

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL WATER AND ENVIRONMENTAL  
SANITATION CENTRE KUMASI  
(RWESCK, KNUST)**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL WATER AND ENVIRONMENTAL SANITATION CENTRE  
KUMASI (RWESCK, KNUST)**

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**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL WATER AND ENVIRONMENTAL SANITATION CENTRE  
KUMASI (RWESCK, KNUST)**

PROJECT INFORMATION

<b>Project Financier</b>	International Development Association (IDA)
<b>Participating University/ Implementer</b>	Kwame Nkrumah University of Science and Technology (KNUST)
<b>Address</b>	PMB University Post Office Kumasi - Ashanti
<b>Project Name</b>	Africa Centres of Excellence Project on Regional Water and Environmental Sanitation Centre Kumasi. (RWESCK, KNUST)
<b>Auditors</b>	Donaldy Associates Chartered Accountants P.O. Box KS 6608 Kumasi, Ghana
<b>Bankers</b>	Consolidated Bank Ghana Limited

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF THE  
AFRICA CENTRES OF EXCELLENCE PROJECT ON REGIONAL WATER AND  
ENVIRONMENTAL SANITATION CENTRE KUMASI (RWESCK, KNUST)  
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the project as at 31 December, 2020 and of its financial performance, changes in equity and its cash flows for the year ended in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Project Agreement.

**What we have audited**

We have audited the financial statements of Africa Centres of Excellence Project on Regional Water and Environmental Sanitation Centre Kumasi, (RWESCK, KNUST) for the year ended 31 December, 2020. The financial statements comprise:

- Statement of Financial Position as at 31 December, 2020;
- Statement of Financial Performance for the year then ended;
- Statement of Changes in Accumulated Fund for the year then ended;
- Statement of Cash flows for the year then ended; and
- Notes to the Financial Statements, which include a summary of significant accounting policies.

**Basis for Opinion**

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

**Independence**

We are independent of the project in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Participating University, KNUST is responsible for the other information. The other information comprises Report of the Project Implementation Team but does not include the project's 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 any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information, 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.

**Responsibilities of the Participating University**

The Participating University is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Project Agreement and for such internal controls as the Participating University, KNUST determine are necessary to enable the preparation of financial statements that are free from material misstatements, due to fraud or error. In preparing the financial statements, the Participating University, KNUST is responsible for assessing the project'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 the Participating University, KNUST either intend to stop the project or to cease operations, or have no alternative but to do so. The Participating University, KNUST is responsible for overseeing the project's financial reporting process.

### **Auditors Responsibility 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 misstatements, 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 it 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 the 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 misstatements 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 controls.
- Obtain an understanding of internal controls 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 project's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Participating University, KNUST.
- Conclude on the appropriateness of the Participating University'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 project'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 project to cease to continue as a going concern.
- 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 communicated with the Project Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.


### **Report on other legal and regulatory requirements**

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account have been kept by the Participating University, KNUST insofar as appears from our examination of those books;
- c) The statements of financial position and financial performance are in agreement with the books of accounts
- d) The transactions were within the Project agreement.

The engagement partner on the audit resulting in this independent auditors report is Robert Donaldy (ICAG/P/1113).

26th July, 2021

  
Donaldy Associates (ICAG/F/2021/100)  
Chartered Accountants  
House of Excellence Annex  
Adum, Kumasi

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
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**STATEMENT OF FINANCIAL PERFORMANCE  
YEAR ENDED 31 DECEMBER, 2020**

