOKI
CHAIRPERSON



DR. ALFRED LAKWO
EXECUTIVE DIRECTOR

The notes on pages 17-23 form an integral part of these financial statements.

Report of the independent auditor - pages 13 to 15.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT

1. GENERAL INFORMATION

Agency for Accelerated Regional Development (AFARD) is a Non-Governmental Organisation (NGO) registered as a Company Limited by Guarantee. 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).

2. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of the Fund Accountability Statement are set out below:

a) Basis of preparation

The Fund Accountability Statement of AFARD has been prepared on a modified cash basis of accounting in accordance with Generally Accepted Accounting Principles' (GAAP's) and AFARD's accounting policies and procedures. Under this basis, income is recognized when received, while expenditures are recorded when paid for.

The modification in respect of advances is that they are expensed upon submission and approval of accountabilities from sub grantees.

The preparation of the Fund Accountability Statement in conformity with Generally Accepted Accounting Principles requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the organizations accounting policies.

Going Concern

The financial performance of AFARD is set out in the Fund Accountability Statement. Based on the financial performance and position of the organization and its risk management policies, the Board of Directors are of the opinion that the organization is well placed to continue in business for the foreseeable future and as a result the financial statements have been prepared on a going concern basis.

b) Revenue Recognition

- i) Grant Income is recognized on receipt of funds.
- ii) Other income of the organization is the aggregate value of money received from, membership contribution, hall/guest house hire.

c) Expenditure

Expenditure is recognized at the time of payment. All purchases are expensed in the Fund Accountability Statement in the year in which the expenditure is incurred.

d) Fixed Assets

Fixed assets are funded through donor programs and internally raised funds and these are expensed at the time of acquisition. Accordingly, no depreciation of fixed assets is charged in the Fund Accountability Statement. A fixed asset register is maintained as a monitoring for the assets.

e) Foreign Currency transactions

Amounts received in foreign currency are banked in foreign currency accounts. Transfer to local accounts are made at rates ruling in the market at the time of transfer. Monetary assets and liabilities held in foreign currency at year end are translated in UGX at the closing exchange rate.

Rates used at year ended 31 December 2019

1 USD	Ushs. 3,706.9459
1 EURO	Ushs. 4,171.5003

f) Cash and Cash Equivalents

The cash and cash equivalents include cash in hand and at bank.

g) Employment Benefit Obligations

Pension Obligations

AFARD and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. This is a defined contributory scheme under which AFARD contributes 10% of the employees' basic salaries. The organizations contributions to the defined scheme are charged to the Fund Accountability Statement in the year to which it relates.

h) Current Tax

AFARD does not have a tax exemption certificate. The organization deals in activities which are not for profit and therefore the entity is not subject to tax. Accordingly, no provision for current tax is recognized in the Fund Accountability Statement.

i) Reporting Currency. The Fund Accountability Statement is expressed in Uganda Shillings.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT (Continued)

3. GRANT INCOME

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

	2019	2018
	Ushs'000	Ushs'000
Jangokoro Food Security Project (Funded by Manos Unidas)	79,850	143,675
Erussi Ndhew Community Development (KNH Funded)	187,547	275,607
Danish Assistance to Refuge (DANIDA Funded)	192,689	859,236
AFARD Decentralization (PSFU Funded)	12,904	16,500
Panyango Community Project (KNH Funded)	123,229	30,024
Food and Nutrition (FAO Funded)	-	62,921
WENAGIC (Sall Family Foundation Funded)	-	320,864
MAYEP (Self Help Africa Funded)	40,238	404,845
YEPP (European Union Funded)	-	58,191
Migration Project (Horizont3000 Funded)	410,626	819,209
AWO Project (AWO International funded)	189,740	-
AWO BMZ Project (AWO International funded)	236,333	-
NURI Project (DANIDA funded)	1,438,736	-
Total grant income	2,911,892	2,991,072

3. 1 DEFERRED INCOME

AFARD AWO AND WENAGIC PROJECT

	2019	2018
	Ushs'000	Ushs'000
Income		
Grants and Donations	485,404	103,820

Agency For Accelerated Regional Development (AFARD)
 Audit Report and Fund Accountability Statement for the year ended 31 December 2019

4. INCOME FROM OTHER AFARD OPERATIONS

	2019	2018
	Ushs'000	Ushs'000
AFARD contribution (YEEP)	310,591	135,404
AFARD contribution (AWO)	26,590	-
AFARD contribution (Decentralization)	7,250	-
Members contribution	257,086	155,009
Hall hire	1,650	9,755
Honorarion From AFC	60,000	948
Income Guest House Yumbe	1,249	29,731
Income from Office Rent	9,000	-
Asset Disposal	2,320	-
Interest income	138	-
Total	675,875	330,847

NOTES TO THE FUND ACCOUNTABILITY STATEMENT (Continued)

5. PROGRAMME EXPENDITURE

Programme expenditure relates to expenses incurred in the implementation of project activities as funded by different donors.

Project	2019 Ushs'000	2018 Ushs'000
Jangokoro Food Security Project (funded by Manos Unidas)	80,703	290,211
Erussi Ndhew Community Development (KNH funded)	206,499	242,921
Danish Assistance to Refuge (DANIDA Funded)	194,745	864,906
Panyango Community Project (KNH funded)	100,510	29,870
Food and Nutrition (FAO funded)	77	62,878
WENAGIC (Sall Family Foundation funded)	305,999	180,184
AFARD Decentralization (PSFU Funded)	21,068	17,329
MAYEP (Self Help Africa funded)	43,295	429,034
YEEP (European Union funded)	373,568	850,981
AWO Project (AWO International funded)	204,786	-
AWO BMZ Project (AWO International funded)	233,615	-
NURI Project (DANIDA funded)	1,374,862	-
ATYAK Project (KNH funded)	51,346	-
Migration Project (Horizont3000 funded)	446,342	948,455
	3,637,413	3,916,767

6. ADMINISTRATIVE COSTS

	2019 Ushs'000	2018 Ushs'000
Governance	10,214	20,617
Personnel cost	119,236	65,765
Other Staff Costs	34,905	35,712
Capital Costs	20,261	-
Office Supplies	6,583	1,375
Training, Research, Documentation & Awareness	-	3,958
Other Costs	62,311	87,983
Visibility	3,935	-
Hall Hire	1,200	-
Development of AFARD Strategic Plan	5,100	-
Sage Accounting Software	5,952	-
TOTAL ADMINISTRATIVE COSTS	269,697	215,409

NOTES TO THE FUND ACCOUNTABILITY STATEMENT (Continued)

7. CASH AND CASH EQUIVALENTS

	2019 Ushs'000	2018 Ushs'000
AFARD Operational Account	18,501	11
AFARD Personnel Cost	310	682
AFARD Decentralization	9	923
AFARD MAYEP	-	3,057
AFARD YEEP -UGX	1,076	62,028
AFARD Medical Insurance	70,392	26,764
AFARD DAR 3	-	2,055
AFARD NURI	63,874	-
Erussi/Ndhew Community Development Account-UGX	2,810	76,676
AFARD WENAGIC-USD	370,047	320,875
AFARD WENAGIC-UGX	12,326	-
Panyango Community Project	25,952	3,234
AFARD Food and Nutrition Account	-	77
AFARD AWO	28	103,820
AFARD ADA Refugee Project	2,333	38,049
AFARD Community Wide Project (Jangokoro Food Security project)-UGX	47	1,085
AFARD BMZ ACCOUNT	118,074	-
AFARD Jangokoro Food Security Project-EURO	185	-
AFARD AWO Project Account EURO	5,334	-
Erussi/Ndhew Community Development Account-EURO	514	-
	691,815	639,335

8. ADVANCES

	2019 Ushs'000	2018 Ushs'000
CEGED-YEEP-Activity Advance	29	5,519

9. RELATED PARTY

Agency For Accelerated Regional Development (AFARD) has a business wing registered as a company in the names of WEST NILE HOLDINGS LIMITED.

