



**AGENCY FOR ACCELERATED
REGIONAL DEVELOPMENT
(AFARD)**

BOARD OF DIRECTORS' REGULATIONS

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PART I – PRELIMINARY

1. Preamble

- (i) These Regulations may be cited as Agency for Accelerated Regional Development (AFARD) Board of Directors' Regulations, 2006.
- (ii) The Board of Directors of AFARD approves these Regulations which define the functions and responsibilities of the Board itself, the rules and procedures that regulate its conduct, and the rules of conduct governing its members.
- (iii) The Regulations are based on three pillars of effective governance. First, they address the need to promote transparency in AFARD governance both as an entity and in all its relationships with other stakeholders. Second, they address the need to encourage effective organizational management. Finally, the Regulations seek to enhance Senior Management and the Board itself accountable to AFARD's stakeholders.

By furthering these principles, the Board will ensure that management operates in compliance with approved strategic development guidelines. It will also see to it that the various audit procedures and systems are adequate; that objective criteria are used to select the external auditors; and, in general, that information on AFARD is correct and is consistent with the principle of transparency.

2. Purpose

These Regulations seek to regulate the functions of the Board, pursuant to the principle of transparency, paying particular attention to the promotion, supervision and oversight of the management of AFARD, its organization and the rules of conduct governing its members.

3. Application

- (a) In these regulations unless the context otherwise requires:
 - “Annual General Meeting” means Annual General Meeting referred to in Regulation II of these regulations.
 - “Board” means a Board of Directors of AFARD Constituted by proprietors of AFARD under the relevant provision in the AFARDS Memorandum and Article of Association that is in consonance with the requirements of Company laws that relate to and or regulate establishment, registration and operations of companies.
 - “Chairman “means the chairperson of a Board or person for the time being presiding over a meeting of the Board or committee.

“Financial year” means the financial year of AFARD.

“Member” means a member of a Board or committee.

‘Staff’ means all employee of AFARD duly appointed by the Board.

“Vice chairman” means the person elected vice chairperson under regulation 12 of these regulations.

- (b) These regulations shall apply to the Board of Directors and employees of AFARD as specified herein.

PART II – MEMBERSHIP OF THE BOARD

4 Composition of the Board

- (a) There shall be a Board composed of 5 members.
- (b) The Board shall also have a Board Secretary.
- (c) Although the management team will be represented in Board's operation, it shall have no voting powers.

5. Qualification for Membership

- (a) There shall be five (5) people on the Board, excluding the Board secretary and at least two shall be women.
- (b) Each nominee shall possess a minimum educational standard of a Degree after "A" Level or equivalent. S/he:
 - i) Shall be in good health and sound mind.
 - ii) Shall be a person of re-known credibility and integrity.
 - iii) Shall be a person of reasonable experience in a related field.
 - iv) Shall be free of any criminal conviction involving 6(d).
 - v) Shall not be insolvent or bankrupt.
- (c) A person shall not be on the same Board for more than two consecutive terms.

6 Disqualifications of or Cessation of Membership

A person shall cease his/her membership of the Board, when the organization/AFARD as a system is satisfied that the member:

- (a) Has failed to meet his credit obligations,
- (b) Is incapacitated by physical or mental illness (in this case physical illness shall not mean disability).
- (c) Has been absent without the approval of the Board for more than three consecutive meetings of the Board.
- (d) Has been convicted of an offence involving fraud, dishonesty or moral turpitude.
- (e) Is otherwise in the opinion of the Board unable or unfit to discharge the functions of a member or unsuitable to continue as a member of the Board or declared "Persona – non- grata"
- (f) Has conflict of interest and or holds a sub-judice position.
- (g) Resignation; or
- (h) Death.

- ii) Without prejudice to his reporting to the Board Chairman, the Secretary has independence to professionally perform the functions set forth in the preceding paragraphs.
- iii) The Secretary, who will have such status on the various corporate bodies, may also hold office as legal counsel to the corporate bodies and as General Secretary, and in this latter capacity he may, reporting to the Managing Director, assist with the integration, coordination and consolidation of the Company and its lines of business.