	(NOTES)	2020 US\$	2019 US\$
<b>Revenue</b>			
Grant	(5)	677,739	2,110,232
Gain on Exchange Transactions	(6)	10,127	-
<b>Total Income</b>		<b>687,866</b>	<b>2,110,232</b>
<b>Expenditure</b>			
Regional Capacity Training	(7a)	(120,463)	(395,357)
Learning and Teaching Environment	(7b)	(117,754)	(29,625)
Regional Research Capacity Building	(7c)	(105,502)	(37,792)
Governance and Administration	(7d)	(98,478)	(84,938)
Academic Partnership	(7e)	(9,368)	(1,119)
Industrial Partnership	(7f)	(85,048)	(36,679)
Centre Visibility	(7g)	(2,023)	(1,141)
<b>Total Expenditure</b>		<b>(538,635)</b>	<b>(586,650)</b>
<b>Surplus for the Year</b>		<b>149,231</b>	<b>1,523,582</b>

The annexed notes form an integral part of these financial statements.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL WATER AND ENVIRONMENTAL SANITATION CENTRE  
KUMASI (RWESCK, KNUST)**

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2020

	(NOTES)	2020 US\$	2019 US\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	(8)	1,004,021	-
Receivables	(9)	678,792	2,094,550
<b>Total Current Assets</b>		<b>1,682,813</b>	<b>2,094,550</b>
<b>Total Assets</b>		<b>1,682,813</b>	<b>2,094,550</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payables	(10)	10,000	570,968
<b>Total Current Liabilities</b>		<b>10,000</b>	<b>570,968</b>
<b>Equity</b>			
Accumulated Surpluses		1,672,813	1,523,582
<b>Total Equity</b>		<b>1,672,813</b>	<b>1,523,582</b>
<b>Total Liabilities &amp; Equity</b>		<b>1,682,813</b>	<b>2,094,550</b>

The financial statements were approved by the Centre on 26th July, 2021 and were signed on its behalf by:

  
 .....  
**CENTRE LEADER**

  
 .....  
**FINANCE OFFICER**

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**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
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STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 DECEMBER, 2020

	Accumulated Surpluses US\$	Total Equity US\$
<b>2020</b>		
Balance at 1 January, 2020	1,523,582	1,523,582
Surplus for the year	149,231	149,231
<hr/> Balance at 31 December, 2020	<hr/> 1,672,813	<hr/> 1,672,813
<b>2019</b>		
Surplus for the year	1,523,582	1,523,582
<hr/> Balance at 31 December, 2019	<hr/> 1,523,582	<hr/> 1,523,582

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**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
REGIONAL WATER AND ENVIRONMENTAL SANITATION CENTRE  
KUMASI (RWESCK, KNUST)  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER, 2020**

	2020	2019
	US\$	US\$
<b>Cash Flows from Operating Activities</b>		
Surplus for the year	149,231	1,523,582
<b>Operating Surplus before changes in working capital</b>	<b>149,231</b>	<b>1,523,582</b>
 <b>Changes in Operating Activities</b>		
Change in Receivables	1,415,758	(2,094,550)
Change in Payables	(560,968)	570,968
<b>Net Cash Flows used in Operating Activities</b>	<b>1,004,021</b>	<b>-</b>
 Change in Cash and Cash Equivalents	<b>1,004,021</b>	<b>-</b>
Cash and Cash Equivalents at Beginning of Year	-	-
<b>Cash and Cash Equivalents at End of Year</b>	<b>1,004,021</b>	<b>-</b>

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**AFRICA CENTRES OF EXCELLENCE PROJECT ON  
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NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2020

**1. REPORTING ENTITY**

The Regional Water and Environmental Sanitation Centre Kumasi is a center under Kwame Nkrumah University of Science and Technology, a university registered and domiciled in Ghana. The University is located at Bomso, Kumasi - Ghana, PMB University Post Office, Kumasi. The Centre provides research into science, technology and training in related activities.

