

THE NILE BASIN DISCOURSE

**MANAGEMENT'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

**NILE BASIN DISCOURSE (NBD)
MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Abbreviations and acronyms

APO	Annual Plan of Operation
CIWA	Cooperation in International Waters in Africa
CN	Concept Note
CSOs	Civil Society Organizations
DW	Deutsche Welle
ENSAP	Eastern Nile Subsidiary Action Program
ENTRO	Eastern Nile Technical Regional Office
GWP-EA	Global Water Partnership - Eastern Africa
IC	Individual Consultant
IFR	Interim Financial Reports
IGAD	Intergovernmental Authority on Development
INBO	International Basin Organizations
LDFs	Local Discourse Forums
LoA	Letter of Agreement
MoU	Memorandum of Understanding
NBD	Nile Basin Discourse
NBDF	Nile Basin Development Forum
NBI	Nile Basin Initiative
NBRs	Nile Basin Riparian States
NCORE	Nile Cooperation for Results Project
NDFs	National Discourse Forums
NEC&CC	National Experts on Climate & Climate Change
NELCU	Nile Equatorial Lakes Coordination Office
NELSAP	Nile Equatorial Lakes Subsidiary Action Program
NOC	National Organizing Committee
NTSEs	National Technical Support Experts
RECs	Regional Economic Communities
ROC	Regional Organizing Committee
SAPs	Subsidiary Action Programs
UNESCO - IHE	United Nations Educational Scientific and Cultural Organisation - Institute for Hydraulic and Environmental Engineering

**NILE BASIN DISCOURSE (NBD)
MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Table of contents	Page
Organization Information	1
Management's report	2-7
Statement of management's responsibilities	8
Independent auditor's report	9-11
Project financial statements:	
Statement of cash receipts and expenditures	12
Statement of fund balances	13
Special account reconciliation statement	14
Notes to the financial statements	15-17
Appendices:	
Appendix I: Interim Financial Reports - Quarterly (IFRs)	18-27
Appendix II: Management Letter	28-35

**NILE BASIN DISCOURSE
ORGANISATION INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Plot 32, Nsamizi Road
Entebbe

BANKERS

Stanbic Bank Uganda Limited
Entebbe Branch
P.O. Box 7131
Kampala, Uganda.

AUDITORS

Ernst & Young
Ernst & Young House
18 Clement Hill Road
P.O. Box 7215
Kampala

**THE NILE BASIN DISCOURSE
CIVIL SOCIETY ENGAGEMENT IN NILE COOPERATION AND DEVELOPMENT PROGRAM
PROJECT MANAGEMENT'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Nile Basin Discourse ('NBD' or 'the Organization') is a regional network of networks of Civil Society Organizations (CSOs) in the Nile Basin that was established in 2003. It is registered in Uganda as a regional NGO and has its Secretariat at Entebbe, Uganda. NBD carries out its activities in the fields of promoting dialogue on sustainable equitable development, peace, and mutual understanding on issues of the Nile, providing and facilitating exchange of information on developments and cooperation activities within the Nile Basin and supporting research on issues for evidence base, research that promote environmental, gender and pro-poor issues. The organization operates regionally and country-wide in each and every Nile Basin country. NBD's full membership comprises of the National Discourse Forums (NDFs) in the eleven (11) Nile Basin Riparian States (NBRS) namely: Burundi, D.R. Congo, Egypt, Eritrea, Ethiopia, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda. Currently, ten (10) NBRS are active with the exception of Eritrea. NBD's extensive ground presence in the riparian communities made it uniquely placed to link regional and local perspectives. This unique engagement has enabled the project to greatly contribute towards equitable, sustainable, climate resilience growth in the region continuously from the project cycle commencement date in 2013 up to the project cycle end date in 2016. As the only project running since 2013 – 2016, the evident return on investment has granted a possible Additional Funding opportunity for the future.

Basically, the NDFs working through their Local Discourse Forums (LDFs) and CSOs' members understand national issues and provide NBD with the skills and support to enhance and support NBD's discourse on practical and sustainable policies, projects and programs that meet the real needs of the communities. The NBD also operates regionally and internationally to contribute towards change in policies and practices and ensures that issues of Nile cooperation and development are brought to the fore and are pivotal in reducing poverty in the NBRS. NBD seeks to engage and discourse on development processes in the Nile basin region with a primary focus on the activities of the three centers of Nile Basin Initiative (NBI) entailing the NBI Secretariat that focus on cooperation and high-level policies; the Eastern Nile Technical Regional Office (ENTRO) that focus on the Eastern Nile Subsidiary Action Programs (ENSAP) and the Nile Equatorial Lakes Coordination Unit (NELCU) that focuses on the Nile Equatorial Lakes Subsidiary Action Programs (NELSAP). In addition, NBD seeks to engage other organizations and Regional Economic Communities (RECs) such as the Inter Governmental Authority on Development (IGAD); the Global Water Partnership Eastern Africa (GWP-EA), the Women for Water Partnership (WfWP), and UNESCO-IHE to mention a few. The NBD communicates through two pipelines: (i) the vertical pipeline entailing top-down and bottom-up, connecting the policy arm to the grassroots communities; and (ii) the horizontal pipeline connecting countries on trans-boundary issues. The NBD's strategic planning entails a vision and mission.

The NBD Vision

The NBD envisions "A Nile Basin in which there is sustainable and economic development for all people of the Nile Basin, free of conflict, leading to achievement of justice, human rights, good governance, poverty reduction and protection of the environment"

The NBD Mission

Its mission therefore is "To ensure that a fully informed and basin-wide civil society develops and plays a key role in achieving the vision, through pro-active and critical influencing of projects, programs and policies of the Nile Basin Initiative and other development processes".