Some of the transactions between AFARD (the NGO) and WNHL (the business wing) include transfer of resources, obligations from AFARD to WNHL, and also services from WNHL to AFARD

APPENDIX: FUND ACCOUNTABILITY STATEMENTS FOR INDIVIDUAL PROJECTS IMPLEMENTED DURING THE YEAR.

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

APPENDIX I: ERUSSI NDHEW COMMUNITY DEVELOPMENT PROJECT (ENCDP)-KNH

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: 2015-2019

Project objective: Education, the realization of children's rights and the rehabilitation and development of marginalized children/adolescents and their communities, while taking into consideration relevant cultural, social and religious aspects.

Funder: Kinder Not Hilfe (KNH)

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	25,329
Grants and Donations	215,815	187,547
	215,815	212,876
Expenditure		
1.1 Form 30 New SHGs	1,400	1,400
1.2.1 Train 136 Savings , Loan and Credit Management	368	368
1.2.2 Train 136 in Goal Setting and Realization	385	385
1.2.3 Train in Communication and Leadership Skills	410	410
1.2.4 Train 136 in Prob Solving and Conflict Resoln	410	410
1.2.5 Train 136 in Basic Business Skills	610	590
1.9 Hold 1 Annual Village Safe Sanitation Competition	4,234	4,174
2.12 Organise 1 SHG Days	5,652	5,642
2.1 Form 3 CLA	507	507
2.2.1 Train 11 CLA on Roles & Responsibilities	466	466
2.2.2 Train 11 CLA in Goal Setting & Realization	486	486
2.2.3 Train 11 CLA S/Committee on Roles & Responsible	410	410
2.2.4 Training 11 CLA Book Writers	410	410
2.3 Conduct Monthly Monitoring Visits	440	435
2.4 Conduct 12 Monthly CFs Meetings	420	420
2.5 Conduct 4 CLA Quarterly Review Meetings	1,738	1,756
3.10 Process X-Mass Cards for 370 Sponsored children	1,964	2,139
3.11 Facilitate 1 Children's X-Mass Party	2,143	2,208
3.12 Hold 2 Education Counselling & Guidance Days	1,209	1,239
3.13 Support 6 Children Participation in LG Planning	72	12
3.4 Facilitate Children to Write 740 Letters	3,681	3,879
3.5 Conduct 2 Child Census	134	134
3.6 Routine Monitor the 370 Sponsored Children	168	168
3.8 1 Celebration of Day of an African Child	4,310	4,210
3.9 Updating Children's Information	1,153	1,078

Agency For Accelerated Regional Development (AFARD)
Audit Report and Fund Accountability Statement for the year ended 31 December 2019

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Expenditure (Continued)		
4.6 Train 30 Youths in Vocational Skills	2,629	2,500
4.8.2 Awareness Creation for 2,650 SHG Members	479	479
5.3 Participatory (Joint) Monitoring	2,600	2,580
5.4 Routine Monitoring & Support Visit by Management	1,200	1,200
5.6 Annual Audit	9,631	4,631
5.7 End of Project Evaluation	10,000	10,000
6.1 Basic Salary	70,806	62,124
6.2 Leave Allowance	4,425	-
6.3 NSSF 10%	7,081	6,212
6.4 Medical Insurance	4,238	4,238
6.5 Provident Fund 15%	10,469	10,469
6.6 Workman's Compensation	885	885
7.10 Annual Data Collection	2,100	2,100
7.1 Running Cost	29,001	38,316
7.2 Stationary	1,840	2,475
7.3 Welfare	3,799	3,505
7.4 Support Staffs	3,960	3,960
7.5 Community & Child Facilitators Allowances	9,600	9,600
7.6 Hospitality for Visitors	1,130	909
7.7 Repairs and Maintenance	2,400	2,617
7.8 Annual Board Field Visits and Meeting	2,600	2,600
7.9 Annual Review Process Wit CFs, Staffs, PMC	1,765	1,765
Total Expenditure	215,815	206,499
Surplus for the year	-	6,377
Exchange loss	-	(3,053)
Fund balance for the year	-	3,324

APPENDIX II: WENAGIC PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project duration: 1 September 2017- 31 December 2019

Project Objective: To support a sustainable and equitable food and income security of 450 smallholder farmer households.

Funder: Sall Foundation INC.

	Budget 2019 Ushs'000	Actual 2019 Ushs'000
Income		
At 1 January	-	320,875
Grants and Donations	306,000	-
	306,000	320,875
Expenditure		
1.1 Retraining of Lead Farmers	13,500	12,213
1.2 Agro-Enterprise Building Planning	6,600	7,396
1.3 Provision of Agro-Inputs	95,250	105,958
1.4 Training in Good Agricultural Practices	13,200	13,186
3.1 Train Farmer Group Members in Collective Marketing	5,100	4,100
3.2 Train Farmer Group Members in Part Survey	3,825	3,750
3.4 Conduct Research in VSLA Long Term Savings Option	56,000	55,346
CU1 Management Monitoring Visits	4,500	2,234
CU2 Board Monitoring Visits	1,250	-
CU3 Sub county Monitoring Visits	2,000	-
CU4 Farmer Gp Performance Review Meetings	1,500	750
CU5 District Review & Learning Workshops	3,475	790
CU6 Financial Audits	5,000	5,000
Indirect Costs	9,000	9,127
Project Staff Cost	85,800	86,150
Total Expenditure	306,000	305,999
Surplus for the year	-	14,876
Exchange Loss	-	(2,550)
	-	12,326

APPENDIX III: YEEP PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project duration: July 2016-June 2019

Project objective: To contribute to youth inclusive economic growth and poverty reduction in West Nile region of Uganda through sustainable and gainful employment opportunities (for 2,500 youth).

