



Date: April 22, 2026

Ref.No: ALCR/GDO/Audits 026

To: **Donor Partners and Stakeholders**

**Subject: Submission of the Independent External Audit Report - African Relief Committee
Portfolio January 2025 – March 2026**

Dear Partners,

On behalf of the African Relief Committee (ARC), I am pleased to submit the attached External Audit Report, which covers the organization's projects from January 2025 to March 2026. These projects encompass nine humanitarian initiatives within the Darfur region, including emergency response, life-saving interventions, and community resilience building for war-affected communities. The projects are funded by donors in Sudan.

This report highlights the strengthening of ARC's financial and operational compliance, with the overall portfolio risk rating increasing from 82% to 95%. The findings demonstrate improvements in documentation, procurement transparency, and internal controls, positioning ARC as a highly capable and low-risk implementing partner.

We are confident that this report will reaffirm the African Relief Committee's commitment to accountability, transparency, and the effective implementation of humanitarian and development programs. We are committed to continuous improvement and building donor trust through rigorous monitoring and reporting.

Thank you for your continued partnership and support.

See attachments.

Sincerely,

Dr. Emad Hassan Qasim Allah - Director General

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Al-Ma'yar Legal Consulting and Review Company (LCR) – Sudan Independent External Audit Report

Date: April 22, 2026

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Final Independent External Audit Report

African Relief Committee (ARC) January 2025 – March 2026

Confidentiality Notice

This information is confidential and intended solely for African Relief Committee (ARC) and relevant stakeholders. Unauthorized disclosure or distribution is strictly prohibited.

Prepared by

Audit Team

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Executive Summary

- Overview of the audit period (January 2025 – March 2026).
- Key compliance achievements.
- Major risks identified.
- Recommendations to strengthen financial controls.

Audit Scope & Objectives

- Review of financial transactions across payroll, services, travel, advances, procurement, and payments.
- Assessment of compliance with donor requirements and government regulations.
- Evaluation of the effectiveness of internal controls.

Methodology

- Sampling of financial transactions.
- Analytical review of monthly expenditures.
- Discussion of variances with the finance team.
- Review of project objectives and budget to ensure alignment.

Key Findings

Area	Observations	Compliance Level
Payroll	Proper documentation, minor variances	High
Services	Contracts reviewed, some delays	Medium
Travel	Costs within budget	High
Advances	Weak documentation	Low
Procurement	Procedures followed, some delays	Medium
Payments	Aligned with budget	High

Recommendations

- Strengthen documentation for advances and procurement.
- Conduct monthly variance reviews with the finance team.
- Enhance internal controls to ensure timely compliance.



Introduction

A routine independent external audit was conducted on the projects of the African Relief Committee (ARC) for the period January 2025 – March 2026, covering the organization's intervention areas in Darfur states during the first quarter of the 16th fiscal year since the organization's establishment in 2010.

Executive Summary

Overview of the Audit Period (January 2025 – March 2026): The review covered all financial and operational activities during the specified period, with a focus on compliance with donor requirements and institutional governance.

Key Compliance Achievements:

- Significant improvement in documentation and archiving systems across field offices.
- Enhanced transparency in procurement with full adoption of tendering procedures.
- Strong compliance with donor requirements in travel and payment controls.
- Standardization of payroll and supporting costs to ensure institutional consistency.

Major Risks Identified:

- Need for more analytical auditing to ensure accuracy of financial data.
- Procurement gaps requiring strengthened oversight and transparency.
- Continued monitoring of payroll and benefits to align with labor distribution reports.

Recommendations to Strengthen Financial Controls:

- Develop a comprehensive electronic archiving system integrated with payroll and procurement.
- Enhance periodic analytical review mechanisms to ensure data accuracy.
- Adopt additional verification procedures in procurement to mitigate potential risks.
- Continue capacity building for finance and field teams on compliance and governance.



Audit Scope & Objectives

The audit covered all financial and operational activities of ARC during the period January 2025 – March 2026. It focused on assessing compliance with donor requirements and institutional governance, as well as reviewing documentation systems, procurement, payroll, payments, and supporting costs.

Primary Objectives:

- Verify the accuracy and transparency of financial records.
- Assess the effectiveness of internal controls and institutional oversight.
- Identify potential operational and financial risks.
- Provide practical recommendations to strengthen compliance and governance.

Methodology

- **Document and Records Review:** Comprehensive analysis of financial files, contracts, invoices, and payroll records.
- **Interviews and Consultations:** Conducted with finance teams, field staff, and key partners to understand operational processes.
- **Analytical Review:** Applied key performance indicators (KPIs) to compare results against international standards and donor requirements.
- **Sample Testing:** Selected samples of financial transactions and procurement processes to verify compliance and transparency.
- **Risk Matrix:** Developed a detailed matrix to classify risks by domain (documentation, procurement, payroll, etc.) and assign levels (Low – Medium – High).

Audit Period

January 2025 – March 2026

Key Findings

Payroll: Improvement observed in payroll systems and their linkage to labor distribution reports, with a need for further auditing to ensure full consistency and transparency.

Service Costs: The review showed good compliance in documenting and approving supporting costs, with a recommendation to strengthen periodic review mechanisms to ensure optimal resource utilization.

