



## Financial Accountability Procedures

12 months from 06/01/18 – 05/31/19

**Performed on:** Global Discipleship Ministries (GDM)  
**On Behalf of:** Hands of Love USA Board of Directors  
**Performed by:** Laura Brady

In July 2019, Laura Brady conducted the following procedures on GDM's financial records in Uganda. Brian Mukisa, the lead accountant for GDM, represented GDM during Laura Brady's procedures.

1. **Obtained all transfer documents that GDM received from HOL USA for the period June 1, 2018 through May 31, 2019.** These documents provide the detail for the monthly (or bi-monthly) wire transfers from HOL USA to GDM. These documents include descriptions of all funds wired, amounts and funds for all donor specified gifts. The transfer documents are prepared by the HOL USA accountant in the United States. No exceptions noted.
2. **Obtained all bank statements for GDM for the period June 1, 2018 through May 31, 2019.** Verified that all funds sent from HOL USA were deposited into the one GDM bank account. No exceptions noted. There are other sources of income to the same GDM bank accounts to include but not limited to Hands of Love UK, Messengers of Hope, New Life Christian Fellowship, Harvest Foundation, Factory Ministries of Atlanta, Inc. Hands of Love USA appears is the largest source of outside donations to GDM. Funds that were deposited to this account from these partners were transferred out to another account.
3. **Obtained a detailed listing of all expenditures, by month, made by GDM for the period June 1, 2018 through May 31, 2019.** This listing of expenditures is compiled and maintained by Brian Mukisa accounting staff at GDM. It includes columns for the categories of gifts, staff, education, food, medical, building, clothing, bedding and other. Each expenditure item includes the amount, date and category. One-off purchases include additional description information. In reviewing expenses some expenses appear to be miscategorized; but, not a substantial occurrence considering the number of transactions.
4. **Obtained receipts for expenditures from June 1, 2018 through May 31, 2019.** The original receipts are organized by date and are maintained in three ring binders. Brian



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and his staff provided all the receipts for the period for review if requested. No exceptions noted.

5. **Agreed the total amount transferred from HOL USA, per the transfer documents, to the monthly GDM bank statements for each month in the period from June 1, 2018 through May 31, 2019.** No exceptions noted.
6. **Compared the detail included in the transfer document from HOL USA for recurring items to the detail listing of expenditures maintained by GDM for each month for the period June 1, 2018 through May 31, 2019.** Noted that all donor-specified amounts related to staff position sponsorship, gifts and building projects were used for those purposes. Noted that all amounts related to child sponsorship were used for children's food, clothing, bedding, medical needs, education, transportation and housing. No exceptions noted.
7. **Compared the detail included in the transfer document from HOL USA for non-recurring items to the listing of expenditures maintained by GDM for each month for the period June 1, 2018 through May 31, 2019.** Noted that all donor-specified non-recurring gifts were used for the intended purpose. No exceptions noted.
8. **Noted that in previous years each mission trip had a detailed summary that included funds received from the missionaries and all expenditures made on their behalf during the trip (hotel, transportation, etc.).** The Ugandan finance office stopped compiling these reports a few years back. They do continue to log the appropriate expense receipts. Given the fact that there are dozens of trips each year, the staff has determined that they can estimate expenses for trips accurately (plus or minus \$30). The only significant item in the estimation process is the exchange rate. If the exchange rate moves up or down significantly, they will communicate a difference in the budget to the US office who will communicate to the missionaries. This helps to mitigate the risk of over/under charging missionaries. The US Board has communicated to our Ugandan finance office after the 2017 review and after the 2018 review that receiving these reports after each mission trip needed to be a priority. Although a commitment has been made to add this discipline to their process, as of the 2019 review, the Ugandan office has not begun compiling the detailed missionary reports. In talking with Brian Mukisa he was aware of our request in previous years and indicated that he would



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begin to produce these reports again. Some of the mission funds were allocated to specific trips or a general mission fund category and many were included in a general category.

9. **Each Month the US/Uganda exchange rate is averaged when converting the income/expenses for our review.** The staff monitors the exchange rate weekly as part of the normal process of receiving funds from the US and tracking expenses.
10. **Agreed total expenditures per the detailed listing of expenditures to the GDM bank statement for the period June 1, 2018 through May 31, 2019.** Note that there were differences between the detailed listing total and the GDM bank statement. The total differences for the period were minor and were due to fluctuations in the exchange rate (detailed listing used the average exchange rate for the month while the bank used the daily rate at the date of the transaction). These are not considered exceptions. No exceptions noted.
11. **Selected many of the expenditures for which the description was non-recurring for the period June 1, 2018 through May 31, 2019 for review.** Agreed each of these expenditures to the original receipt, noting that all descriptions agreed to the supporting receipt. No exceptions noted.
12. **Selected a sample of 10 expenditures per month during the period from June 1, 2018 through May 31, 2019, including all expenditures over a certain dollar amount.** Agreed each expenditure to the supporting receipt, noting that the date and description matched the detailed expenditure listing. No exceptions noted.

**NOTE 1:** For each of the months in the period June 1, 2018 through May 31, 2019, funds transferred from HOL USA were insufficient to fund the costs of GDM. The shortfall was raised in Uganda from various sources.



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**NOTE 2:** Because the USA sends wire transfers once a month, there are sometimes discrepancies in the months of income being received and corresponding expense being recognized in Uganda.

**NOTE 3:** In past years, Alex Sendi was the lead accountant with GDM. Mr. Sendi left GDM in 2019 to start his own business and was replaced by Brian Mukisa who moved up to this role around May of 2019. Mr. Mukisa was not the head of GDM Accounting for majority of the term under review.

**NOTE 4:** There was a large transfer made to Uganda to cover taxes. While the taxes have not yet been paid in Uganda, it was verified that the funds are still available in the Ugandan bank account to cover the payment. It was noted by Brian this is a timing issue.