

www.tmkug.com



**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT
(AFARD)**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023**



Russell Bedford

taking you further

TMK & CO. is a member of Russel Bedford International. – a global network of independent professional services firms.

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

17 April 2024

The Executive Director,
Agency for Accelerated Regional Development,
Plot 3-5, Butime road,
Nebbi Municipality,
P. O. Box 80,
Nebbi - Uganda

Dear Sirs

**RE: MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

1.0 INTRODUCTION

TMK & CO. were appointed to audit a set of accounts (statement of income and expenditure) and statement of financial position of Agency For Accelerated Regional Development for the financial year ended 31 December 2023 in order to form and express an opinion on the truth and fairness of the accounts and financial statements in accordance with the engagement letter signed 2 February 2024.

1.1 The main objectives were as follows:

- (i) To review the Organizational Financial Statements and issue an audit opinion on those statements whether they comply with GAAPs as stipulated in the financial policy, and
- (ii) Express an opinion whether the financial report is a fair and true representation of the financial affairs of AFARD as at 31 December 2023 in accordance with Uganda Non-Governmental Organisation Act 2016, AFARD financial policies and international accounting standards;

1.2 AUDIT SCOPE

The audit scope was carried out in accordance with international auditing standards and accordingly included a review of the accounting records and other audit procedures as was considered necessary. The audit scope was necessary to ensure that audit objectives were met and focused on the following:

- a) Checked if proper authorization procedures were in place within the organization. Whether at all times, the “four eyes” principle was executed, segregation of duties controls were in place and that there was no conflict of interest;

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

- b) Checked whether proper and prudent procurement procedures were followed for bigger expenses and bigger purchases as stipulated in the financial and procurement policy manuals;
- c) Checked where applicable; that project documentation contained proper signed distribution or attendance lists, were complete and proved the delivery of all reported benefits/output numbers to beneficiaries;
- d) Checked whether obligatory payments to government for payroll taxes and social security have been made according to the applicable local rules;
- e) Checked if expenses were recorded correctly and that all supporting documentation was available;

1.3 AUDIT METHODOLOGY

(i) Justification of Income:

Obtained a fund note ledger and general ledger summarizing the income for the full year and used this to cross check with donor agreements, bank statements and receipts.

Expenditure:

Vouched transactions, i.e., cross checked the daily entries summarized in ledgers against payment vouchers issued on each day. Emphasis was also put on establishing whether documentation and accountabilities attached to each voucher were genuine and agreed with the amount and description on the vouchers. We also ensured that payments through bank reconciled with entries on the bank statements.

(ii) Internal Control System:

The internal control system was reviewed to establish whether sound controls were applied throughout the period. This included among others verification of the various registers; review of authorizing signatures for the various transactions and checking the insurance and security policies in place.

(iii) Procurement:

We reviewed the procurement procedures for goods and services to establish whether generally acceptable procurement procedures were being applied.

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

1.4 PERFORMANCE:

1.4.1. Income

AFARD's income increased from UGX. 9,499,058,000 in 2022 to UGX. 9,611,008,106 in 2023 representing a percentage increase of 1.18%. This was attributed to an increase in the projects implemented during the year 2023.

1.4.2. Expenditure

AFARD's expenditure increased by 3.2% from UGX.9,140,092,000 in 2022 to UGX. 9,428,710,297 in 2023. This was attributed to an increase in the projects implemented during the year 2023.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

ACRONYMS 6

ORGANISATION INFORMATION 8

REPORT OF MANAGEMENT 9

STATEMENT OF MANAGEMENT RESPONSIBILITIES 15

STATEMENT OF INCOME AND EXPENDITURE 20

STATEMENT OF FINANCIAL POSITION.....21

STATEMENT OF CHANGES IN ACCUMULATED RESERVES..... 22

STATEMENT OF CASH FLOWS 23

SIGNIFICANT ACCOUNTING POLICIES..... 24

NOTES TO THE FINANCIAL STATEMENTS..... 26

SCHEDULES TO THE STATEMENT OF INCOME AND EXPENDITURE 30

APPENDIX.....61

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

ACRONYMS

Abbreviation	Meaning
AA	Administrative Assistant
ACREP	Atyak Child Rights to Education Project
AEO	Agricultural Extension Officers
AES	Agriculture Extension Supervisor
AFARD	Agency for Accelerated Regional Development
AFC	Agricultural Finance Company
AIDS	Acquired Immunodeficiency syndrome
ALENU	Action for Livelihood Enhancement in Northern Uganda
BoD	Board of Directors
CBT	Community Based Trainers
CF	Community Fund
CLA	Cluster Level Association
CLTS	Community led total sanitation
CPA	Certified Public Accountant
CPCs	Child Protection Committees
CRACs	Child Rights Advocacy Committees
CSCGs	Climate Smart Champion Group
DLG	District Local Government
DP	Director Programmes
ED	Executive Director
FMS	Farmer Market Schools
GAAPs	Generally Accepted Accounting Principles
GALS	Gender Action Learning System
GBV	Gender Based Violence
GGE	Girls Get Equal
GoU	Government of Uganda
UGX	Uganda Shillings
HIV	Human immunodeficiency virus
IFAC	International Federation of Accountants
ISAs	International Standards on Auditing
JLOS	Justice Law and Order Sector
KNH	Kinder-Not-Hilfe
M&E	Monitoring and Evaluation

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

ACRONYMS Cont'd

Abbreviation	Meaning
NIDP	Nebbi Inclusive Development
NURI	Northern Uganda Resilience Initiative
NSSF	National Social Security Fund
OA	Office Attendant
PMC	Project Management Committee
SHG	Self Help Group
SRHR	Sexual Reproductive and Health Rights
UGX	Ugandan Shillings
UNASO	Uganda National Aids Services Organisation
UNHCR	United Nations High Commissioner for Refugees
UWASNET	Uganda Water & Sanitation NGO Network
ZARDI	Zonal Agricultural Research and Development Institute
VSLA	Village Savings and Loan Associations

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

ORGANISATION INFORMATION

REGISTERED OFFICE AND PRINCIPLE PLACE OF BUSINESS

Agency for Accelerated Regional Development,
Plot 3-5, Butime road,
Nebbi Municipality,
P. O. Box 80,
Nebbi - Uganda

BANKERS

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

LAWYERS

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

AUDITORS

TMK & CO.
Certified Public Accountants
6th Floor, Workers' House
Plot 1, Pilkington Road
P.O Box 72397
Kampala

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

REPORT OF MANAGEMENT

The management present their report together with the audited financial statements for the year ended 31 December 2023, which disclose the state of affairs of AFARD, a Non-Governmental Organization.

Management team

The following persons served as members of the management team during the year and up to the date of this report.

	Name	Position
Board members		
1.	Bishop Sabino Ocani Odoki	Chairperson
2.	Ms. Royce Gloria Androa	Vice Chairperson
3.	Mr. Micheal Okecha	Secretary
4.	Bishop Henry Luke Orombi	Member
5.	Ms. Silvia Angey Ufoyuru	Member
6.	Justice Anglin Flavia Ssenoga	Member
7.	Dr. Sam Orach	Member
Management		
1.	Dr. Alfred Lakwo	Executive Director
2.	Ms. Florence Candiru	Director Finance and Administration
3.	Mr. Robert Bakyalire	Director of Programmes
4.	Vuni Julie Flavia	Yumbe Team Leader

Background

AFARD is a local professional, not for profit non-governmental development agency currently operating in Nebbi Arua, Yumbe, Koboko, Pakwach, Moyo, Adjumani, Madi Okollo, Terego 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 & Sanitation NGO Network (UWASNET), Uganda National Aids Services Organisation (UNASO), District NGO Forum in Nebbi, Yumbe & Moyo District & Nebbi Aids Services Organisation Network (NASON).

Vision

A Prosperous, Healthy and Informed people of West Nile.

Mission

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

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.

Organization 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 avail its expertise by way of consultancy to other development stakeholders interested in obtaining current, detailed, reliable and authoritative information about the region;

Organization 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 grass roots communities informs appropriate 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 regard less of the actors involved, development is a human right and must be promoted equitably to the needs of the voiceless marginalised people;

Thematic Focus

AFARD has a 6-year Strategic Plan 2020 - 2025 that aims to reduce hunger and extreme poverty in 20,000 peaceful families with 138,500 people (70% nationals and 30% refugees; 60% females, 25% youth, and 15% men) for inclusive and resilient livelihoods. For social inclusiveness, AFARD primarily targets children, youth, women, persons living with disabilities and HIV/AIDS. To achieve this goal, AFARD is pursuing six strategic pillars, namely:

Pillar 1: Nutrition-sensitive agriculture; This is to ensure production of diversified food, consumption of diversified foods in hygienic homes and improve vegetation cover and use. To address the high food and nutrition insecurity in the region, AFARD uses climate smart and nutrition-sensitive agriculture practices and community led total sanitation (CLTS) approach.

Pillar 2: Inclusive Market Participation; This pillar aims to increased productivity and market access, address youth self-employment in decent jobs and ensure livelihood diversification. To increase family income and net worth, AFARD promotes market-led income diversification strategies through climate smart agribusiness and youth skilling.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Pillar 3: Voice and accountability: Here in, citizen participation in local governance and local government accountability will be addressed. Under this pillar, AFARD addresses the low participation of children, youth and women in the affairs of their local governance as well as the abuse meted therefrom.

Pillar 4: Organizational Development; This focuses on a) system and structure improvement, b) staff capacity building, c) financial sustainability development and d) piloting new innovations. To ensure that AFARD is organizationally fit for purpose, investments are made in strengthening the organizational and institutional capacity in areas of Board oversight functions and technical team management competency, as well as capital investments (logistics, software, office space, etc.).

