



**AGENCY FOR ACCELERATED REGIONAL DEVELOPMENT (AFARD)
AUDIT REPORT AND FUND ACCOUNTABILITY STATEMENT
AND MANAGEMENT LETTER
FOR THE YEAR ENDED 31 DECEMBER 2018**

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LIST OF ACRONYMS

AFARD	Agency for Accelerated Regional Development
BoD	Board of Directors
BOs	Beneficiary Organisation
CBT	Community Based Trainers
CBF	Community Based Facilitators
CEGED	Centre for Governance and Economic Development
CF	Community Facilitators
CLA	Cluster Level Association
EC	European Commission
FAB	Farming As a Business
IEC	Information Education Communication
IFRS	International Financial Reporting Standards
KNH	Kindernothilfe
LLG	Lower Local Government
MAYEP	MANZO (Maracha, Nebbi, Zombo) Youth Empowerment Project
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
PELUM	Participatory Ecological Land Use and Management- Uganda
PI	People's Institutions
PMC	Project Management Committee
QRM	Quarterly Review Meeting
SHG	Self Help Group
UNASO	Uganda National AIDS Services Organisation
UWASNET	Uganda Water and Sanitation NGO Network
UWIN	Uganda Water Integrity Network
VIP	Ventilated Improved Pit latrine
WENAGIC	West Nile Agriculture Improvement and Conservation
YEPP	Youth Economic Empowerment Project
YMF	Young Model Farmer
YSE	Young Sanitation Entrepreneurs
VSLA	Village Saving and Loan Association

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rt. Rev. Dr. Sabino Ocan Odoki	Chairperson
Ms. Royce Gloria Androa	Vice Chairperson
Bishop Henry Luke Orombi	Member
Lady Justice Flavia Anglin Ssenoga	Member
Ms. Sylvia Angey Ufoyuru	Member
Mr. Okecha Michael	Board Secretary
Dr. Sam Orochi Orach	Ex-officio Member
Dr. Alfred Lakwo	Executive Director

SENIOR MANAGEMENT

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

PHYSICAL ADDRESS

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

INDEPENDENT AUDITOR

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

BOARD SECRETARY/LAWYER

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

PRINCIPAL BANKERS

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

ORGANISATION BACKGROUND INFORMATION

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

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

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

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

Organizational Objectives:

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

Organizational Strategies

- Skills development covering organizational management and technical training.
- Participatory action research into local problems to make interventions locally sensitive and policy relevant.
- Information gathering and dissemination from and to the grassroots communities in forms appropriate for the promotion of knowledge-based growth.

- Resource mobilisation basing largely on locally available resources while external sources are seen as supplements for specific non-substitutable purposes.
- Networking and linkages with other institutions- locally, nationally and globally to share information, useful experiences, skills and other resources.
- Advocacy and lobbying given that regardless of the actors involved development is a human right and must be promoted equitably and to the needs of the voiceless marginalized people.

Thematic Focus

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

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

Funding for the year ended 31 December 2018

The projects implemented by AFARD during the year ended 31 December 2018 were funded using internally generated funds and funding from donors including: Kinder-not-hilfe (KNH), Danish International Development Agency, Sall Family Foundation, Self Help Africa, Private Sector Foundation, Food and Agriculture Organisation of the United Nations, Horizont3000, Manos Unidas and European Union.

RESULTS FOR THE YEAR

The results for the year ended 31 December 2018 are shown on Page 14.

MEMBERSHIP OF THE BOARD

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

INDEPENDENT AUDITOR

PKF Uganda has expressed willingness to continue in office.

BY ORDER OF THE BOARD

+ *Koalimu Odoko*

CHAIRMAN

KAMPALA *March 29,* 2019

AUDIT OBJECTIVES

PKF Uganda Certified Public Accountants was appointed by the Board of Directors to carry out an annual audit of the Fund Accountability Statement for Agency for Accelerated Regional Development (AFARD) for the year ended 31 December 2018. The audit was performed in accordance with International Standards on Auditing (ISA).

The objective of the audit was to enable us to:

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

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

AUDIT SCOPE AND OUR APPROACH

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

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

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

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Board is of the opinion that the Fund Accountability Statement present fairly in all material respects the financial position of the organisation as at 31 December 2018 and of the organization's financial performance for the year then ended in accordance with Generally Accepted Accounting Practices and AFARD accounting policies set out on pages 15 to 16.

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

Approved by the Board of Directors on March 29 2019 signed on its behalf by:

+ Sabino Ocan Odoki

RT. REV DR. SABINO OCAN ODOKI
CHAIRPERSON

Alfred Lakwo

DR. ALFRED LAKWO
EXECUTIVE DIRECTOR

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

Opinion

We have audited the Fund Accountability Statement of Agency for Accelerated Regional Development (AFARD) for the year ended 31 December 2018 and the notes to the Fund Accountability Statement including a summary of significant accounting policies as set out on pages 15 to 19.

In our opinion, the accompanying Fund Accountability Statement presents fairly in all material respects the income and expenditure for the year ended 31 December 2018 in accordance with modified cash basis of accounting described in note 2(a) to 2(f).

Basis for opinion

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

Emphasis of matter- Basis of preparation

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

Other information

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

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

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

Responsibilities of Board of Directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

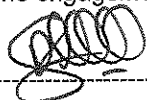
Our objectives are to obtain reasonable assurance about whether the Fund Accountability Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Fund Accountability Statement. As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Fund Accountability Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

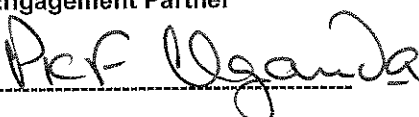
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



Charles Ogutu (P0141)

Engagement Partner



Certified Public Accountants

Kampala

Date

29/3/2019

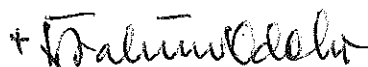
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FUND ACCOUNTABILITY STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 Ushs'000	2017 Ushs'000
Income			
Fund balance as at 1 January		1,350,990	809,514
Grant income	3	2,991,072	4,092,763
Income from AFARD operations	4	330,847	244,367
Exchange gain		302	-
Total income available		4,673,211	5,146,644
Expenditure			
Program expenditure	5	3,916,767	3,587,008
Administrative costs	6	215,409	208,646
Total expenditure		4,132,177	3,795,654
Net Surplus for the year		541,034	1,350,990
Represented by			
Cash and cash equivalents	7	639,335	1,348,514
Loans and advances receivable	8	5,519	2,476
Deferred income	3.1	(103,820)	-
Fund balance as at 31 December		541,034	1,350,990

This Fund Accountability Statement was approved and authorized for issue by the Board of Director's on March 29, 2019 and was signed on its behalf by:



RT. REV DR. SABINO OCAN ODOKI
 CHAIRPERSON



DR. ALFRED LAKWO
 EXECUTIVE DIRECTOR

The notes on pages 14-18 form an integral part of these financial statements.

