

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

FINANCIAL STATEMENTS

31 DECEMBER 2022

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

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YEAR ENDED 31 DECEMBER, 2022

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

PROJECT INFORMATION

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



Donaldy Associates
Chartered Accountants
House of Excellence Annex
Adum, Kumasi - Ghana

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, 2022

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the project as at 31 December, 2022 and of its financial performance, changes in accumulated fund 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, 2022. The financial statements comprise:

- Statement of Financial Position as at 31 December, 2022;
- 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

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 Dr. Robert Donaldy (ICAG/P/1113).

22nd May, 2023



Donaldy Associates (ICAG/F/2023/100)
Chartered Accountants
House of Excellence Annex
Adum, Kumasi - Ghana

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

STATEMENT OF FINANCIAL PERFORMANCE
YEAR ENDED 31 DECEMBER, 2022

	(NOTES)	2022 US\$	2021 US\$
Revenue			
Project Income	(5)	842,942	404,627
Other Income	(7)	14,091	12,471
Total Income		857,033	417,098
Expenditure			
Regional Capacity Training	(8a)	(315,757)	(268,646)
Learning and Teaching Environment	(8b)	(759,042)	(871,000)
Regional Research Capacity Building	(8c)	(80,592)	(75,728)
Academic Partnership	(8d)	(43,461)	(33,169)
Industrial Partnership	(8e)	(10,342)	(15,718)
Governance and Administration	(8f)	(137,610)	(119,748)
Centre Visibility	(8g)	(2,160)	(2,330)
Total Expenditure		(1,348,963)	(1,386,338)
Deficit for the Year Before Other Comprehensive Loss		(491,929)	(969,241)
Other Comprehensive Loss			
Loss on Exchange Transactions	(6)	(19,395)	(33,147)
Deficit for the Year		(511,324)	(1,002,388)

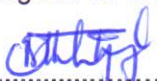
The annexed notes form an integral part of these financial statements.

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

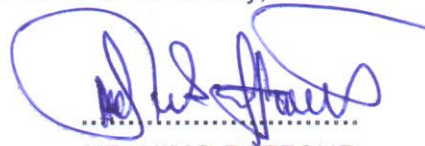
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2022

	(NOTES)	2022 US\$	2021 US\$
ASSETS			
Current Assets			
Cash and Cash Equivalents	(9)	885,885	1,149,100
Receivables	(10)	385,066	359,514
Total Current Assets		1,270,951	1,508,614
Total Assets		1,270,951	1,508,614
LIABILITIES AND ACCUMULATED FUND			
Current Liabilities			
Bank Overdraft	(11)	424,765	-
Payables	(12)	687,086	838,189
Total Current Liabilities		1,111,851	838,189
Accumulated Fund			
Accumulated Surplus		159,100	670,425
Total Accumulated Fund		159,100	670,425
Total Liabilities & Accumulated Fund		1,270,951	1,508,614

The financial statements were approved by the Project Management-KNUST on 22nd May, 2023 and were signed on its behalf by:



PROF. S. ODURO-KWARTENG
CENTRE LEADER



MR. NIMO BAFFOUR
FINANCE OFFICER

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 CHANGES IN ACCUMULATED FUND
YEAR ENDED 31 DECEMBER, 2022

2022	Accumulated Surplus US\$	Total Accumulated Fund US\$
Balance at 1 January, 2022	670,425	670,425
Deficit for the year	(511,324)	(511,324)
Balance at 31 December, 2022	159,100	159,100

2021	Accumulated Surplus US\$	Total Accumulated Fund US\$
Balance at 1 January, 2021	1,672,813	1,672,813
Deficit for the year	(1,002,388)	(1,002,388)
Balance at 31 December, 2021	670,425	670,425

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 CASH FLOWS
YEAR ENDED 31 DECEMBER, 2022**

	(NOTES)	2022 US\$	2021 US\$
Cash Flows from Operating Activities			
Deficit for the year		(511,324)	(1,002,388)
Operating Deficit before changes in working capital		(511,324)	(1,002,388)
Changes in Operating Activities			
Change in Receivables		(25,552)	319,278
Change in Payables		(151,103)	828,189
Net Cash Flows (used in) / from Operating Activities		(687,979)	145,078
Change in Cash and Cash Equivalents		(687,979)	145,078
Cash and Cash Equivalents at Beginning of Year		1,149,100	1,004,021
Cash and Cash Equivalents at End of Year	(13)	461,120	1,149,100

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)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2022

1. REPORTING ENTITY

The Regional Water and Environmental Sanitation Centre Kumasi is a center under Kwame Nkrumah University of Science and Technology (KNUST), 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 disciplines.

