

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)**

FINANCIAL STATEMENTS

31 DECEMBER 2021

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT
(KEEP)**

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YEAR ENDED 31 DECEMBER, 2021**

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**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT
(KEEP)**

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 KNUST Engineering Education Project (KEEP)
Auditors	Donaldy Associates Chartered Accountants P.O. Box KS 6608 Kumasi, Ghana
Bankers	Stanbic Bank Ghana Limited

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF THE
AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING
EDUCATION PROJECT (KEEP)
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the project as at 31 December, 2021 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 KNUST Engineering Education Project (KEEP) for the year ended 31 December, 2021. The financial statements comprise:

- Statement of Financial Position as at 31 December, 2021;
- Statement of Financial Performance for the year then ended;
- Statement of Changes in Equity 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 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).

22nd June, 2022



Donaldy Associates (ICAG/F/2022/100)
Chartered Accountants
House of Excellence Annex
Adum, Kumasi

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT
(KEEP)**

**STATEMENT OF FINANCIAL PERFORMANCE
YEAR ENDED 31 DECEMBER, 2021**

		2021	2020
	(NOTES)	US\$	US\$
Revenue			
Grant	(5)	478,105	1,737,535
Gain on Exchange Transactions	(6)	-	101,192
Total Revenue		478,105	1,838,727
 Expenditure			
Regional Capacity Training	(7a)	(542,093)✓	(21,214)
Governance and Administration	(7b)	(106,115)✓	(74,626)
Learning and Teaching Environment	(7c)	(462,585)✓	(2,859)
Centre Visibility	(7d)	(2,324)✓	(2,748)
Industrial Partnership	(7e)	(29,548)	(5,213)
Regional Research Capacity Building	(7f)	(2,933) /	(1,729)
Academic Partnership	(7g)	(3,897)	-
Loss on Exchange Transactions	(6)	(17,046)	-
Total Expenditure		(1,166,540)	(108,387)
 (Deficit) / Surplus for the Year		(688,435)	1,730,340

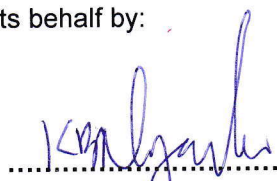
The annexed notes form an integral part of these financial statements.

AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)


STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2021

	(NOTES)	2021 US\$	2020 US\$
ASSETS			
Current Assets			
Cash and Cash Equivalents	(8)	2,329,367	982,928
Trading Investment	(9)	50,000	-
Receivables	(10)	55,442	1,846,048
Total Current Assets		2,434,809	2,828,976
Total Assets		2,434,809	2,828,976
LIABILITIES AND EQUITY			
Current Liabilities			
Payables	(11)	304,712	10,444
Total Current Liabilities		304,712	10,444
Equity			
Accumulated Surpluses		2,130,097	2,818,532
Total Equity		2,130,097	2,818,532
Total Liabilities & Equity		2,434,809	2,828,976

The financial statements were approved by KNUST on 22nd June, 2022 and were signed on its behalf by:



CENTRE LEADER



FINANCE OFFICER

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

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)**

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER, 2021

	Accumulated Surplus	Total Equity
2021	US\$	US\$
Balance at 1 January, 2021	2,818,532	2,818,532
Deficit for the year	(688,435)	(688,435)
Balance at 31 December, 2021	2,130,097	2,130,097
2020		
Balance at 1 January, 2020	1,088,192	1,088,192
Surplus for the year	1,730,340	1,730,340
Balance at 31 December, 2020	2,818,532	2,818,532

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

AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER, 2021

	(NOTES)	2021	2020
		US\$	US\$
Cash Flows from Operating Activities			
(Deficit) / Surplus for the Year		(688,435)	1,730,340
Operating Surplus before changes in working capital		(688,435)	1,730,340
Changes in Operating Activities			
Change in Receivables		1,790,606	(519,569)
Change in Trading Investment		(50,000)	
Change in Payables		294,268	(227,843)
Net Cash Flows used in Operating Activities		1,346,439	982,928
Change in Cash and Cash Equivalents		1,346,439	982,928
Cash and Cash Equivalents at Beginning of Year		982,928	-
Cash and Cash Equivalents at End of Year	(8)	2,329,367	982,928

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

AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2021

1. REPORTING ENTITY

The KNUST Engineering Education Project (KEEP) 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-Ghana. The Centre provides research into science, technology and training in related activities.