Funding for the year ended 31 December 2023

The projects implemented by AFARD during the year ended 31 December 2023 were funded using internally generated funds and funding from donors including: Kinder-Not-Hilfe (KNH), Sall Family Foundation, Horizont3000, Plan International Uganda, Caritas Switzerland, Northumbria university, Inclusion, AFC, AWO International and Agriculture Finance Company, International Rescue Committee Inc., Royal Danish Embassy

Key achievements for the Year 2023

Under the Climate Action Model Village Project, 20 Food Forests were established (5 at schools and 15 at the 10 villages) with a total acreage of 32.5; 8.5 in Alwi communities, and 5 in schools whereas 16 in Nyaravur communities and 3 in schools, 45 acres of demonstration gardens established in the 15 Climate smart champion groups.

ACREP project strengthened the structures including Child Protection Committees (CPCs) and Child Rights Advocacy Committees (CRACs) in areas of case management, parenting skills and referral pathways. There is collaboration of CPCs and CRACs together with LCI, II and III offices, parents and police are collectively managing cases of child abuse. There is positive behavioural change in the communities. The project worked together with different duty bearers including Plan International, Police, USAID, LWF, Atyak sub-county, and the district to enhance partnership and shared ownership of roles and responsibilities in child safeguarding. Collaboration was built with Justice Law and Order Sector (JLOS) to ensure that cases of child abuse were legally addressed for justice to prevail.

Action for Livelihood Enhancement in Northern Uganda Project, increased production of diversified food crops, increased adoption of animal products, increased access & adoption to drought, pest & disease tolerant crop varieties of nutritious value, 5,000 members (100%) were trained in business management.

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

Farmer-managed Market Information System Project; Capacity Development: The project trained smallholder farmers and AFARD staff on digital marketing technology. This has improved both the knowledge and attitude toward digital marketing.

The collaboration, learning and sharing events created a good forum for interaction and learning across the partners implementing the digitalization projects. Action points for implementation were also agreed on.

Migration Project conducted a 7 days training on financial management and audit for the Cooperative Executive Leaders. This enabled them to have controlled and systematic handling of cooperative finances. Specifically, the trainings equipped the executive committee with knowledge on how to monitor and control the movement of money within the cooperative, enabled the management team keep, correct and update financial records and provide guidance on daily audit of the business accounts for proper accountability to the members, The project procured and distributed 450 birds to 150 households and 250 tarpaulins for 250 cooperative members. Besides farming, the project supported its beneficiary households with poultry, and Veterinary services through para - vets trained to take up the role of vaccinating the birds to reduce death rates. In phase III, the project sought to revisit the skills of the 40 old para- vets on areas of poultry management and programmed hatching so that they continue with their roles.

Under Nature Based Project 7000 tree establishment with the technical guidance of the District Forest Officer and Abi Zonal Agricultural Research and Development Institute (ZARDI), tree species recommended to be planted for eco-friendly apiary production as well their ease of climatic adaptation to the area were Neem, Shea butter, Eucalyptus, Musizi, Calliandra, mango/orange.

Inclusion project held a yearly review date where a one-day meeting was held to review the project and add more beneficiaries to the project (23 (10 females) new participants, agreeing on the Community Fund (CF) percentage which remained at 10%.

All the beneficiaries received LIFE direct to mobile phones and those below 16 years received their LIFE through the female caretakers.

Northern Uganda Resilience Initiative (NURI) conducted trainings on linkages of VSLA groups to formal financial institutions by the VSLA Officers. It aimed at providing safety to group funds and as a result, 60/60 VSLA farmer group comprising of 1,399 members (850 females) was sensitized on financial linkages. It participated in Household tree growing

PAMANA project improved communication and there has been a platform for stakeholders, project teams, and relevant authorities to come together and exchange information. Regular communication and coordination meetings ensured that everyone involved in the project was updated on progress, challenges, and decisions. This improves overall communication flow, reduces information gaps, and fosters a shared understanding among stakeholders. Through Coordination, the project was supported with 9,140 free fruit tree seedlings by DCA/UNHCR which were distributed to beneficiaries of PAMANA in Yumbe. There was also engagement with MTN to effect the cash support disbursements through mobile money.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Panyango Community Development achieved training of the SHGs on business skill, good agronomic practices, nutrition and kitchen gardening enabled them to diversify their businesses, improve on their dietary intake, own assets and have voice at household level. Thus, making them in position to meet the basic needs of their family.

Caritas-PSGP project: Child Protection was achieved. The risk of children's moving to the street was envisaged to be decreased through improved awareness on child protection and rights and strengthening related support mechanisms and participants received training on livelihood and resilience to ensure sustainability even after program exit. This is seen through most participant households having diversified income sources to sustain their households.

RELIP Project: South Sudanese refugees and host communities in Yumbe district have improved incomes, are food secure and peacefully co-exist, Farmer / VSLA Group members were trained on gender equality and family planning.

SURE Project: The project completed the procurement and distribution of climate resilient agro-inputs to farmer group members. a total of 30/30 non-residential training sessions were delivered to the 10 farmer groups at their group sites by the Sub County Agric Officers, AFARD staff with support from Zombo District Team leader and the Project Officer.

Youth Agri Skilling for Decent Employment (YADE): The Project achieved monitoring of group demonstration gardens of 11 horticultural groups and yield data collection. Monitoring of animal health and their traction business. VSLA monitoring continued by the POs to ensure the groups progress to the third cycle and training in business mentoring and coaching, and entrepreneurship.

International Rescue Committee Project: Three AFARD staff were trained on protection mainstreaming and familiarization tours and courtesy calls were made to zone 3 and 4 where the team met the RWC3s, OPM, and Sub-County Officials to discuss land access. OPM and the Sub-counties already identified land lords who are willing to offer land for the clients. The team will start measuring the land sizes by GPS from the 15th of January, 2024. It is intended that the groups will be formed closer to the land available to curb walking long distances to the land, especially for the host community.

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

RESULTS

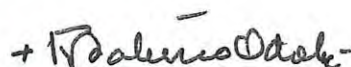
The results for the year are set out on page 20.

AUDITORS

TMK & CO. Certified Public Accountants were appointed on 2 February 2024 and continue in office in accordance with the Non-Governmental Organizations Act, 2016.



Dr. Alfred Lakwo
Executive Director



Rt. Rev. Dr. Sabino Ocani Odoki
Board Chairperson

17th April

..... 2024

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the organisation as at the end of the financial year and of the results of its operations for the year then ended. In preparing those financial statements management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in operation.

The organisation's management is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the financial statements comply with AFARD's financial policies and international accounting standards.

It is also responsible for safeguarding the assets of the organisation and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The organisation's management accepts responsibility for the annual financial statements set out on pages 20 to 23 which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments, and estimates, in conformity with AFARD's financial policies and international accounting standards.

The organisation's management is of the opinion that the accounts give a true and fair view of the state of financial affairs of AFARD and of its operating results. The organisation's management further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of accounts, as well as adequate systems of internal control.

Nothing has come to the attention of the organisation's management to indicate that AFARD will not remain in operation for at least twelve months from the date of this statement.

Approved by the organisation's management on.....17/04/2024.....and signed on its behalf by:

.....
Dr. Alfred Lakwo
Executive Director

+ 
.....
Rt. Rev. Dr. Sabino Ocani Odoki
Board Chairperson



TMK & CO.

Certified Public Accountants

REPORT OF INDEPENDENT AUDITORS TO THE BOARD OF DIRECTORS OF AFARD

Opinion

We have audited the financial statements of AFARD, set out on pages 20 to 23. These statements comprise of the statement of income and expenditure, the statement of financial position, statement of changes in accumulated reserves as at 31 December 2023, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of AFARD as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with AFARD's accounting policies and procedures set out on pages 24 to 29.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants (IFAC Code) and other independence requirements applicable to performing audits of AFARD. We have fulfilled our other ethical responsibilities in accordance with the IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of AFARD. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the period 01 January 2023 to 31 December 2023. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.

There were no key audit matters.

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

Other Information

Management is responsible for the other information. The other information comprises information contained in the report of management. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 the Management for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with AFARD's accounting policies and procedures, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to enable us assess the adequacy and effectiveness of the entity's internal control system.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by AFARD.
- 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 organization to cease to continue as a going concern.
- 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 the management 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

Restriction on distribution and use of this report

This is a special purpose and confidential report for use by AFARD. The financial statements have been prepared to provide information to AFARD on the use of donor funds disbursed by donors to AFARD. As a result, the special purpose financial statements may not be suitable for another purpose.

The engagement partner on the audit resulting in this independent auditor's report is **P0050 Tom Mpagi**.

TMK & CO.

TMK & CO. Certified Public
Accountants 6th Floor, Workers
House, Plot 1 Pilkington Road,
Kampala, Uganda.

Ref: TMK/AFARD/011/24

Date: 5/3/2024

[Signature]

Tom Mpagi - Audit Partner



AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

STATEMENT OF INCOME AND EXPENDITURE

Revenue	NOTES	2023	2022
		UGX '000	UGX '000
Fund balance as at 1 January		-	472,235
Grants	1	8,796,934	8,403,563
Other Income	2	717,648	608,907
Foreign exchange gain		<u>96,426</u>	<u>14,354</u>
		<u>9,611,008</u>	<u>9,499,059</u>
Expenditure			
Program costs	3	8,658,883	8,486,574
Administration Costs	4	707,612	653,518
Foreign Exchange Loss		<u>62,216</u>	<u>-</u>
		<u>9,428,710</u>	<u>9,140,092</u>
Fund Balance as at 31 December		<u>182,298</u>	<u>358,967</u>

The significant accounting policies and notes to the financial statements on pages 24 to 29 form an integral part of these financial statements.

