

Northern Uganda Resilience Initiative
Coordination Function
(NURI Coordination Function)

**Fund Accountability Statement and Management Letter
For the period 1 April 2019 to 31 December 2019**

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Acronyms

aBi	Agricultural Business Initiative
AEO	Agricultural Extension Officer
AES	Agricultural Extension Supervisor
CBT	Community Based Trainer
CDO	Community Development Officer
CF	Coordination Function
CM	Collective Marketing
CMO	Catchment Management Organization
CMP	Catchment Management Plan
CSA	Climate-Smart Agriculture
DANIDA	Danish International Development Assistance
DFA	District Farmers Association
DKK	Danish Kroner
DLG	District Local Government
DWRM	Directorate for Water Resource Management
GBV	Gender Based Violence
GoU	Government of Uganda
IP	Implementing Partner
MC	Marketing Coordinator
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
NURI	Northern Uganda Resilience Initiative
PHH	Post-Harvest Handling
RAU	Resilience Agricultural Unit
RDE	Royal Danish Embassy
RDNUC	Recovery and Development in Northern Uganda
SRHR	Sexual Reproductive Health and Rights
Ushs	Ugandan Shillings
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commission for Refugees
UNWMZ	Upper Nile Water Management Zone
VSLA	Village Savings and Loan Association



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Kampala, Uganda

Our ref: R009/01/al/go

.... **25. June** 2021

Dear Sir,

Audit of the Fund Accountability Statement of Royal Danish Embassy (RDE) funding to Northern Uganda Resilience Initiative Coordination Function for the period 1 April 2019 to 31 December 2019

We have now completed our audit of the Fund Accountability Statement for funds disbursed by Royal Danish Embassy to Northern Uganda Resilience Initiative Coordination Function ("the Coordination Function") for the period 1 April 2019 to 31 December 2019. We submit our report on the Northern Uganda Resilience Initiative Coordination Function's Fund Accountability Statement for the period ended and our opinion thereon.

This report is addressed solely to NURI Coordination Function. KPMG cannot be held responsible for its unauthorized copying and distribution. Recipients are respectfully reminded that this report contains potentially sensitive information and should be kept secure.

The conclusions, findings and opinions expressed in this report are those of KPMG unless identified as those of other parties. We have produced the report specifically for the purposes stated and its interpretation, use, or application for other purposes imposes no obligations on KPMG. KPMG confirms that this report is neither a Memorandum of Information, nor a Prospectus nor any other kind of (Private or Public) Offering Document.

A report of this kind is dependent on the completeness, accuracy, and reliability of data received from NURI Coordination Function. KPMG makes no warranty or claim as to the accuracy of the information on which this report is based and cannot be held responsible for any inaccuracies so arising. Where possible, KPMG has taken steps to ensure that the use of information is consistent and complete within the terms of this project.

The primary objective of this report is to express an opinion on the Fund Accountability Statement of RDE funding to Northern Uganda Resilience Initiative Coordination Function for the period 1 April 2019 to 31 December 2019.

Should there be any matters referred to in this report on which you would like us to provide further explanation or assistance in implementing our recommendations, please do not hesitate to contact us.

We would like to take this opportunity to express our appreciation to you and all members of staff for the assistance accorded to us during the course of our work.

Yours sincerely,

Asad Lukwago
Partner

1 NURI Coordination Function's Project information

1.1 Key Management Personnel

Michael Heine Tilma	-	Financial Management Adviser (Resigned on 12 December 2020)
Rilla Kirk Nørslund	-	Programme Management Adviser
Ritah Mirembe	-	Finance and Administration Officer
Angella Keneza	-	Finance and Administration Assistant

1.2 Bank

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1.3 Auditor

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2 Introduction

2.1 Background

This report sets out the findings from the procedures undertaken during the financial audit of the Fund Accountability Statement of RDE funding to Northern Uganda Resilience Initiative Coordination Function (NURI Coordination Function). The assignment covered the period 1 April 2019 to 31 December 2019.

The Northern Uganda Resilience Initiative (NURI) is one of three engagements under the Uganda Programme on Sustainable and Inclusive Development of the Economy (UPSIDE), which is one of the two thematic programmes of the Danish Country Programme for Uganda 2018-2022, for which a Memorandum of Understanding (MoU) has been signed between the Government of Denmark and the Government of Uganda.

NURI pursues enhanced resilience and equitable economic development in Northern Uganda, including for refugees and host communities, by supporting 1) Climate Smart Agriculture (CSA), 2) Rural Infrastructure (RI), and 3) Water Resources Management (WRM). Refugees and host communities are among the beneficiaries as NURI is designed to support Uganda's progressive refugee policy and the nexus between development and humanitarian action.

NURI Coordination Function has been established as a decentralized unit under RDE to ensure coordination between the implementing partners and other stakeholders and to oversee and support implementation. It provides technical backstopping, financial management, monitoring and evaluation to all the implementing partners implementing NURI activities.

NURI Coordination Function reports directly to the embassy on all the result areas as provided in the results framework. It helps the RDE in the formulation, launch and planning all IMC meetings and field visits.

RDE funding to NURI Coordination Function

The RDE funds to NURI Coordination Function are detailed below;

Programme period: 1 January 2019 to 31 December 2022.

Objective of the programme

The goal of the NURI programme is 'To enhance resilience and equitable economic development in supported areas of Northern Uganda, including refugees and host communities.'

Denmark has supported development in Northern Uganda since the late 1990s. Since 2009, the support has been managed by a Coordination Function which is a decentralized unit of the Royal Danish Embassy, headed by a DANIDA adviser. The Coordination Function is not a different legal entity from the Royal Danish Embassy.

This implementation modality continued under the name NURI Coordination Function, based on good experiences with its lean and flexible setup that has delivered significant results. NURI Coordination Function oversees and supports the implementation of NURI while actual implementation in the beneficiary areas is done by implementing partners or Resilience Agricultural Units (RAUs).

NURI Coordination Function signed separate agreements or contracts with NURI implementing partners as concerns training in climate smart agriculture, marketing, and VSLA/financial literacy (output 1). The contract for implementation of rural infrastructure (output 2), and implementation of micro-catchment plans (output 3) was signed by the RDE.

The essential elements or guiding principles of the implementation strategy are based on the lessons learned in previous interventions in Northern Uganda and on consultations with stakeholders.

