

***WEST AFRICA CENTRE FOR CROP IMPROVEMENT
(WACCI)***

Africa Higher Education Centres of Excellence Project

***ANNUAL PROJECT FINANCIAL STATEMENTS
31ST DECEMBER 2019***

**AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT
AUDITED PROJECT ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2019**

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**AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)
PROJECT INFORMATION**

PROJECT MANAGEMENT TEAM

Prof. Eric Y. Danquah (*Centre Leader*)
Dr. Daniel Dzidzienyo (*Deputy Centre Leader*)
Dr. Agyeman Danquah (*Project Collaborator*)
Dr. John Eleblu (*Project Collaborator*)
Prof. Pangirayi Tongoona (*Project Collaborator*)
Dr. Beatrice Elohor Ifie (*Project Collaborator*)
Mrs. Jennifer Saint-Acquaye (*Industrial & Sectoral Liaison/
Monitoring and Evaluation Coordinator*)
Mr Kwadwo Owusu Afrifa (*Finance Officer*)
Mr Razak Mohammed (*Procurement Officer*)

REGISTERED OFFICE

West Africa Centre for Crop Improvement
College of Basic and Applied Sciences
University of Ghana
Legon, Accra

AUDITORS

Baker Tilly Andah + Andah
Chartered Accountants
C 726/3, Nyanyo Lane, Asylum Down
P. O. Box CT 5443
Cantonments, Accra

FINANCIERS

International Development Association (IDA)
Ministry of Finance and Economic Planning (MOFEP)

BANKERS

Stanbic Bank Ghana Limited

REPORT OF THE PROJECT MANAGEMENT TEAM ON AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)

The Project Management Team of ACE presents the report and audited financial statements of the Projects for the year ended 31st December 2019.

Background to the Project

The Africa Higher Education Centres of Excellence (ACE) Project is a research Project run by the West Africa Centre for Crop Improvement (WACCI) of the University of Ghana. The Project is funded with a research grant from the World Bank. The grant is administered by the International Development Association (IDA).

The Project seeks to transform WACCI into a sustainable world class platform for the training of plant breeders and seed scientists and technologists. This will enhance the regional food security through the development, multiplication and supply of superior crop varieties and hybrids that meet the needs of farmers.

Working with about twenty (20) National Agricultural Research Institutions (NARIs) and other advanced research institutions globally, private sector and farmers, the Project aims to:

- a. admit and train sixty-five (65) PhD students in Plant breeding and sixty (60) MPhil students in Seed Science and Technology between the years of 2015 and 2020;
- b. expand, modernize and strengthen WACCI breeding programme;
- c. review and introduce new curricula and equip the Biotechnology Centre for cutting edge research and training;
- d. review and introduce new curricula and equip the Biotechnology Centre for cutting edge research and training;
- e. host world-class visiting faculty including Africans in the diaspora;
- f. grant short-term external fellowships in advanced laboratories to WACCI PhD students;
- g. arrange three months' internships for seed science and technology students for hands-on training with seed companies;
- h. strengthen research collaboration with advanced institutions; and
- i. open up for mentoring of WACCI PhD and MPhil students by scientists in advanced laboratories.

The Project was to be implemented for a period of four years (4) from 1 January 2015 to 31 December 2018. It was however extended to span for an additional fifteen months (up to 31 March 2020).

Responsibilities of Project Management Team

In accordance with Section 4.09 (a) of the General Conditions, the Project Management Team is responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the project and of the surplus or deficit for that period. In preparing these financial statements, the project management team has selected suitable accounting policies and then applied them consistently, made judgement and estimates that are reasonable and prudent and followed International Public Sector Accounting Standards (IPSAS) "Financial Reporting under the Cash Basis of Accounting".

The Project Management Team is responsible for ensuring that the project keeps proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the project. The Project Management Team is also responsible for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and ensuring that they are free from

material misstatement, whether due to fraud or error, safeguarding the assets of the Project; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Project Management Team confirms that the Project has complied fully with the terms and conditions of the Loan Covenants in accordance with the Legal Agreement and the applicable Government Regulations, and that the Project funds received during the period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

	2019 US\$	2018 US\$
Net deficit for the year amounted to	(82,608)	(512,684)
Which is added to the opening Fund balance of	277,753	790,437
Adjusted with Accumulated Exchange Gains of	45,354	-
	-----	-----
Leaving a closing Fund Balance as at 31 st December of	240,499	277,753
	=====	=====

State of Affairs

The Project Management Team considers the state of the Project’s affairs to be satisfactory.

Auditor


Messrs Baker Tilly Andah + Andah have been appointed into office as external auditors of the Project by the Auditor – General in pursuance of Article 187(2) of the 1992 Constitution and Section 11(2) of the Audit Service Act, 2000 (Act 584).