Report of the independent auditor - pages 10 to 12.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT

SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL INFORMATION

Agency for Accelerated Regional Development (AFARD) is a Non-Governmental Organisation (NGO) registered as a Company Limited by Guarantee. AFARD was formed in July 2000 and registered with the NGO Board (Reg. No S.5914/3753) and with the Registrar of Companies (Reg. No. 45179).

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation

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

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

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

Going Concern

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

b) Revenue Recognition

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

c) Expenditure

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

d) Fixed Assets

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

e) Foreign Currency transactions

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

Rates used at year ended 31 December 2018

1 USD	Ushs. 3,755.7969
1 EURO	Ushs. 4,338.3105

f) Cash and Cash Equivalentents

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

g) Employment Benefit Obligations

Pension Obligations

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

h) Current Tax

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

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

NOTES TO THE FUND ACCOUNTABILITY STATEMENT (Continued)

3. GRANT INCOME

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

Project	2018 Ushs'000	2017 Ushs'000
Gorta-CEEP (Self Help Africa Funded)	-	20,000
Jangokoro Food Security Project (Funded by Manos Unidas)	143,675	163,770
Erussi Ndhew Community Development (KNH Funded)	275,607	298,781
Danish Assistants to Refuge (DANIDA Funded)	859,236	1,015,877
AFARD Decentralisation (Private Sector Foundation-Uganda)	16,500	-
Youth Employability Through Enterprise and Skills Development (SNV Funded)	-	333,215
Safe Sanitation and Hygiene for All (SNV Funded)	-	66,368
Panyango Community Project (KNH Funded)	30,024	46,380
Food and Nutrition (FAO Funded)	62,921	199,881
WENAGIC (Sall Family Foundation Funded)	320,864	23,219
MAYEP (Self Help Africa Funded)	404,845	524,720
YEEP (European Union Funded)	58,191	878,883
Migration Project (Horizont3000 Funded)	819,209	310,670
	2,991,072	4,092,763
3.1 Deferred income		
AWO Project (AWO International)	103,820	-

4. INCOME FROM OTHER AFARD OPERATIONS

AFARD YEEP contribution	135,404	35,000
Members contribution	155,009	126,497
Disposal income	-	4,500
Hall hire/Guest House	9,755	25,512
Interest income	948	723
Staff medical insurance contribution	29,731	51,135
Bid Fees	-	1,000
Total	330,847	244,367

NOTES TO THE FUND ACCOUNTABILITY STATEMENT (Continued)

5. PROGRAMME EXPENDITURE

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

Project	2018 Ushs'000	2017 Ushs'000
Gorta-CEEP (Self Help Africa Funded)	-	20,022
Jangokoro Food Security Project (funded by Manos Unidas)	290,211	17,205
Erussi Ndhew Community Development (KNH funded)	242,921	283,183
Danish Assistants to Refuge (DANIDA Funded)	864,906	1,039,363
Youth Employability Through Enterprise and Skills Development (SNV funded)	-	334,120
Safe Sanitation and Hygiene for All (SNV funded)	-	69,818
Panyango Community Project (KNH funded)	29,870	43,300
Food and Nutrition (FAO funded)	62,878	199,847
WENAGIC (Sall Family Foundation funded)	180,184	143,028
AFARD Decentralisation (Private Sector Foundation-Uganda)	17,329	-
MAYEP (Self Help Africa funded)	429,034	528,669
YEEP (European Union funded)	850,981	758,834
Migration Project (Horizont3000 funded)	948,455	143,375
	3,916,767	3,580,763

6. ADMINISTRATIVE COSTS

Governance	20,617	6,500
Personnel cost	65,765	43,558
Other Staff Costs	35,712	17,196
Capital Costs	-	70,616
Office Supplies	1,375	2,006
Training, Research, Documentation & Awareness	3,958	499
Other Costs	87,983	68,271
	215,409	208,646

NOTES TO THE FUND ACCOUNTABILITY STATEMENT (Continued)

7. CASH AND CASH EQUIVALENTS

	2018	2017
	Ushs'000	Ushs'000
AFARD Operational Account	11	2,467
AFARD Personnel Cost	682	14,804
AFARD Decentralization	923	348
AFARD MAYEP	3,057	27,246
AFARD YEEP	62,028	722,038
AFARD Medical Insurance	26,764	30,816
AFARD DAR3 Project	2,055	7,725
AFARD YES Project	-	2
Erussi/Ndhew Community Development Project	76,676	44,923
AFARD WENAGIC Project	320,875	180,589
Panyango Community Project	3,234	3,080
AFARD Food and Nutrition Account	77	34
AFARD AWO	103,820	-
AFARD ADA Migration Project	38,049	167,295
AFARD Community Wide Project (Jangokoro Food Security Project)	1,085	147,147
	639,335	1,348,514

8. ADVANCES

CEGED		
YEEP-Activity Advance	5,519	2,476
Total	5,519	2,476

9. RELATED PARTY

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

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

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

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

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

Fund Accountability Statement for the year ended 31 December 2018

Project Duration: 2015-2019

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

Funder: Kinder Not Hilfe (KNH)