Funder: European Union

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	67,547
AFARDs 10% Contribution to YEEP Project	-	310,591
Grants and Donations	368,950	-
	368,950	378,138
Expenditure		
1 Salary	162,185	162,185
3 Local Office	25,681	31,296
5.8.1 T-Shirts and Caps	4,884	4,484
6 CBF Monthly Stipend	3,750	3,750
8 Expenditure Verification	17,014	17,014
A2.1a PSE Partnership Meetings	380	310
A2.1b Partnership Meetings(PSC)	180	100
A2.3 Start Up Kits	98,810	98,753
A3.3 Youth Accountability Days	3,500	3,250
Close Out Meeting	16,636	16,496
CU3 District Review & Learning Workshop	130	130
CU5 Carry Out the Evaluation	35,800	35,800
Total Expenditure	368,950	373,568
Surplus for the year	-	4,570
Exchange gain/(loss)	-	(3,465)
Fund balance for the year		1,105

APPENDIX IV: JANGOKORO FOOD SECURITY PROJECT (COMMUNITY WIDE PROJECT)

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: 2017-2019

Project objective: To contribute to the inclusive and sustainable poverty reduction in Nebbi Catholic Diocese

Funder: Manos Unidas

	Budget 2019 Ushs'000	Actual 2019 Ushs'000
Income		
At 1 January	-	1,085
Grants and Donations	83,421	79,850
Total income	83,421	80,935
Expenditure		
0.0 Common Activities(Personnel)	27,500	24,750
0.0 Common Activities(Running Costs)	5,432	6,562
0.1 Periodic Management Monitoring Visits	3,380	3,364
0.2 Hold Quarterly Beneficiary Review Meetings	1,660	1,660
0.3 Conduct End of Project Baseline/evaluation	4,818	6,960
0.4 Financial Audit	2,000	2,000
1.2 Train in Agronomy Skills	998	1,209
2.2 Drilling Borehole	183	-
2.3 Train Community Health Frontline Advisors	17,130	17,280
2.4 Support Voluntary Counselling & Testing	9,000	6,375
2.5 Conduct Health Education	426	232
3.1 Initiate Functional Adult Literacy Classes	38	60
3.2 Create Awareness About Human & Women Rights	871	681
3.3 Train in Advocacy Skills	2,071	1,661
3.4 Train in LLG Monitoring	2,415	2,110
3.5 Hold Petition & Accountability Days	5,500	5,800
Total Expenditure	83,421	80,703
Surplus for the year	-	232
Exchange gain	-	-
Fund balance for the year	-	232

APPENDIX V: DANISH ASSISTANCE TO REFUGE PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: 2015-2019

Project Objective: To increase resilience and create equitable participation of Northern Uganda in the economic development of the country and to increase the production and marketing of agricultural produce for small scale farmers

Funder: DANIDA

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	2,055
Grants and Donations	194,745	192,689
Total income	194,745	194,745
Expenditure		
1.1 Facilitate AEOS and AESs	137,372	137,372
2.1 Facilitate Marketing Coordinator	5,798	5,798
5.1 Facilitate VSLA Staff	10,290	10,290
7.1 Facilitate IP Staff	29,535	29,535
7.2 Support IP Operation	11,749	11,749
Total Expenditure	194,745	194,745
Surplus for the year	-	-

APPENDIX VI: MIGRATION PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: September 1 2017-August 31, 2019

Project objective: Secure Livelihoods for South Sudanese Refugees and Host Communities in West Nile region, Uganda

Funder: HORIZONT3000, Austrian Organisation for Development Cooperation.

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	38,049
Grants and Donations	460,050	410,626
Total income	460,050	448,675
Expenditure		
1.1.1 Executive Director (AFARD-40%)	24,000	24,000
1.1.2 Finance & Admin Manager (AFARD-50%)	24,000	24,000
1.1.3 Yumbe Team Leader (AFARD-50%)	20,400	20,400
1.1.4 Field Officers (3 AFARD-100%)	66,600	66,600
1.1.5 Accountant (AFARD-35%)	9,600	9,600
1.1.6 Driver (AFARD-50%)	4,800	4,800
1.1.7 Watchman (AFARD-50%)	3,600	3,600
1.2.1 Consultants for Staff Training	2,323	1,500
1.2.4 Consultant for Food Processing Training	5,880	5,880
1.3 Travel Costs	9,800	9,125
2.19 Sunflower Seeds	4,375	4,356
2.20 Sesame Seeds	12,000	11,928
2.22 Briquette Making Machines	5,281	5,281
2.8 Pigeon & Cow Pea Seeds	1,350	945
2.9 Vegetable Seeds	19,700	20,196
3.10 Train in Basic Poultry Production & Disease Control	8,507	7,812
3.11 Place Youth for Apprentiship Training in Mkt VS	4,373	4,076
3.12 Train FFS Mbers in Collective Mkting	12,769	11,269
3.14 Conduct Agri (Bss) Mentoring & Coaching	5,174	4,707
3.15 Conduct Mkt Linkages	2,000	2,000
3.16 Conduct Comm & School Awareness on Environment	18,125	20,350
3.17 Train FFS Mbers on Woodlots Establishment	4,768	4,700
3.18 Train in Briquette Making	1,262	1,262
3.21 Mentor & Support LECs to Implement CEAP	14,158	12,382
3.22 Staff Recruitment, Induction & Training	3,898	3,200
3.24 Experience & Lesson Learning	10,458	11,838
3.2 Identify, Train& Motivate FFSs Facilitators	10,390	13,500
3.3 Establish FFS Learning Sites Including Enterprise selection	5,000	5,756
3.4 Train on Climate Smart & GAPs	11,890	14,260
3.5 Train on Backyard Gardening	11,403	11,025
3.6 Train on Food Processing & Nutritional Practice	14,830	13,930
3.7 Conduct Field Days for Grading and Peer Learning	4,500	3,000
3.8 Train FFS Facilitators in VSLA Methodology	10,259	9,963

Agency For Accelerated Regional Development (AFARD)
 Audit Report and Fund Accountability Statement for the year ended 31 December 2019

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Expenditure (Continued)		
3.9 Train in Entre & Farming As A Business	1,760	1,760
4.2.10 Project Steering Committee Meetings	10,000	5,585
4.2.11 Transport Hire for Agro Inputs-AFARD	3,000	2,250
4.2.1 Telephone Cost	5,600	4,490
4.2.2 Internet	4,040	3,680
4.2.4 Electricity & Water Bills	3,000	2,073
4.2.5 Stationary and Computer Consumables	2,600	6,384
4.2.6 Motor Vehicle Maintenance	1,500	10,822
4.2.7 Consumables (Toiletry Kit, Tea, Etc)	6,000	7,284
4.2.8 Motorcycle Maintenance & Repairs	12,000	3,686
4.3 Local Partner's Bank Charges	600	738
4.2.9 Periodic Performance Report Production	7,000	-
6.5 Field Visits	6,000	6,000
6.6 Biannual Group Performance Review	7,300	7,300
6.7 Hold Annual District Review & Learning Workshop	7,000	17,038
6.8 Two closeout meetings	6,500	-
6.9 Print Brochures on Experience & Case Studies	8,679	14
Total Expenditure	460,050	446,342
Surplus for the year	-	2,333

APPENDIX VII: PANYANGO COMMUNITY PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: 2017-2019

Project objective: To contribute to an empowered community of Panyango Sub-County to protect the rights of children and ensure their basic needs are met."