- a) Geographical coverage: Beneficiary districts are West Nile – Arua, Moyo, Adjumani, Nebbi, Pakwach and Zombo, and for Acholi – Kitgum, Lamwo and Agago. The districts have been selected based on the following criteria:
 - 7-10 districts in total in West Nile and Acholi sub-region, of which at least three host refugees. The actual number depending on the size of the population (nationals and refugees) in the districts and will be affected by the on-going creation of new districts;
 - Consolidation of previous interventions;
 - Existence of DFA's or NGO's with the necessary capacity, or with strong potential;
 - Access for refugees to sufficient land for agricultural training;
 - Maximization of synergies between outputs and aBi; and
 - Avoidance of overlaps with interventions by other development partners.
- b) In refugee-hosting areas, both refugees and host communities participate and benefit from activities under all outputs. For output 1 and 2, at least 50 percent of beneficiaries are refugees in sub-counties hosting refugees. Refugees benefit from output 3 activities where selected micro-catchments include refugee hosting areas.
- c) Support for agricultural production and marketing focuses on the up-stream part of the value chains (production, bulking, postharvest handling, marketing), while the mid- and down-stream parts are left to other interventions, like aBi and NU-TEC.
- d) For output 1, the aim is to target 4,000 farmer groups with 25 - 30 participants in each, meaning that the aim for the total number of farmer households trained and supported is 100,000 to 120,000.
- e) As much overlap as possible and relevant is sought between participants in activities under the three outputs to ensure synergies.
- f) Beneficiary farmer groups are supported for up to three years, and where deemed necessary to ensure sustainability, they are supported for longer. The programme is to be rolled out in phases. While some groups are covered from year one, others will be covered from year two, and so on.
- g) Cost-sharing of equipment and tools for agricultural production is considered where possible to ensure ownership and sustainability. For demonstration activities some inputs are supplied by the project.
- h) A labour-intensive approach is used for construction of rural infrastructure and water related physical and natural infrastructure.
- i) Participation and empowerment of youth and women is promoted in all activities.
- j) Farmer groups selected based on a needs-assessment are trained in financial literacy, through support to establishment and running VSLAs. This is complemented by training in family planning, building on the Country Programme engagement with UNFPA.
- k) For output 1 and 2, district local governments and sub-county authorities are fully involved in terms of approving and supervising activities. For output 3, the Catchment Management Organizations and relevant local authorities are also fully involved.
- l) Implementation is closely coordinated with similar development and humanitarian interventions.

For WRM additional elements include:

- a) Benefitting geographical areas are chosen based on the following criteria:
 - Should be identified in the CMPs as already being water deficient (negative water balance) or predicted to become so within the timeframe given (up to 2040), and/or environmentally degraded;
 - Should be within NURI areas of operation to ensure maximum synergy with the two other outputs under NURI (climate smart agriculture and rural infrastructure); and
 - Should include micro-catchments in which refugee settlements are placed.
- b) Interventions focus on micro-catchments, as recommended by the DWRM, based on its lessons learnt study and also to ensure guiding principle 1.
- c) DWRM/UNWMZ builds on coordinating and mobilizing functions and extend these to refugee settlements.

Output 1: Increased agricultural output of small-scale farmers

This output includes the following main activities:

- 1.1. Identify and train target farmer groups:
 - Assess and select strategic crops and beneficiary farmer groups, or where no groups exist, work with communities and community leaders to form groups of motivated farmers;
 - Prepare plans with the selected farmer groups depending on their situation and needs;
 - Train in Climate smart agricultural practices, including soil and water management;
 - Train in and support collective marketing; and
 - Continuously assess farming systems and climate smart agricultural practices that should be promoted, based on experiences from the RDNUC, NURI pilot project and consultations with stakeholders, including those involved in CSA research and those in the refugee response.
- 1.2. Train target farmer groups in financial literacy, especially through formation and support of VSLAs
- 1.3. Provide capacity building and operational support to the implementing partner
- 1.4. Provide capacity building and operational support to the Production Departments in the participating District Local Governments.
- 1.5. In collaboration with UNFPA's WAY program sensitize farmer groups to SRHR and GBV issues

The collaboration with UNFPA's WAY program takes the form of trainings of the extension workers on SRHR and GBV issues and integration of SRHR training during some of the NURI training sessions for the farmer groups by CARE International. The Extension workers only provide SRHR referrals or guide their respective farmer group members who may require SRHR services but will not become SRHR trainers. The SRHR- livelihood integration does not target all the NURI districts. NURI farmer groups and extension workers who are outside the 8 UNFPA WAY districts are not covered.

The guidelines for implementation of these activities are documented in Climate Smart Agriculture Training Manuals and Handbooks as well as in a VSLA Manual.

Under activity 1 there are different Target Groups including newly identified farmer groups in all districts, farmer groups supported under RDNUC in the former RDNUC districts, and mixed (refugee and host) and pure refugee women groups in the refugee hosting districts.

Output 2: Agriculture-related rural infrastructure renovated and/or constructed using labour intensive approaches

In short, referred to as Rural Infrastructure, this output includes the following main activities:

- 2.1. Prepare Infrastructure Investment Plans for approval
 - With stakeholders, including those involved in the refugee response, select the types of rural infrastructure that are supported (i.e. community access roads, marketplaces, woodlots);
 - Based on the selected infrastructure, review and update Parish and Sub-county Development Plans, including rural infrastructure in refugee settlements; and
 - Based on the updated Development Plans prepare district investment plans (screen, cost and prioritise projects) together with District Local Governments.
- 2.2. Implement approved infrastructure projects
 - Mobilise local communities and train their project management committees;
 - Procure tools, materials and where needed contractors;
 - Construct or renovate the prioritised infrastructure;
 - Assist in election of user committees and train them; and
 - Assist user committees in preparation of maintenance plans and follow-up on their implementation.
- 2.3. Provide capacity building and operational support to the implementing partners and the Engineering Departments in the participating District Local Governments.

The guidelines for implementation of these activities are documented in the Rural Infrastructure Manual.

Output 3: Agriculture-related physical and natural water infrastructure constructed or made more resilient to climate change

This output includes the following main activities:

- 3.1. Develop water resource micro-catchment plans
 - Development of community-driven micro-catchment management plans by the Upper Nile Water Management Zone (UNWMZ) based on community engagement and mobilisation in the areas identified;
 - Formation at field implementation level of committees that lead the communities to develop bylaws and enforcement mechanisms; and
 - Development of effective community agreements/bylaws on natural resources management that emphasize water management.
- 3.2. Construct approved water resource management infrastructure projects
 - Implementation of micro-catchment plans by contractor, focusing on water retention, such as multipurpose dams, protection of riverbanks, contour planting, tree planting and other retention structures in the open landscape on farm and off farm; and
 - Assist user committees/other community organisations in preparation of maintenance plans and follow-up on their implementation.

Output 3 is implemented by two different implementing partners, DWRM/UNWMZ and a contracted NGO or consultant company. Micro-catchment plans are developed by UNWMZ and the implementation of the activities prioritized from the micro-catchment plans are by the contracted entity. Implementation of activities be by the same entity implementing Output 2 activities under Rural

Infrastructure and follow similar procedures, except in so far as the types of infrastructure are different.