**THE NILE BASIN DISCOURSE
CIVIL SOCIETY ENGAGEMENT IN NILE COOPERATION AND DEVELOPMENT PROGRAM
PROJECT MANAGEMENT'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Implementation of the APO 2016

During the period of January to December 2016, the NBD focused on implementing activities towards its three milestones that are stipulated under the *Cooperation in International Waters in Africa (CIWA) Grant TF015834*. The title of the Project is "*Engaging Civil Society for Social and Climate Resilience in the Nile Basin Project*". This is a Project running from February 2013 that included a bridge period that took it to December 2016. The management of the activities and finances is mainly by the Secretariat with supervision and guidance from the 13 member NBD Board (10 Board members + 3 Co-opted women representation per cluster whereby the 10 NBRS are in 3 clusters of Cluster1: Egypt, Ethiopia, South Sudan and Sudan; Cluster2: Kenya, Tanzania and Uganda; and Cluster3: Burundi, D.R. Congo and Rwanda) and closer supervision by the 4-member Executive Committee consisting of the Board Chair, Vice Chair, Treasurer and Secretary General. They hold meetings giving guidance to the Secretariat through Board Minutes. The Secretariat also benefits from supervision and guidance of the CIWA/World Bank team led by the Project Technical Team Leader (TTL) that now and then leads supervision missions to the Secretariat, to discuss and guide, with written Aid Memoires at the end of missions.

MILESTONE 1: STRENGTHENING THE NBD SECRETARIAT

For the first Milestone, the NBD focused on enhancing capacity of the Secretariat with activities towards three outputs:

Output 1: NBD's M&E Strategy developed and system established and functional.

In a bid to strengthen its capacity to monitor inputs, processes, and outputs, as well as evaluate outcomes and impacts, NBD has prepared monitoring and evaluation strategy along with data collection and reporting templates. In the year ended, NBD has developed an online monitoring and evaluation system that is an organization-wide technology-enabled system for collecting, storing, and analyzing monitoring and evaluation of data for the entire network with a dynamic dash board that keeps standards and common measures of activities, outcomes and impact in place ensuring greater efficiency and coordination while tracking progress and success stories based on indicators.

Output 2: NBD Financial Sustainability Strategy updated and put in place.

To strengthen the organization's viability, relevance and finance sustainability, NBD updated and put in place the NBD Financial Sustainability Strategy. NBD therefore, is to follow the strategic directions stipulated in the Strategy put in place, in making utmost efforts to vigorously mobilize additional resources to safely ensure its financial sustainability. Concept notes and funding proposals were written and submitted to various donor agencies. Continuous efforts have been engaged in order to achieve positive results. Since the update of the Strategy came to its conclusion towards the end of 2016, and in order to strategize resource mobilization efforts, NBD is to implement the strategic directions more and more starting the year 2017.

Output: 3 NBD Communication and Outreach Strategy updated and utilized.

In the year ended, the Communication and Media section of the NBD Secretariat reviewed and updated the existing draft COS. The Strategy is ready for implementation in 2017.

**THE NILE BASIN DISCOURSE
CIVIL SOCIETY ENGAGEMENT IN NILE COOPERATION AND DEVELOPMENT PROGRAM
PROJECT MANAGEMENT'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

MILESTON 2: IMPROVED COMMUNICATION AND OUTREACH

For the second milestone, the NBD focused on improving communication and outreach with activities towards three outputs as well.

Output 1: NBD's Website revamped.

NBD's Website domain name was secured, domain's online security record cleaned from all known black lists and the name servers changed. The website has also been cleaned of malware and the Content management system upgraded to the latest Joomla version. Security is continuously being monitored and content updated regularly. A major result was that the design requirements and technical specifications for the revamping of the website were thoroughly reviewed. A consultant was identified and the agreement signed to revamp the website that was completed in January 2016.

Output 2: User generated content to NBD's Website increased.

Although this is still an ongoing activity, design layout on the website was adjusted to accommodate downloadable documents where necessary. Options to upload and download documents were integrated. Review of the Layout of the quarterly newsletter based on its publication was done and disseminated within the network and to partners. Social media Platforms strengthened and used to share information with the public. NBD Newsbytes on climate and environment are continuously shared. These are collected news publication from media in riparian states that reflect on climate change, livelihoods environments, and water resources, and other water related sectors such as energy and agriculture. Furthermore, NBD has upload press statements for dissemination/sharing with network members and partners.

Output 3: NBD actively engaged in NBI programs and investment projects.

(i) Regional Nile day celebrations, 2016.

The NBD joined the NBI and the rest of the Nile riparian states for the 10th Regional Nile day celebrations that took place on 22nd February 2016 in Vihiga County, Kenya. NBD participated in the event from preparation to the execution of the celebrations. The NBI spearheaded the preparation of the annual event in collaboration with the NBD and the Government of the host country, Kenya. The Kenya National Discourse Forum (KNDF) was part of the National Organizing Committee (NOC) in Kenya, while the NBD Secretariat worked as a member of the Regional Organizing Committee (ROC) spearheaded by the Nile-Sec in Entebbe, Uganda.

On the very date of the celebrations, NBD displayed Information Exchange and Communication (IEC) promotional materials such as pull-ups, brochures and calendars. NBD also disseminated the findings of the stakeholder mapping research (2015) in soft copies using external hard disk-flash. Furthermore, a member CSO of the Kenya National Discourse Forum (Hamisi Civil Society Organization Network-HaCSON), operating in the Vihiga County, exhibited its products such as moringa flour, honey, and wax (to make candle), witnessing NBD's real connection to the grassroots communities' livelihood enhancing activities. At the celebrations, NBD mobilized about 40 CSOs' representatives which are members of the Kenyan National Discourse Forum (KNDF).

NBD distributed T-shirts and caps and covered their transport expenses to and fro the venue where the event took place; and hence enabled them to enhance their awareness on the processes, achievements and challenges of cooperation in the Nile Basin. NBD also distributed T-shirts and caps to school children who presented songs at the celebrations. The Regional Nile day 2016 Celebrations were attended by Ministers in charge of Water Affairs in the Nile Basin countries, Permanent Secretaries, members of diplomatic community, development partners, researchers, academia, civil society organizations, youth, international and national media houses, school children, and communities of the Vihiga County.