Funder: Kinder Not Hilfe (KNH)

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	3,234
Grants and Donations	124,243	123,229
Total income	124,243	126,462
Expenditure		
1.1.1 Create Community Awareness About the Project	146	146
1.1.2.1 Form New SHGs	655	-
1.1.2.2 Form New CLAs	303	-
1.2.1.1 Train SHGs in SHG Concept	173	228
1.2.1.2 Train CLAs on CLA Concept	173	173
1.2.1 Train CFs in SHGs and CLAs Concept	173	85
1.2.2 Conduct IGA Assessment	254	-
1.3.1 Conduct Monthly CFs Meeting	132	132
1.3.2 Conduct Quarterly CLA Meetings	150	150
1.3.3 Conduct Bi-Annual Self-Monitoring & Assessment for SHGs & CLAs	188	188
2.2.4 Sensitise Local Leaders & SHGs on Child & Women	314	314
4.1 Staffing	7,000	3,840
4.2 Hold Stakeholders Briefing Meetings	2,675	2,637
4.3 Form and Induct PMCs	870	838
4.4.1 Conduct Baseline Survey	5,000	-
4.4.2 Conduct Staff Meeting	176	176
4.4.3 Conduct Management Meetings	400	-
4.4.4 Conduct PMC Meeting	1,648	958
4.4.5 Hold 6 Annual Project Performance Review Meeting	3,632	3,594
4.4.6 Support Board Visit and Meetings	2,550	2,550
4.4.8 Conduct 6 Financial Audits	5,000	5,000
4.5.1 Sensitise the Community on Child Sponsorship	220	220
4.5.2 Train CFs on Child Sponsorship	290	290
4.5.3 Register Children Under Sponsorship	3,360	3,059
4.5.4 Routinely Monitor the Sponsored Children	202	202
4.5.5 Annual Letter Writing by Children	3,617	2,721
6.1 Basic Salary	24,200	23,503
6.2 Leave Allowance	1,815	2,385
6.3 NSSF 10%	2,420	1,815
6.4 Medical Insurance	1,936	1,936
6.5 Provident Fund 15%	3,630	-
6.6 Workman's Compensation	363	363

Agency For Accelerated Regional Development (AFARD)
Audit Report and Fund Accountability Statement for the year ended 31 December 2019

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
7.1 Running Costs Expenditure (Continued)	8,011	6,480
7.2 Stationary	2,235	-
7.3 Welfare	3,009	2,348
7.4 Hospitality for Visitors	435	-
7.5 Repairs and Maintenance	1,000	105
7.6 Assets	34,968	34,075
7.7 Annual Data Collection	920	-
Total Expenditure	124,243	100,510
Surplus for the year	-	25,952

APPENDIX VIII: MAYEP PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project duration: February 2016-January 2019

Project objective: To contribute to sustainable poverty reduction among youth in West Nile Region, Northern Uganda specifically to increase access to employment/self-employment opportunities for 3,000 youth in Maracha, Nebbi, Zombo (MANZO) districts of West Nile.

Funder: European Union through Self Help Africa (SHA)

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	3,057
Grants and Donations	43,295	40,238
	43,295	43,295
Expenditure		
1.1.1 Technical Staff Salaries	13,267	13,267
1.1.2 Administrative/Support Staffs	1,381	1,381
4.0 Local Office	18,987	18,987
5.6 Financial Services(Bank Guarantee, Costs, Etc)	54	54
A3.6 Facilitate Youth Broadcast Advocacy on Radio	8,750	8,750
A5.4 Qtrly & Annual SHA & AFARD Meeting	855	855
Total Expenditure	43,295	43,295
Surplus for the year	-	-

APPENDIX IX: FOOD AND NUTRITION (FAO) PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: 5 Months

Project Objective: Emergency Agricultural Livelihoods Support for Improved Resilience and Self-reliance to threats and crises of Refugees from South Sudan in North and Mid-western Uganda

Funder: FAO (Food and Agricultural Organisation)

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	77
Expenditure		
Bank Charges	77	77
Total Expenditure	77	77
Surplus for the year	-	-

APPENDIX X: AWO PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: January 2019-December 31, 2019

Project objective: To contribute to Food and Income Security of 150 South Sudanese Refugees and Host Communities HH (1270 People) in Yumbe District, Uganda

Funder: AWO International

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
Grants and Donations	208,423	189,740
AFARD's Contribution	-	26,590
Total income	208,423	216,330
Expenditure		
1.1.1 Activity 1 Form and Register 6 Farmer Groups	3,060	3,060
1.1.2 Activity 2 Train in Group Dynamics	1,350	1,350
1.1.3 Activity 3 Training Model Farmer Peer Trainer	5,175	5,160
1.1.4 Activity 4 Develop Gp Prodn & Mkt Calendar	438	438
1.1.5 Activity 5 Set Demonstration Plots	1,500	780
1.1.6a Hoes and Handles	2,550	2,550
1.1.6b Cassava Cuttings	29,520	29,520
1.1.6c Pigeon Pea Seeds	1,404	1,354
1.1.6d Maize	5,638	5,638
1.1.6e Beans	6,765	6,765
1.1.6f Spray Pumps	3,000	3,000
1.1.6g Watering Cans	3,150	3,150
1.1.6h Okra	450	330
1.1.6i Kale	750	510
1.1.6j Tree Seedlings	2,250	3,000
1.1.6k Transport Cost for Delivery	3,600	3,600
1.1.7 Activity 7 Conduct Training in Good Agricultural & Climate Smart Practices	1,950	1,950
1.1.8 Activity 8 Conduct Nutrition Education	4,350	4,350
1.2.10 Activity 10 Train in Collective Marketing	1,750	1,750
1.2.11 Activity 11 Conduct Business Clinics	1,060	1,060
1.2.12 Activity 12 Conduct Awareness on Family Planning	470	470
1.2.13 Activity 13 Conduct Awareness on Gender Equality	470	550
1.2.1 Activity 1 Train VSLA Mentors	4,350	4,533
1.2.2 Activity 2 Train in VSLA	1,620	1,620
1.2.3 Activity 3 Provide VSLA Kits	840	840
1.2.4 Activity 4 Train in Selection, Planning & Management	1,620	1,620
1.2.5 Activity 5 Train in Financial Literacy	4,180	4,180
1.2.6 Activity 6 Train Poultry Model Peer Trainers	5,400	4,533

Agency For Accelerated Regional Development (AFARD)
 Audit Report and Fund Accountability Statement for the year ended 31 December 2019