	Budget 2018 Ushs'000	Actual 2018 Ushs'000
Income		
At 1 January	44,923	44,923
Grants and Donation	219,821	275,607
	264,744	320,530
Expenditure		
1.2.5 Train 136 in Basic Business Skills	200	845
1.2 Conduct Capacity Building Trainings for SHGs	1,304	1,304
1.3 Provide Needs Based Skills to 80 SHG in Crop Agronomy	4,000	6,696
1.4 Train 80 SHG in Poultry Mgt Practices	3,500	700
1.5 Train 56 SHGs on Nutrition	300	300
2.12 Organise 1 Self Help Group Day	3,840	3,840
2.26 Train CLA, Parents, Youth and Children in Advocacy	1,708	1,691
2.3 Conduct Monthly Monitoring Visits	360	360
2.4 Conduct 12 Monthly Community Facilitator's Meetings	160	160
2.5 Conduct 4 CLA Quarterly Review Meetings	936	936
2.8 Conduct 21 Capacity Building for the Federation	353	433
3.10 Process Christmas Cards for Children	2,145	2,145
3.11 Facilitate 1 Children's Christmas Party	1,826	1,826
3.12 Hold 2 Education Counselling & Guidance Days	920	920
3.14 Train 22 CLAs on Roles of CGs SC & Formation	224	224
3.15 Orient 22 CGs SC on Children's Gp Module	524	524
3.1 Train 1 CG Committee on CG Modules	542	542

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3.20 Train 22 CGs Facilitators & 64 CGs Rep on Book Writers	524	524
3.24 Refresher Training for CGs on Gp Modules	680	700
3.4 Facilitate Children to Write 740 Letters	3,798	3,798
3.5 Conduct 2 Child Census	2,050	2,050
3.6 Routinely Monitor the 370 Sponsored Children	280	280
3.7 Carry Out 1 Exchange Visit for Children Gps	5,605	5,605
3.8 1 Celebration of Day of an African Child	7,040	7,040
3.9 Updating Children's Information	1,035	1,035
4.6 Train 100 Youths in Vocational Skills	15,730	11,929
4.9 Exposure Visit for 6mbers of CBT Committee	4,250	4,250
5.3 Participatory (Joint) Monitoring	530	500
5.4 Routine Monitoring & Support Visits by Mgt	800	800
5.6 Annual Audit	9,131	4,500
6.1 Basic Salary	73,736	73,736
6.2 Leave Allowance	4,609	4,505
6.3 NSSF 10%	7,374	7,374
6.4 Medical Insurance	5,206	5,206
6.5 Provident Fund 15%	11,060	11,060
6.6 Workman's Compensation	922	922
7.10 Annual Data Collection	2,100	1,200
7.1 Running Costs	29,023	39,884
7.2 Stationaries	2,268	2,318
7.3 Welfare	4,513	4,781
7.4 Support Staffs	4,260	3,960
7.5 Community & Child Facilitators Allowances	9,600	9,600
7.6 Hospitality for Visitors	726	787
7.7 Repairs & Maintenance	2,400	2,817
7.8 Annual Board Field Visit & Meeting	2,600	2,600
7.9 Annual Review Process with CFs, Staffs, Project Managment Committee	1,765	1,750
8 Assets	200	1,805
9.0 Exchange Gain	28,088	
Earmarked Grant	-	2,160
Total Expenditure	264,744	242,921
Surplus for the year		77,609
Exchange loss		(933)
Total		76,676

APPENDIX II: WENAGIC PROJECT

Fund Accountability Statement for the year ended 31 December 2018

Project duration: December 2016-November 2019

Project Objective: To support a sustainable and equitable food and income security of 150 smallholder farmer households.

Funder: Sall Foundation INC.

	Budget 2018 Ushs'000	Actual 2018 Ushs'000
Income		
At 1 January	180,589	180,589
Grants and Donations	-	320,864
	180,589	501,453
Expenditure		
CU1 Management Monitoring Visits	3,738	3,749
CU2 Farmer Gp Performance Review Meetings	2,987	1,515
CU3 District Review & Learning Workshops	3,340	3,340
Indirect Cost	12,582	12,582
Project Staff Costs	45,450	46,900
R1.1 Identification & Training of Lead Farmers	2,425	2,425
R1.2 Agro-Enterprise Planning	1,960	1,960
R1.3 Setting Demonstration/Seed Multiplication Site	76,170	76,170
R1.4 Training in Good Agric Practices (GAP)	10,320	10,320
R1.5 Induction of Crop Insurance Scheme	1,220	1,220
R2.1 Training in Safe Nutrition	1,694	1,694
R2.2 Hold Annual Nutrition Competition	4,750	4,750
R3.1 Train Farmer Group Members in VSLA	5,100	5,100
R3.2 Train IGA-Selection, Planning & Management	4,849	4,849
SU2 Form & Register Farmer-Led VSLAs	3,610	3,610
Total Expenditure	180,195	180,184
Surplus for the year	-	321,270
Exchange loss	-	(395)
	-	320,875

APPENDIX III: YEPP PROJECT

Fund Accountability Statement for the year ended 31 December 2018

Project duration: July 2016-June 2019

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

Funder: European Union

	Budget	Actual
	2018	2018
	Ushs'000	Ushs'000
At 1 January	722,038	722,038
At 1 January Advance to CEGED	2,476	2,476
Grants and Donation	-	58,191
10% AFARD's Contribution	134,000	134,000
	858,515	916,706
Expenditures		
1 Salary	152,995	151,945
2.2.1 Learning Visit	2,920	2,920
3 Local Office	70,099	70,099
6 CBF Monthly Stipend	7,000	7,000
7 Visibility	3,043	-
8 Expenditure Verification	18,000	16,014
A1.1 Training of Trainers (CBF/POs)	1,346	1,583
A1.3: Vocational Skills Training	254,000	253,955
A2.2 Agro Enterprise Planning	575	160
A2.3 Start Up Kits	345,500	344,850
A2.5 Business Clinics (Mentoring & Coaching)	500	160
A3.1 Training in Civic Engagement	360	120
A3.4 Follow Up	300	100
A3.5 Capacity Building in Advocacy & Policy Analysis	422	880
CU1 Management Monitoring	2,377	1,115
CU2 VSLA Performance Review Meetings	900	80
Total Expenditure	860,337	850,981
Surplus for the year	-	65,725
Exchange gain	-	1,822
Less Activity advance	-	(5,519)
	-	62,028