The Celebrations were opened by Professor Judi Wangalwa Wakhungu, Cabinet Secretary for Environment, Kenya. She reminded participants about the Theme of the Nile Day: "The Nile

**THE NILE BASIN DISCOURSE
CIVIL SOCIETY ENGAGEMENT IN NILE COOPERATION AND DEVELOPMENT PROGRAM
PROJECT MANAGEMENT'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

cooperation: Gateway to regional integration,” and said that regional integration is possible through activities “which focus on our common culture and unity within our diversity.”

At the Celebration, NBD was given a slot where the NBD Board chairperson, Jean Baptiste Habiyaremye delivered a speech (uploaded on www.nilebasindiscourse.org website). In his deliberations, the chair underlined NBD's mandate to foster cooperation within the Nile riparian states through increased people to people relationships and interactions under NBD's motto of “One-Nile One-Family.”

(ii) Engagement with the NBI SAPs: NBD/NELSAP Stakeholder Consultations on Nyimur Multipurpose Project.

The Nile Equatorial Lakes – Coordination Unit (NEL-CU) seeks NBD's partnership in the implementation of the Nyimur-Aswa project and other NELSAP projects in the region. Partnership between NBD and NELCU was formalized, and roles of each partner identified in Understandings of a Letter of Agreement (LoA) signed between the two organizations in 2015. The NBD, in collaboration with the Nile Equatorial Subsidiary Action Programme (NEL-SAP) conducted stakeholder consultative meetings aimed at engaging communities that would potentially be affected by the construction of an access road to the proposed dam site in the project area.

The consultative meeting was held on March 15th 2016, in Magwi County, Imatong State-South Sudan. The participants were drawn from the NBD Secretariat, members of the South Sudan National Discourse Forum, local communities, and representatives from the Ministry of Electricity, Dams, Irrigation and Water Resources-South Sudan, and representatives from NEL-CU.

The Nyimur project is to focus on activities which include: community based irrigation scheme, water reservoir, water supply, small hydropower production, and water and soil conservation components.

Over 100 stakeholders attended the consultative meeting, of which 55% were women. During the meeting, community members got an opportunity to raise their concerns with regard to the proposed project and to seek clarification on how the project would safeguard the interests of the women; on the source of the water to be dammed and how it would be distributed in the irrigation areas; on the involvement of beneficiaries; on the issue of displacement of property and people by the proposed project.

The communities were informed that the project will be managed and organized in such a way that community members will be trained to actively participate in and manage the project and the project will draw on external expertise only where specialised skills are needed. They were informed that the project will mainly provide water, train and organize the community to engage in off-farm activities, and look for stable markets for their agricultural produce. It was disclosed that the project will pose minimal risk to communities in terms of displacement of people and their properties; and land will only be acquired to build canals and the water reservoir.

The NBD created platforms for community members and decision-makers greatly enhanced trust and confidence between the stakeholders and boosted communities' interest in the planned project. During the consultation meeting, the local authorities in South Sudan committed themselves to supporting the project preparation and implementation, particularly to secure political will and create an enabling environment for project processes.

Similarly, the officials from NELCU planned to hold consecutive consultations with communities so as to ensure that the project addressed the concerns of the different interest groups. It was agreed that the involvement of beneficiaries in the project development would be ensured through subsequent consultations with communities; and to be facilitated by the NELCU in close partnership with the NBD. This would further safeguard the interests of the people, enable their

**THE NILE BASIN DISCOURSE
CIVIL SOCIETY ENGAGEMENT IN NILE COOPERATION AND DEVELOPMENT PROGRAM
PROJECT MANAGEMENT'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

voices to be heard, and promote ownership. The Nyimur-Aswa trans-boundary project runs between South Sudan and Uganda. Similar community consultations were earlier held on the Ugandan side in the year 2015.

(iii) Engagement with the NBI-SAPs: NBD/ENSAP stakeholder consultations on the Baro-Akobo-Sobat (BAS) Multipurpose Water Resources Development Project.

NBD was invited to attend and contribute to discussions on stakeholders' consultation workshop on the BAS held from 16th - 18th April, 2016 at Adama (Nazareth) in Ethiopia. The workshop was organized by the Eastern Nile Technical Regional Office (ENTRO). ENTRO seeks NBD's partnership in the implementation of the BAS project and other ENSAP projects in the region.

Partnership between NBD and ENTRO was formalized, and roles of each partner identified in Understandings of an MoU signed between the two organizations in 2015. Through participation in the workshop, NBD contributed to discussions on the: (a) BAS sub-basin development potentials; (b) key issues and challenges that exist and those encountered during the study period; (c) vision and strategic objectives' for BAS sub-basin; (d) implementation of the 'SSEA Analytical Framework' on how it relates to the key issues and how it builds the overall SSEA; and (e) three selected prioritized short-term projects for preparation to enhance livelihood in the sub-basin.

NBD is to further use this knowledge and understanding to educate its wider membership so that members will make informed and evidence-based advocacy towards having pro-poor and inclusive development projects in the sub-basin. As a way forward, the discussions agreed that the BAS - IWRDMP was to follow with the second draft SSEA; and progress was to be made towards the road map for implementation of medium and long term water resources investment projects in the BAS basin.

(iv) In addition to engagement with NBI-SAPs, in 2016 NBD engaged with the Nile riparian Government of Uganda to Promote Water for Sustainable Development.

Accordingly, the Regional Manager represented the NBD at the invited space dialogue that was organized by the Uganda National Planning Authority working with WWF on Uganda National Dialogue on Fresh water + SDGs that took place on 20 and 21 January 2016 at Hotel Africana. \

NBD's participation in the dialogue was to add value and also inform the participants that were from high level and totalling about 80 in number, about the NBD's activities and how CSO members, especially from the Uganda National Discourse Forum (NDF) are likely to contribute to the achievement of the SDGs related to water in Uganda. The program entailed brief presentations by panellists, of which NBD participated in the panellists group on trans-boundary water issues affecting the fast-tracking of SDGs in Uganda. The participants were informed of the NBDs and the Uganda NDFs efforts in engaging citizens on the trans-boundary development agendas on the shared waters of the Nyimur-Aswa between Uganda and South Sudan, the shared waters of the lakes Edward and Albert (LEA) between Uganda and D.R. Congo; the shared waters of Kagera between Uganda, Rwanda, Tanzania, and the shared waters of the Sio-Malaba-Malakisi (SMM) between Uganda and Kenya.