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Expenditure (Continued)		
1.2.8 Activity 8 Provide Poultry	11,250	12,050
1.2.9 Activity 9 Conduct Training in Poultry Management Practices	1,680	1,670
2.2.1 Executive Director (AFARD-5%)	8,400	8,400
2.2.2 Programme Manager (AFARD-10%)	4,800	4,800
2.2.3 Finance & Admin Manager (AFARD-10%)	4,800	4,800
2.2.4 Yumbe Team Leader(AFARD-30%)	6,000	5,500
2.2.5 Field Officer (1staff-100%)	18,000	18,000
2.2.6 Accountant (AFARD-20%)	3,600	3,600
4.1.1a Telephone Cost	840	600
4.1.1b Vehicle Maintenance	1,200	1,337
4.1.1c Motorcycle Maintenance	840	-
4.1.1d Bank Charges	360	558
4.2.1 Conduct Baseline Study	3,439	4,250
4.2.2 Management Monitoring	3,480	5,808
4.2.3 Farmer Group Progress Review	3,200	1,880
4.2.4 Hold Stakeholders Meeting	1,600	1,600
4.2.5 Hold District Monitoring/Review Meeting	3,115	2,940
4.2.6 Annual Review/Evaluation Meeting	6,510	5,531
4.3.1 Designing and Printing	1,750	1,700
4.4.1 Annual Financial Audit	2,000	-
4.5.1a Laptop	1,650	1,750
4.5.1b Motorcycle DT	18,000	16,728
4.5.1c Digital Camera	1,000	650
4.5.2 Recruit and Induct Staff	2,250	2,975
Total Expenditure	208,423	204,786
Surplus for the year	-	11,544
Exchange loss	-	(6,182)
Total	-	5,362

APPENDIX XI: AWO- BMZ PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: January 2019- May 2020

Project objective: To ensure that Refugee and host communities in Yumbe District are economically integrated and have resilient livelihoods

Funder: AWO International

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
Grants and Donations	246,000	236,333
Expenditure		
1.2.1 Procure & Distribute Start Up & Value Add		
1.2.1a Oxen	21,000	21,000
1.2.1b Ox Plough(Set)	8,400	8,400
1.2.1c Castration	280	552
1.2.1d Tape Measures	210	49
1.2.1e Pangas	112	49
1.2.1f Blades	168	-
1.2.1g Bow Saws	210	182
1.2.1h Hammers	210	84
1.2.1i Chisels	112	70
1.2.1j U-Bolts	210	140
1.2.1k Wood Glue	70	35
1.2.1l Tethering Ropes	168	56
1.2.1m Knapsack Sprayer	840	840
1.2.1 n Bow saw blades	84	-
1.2.1o Wound spray	210	-
1.2.1p Cussion	336	70
1.2.1q Vaccination & Medicine	6,300	2,046
1.2.1r Cost of Veterinary Officers	10,500	760
1.2.1s Barbed Wire for Fencing Kraal	4,200	4,218
1.2.1t Planters	11,900	11,900
1.2.1u Carts	49,000	49,000
1.2.1v Transport Hire for Material Delivert	6,000	12,700
1.2.2 Train in Good Agric & Climate Smart Prac		
1.2.2a1 Full Board Cost at ABIZARDI	37,740	6,976
1.2.2a2 Transport Refund(Oxen Handlers and PO)	1,850	1,850
1.2.2a3 Out of Pocket(Oxen Handlers and POs)	2,220	2,220
1.2.2b1 Pens	23	23
1.2.2b2 Notebooks	225	225
1.2.2b3 Flip Charts	120	120
1.2.2b4 Markers	30	30
1.2.2b5 Masking Tape	7	7
1.2.2b6 First Aid	100	100
1.2.2b7 Certificates for Oxen Handlers	180	180
1.2.2b8 Animal Traction Booklets	1,250	56

Agency For Accelerated Regional Development (AFARD)
Audit Report and Fund Accountability Statement for the year ended 31 December 2019

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Expenditure (Continued)		
1.2.2c1 Oxen Hire	450	450
1.2.2c2 Poles	160	160
1.2.2c3 Transport	200	-
1.2.2c4 Pen Strep	90	90
1.2.2c5 OTC(Antibiotics for Cattle) 20%	56	56
1.2.2c6 OTC(Antibiotics for Cattle) 10%	30	30
1.2.2c7 Multivitamin	42	49
1.2.2c8 Wound Spray	90	300
1.2.2c9 Acaricide	150	150
1.2.2d1 Professional Fee-Training Oxen handlers & PO	6,000	24,600
1.2.2d2 Professional Fee-Field Follow-up & Training	12,600	19,300
3.2 Initial & Equipment Support for Partner Organization		
3.2.1 Solar System & Fridge for Poultry Vaccination	15,000	15,729
3.2.2 Laptop(Yumbe Team Leader, Accountant)	5,000	5,000
3.2.2 Printers(Field Officer & Finance Office)	300	2,300
3.2.3 Book Shelve(Field Office)	4,000	2,256
3.2.3 Chairs(Field Office)	1,000	1,222
3.2.3 Filling Cabinet(Field Office)	755	752
3.2.3 Tables(Field Office)	350	1,504
3.2.4 Bicycles(Field Office-Lead Farmers, Paravets)	25,900	26,607
3.2.5 Transport	1,500	1,500
5.2 Local Personnel		
5.2.7a Salary(Yumbe Driver)	774	580
5.2.7b NSSF 10%(Yumbe Driver)	159	99
5.2.8a Salary(Yumbe Watchman)	583	471
5.2.8b NSSF 10%(Yumbe Watchman)	119	76
5.1 Local Poultry Market Assessment Study	5,000	5,000
6.2 Project Coordination	1,428	1,245
Bank Charges	-	152
Total Expenditure	246,000	233,615
Surplus for the year	-	2,718

APPENDIX XII: AFARD DECENTRALISATION (PSFU) SDF PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project duration: January 2018 May 2019

Project Objective: Facilitate training in Poultry production and post-harvest handling (ref. W2/01/726/2017).

Funder: PSF-Uganda

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	923
AFARDs Contribution to Project	-	7,250
Grants and Donations	27,500	12,904
Total income	27,500	21,077
Expenditure		
Accommodation and Transport Refund	1,210	1,210
Equipment	2,500	-
Meals and Venue	6,160	6,400
Monitoring and Coordination	1,430	1,830
Training Fees	7,700	3,758
Training Materials	8,500	7,700
Bank Charges	-	170
Total Expenditure	27,500	21,068
Surplus for the year	-	9

APPENDIX XIII: AFARD NURI PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: 2019-2023

Project Objective: To increase resilience and create equitable participation of Northern Uganda in the economic development of the country and to increase the production and marketing of agricultural produce for small scale farmers

Funder: DANIDA

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
Grants and Donations	<u>1,438,736</u>	<u>1,438,736</u>
Expenditure		
1.1.1 Assess and select strategic crops and beneficiary farmer groups or where no groups exist	24,000	24,300
1.1.2 Prepare plans with the selected farmer groups depending on their situation and needs	13,335	-
1.1.3 Train in climate smart agricultural practices , including soil and water management	862,498	838,312
1.1.4 Train in and support collective marketing	26,820	20,781
1.2 Train target farmer groups in financial literacy, especially through formation and support	132,036	103,177
1.3 Provide capacity building and operational support to the Ips	377,527	262,443
1.4 Provide capacity building and operational support to the production departments	2,520	2,521
0.0.1 NURI Coordination, Management, M&E	-	123,328
Total Expenditure	<u>1,438,736</u>	<u>1,374,862</u>
Surplus for the year	<u>-</u>	<u>63,874</u>