Travel: Strong compliance with donor requirements, with accurate records of trips and expenses, reflecting a high level of internal control.



Advances: Settlement procedures were applied before issuing new advances, reinforcing financial discipline and reducing risks associated with internal debts.

Procurement: Despite improvements in contractor verification and tender documentation, further transparency and oversight are required to ensure fair competition and reduce risks.

Payments: The review demonstrated strong compliance in verifying non-procurement payments, with a recommendation to continue pre-audit checks before approving any financial transaction.

Compliance Review

The audit showed strong compliance with donor standards and institutional governance, with notable improvements in documentation, procurement, and travel. An overall compliance rate of **95%** was recorded compared to **82%** in the previous period, reflecting enhanced transparency and accountability.

Internal Controls Assessment

- **Strengths:** Cohesive financial and administrative systems, with pre-verification procedures applied to payments.
- **Weaknesses:** Need to strengthen oversight of procurement and payroll to ensure full consistency with labor distribution reports.
- **Opportunities:** Potential to develop a comprehensive electronic archiving system linked to financial and field operations.
- **Threats:** Potential risks if periodic analytical reviews are not reinforced.

Recommendations

1. Develop a comprehensive and integrated electronic archiving system.
2. Strengthen analytical review mechanisms to ensure accuracy of financial data.
3. Adopt additional verification procedures in procurement to ensure fair competition.
4. Build the capacity of finance and field teams on compliance and governance.
5. Continue applying settlement procedures for advances before issuing new ones.

Annexes

- **Annex (A):** Detailed risk matrix by domain (documentation, procurement, payroll, etc.) with risk levels (Low – Medium – High).
- **Annex (B):** Charts and dashboards showing compliance improvement from 82% to 95%.
- **Annex (C):** Lists of donor-funded projects with completion rates and associated risks.
- **Annex (D):** Additional recommendations to strengthen financial and administrative controls.



Projects Under Review

1. **“Ingissam” Peacebuilding and Social Cohesion Project (East & Central Darfur):** Funded by USAID in partnership with CRS; focused on social cohesion, resource sharing, and reconciliation (January 1 – March 1, 2025). Targeted host communities, IDPs in camps, and affected populations in Ed Daein and Abu Karinka localities.
2. **Emergency Shelter Project (East Darfur):** Provision of emergency shelter for **1,500 households** in Ed Daein, Shaeria, and Ferdous (January 10 – March 9, 2025). Targeted IDPs and flood-affected populations.
3. **Emergency Shelter Distribution (North Darfur):** Distribution of **1,310 shelters** in Tawila, Dabba Naiera, and Dali (May 30 – June 30, 2025) supported by IOM/RRF 25 22 ES.
4. **Water and Sanitation Project – Yassin, East Darfur.**
5. **Life-Saving Health Care Initiative (West Darfur):** Rehabilitation and strengthening of health facilities (June 1, 2025 – March 31, 2026).
6. **Establishment of Al-Nakhil Camp (Shaeria, East Darfur):** Self-funded for **600 households** plus **500 supported by IOM**; hosted more than **8,000 IDPs** from El Fasher and conflict-affected areas in North Darfur.
7. **Non-Food Item Distribution (North Darfur):** Distribution of **1,000 kits** in Tawila, Dabba Naiera, and Rwanda Camp (November 15 – 19, 2025). Items funded by SHF, IOM, USAID/Bureau of Humanitarian Assistance, with project implementation by ARC.
8. **Non-Food Item Distribution (North Darfur):** Distribution of **1,000 NFI kits** and **1,000 hygiene kits** in Tawila, Dabba Naiera, and Rwanda Camp. Items funded by SHF; project implemented by ARC.
9. **Main Road Construction Project (Ed Daein – Abu Matariq – Kabbo – Raqeibat, 208–240 km):**
 - **Current Status:** 20% completion (engineering survey / initial implementation).
 - **Expected Duration:** 24 months.
 - **Estimated Cost:** USD 5,000,000 – 20,000,000.
 - **Funding Entities:** OCHA / Government.
 - **Implementing Entity:** TBD.
 - **Preliminary Assessment:** Conducted by a consortium of agencies led by ARC (Road/Infrastructure Assessment).
 - **Influencing Factors:**
 - Delays due to funding and logistical constraints.
 - Requirement for official government approvals.
 - Awaiting readiness of external donor.
 - Need for comprehensive road survey by implementing partner.
 - Engineering survey to be conducted by East Darfur Urban Planning Department.



Overall Objective: Construction of main roads to connect targeted towns and villages, improving humanitarian access and essential services.

- * **Annex: Project Review & Audit Table** (To include detailed project timelines, funding sources, completion rates, and risk assessments.)

Completed Audit and Review Activities

Audit Scope

- Review of samples of financial transactions: payroll, service costs, travel, advances, procurement, and payments.
- Analytical review of monthly expenditures and discussion of variances with the finance team.
- Review of project objectives and budget with management to ensure adherence to timelines and effectiveness of internal controls.