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 higher, 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 of SDR3,969,955 (US\$5.5million equivalent, SDR0.71 = 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 Centre to make estimates, assumptions and judgements that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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KUMASI (RWESCK, KNUST)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2022

Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgement in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the notes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Project Income

The Project Income (Project Grant) is measured at the fair value of consideration received. It is recognized when the fund is earned from the International Development Association of the World Bank based on Disbursement Link Indicators (DLI's) achieved by the Centre and verified by 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 financial performance. 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 financial performance. The closing rate used was US\$1.00 to GH¢12.58.

4.3 Financial Instruments

Initial Recognition and Subsequent Measurement

Financial assets are classified as financial assets at fair value through statement of financial performance, 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 statement of financial performance, directly attributable transaction costs. Financial assets are derecognized only when the contractual rights to the cash flows from the financial asset expires or the Centre transfers substantially all risks and rewards of ownership.

The centre's 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.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2022

They are subsequently measured at amortized cost. Cash and Cash Equivalents include cash on hand and deposits held at call with banks and other short-term highly liquid investments with 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 financial performance.

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 financial performance.

Financial liabilities

Liabilities within the scope of IPSAS are classified as financial liabilities at fair value through statement of financial performance 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.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2022

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.

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 statement of financial performance 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.

	(NOTES)	2022 US\$	2021 US\$
5. PROJECT INCOME			
Funding from World Bank - IDA	(14a)	842,942	404,627
		842,942	404,627
6. EXCHANGE GAIN OR LOSS			
Exchange (Loss) / Gain - Project Income		(19,395)	827
Exchange Gain - Expenditure		-	220,293
Exchange Loss - Accumulated Fund		-	(254,267)
		(19,395)	(33,147)

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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KUMASI (RWESCK, KNUST)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2022

	2022 US\$	2021 US\$
7. OTHER INCOME		
Fees from Short Courses / Consultancy	167	6,469
Bus Hiring	10,118	3,921
Rent Income - Auditorium	660	112
Interest on Bank Accounts	1,858	1,968
Lab Equipment Hiring & Others	1,288	-
	14,091	12,471
8. EXPENDITURE		
(a) REGIONAL CAPACITY TRAINING		
Students Stipend	34,336	25,174
Postgraduate Students' Fees	259,035	238,904
Staff Training	174	2,648
Accreditation Expense	22,212	1,920
	315,757	268,646
(b) LEARNING AND TEACHING ENVIRONMENT		
Repairs & Maintenance - Office Equipment	2,529	1,294
Purchase of Equipment	40,730	-
Purchase & Repairs - Motor Vehicles	53,479	93,788
Centre Building	620,036	-
Repairs & Maintenance - Buildings	118	165
Purchase of Computers & Accessories	33,721	20,304
Laboratory Equipment & Consumables	8,429	755,447
	759,042	871,000
(c) REGIONAL RESEARCH CAPACITY BUILDING		
Research & Publication Support	80,592	75,728
	80,592	75,728
(d) ACADEMIC PARTNERSHIP		
Workshop, Seminar & Training on Research	43,461	33,169
	43,461	33,169

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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KUMASI (RWESCK, KNUST)**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2022