APPENDIX XIV: AFARD ATYAK PROJECT

Fund Accountability Statement for the year ended 31 December 2019

Project Duration: February 2019-December 2019

Project objective: To Carry out Child Rights Situation Analysis of the violation of the right of children to Education in Atyak- Subcounty, Zombo District, Uganda

Funder: Kindernothilfe (KNH)

	Budget 2019 Ushs '000	Actual 2019 Ushs '000
Income		
At 1 January	-	51,347
Grants and Donations	56,679	-
Total income	56,679	51,347
Expenditure		
A1.1 Planning/Preparation for CRSA Process	10,825	8,273
A1.2 Review and Analysis of Secondary Data	2,430	1,680
A1.3 Primary Data Collection	11,180	11,273
A1.4 Data Consolidation	1,618	1,725
A1.5 Validation Workshop	2,090	1,843
A1.6 Final CRSA Report Writing and Printing	1,010	1,010
A2.0 Workshop to Roll Out CRSA to AFARD Staff	2,010	2,290
A3.0 Personnel	21,066	22,489
A4.0 Running Cost	4,450	765
Total Expenditure	56,679	51,347
Surplus for the year	-	-

Agency For Accelerated Regional Development (AFARD)
Audit Report and Fund Accountability Statement for the year ended 31 December 2019

APPENDIX XII: DETAILED FUND ACCOUNTABILITY STATEMENT ON PROJECT BASIS

Description	ERUSSI NDHEW	WENAGIC	YEEP EU	JANGOKORO FOOD
	Kindernothilfe	Sall Foundation		Manos Unidas
	2019	2019	2019	2019
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Income				
Opening Balance	25,329	320,875	67,547	1,085
Grant Donations	187,547	-	-	79,850
AFARD's contribution	-	-	310,591	-
Total Income	212,876	320,875	378,138	80,935
Expenditure				
Program Expenditure	206,499	305,999	373,568	80,703
Total Expenditure	206,499	305,999	367,873	80,703
Surplus for the year	6,377	14,876	4,570	232
Exchange gain/loss	(3,053)	(2,550)	(3,465)	-
Fund balance for the year	3,324	12,326	1,105	418
Represented By:				
Cash at Bank	3,324	382,373	1,076	232
Advance	-	-	29	-
Deferred income	-	(370,047)	-	-
Total Cash at Bank	3,324	12,326	1,105	232

APPENDIX XII: DETAILED FUND ACCOUNTABILITY STATEMENT ON PROJECT BASIS (Continued)

Description	DAR3 FUNDS		NURI		MIGRATION		DECENTRALISATION	
	Danida	2019 Ushs'000	Danida	2019 Ushs'000	Horzont3000	2019 Ushs'000	PSF-Uganda & UKAID	2019 Ushs'000
Income								
Opening Balance		2,055	-		38,049			923
Grant Donations		192,689	1,438,736		410,626			12,904
AFARD's contribution		-	-		-			7,250
Total Income		194,745	1,438,736		448,675			21,077
Expenditure								
Program Expenditure		194,745	1,374,862		446,342			21,068
Total Expenditure		194,745	1,374,862		446,342			21,068
Surplus for the year		-	63,874		2,333			9
Exchange gain/loss		-	-		-			-
Fund balance for the year		-	63,874		2,333			9
Represented By:								
Cash at Bank		-	63,874		2,333			9
Total Cash at Bank		-	63,874		2,333			9

APPENDIX XII: DETAILED FUND ACCOUNTABILITY STATEMENT ON PROJECT BASIS (Continued)

Description	PANYANGO COMMUNITY			MAYEP		FOOD & NUTRITION		ATYAK	
	KNH	EU Through SHA	FAO	Kindernothilfe	2019	2019	2019	2019	2019
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Income									
Opening Balance	3,234	3,057	77	51,347					
Grant Donations	123,229	40,238	-	-					
Total Income	126,462	43,295	77	51,347					
Expenditure									
Program Expenditure	100,510	43,295	77	51,346					
Administrative costs									
Total Expenditure	100,510	43,295	77	51,346					
Surplus for the year	25,952	-	-	-					
Exchange gain/loss	-	-	-	-					
Fund balance for the year	25,952	-	-	-					
Represented By:									
Cash at Bank	25,952	-	-	-					
Total Cash at Bank	25,952	-	-	-					

APPENDIX XII: DETAILED FUND ACCOUNTABILITY STATEMENT ON PROJECT BASIS (Continued)

Description	AWO	AWO International	AWO International	AWO-BMZ	AFARD	Consolidation
	2019 Ushs'000	2019 Ushs'000	2019 Ushs'000	2019 Ushs'000	2019 Ushs'000	2019 Ushs'000
Income						
Opening Balance	-	-	-	27,457	541,034	
Grant Donations	189,740	236,333	-	-	2,911,892	
Interest Income	-	-	-	138	138	
Members contribution	-	-	-	257,086	257,086	
AFARD's contribution	26,590	-	-	-	344,431	
Hall hire	-	-	-	1,650	1,650	
Honorarium From AFC	-	-	-	60,000	60,000	
Income Guest House Yumbe	-	-	-	1,249	1,249	
Income from Office Rent	-	-	-	9,000	9,000	
Asset Disposal	-	-	-	2,320	2,320	
Total Income	216,330	236,333	358,900	4,128,801		
Expenditure						
Program Expenditure	204,786	233,615	269,697	3,637,413		
Administrative costs	-	-	269,697	269,697		
Total Expenditure	204,786	233,615	3,907,110			
Surplus for the year	11,544	2,718	89,203	221,691		
Exchange gain/loss	(6,182)	-	-	(15,251)		
Fund balance for the year	5,362	2,718	89,203	206,440		
Represented By:						
Cash at Bank	5,362	118,074	89,203	691,815		
Advance	-	-	-	29		
Deferred income	-	(115,357)	-	(485,404)		
Total Cash at Bank	5,362	2,718	89,203	206,440		

APPENDIX XIII: PROPERTY AND EQUIPMENT SCHEDULE (SUMMARY OF FIXED ASSET REGISTER)

	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 2019	40,611	384,154	1,311,246	90,455	229,759	90,624	336,328	2,483,177
Additions	-	15,011	33,878	9,650	10,480	10,150	-	79,169
At 31 December 2019	40,611	399,165	1,345,124	100,105	240,239	100,774	336,328	2,562,347
DEPRECIATION								
At 1 January 2018		136,281	892,318	66,391	208,459	66,896	-	1,370,345
Charge for the year	-	23,457	135,369	6,015	7,541	11,718	-	184,099
At 31 December 2019	-	159,738	1,027,687	72,406	216,000	78,614	-	1,554,444
Charge for the year	-	23,457	135,369	5,201	4,821	6,352	-	175,199
At 31 December 2019	-	23,457	135,369	5,201	4,821	6,352	-	175,199
NET BOOK VALUE								
At 31 December 2019	40,611	215,971	182,068	22,498	19,418	15,808	336,328	832,704
At 31 December 2018	40,611	61,540	283,559	18,049	45,646	13,948	434,831	898,183

Fixed assets are expensed upon purchase. The fixed asset register is however maintained for tracking purposes.