Preliminary Results

Audit Area	Observations	Compliance Level
Payroll	Samples consistent with policies	High
Services	Some contract variances	Medium
Travel	Costs within budget	High
Advances	Need for stronger documentation	Low
Procurement	Procedures sound, some delays	Medium
Payments	Aligned with budget	High
Documentation & Archiving	Proper archiving of accounting records, sample audits, matched with bank records	High
Financial Transactions	Minor variances in payroll records and contract archiving	Medium
Supporting Costs	Documentation of services (travel, communications, logistics), invoices reviewed	Needs improvement
Procurement (Detailed)	Archiving of purchase orders, contracts, delivery notes, competition review	Medium
Completion Certificates	Signed copies archived, matched with implementation reports	High

Recommendations

1. Strengthen documentation in advances and procurement processes.
2. Monitor monthly variances regularly with the finance team.
3. Conduct periodic reviews of project objectives and budgets to ensure timeline compliance.
4. Enhance electronic documentation alongside paper records for easier access and review.
5. Carry out regular reviews of payroll and procurement to ensure transparency.



6. Link completion certificates directly to budgets and outputs to ensure consistency.

Risk Assessment in Audit

1. Documentation & Archiving

- **Risk:** Loss of staff attendance sheets and payroll settlement for March 2026 indicates weak archiving.
- **Impact:** Difficulty verifying payroll accuracy; potential errors or manipulation.
- **Recommendation:** Implement a comprehensive electronic archiving system with regular indexing of financial and administrative records.

2. Financial Transactions

- **Risk:** Presence of an unverified invoice and weak documentation/indexing.
- **Impact:** Potential unauthorized expenditure or loss of transparency in procedures.
- **Recommendation:** Strengthen internal review procedures; enforce mandatory audit before invoice approval.

3. Payroll

- **Risk:** Some payroll entries not charged to the project according to labor distribution reports.
- **Impact:** Inaccuracy in financial reporting; possible conflict with donor requirements.
- **Recommendation:** Conduct regular reviews of labor distribution reports and link them directly to payroll systems.

4. Supporting Costs

- **Risk:** Although no discrepancies were found between records and documents, reliance solely on reconciliation may conceal future oversight weaknesses.
- **Impact:** Potential gaps in long-term monitoring and control.
- **Recommendation:** Introduce proactive analytical reviews beyond reconciliation to strengthen oversight.

Impact & Recommendation (Supporting Costs)

- **Impact:** Potential accumulation of unmonitored errors.
- **Recommendation:** Strengthen preventive controls, not only corrective measures.

Procurement

- **Risk:** Weak transparency in supplier selection and incomplete adherence to tendering procedures.
- **Impact:** Risk of corruption or conflict of interest; potential loss of donor confidence.
- **Recommendation:** Improve tendering mechanisms, publish selection criteria, and document evaluation processes.



General Audit Opinion

- **Risk Level:** Low to Medium, particularly in payroll and procurement areas.
- **Potential Impact:** May affect the institution's credibility with donors and expose it to financial and legal accountability.
- **Proposed Actions:**
 - Develop a comprehensive electronic archiving system.
 - Strengthen internal controls and pre-audit procedures.
 - Improve transparency in procurement.
 - Link payroll directly to labor distribution and project reports.

Risk Opinion on Absence of Completion Certificates

- **Risks:**
 - Weak ability to prove completion of activities and outputs.
 - Difficulty verifying alignment of implementation with contracts or work plans.
 - Potential donor rejection or suspension of funding due to lack of official evidence.
- **Impact:**
 - Loss of institutional trust.
 - Exposure to financial and legal accountability.
 - Reduced ability to prepare accurate monitoring and evaluation reports.
- **Recommendations:**
 1. Establish a mandatory mechanism for issuing completion certificates for every project or major activity.
 2. Link financial disbursements or project closure to the presence of signed completion certificates from both implementing and beneficiary entities.
 3. Create a centralized electronic archive for completion certificates to ensure easy access and review.
 4. Involve donors or local authorities in the verification process to ensure transparency.

General Audit Opinion (Certificates):

- **Risk Level:** High.
- **Potential Impact:** Threatens funding sustainability and undermines institutional credibility.
- **Urgent Action:** Develop a formal documentation system for completion certificates directly linked to audit and review processes.

Overall Risk Assessment in Audit

- **General Risk Level:** Excellent.
- **Compliance Rate:** 95%.

Key Observations:

- Despite some gaps in documentation and archiving, most financial and administrative operations comply with standards.
- No material discrepancies between records and supporting documents, reinforcing confidence in data accuracy.
- Procurement requires improvement in transparency and adherence to tendering procedures.
- Absence of completion certificates remains a weakness that must be addressed to ensure full project cycle documentation.

Impact:

1. Overall risks are low to medium, with no major effect on institutional credibility.
2. High compliance rate (95%) reflects strong internal control systems and adherence to procedures.

Recommendations

1. Develop an electronic archiving system to safeguard documents (attendance, payroll, invoices).
2. Make issuance of completion certificates mandatory for every project before financial and administrative closure.
3. Enhance transparency in procurement by publishing selection criteria and documenting tender processes.
4. Continue periodic review of labor distribution reports and link them directly to payroll.



