

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

FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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YEAR ENDED 31 DECEMBER, 2023

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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



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 KNUST ENGINEERING
EDUCATION PROJECT (KEEP)
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2023**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the project as at 31 December, 2023 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) with IPSAS 10 directive issued by the Institute of Chartered Accountants Ghana (ICAG) 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, 2023. The financial statements comprise:

- Statement of Financial Position as at 31 December, 2023;
- 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 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).

15th March, 2024



Donaldy Associates (ICAG/F/2024/100)
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, 2023**

	(NOTES)	2023 US\$	2022 US\$
Revenue			
Project Income	(5)	1,033,668	842,873
Other Income	(6)	2,425	543
Total Revenue		1,036,093	843,415
Expenditure			
Regional Capacity Training	(8a)	(351,390)	(346,376)
Learning and Teaching Environment	(8b)	(303,743)	(692,023)
Centre Visibility	(8c)	(40,180)	(9,839)
Governance and Administration	(8d)	(372,802)	(118,713)
Industrial Partnership	(8e)	(29,216)	(14,058)
Regional Research Capacity Building	(8f)	(26,896)	(8,100)
Academic Partnership	(8g)	(26,670)	(4,273)
Total Expenditure		(1,150,897)	(1,193,383)
Deficit for the Year Before Other Comprehensive Loss		(114,804)	(349,968)
Other Comprehensive Loss			
Loss on Exchange Variations	(7)	(45,357)	(7,476)
Deficit for the Year		(160,160)	(357,444)

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, 2023**

	(NOTES)	2023 US\$	2022 US\$
ASSETS			
Current Assets			
Cash and Cash Equivalents	(9)	1,004,171	1,206,700
Receivables	(10)	810,727	654,203
Total Current Assets		1,814,898	1,860,903
Total Assets		1,814,898	1,860,903
LIABILITIES AND ACCUMULATED FUND			
Current Liabilities			
Payables	(11)	202,405	88,250
Total Current Liabilities		202,405	88,250
Accumulated Fund			
Accumulated Surplus		1,612,493	1,772,653
Total Accumulated Fund		1,612,493	1,772,653
Total Liabilities & Accumulated Fund		1,814,898	1,860,903

The financial statements were approved by the management on 15th March, 2024 and were signed on their behalf by:

.....
PROF. JERRY JOHN KPONYO
CENTRE LEADER

.....
JOHNSON OWUSU
AG. 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 ACCUMULATED FUND
YEAR ENDED 31 DECEMBER, 2023**

2023	Accumulated Surplus US\$	Total Accumulated Fund US\$
Balance at 1 January, 2023	1,772,653	1,772,653
Deficit for the year	(160,160)	(160,160)
Balance at 31 December, 2023	1,612,493	1,612,493

2022	Accumulated Surplus	Total Accumulated Fund
Balance at 1 January, 2022	2,130,097	2,130,097
Deficit for the year	(357,444)	(357,444)
Balance at 31 December, 2022	1,772,653	1,772,653

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, 2023

	(NOTES)	2023	2022
		US\$	US\$
Cash Flows from Operating Activities			
Deficit for the Year		(160,160)	(357,444)
Operating Deficit before changes in working capital		(160,160)	(357,444)
Changes in Operating Activities			
Change in Receivables		(156,524)	(598,761)
Change in Trading Investment		-	50,000
Change in Payables		114,155	(216,462)
Net Cash Flows used in Operating Activities		(202,529)	(1,122,667)
Change in Cash and Cash Equivalents		(202,529)	(1,122,667)
Cash and Cash Equivalents at Beginning of Year		1,206,700	2,329,367
Cash and Cash Equivalents at End of Year	(9)	1,004,171	1,206,700

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, 2023**

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. It is an Institution of higher learning, 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 was 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 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.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2023**

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 Project Income

The Project Income (Project Grant) 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 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¢11.75.

4.3 Financial Instruments

Initial Recognition and Subsequent Measurement

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

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2023**

The centre's 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 and 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 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 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 financial performance.

Financial liabilities

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

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.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2023**

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 when it exists 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 statement of performance 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.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2023**

	NOTES	2023 US\$	2022 US\$
5. PROJECT INCOME			
Funding from World Bank - IDA	(12a)	1,033,668	842,873
		<u>1,033,668</u>	<u>842,873</u>
6. OTHER INCOME			
Vehicle Hiring		2,425	543
		<u>2,425</u>	<u>543</u>
7. EXCHANGE LOSS			
Loss on Project Income conversion	(12a)	(23,552)	(7,476)
Loss on current Expenditure conversion		(21,805)	-
		<u>(45,357)</u>	<u>(7,476)</u>
8. EXPENDITURE			
(a) REGIONAL CAPACITY TRAINING			
Staff Research, Teaching & Learning Materials		3,229	408
Accreditation Expenses		1,444	-
Staff and Students Medicals		6,604	3,944
Internet & Other ICT Charges		8,750	217
Students' Stipend		139,558	84,870
Students' Fees		191,805	256,938
		<u>351,390</u>	<u>346,376</u>
(b) LEARNING AND TEACHING ENVIRONMENT			
Centre Building		90,036	517,758
Purchase of Vehicle & Repairs and Maintenance		57,613	1,141
Purchase and Maintenance of Equipment		73,925	116,337
Purchase of Furniture		45,732	54,155
Purchase of Computers & Accessories and Maintenance		36,436	2,632
		<u>303,743</u>	<u>692,023</u>
(c) CENTRE VISIBILITY			
Other Research & Publication		10,882	1,501
Outreach & Marketing		14,789	4,071
Visibility Expenses		14,509	4,267
		<u>40,180</u>	<u>9,839</u>