PART IV – MEETINGS OF BOARD

11. Convening Meeting

- (a) The first meeting of the Board shall be convened by the Programme Director at such a time and place as may be specified by him/her by giving at least thirty days' notice to each member of the Board.
- (b) A Board shall ordinarily meet at least two times in a year, at intervals not exceeding six months.
- (c) One of the ordinary meetings of the Board in each year shall be designated by the Board as its Annual Board Meeting.
- (d) A meeting of the Board shall be held at such place and time as the chairman may determine, so, however that at least one meeting of the Board shall be held at the premises of AFARD.
- (e) The chairman may, at any time convene a special meeting of the Board to consider any special subject and such meeting shall be extra ordinary.
- (f) The chairman shall, if requested in writing signed by not less than two thirds of the members of the Board, convene a special meeting of Board to continue specific meeting of Board subjects stated in the request and the meeting shall be convened by him within fourteen days after the date when he receives the request.
- (g) Notice of the time, place and agenda of every meeting shall be served in accordance with regulation 34 of these regulations and shall;
 - i) In the case of an ordinary meeting be given not less than fourteen days' "Notice".
 - ii) In the case of a emergency meeting, be given not less than seventy- two hours' notice.
- (h) Subject to the provisions of these regulations, a Board may regulate its own procedure including the manner in which matters may be determined on behalf of the Board.

12. Procedures of Meetings of the Board:

- (a) At its first meeting, a Board shall elect one of its members to be Chairman and another to be Vice Chairman.
- (b) The Chairman shall preside at all meetings of the Board and in his/her absence the Vice Chairman shall preside and in the absence of both of them, the members present shall elect one of their number to preside at the meeting.
- (c) Any matter coming before any meeting shall be decided by consensus or the votes of majority of the members present and voting and in the case of equality of votes, the person presiding shall have a second or casting vote.
- (d) The person presiding at any meeting of a Board may exclude from any part of the proceedings at the meeting any ex-officio if in his/her opinion his/her presence is likely to prejudice discussion in a particular matter.

13. Quorum

- (a) At any meeting of a Board:
 - i) In the case of an issue other than a major issue, half the membership of the Board shall constitute a quorum.
 - ii) In the case of a major issue, three quarters of the membership including the Chairman and or the Vice Chairman shall constitute the quorum.
- (b) In this regulation, "Major issue" means the dismissal/termination or discipline of a member of staff, legal matter, revision of membership fees, dues and levies, the closure of the organization due to insolvency or bankruptcy or any contentions in financial matter.

14. Attendance of Board Meetings by Staff

- (a) The Programme Officer /Programme Director shall attend all Board meetings but may be excluded from any part of the proceedings by the Chairman where any matter concerning him/her is to be discussed and in the opinion of the Board his/her presence may prejudice the discussion.
- (b) A member of the staff other than the Programme Officer /Programme Director may when invited by the chairman attend a particular meeting or part of a meeting of the Board but shall not vote on any matter discussed at the meeting.

15. Minutes of Board

- (a) The Board shall ensure that minutes of the proceedings of the Board at its meetings are recorded and entered in a book or a file kept for that purpose by the Board Secretary.
- (b) The minutes of each meeting shall be confirmed at the subsequent meeting and when confirmed, copies shall be forwarded by the Board Secretary within fourteen days to the following:
 - i) All members of the Board;
 - ii) The National NGO Board.

PART V- COMMITTEES OF BOARDS

16. Committees of the Board

- (a) The Board shall appoint the following committees for the proper carrying out of its functions.
 - i) Finance, Administration and Resource Mobilization Committee.
 - ii) Community Based Services Committee.
- (b) The Board may appoint any other committee in addition to those mentioned in sub-regulation (a) above.
- (c) A committee appointed under sub-regulation (a) of this regulation shall consist of not less than three and not more than four of which two shall be Board members and one staff member and the other a co-opted person with proven expertise in the committee mandate.

17. Functions of Committees

A committee of the Board shall have such functions as the Board may delegate to it.

18. Proceedings of Committees

- (a) A committee of the Board shall;
 - i) Elect one of the two Board members to be chairman of the committee.
 - ii) Have the staff representatives as its Secretary.
 - iii) Work in consonance with the terms of reference developed, discussed and approved by the Board.
- (b) In the absence of the chairman of the committee at any meeting of the committee the members of the committee may elect one of their members to preside over the meeting.
- (c) Matters before a committee shall be decided by the simple majority votes of the committee present and voting or consensus, and in the case of equality of votes, the chairman shall have a second or casting vote.
- (d) The quorum at any meeting of a committee shall be three.
- (e) A committee shall report to and its decisions shall be subject to confirmation by the Board before implementation.

19. Minutes of Committees

Each committee shall ensure that proper minutes are taken and recorded at each of its meetings and a copy of the minutes so recorded shall be forwarded to the Board.