Report of independent auditors is set out on pages 16 to 19.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

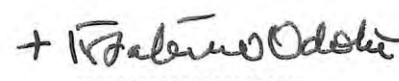
STATEMENT OF FINANCIAL POSITION

ASSETS	NOTES	2023 UGX '000	2022 UGX '000
Current Assets			
Cash and cash equivalents	5	<u>1,447,011</u>	<u>1,169,720</u>
Total Assets		<u>1,447,011</u>	<u>1,169,720</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Trade payables	6	56,173	96,646
Deferred income	7	849,574	714,107
EQUITY			
Reserves		<u>541,264</u>	<u>358,967</u>
Total Equity and Liability		<u>1,447,011</u>	<u>1,169,720</u>

The financial statements set out on pages 20 to 23 were approved by management on.....^{17th} April.....2024 and signed on its behalf by:

.....

 Executive Director

+ 

 Board Chairperson

The significant accounting policies and notes to the financial statements on pages 24 to 29 form an integral part of these financial statements.
 Report of independent auditors is set out on pages 16 to 19.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

STATEMENT OF CHANGES IN ACCUMULATED RESERVES

	2023	2022
	UGX '000	UGX '000
Balance at the start of the year	358,967	472,235
Add: fund balance for the period	182,298	358,967
Prior year adjustment in Fund balance	<u>(1)</u>	<u>(472,235)</u>
At end of year	<u>541,264</u>	<u>358,967</u>

The prior year adjustment was the fund balance recognized as income in the financial year 2022 which is contrary to IAS 1 Requirements.

The significant accounting policies and notes to the financial statements on pages 24 to 29 form an integral part of these financial statements.
 Report of independent auditors is set out on pages 16 to 19.

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

STATEMENT OF CASH FLOWS

	2023	2022
	UGX '000	UGX '000
Cash Flows from Operating Activities		
Balance for the period	182,298	358,966
Prior year adjustment	(1)	(472,235)
Depreciation	<u>-</u>	<u>-</u>
Cash Flows Before Changes in Working Capital	182,297	(113,269)
Changes in Working Capital:		
(Decrease)/Increase in payables	(40,473)	78,109
Deferred Income	<u>135,467</u>	<u>359,233</u>
Net Cash Generated From Operating Activities	94,994	437,342
Net increase in cash and cash Equivalent	277,291	324,073
Cash and Cash Equivalents - 1 January	<u>1,169,720</u>	<u>845,647</u>
Cash and Cash Equivalents - 31 December 2023	1,447,011	1,169,720
Represented by,		
Cash at Bank and in Hand	<u>1,447,011</u>	<u>1,169,720</u>

The significant accounting policies and notes to the financial statements on pages 24 to 29 form an integral part of these financial statements.

Report of independent auditors is set out on pages 16 to 19.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below.

(i) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Enterprises (IFRS for SMEs) and as adopted by the Institute of Certified Public Accountants of Uganda (ICPAU), as modified for cash basis of accounting for grant income.

(ii) Foreign currency translation

The management consider the Uganda shilling as the currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the balance sheet date.

(iii) Revenues

Grant income is recognized when money is received into the bank accounts.

(iv) Expenditures

This represents costs directly attributed to programmes and other activities.

(v) Employee benefits

AFARD staff contribute to the National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Fund Act, Cap 222. The organisation's obligation under the scheme is limited to specific contributions legislated from time to time and is currently 10% of the employees' gross salary.

(vi) Property, plant and equipment

Property, plant and equipment is expensed in full in the year of purchase. The organisation however maintains a fixed asset register

(vii) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank.

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

(viii) Accounts Payable

Payables consist of all operating accruals which are of short duration with no stated interest rate. Payables are recognized at the transaction price (including transaction costs).

(ix) Presentation Currency

The financial statements are presented in Uganda shillings.

(x) Events after the Reporting Date

There were no adjusting events after the date of these financial statements.

(xi) Deferred Income

This relates to project funds received by the organization but have not been expended as at the year end.

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

NOTES TO THE FINANCIAL STATEMENTS

1. Income

	2023	2022
	UGX	UGX
Action for Livelihood Enhancement in Northern Uganda (ALENU)	261,672	993,977
Northern Uganda Resilience Initiative (NURI) Project	1,416,732	1,513,480
West Nile Agriculture Improvement and Conservation (WENAGIC) Project	714,108	343,941
Panyango Community Development Project	128,786	223,565
Girls Get Equal (GGE) Project	520,256	509,127
AFARD Migration Project	356,734	249,938
AFARD Grand Project	499,289	453,049
Atyak Child Rights to Education Project (ACREP)	89,825	269,498
Strengthening Resilient Livelihoods Project (RELIP)	343,633	260,752
Nebbi Inclusive Development Project (NIDP)	301,097	290,001
AFARD Yade Project	128,817	356,687
AFARD AFC	1,000,204	1,338,029
AFARD Pamana Project	607,936	883,147
AFARD CAM Project	1,639,044	718,370
AFARD Sure Project	428,838	-
AFARD Thrive Digitalisation Project (FAMIS)	169,898	-
AFARD IRC Project	190,065	-
	<u>8,796,934</u>	<u>8,403,563</u>

2. Other Income

	UGX	UGX
Members contribution	698,124	596,168
Bid fees	11,600	10,161
Interest	28	2,577
Rental Income	7,896	-
	<u>717,648</u>	<u>608,907</u>

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

3. Programme costs (Continued)

	2023	2022
	UGX	UGX
Panyango Community Development Project	151,143	247,768
West Nile Agriculture Improvement and Conservation (WENAGIC) Project	694,206	344,557
AFARD Decentralization-Nothumbria University	-	1,209
Northern Uganda Resilience Initiative (NURI) Project	1,367,409	1,512,957
Atyak Child Rights to Education Project (ACREP)	151,039	258,813
AFARD Migration Project	325,615	262,352
Action for Livelihood Enhancement in Northern Uganda (ALENU)	262,057	994,085
Nebbi Inclusive Development Project (NIDP)	284,162	291,982
AFARD AFC	995,830	1,347,687
Girls Get Equal (GGE) Project	525,036	507,451
AFARD Sure Project	411,882	111
Strengthening Resilient Livelihoods Project (RELIP)	333,069	327,183
AFARD GRAND Project	503,568	552,565
AFARD YADE Project	144,842	373,069
AFARD PAMANA Project	562,930	843,700
AFARD CAM Project	1,676,710	621,084
AFARD THRIVE DIGITALIZATION PROJECT(FAMIS)	147,873	-
AFARD IRC PROJECT	<u>121,512</u>	<u>-</u>
	<u>8,658,883</u>	<u>8,486,574</u>

4. Administrative costs

	2023	2022
	UGX	UGX
Governance	-	42,060
Personnel cost	168,731	99,333
Other staff costs	22,787	22,079
Capital costs	266,929	89,123
Office supplies	9,856	10,258
Other costs	60,316	239,628
Aplos Accounting Software/Computer Soft ware	17,384	16,336
Visibility	5,250	3,811
Resource Mobilization	31,235	43,173
Advances		6,000

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

4. Administrative costs (Continued)

	2023	2022
	UGX	UGX
Refund	-	13,000
Consultancy	125,123	65,043
Third Party Insurance	-	243
Comprehensive Insurance	-	1,251
Training, Research, Documentation & Awareness	-	2,180
	<u>707,612</u>	<u>653,518</u>

5. Cash and Bank

	2023	2022
	UGX	UGX
AFARD Operational Account	31	21,543
AFARD Personnel Cost	15,754	74,414
AFARD Medical Insurance	124,034	99,912
AFARD NURI	50,689	1,365
AFARD WENAGIC - UGX	856,530	714,133
Panyango Community Project	39	22,348
AFARD ADA Refugee Project	31,129	11
AFARD Community Wide Project	66,060	-
AFARD BMZ Account	10,571	6
AFARD WENAGIC - USD	1	-
Erusii/Ndhew Community Development Account - EURO	134	182
AFARD AFC	11,886	4,106
AFARD ACREP	169	61,383
AFARD GGE	4,933	9,713
AFARD ALENU	-	206
AFARD NORTHUMBRIA	-	-
AFARD Grand Project - EURO	170	160
AFARD SURE Project - EURO	157	49
AFARD DINU/ALENU - EURO	-	179
AFARD GRAND Project	10	4,299
AFARD YADE Project	5	16,030
FAMIS	22,025	-
AFARD SURE Project - UGX	16,848	-
Nebbi Inclusive Development Project	19,798	2,864
AFARD CAM Project	59,620	97,286

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

5. Cash and Bank (Continued)

	2023	2022
	UGX	UGX
AFARD PAMANA Project	87,668	1,926
AFARD PAMANA Project-EURO	194.65	37,604
AFARD IRC PROJECT	68,396.34	-
AFARD IRC PROJECT(USD)	<u>157.15</u>	<u>-</u>
	<u>1,447,011</u>	<u>1,169,720</u>

6. Creditors

	2023	2022
	UGX	UGX
Afard Personnel cost	28,427	
Kiri Cooperative	4,500	
FFSF	1,800	
NWSC	182	
Rock Global Oils (U) Ltd	13,008	7,292
Maneno Mingi Enterprises	1,155	-
Jakisa ICT Consultancies	4,242	-
Security Group Uganda Limited	2135	-
Cedar Net	520	-
Abuna Stationery Solution Ltd	204	-
Shida Nakazi armers Zombo	-	2,670
Jabara Agricultural & Vocational Institute-Koboko	-	18,449
West Nile Holdings Ltd	-	500
Afard Operational account	-	11,607
Aijuka Joshua	-	16,962
PDCC	<u>-</u>	<u>39,165</u>
	<u>56,173</u>	<u>96,646</u>

7. Deferred Income

AFARD WENAGIC ACCOUNT - USD	<u>849,574</u>	<u>714,107</u>
-----------------------------	-----------------------	-----------------------

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

SCHEDULES TO THE STATEMENT OF INCOME AND EXPENDITURE

AFC Project

Funder: AFC Agriculture & Finance Consultants GmbH

Project duration: 2019- 2023

Project Objective: To strengthen Local authorities in delivering government services to all people in the refugee hosting Districts of Arua, Terego, Moyo, Adjumani, and Madi Okollo and to enable greater resilience, self-reliance among both refugees and host communities by creating economic opportunities.