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

Fund Accountability Statement for the year ended 31 December 2018

Project Duration: 2017-2019

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

Funder: Manos Unidas

	Budget	Actual
	2018	2018
	Ushs'000	Ushs'000
Income		
At 1 January	147,051	147,147
Grants and Donations	143,199	143,675
Interest income	665	665
	290,915	291,488
Expenditure		
0.0 Common Activities (Personnel)	27,500	33,000
0.0 Common Activities (Running Costs)	4,657	5,899
0.1 Periodic Management Monitoring Visits	3,220	3,060
0.2 Hold Quarterly Beneficiary Review Meetings	75	75
0.3 Conduct End of Project Baseline/evaluation	450	500
0.4 Financial Audit	2,000	2,000
1.1 Provide Agro Inputs	141,775	141,775
1.2 Train in Agronomy Skills	2,455	2,440
2.2 Drilling Borehole	56,389	57,306
2.3 Train Community Health Frontline Advisors	6,750	-
2.4 Support Voluntary Counselling & Testing	7,250	5,500
2.5 Conduct Health Education	639	639
3.1 Initiate Functional Adult Literacy Classes	31,955	31,917
3.5 Hold Petition & Accountability Days	5,800	6,100
Total Expenditure	290,915	290,211
Surplus for the year	-	1,277
Exchange loss	-	(192)
	-	1,085

APPENDIX V: DANISH ASSISTANCE TO REFUGEE PROJECT

Fund Accountability Statement for the ended 31 December 2018

Project Duration: 2015-2019

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

Funder: DANIDA

	Budget	Actual
	2018	2018
	Ushs'000	Ushs'000
Income		
At 1 January	7,725	7,725
Grants and Donation	859,236	859,236
	866,961	866,961
Expenditure		
101 Pay and Facilitate Extension Staff	444,532	440,743
104 Train farmers groups in good agronomic practices	3,550	-
105 Hold Open Days	50,869	50,869
106 Conduct Weekly Radio Shows	35,684	35,684
109 Support District Local Government Monitoring	17,258	17,258
301 Pay and Facilitate Marketing Coordinator	36,274	36,274
302 Support Collective Marketing	5,188	5,188
401 Pay and Facilitate VSLA Officer	27,481	27,477
403 Pay and Facilitate CBTs to Train in VSLA	26,705	26,705
501 Pay and Facilitate Animal Traction Staff	78,586	78,558
502 Select Farmer Groups for Animal Traction	13,064	12,906
503 Select & Train CB Ox-Handlers, Ox-Trainers, Group Leaders	7,400	7,400
701 Facilitate Implementing Partner Staff	92,454	92,485
702 Support Implementing Partner Operation	23,500	24,757
704 Support to Annual General Meeting	8,000	8,000
705 Monitoring & Evaluation Seminar	-	360
706 Transportation of motorcycles from ZODFA	-	242
Total Expenditure	870,545	864,906
Surplus for the year	-	2,055

APPENDIX VI: MIGRATION PROJECT

Fund Accountability Statement for the year ended 31 December 2018

Project Duration: September 1 2017-December 31, 2019

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

Funder: HORIZONT3000, Austrian Organisation for Development Cooperation,

	Budget	Actual
	2018	2018
	Ushs'000	Ushs'000
Income		
At 1 January	167,295	167,295
Grants and Donations	819,207	819,207
	986,504	986,504
Expenditure		
Direct Expenses		
1.1.1 Executive Director (AFARD-40%)	20,417	20,417
1.1.2 Finance & Admin Manager (AFARD-50%)	20,417	20,417
1.1.3 Yumbe Team Leader (AFARD-50%)	12,033	12,033
1.1.4 Field Officers (3 AFARD-100%)	54,083	54,083
1.1.5 Accountant (AFARD-35%)	9,036	9,036
1.1.6 Driver (AFARD-50%)	4,214	4,214
1.1.7 Watchman (AFARD-50%)	1,216	1,216
1.2.1 Consultants for Staff Training	2,002	-
1.2.2 Consultant for Baseline	6,136	6,136
1.2.3 Consultant for Manual Development	902	-
1.2.4 Consultant for Food Processing Training	5,068	-
1.2.5 Consultant for Briquette Making Training	2,172	2,848
1.3.1 Internal Travel Costs Project Team AFARD	1,600	6,450
2.10 Cassava Cuttings (for Host Communities)	105,885	105,766
2.11 Maize (for Refugees)	12,218	13,475
2.12 Hoes	24	-
2.13 Watering Can	12	-
2.14 Spray Pump	4	-
2.15 Agricultural Inputs	2,634	-

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	Budget 2018 Ushs'000	Actual 2018 Ushs'000
2.16 Fertilizers	33,259	33,250
2.17 Pic Bags	1,520	843
2.18 Assorted Tools (Start Up Sets)	202,811	200,672
2.19 Sunflower Seeds	71,676	38,463
2.20 Sesame Seeds	6,154	18,186
2.21 Tree Seedlings	38,463	38,527
2.22 Briquette Making Machines	7,032	4,350
2.3 Laptops	(180)	-
2.4 Digital Cameras	3	-
2.5 Smart Phones & ODK Software	3,008	1,184
2.6 Chairs and Desks	2	-
2.7 Filling Cabinets	5	-
2.8 Pigeon & Cow Pea Seeds	48,870	58,761
2.9 Vegetable Seeds	9,231	31,325
3.10 Train in Basic Poultry Production & Disease Control	12,189	5,828
3.11 Place Youth for Apprenticeship Training in Market	109,692	125,882
3.12 Train FFS Members in Collective Marketing	5,376	3,200
3.13 Train FFS Members on Crop Multi-Peril Insurance	4,254	-
3.14 Conduct Agri (Business) Mentoring & Coaching	1,115	-
3.15 Conduct Mkt Linkages	634	388
3.16 Conduct Comm & School Awareness on Environment Conservation	15,252	2,604
3.17 Train FFS Members on Woodlots Establishment	2,715	2,716
3.18 Train in Briquette Making	3,163	2,062
3.19 Form & Train Local Environment Committee	3,063	3,286
3.1 Form 30 Farmer Field Schools (FFSs)	760	760,200
3.20 Develop Community Environment Action Plan	543	546
3.21 Mentor & Support LECs to Implement CEAP	2,458	430
3.22 Staff Recruitment, Induction & Training	3,632	1,230
3.2 Identify, Train & Motivate FFSs Facilitators	14,589	9,000

