

FOR THE TWENTY FOUR MONTHS PERIOD

31<sup>ST</sup> DECEMBER 2014

(1<sup>ST</sup> JANUARY 2015 TO 31<sup>ST</sup> DECEMBER 2015)

AUDITED BY:



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**WORLD ACTION FUND  
AUDIT REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2016**

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**Part 1: General Background and Audit Approach**

**1.1 Basic information on the operational activities and Reporting Entity**

<b>Legal Holder:</b>	World Action Fund (WAF)
<b>Implementing Department</b>	World Action Fund (WAF)
<b>Funding Partners:</b>	Global Pace Limited
<b>Physical and Postal Address:</b>	World Action Fund P.O.Box 1251, Arua E-mail:waf.uganda@worldactionfund.org Tel: +256 774 924 005, 0393 516 243
<b>Project Coverage:</b>	Arua District and niche field areas of West Nile and Kampala
<b>Bankers:</b>	KCB Bank, Uganda Ben Kiwanuka Road, Kampala
<b>External Auditors:</b>	ASA Associates, Certified Public Accountants, Plot 62/64, Avenue Road, Arua Catholic Center Cafeteria Building, Room 10 Ground Floor Tel. +256 772 357 282; +256 752 357 282 P. O. Box 211, Arua Uganda; Email: asaassociates13@gmail.com
<b>Staff who Provided Information During the Audit:</b>	<ol style="list-style-type: none"> <li>1. Draga Joy Caramello - Chairperson</li> <li>2. Ms. Labong Catherine Joy – Vice Chairperson</li> <li>3. Odama Peter – Executive Director</li> <li>4. Emmanuel Odwera – Secretary</li> <li>5. Adia Michael - Member</li> <li>6. Ofwono Nicholas – Member</li> <li>7. Grey Makkeni Jackson– Member</li> </ol>

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**1.2 Brief Background of World Action Fund**

<b>Summary of information on World Action Fund</b>						
<b>1.2.1</b>	<b>Overall Goal:</b>	To help people living in extreme poverty achieve major enhancements in their lives that continue without unending support from World Action Fund.				
<b>1.2.2</b>	<b>Specific Objectives:</b>	<p>(1) To address the major root causes of poverty through education and public awareness.</p> <p>(2) To take actions to conserve environment, different species of animals and birds</p> <p>(3) To Empower the societies through livelihood development projects.</p> <p>(4) To improve on community health and education standards.</p> <p>(5) To carry out a scientific research and technological innovation advancements</p> <p>(6) To build capacities of government and citizens on accountability, good governance and human rights</p>				
<b>1.2.3</b>	<b>Project period:</b>	24 months commencing 1 <sup>st</sup> January, 2015 to 31 <sup>st</sup> Dec2016				
<b>1.2.4</b>	<b>Financing Plan:</b>	The Operations were financed as below:				
		<b>Funding Source</b>	<b>%</b>	<b>2016 (UGX)</b>	<b>2015 (UGX)</b>	<b>Total (UGX)</b>
		Annual Membership Subscriptions		-	-	-
		Members Voluntary Contributions		-	-	-
		Donations (Global Pace Ltd)	100	5,820,000	5,880,000	11,700,000
		Endowments		-	-	-
		Grants from Funding Proposals		-	-	-
		Sale of promotional Materials		-	-	-
		Other Incomes		-	-	-
		<b>Total</b>	<b>100</b>	<b>5,820,000</b>	<b>5,880,000</b>	<b>11,700,000</b>



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**Summary of information on World Action Fund**

**1.2.6 Activities**

**The activities financed under the plan above are broadly categorized as below:**

<b>Activity</b>	<b>2016 (UGX)</b>	<b>2015 (UGX)</b>	<b>Total (UGX)</b>
Office Rent	3,800,000	5,200,000	9,000,000
Transport	350,000	150,000	500,000
Perdiem	-	49,000	49,000
Stationery	225,000	165,000	390,000
Field Outreach	-	160,000	160,000
Communication	460,000	89,000	549,000
Refreshments	50,000	67,000	117,000
Fund Raising Activities	485,000	-	485,000
Refugee Assessments	450,000	-	450,000
<b>Total</b>	<b>5,820,000</b>	<b>5,880,000</b>	<b>11,700,000</b>

### 1.3 Major Activities During the Period up to 31<sup>ST</sup> December 2016

Work commenced in January 2015 and was finalized by 31<sup>ST</sup> December 2016.