2. THE PROJECT

An agreement was signed between 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 "KNUST Engineering Education Project". 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.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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3.4 Use of Estimates and Judgements

The preparation of financial statements in accordance with IPSAS for public entities requires the the Centre to make estimates, assumptions and judgements that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. 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 and critical judgements 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 Grant Income

Grant Income (Project Funding) is measured at the fair value of consideration received. It is recognized when earned from the International Development Association of the World Bank based Disbursement Link Indicators (DLI's) achieved 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 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¢6.24.

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.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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YEAR ENDED 31 DECEMBER, 2021**

The centre financial assets consist of cash and bank balances and 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. 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 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 collectible.

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 IPSAS 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 debts 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 include payables and are recognized initially at fair value and subsequently amortized cost.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2021**

4.4 Receivables

Receivables are stated at amortised costs, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful.

4.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank balances and are carried at amortised cost. Bank overdrafts that are repayable on demand, and which form an integral part of the Participating University, KNUST cash management are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

4.6 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 Fund Scheme.

4.7 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.

4.8 Property, Plant & Equipment

All non-current assets acquired during the period are treated as revenue expenditures and are treated in the income statement in line with the project agreement.

AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2021

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	2021 US\$	2020 US\$
5. GRANT			
Funding from World Bank - IDA	(12a)	<u>478,105</u>	<u>1,737,535</u>
		<u>478,105</u>	<u>1,737,535</u>
6. EXCHANGE GAIN/(LOSS)			
Gain - Grant Income	(12a)	32,929	96,421
Gain - Expenditure		168,054	4,771
Loss - Accumulated Fund		<u>(218,029)</u>	<u>-</u>
		<u>(17,046)</u>	<u>101,192</u>
7. EXPENDITURE			
(a) REGIONAL CAPACITY TRAINING			
Staff Research, Teaching & Learning Materials		136	11,891
Accreditation Expenses		26,544	2,084
Internet & Other ICT Charges		111	3,179
Students' Stipend		74,191	-
Students' Fees		<u>441,110</u>	<u>4,060</u>
		<u>542,093</u>	<u>21,214</u>

AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2021

	2021	2020
	US\$	US\$
(b) GOVERNANCE AND ADMINISTRATION		
Project Staff Salaries	32,231	34,787
Staff Training & Refresher Courses-Local	2,491	-
Foreign Travel & Subsistence	7,689	13,580
Office Expenses	416	-
Centre Management Meeting	10,254	2,771
Printing & Stationery	2,281	1,603
Telephone Expenses	6,710	3,219
Local Travel and Subsistence	18,288	3,493
Vehicle Insurance	4,875	-
Audit Expenses	675	356
Membership Subscription - Professional Body	-	113
Staff Medicals	-	31
Maintenance of Equipment	-	97
Conference & Seminars	5,493	2,406
Bank Charges	2,136	191
Advertisement	-	649
Periodicals Magazines & Journals	336	402
Fuel & Lubricants for Vehicle	87	17
Materials & Consumables	2,154	911
Audit Fees	10,000	10,000
	<u>106,115</u>	<u>74,626</u>
(c) LEARNING AND TEACHING ENVIRONMENT		
Centre Building	341,517	2,859
Purchase of Vehicle & Repairs & Maintenance	111,503	-
Maintenance of Equipment	4,143	-
Maintenance of Computers & Accessories	5,422	-
	<u>462,585</u>	<u>2,859</u>
(d) CENTRE VISIBILITY		
Other Research & Publication	2,324	2,748
	<u>2,324</u>	<u>2,748</u>