**2. THE PROJECT**

An agreement was signed between the Ministry of Finance (MOF) and the International Development Association (IDA) of the World Bank for the implementation of this project through Kwame Nkrumah University of Science and Technology (KNUST) herein referred to as the "Participating University (ACE)". The Project is to support Republic of Ghana to promote regional specialization among African Participating Universities in areas that address regional challenges and strengthen the capacities of these Universities to deliver quality training and applied research. The Participating University (ACE) is an implementing entity under the Financing Agreement and it is an Institution of higher education, established on October 6, 1951 "To develop world- class human resource and capabilities to meet national development needs and global challenges through quality teaching, learning, research and knowledge dissemination" and selected to host one of the Africa Centres of Excellence (ACE) known as the "Regional Water and Environmental Sanitation Centre, Kumasi". The IDA of the World Bank offered The Participating University (ACE) a grant amounting to SDR 3,969,955 (US\$ 5.5million equivalent, SDR 0.71 = US\$ 1) to support the Project.

**3. BASIS OF PREPARATION**

**3.1 Statement of Compliance**

The financial statements of the project have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and in compliance with the Project agreement.

**3.2 Basis of Accounting**

The financial statements are prepared on the historical cost convention unless otherwise stated.

**3.3 Functional and Presentational Currency**

The financial statements are presented in US Dollars (\$), which is the functional and presentational currency. The Ghana Cedi was also partly used as a functional currency for the project.

**3.4 Use of Estimates and Judgements**

The preparation of financial statements in accordance with IPSAS for public entities requires the use of estimates, assumptions and judgements that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities (if any) at the date of the

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**NOTES TO THE FINANCIAL STATEMENTS  
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financial statements and the reported amounts of revenues and expenses. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements are reviewed on an ongoing basis and actual results however may differ from these estimates. Revisions to accounting estimates are recognized in the year in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Grant Income**

Grant Income (Project Funding) is measured at the fair value of consideration received. It is recognized when received from the International Development Association of the World Bank.

##### **4.2 Foreign Currency Translations**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of income. Non-monetary assets and liabilities are translated at historical cost or exchange rates at the date that fair value was determined, if held at fair value, and the resulting foreign exchange gains and losses are recognized in the statement of income. The closing rate used was US\$1.00 to GH¢5.2564.

##### **4.3 Financial Instruments**

###### **Initial Recognition and Subsequent Measurement**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Participating University determines the classification of its financial assets at initial recognition. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Financial assets are derecognized only when the contractual rights to the cash flows from the financial asset expire or the company transfers substantially all risks and rewards of ownership.

The centre financial assets consist of loans and receivables and available-for-sale financial assets. Financial assets are recognized in the statement of financial position as receivables. They are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment. Cash and Cash Equivalents are also classified as financial assets. They are subsequently measured at amortized cost. Cash and Cash Equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with

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original maturities of three months or less. The centre assesses each financial position date whether there is objective evidence (such) as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy, the asset is tested for impairment. The amount of loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in the statement of income. In relation to receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the centre will not be able to collect all the amounts due under the original terms of the invoice. Impaired debts are derecognized when they are assessed as uncollectible.

If in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the statement of income.

**Financial liabilities**

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. All loans and borrowings are classified as other liabilities. Initial Recognition is at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Financial liabilities included in payables are recognized initially at fair value and subsequently amortized cost.

**4.4 Employee Benefits**

The Participating University, KNUST contributes to a defined statutory contribution scheme, Social Security and National Insurance Trust on behalf of its staff.

**Social Security and National Insurance Trust (SSNIT)**

Under a National Deferred Benefit Pension Scheme, the Participating University, KNUST contributes 13% of employees' basic salary in addition to 5.5% deduction from employees basic salary to SSNIT for employee pension. The University's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT and United Smart Pension Trust Scheme.

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NOTES TO THE FINANCIAL STATEMENTS  
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**4.5 Events after the year end**

Events subsequent to the financial position are reflected only to the extent that they relate directly to the financial statements and the effect is material.

**4.6 Property, Plant & Equipment**

All fixed assets acquired during the year are treated as revenue expenditures and are treated in the income statement and in line with the project agreement.