Fund Accountability Statement for the Period ended 31 December 2023

	Budget 2023 UGX '000	Actual 2023 UGX '000
Income		
Disbursements	<u>975,850</u>	<u>1,000,204</u>
Total Income	<u>975,850</u>	<u>1,000,204</u>
<u>Expenditure</u>		
<u>AGRICULTURE & FINANCE CONSULTANTS</u>		
Personnel costs	825,882	853,037
Medical Insurance	58,653	54,364
Other Running costs	<u>91,315</u>	<u>88,429</u>
Total Expenditure	<u>975,850</u>	<u>995,830</u>
Surplus	-	4,374

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Climate Action Model (CAM)Village Project

Funder: BENG0 /AWO International

Project Duration: 2022- 2026

Project objective: Communities in Nebbi and Pakwach Districts are resilient to climate change, Health and Economic shocks

Fund Accountability Statement for the Period ended 31 December 2023

	Budget 2023 UGX '000	Actual 2023 UGX '000
Grants and Donations	1,705,518	1,639,044
Total Income	1,705,518	1,639,044
<u>Expense</u>		
Provide One off start-up agro inputs	551,913	567,089
Provide Oxen, Ox ploughs, Ox carts and train in animal traction technology	133,800	140,876
Provide Health Related and Demo Kits	17,000	17,938
Provide fruit, firewood, medicine and timber tree seedlings	35,062	35,063
A-1.1 Form, register and strengthen 15 CSCGs and develop village bye-laws	3,337	1,569
A-1.2: Select, train and equip Lead Farmers (crop) and poultry paravets as agroecology champions	60,637	60,928
Train oxen handlers in Animal traction technology and provide oxen, ox-ploughs, ox-carts	186,832	193,311
A-1.5: Train CSCG members in climate smart agriculture and digital weather forecasting	6,037	5,655
A-2.1: Train Lead Farmers, Paravets and VSLA Mentors in GALS Methodology	78,520	71,646
A-2.3: Train in collective marketing and conduct Agriculture Business Farmers Clinics	7,237	7,821
A-2.4: Train VSLA Mentors in VSLA methodology, IGA-SPM and financial literacy and provide VSLA Kits	4,500	4,319
A-2.5: Set-up, equip and strengthen a producer Coop(See budget line 1.9)	27,270	28,689
Conduct sanitation, hygiene, COVID-19 and nutrition awareness and education in CSCGs and schools	51,554	46,755
Conduct SRHR and gender equality awareness	1,575	1,475
Conduct family planning awareness	3,825	2,525

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

Climate Action Model (CAM) Village Project Cont'd

	UGX '000	UGX '000
Conduct health outreaches to schools and CSCGs members	10,350	8,244
Raising awareness for the importance of environmental protection	60,897	30,641
Set up community food forest	10,026	7,950
Radio talk shows	5,800	5,250
Video documentation as KML product	3,000	3,000
AFARD Staff training on M&E	42,894	39,677
Office Costs	50,767	48,481
Baseline study and End-line study	35,552	42,665
Boar Annual Visit	2,790	3,528
Local Government Visit/closeout	7,160	3,416
Monitoring Visits	1,600	1,945
Train in Energy Saving Stove Technology (Train trainers in ESS)	60,404	55,572
Visibility General visibility costs in project context	7,344	2,600
Micro climate change Adaptation and mitigation	20,212	20,462
Staff Expenditure	217,620	217,620
Total Expenditure	<u>1,705,518</u>	<u>1,676,710</u>
Deficit	-	(37,666)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Girls Get Equal (GGE)

Funder: Plan International Uganda

Project duration: 2020- 2024

Project Objective: To reduce incidents of Child early and forced marriage in 100 communities in the 4 districts of (Adjumani, Pakwach, Nebbi and Zombo) in the Western Nile region.

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget	Actual
	2023	2023
	UGX '000	UGX '000
Grants and Donations	520,231	520,256
Total Project Income	520,231	520,256
<u>Expense</u>		
Salaries	172,280	172,128
Formation of 100 VSLA groups and training in VSLA methodology	57,789	59,010
AFARD Operating cost per annum	21,792	24,397
Place 500 youth on apprenticeship training	46,232	46,266
IGA Investment start capital for 100 vulnerable groups	115,579	115,000
Develop artisan based curriculum for training	8,986	8,986
Orient 3000 artisan trainees on DIT assessment guidelines	4,493	4,180
500 youth trained on vocational skills	46,232	48,080
Startup kits for 500 youth in Vocational skills entrepreneurship	22,461	22,696
Startup kits for 500 youth in agriculture entrepreneurship	22,461	22,504
M&E AFARD	1,926	1,789
Total Expenditure	520,231	525,036
Deficit		(4,780)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Administration: Medical Insurance Account

Funder: Projects

Project Duration: Open

Project objective: To meet administration and Staff Insurance costs

Fund Accountability Statement for the Period ended 31 December 2023

<u>Income</u>	Budget 2023 UGX '000	Actual 2023 UGX '000
Members' Contributions	28,606	156,285
Total Income	28,606	156,285
<u>Expense</u>		
Health Insurance	95,000	99,183
Workmans compensation	75,000	27,002
Comprehensive insurance for Assets	69,500	5,633
Other Staff costs	28,259	-
Bank charges	2,183	344
Total Expenditure	269,945	132,162
Surplus		24,123

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Project objective: To meet Staff personnel costs

Funder: Projects

Project Duration: Open

Fund Accountability Statement for the Period ended 31 December 2023

Income	2023	2023
	UGX '000	UGX '000
Members Contribution	244,006	135,019
	<u>244,006</u>	<u>135,019</u>
<u>Expense</u>		
Salary	47,000	36,912
Consultancy	146,000	106,500
Bank charges	1,006	267
Purchase of Motor vehicle	50,000	50,000
Total Expenditure	<u>244,006</u>	<u>193,679</u>
Deficit		(58,660)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Panyango community development project

Funder: Kinder Not Hilfe (KNH)

Project Duration: 2019-2025

Project objective: To empower women to support themselves and their families.

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget 2,023 UGX '000	Actual 2,023 UGX '000
Grants and Donations	237,121	128,786
Total Income	237,121	128,786
<u>Expense</u>		
Hold SHG days	2,378	-
Conduct monthly Community Facilitators meeting	88	88
Conduct Qtly CLA Meetings	86	150
Conduct bi-annual self-monitoring and assessment for SHGs and CLAs	126	100
Hold education counseling and Guidance days	566	152
Conduct Community outside Radio Broadcasting	2,488	2,080
Celebrate 6 Days of African Child	3,098	3,388
Train youth in CBT Skills	10,277	18,149
Staffing	12,000	5,850
Conduct Management meetings	400	750
Assets	199	-
Conduct PMC Meetings	2,566	2,212
Hold 6 annual project performance review meetings	1,879	199
Support Board visits and meetings	2,550	-
Conduct 6 financial audits	10,000	5,000
Routinely monitor the sponsored children	158	268
Annual letter writing by children	2,716	3,118
Process X-mas cards and organize X-mas party	3,253	-
Repairs and Maintenance	1,050	3,781
Annual Data Collection	800	1,000
Basic Salary	110,894	65,734
Leave Allowance	14,284	7,071
N.S.S.F 10%	9,617	4,564
Medical Insurance	7,694	7,694

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Panyango community development project Cont'd

	UGX '000	UGX '000
Provident Fund 15%	14,426	-
Workman's Compensation	2,885	2,885
Running Cost	15,412	14,270
Stationaries	1,085	500
Welfare	3,276	2,140
Hospitality for Visitors	870	-
Total Expenditure	<u>237,121</u>	<u>151,143</u>
Deficit	<u>-</u>	<u>(22,357)</u>

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Project:	IRC BPRM
Funder:	IRC
Project duration:	2023-2024
Project Objective:	“Refugee and host community livelihoods and climate resilience are improved through coping initiatives to transition from aid to stability and self-reliance through food and income security”

Fund Accountability Statement for the Period ended 31 December 2023

	Budget 2023 UGX ‘000	Actual 2023 UGX ‘000
<u>Income</u>		
AFARD IRC Project	190,793	190,065
Total Income	190,793	190,065
<u>Expense</u>		
Local Staff		
Project Officer-100%	13,140	6,751
Yumbe Team Leader-30%	3,942	3,942
Director Programs-25%	6,789	6,307
Director Finance & Administration-25%	6,789	6,307
Accountant-35%	3,942	4,336
Administration Assistant-50%	1,752	1,577
Watchmen-25%	832	749
Executive Director-15%	9,000	8,100
National Social Security Fund (NSSF)-10%	4,619	4,230
Medical insurance-Annual contribution for Staff	8,870	-
Travel for coordination and consortium meetings	1,100	1,200
Travel facilitation for quarterly visits to groups by Management	1,467	170
Motor Cycles with Riding Gears	35,624	35,200
Lap tops with Bags	15,000	15,221
Digital Camera	7,300	7,300
Desks and Chairs	4,125	4,122

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

IRC BPRM Cont'd

	UGX '000	UGX '000
Filling Cabinets	1,500	1,500
Office Supplies	6,570	-
Pull ups	1,007	
T-shirts and caps	7,300	
Project brief	300	
Form, register & strengthen farmers groups -Train in group dynamics	9,367	5,520
Procure IEC materials for climate change adaptation & develop training Manuals.	16,060	-
Promote saving culture, train members with VSLA methodology & financial literacy.	10,038	4,600
Training of trainers for staff (VSLA on Business Development on small Y-G activities)	2,834	-
Contribution to Office maintenance-25%	383	300
Contribution to Utilities-25%	1,040	485
Bank charges-100%	548	200
Communication-100%	821	240
Stationeries-25%	319	880
Equipment Insurance-25%	1,825	-
Vehicle Fuel-25%	796	650
Vehicle Maintenance-25%	2,389	-
Motor Cycle maintenance & repairs-100%	1,195	-
Fuel for generator	567	-
Recruitment	1,643	1,625
Total Expenditure	190,793	121,512
Surplus	-	68,553

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Graduation Project

Funder: Caritas Switzerland

Project Duration: 2020-2023

Project objective: Extremely poor refugee and host community households in West Nile, Uganda have built resilience and reduced the risk of children living and working in the streets.