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	Budget 2018 Ushs'000	Actual 2018 Ushs'000
3.3 Establish FFS Learning Sites Including Enterprise Selection	2,987	2,987
3.4 Train on Climate Smart & GAPs	13,300	13,300
3.5 Train on Backyard Gardening	11,404	11,404
3.6 Train on Food Processing & Nutritional Practice	4,923	1,000
3.7 Conduct Field Days for Grading & Peer Learning	9,151	9,056
3.8 Train FFS Facilitators in VSLA Methodology	9,095	9,100
3.9 Train in Entrepreneurship & Farming As A Business	7,298	7,250
4.2.10 Project Steering Committee Meetings	6,372	2,186
4.2.11 Transport Hire for Agro Inputs-AFARD	12,000	12,393
4.2.1 Telephone Cost	3,653	1,570
4.2.2 Internet	3,653	3,496
4.2.4 Electricity & Water Bills	1,170	993
4.2.5 Stationary and Computer Consumables	1,626	1,625
4.2.6 Motor Vehicle Maintenance	6,478	7,453
4.2.7 Consumables (Toiletry Kit, Tea, Etc.)	2,388	3,318
4.2.8 Motorcycle Maintenance & Repairs	8,525	4,847
4.3 Local Partner's Bank Charges	505	991
4.2.9 Periodic Performance Report Production	4,344	3,025
6.1 Stakeholders Briefing Meeting	5	-
6.2 Baseline Study & Develop MIS	3,511	4,100
6.3 Entrepreneurship, VSLA Manual Production Cost	4,300	-
6.5 Field Visits	2,908	3,571
6.6 Biannual Group Performance Review	3,911	3,911
6.7 Hold Annual District Review & Learning Workshop	1,640	1,300
Total Expenditure	986,504	948,455
Surplus for the year	-	38,049

APPENDIX VIII: PANYANGO COMMUNITY PROJECT PANYANGO

Fund Accountability Statement for the year ended 31 December 2018

Project Duration: 2017-2018

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

Funder: Kindernothilfe (KNH)

	Budget 2018 Ushs'000	Actual 2018 Ushs'000
Income		
At 1 January	3,080	3,080
Grants and Donation	30,024	30,024
	33,104	33,104
Expenditure		
Direct Expenses		
1.10 Form CLAs	40	40
1.11 Training CLA Members on CLA Concept & Features	196	196
1.12 Train CLA Members on Book Writing	237	237
1.13 Train CLA Members on CLA Roles & Responsibility	203	203
1.14 Train CLA Members on Vision Building & Goal Setting	222	222
1.15 Conduct Monthly Monitoring Visits	96	96
1.16 Hold Quarterly CLA Meeting	416	101
1.17 Conduct Internal Assessment of CLAs	155	155
1.18 Conduct External Assessment	155	155
1.19 Planning for Community Development Project	265	265
1.20 Conduct Monthly CFs Meetings	80	80
1.21 Conduct Quarterly Performance Review Meetings	400	40
1.22 Conduct Routine Monitoring Visits	1,000	1,000
1.23 Conduct Financial Audit	1,000	1,000
1.2 Hold Orientation Meeting with Subcounty Officials	40	40
1.6 Hold Community Meetings	-	30
1.8 Train CFs on CLA Concept	50	50
2.4 Train SHG Members on Savings & Credit Management	267	267
2.5 Train SHG Members on Social Support & Social Inclusion	99	99
2.6 Train SHG Members in Business Skills	238	238

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	Budget 2018 Ushs'000	Actual 2018 Ushs'000
2.7 Train SHG Members on Goal Settings & Action Planning	272	272
2.8 Conduct Bi-Annual Self-Monitoring & Assessment	76	78
3.1 Basic Salary	13,680	16,720
3.2 Leave Allowance	570	-
3.3 NSSF 10%	1,368	1,672
3.4 Medical Insurance	1,094	1,094
3.5 Provident Fund 15%	2,052	2,052
3.6 Workman's Compensation	114	114
4.1 Running Cost	2,926	1,326
4.2 Stationary	8	6
4.3 Community Facilitators Allowance	1,500	1,800
4.4 Repair & Maintenance	682	220
5.1 Exchange Gain	3,601	-
Total Expenditure	33,104	29,870
Surplus for the year	-	3,234

APPENDIX X: MAYEP PROJECT

Fund Accountability Statement for the year ended 31 December 2018

Project duration: February 2016-January 2019

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

Funder: European Union through Self Help Africa (SHA)

	Budget 2018 Ushs'000	Actual 2018 Ushs'000
Income		
At 1 January	27,246	27,246
Grants and Donations	404,845	404,845
	432,091	432,091
Expenditure		
1.10 Train Groups in VSLA	23,755	23,755
1.1.1 Technical Staff Salaries	156,982	156,982
1.1.2 Administrative/Support Staffs	18,489	18,489
1.4 Establish Enterprise Learning Sites	4,013	2,456
4.0 Local Office	78,026	78,026
5.6 Financial Services (Bank Guarantee, Costs, Etc.)	375	375
A1.11 Train Groups in Social Inclusion	13,200	13,200
A1.15 Refresher Training for YMFs & ESAs in GAP	27,228	27,228
A2.2 Establish/Strengthen Existing Business Clinic	28,570	28,570
A2.5 YMFs Quarterly Review Meeting	40,135	38,635
A3.6 Facilitate Youth Broadcast Advocacy on Radio	15,300	15,300
A5.3 Quarterly & Annual Review Meeting at District Level	8,400	8,400
A5.4 Quarterly & Annual SHA & AFARD Meeting	10,869	10,869
Business Hub	270	270
Training in Advocacy	6,479	6,479
Total Expenditure	432,091	429,034
Surplus for the year	-	3,057

APPENDIX XI: FOOD AND NUTRITION (FAO) PROJECT

Fund Accountability Statement for the year ended 31 December 2018

Project Duration: 5 Months

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

Funder: FAO (Food and Agricultural Organisation)