Approval of Financial Statements

The financial statements were approved by the project management on 28/052020.



CENTRE LEADER



FINANCE OFFICER

**INDEPENDENT AUDITOR'S REPORT ON
AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)
FOR THE YEAR ENDED 31ST DECEMBER 2019**

Opinion

We have audited the accompanied Projects Financial Report for the year ended 31st December 2019. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management team to the project, for our audit work, for this report, or for the opinions we have formed.

In our opinion the Financial Report of Africa Higher Education Centres of Excellence Project (ACE) for the year ended 31st December 2019 has been prepared, in all material respects, in conformity with principles of the Cash Basis of Accounting and gives a true and fair view of its receipts and payments.

Basis for Opinion

We conducted our audit in accordance with 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 are independent of West Africa Centre for Crop Improvement (WACCI) of University of Ghana and its donors in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Project Management Team is responsible for the other information. The other information comprises the information included in the annual report but does not include the 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 or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Project Management Team's Responsibility

The project management team is responsible for the preparation and fair presentation of the project financial report in accordance with the financial reporting provisions of the agreement. Furthermore, the project management team is responsible for such internal controls as it determines is necessary to enable the preparation of the project financial report that is free from material misstatements, whether due to fraud or error.

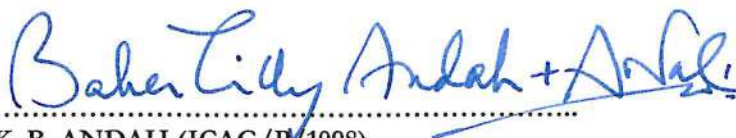
Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 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 an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement 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 control.
- Obtain an understanding of internal control 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 are required to communicate with the project management team regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



28th May,2020

K. B. ANDAH (ICAG/P/1098) .

For and on behalf of Baker Tilly Andah + Andah (ICAG/F/2020/122)

Chartered Accountants

C 726/3, Nyanyo Lane, Asylum Down

Accra

**AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

	Note	2019 US\$	2018 US\$
RECEIPTS			
International Development Association	3	901,658	2,265,618
Ministry of Finance and Economic Planning	4	322,878	286,017
TOTAL CASH RECEIPTS		<u>1,224,536</u>	<u>2,551,635</u>
 PAYMENTS			
Set-up Institutional Framework for Commencement of ACE	5	1,302	2,653
Strengthen Education Capacity	6	201,190	230,647
Strengthen Education Capacity and Development Impact	7	211,767	206,579
Strengthen Research Capacity (Excellence)	8	688,175	2,587,981
Strengthen Education and Research Capacity	9	179,804	18,836
Adhere to Best Financial Management Practices	10	9,563	11,513
Undertake Best Procurement Practices	11	10,025	-
Contingency	12	5,318	6,110
TOTAL PAYMENTS		<u>1,307,144</u>	<u>3,064,319</u>
 Deficit for the Year <i>(transferred to Accumulated Fund)</i>		<u>(82,608)</u>	<u>(512,684)</u>

**AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)
ACCUMMULATED FUND BALANCE
AS AT 31ST DECEMBER 2019**


	Notes	2019 US\$	2018 US\$
Balance as at 1 st January		277,753	790,437
Accumulated Exchange Gains	13	45,354	-
		----- 323,107	----- 790,437
Deficit for the Year		(82,608)	(512,684)
Balance as at 31 st December	14	----- 240,499 =====	----- 277,753 =====

The financial statements were approved by the project management on 26/6.....2020 and signed on its behalf by;


.....
CENTRE LEADER

Name: Eric Y. Dangquah

Date: May 26, 2020


.....
FINANCE OFFICER

Name: Kwadwo O. Afrifa

Date: May 26, 2020

**AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)
NOTES FORMING PART OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

1. PROJECT INFORMATION

The Africa Higher Education Centres of Excellence Project is a research Project run by the West Africa Centre for Crop Improvement (WACCI) of the University of Ghana. The Project is funded with a research grant from the World Bank. The grant is administered by the International Development Association (IDA).

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below:

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) "Financial Reporting under the Cash Basis of Accounting" and the provisions stipulated in General Conditions.

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with International Public Sector Accounting Standards (IPSAS) "Financial Reporting under the Cash Basis of Accounting". The financial statements are presented in United States Dollars (US\$).

2.3 Revenue Recognition

The project's cash receipt is recognised when transfer of cash is received from the International Development Association and Ministry of Finance and Economic Planning into the designated project account.

2.4 Expenditure

Project's expenditure is recognised when cash payment is made to a specified beneficiary.