DWRM/UNWMZ implements the planning process, including:

- a) Developing Community-driven micro-catchment management plans and implementation mechanisms in the areas identified.
- b) Developing effective community agreements/bylaws on natural resources management that emphasize water management
- c) Sharing of lessons learned from 1.1 and 1.2 with local governments, CMO, rest of MWE, OPM and UNHCR and other stakeholders
- d) Developing and applying stakeholder-involving monitoring system for 1.1 and 1.2 but also for documentation for 1.3
- e) Developing guidelines for authorities, communities and other stakeholders for implementation of these activities (1.1, 1. 2 and 1.4)
- f) (Formation at field implementation level of committees that lead communities to develop bylaws and enforcement mechanisms. Committees should develop community environmental action plans, in line with the strategy and action plan of UNWMZ and CMPs.
- g) Capacity building of CMOs and DLGs in relation to WRM.

The contractor/entity implementing the construction and renovation activities in the plans carry out activities including:

- a) Implementation of the interventions planned under Output 1. These may include:
 - Reforestation
 - Multipurpose dams
 - Retention structures in the open landscape, on-farm and off-farm (e.g. stone walls, trenches, contour-planting of lemongrass or others, as suited to the locations)
 - Wetland rehabilitation
- b) Assistance to user committees/other community organizations in preparation of maintenance plans and follow-up on their implementation
- c) Support to communities in monitoring and supervising implementation of maintenance plans

The guidelines for implementation of these activities are documented in the NURI Water Resources Management Manual. DWRM/UNWMZ assists NURI Coordination Function in developing the manual, based on the catchment planning guidelines.

2.2 Period under audit

This report covers RDE funding to NURI-Coordination Function in the period 1 April 2019 to 31 December 2019.

2.3 Audit objectives

The objective of the financial audit is to obtain reasonable assurance whether the Fund Accountability Statement of the funds granted through the RDE is free from material misstatement. Based on the audit evidence obtained, the objective is thereby to express an opinion on whether the Fund Accountability Statement is free from material misstatement.

The overall objective of the compliance audit is to obtain reasonable assurance whether transactions covered by the Fund Accountability Statement complies with the appropriations granted, statutes, other regulations, agreements, and usual practice. Similarly, the objective of the performance audit is to make an assessment to obtain reasonable assurance whether the systems, processes, or transactions examined support the exercise of sound financial management in the administration of the funds granted through the Danish Ministry of Foreign Affairs (MFA).

The audit also aims to provide NURI with an external assessment of the financial capacity and established business processes. This includes providing observations and recommendations as part of the audit.

2.4 Scope of work

The scope of the audit includes a financial audit as well as compliance and performance audits.

The financial audit must be carried out in accordance with International Standards on Auditing (ISAs). This requires KPMG to plan and perform procedures based on risk assessment and materiality.

Therefore, KPMG shall:

1. Identify and assess risks of material misstatement of the Fund Accountability Statement, whether due to fraud or error. Based on the risks identified, KPMG is required to design and perform relevant audit procedures to obtain sufficient and appropriate audit evidence to serve as the basis for the auditor's opinion
2. Obtain an understanding of the internal controls relevant to the audit in order to design appropriate audit procedures. The purpose is not to express an opinion on the effectiveness of the internal controls. In relation to funds granted through the RDE, these controls pertain in particular to costs, including costs related to activities funded by the RDE, recognized in the Fund Accountability Statement.
3. Evaluate the appropriateness of the accounting policies used in the Fund Accountability Statement, including the reasonableness of estimates and related disclosures. In relation to funds granted through the RDE, this is particularly relevant for accounting policies regarding project costs.

Specific procedures to be performed in regard to financial audit

1. Request bank confirmation letter mailed directly to the implementing partner required to open a separate bank account.
2. Confirm and reconcile amounts received from the RDE.
3. Perform substantive testing on a sample basis of expenditure to verify proper allocation to the appropriate budget lines against the approved budget.
4. Perform substantive testing on a sample basis to verify the existence of valid third-party supporting documents relating to reported expenditure.
 - a) The sample size shall be based on the auditor's professional judgement and should be stated in the methodology description related to the audit.
 - b) All instances of any missing supporting documents must be reported, including the amounts in question.
5. Perform substantive testing on a sample basis of the fixed asset list as part of the reporting requirements to verify the existence and valuation of assets.
6. Perform procedures to verify the occurrence of transactions related to:
 - a) Any interest earned during the financial period.
 - b) Any exchange gain/losses recorded in the Fund Accountability Statement.

Specific procedures to be performed in regard to performance audit

1. Test of controls related to performance audit.
 - a) Perform interviews and walk-throughs to gain an understanding of the business processes
 - b) Identify key controls related to performance. These controls may include:
 - Authorization in connection with the procurement of goods and services;
 - Budget reviews and follow up on costs;
 - Managements review of finalized procurement processes;
 - Monitoring reviews including evaluation of progress compared to activity description; and
 - Managements review of benchmarks for completion or equivalent.
 - c) Perform test of design and implementation of identified key controls.
 - d) Depending on audit strategy, perform test of the operational effectiveness of controls.
2. Substantive testing on a sample basis
 - a) Determine relevant audit criteria for the audit in relation to economy, effectiveness or efficiency. The audit criteria can be qualitative or quantitative, focusing on what is expected or best practice. These may include:
 - The quality in which the activity is delivered or completed compared to the description of the activity;
 - The quantity of items completed or delivered compared to the description of the activity;
 - Cost of procured goods or services compared to expected prices;
 - Compliance with established procedures for procurement of goods and services, for instance the number of quotations received;
 - The level of travel costs compared to expected levels or levels with peers; and
 - Proper handling of assets.
 - b) Perform tests on selected audit criteria and evaluate on findings and conclusion.
3. To ensure economy in salary levels, perform test on a sample basis of established policies and procedures for compliance, specifically regarding allowances, advances, staff recruitment/salary scales, and other accounting routines.
4. Analytical procedures
 - a) Identify relevant ratios as indicators for economy, effectiveness or efficiency. These ratios may include:
 - Ratios between direct costs and output; and
 - Ratios between administrative costs and output.
 - b) Perform analytical reviews of the development of ratios over time.

Specific procedures to be performed in regard to compliance audit

1. Examine, assess, and report on compliance with the terms and conditions of the Programme and Development Engagement Documents.
2. Gain an understanding of the legislative and regulative environment in which the entity exists.
 - a) Assess compliance with applicable laws and regulation with special attention to legislation regarding accounting and taxes.
3. Gain an understanding of the processes established to ensure compliance with applicable laws and regulations regarding employment of staff. This includes relevant labour legislation as well as regulation regarding social fees, pension, holiday, sick leave, and maternity leave.

Reconcile budget amounts included in the financial statements against the approved budget.

3 Statement of the Management’s Responsibilities

Management of Northern Uganda Resilience Initiative (NURI)-Coordination Function is responsible for the preparation and presentation of the Fund Accountability Statement of RDE funding to NURI- Coordination Function for the period 1 April 2019 to 31 December 2019 set out on pages 15 to 21, which presents in all material respects, the Receipts, Expenditure and Fund Balance and the notes, in accordance with the accounting policies described in note 5.3.1, the Programme and Development Engagement Documents.