**4.7 Going Concern**

The Participating University, KNUST assesses annually whether the project is a going concern and if it would continue in operation for the project period. In assessing going concern, the Participating University, KNUST considers if there is any intention to liquidate or curtail materially the scale of operations or if it is aware of any material uncertainties that may cast significant doubt on the project's ability to continue as a going concern. Also, the Participating University, KNUST takes into consideration if the Centre would have access to resources to continue the project up to its completion. There is the assurance that the project will be continued in the subsequent year.

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER, 2020**

	(NOTES)	2020 US\$	2019 US\$
<b>5. GRANT</b>			
Funding from World Bank - IDA	11 (a & b)	677,739	2,110,232
		<u>677,739</u>	<u>2,110,232</u>
<b>6. REVENUE ON EXCHANGE TRANSACTIONS</b>			
Exchange Gain		10,127	-
		<u>10,127</u>	<u>-</u>
<b>7. EXPENDITURE</b>			
<b>(a) REGIONAL CAPACITY TRAINING</b>			
Students Stipend		42,514	4,600
Postgraduate Students' Fees		75,118	388,401
Thesis Defense Expenses		566	2,281
Student Medical Expenses		-	75
Accreditation Expense		2,264	-
		<u>120,463</u>	<u>395,357</u>
<b>(b) LEARNING AND TEACHING ENVIRONMENT</b>			
Furniture		-	18,454
Office Equipment		8,975	2,070
Repairs & Maintenance - Motor Vehicles		11,016	3,182
Repairs & Maintenance - Buildings		9,568	5,919
Computers & Accessories		88,195	-
		<u>117,754</u>	<u>29,625</u>
<b>(c) REGIONAL RESEARCH CAPACITY BUILDING</b>			
Research & Publication Support		105,502	37,792
		<u>105,502</u>	<u>37,792</u>
<b>(d) GOVERNANCE AND ADMINISTRATION</b>			
Audit Fees		10,000	8,000
Salaries, Training & Honorariums		53,468	22,570
Foreign Travel & Subsistence		9,367	21,598
Management Meetings Expenses		3,802	3,409
Printing & Stationery		2,361	1,032
News papers publications		236	277
Cleaning & Sanitation		1,223	-
Fuel & Lubricants		4,751	5,239
Local Travels & Subsistence		5,502	1,593
Hotel Accommodation		541	2,497
Office Expenses		6,051	1,988
Bank Charges		1,176	-
SDR Exchange Losses		-	16,734
		<u>98,478</u>	<u>84,938</u>

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	2020	2019
	US\$	US\$
<b>(e) ACADEMIC PARTNERSHIP</b>		
Workshop, Seminar & Training on Research	9,368	1,119
	<b>9,368</b>	<b>1,119</b>
 <b>(f) INDUSTRIAL PARTNERSHIP</b>		
Industrial Relations	52,323	36,679
Students' Project & Field Trips	32,725	-
	<b>85,048</b>	<b>36,679</b>
 <b>(g) CENTRE VISIBILITY</b>		
Advertisements	2,023	-
Days Celebrations	-	1,141
	<b>2,023</b>	<b>1,141</b>
 <b>8. CASH AND CASH EQUIVALENTS</b>		
Bank Balance - Dollar	1,001,019	-
Bank Balance - Cedi	3,003	-
	<b>1,004,021</b>	<b>-</b>
 <b>9. RECEIVABLES</b>		
Accounts Receivables	678,792	2,094,550
	<b>678,792</b>	<b>2,094,550</b>
This represents grants receivable from World Bank (IDA) as at the year end for achieving DLI 3, DLI 4 and DLI 5.		
 <b>10. PAYABLES</b>		
Account Payables	10,000	570,968
	<b>10,000</b>	<b>570,968</b>

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YEAR ENDED 31 DECEMBER, 2020