### 1.4 Audit Approach, Objectives and Scope

ASA Associates, Certified Public Accountant, the auditors of the World Action Fund, have carried out a final audit of the financial operations of the World Action Fund covering the period from 1<sup>ST</sup> January 2015 to 31<sup>ST</sup> December, 2016 and now present their report to the Governing Board.

#### Audit Objectives

The main objective of the independent audit was to furnish World Action Fund and the legal holder with objective assurance of proper and fair use of the funds made available to the project, based on our examination of all project accounts. Specific objectives were to:

- i. Review the accountabilities, justification of expenses and balance of funds for the period of operation from 1<sup>ST</sup> January 2015 to 31<sup>ST</sup> December 2016, and to express an opinion on whether the fund accountability statements of the World Action Fund Project for the period presents fairly, in all material respects, the financial position of, revenues received, costs incurred during the period in conformity with the funding agreements/budgets, staff regulations and generally accepted accounting principles;
- ii. Obtain a sufficient understanding of the World Action Fund internal control systems related to the operation of the project during the period under review, assess inherent and control risks in order to design appropriate audit tests including the timing of those tests; and identify reportable conditions including material (significant) internal control weaknesses and to report on internal control weaknesses together with recommendations aimed at addressing the weaknesses;
- iii. Perform tests and reviews to determine compliance with funding agreement, other applicable laws and regulations that would affect the implementation of the project. Report on all instances of non-compliance with those agreements, regulations and report on fraud laws; and
- iv. Detect and report on fraud, if any

#### Scope and tasks:

In general the tests performed include:

- i. Examination of all receipts of fund during the twenty four months under review and closing cash and bank balances;
- ii. Examination of payment vouchers for authorization, classification to their budget lines, approval, completeness, accuracy and validity of the transactions.
- iii. Review of membership files and other records for conformity with the statutory regulations on Non Governmental Organizations;



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- iv. Review of the financial statements for consistency and conformity with the accounting policies; and disclosure requirements of the Budget performance to ascertain compliance with the funding arrangements of the donors and also determine the balance to be carried forward to the next Financial year;
- v. Testing of the system of budgetary control if any to detect any budget lines overspent in comparison to their budget allocations.

**Duration and location**

The financial audit of the World Action Fund was carried out at the premises of the external auditor after obtaining the relevant documents and explanations from their Regional Head office on Ediofe Cathedral Road, Arua. The audit exercise took 2 days starting from 22<sup>nd</sup> to 23<sup>rd</sup> January, 2018. Completion and submission of the final report was expected to be within three days of completion of the audit visit.

## 1.5 Summary of Audit Findings

### Findings:

#### 1.5.1 Income and Expenditure Statement

In material respects, accountability for funds disbursed to fund operations were properly documented; tested expenditures and accountabilities were adequately supported, classified, authorized and are eligible.

#### 1.5.2 Internal Control Structure

The internal Control was in material respects satisfactory and in general, management was keen in implementing effective control systems.

#### 1.5.3 Compliance Issues

In material respects, there was adequate compliance with applicable laws, regulations and the funding agreement. There were no instances of reportable control weaknesses that came to our notice.

### 1.6 Statement of the Directors' Responsibilities

The Board of Directors of World Action Fund (WAF) are required to prepare financial statements for each reporting period which give a true and fair view of the state of affairs; and the results of its operations for the period then ended.

In preparing those financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Prepare estimates that are reasonable and prudent; and
- Prepare the financial statements that comply with the organization and donor's reporting requirements, and the Generally Accepted Accounting Principles (GAAP).

The Board of Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy, the financial position and performance of the organization. The Board of Directors is also responsible for safeguarding the assets and hence taking reasonable steps for prevention and detection of fraud and other irregularities.

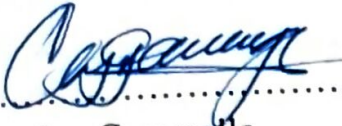
The Board of Directors accepts responsibility for the financial statements for the twenty four months ended 31<sup>st</sup> December 2016; Summary of Significant Accounting Policies; Explanatory Notes and Annexes; which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the GAAPS.

The Board of Directors further accepts responsibility for the maintenance of accounting records that may be relied upon in preparation of the financial statements; as well as adequate systems of internal controls.