Management’s responsibility includes: determining that the basis of accounting and accounting policies described in note 5.3.1 is an acceptable basis for preparing and presenting the Fund Accountability Statement, and for such internal control as Management determines is necessary to enable the preparation of a Fund Accountability Statement that is free from material misstatements, whether due to fraud or error.

Management is also required to prepare a Fund Accountability Statement which presents in all material respects, the state of affairs as at the end of the reporting period. Management is also required to ensure the maintenance of proper accounting records which disclose with reasonable accuracy the financial affairs of NURI Coordination Function.

Management accepts responsibility for the Fund Accountability Statement set out on pages 15 to 21 which has been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with accounting policies and guidelines of RDE. Management is of the opinion that the Fund Accountability Statement is prepared and presents in all material respects, the state of financial affairs of the project for the period 1 April 2019 to 31 December 2019.

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

Management has assessed the ability of the Project to continue as a going concern and as disclosed on Note 5.3.1 to the Fund Accountability Statement, believe the project will continue as a going concern to its expected end on 31 December 2022.

Approval of the Fund Accountability Statement

The Fund Accountability Statement of RDE funding to NURI Coordination Function, as indicated above, was approved and authorized for issue by Management on 24th June 2021



Programme Management Adviser



For - Financial Management Adviser

Date: 24th June 2021



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4 Independent auditor's report

To management of Northern Uganda Resilience Initiative Coordination Function and Royal Danish Embassy

Qualified Opinion

We have audited the financial statements of Royal Danish Embassy funding to Northern Uganda Resilience Initiative Coordination Function ("the Project") set out on pages 15 to 21, which comprise the Statement of Fund Balance as at 31 December 2019, and the Statement of Receipts and Expenditure for the year then ended, and notes to the Fund Accountability Statement, including a summary of significant accounting policies and other explanatory information (together "the fund accountability statement").

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section, the accompanying Fund Accountability Statement of the Royal Danish Embassy funding to Northern Uganda Resilience Initiative Coordination Function is prepared in all material respects, in accordance with the basis of accounting described in Note 5.3.1 to the fund accountability statement.

Basis for Qualified Opinion

Included in the Fund balance is an amount of Ushs 2,387,820,223 relating to pre-financing of other Danish Refugee Council projects for which no formal approval was obtained from the Royal Danish Embassy and Northern Uganda Resilience Initiative-Coordination Function as required by the Programme and Development Engagement Documents.

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 Project and Royal Danish Embassy in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (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 qualified opinion.

Emphasis of Matter- Basis of Accounting

We draw attention to Note 5.3.1 of the fund accountability statement, which describes the basis of accounting. The fund accountability statement is prepared to assist the Project to comply with the financial reporting obligations of the Royal Danish Embassy Programme and Development Engagement Documents. As a result, the Fund Accountability Statement may not be suitable for another purpose. Our report is intended solely for the Project and the Royal Danish Embassy and should not be used by or distributed to parties other than the Project and the Royal Danish Embassy. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the *Northern Uganda Resilience Initiative Coordination Function (NURI Coordination Function) Fund Accountability Statement and Management Letter for the period 1 April 2019 to 31 December 2019*, but does not include the Fund Accountability Statement and our auditor's report thereon.

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 Fund Accountability Statement 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.



Independent auditor's report

To management of Northern Uganda Resilience Initiative-Coordination Function and Royal Danish Embassy (Continued)

Responsibilities of Management for the Fund Accountability Statement

Management is responsible for the preparation of the Fund Accountability Statement in accordance with the basis of accounting described in Note 5.3.1 to the Fund Accountability Statement, and for such internal control as Management determines is necessary to enable preparation of the Fund Accountability Statement that is free from material misstatement, whether due to fraud or error.

In preparing the Fund Accountability Statement, management is responsible for assessing the Project'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 management either intends 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 Fund Accountability Statement

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 the Fund Accountability Statement.

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 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.
- 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 project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the 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 Project'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 Project to cease to continue as a going concern.

We communicate with 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.



Independent auditor's report

To management of Northern Uganda Resilience Initiative-Coordination Function and Royal Danish Embassy (Continued)

The engagement partner on the audit resulting in this independent auditor's report is CPA Asad Lukwago - P0365.

KPMG

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CPA Asad Lukwago

Date:25.June..... 2021

5 Fund Accountability Statement

5.1 Statement of Receipts and Expenditure for the period 1 April 2019 to 31 December 2019

Income	Notes	Actual (Ushs)	Budget (Ushs)	Budget Utilization (%)
Receipts from RDE	5.3.2	19,312,659,115	20,006,473,990	-
Total income		19,312,659,115	20,006,473,990	-
Expenditure				
0. Coordination including TA and M&E				
Activity 0 – Coordination, TA and M&E				
1. Coordination, TA and M&E		1,173,962,563	1,627,225,007	72
Subtotal 0 – Coordination, TA and M&E		1,173,962,563	1,627,225,007	72
1. Climate Smart Agriculture				
Activity 1.1 – Identify and train target farmer groups;				
0.0.1 NURI Coordination, management, M&E		-	1,295,656,380	-
1.1.1 Assess and select strategic crops and beneficiary farmer groups, or where no groups exist, work with communities and community leaders to form groups of motivated farmers.		76,584,080	249,937,000	31
1.1.2 Prepare plans with the selected farmer groups depending on their situation and needs.		42,555,600	52,822,500	81
1.1.3 Train in Climate Smart Agricultural practices, including soil and water management.		4,843,408,743	5,670,194,201	85
1.1.4 Train in and support collective marketing.		58,972,107	173,595,004	34
Activity 1.2 – Train target groups in financial literacy, especially through formation and support of VSLAs.		451,983,532	936,692,604	48
Activity 1.3 – Capacity building and operational support for Implementing Partners.		2,627,263,322	2,434,487,306	108
Activity 1.4 – Provide capacity building support to production departments in the district.		52,152,950	11,390,000	458
Subtotal 1 – Climate Smart Agriculture		8,152,920,334	10,824,774,995	75

5.1 Statement of Receipts and Expenditure for the period 1 April 2019 to 31 December 2019 (Continued)

Expenditure	Notes	Actual (Ushs)	Budget (Ushs)	Budget Utilization (%)
2. Rural Infrastructure				
Activity 2.1.1 – Select Types of Rural Infrastructure.		89,531,821	192,875,900	46
Activity 2.1.2 – Review & Update Parish & Subcounty Development Plans.		80,622,922	147,932,424	54
Activity 2.1.3 – Prepare district Investment plans with DLGs.		85,314,046	333,799,682	26
Activity 2.2.1 – Mobilise local Communities and train their PMCs.		665,000	36,191,376	2
Activity 2.2.2 – Capacity Building & Operational support to Engineering Dept & DLG.		2,136,821,629	6,843,674,606	31
Subtotal 2 – Rural Infrastructure		2,392,955,418	7,554,473,988	32
Total expenditure		11,719,838,315	20,006,473,990	59
Surplus of income over expenditure	5.2	7,592,820,800	-	

The notes set out on pages 18 to 21 form an integral part of this Fund Accountability Statement.