Most of all, on the shared waters of the White Nile that has its source in Uganda, thereafter, the dialogue was opened up to the participants to indicate how their organizations can contribute to the achievements of the SDGs related to water. NBD contributed to the dialogue, providing its perspectives. The participants included Local Government; Academic Institutions, Cultural Institutions; Religious Institutions; Civil Society; Private Sector and International NGOs.

The meeting ended with a way forward for the Uganda National Dialogue (UND) on fresh water and how to fast-track the SDGs, putting down priority actions from the dialogue for moving forward the SDG and UNDP agenda related to water.

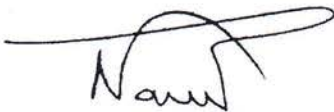
**THE NILE BASIN DISCOURSE
CIVIL SOCIETY ENGAGEMENT IN NILE COOPERATION AND DEVELOPMENT PROGRAM
PROJECT MANAGEMENT'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

In 2016, the vital strategic network initiated between NBD and Global Water Partnership – Eastern Africa (GWP-EA) with an MoU being drafted with the signing in the 1st quarter of 2016.

In the same year, the strategic network initiated between NBD and Women for Water Partnership (WfWP) resulted in NBD represented by the Regional Manager on a high level panel, contributing to the statements at the Budapest Water Summit (BWS) 2016. NBD was part of the BWS Women Forum as a panel member in the section of 'Water connects - Cooperative solutions and best practices without borders'. At the BWS, NBD highlighted the need for financing women at grassroots, as an issue that emerged out of the NBD stakeholder mapping (2015)

Bearing in mind the scarce financial resources, NBD has initiated concept notes / proposals towards resource mobilization with development partners, to mention key ones, for example; the successful Concept Note (CN) requesting for Additional Financing from CIWA/World Bank, to enable NBD achieve the initial development objectives (a) creating advocacy platforms for citizen engagement and trans-boundary learning in Nile Basin investment decisions and riparian dialogue, climate risk management and resilience building strategies, (b) promoting awareness of the benefits of Nile Basin cooperation, and gender empowerment and enhanced participation. In so doing, contribute to equitable, sustainable, climate resilient development, and enhanced cooperation in the region. The requested Additional Financing (AF) was to concretize the achievements out of the NBD CIWA/WB Project P132448 of 2013 – 2016. Other initiated Concepts Notes with partners are in the pipe line.

The NBD is to follow closely the strategic directions of its Financial Strategy (2016) to be sustainable. The organization has also agreed on cost-effective value for money strategies of implementation of activities, such as undertaking two or more activity on the same monetary unit spent.



.....
Chairman, Board of Directors
The Nile Basin Discourse

..... 27/06 2017

**NILE BASIN DISCOURSE
CIVIL SOCIETY ENGAGEMENT IN NILE COOPERATION AND DEVELOPMENT PROGRAM
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

The NBD financial and accounting policies and the project implementation arrangements require management to prepare financial statements for each financial year, which present fairly the state of financial affairs of the organisation as at the end of the financial year and of its surplus or deficit for that year in accordance with the Nile Basin Discourse guidelines and regulations as well as International Public Sector Accounting Standards. In preparing those financial statements, management is required to ensure that the organisation keeps proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the organisation. They are also responsible for safeguarding the assets of the organisation.

Management accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates and the organization's financial policies and procedures. Management is of the opinion that the financial statements present fairly the state of the financial affairs of the Nile Basin Discourse and of its surplus of cash receipts over expenditures. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of management to indicate that any breakdown in the functioning of these controls, resulting in material loss to the organization, has occurred during the year.

Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

The financial statements were approved by The Nile Basin Discourse management on27/06/2017... 2017 and were signed on its behalf by:



.....
Chairman, Board of Directors
The Nile Basin Discourse



.....
Regional Manager
The Nile Basin Discourse



Building a better
working world

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NILE BASIN DISCOURSE

Opinion

We have audited the financial statements of the Nile Basin Discourse set out on pages 12 to 17. These financial statements comprise the statement of cash receipts and expenditures for the year ended 31 December 2016 and the statement of fund balance and the special account reconciliation statement as at 31 December 2016, and a summary of significant accounting policies and other explanatory information as set out on pages 13 to 14.

In our opinion the accompanying financial statements present fairly, in all material respects, the fund balance of the Nile Basin Discourse as at 31 December 2016 and its surplus for the period then ended, and its cash flows for the period then ended in accordance with the Organisation's accounting and financial reporting policies and with the terms and conditions included in the Funding agreement

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Nile Basin Discourse in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants (IFAC code) and other independence requirements applicable to performing audits of the Nile Basin Discourse. We have fulfilled our other ethical responsibilities in accordance with the IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of the Nile Basin Discourse. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management of the Nile Basin Discourse is responsible for the other information. The other information comprises of the Directors' report. The other Information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization's to cease to continue as a going concern.

REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)

- 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.

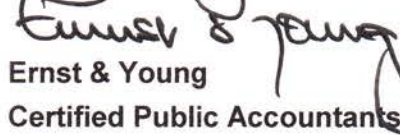
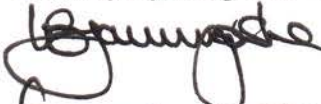
We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER REQUIREMENTS

We confirm that nothing has come to our attention to indicate that:

- All necessary supporting documents, records, and accounts were not maintained in respect of all project activities;
- Donor funds were not used in accordance with the conditions of the grant agreement, and only for purposes for which the funds were provided;
- Counterpart funds were not provided in accordance with the grant agreement; and
- Goods and services were not procured in accordance with existing donor agreements and applicable rules and procedures of the World Bank and The Nile Basin Discourse.