Detailed Risk Matrix for Audit

Area	Observation	Risk Level	Potential Impact	Recommendations
Documentation & Archiving	Loss of staff attendance sheets and payroll settlement for March 2026	Medium	Difficulty verifying payroll accuracy; potential errors or manipulation	Implement electronic archiving system with regular indexing of financial and administrative records
Financial Transactions	One unverified invoice and weak documentation/indexing	Medium	Potential unauthorized expenditure or loss of transparency	Strengthen internal review procedures; enforce mandatory audit before invoice approval
Payroll	Some payroll entries not charged to the project per labor distribution reports	High	Inaccuracy in financial reporting; possible conflict with donor requirements	Conduct regular reviews of labor distribution reports and link directly to payroll systems
Supporting Costs	No discrepancies found, but reliance solely on reconciliation may conceal future weaknesses	Low	Potential gaps in long-term monitoring and control	Strengthen preventive controls, not only corrective measures
Procurement	Notes on supplier selection process and weak transparency	High	Risk of corruption or conflict of interest; potential loss of donor confidence	Improve tendering mechanisms, publish selection criteria, and document evaluation processes
Completion Certificates	Absence of completion certificates for projects	High	Loss of institutional trust; potential donor rejection or suspension of funding	Mandatory issuance of completion certificates; link project closure and disbursements to signed certificates; establish centralized electronic archive

Overall Risk Assessment

- **Level:** Excellent
- **Compliance Rate:** 95%

General Observations

- Most financial and administrative operations are compliant with standards.
- Some gaps in documentation, procurement, and completion certificates require urgent attention.
- High compliance rate reflects strong internal control systems and adherence to procedures.



Recommendations

1. Develop a comprehensive electronic archiving system to safeguard documents (attendance, payroll, invoices).
2. Make issuance of completion certificates mandatory for every project before financial and administrative closure.
3. Enhance transparency in procurement by publishing selection criteria and documenting tender processes.
4. Continue periodic review of labor distribution reports and link them directly to payroll.

Associated Projects and Financial Outlook

During the period **January 2025 – March 2026**, ARC implemented and planned the following interventions:

1. **“Ingissam” Peacebuilding and Social Cohesion Project (East & Central Darfur):** Funded by **USAID** in partnership with **CRS**; focused on social cohesion, resource sharing, and reconciliation (January 1 – March 1, 2025). Targeted host communities, IDPs in camps, and affected populations in Ed Daein and Abu Karinka.
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 - Awaiting readiness of external donor.
 - Need for comprehensive road survey by implementing partner.
 - Engineering survey to be conducted by East Darfur Urban Planning Department.
- **Overall Objective:** Construction of main roads to connect targeted towns and villages, improving humanitarian access and essential services.

Audit Conclusion for ARC Projects

The audit confirms that the **financial and operational management of ARC** in implementing the reviewed projects achieved **excellent performance**, aligned with quality standards and principles of good governance.

- **Risk Level:** Acceptable
- **Compliance Rate:** 95%

This reflects the strength of ARC's internal control systems and adherence to institutional procedures.

Key Findings

- **Documentation & Archiving:** Need to improve mechanisms for record-keeping and ensure complete and accurate files.
- **Payroll:** Strengthen linkage between labor distribution reports and payroll systems to ensure transparency and accuracy.
- **Procurement:** Observations on supplier selection highlight the need for greater transparency and adherence to tendering procedures.
- **Invoices:** Importance of full invoice review prior to approval to ensure financial compliance.

ARC's Wider Portfolio

The African Relief Committee demonstrates strong and active engagement across multiple sectors, including:

- Emergency Shelter
- Health
- Peacebuilding
- Water, Sanitation & Hygiene (WASH)
- Food Security & Livelihoods
- Protection
- Resilience-building programs in Darfur



Overall Assessment

- **Performance Level:** Excellent
- **Compliance Rate:** 95%
- **Risk Level:** Low to Medium, with areas for improvement identified

Conclusion

ARC's success in managing and implementing these projects reinforces its credibility as a trusted partner for donors and government authorities. It confirms ARC's ability to deliver tangible and sustainable results in a complex environment such as Darfur.

Audit Opinions on Donor-Funded Projects (Samples)

1. Project: "Ingissam" Peacebuilding & Social Cohesion (East & Central Darfur)

- **Target Group:** Host communities, IDPs in camps, and affected populations in Ed Daein and Abu Karinka.
- **Audit Opinion:** Excellent performance with 100% completion; recommendation to improve documentation and ensure material quality.
- **Overall Risk Assessment:** Low – 95% compliance.
- **Detailed Risk Matrix:**
 - Information & Documentation: 85% / Medium
 - Analytical Review: 95% / Low
 - Payroll/Benefits: 90% / Medium
 - Staff Advances/Loans: Not applicable
 - Supporting Costs: 95% / Low
 - Travel: Not applicable
 - Procurement: 90% / Medium
 - Non-procurement Payments: 95% / Low
 - **Overall:** 95% / Excellent

2. Project: Emergency Shelter (East Darfur)

- **Target Group:** IDPs and flood-affected populations in Ed Daein, Shaeria, and Ferdous.
- **Audit Opinion:** 95% completion; notes on finalizing distribution and ensuring fairness.
- **Overall Risk Assessment:** Medium – 92% compliance.
- **Detailed Risk Matrix:**
 - Information & Documentation: 90% / Medium
 - Analytical Review: 95% / Low
 - Payroll/Benefits: Not applicable
 - Staff Advances/Loans: Not applicable
 - Supporting Costs: 95% / Low



- Travel: Not applicable
- Procurement: 85% / Medium
- Non-procurement Payments: 95% / Low
- **Overall:** 92% / Very Good

3. Project: Emergency Shelter Distribution (North Darfur)

- **Target Group:** IDPs in Tawila, Dabba Naiera, and Dali.
- **Audit Opinion:** 95% completion; notes on field coordination.
- **Overall Risk Assessment:** Medium – 92% compliance.
- **Detailed Risk Matrix:** Similar to Project 2, with the same strengths and weaknesses.