2.5 Property, Plant and Equipment

Property, plant and equipment are expensed upon acquisition. Property, Plant and Equipment of the project are disposed of by first donating to units of the University of Ghana other than West Africa Centre for Crop Improvement (WACCI) or by scraping it when the assets cannot be used.

2.6 Foreign currency translation

i) Functional and Presentation Currency

The financial statements are stated in United States Dollars, which is the presentation currency of ACE. The functional currency is Ghana Cedis for transactions within Ghana.

ii) Transactions and Balances

Transactions denominated in GHS are translated at the exchange rate at which the fund transfers from the USD account to the GHS account are made. Foreign exchange gains and losses are not recognised in the statement of receipts and payments.

**AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)
NOTES FORMING PART OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019 (CONT'D)**

2.7 Cash and Cash Equivalents

Cash and Cash Equivalents consist of balances in the Project's USD and GHS bank accounts. The GHS Account is used majorly for making project payments. Project Funds are received through both the Project's USD and GHS bank accounts.

	2019 US\$	2018 US\$
3. TRANSFERS FROM IDA		
1 st disbursement	550,000	1,100,000
2 nd disbursement	351,658	300,000
3 rd disbursement	-	500,000
4 th disbursement	-	365,618
	-----	-----
	901,658	2,265,618
	=====	=====
 4. TRANSFERS FROM MINISTRY OF FINANCE AND ECONOMIC PLANNING		
1 st disbursement	64,575	158,898
2 nd disbursement	258,303	127,119
	-----	-----
	322,878	286,017
	=====	=====
 5. SET-UP INSTITUTIONAL FRAMEWORK FOR COMMENCEMENT OF ACE		
Schedule Hold ACE Implementation Meetings	1,302	2,653
	=====	=====
 6. STRENGTHEN EDUCATION CAPACITY		
Develop Mphil SST Curriculum	2,000	-
Obtain Programme Accreditation	-	12,736
Admit Quality Students into PhD Programme	90,552	126,665
Admit Quality Students into Mphil SST Programme	36,272	34,424
Mphil SST Students	42,273	38,401
Attract, Retain and Retool Faculty in ACE Relevant Areas	26,318	6,759
Students Stipends	3,775	11,662
	-----	-----
	201,190	230,647
	=====	=====

**AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)
NOTES FORMING PART OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019 (CONT'D)**

	2019 US\$	2018 US\$
7. STRENGTHEN EDUCATION CAPACITY AND DEVELOPMENT IMPACT		
Broaden Students' Knowledge Through Exposure To Advanced Institutions	1,931	-
Engage Partners from Advanced Institutions For Teaching and Learning	105,459	46,870
ACE Workshops and Management/Staff Travel	66,015	1,224
Workshops/Seminars - Short Courses	38,362	158,485
	-----	-----
	211,767	206,579
	=====	=====
 8. STRENGTHEN RESEARCH CAPACITY (EXCELLENCE)		
WACCI Model Farm Upgrade	42,760	374,737
Bioinformatics Platform	260,383	1,372,381
Peer-Reviewed Journals and Publication	1,160	1,035
Students' Research	222,944	414,456
Seed Science Laboratory Equipment	889	105,300
Bioinformatics Equipment and Accessories	-	180,437
Tissue Culture/Cold Room Equipment and Accessories	22,659	
Accounting Database and Maintenance	4,977	4,848
Network Equipment and Accessories	-	139
Computers and Accessories	606	1,050
General Office Consumables	13,366	17,204
Lecture Room Equipment and Accessories	-	245
Vehicle Running Costs	39,780	33,589
 Office Furniture and Fittings	 9,787	 12,478
Students' Accommodation	68,864	70,082
	-----	-----
	688,175	2,587,981
	=====	=====

**AFRICA HIGER EDUCATION CENTRES OF EXCELLENCE PROJECT (ACE)
NOTES FORMING PART OF THE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

	2019 US\$	2018 US\$
9. STRENGTHEN EDUCATION AND RESEARCH CAPACITY		
Provide and maintain academic infrastructure	179,804 =====	18,836 =====
10. ADHERING TO BEST FINANCIAL MANAGEMENT PRACTICES		
Ensure Internal and external audit oversight	9,563 =====	11,513 =====
11. UNDERTAKE BEST PROCUREMENT PRACTICES		
Undertake third party procurement processes verification	10,025 =====	- =====

12. CONTINGENCY

The contingency is made up of bank charges, other meeting and student expenses.

13. ACCUMULATED EXCHANGE GAINS

This represents the amount of foreign exchange gains and losses accumulated from prior periods that were not recognised in the statement of receipts and payments.

14. FUND BALANCE

This represents confirmed bank balances of the Project as at 31 December 2019.

15. RELATED PARTY TRANSACTIONS

ACE is managed by the project management team. There were no related party transactions during the period under review.