	Budget	Actual
	2018	2018
	Ushs'000	Ushs'000
Income		
At 1 January	34	34
Grants and Donation	62,921	62,921
	62,955	62,955
Expenditures		
Input Distribution and Training		
Loading/Off-Loading Inputs for 602/BEL & 702/CHA	2,655	2,655
Mobilisation & Sensitization of Beneficiaries	565	565
Seed Distribution (Store to Beneficiaries)	4,290	4,290
Storage of Inputs	4,450	4,450
Supervision & Monitoring-Allowance for Project Staff	990	990
Supervision & Monitoring-Vehicle/MCycle Fuel	5,891	5,891
Bank Charges	250	173
Communication	527	527
Contribution to Office Equipment Maintenance	4,500	4,500
Contribution to Security	920	920
Internet Contribution	1,158	1,158
Office Utilities	383	383
Animal Husbandry Officer	9,000	9,000
Driver	1,980	1,980
Field Extension Workers	18,100	18,100
Finance Officer	792	792
National Programme Manager	2,255	2,255
Project Manager	4,250	4,250
Total Expenditure	62,955	62,878
Surplus for the year	-	77

APPENDIX XI: AFARD PSFU-SDF PROJECT
Fund Accountability Statement for the year ended 31 December 2018

Project duration: January 2018 May 2019

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

Funder: PSF- Uganda

	Budget 2018 Ushs'000	Actual 2018 Ushs'000
Income		
At 1 January	348	348
Grants and Donations	42,308	16,500
AFARD'S contribution	24,353	1,404
	67,009	18,252
Expenditures		
POULTRY AND POST HARVEST HANDLING		
Accommodation and Meals		
Accommodation- Post Harvest handling	4,550	-
Accommodation-Poultry	5,005	500
Equipment		
Feed Mixer	7,500	8,255
Meals and Venue		
Feeding(14 Staff x 10 Days) Post Harvest Handling	4,340	-
Feeding(14 Staff x 11 Days)-Poultry Training	4,836	1,704
Hire of Venue	1,800	-
Monitoring and Coordination		-
Airtime and Internet	850	-
Documentation and Reports	650	250
Fuel	1,400	-
Training Fees		
Business Trainer(Entrepreneurship) for 4 Days	1,600	-
Support Trainers(Poultry & Post Harvest)	5,200	-
Technical Trainer(Post Harvest Handling) for 8 Days	4,400	-
Technical Trainer(Poultry) for 9 Days	4,950	5,550
Training Materials		
Assorted Drugs	450	-
Assorted Storage Chemicals	250	-
Crip Construction	800	-
Feed Ingredients	50	-

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	Budget 2018 Ushs'000	Actual 2018 Ushs'000
Flip Charts	300	
Generator Fuel	600	210
Local Feeding Trough	1,560	-
Manilla Cards	120	-
Manual Thresher(at Training Site)	3,000	-
Markers	150	-
Masking Tapes	64	-
Moisture Meters	6,240	-
Notebooks	600	-
Pens	120	-
PIC Storage Bags	416	-
Tarpaulins	3,120	-
Treatment Tools(Syringes,Etc)	200	200
Waterers	780	150
Weighing Scales	760	-
Management costs (SSH4A)	348	348
Bank Charges	-	162
Total Expenditure	67,009	17,329
Surplus for the year		923

APPENDIX XII: AWO PROJECT
Fund Accountability Statement for the year ended 31 December 2018

Project Duration: January 2019-December 31, 2019

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

Funder: AWO International

	Budget 2018 Ushs'000	Actual 2018 Ushs'000
Income		
Grants and Donations	103,820	103,820
	<u>103,820</u>	<u>103,820</u>

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APPENDIX XIII: DETAILED FUND ACCOUNTABILITY STATEMENT ON PROJECT BASIS

Description	ERUSSI NDHEW		WENAGIC		YEPP		JANGOKORO		DAR3 FUNDS	
	Kindernotheife	Sall Family Foundation	Sall Family Foundation	EU through SHA	Manos Unidas	Danida	Manos Unidas	Danida	Manos Unidas	Danida
	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Income										
Opening Balance	44,923	180,589	180,589	724,515	147,147	147,147	147,147	7,725		
Grant Donations	275,607	320,864	320,864	58,191	143,675	143,675	143,675	859,236		
Interest Income	-	-	-	-	665	665	665	-		
Other Incomes	-	-	-	134,000	-	-	-	-		
Exchange gain/Loss	(933)	(395)	(395)	1,822	(192)	(192)	(192)	-		
Total Income	319,597	501,058	501,058	918,528	291,295	291,295	291,295	866,961		
Expenditure										
Program Expenditure	242,921	180,184	180,184	850,981	290,210	290,210	290,210	864,906		
Administrative costs	-	-	-	-	-	-	-	-		
Total Expenditure	242,921	180,184	180,184	850,981	290,210	290,210	290,210	864,906		
Surplus for the year	76,676	320,874	320,874	67,547	1,085	1,085	1,085	2,055		
Represented By:										
Cash at Bank	76,676	320,874	320,874	62,028	1,085	1,085	1,085	2,055		
Advance	-	-	-	5,519	-	-	-	-		
Total	76,676	320,874	320,874	67,547	1,085	1,085	1,085	2,055		

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

Description	MIGRATION	DECENTRALI SATION	PANYANGO COMMUNITY	MAYEP	FOOD & NUTRITION
	Horizont3000	PSF-Ug & UKAID	KNH	EU Through SHA	FAO
	2018	2018	2018	2018	2018
	Ushs'000	Ush'000	Ushs'000	Ushs'000	Ushs'000
Income					
Opening Balance	167,295	348	3,080	27,246	34
Grant Donations	819,209	16,500	30,024	404,845	62,921
Interest Income	-	-	-	-	-
Other Incomes	-	1,404	-	-	-
Exchange Loss	-	-	-	-	-
Total Income	986,504	18,252	33,104	432,091	62,955
Expenditure					
Program Expenditure	948,455	17,329	29,870	429,034	62,878
Administrative costs	-	-	-	-	-
Total Expenditure	948,455	17,329	29,870	429,034	62,878
Surplus for the year	38,049	923	3,234	3,057	77

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Represented By:					
Cash at Bank	38,049	923	3,234	3,057	77
Advance					
Total Cash at Bank	38,049	923	3,234	3,057	77

Agency For Accelerated Regional Development (AFARD)
 Audit Report and Fund Accountability Statement for the year ended 31 December 2018