The Engagement Partner on the audit resulting in this independent auditor's report is CPA Geoffrey Byamugisha – P0231.



Ernst & Young
Certified Public Accountants of Uganda
Kampala, Uganda

27 June 2017



**NILE BASIN DISCOURSE
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE PERIOD ENDED 31 DECEMBER 2016**

Income	Notes	Budget	Actual 2016	Actual 2015
		<u>USD</u>	<u>USD</u>	<u>USD</u>
Donor funding (CIWA)	2	346,436	332,979	623,747
Other income (Foreign exchange gains)		-	164	2,706
		346,436	333,143	626,453
Expenditure				
Project expenditure	3	346,436	341,748	629,433
Deficit for the year		<u>-</u>	<u>(8,605)</u>	<u>(2,980)</u>

The statement of cash receipts and expenditures was approved by Nile Basin Discourse management on 27/12/16 2017 and was signed on its behalf by:



.....
Chairman Board of Directors
The Nile Basin Discourse



.....
Regional Manager
The Nile Basin Discourse

**NILE BASIN DISCOURSE
STATEMENT OF FUND BALANCE
AS AT 31 DECEMBER 2016**

	Notes	2016 <u>USD</u>	2015 <u>USD</u>
At 1 January	2(a)	8,764	11,744
Deficit for the year		<u>(8,605)</u>	<u>(2,980)</u>
At 31 December		<u>159</u>	<u>8,764</u>
Represented by:			
Cash at bank and in hand	4	159	30,354
Advances	5	<u>-</u>	<u>3,591</u>
		<u>159</u>	<u>33,945</u>
Commitments	6	<u>-</u>	<u>25,181</u>
Net current assets		<u>159</u>	<u>8,764</u>

The financial statements on pages 12 to 17 were approved by The Nile Basin Discourse management on 27/06 2017 and were signed on its behalf by:



.....
Chairman, Board of Directors
The Nile Basin Discourse



.....
Regional Manager
The Nile Basin Discourse

**NILE BASIN DISCOURSE
SPECIAL ACCOUNT RECONCILIATION STATEMENT
AS AT 31 DECEMBER 2016**

	2016	2015
	USD	USD
Opening balance as at 1 January	32,810	23,438
Petty cash balance as at 1 January	264	10
Uncredited cheques as at 1 January	-	-
Outstanding cheques as at 1 January	(2,720)	(2,160)
Cash book balance as at 1 January	30,354	21,288
Add:		
Total replenishments by World Bank	332,979	623,747
Funds available during the year	363,333	645,035
Less:		
Transfers to UGX Bank Account	(132,700)	(134,000)
Expenditures paid from DA Account	(230,509)	(280,745)
Work advances to staff – Secretariat	-	(199,830)
Staff advances	-	(1,500)
Total Payments during the year	(363,209)	(616,075)
Closing DA Cash Book Balance as at December 31, 2016	124	28,960
Add:		
Cash book balance (UGX) as at December 31 2016	35	1,129
Cash book balance (petty cash) as at 31 December 2016	-	265
Cash and bank balance as at 31 December 2016	159	30,354

NILE BASIN DISCOURSE NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless stated otherwise.

Basis of preparation

The financial statements have been prepared using the modified cash receipts and expenditures basis of accounting whereby income and expenses are accounted for as and when received and paid. However, prepayments and accruals are recognized as assets and liabilities at the end of the financial period for reporting purposes.

Receipts

Receipts relate to grants from the Organization's donors. The receipts are recognised in the Organization's financial statements on a cash basis. Interest income, if applicable, on bank deposits is recognised as and when credited to the Organization's bank account.

Expenditures

Expenditures during the period are recognized in the Project financial statements upon payment of cash rather than when incurred. However, prepayments and accruals are recognized as assets and liabilities at the end of the financial period for reporting purposes.

Fixed assets

Fixed assets are expensed in full in the period of purchase. Fixed assets both purchased and donated, held at period end are not recognised in the statement of fund balances.

Stocks

Purchases of stocks including those for later use are recognised as expenditures at the time of payment.

Foreign currency translation

All transactions are recorded in United States Dollars (US\$). Transactions denominated in other currencies are translated into United States Dollars (US\$) at rates ruling on the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into US\$ at period end exchange rate. All exchange differences are dealt with in the statement of cash receipts and expenditures in the period in which they arise.

**NILE BASIN DISCOURSE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

2. Funding

a) World Bank funding	Budget	Actual 2016	Actual 2015
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Balance brought forward	-		11,744
World Bank funding	<u>333,007</u>	<u>332,979</u>	<u>623,747</u>
	<u>333,007</u>	<u>332,979</u>	<u>635,491</u>
b) World Bank Disbursements			
Date	World Bank Remittances 2016	Actual Received 2016	Actual Received 2015
	<u>USD</u>	<u>USD</u>	<u>USD</u>
24/10/2016	80,007	80,000	199,993
13/07/2016	93,000	92,993	153,385
26/04/2016	100,000	99,993	46,279
26/02/2016	<u>60,000</u>	<u>59,993</u>	<u>143,532</u>
Total	<u>333,007</u>	<u>332,979</u>	<u>543,189</u>

3. Expenditure

	Budget	Actual 2016	Actual 2015
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Personnel costs – Operations and Support staff	123,784	121,735	122,728
Rent, Utilities and Related Costs	12,841	12,617	10,216
Office Consumables	1,098	1,070	7,180
Communication	3,820	3,728	5,809
Travel and Travel-related costs	7,880	7,750	9,104
Equipment and Software Maintenance	5,537	5,445	1,146
Bank Charges	1,724	1,695	2,416
Other core costs	19,581	19,215	28,243
Personnel costs - Program Staff	143,229	140,873	143,546
Stakeholder Mapping Exercise costs	-	-	236,817
NBD Sustainability and Strengthening Existing Resource Base	-	-	2,474
Strengthening Communication and Outreach	3,050	3,000	5,950
Capacity Development of NBD Members	23,893	23,416	49,990
Forex Losses (Includes Amount and Invoice Rounding off)	-	<u>1,204</u>	<u>3,814</u>
	<u>346,436</u>	<u>341,748</u>	<u>629,433</u>