**11. (a) FUNDING FROM WORLD BANK-IDA - 2020**

	Results Verified	SDR Equivalent	2020 US\$
<b>DLI 3-Number of Students With Focus on Gender and Regionalization</b>			
<b>DLI 3.1 New PhD Students</b>			
National and men	12	86,280	121,521
National and women	6	53,940	75,972
Regional and men	1	8,990	12,662
Regional and women	2	22,430	31,592
<b>DLI 3.2 New Masters Students</b>			
National and men	19	27,360	38,535
National and women	10	18,000	25,352
Regional and men	3	8,625	12,148
Regional and women	1	3,595	5,063
<b>DLI 4-Quality of Education &amp; Research</b>			
<b>DLI 4.1 Program Accreditation</b>			
National Accreditation	2	35,947	50,000
<b>DLI 4.2 Research Publications</b>			
Regional Co-authored	5	53,925	75,951
National/Student/Faculty Co-authored	14	100,660	141,775
<b>DLI 5-Relevance of Education &amp; Research</b>			
<b>DLI 5.2 Internships</b>			
National	50	36,000	50,704
Regional	2	2,160	3,042
<b>DLI 6 - Timeliness and Quality of Fiduciary Management</b>			
DLI 6.1 Timely Fiduciary Reporting	0.5	7,910	11,141
DLI 6.3 Financial Online Transparency	1	15,820	22,282
		481,642	677,739
		481,642	677,739

The Centre earned US\$677,739 been equivalent to SDR 481,642 during the year.



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**11. (b) FUNDING FROM WORLD BANK-IDA - 2019**

	Results Verified	SDR Equivalent	2019 US\$
<b>DLI 3-Number of Students With Focus on Gender and Regionalization</b>			
<b>DLI 3.1 New PhD Students</b>			
National and men	10	71,900	101,268
National and women	5	44,950	63,310
Regional and men	2	17,980	25,324
Regional and women	2	22,430	31,592
<b>DLI 3.2 New Masters Students</b>			
National and men	25	36,000	50,704
National and women	8	14,400	20,282
Regional and men	4	11,500	16,197
Regional and women	6	21,570	30,380
<b>DLI 3.3 New Professional Short Course Students</b>			
National and men	56	16,240	22,873
National and women	10	3,600	5,070
Regional and men	63	36,225	51,021
Regional and women	7	5,040	7,099
<b>DLI 4-Quality of Education &amp; Research</b>			
<b>DLI 4.2 Research Publications</b>			
Regional Co-authored	5	53,925	75,951
National/Student/Faculty Co-authored	11	79,090	111,394
<b>DLI 5-Relevance of Education &amp; Research</b>			
<b>DLI 5.1 External Revenue</b>			
External Revenue-National	299,462	299,462	375,916
External Revenue-Regional/Private	849,698	849,698	1,066,585
<b>DLI 5.2 Internships</b>			
National	41	29,520	41,577
Regional	9	9,720	13,690
		1,623,250	2,110,232
SDR Exchange Losses		-	(16,734)
		1,623,250	2,093,498

The Centre earned US\$2,110,232 been equivalent to SDR 1,623,250 during the year. However, out of the US\$2,110,232 earned, the Centre incurred US\$16,734 as SDR exchange losses.

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**12. RISK MANAGEMENT FRAMEWORK**

The management team of the Centre has overall responsibility for the establishment and oversight of the Centre's risk management framework. The management team are responsible for developing and monitoring the Centre's risk management policies. The Centre's risk management policies are established to identify and analyze the risk faced by the Centre, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Centre, through its training and management standards and procedures, has developed a disciplined and constructive control environment in which all project staff understand their roles and obligations. The Centre has identified the following as areas of risk exposure from its use of financial instruments:

**a) Credit Risk**

Credit risk is the risk of financial loss to the Centre if a counter party to the contract fails to meet its contractual obligations, and arises principally from the Centre's receivables from funders. The Centre has clear policies and procedures to control and monitor all such risks.

