

INDEPENDENT AUDITOR'S REPORT

To the SWISS CONFEDERATION, REPRESENTED BY THE SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS AND RHODES UNIVERSITY PUBLIC SERVICE ACCOUNTABILITY MONITOR

We have audited the accompanying Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs, acting through the Swiss Cooperation Southern Africa (the Donor) and Rhodes University Public Service Accountability Monitor ('PSAM') Income and Expenditure Statement ('Income and Expenditure Statement') for the year ended 31 December 2013. The Income and Expenditure Statement has been prepared in accordance with the financial reporting provisions in Article 3 of the funding agreement between the Donor and PSAM dated 7 December 2011 with further amendments and extensions.

Management's Responsibility for the Income and Expenditure Statement

Management is responsible for the preparation of the Income and Expenditure Statement in accordance financial reporting provisions of Article 3 of the agreement, and for such internal control as management determines is necessary to enable the preparation of the Income and Expenditure Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Income and Expenditure Statement based on our audit. We conducted our audit in accordance with the International Standard on Assurance Engagements – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE 3000'). This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Income and Expenditure Statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Income and Expenditure Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Income and Expenditure Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Income and Expenditure Statement, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the Income and Expenditure Statement.

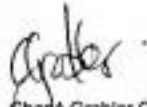
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Opinion

In our opinion, the Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs, acting through the Swiss Cooperation Southern Africa and Rhodes University Public Service Accountability Monitor Income and Expenditure Statement for the year ended 31 December 2013 is prepared, in all material respects, in accordance with the financial reporting provisions in Article 3 of the agreement.

Restriction on Distribution and Use

The Income and Expenditure Statement is prepared to assist Rhodes University Public Service Accountability Monitor to comply with the financial reporting provisions of the agreement. As a result, the Income and Expenditure Statement may not be suitable for another purpose. Our report is intended solely for the Swiss Confederation, represented by the Swiss Federal Department of Foreign Affairs, acting through the Swiss Cooperation Southern Africa and Rhodes University Public Service Accountability Monitor and should not be distributed to or used by parties other than the Donor or PSAM.



Charle Grobler CA(SA) RA
Registered Auditor
Managing partner
Grahamstown

14 March 2014



RHODES UNIVERSITY

PUBLIC SERVICE ACCOUNTABILITY MONITOR
SWISS COOPERATION OFFICE SOUTHERN AFRICA

7F05055.03.01: Promotion of Social Accountability tools and Processes in Southern Africa
 Contract No: 81014063

STATEMENT OF INCOME AND EXPENDITURE
 1 January 2013 - 31 December 2013

	R 2013 ACTUAL	R 2013 BUDGET	R 2013 VARIANCE
INCOME :	2,023,611.53	1,960,000.00	(63,611.47)
Swiss Cooperation Office of Southern Africa	1,960,000.00	1,960,000.00	-
Fundamentals extra course Fees (pre-rata)	49,095.33	-	(49,095.33)
Interest - 82024	13,916.20	-	(13,916.20)
EXPENDITURE :	2,881,618.43	3,267,222.33	385,611.92
SALARIES AND RELATED	1,957,882.11	2,195,815.91	237,933.80
Monitoring and advocacy programme	386,410.83	450,710.71	70,299.88
Regional Capacity Building	660,732.64	771,036.80	110,304.17
Advocacy Impact Programme	656,184.96	603,160.48	(43,024.48)
Core Cost	340,573.68	367,899.91	26,576.23
TRAVEL	491,876.23	587,237.94	95,361.72
Monitoring and advocacy programme	39,246.30	35,800.41	(3,445.89)
Regional Capacity Building	443,617.27	528,413.44	84,796.17
Advocacy Impact Programme	54,607.90	17,191.86	(37,416.04)
Core Cost	2,304.86	5,132.45	2,827.57
PROGRAMME & ADMINISTRATION	182,486.43	286,384.82	103,898.39
Monitoring and advocacy programme	7,445.74	8,832.46	1,386.71
Regional Capacity Building	94,265.70	151,170.47	56,904.77
Advocacy Impact Programme	966.65	1,102.80	136.15
Core Cost	79,708.34	89,289.00	9,580.66
MARKETING	6,968.56	8,706.36	1,737.80
CAPITAL EQUIPMENT	34,018.21	33,663.13	(355.08)
CONTINGENCY & EXCHANGE GAINS / LOSSES	82,889.86	66,883.75	(16,006.11)
Rhodes University Levy (5%)	125,000.00	98,850.00	(26,150.00)
Extra 5% levy for Fundamentals	27,409.89	29,326.49	1,916.60
Balance / (Deficit) for the period	(837,298.90)	(1,297,222.33)	(459,923.43)
NR component of additional Course Fee income transferred to reserve (net of taxes)	(28,187.10)	-	28,187.10
Balance brought forward 1 January 2013	1,297,222.33	1,297,222.33	-
Balance as at 31 December 2013	431,036.33	0.00	(431,036.33)

Mrs M Fita
 Assistant Accountant - Research & Support
 Rhodes University Finance Division
 Cost Centre: T9107
 28 March 2014

OBIMA CHARTERED ACCOUNTANTS

Mr J Kruse
 Director: PSAM
 Rhodes University

Date: 31 March 2014