Note: The freehold plots of land are not tilted. The ownership of all the land is not in the name of AFARD.

MANAGEMENT LETTER

FOR THE YEAR ENDED 31 December 2019

PRIVATE AND CONFIDENTIAL

The Board of Directors
 Agency for Accelerated Regional Development
 Plot: 3-5 Butiime Road
 P.O Box 80
 Nebbi Municipality, Uganda

Dear Sirs,

MANAGEMENT LETTER FOR THE YEAR ENDED 31 DECEMBER 2019

In accordance with our firm's normal practice, we report to you matters that came to our attention during our audit for the year ended 31 December 2019. The management of the organization is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our audit procedures were designed primarily to enable us to obtain sufficient assurance to express an opinion on the financial position and the results of operations of Agency for Accelerated Regional Development (AFARD). In accordance with the letter of engagement, we performed a statutory audit in accordance with International Standards on Auditing.

Our audit procedures are conducted on a test basis and are designed primarily to support our opinion on the financial statements.

Our audit should not be relied upon to disclose all irregularities although their disclosure, if they exist, may well have resulted from the audit procedures. This report therefore does not include all possible improvements in internal controls which a more extensive special examination may disclose.

We would like to express our appreciation for the courtesy and assistance extended to us by the management and staff of AFARD during the course of our audit.

Yours faithfully,

Charles Oguttu
Partner

Kalamu House, Plot 1B, Kira Road, Kampala, Uganda, P.O. Box 24544
 T: +256 312 305800, E: pkfkam@ug.pkfea.com, www.pkfea.com

Partners: Charles Oguttu*, Frederick Kibbedi *, Alpesh Vadher**, Piyush Shah**, Gurmit Santokh**, Sumesh D'Cruz**, Ketan Shah***, Shilpa Cheda***
 (*Ugandan, ** Kenyan, *** British)

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BACKGROUND

We have set out below issues identified during the course of our normal review work and have not attempted to indicate all possible improvements which a special review might develop.

1.1 CLASSIFICATION

The identified issues have been classified into the following three categories in this management letter.

i. Regulatory Compliance Issues

This relates to instance of non-compliance with the laws and regulatory pronouncements. We did not come across regulatory compliance issues to be brought to management's attention.

ii. Operational Issues

We have included our comments on general operational observations and our recommendations.

iii. Financial Controls Recommendations

We did not come across material financial controls issues to be brought to management's attention.

1.2 RANKING

The issues are normally ranked as high, medium or low using the criteria described below:

High: This indicates an issue we consider high risk and is critical. Management should pay particular attention to this area to ensure that the issue is given high priority to be addressed and resolved.

Medium: This indicates a medium level of risk, where we felt there is some scope of a material misstatement in this area and therefore the responsible manager should review it carefully.

Low: Any issues in this area are regarded as having a low level of risk. Whilst not critical, the responsible manager should be aware of this issue and monitor it to ensure it does not become medium or high risk.

1.3 COLOR CODE FOLLOW UP GUIDE



The matter has not been addressed at all.



The matter has been addressed but not concluded.




The matter has been satisfactorily resolved.

2.0 SUMMARY OF POINTS ARISING FROM CURRENT YEAR'S AUDIT

Ref	Summary of the issues/weaknesses	Ranking (High/Medium/Low)
3.0	OPERATIONAL ISSUES	
3.1	Deficiencies in Information Technology (IT) general controls	Medium
3.2	Ownership of assets	
	a).Land without a title	Medium
	b).Motor vehicle not registered in the organisation's name	Medium


3.0 OPERATIONAL ISSUES

Deficiencies in Information Technology (IT) general controls


Issue/observation	Risk/implication	Recommendation	Management comments	Ranking/Responsibility/Implementations
<p>During the audit and our review of IT controls for AFARD, we noted the following deficiencies;</p> <p>a) There is no IT guideline manual/policy in place.</p> <p>b) There is no service contract between AFARD and IT support Officer who is currently managing IT support related issues.</p> <p>c) The server room is also used as store for archiving files.</p> <p>d) No restricted access to the server room any administration staff can access the room.</p> <p>e) There is no uninterruptible power supply (UPS) but rather converter is in use.</p> <p>f) Backups not regularly tested to ensure that data is being backed up properly.</p>	<p>Information technology helps organizations to rapidly advance towards greater efficiency and performance. Without proper IT controls in place, there is a risk of possible misuse of server and loss of organization information.</p>	<p>We recommend management that;</p> <p>The IT Policy should be in place approved by management, shared with and acknowledged by the staff.</p> <p>There should be a formal agreement with the service provider so that work performed can clearly be defined.</p> <p>There should be designated room/place for the server.</p> <p>The physical access to the server room should be restricted to one administration staff and the IT support Officer.</p>	<p>AFARD IT services is provided at two levels. All web-based (website, internet, and e-mails) are services a Dutch-based company Combell, Amsterdam, the Netherlands. Meanwhile all routine computer services are locally sourced as and when the need arises. In this way, all back-ups are regular (weekly), and safe.</p> <p>As and when funds become available, a, c, and e will be addressed</p>	<p>Ranking:</p>  <p>Individual Responsible:</p> <p>FAM</p> <p>Implementation Date: 2020</p>

Ownership of assets





a) Land without the title

Issue/Observation	Risk/Implication	Recommendation	Management Comments	Ranking/Responsibility/Implementation
<p>During the audit of Fixed Assets, we noted that the following plots of land were not registered in the name of AFARD but there were sales agreements signed;</p> <ol style="list-style-type: none"> 1. Land 3 plots on Butime Road purchased in 2002 at a cost of Ushs 3,551,000. 2. Land 2 Acres in Pajukwi villages purchased in 2009 at a cost of Ushs 1,600,000 3. Land-30X30, 30X15-Parikile Zone-Arunga-YTC purchased in 2011 at a cost of Ushs 16,260,000 and 4. Land 3 plots on Alenyoo Road, Oryang Village purchased in 2012 at a cost of Ushs 19,000,000 <p>In addition, we noted that the cost of all the land is undervalued in the accounts</p>	<p>There is a risk that that the organization may not be able to exercise a full/satisfactory ownership to the lands recorded in the financial statements.</p>	<p>We recommend management to take steps and ensure that all the land transferred to/registered in the name of the organization (AFARD).</p> <p>Furthermore all the land should be revalued.</p> <p>Land values can be estimated by management using recent prices for similar plots of land sold in the area.</p>	<p>Management has initiated the process of titling all these Plots.</p>	<p>Ranking:</p> <p></p> <p>Individual Responsible: FAM</p> <p>Implementation Date: June 2020</p>


b). Motor vehicle not registered in the name of the organization

Issue/Observation	Risk/Implication	Recommendation	Management Comments	Ranking/Responsibility/Implementation
<p>During the audit of Property Plant and Equipment, we noted that motor vehicle UAQ 082E-Toyota Hilux, pick up double cabin which was purchased in 2010 is not registered in the name of the organisation AFARD but rather in the name of an individual (Okecha Michael), the Board Secretary.</p>	<p>This indicates that the organization may not be able to exercise a full and satisfactory title/ownership to motor vehicle recorded in the financial statements.</p>	<p>We recommend management to take steps and ensure the vehicle is transferred to/registered in the name of the organization.</p>	<p>The transfer was delayed by the URA shifts in AFARD accounting period from financial to calendar period in the last two years. This will be effected as soon as URA clears the accounting period before April 2020.</p>	<p>Ranking:</p>  <p>Individual Responsible: FAM</p> <p>Implementation Date: April 2020</p>