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2021**

	2021	2020
	US\$	US\$
(e) INDUSTRIAL PARTNERSHIP		
Students Internship	13,848	5,213
Students' Project & Field Trip	15,700	-
	<u>29,548</u>	<u>5,213</u>
(f) REGIONAL RESEARCH CAPACITY BUILDING		
Printing & Publication of Research	2,933	1,729
	<u>2,933</u>	<u>1,729</u>
(g) ACADEMIC PARTNERSHIP		
Staff Training & Refresher Course	3,897	-
	<u>3,897</u>	<u>-</u>
8. CASH AND CASH EQUIVALENTS		
Bank Balance - Dollar	2,316,780	978,967
Bank Balance- Cedi	12,588	3,962
	<u>2,329,367</u>	<u>982,929</u>
9. TRADING INVESTMENT		
Stanbic Bank - GOG Bond	50,000	-
	<u>50,000</u>	<u>-</u>
10. RECEIVABLES		
Grant Debtors - IDA	55,442	1,846,048
	<u>55,442</u>	<u>1,846,048</u>
This represents grants receivable from World Bank (IDA) as at the year end for achieving DLI 6.2, 6.3 and 6.4.		
11. PAYABLES	2021	2020
	US\$	US\$
Gambia Students	201,112	-
WASEND Project	93,404	-
Other Payables	10,196	10,444
	<u>304,712</u>	<u>10,444</u>

AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2021

12. (a) FUNDING FROM WORLD BANK-IDA - 2021	Results	SDR	2021
DLI 3: Quantity of students with focus on gender and regionalization	Verified	Equivalent	US\$
3.1: New PhD students			
National and men	20	143,800	202,535
National and women	2	17,980	25,324
Regional and men	5	44,950	63,310
Regional and women	4	44,860	63,183
3.2: New Masters Students		16,074	19,915
National and men	57	-	-
National and women	8	-	-
Regional and men	8	-	-
Regional and women	3	-	-
DLI 5: Relevance of Education and Research			
5.2: Internships			
National	20	14,400	20,282
DLI 6: Timeliness and quality of fiduciary management			
6.1: Timely Fiduciary Reporting		7,910	11,141
6.2: Functioning Internal Audit Unit & Committee		7,910	11,141
6.3 Financial Online Transparency		27,685	38,993
6.4: Procurement Quality		15,820	22,282
		341,389	478,105
SDR Exchange Gain		-	32,929
		341,389	511,034

The Centre earned US\$478,105 been equivalent of SDR341,389 during the year. However, the Centre received US\$511,034 with an exchange gain difference of US\$32,929.

(b) FUNDING FROM WORLD BANK-IDA - 2020	Results	SDR	2020
	Verified	Equivalent	US\$
DLI 4-Quality of Education & Research			
DLI 4.1 Programme Accreditation			
National Accreditation	2	143,800	202,535
DLI 5-Relevance of Education and Research			
DLI 5.1 External Revenue			
National	1	220,797	241,819
Regional	2	1,180,753	1,293,181
		1,545,350	1,737,535
SDR Exchange Loss		-	96,421
		1,545,350	1,833,956

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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The Centre earned US\$1,737,535 been equivalent of SDR 1,545,350 during the year. However, the Centre received US\$1,833,956 with an exchange gain difference of US\$96,421.

	2021	2020
	US\$	US\$
13. FUNDS RECEIVED TO DATE		
2021	478,105	-
2020	1,737,535	1,737,535
2019	1,374,352	1,374,352
	<u>3,589,992</u>	<u>3,111,887</u>

13. RISK MANAGEMENT FRAMEWORK

The Board and management team of the Centre has overall responsibility for the establishment and oversight of the Centre's risk management framework. The Board and 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 analyse 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) Project Funding Risk

Project Funding 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 .