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The Board of Directors is of the opinion that the Financial Statements for the twenty four months ended 31<sup>st</sup> December 2016 give a true and fair view of the state of affairs and operational results of the World Action Fund.  
These management responsibility statements were certified by the Board of Directors on 23<sup>th</sup> January 2018 and signed on its behalf by:



.....  
Draga Joy Caramello  
Chairerson World Action Fund



.....  
Odama Peter  
Executive Director

## **Part 2: Audit Report and Financial Statements**

### **2.1 Report of the Independent Auditors to the Board of Directors of World Action Fund**

We have audited the accompanying Financial Statements of World Action Fund; for the twenty four months ended 31<sup>st</sup> December, 2016 which comprise of: the statement of Receipts and Payments; the statement of Budget Balances; and a summary of Significant Accounting Policies and Explanatory Notes

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparation and fair presentation of these financial statements in accordance with the reporting requirements of the Board of Directors and donors, other applicable rules and regulations including the Generally Acceptable Accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit so as to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the statements. The procedures selected depend on the auditor's judgment, including assessment, the auditor considers internal controls relevant to the projects preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the effectiveness of the project's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the project management as well as evaluating the overall presentation of the financial statements

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

#### ***Opinion***

In our opinion the financial statements give a true and fair view of the receipts from the funding partners of World Action Fund as well as expenses paid during the 24 months ended

31<sup>st</sup> December, 2016. The financial Statements and Fund Balance have been presented in accordance with the cash Funding Agreement



**ASA ASSOCIATES**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**P.O. BOX 211, ARUA**

ASA Associates Certified Public Accountants – Arua  
Date: *23<sup>th</sup> January 2018*



2.2 Summary Statement of Receipts and Payments for the period January 2015 to December 2016

	Note	Actual 2016	Actual 2015	Cumulative Actual
<b>FUNDS AVAILABLE</b>				
Opening Balances		-	80,000	80,000
<b>PERIOD RECEIPTS</b>				
Donations (Global Pace Limited)		5,820,000	5,800,000	11,620,000
<b>TOTAL FUNDS AVAILABLE</b>		<b>5,820,000</b>	<b>5,880,000</b>	<b>11,700,000</b>
<b>PAYMENTS</b>				
Office Rent		3,800,000	5,200,000	9,000,000
Transport		350,000	150,000	500,000
Perdiem		-	49,000	49,000
Stationeries		225,000	165,000	390,000
Field Outreach		-	160,000	160,000
Communication		460,000	89,000	549,000
Refreshments		50,000	67,000	117,000
Fundraising activities		485,000	-	485,000
Refugee Assessments		450,000	-	450,000
<b>TOTAL PAYMENTS</b>		<b>5,820,000</b>	<b>5,880,000</b>	<b>11,700,000</b>
Surplus/Deficit for the Period		-	-	-

2.3 **Notes to the financial Statements for the 24Months(1<sup>st</sup> Jan 2015 to 31<sup>st</sup> Dec 2016)**

2.3.1 **Accounting Entity**

World Action Fund (WAF) is a Non Governmental Organization (NGO) registered under the Community Services Department of Arua District under the Non Governmental Organizational Registration Act, Cap 113 of the Laws of Uganda. The World Action Fund is an independent entity managed by Board of Directors in charge of implementation of the activities and the operations.

2.3.2 **Reporting**

This report covers the 24 months 1<sup>st</sup> January 2015 to 31<sup>st</sup> December, 2016

2.3.3 **Significant Accounting Policies**

i. **Basis of Accounting**

The financial statements are prepared on a cash basis. The cash basis of accounting requires that income and expenditure are recognized when received and paid respectively

ii. **Donor Income**

Donor income is recognized on receipt

iii. **Capital Expenditure**

This is charged against income received during the period

iv. **Inventory**

Expenditure on consumables is charged to the income of the period in which it is incurred, with no adjustments for the value of inventory held at the end of the period

2.3.4 **Contingent Liabilities**

There were no contingent liabilities as at the end of the reporting period: that is 31<sup>st</sup> December 2016.

2.3.5 **Membership**

The organization comprises of 7 members.

2.3.6 **Taxation**

There is no provision for taxation in these financial statements as the reporting entity is a non profit making Organization whose surplus is entirely composed of donor funds and therefore not subjected to tax under the laws of Uganda.

2.3.7 **Balance on Budget**

There was no balance on account of the project by the time of the audit.