**NILE BASIN DISCOURSE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

4. Cash at bank and in hand

	Actual 2016	Actual 2015
	<u>USD</u>	<u>USD</u>
Cash in hand	-	265
Cash at bank	<u>159</u>	<u>30,089</u>
Total cash	<u>159</u>	<u>30,354</u>

5. Receivables

	2016	2015
	<u>USD</u>	<u>USD</u>
Staff salary/loan advance	-	1,500
Work advances	<u>-</u>	<u>2,091</u>
	<u>-</u>	<u>3,591</u>

These are short term receivables advanced to staff mainly as travel and workshop advances with accountability to follow shortly. They also include staff salary advances, loans and some prepaid expenses like rent paid in advance.

6. Payables

	2016	2015
	<u>USD</u>	<u>USD</u>
NSSF payable	-	2,950
PAYE payable	-	6,194
Provident payable	-	-
Other taxes payable-WHT, LST	-	9
Other creditors	<u>-</u>	<u>16,028</u>
Total Payables	<u>-</u>	<u>25,181</u>

Payables relate to amounts which were due by period end but were not paid such as statutory deductions.

7. Taxation

The Organization is exempted from paying income tax on surplus funds in accordance with Section 10 of the Nile Basin Act, 2002.

APPENDIX I: STATEMENT OF EXPENDITURES (IFRs)

Nile Basin Discourse

Engaging Civil Society for Social and Climate Resilience In The Nile Basin Project
Grant Agreement Number TF 15834

Statement of expenditures (IFRs)

For the year ended 31 December 2016

IFR FOR PERIOD ENDED MARCH 31, 2016

Interim un-audited Financial Report (IFR)

ENGAGING CIVIL SOCIETY FOR SOCIAL AND CLIMATE RESILIENCE IN THE NILE BASIN PROJECT

Project No.: P132448

Sources and Uses of Funds (Receipts and Payments) Statement
for the quarter ended March 31, 2016

(In US\$)

Sources of Funds/ Receipts	Ref for Annexes	Quarter ending 31/03/2016				Cumulative for Project Life to date			Cash Projection Requirements: Next Six months
		Actual		Planned		Actual	Planned	Variance	
			Variance		Variance				
Opening Cash Balance									
IDA USD-Designated account		28,960.99	-	28,960.99	-	-	-	-	
Project Account		1,117.18	7.00	1,124.18					
Others (e.g. Imprest, advances etc)		426.28	-	426.28					
<i>Adjust for difference in actual and planned opening balance</i>		7.00							
Total		30,511.45	7.00	30,511.45	-	-	-	-	
Add: Receipts									
IDA Replenishment to Designated Account		59,993.00	7.00	60,000.00	1,226,929.72	1,226,992.72	63.00	100,000.00	

Nile Basin Discourse

Engaging Civil Society for Social and Climate Resilience In The Nile Basin Project
Grant Agreement Number TF 15834

Statement of expenditures (IFRs)

IFR FOR PERIOD ENDED JUNE, 2016

Interim un-audited Financial Report (IFR)

ENGAGING CIVIL SOCIETY FOR SOCIAL AND CLIMATE RESILIENCE IN THE NILE BASIN PROJECT

Project No.: P132448

Sources and Uses of Funds (Receipts and Payments) Statement
for the quarter ended June 30, 2016

(In US\$)

Sources of Funds/ Receipts	Ref for Annexes	Quarter ending 30/06/2016			Cumulative for Project Life to date			Cash Projection Requirements: Next Six months
		Actual	Planned	Variance	Actual	Planned	Variance	
Opening Cash Balance								
IDA USD-Designated account		10,839.88	10,839.88	-	-	-	-	
Project Account		5,019.11	5,019.11	-	-	-	-	
Others (e.g. Imprest, advances etc)		697.46	697.46	-	-	-	-	
<i>Adjust for difference in actual and planned opening balance</i>								
Total		16,556.45	16,556.45	-	-	-	-	
Add: Receipts								
IDA Replenishment to Designated Account		99,993.00	100,000.00	7.00	1,326,922.72	1,326,992.72	70.00	93,000.00

Nile Basin Discourse

Engaging Civil Society for Social and Climate Resilience In The Nile Basin Project
Grant Agreement Number TF 15834

Statement of expenditures (IFRs)

For the year ended 31 December 2016

IFR FOR QUARTER ENDED SEPTEMBER 30, 2016

Interim un-audited Financial Report (IFR)

ENGAGING CIVIL SOCIETY FOR SOCIAL AND CLIMATE RESILIENCE IN THE NILE BASIN PROJECT

Project No.: P132448

Sources and Uses of Funds (Receipts and Payments) Statement
for the quarter ended September 30, 2016

(In US\$)

Sources of Funds/ Receipts	Ref for Annexes	Quarter ending 30/09/2016			Cumulative for Project Life to date			Cash Projection Requirements: Next Three months
		Actual	Planned	Variance	Actual	Planned	Variance	
Opening Cash Balance								
IDA USD-Designated account		4,558.28	4,558.28	-	-	-	-	
Project Account		36.62	36.62	-				
Others (e.g. Imprest, advances etc)		440.27	440.27	-				
<i>Adjust for difference in actual and planned opening balance</i>								
Total		5,035.17	5,035.17	-	-	-	-	
Add: Receipts								
IDA Replenishment to Designated Account		92,993.00	93,000.00	7.00	1,419,915.72	1,419,992.72	77.00	80,007.28

Nile Basin Discourse

Engaging Civil Society for Social and Climate Resilience In The Nile Basin Project
Grant Agreement Number TF 15834

Statement of expenditures (IFRs)