2021	Total	12 Months
Financial Liabilities	Amount	or Less
	US\$	US\$
Payables	<u>304,712</u>	<u>304,712</u>
	<u>304,712</u>	<u>304,712</u>
Financial Assets		
Cash and Cash Equivalents	2,329,367	2,329,367
Receivables	<u>55,442</u>	<u>55,442</u>
	<u>2,384,809</u>	<u>2,384,809</u>

AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2021

2020	Total	12 Months
Financial Liabilities	Amount	or Less
	US\$	US\$
Payables	10,444	10,444
	<u>10,444</u>	<u>10,444</u>
Financial Assets		
Cash and Cash Equivalents	982,928	982,928
Receivables	1,846,048	1,846,048
	<u>2,828,976</u>	<u>2,828,976</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 optimising their returns.

14. (a) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) - 2021

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 1 Institutional Readiness	-	-	Achieved in 2019
DLI 3 Number of Students with Focus on Gender and Regionalization	207,000	374,267	Achieved
DLI 5 Relevance of Education and Research through External Generated Revenue	450,000	20,282	Partly Achieved
DLI 6 Timeliness and Quality of Fiduciary Management	88,000	83,556	In Progress
	<u>745,000</u>	<u>478,105</u>	

The Centre executed DLI 3, DLI 5 and DLI 6 out of the DLIs and earned US\$478,105.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
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YEAR ENDED 31 DECEMBER, 2021**

(b) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) - 2020

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 1 Institutional Readiness	-	-	Achieved in 2019
DLI 3 Number of Students with Focus on Gender and Regionalization	207,000	-	Did not admit student in
DLI 4 Quality of Education and Research through International Accreditation	750,000	202,535	Partly Achieved
DLI 5 Relevance of Education and Research through External Generated	350,000	1,535,000	Partly Achieved
DLI 6 Timeliness and Quality of Fiduciary Management	88,000	-	In Progress
	<u>1,395,000</u>	<u>1,737,535</u>	

The Centre executed DLI 1 and DLI 3 out of the DLIs and earned US\$1,737,535.

15. EXPENDITURE BUDGET REVIEW FOR YEAR - 2021

EXPENDITURE	BUDGET US\$	ACTUAL US\$	VARIANCE US\$
Regional Capacity Training	595,000	542,093	52,907
Governance & Administration	100,000	106,115	(6,115)
Learning and Teaching Environment	875,000	462,585	412,415
Industrial Partnership	30,000	29,548	452
Centre Visibility	13,000	2,324	10,676
Regional Research Capacity Building	25,000	2,933	22,067
Academic Partnership	30,000	3,897	26,103
	<u>1,668,000</u>	<u>1,149,494</u>	<u>518,506</u>

All expenditures of the Centre were within the budget for the year.

AFRICA CENTRES OF EXCELLENCE PROJECT ON KNUST ENGINEERING EDUCATION PROJECT (KEEP)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER, 2021

EXPENDITURE BUDGET REVIEW FOR YEAR - 2020

EXPENDITURE	BUDGET	ACTUAL	VARIANCE
	US\$	US\$	US\$
Regional Capacity Training	445,000	19,130	425,870
Governance & Administration	80,000	76,709	3,291
Learning and Teaching Environment	10,000	2,859	7,141
Industrial Partnership	30,000	5,213	24,787
Centre Visibility	23,000	2,748	20,252
Regional Research Capacity Building	25,000	1,729	23,271
Academic Partnership	30,000	-	30,000
	<u>643,000</u>	<u>108,388</u>	<u>504,612</u>

All expenditures of the Centre were within the budget for the year.

16. CAPITAL COMMITMENTS

Capital commitments authorized but not expended for projects / contracts at the reporting date were:

- (i) Construction of two-storey Africa Centre of Excellence building for the College of Engineering, Kwame Nkrumah University of Science and Technology, Kumasi - GH¢5,470,774.68 .