5.2 Statement of Fund Balance as at 31 December 2019

	Notes	Actual (Ushs)
Surplus of income over expenditure	5.1	7,592,820,800
Represented by:		
Cash balance as at 31 December 2019	5.3.3	5,209,365,618
Payables as at 31 December 2019	5.3.4	(35,037,309)
Advances as at 31 December 2019	5.3.5	30,672,268
Pre-financing to other projects	5.3.6	2,387,820,223
Fund Balance as at 31 December		7,592,820,800

The Fund Accountability Statement was approved and authorized for issue by Management on 24th June 2021 and was signed on its behalf by:



Programme Management Adviser



For - Financial Management Adviser

Date: 24th June 2021

The notes set out on pages 18 to 21 form an integral part of this Fund Accountability Statement.

5.3 Notes to the Fund Accountability Statement

5.3.1 Basis of Accounting and Significant Accounting Policies

Basis of preparation

The Fund Accountability Statement of Royal Danish Embassy (RDE) funding to Northern Uganda Resilience Initiative Coordination Function (NURI Coordination Function) has been prepared on a modified cash basis of accounting as required by the Programme and Development Engagement Documents. Under the modified cash basis of accounting, income is recorded when cash is received by NURI Coordination Function, while expenditures are only recorded once full accountability documents such as approved requisitions, invoices, goods receipt notes, activity reports and payment receipts has been reviewed and found adequate to support the expense. Unaccounted for expenses are recorded as advances and only expensed upon full accountability.

The basis of accounting includes Notes to the Fund Accountability Statement which includes significant accounting policies in Note 5.3.1 (a) to (h) and other explanatory information at Notes 5.3.2 to 5.3.6 to the Fund Accountability Statement. The significant accounting policies ensure that receipts and expenses are accounted for in accordance with the Programme and Development Engagement Documents and the project budget over the lifetime of the project.

The Fund Accountability Statement has been prepared on a historical cost basis except as otherwise stated. The Fund Accountability Statement is presented in Uganda Shillings (Ushs), which is NURI Coordination Function's reporting currency.

The Programme and Development Engagement Documents:

- commit NURI Coordination Function to implement activities and achieve the outputs within the planned budgetary provisions as per the approved project proposal and budget; and
- require the accounting records of NURI Coordination Function to be audited from time to time by an external auditor engaged by RDE.

Going concern

The project's implementation period is effective from 1 January 2019 to 31 December 2022.

Management have prepared the Fund Accountability Statement on a going concern basis considering the unexpired term of the project. The going concern basis assumes the project will continue with its normal operations in the foreseeable future, which is a period of at least 12 months from the date of approval of the Fund Accountability Statement. Management believe the project will continue to operate because they expect to receive funds from RDE to meet the project's expenditure based on the budget commitments.

Purpose of the Fund Accountability Statement

The Fund Accountability Statement is prepared to assist NURI Coordination Function to comply with the Programme and Development Engagement Documents' financial reporting provisions. The financial reporting provisions require NURI Coordination Function to prepare and present audited financial statements annually to its members.

Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to NURI Coordination Function's Fund Accountability Statement, unless otherwise stated.

a) Income

Income relates to transfers from RDE to NURI Coordination Function, interest received from bank accounts, if any. Grants and interest received are recognised as income when received. No grant or interest is anticipated or recorded prior to actual receipt.

NURI Coordination Function receives the funds of the project on the Uganda shillings account 9030015609906 in Stanbic Bank.

b) Expenditure

Expenditure comprises expenses incurred directly for approved project activities and direct payments by RDE if any. Expenses are recorded once full accountability documents such as approved requisitions, invoices, goods receipt notes, activity reports and payment receipts has been reviewed and found adequate to support the expense. Unaccounted for expenses are recorded as advances and only expensed upon full accountability.

Fixed assets are expensed in the Fund Accountability Statement in the period of purchase. The Fund Accountability Statement does not therefore, reflect the value of fixed assets at the end of the period.

c) Transactions in foreign currency

Transactions in foreign currency are converted into Ushs at spot rates ruling on the dates of the transactions as negotiated with the NURI Coordination Function Bank.

d) Taxation

The NURI project managed by NURI Coordination Function is not subject to tax on surplus funds. However, any taxes that accrue to project expenses incurred are paid to the supplier or to Uganda Revenue Authority (URA) where applicable. No tax provisions have been incorporated in the Fund Accountability Statement.

e) Currency of the Fund Accountability Statement

The Fund Accountability Statement is expressed in Uganda Shillings in accordance with the CF guidelines.

f) Cash and bank balances

These represent project cash balances held at period end.

g) Advances

Advances to staff and or implementing units are booked in the Statement of Fund Balance and expensed upon receipt of accountability.

h) Payables

Payables to vendors and or RDE are booked in the Statement of Fund Balance pending settlement.

i) Pre-financing to other projects

This relates to funds transferred by the implementing units to finance other Organizational projects without formal approval from NURI Coordination Function and the Royal Danish Embassy.

j) Events after reporting period

These are events which could be favourable or unfavourable that occur between the end of the reporting period and the date that the financial statements are authorised for issue.

An event after the reporting period is an adjusting event if that event provides further evidence of conditions that existed at the end of the reporting period, including an event that indicates that the going concern assumption in relation to the whole or part of the entity is not appropriate.

An event after the reporting period is a non-adjusting event if that event is indicative of a condition that arose after the end of the reporting period.

Financial statements shall only be adjusted for adjusting events. No adjustments shall be made to the financial statements for non-adjusting events. Non-adjusting events shall however be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions.

k) Surplus/deficit of income over expenditure

In the Statement of Receipts and Expenditure for the period, the excess of income over expenditure represents a surplus whereas an excess of expenditure over income represents a deficit.

5.3.2 Grant income

All funds stated below were received from the RDE as follows:

Date credited to bank	Amount (Ushs)
11 April 2019	6,179,121,612
4 October 2019	5,579,063,514
8 November 2019	7,554,473,989
Total Income	19,312,659,115

5.3.3 Cash balance

Description	31 December 2019 (Ushs)
Cash at bank	5,200,402,243
Cash at hand	8,963,375
Total	5,209,365,618

5.3.4 Payables

Description	31 December 2019 (Ushs)
RDE - RDNUC closure	35,037,309
Total	35,037,309

5.3.5 Advances

Description	31 December 2019 (Ushs)
RAU Kitgum/Lamwo to CF (Inter-Unit Advance)	18,134,640
Oven Technology	557,500
Total Uganda Limited	7,520,428
District Local Government	1,500,000
Staff advances	2,959,700
Total	30,672,268

5.3.6 Pre-financing to other projects

Description	31 December 2019 (Ushs)
Pre-financing to other DRC projects	2,387,820,223
Total	2,387,820,223

This relates to funds transferred by the Danish Refugee Council (DRC) to finance other Organizational projects without formal approval from NURI Coordination Function and the Royal Danish Embassy.