Funder: Caritas Switzerland

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget 2,023 UGX '000	Actual 2,023 UGX '000
Grants and Donation	571,757	499,289
Total Income	571,757	499,289
<u>Expense</u>		
Salaries	171,122	168,535
Travel Cost	46,443	40,109
Vehicle	2,202	5,347
Office Expenses	5,370	9,154
Other Costs	3,174	2,490
Equipment	9,230	8,100
Develop IEC Materials on children's rights and GBV	3,004	2,850
Support child paralegals to create community awareness for children and duty bearers	5,740	5,685
Enrolled participants take part in health, nutrition and WASH training	24,799	26,872
Enrolled participants complete entre and livelihood training	11,304	11,084
Participants receive productive asset transfers	3,375	3,358
Participants form community based saving groups and complete training on financial literacy	187	-
Refresher Training on CP for Paralegals and Staffs	5,401	4,900
Conditional Cash Grants for basic needs and school	253,169	191,616
Monitoring support for school grant (incentives to the 20 VSLA Mentors)	14,385	12,400
Link child paralegals to support agencies and service	2,877	1,300
End line Survey (Data collection)	9,975	9,768
Total Expenditure	571,757	503,568
Deficit	-	(4,279)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Atyak Child Rights To Education Project (ACREP)

Funder: Kinder Not Hilfe (KNH)

Project Duration: 2020-2023

Project objective: To increase enrolment and retention of children in schools with 30% more girls and 20% more boys in Atyak Subcounty, Zombo district by 2023

Fund Accountability Statement for the Period Ended December 31, 2023

Income	Budget 2023 UGX '000	Actual 2023 UGX '000
Grant Income	144,717	89,825
Total Income	144,717	89,825
<u>Expense</u>		
<u>Atyak Expenses</u>		
3.1.5 Hold training on re-usable pads for girls	4,571	4,694
Conduct community dialogue meeting	2,720	2,585
Disseminate local by-laws	1,686	1,836
Hold Child Rights Advocate committee's (CRACs) quarterly meeting	918	828
Support CRAGS without door & indoor games	8,220	7,700
Support development of information Communication	1,056	600
Train CPCs on case management	250	-
Conduct quarterly meeting with CPCs	-	702
Hold CRACs quarterly review meeting	-	1,053
Support CRACs with outdoor and indoor games	7,020	7,350
Train girls on making reuse sable pads	4,831	5,083
Form and strengthen debate clubs	4,034	3,704
Support development of information, education, and communication materials	3,556	1,780
sensitizing children & school management team on CP initiatives	648	1,070
Conduct quarterly review meeting with school management	3,560	3,300
Support schools to integrate feeding programs	219	100

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Atyak Child Rights To Education Project (ACREP) Cont'd

	UGX '000	UGX '000
Support schools in establishing Kitchen gardens	11,786	11,340
Staffing	2,000	7,600
Conduct Management Meeting on how to minimize corporal punishments	2,219	-
Conduct PMC Meeting	1,812	3,428
Evaluation	5,874	-
Support board visit and meetings	-	300
Train CRACs on roles and responsibilities	1,131	100
Hold drama competition shows	2,271	2,260
Personnel (Basic salary)	40,800	40,835
Leave allowance	3,060	3,060
N.S.S.F 10%	4,080	4,045
Medical Insurance	3,264	3,264
Provident Fund	6,120	6,120
Workman's Compensation	612	612
Running Costs and Administration costs	8,110	16,145
Stationery	1,220	1,375
Welfare	1,644	1,810
Hospitality	1,145	1,145
Repairs and Maintenance	1,500	2,435
Fuel KNH	2,780	2,780
Total Expenditure	144,717	151,039
Deficit	-	(61,214)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

SURE 11 Project

Funder: Manos Unidas

Project duration: 2020- 2023

Project Objective: (SURE) “to empower 335 smallholder farmer households in Jangokoro Subcounty to increase their production, consumption, and marketing of diversified agricultural commodities.

Fund Accountability Statement for the Period ended 31 December 2023

	Budget 2023 UGX '000	Actual 2023 UGX '000
Grant Income	429,588	428,838
Total Income	429,588	428,838
Expense		
<u>SURE II PROJECT</u>		
Project start up, implementation and monitoring	123,765	121,185
Conduct an external evaluation	15,000	-
Providing agricultural inputs	133,210	133,186
Training in environmentally friendly agronomy and poultry management	5,725	6,744
Train members of the board on management and governance	22,352	22,189
Develop a cooperative business plan and marketing plan	35,000	35,100
Train cooperative executive leaders in business management	36,123	33,500
Hold the cooperative s annual general assembly	12,173	11,927
Mentoring and advising in the field of agribusiness	4,700	4,687
Raising awareness of human and women rights	5,600	5,502
Training in advocacy skills	9,420	12,123
Train cooperative leaders and local government officials in local government development planning	9,420	9,905
Train cooperative leaders and local government officials in gender mainstreaming	11,240	10,534
Hold 2 dialogue meetings on the business needs of the local cooperative	5,860	5,300
Total Expenditure	429,588	411,882
Surplus	-	16,956

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

Administration: Community Wide Account

Funder: Founder Members

Project Duration: Open

Project objective: To support AFARD's day to day operations

Fund Accountability Statement for the Period ended 31 December 2023

	Budget 2023 UGX '000	Actual 2023 UGX '000
Income		
Member's Contribution	242,389	260,693
Interest	3	3
Total Income	242,392	260,696
<u>Expense</u>		
Capital Development	242,289	194,190
Bank charges for the year	103	445
Total Expenditure	242,392	194,635
Surplus	-	66,060

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Administration: Operations Account

Project Duration: Open

Project objective: To support AFARD's day to day operations

Funder: Founder Members

Fund Accountability Statement for the Period ended 31 December 2023

	Budget	Actual
<u>Income</u>		
	2,023	2,023
	UGX '000	UGX '000
Member's Contribution	351,348	146,127
Rental Income	7,896	7,896
Bid fees	-	11,600
Total Income	359,244	165,623
EXPENSES		
Staff travels and subsistence	13,500	10,694
Staff meals	9,375	3,078
Staff training /Development	26,250	-
Perdiems	17,400	9,015
Obituary	6,000	-
Construction	26,250	17,807
Computers and Accessories	13,500	3,123
Furniture and Fittings	22,500	1,809
Computer consumables	2,625	-
Stationery	1,875	9,856
Professional Fees	9,000	18,623
Vehicle Hire	4,125	-
Manual ,Guidelines ,Reports	12,000	5,250
Audit	1,875	324
Legal fees	18,750	-
Insurance	2,250	-
Telecommunications	5,025	51
Charity and donations	4,125	-
License and other statutory charges	5,025	-
Motor Vehicle Operations/maintenance and repairs	11,250	1,850
Motor vehicle fuel	5,100	-
Printing and Statutory Expense	2,625	815

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Administration: Operations Account Cont'd

	UGX '000	UGX '000
Subscription and news papers	1,050	1,571
computer software	1,125	17,384
Miscellaneous Taxes	375	-
Bank charges-	739	1,067
Other office expenses	75,000	2,535
Visibility	1,650	700
Imprest	1,875	509
Utilities(water and electricity)	1,880	-
Casual Labour	375	-
Public Relations	6,750	-
Resource mobilisation	48,000	31,235
Refund to CF	-	49,838
Total Expenditure	359,244	187,134
Deficit		(21,511)

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

Migration Project

Funder: HORIZONT3000, Austrian Organisation for Development Cooperation.

Project Duration: 2020-2024

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

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget 2023 UGX '000	Actual 2023 UGX '000
Funds from HORIZONT 3000	361,896	356,734
Total Income	361,896	356,734
Expense		
<u>MIGRATION EXPENSES</u>		
Local Experts / Personal kosten National	153,902	132,044
Short Term Consultants	33,350	27,955
Travel Costs in Detail	10,500	11,145
Material Costs	47,500	42,530
Training Costs (for local project staff and target groups)	76,728	74,478
Other costs	33,191	31,267
Public awareness raising	6,725	6,196
Total MIGRATION EXPENSES	361,896	325,615
Surplus	-	31,119

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Action for Livelihood Enhancement in Northern Uganda (ALENU)

Funder: EUROPEAN UNION THROUGH CARITAS SWITZERLAND

Project duration: 2020- 2023

Project Objective: To increase food security, improve maternal and child nutrition and enhance household incomes through support to diversified food production and commercial Agriculture and through improving household resilience (notably to climate change) and women empowerment.