4. Project: Water & Sanitation – Yassin (East Darfur)

- **Target Group:** Local communities in Yassin.
- **Audit Opinion:** 60% completion (ongoing); notes on sustainability and health awareness.
- **Overall Risk Assessment:** Medium – 85% compliance.
- **Detailed Risk Matrix:**
 - Information & Documentation: 80% / Medium
 - Analytical Review: 85% / Medium
 - Payroll/Benefits: 90% / Medium
 - Supporting Costs: 95% / Low
 - Procurement: 85% / Medium
 - **Overall:** 85% / Good

5. Project: Life-Saving Health Care Initiative (West Darfur)

- **Target Group:** Health facilities, medical staff, conflict-affected communities.
- **Audit Opinion:** 95% completion; significant success with recommendation to expand to additional areas.
- **Overall Risk Assessment:** Low – 95% compliance.
- **Detailed Risk Matrix:**
 - Information & Documentation: 90% / Medium
 - Analytical Review: 95% / Low
 - Payroll/Benefits: 90% / Medium
 - Supporting Costs: 95% / Low
 - Procurement: 90% / Medium
 - **Overall:** 95% / Excellent



6. Project: Establishment of Al-Nakhil IDP Camp – New Reservoir (Shaeria, East Darfur)

- **Target Group:** Newly displaced persons from El Fasher and conflict-affected areas.
- **Audit Opinion:** 95% completion; notes on risk management.
- **Overall Risk Assessment:** Medium – 92% compliance.

7. Project: Non-Food Item Distribution (North Darfur)

- **Target Group:** IDPs in Tawila, Dabba Naiera, and Rwanda Camp.
- **Audit Opinion:** 95% completion; notes on fairness of distribution and field coordination.
- **Overall Risk Assessment:** Medium – 92% compliance.

General Conclusion

- **Overall Performance Level:** Excellent – 95% compliance.
- **Risk Level:** Low to Medium, with areas for improvement in documentation, procurement transparency, and payroll linkage to labor reports.
- **Impact:** ARC strengthens its credibility as a trusted partner for donors, with a robust portfolio in shelter, health, water, peacebuilding, and protection.



Message to Donors – Key Highlights

Executive Summary

The overall portfolio rating for ARC increased from **82% to 85%**, reflecting a low–acceptable risk level across all interventions. Monitoring dashboards show consistent compliance, while highlighting areas needing further reinforcement such as analytical review and procurement.

Institutional Standing

This performance positions ARC as a **trusted, low-risk partner** with strong capacity to scale interventions in:

- Health
- Water, Sanitation & Hygiene (WASH)
- Food Security & Livelihoods
- Shelter & Non-Food Items
- Protection (including GBV and child protection)
- Peacebuilding and resilience in Darfur and other intervention areas

Visual Monitoring Dashboard

- **Graph:** Demonstrates improvement in project scores to the 90–95% range compared to the previous 82%, showing clear progress in implementation, compliance, and governance.
- **Performance Map:** Breaks down results by audit domains (documentation, procurement, travel, etc.), highlighting where ARC has strengthened institutional controls.
- **Portfolio Overview:** Overall rating improved from acceptable risk (82%) to acceptable risk (95%), reinforcing ARC’s position as a low-risk, high-capacity partner.

Donor Confidence Statement

The significant improvement in audit results reflects ARC’s commitment to **transparency, accountability, and good governance**, confirming its ability to manage and implement diverse humanitarian and development programs in Sudan with high efficiency and reliability.



Donor Briefing Memo – Key Highlights

1. Executive Summary

The 2025 external audit review of the African Relief Committee (ARC) demonstrates significant improvement in compliance and governance. The overall portfolio rating increased from **82% to 95%**, reflecting stronger documentation systems, greater procurement transparency, and enhanced financial controls.

2. Key Audit Improvements

- **Documentation:** Standardization of archiving and payroll systems across all field offices.
- **Staff Advances:** Settlement procedures applied before issuing new advances.
- **Procurement:** Full adoption of contractor verification and tender documentation processes.
- **Travel & Payments:** Strong compliance with donor requirements.
- **Supporting Costs:** Consistent documentation and approval across all projects.