**b) Liquidity Risk**

Liquidity Risk is the risk that the Centre either does not have sufficient financial resources available to meet all its obligation and commitments as they fall due, or can access them only at excessive cost. The Centre's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due. The following are contractual maturities of financial liabilities and financial assets.

	Total Amount US\$	12 Months or Less US\$
<b>2020</b>		
<b>Financial Liabilities</b>		
Other Payables	10,000	10,000
	10,000	10,000
<b>Financial Assets</b>		
Bank Balances	1,004,021	1,004,021
Receivables	678,792	678,792
	1,682,813	1,682,813
2019	Total Amount US\$	12 Months or Less US\$
<b>Financial Liabilities</b>		
Payables	570,968	570,968
	570,968	570,968
<b>Financial Assets</b>		
Receivables	2,094,550	2,094,550
	2,094,550	2,094,550

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**c) Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Centre's income. The Centre has clear policies and procedures to manage and control market risk exposures within acceptable parameters while optimizing returns.

**13. (a) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) FOR - 2020**

	TARGET US\$	ACTUAL US\$	REMARKS
<b>INDICATORS</b>			
DLI 3 Number of Students with Focus on Gender and Regionalization	378,000	322,845	Partly Achieved
DLI 4 Quality of Education and Research through International Accreditation	1,082,000	267,725	Partly Achieved
DLI 5 Relevance of Education and Research through External Generated	280,000	53,746	Partly Achieved
DLI 6 Timeliness and Quality of Fiduciary Management	60,000	33,423	In Progress
DLI 7 Institutional Impact	100,000	-	In Progress
	<u>1,900,000</u>	<u>677,739</u>	

The Centre executed DLI 3, DLI 4 DL 5 and DLI 6 out of all the DLIs and earned US\$677,739.

**13. (b) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) FOR - 2019**

	TARGET US\$	ACTUAL US\$	REMARKS
<b>INDICATORS</b>			
DLI 3 Number of Students with Focus on Gender and Regionalization	328,000	425,120	Achieved
DLI 4 Quality of Education and Research through International Accreditation	1,082,000	187,345	Partly Achieved
DLI 5 Relevance of Education and Research through External Generated	280,000	1,497,767	Achieved
DLI 6 Timeliness and Quality of Fiduciary Management	60,000	-	In Progress
DLI 7 Institutional Impact	100,000	-	In Progress
	<u>1,850,000</u>	<u>2,110,232</u>	

The Centre executed DLI 3, DLI 4 and DLI 5 out of all the DLIs and earned US\$2,110,232.

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**14. (a) EXPENDITURE BUDGET REVIEW FOR YEAR 2020**

EXPENDITURE	BUDGET US\$	ACTUAL US\$	VARIANCE US\$
Regional Capacity Training	280,000	120,463	159,537
Governance & Administration	139,000	98,478	40,522
Centre Visibility	-	2,023	(2,023)
Learning and Teaching Environment	1,147,500	117,754	1,029,746
Regional Research Capacity Building	114,000	105,502	8,498
Academic Partnership	10,000	9,368	632
Industrial Partnership	167,500	85,048	82,452
	<u>1,858,000</u>	<u>538,635</u>	<u>1,319,365</u>

The Centre could not meet its budget for the year.

**14. (b) EXPENDITURE BUDGET REVIEW FOR YEAR 2019**

EXPENDITURE	BUDGET US\$	ACTUAL US\$	VARIANCE US\$
Regional Capacity Training	55,000	395,357	(340,357)
Governance & Administration	129,000	84,938	44,062
Centre Visibility	28,000	1,141	26,859
Learning and Teaching Environment	25,000	29,625	(4,625)
Regional Research Capacity Building	44,000	37,792	6,208
Academic Partnership	10,000	1,119	8,881
Industrial Partnership	35,000	36,679	(1,679)
	<u>326,000</u>	<u>586,650</u>	<u>(260,650)</u>

The Centre exceeded its budget for the year.

**15. CAPITAL COMMITMENTS**

There were no capital commitments at the end of the year.