For the year ended 31 December 2016

IFR FOR QUARTER ENDED DECEMBER 31, 2016

Interim un-audited Financial Report (IFR)
ENGAGING CIVIL SOCIETY FOR SOCIAL AND CLIMATE RESILIENCE IN THE NILE BASIN PROJECT
Project No.: P132448

Sources and Uses of Funds (Receipts and Payments) Statement
for the quarter ended December 31, 2016

(In US\$)

Sources of Funds/ Receipts	Ref for Annexes	Quarter ending 31/12/2016			Cumulative for Project Life to date			Cash Projection Requirements: Next Three months
		Actual	Planned	Variance	Actual	Planned	Variance	
Opening Cash Balance								
IDA USD-Designated account		5,474.76	5,474.76	-	-	-	-	
Project Account		647.84	647.84	-	-	-	-	
Others (e.g. Imprest, advances etc)		447.53	447.53	-	-	-	-	
<i>Adjust for difference in actual and planned opening balance</i>								
Total		6,570.13	6,570.13	-	-	-	-	
Add: Receipts								
IDA Replenishment to Designated Account		80,000.28	80,007.28	7.00	1,499,916.00	1,500,000.00	84.00	132,000.00

Report of factual findings in connection with the Interim Financial Reports (IFRs) of the Nile Basin Discourse for Engaging Civil Society for Social and Climate Resilience in the Nile Basin Project for the year ended 31 December 2016

We have performed the procedures agreed with you and enumerated below with respect to the statement of expenditures of the Engaging Civil Society for Social and Climate Resilience in the Nile Basin project implemented by The Nile Basin Discourse (NBD) for the year ended 31 December 2016, set forth on pages 17 to 20. Our engagement was undertaken in accordance with the ISRS 4400 - Engagements to Perform Agreed-Upon Procedures Regarding Financial Information. Our examination was performed solely to assist the management of The Nile Basin Discourse meet the reporting requirements of the World Bank in respect of grant agreement number *TF015834*.

Specifically, we performed the following procedures:

1. We compared the statement of expenditures to the interim financial reports (IFRs) submitted to the World Bank for each of the quarters ended 31/03/2016, 30/06/2016, 30/09/2016 and 31/12/2016.
2. We compared the total expenditures in the statement of expenditures to the total amounts and categories reported under NBD expenditures in the statement of cash receipts and expenditures within the financial statements of the project for the year ended 31 December 2016.

As agreed we only performed the above agreed upon procedures in respect to the Interim Financial Reports. Our factual findings with respect to procedures 1 and 2 above are included below;

- (a) With respect to item 1 we found the Interim Financial Reports submitted to the World Bank for withdrawal application purposes to be in agreement with the books of account and statement of expenditures.
- (b) With respect to item 2 we found the total expenditures in the statement of expenditures to be equal to the total per category of expenses reported under expenditures in the statement of cash receipts and expenditures of the project for the year ended 31 December 2016.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose nor does it extend to the financial statements of The Nile Basin Discourse and is not to be distributed to any other parties except to the World Bank without our express written consent.


Certified Public Accountants
KAMPALA

27 June 2017

SUMMARY OF TOTAL COSTS SUBMITTED AND WITHDRAWAL SCHEDULE TO THE WORLD BANK FOR EACH PERIOD/ QUARTER:

PERIOD / QUARTER	STATUS OF EXPENDITURE IN 2016	TOTAL COSTS SUBMITTED TO WORLD BANK (USD)	WITHDRAWAL SCHEDULE OF DEPOSITS BY THE WORLD BANK (USD)	ACTUAL AMOUNTS RECEIVED FROM WORLD BANK (USD)	REMARKS
FIRST ADVANCE TO DESIGNATED ACCOUNT IN 2016			60,000.00	59,993.00	Funds received less by US\$ 7.00
January 2016 – March 2016	Current expenditure reported in this quarter	93,954.99			
SECOND ADVANCE TO DESIGNATED ACCOUNT IN 2016 (REPLENISHMENT)			100,000.00	99,993.00	Funds received less by US\$ 7.00
April 2016 – June 2016	Current expenditure reported in this quarter	91,521.28			
THIRD ADVANCE TO DESIGNATED ACCOUNT IN 2016 (REPLENISHMENT)			93,000.00	92,993.00	Funds received less by US\$ 7.00
July 2016 – September 2016	Current expenditure reported in this quarter	91,465.04			
FOURTH ADVANCE TO DESIGNATED ACCOUNT IN 2016 (REPLENISHMENT)			80,007.28	80,000.28	Funds received less by US\$ 7.00
October 2016 – December 2016	Current expenditure reported in this quarter	86,252.66			Replenished funds worth US\$ 132,000 requested for and will be received in 2017 .

APPENDIX II: MANAGEMENT LETTER

**NILE BASIN DISCOURSE
MANAGEMENT LETTER
31 DECEMBER 2016**



**Building a better
working world**

**NILE BASIN DISCOURSE
MANAGEMENT LETTER
FOR THE PERIOD ENDED 31 DECEMBER 2016**

CONTENTS	PAGE
Covering letter	28
1. Summary of issues arising from the audit	29
2. Details of findings and recommendations	30 -33
3. Follow up on prior year issues	34
4. Conclusion statement	35



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PRIVATE AND CONFIDENTIAL

27 June 2017

Dr. Hellen Natu
The Nile Basin Discourse
Plot 32, Nsamizi Road
Entebbe

Dear Madam,

MANAGEMENT LETTER FOR THE YEAR ENDED 31 DECEMBER 2016

In accordance with our firm's normal practice, we report to you matters arising during our audit for the year ended 31 December 2016.

The management of the organization is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the organization's accounting policies. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

Our review of the organization's systems of internal control is carried out to assist us in expressing an opinion on the current period's financial statements of the company taken as a whole. This work is not primarily directed towards the discovery of weaknesses, the detection of fraud or other irregularities (other than those which would influence us in forming an opinion) and should not, therefore, be relied upon to show that no other weaknesses or areas that require attention exist. Accordingly, the comments in this letter refer only to those matters, which have come to our attention during the course of our normal audit work and do not attempt to indicate all possible improvements, which a special review might develop.