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2023**

	2023	2022
	US\$	US\$
(d) GOVERNANCE AND ADMINISTRATION		
Project Staff Salaries	68,762	44,189
Staff Training & Refresher Courses-Local	9,473	158
Foreign Travels & Subsistence	145,731	16,389
Centre Management Meetings	23,765	9,231
Printing & Stationery	5,972	1,717
Telephone Expenses	10,662	3,682
Local Travel and Subsistence	37,229	5,006
Vehicle Insurance	-	2,749
Audit Expenses	2,547	233
Conference & Seminars	22,316	18,515
Bank Charges	6,455	3,063
Advertisement	12,791	760
Periodicals Magazines & Journals	201	186
Fuel & Lubricants	6,917	1,860
Materials & Consumables	9,981	976
Audit Fees and Statutory Charges	10,000	10,000
	<u>372,802</u>	<u>118,713</u>
(e) INDUSTRIAL PARTNERSHIP		
Students Internship	29,216	14,058
	<u>29,216</u>	<u>14,058</u>
(f) REGIONAL RESEARCH CAPACITY BUILDING		
Printing & Publication of Research	955	969
Workshops and Conferences	17,294	3,266
Partnership & MOU Expenses	8,647	3,865
	<u>26,896</u>	<u>8,100</u>
(g) ACADEMIC PARTNERSHIP		
Staff Training & Refresher Course	26,670	4,273
	<u>26,670</u>	<u>4,273</u>
9. CASH AND CASH EQUIVALENTS		
Bank Balance - US Dollar	985,284	1,182,945
Bank Balance - Ghana Cedi	18,886	23,755
	<u>1,004,171</u>	<u>1,206,700</u>

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2023**

	2023	2022
	US\$	US\$
10. RECEIVABLES		
Project Debtors - IDA	580,952	654,203
Other Receivables -College of Engineering/USET-Gambia	229,775	-
	810,727	654,203

Project debtors represent project income receivable from World Bank (IDA) as at the year end for achieving DLI 3.1, 3.2, 4.1, 5.1, 6.1, 6.2 and 6.3.

11. PAYABLES

College of Engineering / University of Science, Engineering and Technology (USET - Gambia)	13,623	24,348
West Africa Sustainable Engineering Network for Sustainable Development (WASEND) Project	21,172	49,782
Donaldy Associates - Audit Fees and Statutory Charges	10,000	10,000
Other Payables - Accrued Expenses, GRA & Sundry Creditors	157,610	4,120
	202,405	88,250

12. (a) FUNDING FROM WORLD BANK (IDA) - 2023

		2023	2023
	Results	SDR	
	Verified	Equivalent	US\$
DLI 3: Quantity of students			
3.1: New PhD students			
National and men	21	17,980	25,324
National and women	2	7,190	10,127
DLI 4: Quality of Education			
4:1: Program Accreditation			
Self Evaluation	2	143,807	202,545
Gap Assessment	1	71,900	101,268
4.3: Teaching & Research Infrastructure (M3)	1	215,703	303,807
DLI 5: Relevance of Education and Research			
5.1: External Revenue			
External Revenue - National	1	124,249	174,999
External Revenue - Regional/ National	2		
5.2: Internships			
National	29	20,880	30,930
Regional	1	1,080	
Balance Carried Forward		602,789	849,000

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2023**

	Results Verified	2023 SDR Equivalent	2023 US\$
Balance Brought Forward		602,789	849,000
DLI 6: Timeliness and quality of fiduciary management			
6.1: Timely Fiduciary Reporting	1	34,410	48,465
6.2: Functioning Internal Audit Unit & Committee	1	53,000	74,648
6.3 Financial Online Transparency	1	43,705	61,556
		<u>733,904</u>	<u>1,033,669</u>
SDR Exchange Loss		-	(23,552)
		<u>733,904</u>	<u>1,010,116</u>

The Centre earned US\$1,033,669 being equivalent of SDR733,904 during the year. However, it received US\$1,010,116 with an exchange loss difference of US\$23,552.