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

Description	AWO		AFARD		Consolidation	
	AWO International	2018	General Fund	2018	2018	Ushs'000
	Ushs'000		Ushs'000		Ushs'000	
Income						
Opening Balance	-		48,089		1,350,990	
Grant Donations	-		-		2,991,072	
Interest Income	-		283		948	
Other Incomes	-		194,494		329,899	
Exchange Loss	-		-		302	
Total Income	-		242,866		4,673,211	
Expenditure						
Program Expenditure	-		-		3,916,767	
Administrative costs	-		215,409		215,409	
Total Expenditure	-		215,409		4,132,177	
Surplus for the year	-		27,457		541,034	
Represented By:						
Cash at Bank	103,820		27,457		639,335	
Advance	-		-		5,519	
Deferred income-AWO Project	(103,820)		-		(103,820)	
Total Cash at Bank	-		27,457		541,034	

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

	Free-hold Land	Buildings	Motor vehicles and cycles	Furniture	Equipment	Computer equipment	Work in progress	Total
	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000
COST								
At 1 Jan 2018	40,611	384,154	1,311,246	90,455	225,324	84,044	434,831	2,570,665
Additions	-	-	-	4,435	-	6,580	-	11,015
At 31 December 2018	40,611	384,154	1,311,246	90,455	229,759	90,624	434,831	2,581,680
DEPRECIATION								
At 1 January 2017	-	275,701	749,116	57,303	167,106	57,081	-	1,306,307
Charge for the year	-	23,457	143,202	,088	9,467	7,876	-	193,090
At 31 December 2017	-	299,158	892,318	66,391	176,573	64,957	-	1,499,397
Charge for the year	-	23,457	135,369	,015	7,541	11,718	-	184,099
At 31 December 2018	-	23,457	135,369	,015	7,541	11,718	-	184,099
NET BOOK VALUE								
At 31 December 2018	40,611	61,540	283,559	18,049	45,646	13,948	434,831	898,183
At 31 December 2017	40,611	84,996	418,928	24,064	48,751	19,087	434,831	1,071,268

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

PRIVATE AND CONFIDENTIAL

The Board of Directors

Agency for Accelerated Regional Development

Plot: 3-5 Butiime Road

P.O Box 80

Nebbi Municipality, Uganda

Dear Sirs,

MANAGEMENT LETTER FOR THE YEAR ENDED 31 December 2018

In accordance with our firm's normal practice, we report to you matters that came to our attention during our audit for the year ended 31 December 2018. The management of the organization is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Yours faithfully,



Charles Oguttu

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

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BACKGROUND

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

1.1 CLASSIFICATION

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

i. Regulatory Compliance Issues

We have detailed identified instances of non-compliance with the laws and regulatory pronouncements.

ii. Operational Issues

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

iii. Financial Controls Recommendations

We did not come across any material financial control issues as areas of improvement

1.2 RANKING

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

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

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

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

1.3 COLOR CODE FOLLOW UP GUIDE



The matter has not been addressed at all.



The matter has been addressed but not concluded.



The matter has been satisfactorily resolved.


2.0 SUMMARY OF POINTS ARISING FROM CURRENT YEAR'S AUDIT

Ref	Summary of the issues/weaknesses	Ranking (High/Medium/Low)
3.0	OPERATIONAL ISSUES	
3.1	Inadequate insurance cover	Medium
3.2	Incomprehensive risk register	Medium
3.3	Lack of an internal audit function	Medium
3.4	Absence of a human resource function	Medium
3.5	Insufficient vehicle logbook management	Medium
3.6	Un signed funding agreement between AFARD and MAYEP	Medium


Agency for Accelerated Regional Development (AFARD)
 Management letter for the year ended 31 December 2018

3.0 OPERATIONAL ISSUES

3.1 Fixed assets not insured

Issue/Observation	Risk/Implication	Recommendation	Management Comments	Ranking/Responsibility/Implementation
<p>Section 3.5.1.4 of the Human resource policy states "all vehicles shall be covered by appropriate comprehensive insurance to provide reasonable protection of AFARD'S interests".</p> <p>Furthermore, it is good practice to have an organisation's fixed assets insured to cover costs for loss or damage of these assets.</p> <p>However, we noted that AFARD's fixed assets are not insured.</p>	<p>Should the assets be stolen or destroyed in an accident AFARD would have to cover the full replacement cost. Such a significant cash outflow at one time could put severe strain on the cash flows of the organisation and in extreme circumstances the continuity of the organisation may be at risk, or may affect the going concern of the organisation at a future date.</p>	<p>We recommend that management review its insurance policy, and have its assets fully insured. Insurance cover should be reviewed and adjusted, if necessary, on a periodic basis (say annually) with the assistance of specialist insurance advisers.</p>	<p>Noted for action. <i>This advice will be adopted when financial resources become available.</i></p>	<p>Ranking:  Individual Responsible: Finance and Administration Manager Implementation Date:</p>

Agency for Accelerated Regional Development (AFARD)
 Management letter for the year ended 31 December 2018
 3.2 Incomprehensive risk register


Issue/Observation	Risk/Implication	Recommendation	Management Comments	Ranking/Responsibility/Implementation
<p>During the audit, we observed that the risk register in place at AFARD is not sufficient to address all potential risks, as it basically covers operational risks.</p>	<p>All organizational resources are exposed to risks, either internally and externally, involving the Board, staff, service providers, and development partners such as donors and beneficiary groups. Absence of a comprehensive register to address these risk areas exposes AFARD to risk without formulating procedures and controls to mitigate these risks.</p>	<p>We recommend that AFARD management develop a more comprehensive risk register as detailed on page 60 of the finance manual.</p>	<p>Noted for improvement The above will be adopted when financial resources become available</p>	<p>Ranking:  Individual Responsible: Finance and Administration Manager Implementation Date: April 2019</p>

Agency for Accelerated Regional Development (AFARD)