5.3.7 Events after reporting period

In March 2020, the novel Coronavirus (COVID-19) outbreak was declared by the World Health Organisation to be a pandemic in recognition of its rapid spread across the globe, Uganda inclusive. COVID-19 could impact on the future implementation of the project activities. There is no impact of COVID-19 in the current period Fund Accountability Statement.

NURI Coordination Function
Detailed Management Letter

6 Management letter – Current period performance improvement observations

6.1 Introduction

The primary purpose of our audit was to enable us to express an opinion as to whether or not the Fund Accountability Statement of NURI Coordination Function is prepared in all material respects, in accordance with the accounting policies and the Programme and Development Engagement Documents.

We assessed and evaluated the systems of internal accounting control only to the extent we considered necessary, in order to establish the nature, timing and extent of auditing procedures necessary for expressing an opinion on the Fund Accountability Statement.

Our audit of the Fund Accountability Statement for the period 1 April 2019 to 31 December 2019 would not necessarily disclose all exceptions because it is based on selective tests of accounting records.

This section details certain observations and recommendations which resulted from our audit. The implementation of these recommendations should assist the RDE and NURI Coordination Function in improving internal accounting controls.

6.2 Grading of audit findings

Significant deficiency

A significant deficiency in internal control is a deficiency or combination of deficiencies in internal control that, in our professional judgment, is of sufficient importance to merit the attention of those charged with governance.

Control deficiency

A deficiency in internal control exists when;

- a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or
- a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

Other matter

An other matter is a deficiency in administrative processes that, in our professional judgment, does not meet the definition of a significant deficiency or control deficiency.

6.3 Executive Summary

Reference	Description of Finding	Grade	Value of deficiencies (Ushs)	Appendix Reference	Value Qualified (Ushs)
6.4.1	<i>Inadequately supported expenditure.</i> The expenditure accountabilities should only be retired upon submission of validated and approved supporting expenditure documents. The programme staff should review all the accountabilities to ensure that the accountabilities submitted are complete and adequate in all respects and constitutes full documentation necessary to retire the advance and sign the accountability as evidence of review.	<i>Significant deficiency</i>	340,885,334	I	-
6.4.2	<i>Lapses in the budgeting process.</i> All IPs should adhere to the budget planning process.	<i>Control deficiency</i>	-	-	-
6.4.3	<i>Differences between the cash balance in the FAS and the Bank statement.</i> We noted a difference between the cash balance as per the FAS and the bank statement	<i>Significant deficiency</i>	2,387,820,223	-	2,387,820,223
Total amount qualified					2,387,820,223

6.4 Detailed Audit findings and Recommendations

We have reported our detailed audit findings and recommendations within the respective categories as per the subsequent pages of this report:

6.4.1 Inadequately supported expenditure

Grade	Significant deficiency
Observation	<p>Section 8.3 of the Programme Document, Accounting, states that NURI management of funds shall be based on sound financial management procedures and International Accepted Accounting Standards ensuring that:</p> <ul style="list-style-type: none"> — The Danish grant is entered into the accounts as income; — Reporting on expenditures is of at least the same level of detail as in the grant budget; — All expenditures are documented by original vouchers, original invoices and original, signed receipts; — An adequate register of equipment and other assets is maintained; — Adequate control procedures are put in place; — An accounting manual is maintained; and — The administration adheres to established written procedures. <p>Inadequately supported expenditure;</p> <p>Our review of expenditure transactions revealed items relating to payments that lacked appropriate documentary support such as activity reports. The related expenditure with missing activity reports amounted to Ushs 340,885,334 and the details are shown in Appendix I to this report.</p>
Risk	<ul style="list-style-type: none"> — There is a risk that the expenses in question were not incurred for the intended purposes and activity and as such could be considered ineligible expenditure by the RDE. — This hinders the audit trail of expenditure transactions.
Recommendation	<ul style="list-style-type: none"> — Management should scrutinize the accountabilities submitted by the Implementing partners to support respective expenditure. Any inadequately supported expenditure should be promptly followed up and in extreme cases recovered directly from the implementing officers. — The expenditure accountabilities should only be retired upon submission of validated and approved supporting expenditure documents. The programme staff should review all the accountabilities to ensure that the accountabilities submitted are complete and adequate in all respects and constitutes full documentation necessary to retire the advance and sign the accountability as evidence of review. — No additional funds should be disbursed to the implementing partner/officer if the accountability for previous disbursements have not been submitted, reviewed and fully retired.

NURI Coordination Function

Fund Accountability Statement and Management Letter for
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Management Comments	<p><i>The principle behind the NURI procedures is to carry over the rules used under RALNUC. The further principle adopted by PMA and FMA is "if it is not broken, don't mend it" - do not change the rules, if there is no need for it.</i></p> <p><i>During 2019 two areas of need for improvement of the rules were identified: procurement and allowances. Under the allowances we have not found any issue around DSA being paid when the travel or the purpose of the travel was not implemented. Without any identified issues around it, CF management had not considered introducing activity reports to be attached the payment process.</i></p> <p><i>Though it seems like a good idea, management would like to ask the auditor for concrete examples of DSA abuse. Based on that, management will consider the recommendation during the upcoming revision of the manuals.</i></p> <p><i>Some reports like for the Baseline Survey, PHH training, Cassava measurement are available but not attached to the accountability vouchers. On a monthly basis, CF staff meet to discuss the updates on activities planned and plan future activities. It is within these meetings that the staff account for the days staff have requested for the various travels.</i></p> <p><i>We now have all payments made on behalf of CF by the implementing Units sent electronically to CF and therefore the supporting documents can be accessed at the unit where the payment was effected.</i></p>
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6.4.2 Lapses in the budgeting process.