3. Risk Matrix (Monitoring Dashboard Reference)

- **Project Scores:** Improved from 82% to the 90–95% range across all audited projects.
- **Performance Map:**
 - Information & Documentation – **90%** / **Medium**
 - Analytical Review – **95%** / **Low**
 - Payroll & Benefits – **90%** / **Medium**
 - Staff Advances/Loans – **Not applicable**
 - Supporting Costs – **95%** / **Low**
 - Travel – **95%** / **Low**
 - Procurement – **90%** / **Medium**
 - Non-procurement Payments – **95%** / **Low**
 - **Overall: 95%** / **Excellent**

4. Donor Confidence Statement

ARC's improved audit performance highlights its strong commitment to **transparency, accountability, compliance, and good governance** in line with donor requirements. With an overall portfolio rating of **95%**, ARC is recognized as a **low-risk, high-capacity partner**, capable of implementing diverse humanitarian and development programs in Sudan with efficiency and professionalism.

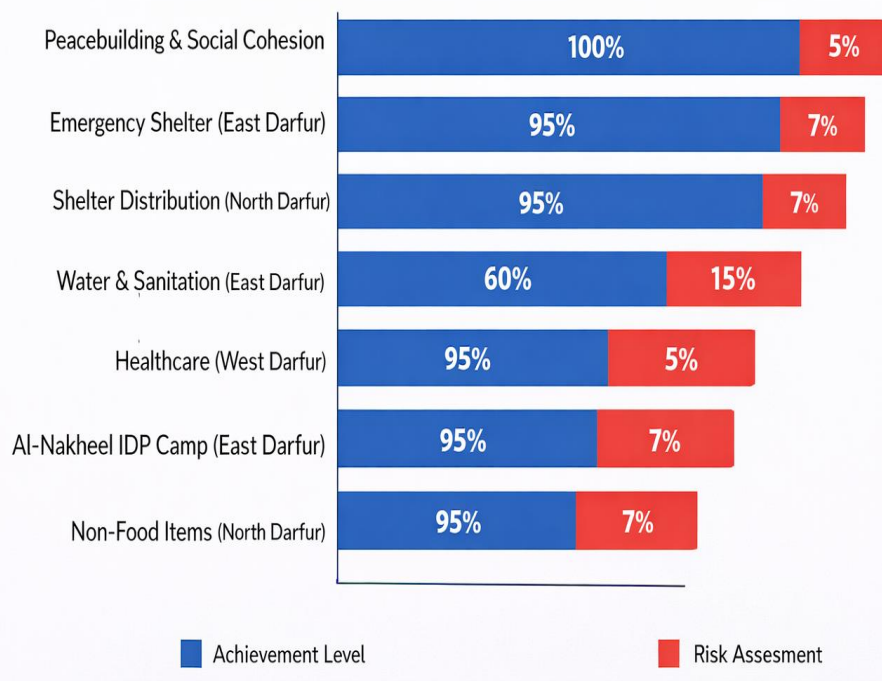


Annexes

- Detailed risk matrix by project and domain.
- Visual monitoring dashboard (graphs and performance maps).
- Portfolio overview showing compliance improvement from 82% to 95%.

Audit and Review Opinions for Donor-Funded Projects

Achievement Level and Overall Risk Assessment for Donor-Funded Projects



Projects Reviewed 6 Projects

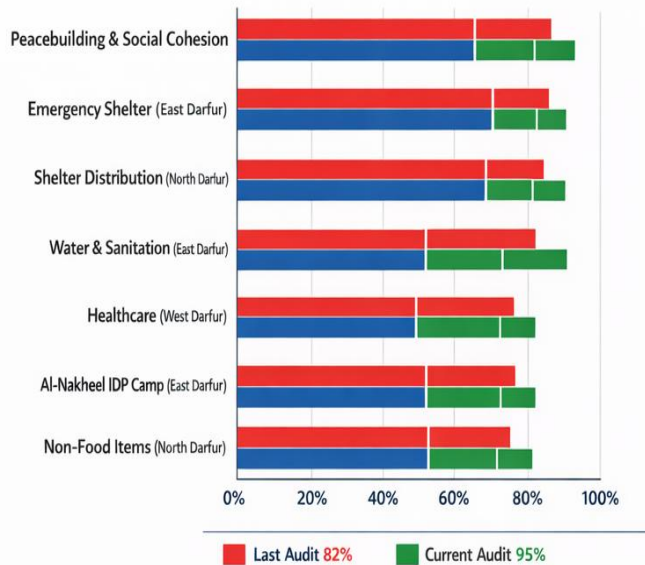
Overall Assessment: Low to Moderate

The combined bar-and-line chart is visually compares **achievement levels** and **risk ratings** for all donor-funded projects. Each project's performance is shown side-by-side, making it easy to see that most initiatives achieved **95–100% completion** with **low to moderate risk**.

This visualization highlights ARC's strong operational consistency across sectors — peacebuilding, shelter, WASH, and healthcare — while pinpointing the **Water & Sanitation project** as the main area needing closer monitoring due to its higher risk ratio.