6.0 FOLLOW UP OF PRIOR YEAR'S MANAGEMENT LETTER

Ref	Observation	Recommendation	Status of implementation
1	Inadequate insurance cover	We recommend that management review its insurance policy, and have its assets fully insured. Insurance cover should be reviewed and adjusted, if necessary, on a periodic basis (say annually) with the assistance of specialist insurance advisers	 Not Implemented
2	Incomprehensive risk register	We recommend that AFARD financial management develop a more comprehensive risk register as detailed on page 60 Of the finance manual. We recommend that management reviews the requirement for the implementation of an internal audit function based on the current and future expected activities of AFARD. The department would focus initially on areas that are of concern to management and in which there may be lack of control with a view to ensuring that key management objectives and strategies are achieved. The function must be given adequate resources, both financial and operational, and a clear reporting structure should be formalised and documented for reporting the findings to the Board of Directors on which they can base decisions.	 Implemented
3	Lack of an internal audit function		 Not Implemented
	Absence of a human resource function	We recommend that the Board of Directors review the requirement for the implementation of a Human resource function, to enhance and appraise work performance, as well as carry out other Human Resource management tasks.	 Not Implemented

Agency For Accelerated Regional Development (AFARD)
 Audit Report and Fund Accountability Statement for the year ended 31 December 2019

	Insufficient vehicle logbook management	Management should ensure logbooks are appropriately filled in with all the details stipulated in the finance manual, to ensure proper vehicle management.	 Partially Implemented
	Un signed funding agreement between AFARD and MAYEP.	We recommend management to ensure that all agreements are fully signed in order to avoid adverse changes that may arise.	The project ended

5.0 FINDINGS FROM THE FIELD VISIT

We conducted our field visit on 13 February 2020 with the main objective of verifying the physical output of the projects activities undertaken during the year under review. Nebbi District was selected because it is where most project activities were implemented for The Northern Uganda Resilience Initiative (NURI) Project based on our sample.

We verified agriculture products distributed and grown by some groups, visited some beneficiaries and interacted with them to confirm that farm inputs were received and they were also trained.

Below are details of the groups visited and the farm inputs received.

1. Cannyotho Lembe youth group

We had a meeting and interacted with some of the group members, including the group Chairperson, Francis Jakuma. The group is located in Erussi Sub County, and has 30 members, with only 20 active members however the group has been in existence since 2015.

The group mainly undertakes agriculture, with main focus on growing and selling of beans, with support from the NURI project. The group received 35 kilograms of beans which yielded around 200kgs in the year. Through trainings offered by AFARD, the group gained extensive knowledge in farming, with new techniques in farming, such as contour ploughing. Members of the group informed us that they are glad that they can now grow beans on their own, rather than have to buy them.

The group also does Village Saving and Loan Association (VSLA) activities. They receive training on saving as a group. Members in the group contribute money every Sunday to the group's savings.

The photographic impression of the group members and their outputs are as shown below.



Figure 1: Cannyotho Lembe group members with their beans yielded from NURI project.

2. Dikir Ber group

We met and interacted with some members of Diki Ber group, which is located in Anjao Umbanya village, Nebbi Sub County. The group has been in existence since 2013, and consists of 30 members, all of whom are active. They were previously beneficiaries of the now-concluded DAR3 project, before being taken on under the NURI project.

The group mainly undertakes agriculture, in which they grow rice under the NURI project. They also grow and sell vegetables and carry out animal traction. Members of this group produce individually, but do collective marketing for the products. The group is also part of the VSLA training program under the NURI project.

The group members emphasized that they gained new skills in the agricultural trainings conducted such as kitchen gardening, poultry keeping, animal traction, agricultural cost-benefit analysis, pest and disease control, animal traction as opposed to use of hand hoes, as well as financial self-sustenance.

The photographic impression of the group member's farm outputs are as shown below.



Figure 2: Dikir ber group's unprocessed rice (on the left), and processed rice (on the right).

3. Camkwok peri group.

The group is located in Nebbi Sub County. We interacted with some members of the group. The group has been in existence since 2005, and consists of 18 active members.

They were previously beneficiaries of the now-concluded DAR3 project, before being taken on under the NURI project.

The group grow beans, soya beans and also carry out animal traction which was started while they were still under the DAR3 project. From 7kgs of Soya beans provided to by the NURI project, the group was able to harvest 232kgs of Soya.

The group member appreciated AFARD because they have benefited a lot from DAR3 and NURI projects. The benefits include receipt of tarpaulin and trainings which have impacted their households, cohesion and togetherness as a group, food security, bulk marketing, sanitation training, as well as financial improvement.

The photographic impression of the group members and on their demo garden is as shown below.



Figure 3: Camkwok peri group members with some of their produce on the demo garden.

4. Wacir ku Rwoth group

The group is located in Nebbi District, Erussi Sub County. We had a meeting and interacted with some of the group members, including the group chairperson, William. The group has 30 members, all of whom are active and was formed in 2019.

They mainly undertake farming, with main focus on growing and selling of beans, with support from the NURI project. The group received 35 kilograms of beans which have yielded over 200kgs to date. Some of the skills the group received from trainings include broadcasting method of sowing, contour ploughing, use of pesticides, cost-benefit analysis in agribusiness, use of grass fertilizers, as well as use of pesticides.

The photographic impression of the group members and on their demo garden is as shown below.



Figure 4: Wacir ku Rwoth group members on their demo garden.

The main challenges faced by groups include;

- Weather fluctuations
- Lack of tarpaulins to dry their crops such as beans after harvesting.
- Price fluctuations for products on the market.
- Inadequate storage facilities for their produce.
- Pest infestation due to lack of pesticides
- Inadequate transport facilities for produce to the market.
- Long distance to processing facilities for the rice growing groups.

RESPONSIBILITY STATEMENT

This report sets out those matters of audit interest that have come to our attention during the audit. Our audit is not designed to identify all matters that may be relevant to the Organisation and neither this report nor any subsequent reports will be a comprehensive statement of all deficiencies which may exist in internal control or other improvements which may be made.

This report has been prepared for the board of directors, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other party since this report has not been prepared for any other purpose. This report should not be made available in whole or in part to any other party without our prior written consent.

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