Grade	Control Deficiency
Observation	<p>Section 8.1 Budgets and budget approval of the Programme Document states that RDE shall provide NURI Coordination Function with a budget frame for each financial year. Annual work plans, where each activity is described and budgeted, will then be prepared by the implementing partners and reviewed and consolidated by NURI Coordination Function. The consolidated work plan and budget will be approved by the RDE. The budget will include clear budget notes on the specific expenditure categories in the overhead costs and programme costs, ensuring that the budget is self-explanatory, and the transaction costs involved with implementation is clearly identifiable.</p> <p>Comprehensive sub-activity budgets were not prepared by the Implementing Partners/Units for approval by NURI Coordination Function.</p>
Risk	Non-compliance with donor requirements which may impact future funding of the programme.
Recommendation	<p>All IPs should adhere to the budget planning process as follows;</p> <p><u>October</u></p> <ul style="list-style-type: none"> — RDE provides NURI Coordination Function with a budget frame for each financial year; — CF NURI prepares annual planning guidelines including budget frame; and — Implementing partners (IPs) prepare their annual work plan and budgets. <p><u>November:</u></p> <ul style="list-style-type: none"> — CF NURI reviews annual work plans and budget and gives feedback to IPs; — CF NURI prepares consolidated plans and budgets per district and at programme level. <p><u>December:</u></p> <ul style="list-style-type: none"> — CF NURI reviews the consolidated annual work plan and budget per district; — RDE approves the annual work plan and budgets.
Management Comments	<i>The sub-activity level budgets were introduced formally and practically for FY2020.</i>

6.4.3 Differences between cash balance as per the FAS and the Bank statement

Grade	Significant deficiency						
Observation	<p>It is best practice that project funds are used solely for the activities of that specific project. However, during the audit we noted a cash shortfall of Ugx 2,387,820,223. This was transferred to finance other projects in DRC without approval from NURI Coordination Function and Royal Danish Embassy.</p> <p>Details are shown below;</p> <table border="1" data-bbox="527 598 1347 724"> <thead> <tr> <th>Cash balance as per the FAS (Ushs)</th> <th>Cash balance as per the Bank statement (Ushs)</th> <th>Variance (Ushs)</th> </tr> </thead> <tbody> <tr> <td>2,958,493,445</td> <td>570,673,222</td> <td>2,387,820,223</td> </tr> </tbody> </table> <p>The above shortfall had not been reimbursed at period end.</p>	Cash balance as per the FAS (Ushs)	Cash balance as per the Bank statement (Ushs)	Variance (Ushs)	2,958,493,445	570,673,222	2,387,820,223
Cash balance as per the FAS (Ushs)	Cash balance as per the Bank statement (Ushs)	Variance (Ushs)					
2,958,493,445	570,673,222	2,387,820,223					
Risk	<ul style="list-style-type: none"> — The funds may be used for unintended purposes. — This could hinder the timely completion of intended activities. 						
Recommendation	The financial guidelines should be adhered to in the utilization of funds. Any inter-project transfer should be approved by both NURI Coordination Function and Royal Danish Embassy.						
Management Comments	<p>DRC Management requested the Donor to allow her to use a Pool account as there are instances when project activities are pre-financed using funds from other sources, approval here attached as well.</p> <p>This observation is noted, however, since the donor funds are kept in a pooled fund, as was approved by RDE, pre-financing between projects is inevitable and project funds are tracked through separate project set up and management. The observation that DRC has not been allowed by donor to borrow pooled funds between projects is noted. DRC will further discuss with the donor to re-confirm the issue of use of pooled funds and cross borrowing between projects. All DRC donor funds are in a pool account and distinguished with unique codes to separate, for ease of tracking and distinguishing between funds.</p>						

NURI Coordination Function

Fund Accountability Statement and Management Letter for
the period 1 April 2019 to 31 December 2019

June 2021

Appendix I: Inadequately supported expenditure

Date	Voucher No.	Description	Amount (Ushs)
21-05-2019	64	Fuel refund - NURI Launch	6,196,500
11-04-2019	15	BOL 34226778 - DSA to staff for various trips	5,336,000
02-05-2019	38	BOL 34431345 - DSA to staff for various field activities	2,576,000
22-05-2019	89	BOL 34616945 - Staff DSA	4,635,650
24-05-2019	115	BOL 34680392 - DSA to staff	1,127,000
20-06-2019	163	BOL 34937610 DSA for staff Field and CSA/VSLA training	7,522,150
21-06-2019	166	BOL 34965877 - Staff DSA - CSA/VSLA training	1,869,900
21-06-2019	167	BOL 34961321 - DSA to staff during CSA /VSLA training	60,314,859
08-07-2019	198	BOL 35141231 - DSA for Cassava measurement training	13,956,550
22-07-2019	223	BOL 35275433 - Staff DSA - Riding gear specification	9,016,000
02-08-2019	251	BOL 35462309 - Staff DSA for field trips	6,841,500
02-08-2019	259	BOL 35462632 - DSA for staff to the VSLA CBT training in Gulu	5,943,200
06-08-2019	267	BOL 35496221 - Facilitation of the Orientation of new RAU staff, Moyo & Adjumani	12,156,225
03-09-2019	322	BOL 35808507 - Staff DSA during Baseline survey	1,288,000
11-10-2019	382	BOL 36277703 - Staff DSA	10,948,000
04-11-2019	428	BOL 36537027 - DSA to CSA Staff for PHH training	82,444,650
14-11-2019	454	BOL 36673440 - Staff DSA	9,665,750
05-12-2019	481	DSA to Staff	14,513,000
		Subtotal - NURI Coordination Function	256,350,934
07-11-2019	60	BOL 36618165 Assorted seeds for farmer groups	19,564,000
29-08-2019	4	Cheque 000002 Staff DSA during defensive riding training in Adjumani	5,673,525
26-09-2019	11	DSA for RAU Moyo staff while in Arua Rhino camp refugee settlement for Exchange visit.	5,313,000
13-11-2019	62	BOL 36685556 DSA for Coordinator and AES during shortlisting of Extension staff applicants in Adjumani	966,000
03-12-2019	94	DSA for the Coordinator RAU Moyo while in Arua for OPM Regional Review Workshop	589,900
19-12-2019	117	BOL 37206757 Training fee for staff during learning tour at HOMA FARM	250,000
19-12-2019	117	BOL 37206757 Entrance fee for staff during learning tour at HOMA FARM	130,000
19-12-2019	116 JV19/12-01	75% down payment for meals during staff end of year party	315,000
26-09-2019	11	Hire of vehicle during RAU Moyo staff exchange visit to Arua - Rhino Camp refugee settlement	1,400,000
20-12-2019	119	BOL Hire of transport for staff to and from Gulu during staff end of year party, team building exercise and tour	3,206,000

NURI Coordination Function

Fund Accountability Statement and Management Letter for
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Date	Voucher No.	Description	Amount (Ushs)
30-09-2019	18	Staff transport refund during defensive riding training in Adjumani	179,400
26-09-2019	14	Cheque 000009 Meals, refreshment and hall hire shared with RAU Adjumani at 50% during the defensive riding training for RAU Moyo and Adjumani held in Adjumani	788,000
		Subtotal - RAU Moyo	38,374,825