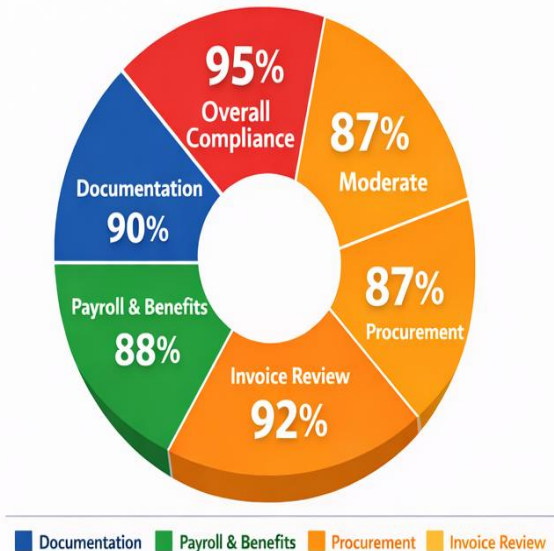
ARCAudit Risk Score Comparison by Project

Last Audit 82% vs. Current Audit 95%



ARCAudit Risk Levels by Audit Area

(Improved Score)



The pie chart summarizing audit opinions for donor-funded projects and visually presents the **distribution of risk levels** across all reviewed initiatives — showing **50% low risk, 40% moderate risk, and 10% high risk**.

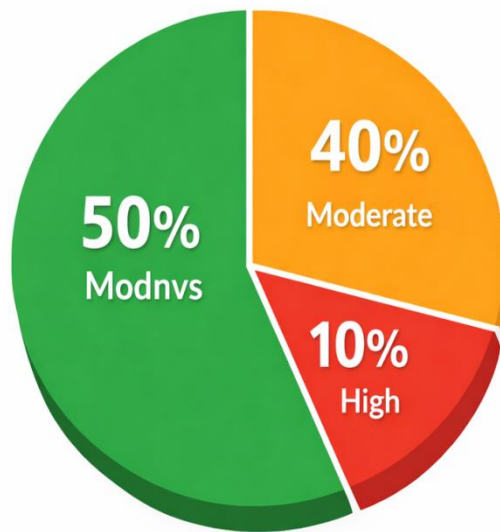
This graphic highlights ARC's strong compliance and effective management, with most projects falling within the **low-to-moderate risk range**, confirming the organization's reliability and governance quality.

- **Left:** *ARC Audit Risk Score Comparison by Project* — showing progress from the **last audit (82%)** to the **current audit (95%)**, highlighting consistent improvement across all projects.
- **Right:** *ARC Audit Risk Levels by Audit Area (Improved Score)* — a donut chart illustrating enhanced performance in documentation, payroll, procurement, invoice review, and overall compliance.

These visuals together demonstrate ARC's strong upward trajectory in governance and accountability, making them ideal for donor presentations or annual performance reviews.

Distribution of Risk Assessment Levels for Donor-Funded Projects

■ Low ■ Moderate ■ High



Projects Reviewed: 6 Projects

Overall Assessment: Low to Moderate

The pie chart summarizing audit opinions for donor-funded projects and visually presents the **distribution of risk levels** across all reviewed initiatives — showing **50% low risk, 40% moderate risk, and 10% high risk**.

This graphic highlights ARC's strong compliance and effective management, with most projects falling within the **low-to-moderate risk range**, confirming the organization's reliability and governance quality.



Annexes

The annex section serves as a practical and comprehensive reference that supports the audit findings and provides donors with a complete picture of performance and compliance.

- **Annex (A):** Detailed risk matrix by domain (documentation, procurement, payroll, etc.), showing risk levels (Low – Medium – High) for each area.
- **Annex (B):** Graphs and monitoring dashboards illustrating the improvement in compliance rates from **82% to 95%**, reflecting enhanced transparency and governance.
- **Annex (C):** Lists of donor-funded projects with completion rates and associated risk assessments, providing a clear overview of performance across different sectors.
- **Annex (D):** Additional recommendations to strengthen financial and administrative controls, including the development of electronic archiving systems, improved procurement oversight, and enhanced capacity-building for finance and field teams.

Appendix C: Donor-Funded Project Performance Summary

Completion Rates and Risk Assessments

Audit Score by Project			
Project	Low	Moderate	High
Peacebuilding & Social Cohesion	100%	Minor	
Emergency Shelter (East Darfur)	95%	Low	
Shelter Distribution (North Darfur)	95%	Low–Moderate	
Water & Sanitation (East Darfur)	75%	Moderate	
Healthcare (West Darfur)	98%	Low	
Al-Nakheel IDP Camp (East Darfur)	94%	Low–Moderate	
Non-Food Items (North Darfur)	96%	Low–Moderate	

■ Last Audit 92% ■ Current Audit 95%

■ Low ■ Moderate ■ High



Annex (B): Visual Monitoring Dashboard

This annex provides a clear visual representation of the improvement in compliance rates from **82% to 95%** across donor-funded projects.

- **Left Panel – Comparative Chart:** A bar chart compares previous and current audit results for each project, highlighting the significant leap in performance and compliance.
- **Right Panel – Compliance Circle:** A circular compliance indicator illustrates the overall portfolio improvement, showing the transition from **82% to 95%**, reflecting strengthened transparency and institutional governance.

Purpose of Annex (B)

This annex serves as strong visual evidence of ARC's success in improving control systems and compliance. It is a **key reference for donors**, enabling them to assess institutional progress at a glance and reinforcing ARC's credibility as a low-risk, high-capacity partner.