Management letter for the year ended 31 December 2018

3.3 Lack of an internal audit function

Issue/Observation


Issue/Observation	Risk/Implication	Recommendation	Management Comments	Ranking/Responsibility /Implementation
<p>We have noted that there is no internal audit function operating within AFARD.</p>	<p>An internal audit department exists to aid the business and assist in the identification of matters requiring their attention. As a result of the multiple locations from which the organisation is planning to operate, and the dilution of control which ultimately arises, this is increasingly important.</p>	<p>We recommend that management reviews the requirement for the implementation of an internal audit function based on the current and future expected activities of AFARD. The department would focus initially on areas that are of concern to management and in which there may be lack of control with a view to ensuring that key management objectives and strategies are achieved. The function must be given adequate resources, both financial and operational, and a clear reporting structure should be formalised and documented for reporting the findings to the Board of Directors on which they can base decisions.</p>	<p>In 2011, the Board aware of inadequate funding restructured the Finance department's internal roles to allow for a robust control management that is in use to date.</p> <p><i>This position will be filled when financial resources become available.</i></p>	<p>Ranking:</p>  <p>Individual Responsible:</p> <p>Board of Directors</p> <p>Implementation</p>

Agency for Accelerated Regional Development (AFARD)

Management letter for the year ended 31 December 2018

3.4 Absence of a Human Resource function

Issue/Observation

Issue/Observation	Risk/Implication	Recommendation	Management Comments	Ranking/Responsibility/Implementation
<p>Human resource management is essential in any organisation, for the sole purposes of job analysis and staffing, organization and utilization of work force, measurement and appraisal of work force performance, implementation of reward systems for employees, professional development of workers, and maintenance of work force.</p> <p>However, we have noted that AFARD has no Human Resource Officer, and these tasks, as well as administrative tasks, all lie on the shoulders of the Finance Manager.</p>	<p>Adding Human resource responsibilities to the Finance Manager core responsibilities, leaves the Finance Manager overwhelmed with Human resource management, Financial management, and Administrative tasks. In addition, there is inadequate segregation of duties with absence of a Human resource function.</p>	<p>We recommend that the Board of Directors review the requirement for a Human resource officer, to enhance and appraise work performance, as well as carry out other Human Resource management tasks</p>	<p>AFARD has an integrated management system. Human resource functions are adhered to in line with its human resource policy. The Finance and Administration Manager is the designated officer and is supported by the entire management team in entry, induction, supervision, and appraisal.</p> <p>This position will be filled when financial resources become available.</p>	<p>Ranking:</p>  <p>Individual Responsible: Board of Directors</p> <p>Implementation Date:</p>

Agency for Accelerated Regional Development (AFARD)

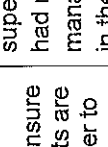
Management letter for the year ended 31 December 2018

3.5 Insufficient vehicle logbook management

Issue/Observation	Risk/Implication	Recommendation	Management Comments	Ranking/ Responsibility/ Implementation
<p>Section 14.6.1 of the finance manual states that as part of the vehicle management procedures, a log book should be kept for each vehicle recording the following key information:</p> <p>Name of driver; Date and time of journey; Start and destination of each journey; mileage at start and end of each journey; Purpose of the journey, which should be initiated by AFARD official and not the driver.</p> <p>However, we noted that some log books were not appropriately filled in as stipulated in the finance manual. (See <i>appendix 1</i>)</p>	<p>Improper vehicle logbook management, and lack of monitoring of the same, can lead to misappropriation of organisation vehicles by staff.</p>	<p>Management should ensure logbooks are appropriately filled in with all the details stipulated in the finance manual, to ensure proper vehicle management.</p>	<p>This is a recurrent issue with DAR3 project because major services and repairs is the responsibility of the Danida Coordinating Function and not AFARD. While we report such issue immediately they occur, actions take time. To keep implementation of the time-based agricultural activities on-going, we improvise fleet use control based on fuel allocation. Efforts are already put in place in 2019 to ensure that Project Supervisors conduct weekly reviews of fleet conditions, use and logbooks.</p>	<p>Ranking:</p> <p style="text-align: center;">M</p> <p>Individual Responsible: Executive Director</p> <p>Implementation Date: January 2019</p>

Agency for Accelerated Regional Development (AFARD)
Management letter for the year ended 31 December 2018

3.6 Un signed funding agreement between AFARD and MAYEP.

Issue/Observation	Risk/Implication	Recommendation	Management Comments	Ranking/Responsibility/Implementation
<p>AFARD holds a project agreement between AFARD and Self Help Africa (SHA) for the MANZO Youth Empowerment Project (MAYEP). The project duration is February 2018 to January 2019.</p> <p>We noted that the project agreement is in operation however, the agreement between the parties was not signed.</p>	<p>Failure to have a fully signed agreement indicates that some of the terms have not yet been agreed upon.</p> <p>Further, the terms will be easier for both parties to dispute if the contract is not signed.</p>	<p>We recommend management to ensure that all agreements are fully signed in order to avoid adverse changes that may arise.</p>	<p>MAYEP project, supervised by SHA, had numerous management gaps in the last year 2018-2019 e.g., lack of detailed budget from SHA of AFARD, and non-approval of no-cost extension period by EU. Therefore, SHA preferred an activity implementation modality based on "as-is-basis." In this way, we could not commit to signing an unclear agreement.</p>	<p>Ranking:</p>  <p>Individual Responsible: n/a (the project closed)</p> <p>Implementation Date:</p>




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APPENDIX 1

Name	Department	Registration No.	Comment
Otuku Emmy	DAR3	UEO 001H	Speedometer columns not filled in. Start and destination not indicated. (Since October to December 2018)
Opiyo Colline	DAR3	UEO 019H	Speedometer columns not filled in. Start and destination not indicated. (Since April to December 2018.)
Patricia	DAR3	UDX 991Z	Speedometer information not correctly filled in. Start and destination not indicated. (From Jan 2018 to December 2018)
Abidok Trinity	Programmes (JFSP)	UDX 583Z, UDX 965Z	Speedometer information not correctly filled in. Start and destination not indicated. (From March to December 2018)

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6.0 FOLLOW UP OF PRIOR YEAR'S MANAGEMENT LETTER

Ref	Observation	Recommendation	Status of Implementation
1	Lack of tax exemption certificate	Management should normalize this compliance process to minimise organization's exposure	 Implemented
2	Failure to withhold tax on consultancy fees	Management should always ensure that all statutory requirements are observed to avoid unnecessary fines and penalties	 Implemented
3	Non-compliance to the finance manual	We recommend management to consider updating some provisions of the finance manual to ensure that the different payment thresholds are appropriately approved.	 Implemented

Responsibility statement

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

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

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