In this letter, we bring to your attention the weaknesses, which we have discovered in the hope that you may derive a tangible benefit from this part of our audit.

**NILE BASIN DISCOURSE
MANAGEMENT LETTER
FOR THE PERIOD ENDED 31 DECEMBER 2016**

2. Summary of issues arising from the audit

Ref	Summary of the issues
3.1	Late remittance of statutory deductions
3.2	Errors in computation of statutory deductions
3.3	Weaknesses in IT general controls

NILE BASIN DISCOURSE
 MANAGEMENT LETTER
 FOR THE PERIOD ENDED 31 DECEMBER 2016

DETAILS OF FINDINGS AND RECOMMENDATIONS

3.1 Late remittance of statutory deductions

Issue/observation	Risk/implication	Recommendation	Management comments	Responsibility/Implementation
<p>NSSF and PAYE for the month of September were remitted on 31 October 2016 as opposed to the statutory date of the 15th of the following month, which is October 2016.</p>	<p>Late remittances can attract fines and penalties from the statutory bodies</p>	<p>Statutory deductions should be remitted not later than the 15th of the month following the one in which the deduction was made.</p>	<p><i>Noted. Though the respective statutory bodies certified NBD's prior communication regarding probable late remittance because of a delay in receiving funds, the deadline will always be observed to avoid any repercussions.</i></p>	<p>Individual responsible: Finance and Administration Officer</p>
				<p>Implementation Date: This is ongoing and is done on or before the 15th of every new month.</p>

NILE BASIN DISCOURSE
MANAGEMENT LETTER
FOR THE PERIOD ENDED 31 DECEMBER 2016

3.2 Errors in computation of statutory deductions

Issue/observation	Risk/implication	Recommendation	Management comments	Responsibility/ Implementation
<p>In the month of December 2016, computation of PAYE and NSSF was not computed correctly resulting into an understatement of the same by Ushs 13, 552,835 for PAYE and Ushs 5,961,599 for NSSF. The total amount of Ush 19,514,434 was due to the statutory bodies (URA and NSSF) but was not deducted from the employees and remitted.</p> <p>This was due to fact that the project was anticipated to close by end of 31 December 2016. PAYE and NSSF for the rest of the months was computed and charged as per the provisions of the Acts.</p>	<p>Noncompliance with the provisions of NSSF and Taxation acts may lead to unnecessary penalties to the organization.</p>	<p>Computation of statutory deductions should always be done as per the provisions of the Taxation and NSSF acts to avoid any penalties.</p>	<p><i>This is noted.</i></p> <p><i>Computations were done as per the provisions of the Taxation and NSSF acts but given the commitments towards the end of the CIWA grant, the remaining available balance couldn't cover for all the statutory deductions; thus falling short of the understated amount. NBD found it prudent to remit what was available at the time.</i></p>	<p>Individual responsible: Finance and Administration Officer</p>
				<p>Implementation</p> <p>Date: This is ongoing and is done on or before the 15th of every new month.</p>

NILE BASIN DISCOURSE
MANAGEMENT LETTER
FOR THE PERIOD ENDED 31 DECEMBER 2016

3.3 Weaknesses in IT general controls

Issue/observation	Risk/implication	Recommendation	Management comments	Responsibility/ Implementation
<p>One of the Information Technology (IT) general controls is the use of passcodes for any employee to access the organization's information on computers and applications. We observed that, although the passcodes are a requirement, they are not often changed to avoid any cases of familiarity that would expose access to the organization's information to unauthorized persons.</p>	<p>Lack of effective IT general controls exposes the organization's information being accessed by unauthorized persons.</p>	<p>Passcodes should be changed often by all the staff to avoid the access to the organization's information by unauthorized persons..</p>	<p>This is noted. Users on the NBD computer network are classified into levels: - Visitors, Staff and System Administrators. Pass codes are therefore the first entry point into the network for general internet access to all including part time official visitors. Access to network resources such as organizational data and network printers entails a more complex authentication method involving only specific users, specific computers and at specific times which are identified by and whose access is given by the ICT & Social Media Officer. This security measure is constantly monitored, managed and reinforced by the ICT & Social Media Officer.</p> <p>On the other hand, the individual members of staff manage the access security system on their own non-domain computers; which has no effect</p>	<p>Individual responsible: ICT & Social Media Officer</p>

NILE BASIN DISCOURSE
MANAGEMENT LETTER
FOR THE PERIOD ENDED 31 DECEMBER 2016

				whatsoever on the access details of the network. To increase safety of computers used by individual staff, these will be automated to fortnightly prompt staff to change passwords.	Implementation Date: June 2017
--	--	--	--	--	---

**NILE BASIN DISCOURSE
MANAGEMENT LETTER
FOR THE PERIOD ENDED 31 DECEMBER 2016**

4. FOLLOW UP ON PRIOR ISSUES

	ISSUE	STATUS
1	<p>Late remittance of statutory deductions</p> <p>NSSF and PAYE for the month of September were remitted later than the statutory date of the 15th of every month</p>	Not resolved
2	<p>Inconsistence in the foreign exchange rate sources used</p> <p>We noted that about three sources are used to obtain foreign exchange rates i.e. Bank Of Uganda, Stanbic and Uganda Revenue Authority. Different sources give different rates hence exchange losses and gains will not reflect a true picture for example staff costs are translated using the URA rate while the rest of the expenditure is translated at the BOU daily rate. While reporting to world bank on a quarterly basis a negotiated rate with Stanbic bank is used to revalue the cash that was moved from the USD account to the Ugx account.</p>	Resolved

CONCLUSION

We would be grateful if you could keep us informed of changes that are made to existing systems from time to time.

This letter has been prepared for your private use. It should not be disclosed to a third party without our written consent, nor do we assume responsibility in respect of its contents to any other person.

We take this opportunity to express our gratitude to you and your staff for the co-operation and assistance, which we received during the course of our audit.

Yours faithfully,