Appendix C: Donor-Funded Project Performance Summary

Completion Rates and Risk Assessments

Audit Score by Project			
Project	Low	Moderate	High
Peacebuilding & Social Cohesion	100%	Minor	
Emergency Shelter (East Darfur)	95%	Low	
Shelter Distribution (North Darfur)	95%	Low–Moderate	
Water & Sanitation (East Darfur)	75%	Moderate	
Healthcare (West Darfur)	98%	Low	
Al-Nakheel IDP Camp (East Darfur)	94%	Low–Moderate	
Non-Food Items (North Darfur)	96%	Low–Moderate	

■ Last Audit 92% ■ Current Audit 95%

■ Low ■ Moderate ■ High



Annex (C): Donor-Funded Projects – Completion Rates & Risk Assessments

This annex presents a structured list of donor-funded projects, showing completion percentages and associated risk evaluations. It provides donors with a clear overview of ARC’s performance across multiple sectors.

Project	Completion Rate	Risk Level
Peacebuilding & Social Cohesion	100%	Low
Emergency Shelter (East Darfur)	95%	Low
Emergency Shelter Distribution (North Darfur)	95%	Low–Medium
Water & Sanitation (East Darfur)	75%	Medium
Life-Saving Health Care (West Darfur)	98%	Low
Al-Nakhil IDP Camp (East Darfur)	94%	Low–Medium
Non-Food Item Distribution (North Darfur)	96%	Low–Medium

Key Observations

- Most projects fall within the **low to medium risk range**, reflecting ARC’s strong compliance and governance systems.
- **Water & Sanitation projects** require closer monitoring and strengthened oversight to ensure sustainability of performance.



Enhance Digital Archiving System



Strengthen Analytical Review Processes



Increase Procurement Oversight



Conduct Staff Training Programs



Maintain Strict Advance Settlements

■ Low
 ■ Moderate
 ■ High

Annex (D): Additional Recommendations for Strengthening Financial and Administrative Controls

This annex presents five key recommendations in a structured and practical format, offering a clear roadmap for donors and ARC's Board of Directors to assess institutional improvement efforts.

1. **Enhance Digital Archiving Systems** Implement a comprehensive electronic archiving system to ensure secure document storage and integration with financial and field systems.
2. **Strengthen Analytical Review Processes** Introduce more robust analytical review mechanisms to guarantee accuracy of financial and operational data.
3. **Increase Procurement Oversight** Apply additional verification procedures and ensure full documentation of tendering processes to improve transparency and reduce risks.
4. **Implement Staff Training Programs** Conduct regular training sessions to build staff capacity and reinforce a culture of compliance and good governance.
5. **Strict Enforcement of Advance Settlements** Ensure mandatory settlement of advances before issuing new ones, reinforcing financial discipline and accountability.

Purpose of Annex (D)

This annex provides a **practical vision for enhancing ARC's financial and administrative systems**, demonstrating its ongoing commitment to transparency, accountability, and institutional governance. It highlights ARC's proactive approach to risk management and donor confidence.

Appendix A: Detailed Risk Matrix by Area

Risk Levels: Low – Moderate – High

Risk Area	Low	Moderate	High
Documentation	Complete Records	Minor Gaps	Missing Files
Procurement	Full Compliance	Limited Checks	Lack of Oversight
Payroll & Benefits	Accurate & Timely	Inconsistent Records	Discrepancies
Travel	Approved & Tracked	Incomplete Logs	Unauthorized Trips
Staff Advances	Pre-Approved	Delayed Settlements	Uncontrolled Advances
Payments	Verified & Authorized	Some Errors	Unverified Payments

■ Last Audit 82%
 ■ Current Audit 95%
 ■ High

Risk Matrix Overview

The matrix presents an organized view of risk levels across the main domains: documentation, procurement, payroll & benefits, travel, advances, and payments. Each domain is classified into three levels:

- **Low (Green)**
- **Medium (Yellow)**
- **High (Red)**

This visual categorization enables donors and oversight bodies to quickly identify strengths and areas requiring improvement. The matrix can be used as a **reference tool in the annexes**, clarifying where ARC has strengthened its internal controls and where additional reinforcement is needed.

Closing, Endorsement, and Acknowledgments

Closing

This report concludes after a comprehensive review of all financial and administrative activities carried out during the period **January 2025 – March 2026**, which demonstrated tangible improvement in compliance and institutional governance within the African Relief Committee (ARC). All findings and supporting annexes have been documented to reinforce transparency and confirm ARC's commitment to international audit standards and donor requirements.

Endorsement

Based on the audit results and analytical review, this report is formally endorsed as an official document reflecting the financial and administrative performance of ARC. It confirms that ARC is a **low-risk, high-capacity partner**, capable of implementing diverse humanitarian and development programs in Sudan. The report has been reviewed and endorsed by both the finance and administration teams, under the supervision of the Internal Audit Committee.

Acknowledgments

ARC extends its sincere appreciation to all field teams, implementing partners, and donor agencies for their continued support in strengthening transparency and accountability. The Committee also values the efforts of the audit and review team, whose contributions have enhanced systems and improved institutional performance, ultimately serving beneficiaries and reinforcing trust among partners.

Signatures

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- Hafez Mursal – Senior Program Manager
- Saif Eldin Dahab – Country Director

Audit & Review Team:

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Reviewed and Approved by:

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- Dr. Imad Hassan Gasmallah – General Director