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget 2023 UGX '000	Actual 2023 UGX '000
Grants and Donations	261,096	261,672
<u>Total Income</u>	<u>261,096</u>	<u>261,672</u>
<u>Expense</u>		
Executive Directors (15%)	19,723	10,136
Technical Advisors (Min 40%)	13,048	13,048
Project Officers-Nutrition, Production, Business Development.	35,998	48,000
Driver (100%)	2,700	3,600
Administrative Assistant	4,000	4,000
Accountants (60%)	16,028	3,823
Local (assigned to the action)	4,226	5,360
Vehicle and Motorcycle Fuel	4,535	10,131
Motorcycle Insurance, Tyres, Service and Repairs	9,261	9,539
Office Rent	9,655	7,985
Staff Telephone Communication and Mobile Data for Project Staff	1,565	1,811
Utilities-Water	2,644	3,469
Utilities-Electricity and Generator	2,163	2,663
Develop Trainer Manuals on production, Train Peer- Trainers and equip Peer-Trainers with tool Kits	28,826	26,453
Develop a seasonal production Manual & Marketing Plan FG GDG Farmer HHs.	370	370
Conduct Agro-Ecoly and Poultry Management Training	36,320	36,346
Seasonal Agro-inputs Fairs, build the Capacity of Suppliers & increase access to Farmers.	6,240	6,240
Form Commodity Cooperatives, provide them help to develop business Plans & establish business relationship	14,520	14,520

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Action for Livelihood Enhancement in Northern Uganda (ALENU) Cont'd

	UGX '000	UGX '000
Register strong VSLAs with Local Governments and federate into SACCOs	11,986	14,690
Link SACCOs and Progressive SGs with Formal Banks	3,520	3,800
Indirect Costs (Maximum 7% of 7, subtotal of Direct Eligible Costs of the Action)	7,987	9,332
Indirect Costs (Contribution for Finance and Administration Manager)	4,017	4,017
Security Services.	3,237	3,237
Financial Services (Bank, Guarantee Costs etc)	800	1,761
Costs of Conferences/ Stationery including Cartridge, training Kit and writing Kits	4,600	4,600
Third Party Service Contract Academia	13,127	13,126
Total Expenditure	261,096	262,057
Deficit	-	(385)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

PAMANA Project

Funder: CARITAS

Project Duration: 2022- 2026

Project objective: The project aims to significantly reduce conflict and pressure on natural resources through building local capacities for supporting the most vulnerable groups amongst the host, refugee, and internally displaced communities (with a special focus on women), meeting their immediate needs and securing sustainable livelihoods in ways that promote peace, stability and gender equality.

Fund Accountability Statement for the Period ended 31 December 2023

	Budget 2023 UGX '000	Actual 2023 UGX '000
<u>Income</u>		
	442,163	607,936
Total Income	442,163	607,936
<u>Expense</u>		
Human resource	-	-
Executive Director Local AFARD 10%)	23,405	21,821
Programme Manager Local (AFARD 15%)	16,948	15,801
Project Manager Local (AFARD 100%)	48,767	46,550
Director Fin & Admin Local (AFARD 15%)	16,948	15,801
Accountant Local (AFARD 50%)	14,548	13,563
Driver local (AFARD 40%)	3,414	3,182
Project Officer Local (100%)	23,400	23,400
A-Electricity and Cleaning services(AFARD)	809	1,702
B-Security services (Wages Watchmen)	5,200	4,800
Vehicle /Motorcycle maintenance cost	3,469	3,070
Purchase of New Motorcycles with riding gears and insurance (AFARD)	863	1,405
Fuel Costs for Operations (AFARD)	7,693	9,900
Hold stakeholders meeting (Hall hire, stationary, Transport refund, fuel, Management LSWG, Board visits)	5,255	5,269
Consumables(Office supplies, Detergents etc AFARD)	3,182	3,450
Staff Communication/ Internet (Airtime & Data)	713	710
Bank charges(AFARD)	1,911	2,946
COVID-19M Office Support (AFARD)	496	496

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

PAMANA Project Cont'd

	UGX '000	UGX '000
Delivery of Cash Grants to the most Vulnerable beneficiaries of the Project	94,918	188,962
Training of Local Structures in Most Pressing Issues of NRM(AFARD)	133,233	149,466
Training Local Structures in Value-Adding Elements	35,009	48,762
Institutional Audit Contribution(AFARD)	1,982	1,872
Total Expenditure	442,163	562,930
Surplus	-	45,005

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

AFARD THRIVE DIGITALIZATION PROJECT(FAMIS)

Funder: Horizont 3000

Project Duration: 2023-2024

Project objective: Contribute to the objectives and results of Migration and YADE projects by ensuring a user-friendly market information application is adapted for use on the existing Farm Gain Africa Platform

- Ensuring targeted 1,250 smallholder farmers have regular and reliable market information from local markets in the region to inform their trading decisions

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget 2023 UGX '000	Actual 2023 UGX '000
<u>Income</u>		
HORIZONT 3000-FAMIS	183,540	169,898
Total Income	183,540	169,898
<u>Expense</u>		
Short Term Consultants	52,900	46,605
Equipment, Hardware & Software	53,400	54,200
Training Costs (For Local Project Staff And Target Groups)	48,000	29,003
Other Costs	9,440	3,585
Action Costs	14,400	9,050
Public Awareness Raising (Documentation, Visibility)	5,400	5,430
Total Expenditure	183,540	147,873
Surplus	-	22,025

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Nebbi Inclusion Development project (NIDP)

Funder: Inclusion

Project Duration: 2020-2026

Project objective: To improve the quality of life of the people in the project area and Micro partnership approach is tested and improved for replicability of Inclusion's approach in fighting global poverty.

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget 2023 UGX '000	Actual 2023 UGX '000
Grants and Donations	315,820	301,096
	315,820	301,096
<u>Expense</u>		
Beneficiary payment -life	260,820	246,032
Project management costs	26,755	13,351
Administrative costs	28,245	24,779
Total Expenditure	315,820	284,162
Surplus	-	16,934

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Strengthening Resilient Livelihood Project (RELIP)

Funder: AWO International

Project Duration: 2019- 2024

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

Fund Accountability Statement for the Period ended 31 December 2023

<u>Income</u>	Budget 2023 UGX'000	Actual 2023 UGX '000
Income from AWO International	343,633	343,633
Total Income	343,633	343,633
<u>Expense</u>		
Procure And Distribute Agricultural Inputs And Train On Climate Smart Practices	82,675	89,233
Train Farmer/ VSLA Group Members In Kitchen Gardening	1,250	1,072
Train Farmer/ VSLA In Good Nutrition, Sanitation & Hygiene & Conduct Cooking Galla	11,470	7,411
Collective Marketing & Value Addition And Conduct Market Survey	3,390	2,844
Conduct Mentorship And Coaching	1,500	1,422
Train in Gender Equality (Gals Methodology, GBV,& Child Protection)	1,020	1,132
AFARD Staff Training on Advanced Excel	22,994	20,500
Provide Tree Seedlings to Farmer / VSLA Group, Train on Tree Growing, Improved Energy Stoves	5,348	4,057
Hold Dialogue Meeting	2,250	2,163
Local Personnel	124,364	124,364
Project Infrastructure	13,082	8,431
Coordination/Monitoring Visits	8,300	6,071
Hold District and Board Monitoring /Reviews	7,345	5,429
Hold Stake-Holder's Meeting	3,585	5,635
Train in Family Planning	1,020	1,038
Conduct Baseline study	4,560	4,912
Train VSLA Mentors & Farmer, VSLA Groups on Integrated VSLA Methodologies	16,236	16,005

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
 DECEMBER 2023

Strengthening Resilient Livelihood Project (RELIP) Cont'd		
Form and Register 6 groups and train in Group Dynamics	11,050	10,990
Provide Agro-Inputs to the Co-operative & train Executives and Committee Members in governance	22,195	20,360
Total	343,633	333,069
Surplus	-	10,564

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Youth Agri-skilling for Decent Employment project (YADE)

Funder: Horizont 3000

Project Duration: 2020-2024

Project objective: To increase access to gainful agricultural employment opportunities for 500 youths through sustainable marketable and non-formal vocational and complementary Agri-enterprise development skills training to reduce on poverty among the youth.” in Wadelai S/C, Pakwach district.

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget 2023 UGX ‘000	Actual 2023 UGX ‘000
Grants and Donations	180,685	128,817
Total Income	180,685	128,817
<u>Expense</u>		
Personnel	146,250	116,900
Provide Startup Agro-inputs	2,670	2,670
Equipment construction material costs	7,206	6,546
4.Running costs/Sonstige kosten	13,218	10,491
Monitoring visits by management staff and Board of Directors	1,379	3,379
Hold annual district monitoring, review and learning workshops	2,648	2,691
5. Action costs	1,603	1,132
6.public awareness raising(documentation, visibility)	5,711	1,033
Total Expense	180,685	144,842
Deficit	-	(16,025)

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

NATURE BASED PROJECT

Funder: Sall Foundation INC.

Project duration: 2017- 2027

Project Objective: Increased market participation and voice of smallholder farmers for increased income and inclusion in local development policy.