	2022	2021
	US\$	US\$
(e) INDUSTRIAL PARTNERSHIP		
Students' Project & Field Trips	10,342	15,718
	10,342	15,718
 (f) GOVERNANCE AND ADMINISTRATION		
Salaries, Training & Honorariums	58,049	46,248
Staff Medicals & Welfare	2,342	208
Foreign Travel & Subsistence	6,099	6,757
Management Meetings Expenses	5,952	13,363
Printing & Stationery	1,170	2,085
Newspapers & Publications	3,360	1,135
Cleaning & Sanitation	1,273	330
Fuel & Lubricants	7,673	3,602
Electrical Works & Repairs	1,967	2,209
Local Travels & Subsistence	19,155	14,170
Hotel Accommodation	707	3,685
Office Expenses	14,715	13,951
Audit Fees and Statutory Charges	10,000	10,000
Bank Charges	3,320	1,119
Audit Expenses	1,828	885
	137,610	119,748
 (g) CENTRE VISIBILITY		
Other Repairs & Maintenance Works	629	574
Advertisements	838	-
Days Celebrations	693	1,756
	2,160	2,330
 9. CASH AND CASH EQUIVALENTS		
Bank Balance - Dollar	-	229,258
Bank Balance - Cedi	169,621	-
Bank Balance - Other Projects Dollar	647,794	656,550
Bank Balance - IGF Cedi	68,470	263,292
	885,885	1,149,100

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2022

	2022	2021
	US\$	US\$
10. RECEIVABLES		
Project Debtors - IDA	348,308	359,514
Special Advance	30,936	-
Other Debtors - Community Water Project	5,822	-
	385,066	359,514

The Project Debtors represents grants receivable from World Bank (IDA) as at the year end for achieving DLI 4.3, DLI 6.1, 6.2 and 6.3.

11. BANK OVERDRAFT

Bank Balance - Dollar	424,765	-
	424,765	-

The balance is as a result of the Centre issuing more cheques in excess of funds available in the bank account.

12. PAYABLES

Audit Fees - Donaldy Associates	10,000	10,000
Accrued Charges - GRA & Others	-	5,048
Other Creditors - SEESA, iWASH & NEPAD	9,282	142,569
Other Creditors - Community Water Project	-	16,363
Other Creditors - Agroparistech Project	6,963	11,700
Other Creditors - ACE 1	660,841	652,508
	687,086	838,189

13. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statements, cash and cash equivalents include the following:

Bank Balances	885,885	1,149,100
Bank Overdraft	(424,765)	-
	461,120	1,149,100

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2022

14 (a) FUNDING FROM WORLD BANK-IDA - 2022	Results Verified	2022 SDR Equivalent	2022 US\$
DLI 2: Development Impact of ACE			
2.1 Progress to impact	4	86,280	120,000
DLI 3: Quantity of students with focus on gender and regionalization			
3.3: New Prof. Short Course Students			
National and men	19		
National and women	22		
Regional and men	105		
Regional and women	31	61,134	83,936
DLI 4: Quality of Education & Research			
4.2: Research Publications			
Regional Co-authored	3	32,355	45,570
National/Student/Faculty Co-authored	18	129,420	182,282
4.3: Infrastructure	1	215,659	303,745
DLI 5: Relevance of Education and Research through Externally Generated Revenue, Internships, & Entrepreneurship			
5.2: Internships			
National	40	28,800	40,563
DLI 6 - Timeliness and Quality of Fiduciary Management			
6.1: Timely Fiduciary Reporting	1	15,820	22,282
6.2: Functioning Internal Audit Unit & Committee	1	15,820	22,282
6.3 Financial Online Transparency	1	15,820	22,282
		601,108	842,942
SDR Exchange Loss			(19,395)
		601,108	823,547

The Centre earned US\$842,942 being equivalent of SDR601,108 during the year. However, the Centre received US\$823,547 with an exchange loss difference of US\$19,395.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
REGIONAL WATER AND ENVIRONMENTAL SANITATION CENTRE
KUMASI (RWESCK, KNUST)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2022**

14 (b) FUNDING FROM WORLD BANK-IDA - 2021	Results Verified	2021 SDR Equivalent	2021 US\$
4.3: Teaching & Research Infrastructure			
Milestone 1: Purchasing & Supply of Laboratory Equipment	1	215,705	303,810
5.1: External Revenue	1	32,030	45,113
DLI 6 - Timeliness and Quality of Fiduciary Management			
6.2: Functioning Internal Audit Unit & Committee	1	15,820	22,282
6.3 Financial Online Transparency	0.5	7,910	11,141
6.4: Procurement Quality	1	15,820	22,282
		<u>287,285</u>	<u>404,627</u>
SDR Exchange Loss			(827)
		<u>287,285</u>	<u>403,800</u>

The Centre earned US\$404,627 being equivalent of SDR 287,285 during the year. However, the Centre received US\$403,800 with an exchange loss difference of US\$827.