12. (b) FUNDING FROM WORLD BANK (IDA) - 2022

	Results Verified	2022 SDR Equivalent	2022 US\$
DLI 3: Quantity of students			
3.1: New PhD students		90,086	116,183
National and men	21	-	-
National and women	2	-	-
Regional and men	1	-	-
3.2: New Masters Students			
National and men	31	-	-
National and women	3	-	-
Regional and men	2	-	-
DLI 4: Quantity of Education			
4.3 Infastructure	1	431,410	607,619
DLI 5: Relevance of Education and Research			
5.2: Internships			
National	35	25,200	35,493
Reginal	11	11,880	16,732
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
		<u>606,036</u>	<u>842,872</u>
SDR Exchange Loss		-	(7,476)
		<u>606,036</u>	<u>835,396</u>

The Centre earned US\$842,873 being equivalent of SDR606,036 during the year. However, it received US\$835,396 with an exchange loss difference of US\$7,476.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
KNUST ENGINEERING EDUCATION PROJECT (KEEP)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2023**

13. TOTAL IDA FUNDS EARNED TO DATE	2023	2022
	US\$	US\$
2023	1,033,669	-
2022	842,872	842,872
2021	478,105	478,105
2020	1,834,720	1,834,720
2019	1,374,352	1,374,352
	<u>5,563,718</u>	<u>4,530,050</u>

14. 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 its 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 .

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
 KNUST ENGINEERING EDUCATION PROJECT (KEEP)
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2023	Total	12 Months
Financial Liabilities	Amount	or Less
	US\$	US\$
Payables	202,405	202,405
	<u>202,405</u>	<u>202,405</u>
Financial Assets		
Cash and Cash Equivalents	1,004,171	1,004,171
Receivables	810,727	810,727
	<u>1,814,898</u>	<u>1,814,898</u>
2022	Total	12 Months
Financial Liabilities	Amount	or Less
	US\$	US\$
Payables	88,250	88,250
	<u>88,250</u>	<u>88,250</u>
Financial Assets		
Cash and Cash Equivalents	1,206,700	1,206,700
Receivables	654,203	654,203
	<u>1,860,903</u>	<u>1,860,903</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 its returns.

**AFRICA CENTRES OF EXCELLENCE PROJECT ON
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YEAR ENDED 31 DECEMBER, 2023**

15. (a) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) - 2023

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 1 - Institutional Readiness	-	-	Achieved in 2019
DLI 3 - Quality of Students	-	35,451	Achieved in 2023
DLI 4 - Quality of Education	700,000	607,620	Achieved in 2023
DLI 5 - Relevance of Education and Research	100,000	205,929	Partly Achieved
DLI 6 - Timeliness and Quality of Fiduciary Management	44,000	184,669	Partly Achieved
	844,000	1,033,669	

The Centre executed DLI 3, DLI 4, DLI 5, DLI 6 out of the DLIs and earned US\$1,033,669.

(b) REVENUE PERFORMANCE ON DISBURSEMENT LINK INDICATORS (DLIs) - 2022

INDICATORS	TARGET US\$	ACTUAL US\$	REMARKS
DLI 1 Institutional Readiness	-	-	Achieved in 2019
DLI 3 - Sub-Action 3a: Accreditation - Activity 1: Conducting an International Accreditation	400,000	116,183	Partly Achieved
DLI 4 - Sub-Action 3c: Postgraduate building and Procurement - Activity 1: Postgraduate building	300,000	607,619	Centre Building Completed
DLI 5 -Relevance of Education and Research through Externally Generated Revenue, Internship and Entrepreneurship	100,000	52,225	Partly Achieved
DLI 6 - Sub-Action 5a: Timely Fiduciary	44,000	66,845	In Progress
	844,000	842,873	

The Centre executed DLI 3, DLI 4, and DLI 5 out of the DLIs and earned US\$842,873.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER, 2023

16. EXPENDITURE BUDGET REVIEW FOR YEAR - 2023

EXPENDITURE	BUDGET	ACTUAL	VARIANCE
	US\$	US\$	US\$
Regional Capacity Training	552,000	351,390	200,610
Governance & Administration	360,000	372,802	(12,802)
Learning and Teaching Environment	402,000	303,743	98,257
Industrial Partnership	30,000	29,216	784
Centre Visibility	50,000	40,180	9,820
Regional Research Capacity Building	45,000	26,896	18,104
Academic Partnership	30,000	26,670	3,330
	1,469,000	1,150,897	318,103

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

EXPENDITURE BUDGET REVIEW FOR YEAR - 2022

EXPENDITURE	BUDGET	ACTUAL	VARIANCE
	US\$	US\$	US\$
Regional Capacity Training	552,000	346,376	205,624
Governance & Administration	157,000	118,713	38,287
Learning and Teaching Environment	1,097,000	692,023	404,977
Industrial Partnership	30,000	14,058	15,942
Centre Visibility	25,000	9,839	15,161
Regional Research Capacity Building	25,000	8,100	16,900
Academic Partnership	30,000	4,273	25,727
	1,916,000	1,193,383	722,617

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

17. CAPITAL COMMITMENTS

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

18. CONTINGENT LIABILITIES

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