Fund Accountability Statement for the Period ended 31 December 2023

Income	Budget 2023 UGX '000	Actual 2,023 UGX '000
<u>Income</u>		
Grants and Donations	692,052	714,108
Total Income	692,052	714,108
<u>Expense</u>		
Purchase of assorted seedlings	32,000	28,730
Planting and beating seedlings	16,000	15,000
Weeding and pruning	25,000	24,510
Establish and maintain contours and grass bands	10,000	8,752
Kitchen Garden vegetable seeds	2,280	2,128
Solar driers	34,960	34,960
Local hens	15,200	15,200
Kroiler Cocks	4,560	4,560
Assorted start-up Drugs	420	420
Spray Pumps	15,200	15,200
Watering Cans-	2,280	2,280
Hand Hoes	3,648	3,648
Provision of Tarpaulins	19,760	19,760
Pangas	1,292	1,292
Train in Tree growing & Mgt and Soil Restoration	9,000	7,326
Kitchen Gardening	3,750	3,250
VSLA Trainings	5,000	4,456
IGA-SPM	5,250	4,235
Safe Nutrition	1,500	1,491

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023**

NATURE BASED PROJECT Cont'd

	UGX '000	UGX '000
WASH	1,500	1,500
Poultry Management	2,500	2,519
Community Dialogues and Annual Meetings	10,000	7,872
NATURE-BASED Report	3,500	3,791
T-shirts-	8,750	8,750
Vehicle (4WD Double Cabin Pick-up)	254,000	254,826
Motor Cycle	17,600	17,600
Rodo Co-operative Loan	35,000	53,000
Forestry Officer (100%)	28,600	26,400
Driver (100%)	6,500	6,000
Accountant (20%)	9,750	9,000
Project Coordinator (50%)	19,500	18,480
Finance & Administration Manager (15%)	19,500	18,000
Director Programs-DP (15%)	19,500	18,000
Executive Director-ED (10%)	26,000	24,000
Telephone cost	2,600	1,949
Office stationery	1,950	2,500
Fuel for Motorcycle & AFARD Vehicle	5,040	4,152
Motor Vehicle/Motor Cycle Maintenance	6,500	11,018
Board of Directors Annual Meeting	2,000	2,000
Contribution to Annual Audit	2,500	2,500
Fuel for Generator (5%) Contribution	1,512	-
Bank Charge	650	3,151
Total Expense	692,052	694,206
Surplus	-	19,902

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Northern Uganda Resilience Initiative (NURI) Project

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 including refugees and refugee hosting communities”.

Fund Accountability Statement for the Period ended 31 December 2023

	Budget 2023 UGX ‘000	Actual 2023 UGX ‘000
<u>Income</u>		
Grants and Donations	1,476,370	1,416,732
Total Income	1,476,370	1,416,732
<u>Expense</u>		
FARMER MARKET SCHOOLS		
Refresher NURI training of staff on FMS	17,100	12,679
Review of FMS Training in 2022	1,200	
Training 15 NURI Groups for 2023 on FMS	1,680	-
Marketing Trips by Framers	3,400	3,360
Exchange visits NURI Staff and Farmers	7,810	4,400
Monitoring by DLG	17,910	15,500
GMFs review meeting of 2022 & 2023	6,386	6,449
Training, workshops and meetings	85,515	85,870
Procurement of Agri-inputs	192,750	128,912
Staff training on LSB approach & Crops	30,770	28,825
Trainings, workshops & meetings	2,520	1,486
Procurement of Foundation Seeds	53,800	63,687
Establishment of Learning Sites	13,430	8,185
Exchange visits of NURI Staff & Farmers	16,675	16,675
Field Inspection	8,755	5,576
LSB monitoring by ISSD, Tradeshow & Twinning visit	14,060	13,800
Staff Training on VSLA Linkages	32,360	9,654
Training FGs on Financial Literacy/BDS/VSLA-PMP Integration	21,750	19,480
Salary Executive Director-ED	42,717	50,824
Salary Director Programmes-DP	39,553	47,059

AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31
DECEMBER 2023

Northern Uganda Resilience Initiative (NURI) Project

	UGX '000	UGX '000
Salary Climate Smart Agriculture Coordinator	41,284	49,119
Salary Accountant	18,986	20,706
Salary Administrative Assistant-AA	7,547	8,979
Salary Office Attendant-OA	3,019	3,592
Salary Driver	14,880	17,704
Salary Watchmen (2)	8,842	10,520
Salary Agriculture Extension Supervisor-AES	33,303	39,622
Salary Agricultural Extension Officers-AEO (13)	294,788	330,218
Salary VSLA Officer (2).	44,403	52,830
NSSF and COLA	104,245	-
Airtime to Staff	15,480	14,525
Internet to Staff	7,200	5,000
Stationery	16,800	20,342
Fuel	92,6012	94,305
Motor Cycle Maintenance, Service & Repair.	61,170	44,359
Motor Cycle Tyres	14,280	8,694
Motor Vehicle Tyres	9,200	15,539
Motor Vehicle Third Party Insurance	100	90
Motor Cycle Third Party	700	1,029
Electricity	1,800	1,750
Water Bill	1,800	783
Motor Vehicle Maintenance, Service & Repair	7,800	20,348
Other Office Administrative Costs	18,000	45,416
Security Costs	24,000	22,862
Service Office Equipment	6,000	9,950
Board cost	12,000	12,000
Management Monitoring	6,000	6,080
Coordination Function Expenditure	-	(11,374)
Total Expense	1,476,370	1,367,409
Surplus	-	49,323

**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

APPENDIX

AFARD ASSET INVENTORY 2023 ADDITIONS 2023									
ENGRAVED NO.	Date	Details	Asset Type	RESPONSIBLE	Location	Units	Source of funding	Purchase/Donation Value	Remark
AF/A/NA4LR/RCR/MC/2023/01	2023	Honda Motorcycle UJIV 559B	Motor vehicle	MADITCHAN COLLINS	Head Office	1	NA4LR/RCR	17,600,000	Working
	2023	Toyota Hilux Double Cabin UBM115Z	Motor vehicle	Candiru Florence	Head Office	1	NA4LR/RCR	252,800,000	Working
	2023	Toyota Land Cruiser Prado UBN138L	Motor vehicle	Alfred(DR)	Head Office	1	AFARD	277,665,337	Working
AFARD/PRINTER/2023/01	2023	Laserjet Printer Coloured	Office Equipment	E/D	AFARD	1	Local	4,200,000	Working
AFARD/CH/001-050/2023	2023	Conference Chairs	Furniture	D/A	AFARD	50	Local	13,500,000	Working
AFARD/PRINTER/2023/02	2023	HP Laserjet Pro MFP M428 Monochrome All in one	Office Equipment	D/A	AFARD	1	Local	2,980,000	Working
AFARD/SCANNER/01-02/2023	2023	HP Scanjet Pro 2600	Office Equipment	D/A	AFARD	2	Local	4,200,000	Working
AFARD/WD/001-005/2023	2023	White Board for markers	Office Equipment	D/A	AFARD	5	Local	1,600,000	Working
AFARD/IRC/MC/001	2023	Honda Motorcycle	Motor vehicle	Flavia Julie Vuni	YUMBE	1	IRC	17,600,000	Working
AFARD/IRC/MC/002	2023	Honda Motorcycle	Motor vehicle	Flavia Julie Vuni	YUMBE	1	IRC	17,600,000	Working
AFARD/IRC/TB/01	2023	Office Table	Furniture	Flavia Julie Vuni	YUMBE	1	IRC	800,000	Working
AFARD/IRC/TB/02	2023	Office Table	Furniture	Flavia Julie Vuni	YUMBE	1	IRC	800,000	Working
AFARD/IRC/TB/03	2023	Office Table	Furniture	Flavia Julie Vuni	YUMBE	1	IRC	800,000	Working
AFARD/IRC/FCB/01	2023	Filing Cabinet	Furniture	Flavia Julie Vuni	YUMBE	1	IRC	1,500,000	Working
AFARD/IRC/LT/01	2023	Laptop	Computers	Flavia Julie Vuni	YUMBE	1	IRC	5,000,000	Working
AFARD/IRC/LT/02	2023	Laptop	Computers	Flavia Julie Vuni	YUMBE	1	IRC	5,000,000	Working
AFARD/IRC/LT/03	2023	Laptop	Computers	Flavia Julie Vuni	YUMBE	1	IRC	5,000,000	Working
AFARD/IRC/CM/01	2023	Camera	Office Equipment	Flavia Julie Vuni	YUMBE	1	IRC	3,650,000	Working
AFARD/IRC/CM/02	2023	Camera	Office Equipment	Flavia Julie Vuni	YUMBE	1	IRC	3,650,000	Working
AFARD/IRC/CH/01	2023	Office Chair	Furniture	Flavia Julie Vuni	YUMBE	1	IRC	574,000	Working
AFARD/IRC/CH/02	2023	Office Chair	Furniture	Flavia Julie Vuni	YUMBE	1	IRC	574,000	Working
AFARD/IRC/CH/03	2023	Office Chair	Furniture	Flavia Julie Vuni	YUMBE	1	IRC	574,000	Working
								637,667,337	-

www.tmkug.com

MANAGEMENT LETTER
FOR
AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
FOR
THE YEAR ENDED 31 DECEMBER 2023



Certified Public Accountants
6th Floor, Workers' House
Plot 1, Pilkington Road
P.O Box 72397
Kampala, Uganda
Tel: +25641-232861

E-mail: info@tmk.co.ug



Russell Bedford
taking you further

TMK & CO. is a member of Russel Bedford International. – a global network of independent professional services firms.



TMK & CO.

Certified Public Accountants

MANAGEMENT LETTER FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with our normal audit practice, we wish to bring to your notice the following matters, which arose in the course of our audit of the financial statements and records of Agency For Accelerated Regional Development (AFARD) for the year ended 31 December 2023. The matters dealt with in this letter came to our attention during the conduct of our normal audit procedures, which are designed primarily for the purpose of expressing our opinion on the financial statements of the organization.

The purpose of this letter is therefore; to bring to your attention the details of weaknesses and/or errors that require corrective action to improve the quality of records and controls.

Our findings have been included in this letter in a manner which summarizes the nature of our findings, identifies the audit implications and makes recommendations for improvement.

Our comments have been discussed with management and we will consider these matters again during future audits. Should you require any further information or explanations please do not hesitate to contact us.

The management letter has been produced for the sole use of your organization. It must not be disclosed to a third party or quoted to or referred to, without our written consent. We assume no responsibility to any other person.