20. Function of the Programme Director

- a) Be the professional and administrative head of AFARD and have the charge and custody of and be responsible for, all books, deeds, records, documents and all other assets/facilities of AFARD – both movable and immovable.
- b) Exercise such of the functions of the Board as the Board may delegate to him/her subject to the general directions of the Board and any act done or omitted to be done by him/her in the exercise of those functions shall be deemed to have been done or omitted to be done by the Board
- c) Be personally responsible to the Board for the programme, social and domestic organization and conduct of AFARD.
- d) When considered expedient in the interest of the organization, exclude, suspend, or expel an employee from exercise of his/her duties in the organization and shall immediately report such exclusion, suspension or interdiction, to the Board for consideration and the Board's decision on the matter shall be final.
- e) Be responsible for the day to day expenditure of the organization and present an account of such expenditure to the Board as from time to time required by it.
- f) Present a financial statement at every ordinary meeting of the Board and the auditor's report for the annual account at every Annual General Meeting.
- g) Report or recommend to the Board any disciplinary measures to be taken against a member of staff with all the justification and or evidence thereto for Board's conclusive decision.
- h) Advise the Board when required to do so but if the Board rejects, the position shall be final and the Programme Officer/ Programme Director shall comply with the resolution. .
- i) Through organization team building enhancement strategies or any other means, ensure that moral values and staff morale are upheld in AFARD.
- j) Ensure that:
 - i) The organization conducts Departmental Consultative meetings every week during which heads of departments shall cause members of staff to review the previous week's performance and set new tasks plus the related performance indicators, and brief the staff on major events and possibly policy changes in the organization.
 - ii) The organization conducts Technical Planning Committee meetings every month to brief staff members on the progress of the programme activities, agree performance improvement measures and assign tasks to the various areas of specialization/ concerns.
 - iii) The organization holds staff General Assembly two times a year each time not exceeding six months and Annual stakeholders meeting to evaluate the programme ; and
 - iv) The organization is well co-coordinated and ordered through the establishment of an efficient and effective communication network.

21. Funds of Board

The Board may receive funds on behalf of AFARD by way of:

- a) Grants and gifts or donations.
- b) Co-funding /financing transfers.
- c) Credit /loan facilities.
- d) Membership and subscription fees.
- e) Interest on investments and deposits.
- f) Disposal of assets.
- g) Consultancy services.
- h) Endowments from any other source.

22. Expenditure

The Board shall apply the funds mentioned in regulation 21 of these Regulations for the functions and management of AFARD and shall meet all expenses of AFARD for which it is responsible.

23. Budget Management

- (a) The Board shall cause the PD to prepare and submit for its approval, before a prescribed date, Annual Estimates of Income and Expenditure plus medium term development plan and annual work plans.
- (b) Expenditure in any financial year shall be in accordance with the estimates either as originally approved by the Board or as verified by authorized re-allocation or approved supplementary estimates.
- (c) The Board may approve, on request of the PD, re-allocation within or across votes by virement or initiation and approval of supplementary budget provided it is evidently consented to by the funding agency.

24. Accumulated Fund and Reserve Account

- (a) Any excess of income over expenditure at the end of any financial year shall be considered as accumulated fund.
- (b) This fund will however be retained in its operational (project) account. Any adjustment to it should be inline with the operational guideline from the funding agency.
- (c) Any savings made by AFARD and not immediately directed to operations will be securely kept on a Reserve Fund Account and be appropriated to a general reserve account, where it shall remain until the end of the subsequent financial year but depending on the project life and or
- (d) Any fund on Reserve Fund Account shall be specifically dedicated to Capital Investment unless otherwise approved by the Board.

25. Depreciation Fund Account

The cost of renewing any property or equipment or any part of the property or equipment of the Board shall be charged to a Depreciation Fund Account established for the purpose in accordance with Financial and Accounting Regulations/Instructions issued from time to time by the Board.

26. Application of Grant Received by AFARD

- (a) Grants received in respect to projects or programmes shall be paid directly or transferred into the project/programme specific accounts.
- (b) All expenditures related to such an account will be transacted directly from the project/programme account.
- (c) Where co-financing is required, funds will be transferred from AFARD's Operations account into the project/programme account and expenses made thereto.

27. Borrowing Powers of Board

Where the Board has lawfully incurred expenditure which has been approved, it may approve of a loan, obtain advance of over draft from any financial institution or a person. Any interest on such borrowings shall constitute a debt due by the Board to be charged upon the assets and revenues of the Board until repaid.

28. Accounts

- (a) The Board shall keep or cause to be kept at AFARD proper books of accounts with respect to:
 - i) All sums of money received and expended it on the organization and the matters in respect of which receipt and expenditure take place; and
 - ii) All assets and liabilities of AFARD.
- (b) The Board shall cause to be prepared within three months after the commencement of each financial year, in respect to the preceding financial year.
 - i) An Income and Expenditure Account;
 - ii) A Balance Sheet in the form approved by the Board stipulated in the approved Financial and Accounting Regulations; and
- c) The Auditor's report.