15. TOTAL IDA FUNDS EARNED TO DATE	2022 US\$	2021 US\$
2022	842,942	-
2021	404,627	404,627
2020	679,760	679,760
2019	2,110,232	2,110,232
	<u>4,037,561</u>	<u>3,194,619</u>

16. 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

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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	12 Months
	Amount	or Less
	US\$	US\$
2022		
Financial Liabilities		
Bank Overdraft	424,765	424,765
Payables	687,086	687,086
	<u>1,111,850</u>	<u>1,111,850</u>
Financial Assets		
Bank Balances	885,885	885,885
Receivables	385,066	385,066
	<u>1,270,951</u>	<u>1,270,951</u>
2021		
Financial Liabilities		
Payables	838,189	838,189
	<u>838,189</u>	<u>838,189</u>
Financial Assets		
Bank Balances	1,149,100	1,149,100
Receivables	359,514	359,514
	<u>1,508,614</u>	<u>1,508,614</u>

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.

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17. (a) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) FOR - 2022

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 2: Development Impact of ACE	240,000	120,000	In Progress
DLI 3 Number of Students with Focus on Gender and Regionalization	596,620	83,936	
DLI 4 Quality of Education and Research through International Accreditation	665,838	531,597	Centre Building Completed
DLI 5 Relevance of Education and Research through External Generated	117,239	40,563	Achieved in 2020
DLI 6 Timeliness and Quality of Fiduciary Management	100,000	66,845	In Progress
	<u>1,719,697</u>	<u>842,942</u>	

The Centre executed DLI 2.1, DLI 3, DLI 4, DLI 5, and DLI 6.4 out of all the DLIs and earned US\$842,942.

17. (b) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) FOR - 2021

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 3 Number of Students with Focus on Gender and Regionalization	195,600	-	
DLI 4 Quality of Education and Research through International Accreditation	256,800	303,810	Partly Achieved in 2020
DLI 5 Relevance of Education and Research through External Generated	368,200	45,113	Achieved in 2020
DLI 6 Timeliness and Quality of Fiduciary Management	63,280	55,704	In Progress
	<u>883,880</u>	<u>404,627</u>	

The Centre executed DLI 4.3, DLI 5.1, DL 6.2, DLI 6.3 and DLI 6.4 out of all the DLIs and earned US\$404,627.

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18. (a) EXPENDITURE BUDGET REVIEW FOR YEAR 2022

EXPENDITURE	BUDGET	ACTUAL	VARIANCE
	US\$	US\$	US\$
Regional Capacity Training	308,830	315,757	(6,927)
Governance & Administration	116,126	137,610	(21,483)
Centre Visibility	4,873	2,160	2,713
Learning and Teaching Environment	911,857	759,042	152,815
Regional Research Capacity Building	90,000	80,592	9,408
Academic Partnership	72,000	43,461	28,539
Industrial Partnership	21,500	10,342	11,158
	<u>1,525,186</u>	<u>1,348,963</u>	<u>176,224</u>

All actual expenditures of the Centre were within the budget for the year except Regional Capacity Training and Governance and Administration.

18. (b) EXPENDITURE BUDGET REVIEW FOR YEAR - 2021

EXPENDITURE	BUDGET	ACTUAL	VARIANCE
	US\$	US\$	US\$
Regional Capacity Training	280,000	268,646	11,354
Governance & Administration	139,000	119,748	19,252
Centre Visibility	-	2,330	(2,330)
Learning and Teaching Environment	1,147,500	871,000	276,500
Regional Research Capacity Building	114,000	75,728	38,272
Academic Partnership	10,000	33,169	(23,169)
Industrial Partnership	167,500	15,718	151,782
	<u>1,858,000</u>	<u>1,386,338</u>	<u>471,662</u>

All actual expenditures of the Centre were within the budget for the year except Centre Visibility and Academic Partnership.

19. CAPITAL COMMITMENTS

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

20. CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the year.