We take this opportunity to thank your staff for their co-operation and assistance during the course of our audit.

Yours faithfully,

Tom Mpagi

For: TMK & CO.



Introduction

An organization's control structure consists of the policies and procedures established to provide reasonable assurance that the organization's objectives will be achieved. The internal control structure comprises three elements:

The control environment which reflects the overall attitude, awareness and actions of management;

The accounting system which consists of methods and records to identify, assemble, analyze, classify, record and report transactions; and control procedures covering the policies and procedures, in addition to the control environment and accounting system that management has established to safeguard the organization's resources.

During the course of the final audit, the audit team identified a number of areas that they believe require management's attention to improve the accounting and control system. Our report has been set out in a format, which summarizes the nature of the observation/weakness, identifies the risks the organisation may be exposed to and our recommendations for improving the accounting and control structure. Our recommendations have been graded as follows.

High Priority

Recommendations that require immediate management attention because they address serious control weaknesses which could cause material financial, regulatory or reputation risks, Significant none compliance with policies and principles or generally accepted industry standards will normally be rated as "High".

Medium Priority

Recommendations that require management's attention using the existing management framework to ensure that the organization has a formal and effective system of management control. These recommendations should be implemented by management although the weaknesses they address are less likely to lead to material financial, regulatory, or reputational risks.

Low Priority

Recommendations which address issues where resolution within the normal management framework is considered desirable to improve efficiency or ensure that the business matches current industry/business best practice. Variation from the laid down procedures would normally be rated as "Low" as long as there is sufficient evidence that management is carrying out action to put in place and monitor compliance with the detailed procedures.

1.0 SUMMARY OF AUDIT FINDINGS

Observation Reference	Description	Priority
1.1	Variances in the Trial Balance shared for review and the Aplos General ledger.	Medium
1.2	Failure to capture the foreign exchange transaction into the Aplos accounting system.	Medium
1.3	Inadequate segregation of duties in Procurement	Medium
1.4	Policy Manuals not updated	Medium
1.5	Inconsistence in the applied depreciation rates for the Assets.	Medium

DETAILED FINDINGS, IMPLICATIONS AND RECOMMENDATIONS

Observation Ref.	Audit Finding	Priority	Recommendation	Management Comments
1.1	Finance: Finding: Variances in the Trial Balance shared for review and the Aplos General ledger. Condition: Comparison of the Trial balance and General Ledger revealed that some opening balances were not captured in the General Ledger as shown in appendix 1 below. Criteria: The transaction details contained in the general ledger are compiled and summarized at various levels to produce a trial balance, income statement, balance sheet, statement of cash flows, and many other financial reports. Cause: Management Oversight. Implication: The accuracy and efficiency of the financial data and the financial statements is put to Question.	Medium	Management should ensure that all the financial data is captured fully in the accounting system to enable production of accurate reports in an efficient manner.	This error is due to the fact that Aplos Accounting software is not a multi-currency software. Going forward Accounts will be created in Aplos to capture all transactions.

Management Letter for Agency for Accelerated Regional Development (AFARD) for the year ended 31 December 2023

Observation Ref.	Audit Finding	Priority	Recommendation	Management Comments
1.2	Finance: Finding: Failure to post the foreign exchange differences into the Aplos accounting system. Condition: We noted that AFARD uses APLOS accounting system which is a single currency system and does not automatically capture the foreign currency transactions. In addition, the Finance staff did not post the exchange gains and losses into Aplos yet the organization receives funds in different currencies (Euro and Usd). Criteria: ISA 21.28 states that “Exchange differences arising when monetary items are settled or when monetary items are translated at rates different from those at which they were translated when initially recognized or in previous Financial statements are reported in profit or loss in the period”. Cause: Inadequate training during the installation of the accounting system. Implication: Incomplete financial records.	Medium	Management should provide enough capacity building to the finance staff in relation to the Aplos accounting system in order to produce complete reports.	This error is due to the fact that Aplos Accounting software is not a multi-currency software. Going forward Accounts will be created in Aplos to capture forex transactions which will be translated to Ugx using the prevailing exchange rates.

Management Letter for Agency for Accelerated Regional Development (AFARD) for the year ended 31 December 2023

Observation Ref.	Audit Finding	Priority	Recommendation	Management Comments
1.3	Administration: Finding: Inadequate segregation of duties in Procurement Condition: We noted that AFARD does not have a Procurement Officer, the Director Finance and Admin is in charge of procurement and consolidates all the procurement budgets and plans, approves the purchase requests, appoints the bid analysis (evaluation committee), issues the requests for quotation (RFQ) and issues LPOs. Criteria: Section 10.2.4 of AFARD's Finance Manual clearly states the roles of the Procurement Officer. Cause: Lack of funds to recruit the Officer. Implication: Lack of segregation of duties can easily create a conflict of interest and increase the risk of fraud or errors.	Medium	We recommend the recruitment of the procurement officer as soon as possible so that the Officer takes his roles as stated in section 10.2.4 of the Finance Manual.	The management is going to appoint someone within the organization for a short certificate training in procurement to support the procurement process since there are no funds to recruit a substantive procurement officer.
1.4	Administration: Finding: Policy Manuals not reviewed and updated Condition:	Medium	Management should ensure that all the policy manuals are reviewed and up dated where necessary.	Noted for action by the Board of Directors.

Management Letter for Agency for Accelerated Regional Development (AFARD) for the year ended 31 December 2023

Observation Ref.	Audit Finding	Priority	Recommendation	Management Comments
	Our review of the policy manuals (Finance and Administration Manual and Human resource Manual) revealed that they were last revised in the year 2021, yet (section 1.2 of the Finance and Administration manual and Section 1.1.5 of the Human Resource Manual) requires annual review of the policies. Criteria: Up to date internal policy manuals are important to ensure that the internal control structure of the organization is up to date and relevant to the operating circumstances of the organization. Cause: Management Laxity Implication: Non-Compliance with the Organisational requirement.			
1.5	Finance: Finding: Inconsistence in the applied Depreciation rates for the Assets. Condition: We noted that all the Organisational Assets are depreciated at 100% during the year they are purchased which is contrary to the provisions of the financial Manual Criteria:	Medium	Management should ensure that the depreciation rates in the Finance Manual are consistent with what is applied in the financial statements.	While AFARD finance policy is not in agreement with a number of donor requirements (i.e., AFARD has to expense the assets in the fund accountability statement), for consistency management apply the latter. In addition, an asset schedule is maintained to monitor the asset values over its useful life.

Management Letter for Agency for Accelerated Regional Development (AFARD) for the year ended 31 December 2023

Observation Ref.	Audit Finding	Priority	Recommendation	Management Comments																																
	The Financial management standard operating procedures play a crucial role in ensuring the financial health, compliance, and operational efficiency of the organization. In addition, Section 3.4.6 of AFARD's Financial manual provides for different rates as detailed below: "Depreciation shall be provided for on straight line basis over the estimated useful lives at the following annual rates and be recorded in the Fixed Assets Register" <table><thead><tr><th>Item</th><th>Estimated Useful life (Years)</th><th>Annual depreciation rate (%)</th><th>Financial Statements 100%</th></tr></thead><tbody><tr><td>Land</td><td>0</td><td>0</td><td>100</td></tr><tr><td>Buildings</td><td>20</td><td>5</td><td>100</td></tr><tr><td>Furniture and Fixtures</td><td>8</td><td>12.5</td><td>100</td></tr><tr><td>Equipment</td><td>8</td><td>12.5</td><td>100</td></tr><tr><td>Vehicles</td><td>5</td><td>20</td><td>100</td></tr><tr><td>Motor Cycles</td><td>5</td><td>20</td><td>100</td></tr><tr><td>Computers</td><td>3</td><td>33.3</td><td>100</td></tr></tbody></table> Cause: Management Oversight. Implication: These inconsistencies may mislead the users of the financial statement.	Item	Estimated Useful life (Years)	Annual depreciation rate (%)	Financial Statements 100%	Land	0	0	100	Buildings	20	5	100	Furniture and Fixtures	8	12.5	100	Equipment	8	12.5	100	Vehicles	5	20	100	Motor Cycles	5	20	100	Computers	3	33.3	100			<u>Auditors' comment</u> The finance manual should be revised to indicate that asset costs shall be expensed in the year they are bought.
Item	Estimated Useful life (Years)	Annual depreciation rate (%)	Financial Statements 100%																																	
Land	0	0	100																																	
Buildings	20	5	100																																	
Furniture and Fixtures	8	12.5	100																																	
Equipment	8	12.5	100																																	
Vehicles	5	20	100																																	
Motor Cycles	5	20	100																																	
Computers	3	33.3	100																																	

Management Letter for Agency for Accelerated Regional Development (AFARD) for the year ended 31 December 2023

Appendix 1: Variances in the Trial Balance shared for review and the Aplos General ledger

Description	TB	General Ledger	variance
Action for Livelihood Enhancement in Northern Uganda (ALENU)	384,762	205,962	178,800
Panyango community development project	22,530,236	22,347,944	182,292
AFARD Grand project	4,459,437	4,299,002	160,435
AFARD Pamana project	39,530,132	1,925,804	37,604,328
AFARD Sure project	48,972	1,523	47,449
AFARD Thrive digitalization project (FAMIS)	-	22,024,835	(22,024,835)
	66,953,539	50,805,070	16,148,469

2.0 PRIOR YEAR ISSUES

We reviewed the previous year management letter and established the status of implementation of the audit recommendations. We noted that the audit recommendations were partially implemented as shown in the table below:

Audit Area/ Audit issue	Observation /Risk	Status
1.1	Foreign exchange differences to be posted	Not implemented (See issue 1.2 current year)