29. Audit

- (a) The accounts of the Board shall be audited annually by a qualified and competent auditor appointed and approved by the Board.
- (b) The auditor shall have access to all books of accounts, vouchers and other financial records of the organization and may require explanation he/she thinks fit from any person.
- (c) The auditor shall on completion of the audit mentioned in sub-regulation (a) make and submit to the Board a report that shall state whether in his /her opinion,

- i) Proper books of accounts have been kept by the Board; and
- ii) The financial statement of the Board;
 - has been prepared on a basis consistent with that of the preceding year and is in agreement with the books of accounts and;
 - gives a true and fair view of the income and expenditure account of the Board for the financial year.
- (d) The auditor shall also, in addition to what is stated in sub-regulation (c) of this regulation, state the areas that need improvement and the respective policy implications on the financial management and general operation of AFARD.
- (e) The Chairman shall send or cause to be sent to the National NGO Board and Registrar of Companies, Funding agencies, Higher Local Government and Local NGO forum, not later than four weeks after the date of the Board meeting at which the accounts of AFARD were adopted, copies of the accounts and the auditor's report on the accounts.

PART VI – GENERAL

30. Declaration of interest by Board and Committee Members

- (a) A member of the Board or of a committee of a Board shall not take or hold any interest directly or indirectly in any property vested in the Board other than as such member.
- (b) A person referred to in sub-regulation (a) of this regulation who has any pecuniary interest or special interest directly or indirectly in any matter before the Board or a committee or in any contract and is present at the meeting of the Board or committee at which the matter or contract is the subject of discussion shall disclose the fact and declare his interest at that meeting and shall not take part in the discussion or vote on the matter or contract and shall, if the Chairman so directs, withdraw from the meeting during the discussion.
- (c) A person who contravenes any of the provisions of the sub-regulations (a) and (b) of this regulation may be liable to be removed from membership of the Board or as the case may be, from the committee by the Board.

31. Co-option of Persons to Meetings of Boards or Committees

- (a) The Board may co-opt any person with special skills or knowledge to assist in the transaction of its business at any of its meetings or any meetings of its committees.
- (b) A person co-opted under sub-regulation (a) of this regulation may attend and take part in the proceedings of the meeting to which he/she is co-opted but not entitled to vote on any matter at that meeting.

32. Common Seal of Board

- (a) The common seal of the Board shall be of a design approved by the Board.
- (b) A specimen of the common seal authenticated by the signature of the chairman shall be forwarded by the Programme Officer/Programme Director to all AFARD's banking institutions, funding agencies, Board Secretary, National NGO Board and other key development partners.
- (c) The common seal shall not be altered without the approval of the Board.
- (d) A common seal shall be kept in custody of Programme Officer /Programme Director and shall not be used or affixed to any document except in pursuance of a resolution adopted by the Board.

33. Application of Common Seal

- (a) The application of the common seal of the Board shall be authenticated by the signature of:
 - i) The Chairman or Vice Chairman of the Board or any other member authorized by the Board to authenticate the seal; and

- ii) The Secretary of the Board or any other officer of the Board authorized to act in that behalf.
- (b) The signatures prescribed by sub-regulation (i) of this regulation for authentication of the seal shall be independent of the signing by any other person as witness.
- (c) Any document purporting to be an instrument issued by the Board and sealed and authenticated in the manner prescribed by sub-regulation (b) of this regulation or otherwise entered into or executed in the manner prescribed by sub-regulation (c) of this regulation shall be received in evidence and deemed to be such an instrument without further proof unless the contrary is shown.

34. Service of Notices

Where under these Regulations a notice is required or permitted to be served on any person, the notice may be served by the Board;

- a) By delivering it personally to the person to be served.
- b) By leaving it at the usual or last known place of residence or business of the person to be served with a person apparently over the age of sixteen years and apparently residing at the place of the person business or in the place of the persons place or in the place of the persons business, apparently in charge of or employed at that place;
- c) By sending it by post addressed to the person to be served at the usual or last known place of residence or business of that persons or
- d) By serving it in such other manner as a court of competent jurisdiction may, on application made to it in that behalf, direct.

Notwithstanding other provisions in these Regulations, the Regulations formulated hereunder to regulate the functions and mandate of the Board of AFARD shall come into force with immediate effect and shall continue in force until they are specifically revoked and or revised by the Board.

The Board reserves all rights to revise these regulations as and when deemed necessary but in close consultation with the Management of AFARD and other development partners.



For more information please contact:

Programme Director, Agency For Accelerated Regional Development (AFARD)

Plot 3-5 Butiime Road, P.O.BOX 80, Nebbi-Uganda, Tel: +256 772 437 175.

Email: afard@afard.net Website: www.afard.net