Date	Voucher No.	Description	Amount (Ushs)	Management Comment
28/12/2019	387	Offset of CF expenses	34,153,575	This was a refund to cater for CF activities undertaken by ARUA DFA.
04/12/2019	347	DSA M&E training	7,806,000	This was a CF activity the best we could do at DFA level was to ensure that 31 attendance sheet and payment for DSA were all properly signed, and payments done as per budget the under spending was because not all the required participants turned up for the training.
01/07/2019	89	Chq no. 000067 Overhead transfer	2,100,000	This is a payment made on monthly basis to the local account for BOD activities directly managed by the accountant of the DFA and the expenditure is managed at that level mine is to transfer and attach confirmation of receipt.
04/10/2019	251	Overheard transfer for Q3	2,100,000	
		Subtotal - Arua DFA	46,159,575	
Total inadequately supported expenditure			340,885,334	

NURI Coordination Function

Fund Accountability Statement and Management Letter for the period 1 April 2019
to 31 December 2019

June 2021

Appendix II: Implementing Units' Statements of Receipts and Expenditure for the period 1 April 2019 to 31 December 2019

	NURI CF Actual (Ushs)	Arua DFA Actual (Ushs)	AFARD Actual (Ushs)	RAU Moyo Actual (Ushs)	RAU Adjumani Actual (Ushs)	RAU Agago Actual (Ushs)	RAU Kitgum Actual (Ushs)	DRC Actual (Ushs)	Total Actual (Ushs)	Total Budget (Ushs)	Budget Utilization (%)
Income											
Receipts from RDE	8,172,990,238	1,568,869,467	1,413,997,900	258,521,420	272,544,967	799,420,721	1,474,865,539	5,351,448,863	19,312,659,115	20,006,473,990	-
Total income	8,172,990,238	1,568,869,467	1,413,997,900	258,521,420	272,544,967	799,420,721	1,474,865,539	5,351,448,863	19,312,659,115	20,006,473,990	-
Expenditure											
Activity 0 – Coordination, TA and M&E											
0.0.1. NURI Coordination, management, M&E	1,173,962,563	-	-	-	-	-	-	-	1,173,962,563	1,627,225,007	72
Subtotal 0 – Coordination, TA and M&E	1,173,962,563	-	-	-	-	-	-	-	1,173,962,563	1,627,225,007	72
Activity 1.1 – Identify and train target farmer groups;											
0.0.1 NURI Coordination, management, M&E	-	-	-	-	-	-	-	-	-	1,295,656,380	-
1.1.1 Assess and select strategic crops and beneficiary farmer groups, or where no groups exist, work with communities and community leaders to form groups of motivated farmers.	-	13,771,200	23,281,200	-	688,900	16,465,200	22,397,580	-	76,604,080	249,937,000	31
1.1.2 Prepare plans with the selected farmer groups depending on their situation and needs.	-	-	-	-	-	41,935,600	620,000	-	42,555,600	52,822,500	81
1.1.3 Train in Climate Smart Agricultural practices, including soil and water management.	1,234,708,861	1,143,399,030	839,349,199	147,081,880	168,580,271	509,099,725	798,619,777	-	4,840,838,743	5,670,194,201	85
1.1.4 Train in and support collective marketing.	-	-	20,781,000	-	-	36,152,107	2,039,000	-	58,972,107	173,595,004	34
Activity 1.2 – Train target groups in financial literacy, especially through formation and support of VSLAs.	130,818,360	112,747,602	103,177,321	-	-	37,239,722	67,680,527	-	451,663,532	936,692,604	48
Activity 1.3 – Capacity building and operational support for Implementing Partners.	1,560,258,269	153,631,600	361,014,483	80,211,240	110,628,210	138,376,253	226,033,267	-	2,630,153,322	2,434,487,306	108
Activity 1.4 – Provide capacity building support to production departments in the district.	44,198,000	2,396,000	2,520,500	-	-	190,000	2,848,450	-	52,152,950	11,390,000	458
Subtotal Output 1 – Climate Smart Agriculture	2,969,983,490	1,425,945,432	1,350,123,703	227,293,120	279,877,381	779,458,607	1,120,238,601	-	8,152,920,334	10,824,774,995	75

NURI Coordination Function

Fund Accountability Statement and Management Letter for the period 1 April 2019
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June 2021

Appendix II: Implementing Units' Statements of Receipts and Expenditure for the period 1 April 2019 to 31 December 2019 (Continued)

	NURI CF Actual (Ushs)	Arua DFA Actual (Ushs)	AFARD Actual (Ushs)	RAU Moyo Actual (Ushs)	RAU Adjumani Actual (Ushs)	RAU Agago Actual (Ushs)	RAU Kitgum Actual (Ushs)	DRC Actual (Ushs)	Total Actual (Ushs)	Total Budget (Ushs)	Budget Utilization (%)
Expenditure (Rural Infrastructure)											
Inception											
1 Output 2: Agriculture- related rural infrastructure renovated and/or constructed using labour intensive approaches	-	-	-	-	-	-	-	-	-	-	-
1.1 Prepare Infrastructure Investment Plans for approval	-	-	-	-	-	-	-	-	-	-	-
1.1.1 With stakeholders including those involved in the refugee response, select the types of rural infrastructure that will be supported (i.e. Community)	-	-	-	-	-	-	-	77,985,821	77,985,821	175,852,400	44
1.3 Provide capacity building and operational support to the implementing partners and the Engineering Departments in the participating District Local	-	-	-	-	-	-	-	353,349,184	353,349,184	1,206,943,841	29
Subtotal Inception	-	-	-	-	-	-	-	431,335,005	431,335,005	1,382,796,241	31
Intervention	-	-	-	-	-	-	-	-	-	-	-
2.1 Prepare Infrastructure Investment Plans for approval	-	-	-	-	-	-	-	-	-	-	-
2.1.1 Select the types of rural infrastructure that will be supported	-	-	-	-	-	-	-	11,546,000	11,546,000	17,023,500	68
2.1.2 Review and update Parish and S/C Development Plans	-	-	-	-	-	-	-	80,622,922	80,622,922	147,932,424	54
2.1.3 Prepare district investment plans with District Local Governments	-	-	-	-	-	-	-	85,314,046	85,314,046	333,799,682	26
2.2 Implement approved infrastructure projects	-	-	-	-	-	-	-	-	-	-	-
2.2.1 Mobilize local communities and train their project management committees.	-	-	-	-	-	-	-	665,000	665,000	36,191,376	2
2.2.2 Provide capacity building and operational support to Eng Depts and District Local Governments	-	-	-	-	-	-	-	1,783,472,445	1,783,472,445	5,636,730,765	32
Subtotal Intervention	-	-	-	-	-	-	-	1,961,620,413	1,961,620,413	6,171,677,747	32
Subtotal Output 2 – Rural Infrastructure											
Total project expenditure	4,143,946,053	1,425,945,432	1,350,123,703	227,293,120	279,877,381	779,458,607	1,120,238,601	2,392,955,418	2,392,955,418	7,554,473,988	32
Surplus/(deficit) of income over expenditure	4,029,044,185	142,924,035	63,874,197	31,228,300	(7,332,414)	19,962,114	354,626,938	2,958,493,445	7,592,820,800	-	-