



## INDEPENDENT AUDITOR'S REPORT TO RHODES UNIVERSITY

We have audited the Statement of Income and Expenditure for the Public Service Accountability Monitor of Rhodes University for the period 1 January 2012 to 31 December 2015.

### **Management's responsibility for the statement of income and expenditure**

Management of the University is responsible for the preparation and presentation of the statement of income and expenditure in accordance with the basis of accounting described in Annexure 1 and for such internal control as management determines is necessary to enable the preparation of the project 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 statement of income and expenditure based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the project statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the project 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 project 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 overall presentation of the project statement.

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

### **Opinion**

In our opinion, the statement of income and expenditure has been prepared, in all material respects, in accordance with the basis of accounting described in Annexure 1.

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The Company's principal place of business is at 2 Egin Road, Sunninghill where a list of directors' names is available for inspection.  
Reg no: 1996/02050/01, VAT reg no: 499074692



**Other matter**

The statement of income and expenditure has been prepared in accordance with the basis of accounting described in Annexure 1. The project statement and our auditor's report may not be suitable for any other purpose.

*PricewaterhouseCoopers Inc.*

**PricewaterhouseCoopers Inc.**  
**Director: A Rathan**  
Registered Auditor  
Port Elizabeth  
27 May 2016



**Appendix 1 : Notes to the statement of income and expenditure**

**1. Accounting policies**

- 1.1 The statement of income and expenditure was prepared using a modified cash basis of accounting.
- 1.2 Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid by a party participating in the project.
- 1.3 Transactions and amounts in foreign currency were translated to ZAR at the foreign currency exchange rate prevailing at the relevant transaction date.



RHODES UNIVERSITY

**PUBLIC SERVICE ACCOUNTABILITY MONITOR**

**Statement of Income and Expenditure**

for the period of 1 January 2015 to 31 December 2015

	R ACTUAL JAN 2012 - DEC 2015	R AMENDED BUDGET JAN 2012 - DEC 2015	R VARIANCE JAN 2012 - DEC 2015
<b>INCOME :</b>	<b>31,045,902.17</b>	<b>34,086,177.84</b>	<b>3,040,275.67</b>
<b>Revenue Foundations:</b>			
Swire Cooperative Office of Southern Africa	10,428,580.00	10,428,544.00	35,036.00
Open Society & OSISA Grants	12,100,000.00	12,220,000.00	(120,000.00)
Health-Based Billing	8,029,162.41	8,267,102.64	(237,940.23)
The Bell Trust	299,472.95	300,453.00	(980.05)
CBPP	1,871,009.00	1,871,009.00	-
Course Fees	1,829,444.04	1,829,444.04	-
Interest received - CBPP	218,419.51	211.30	178,208.21
Interest received - SDC	5,150.00	-	5,150.00
Interest received - OSF & OSISA	58,708.69	-	58,708.69
Interest received - The Bell Trust	72,988.10	-	72,988.10
Interest received - Hewlett	18,326.75	-	18,326.75
Interest received - Revenue	157,894.86	-	157,894.86
<b>EXPENDITURE :</b>	<b>28,751,916.43</b>	<b>35,503,534.83</b>	<b>6,751,618.40</b>
<b>SALARIES AND RELATED:</b>	<b>16,848,919.83</b>	<b>22,808,397.16</b>	<b>5,959,477.33</b>
Monitoring and advisory programme	4,108,396.58	6,078,838.51	1,970,441.93
Regional Learning Programme	6,208,624.48	7,568,132.59	1,359,508.11
Advisory Impact Programme	4,889,076.58	5,837,306.73	948,230.15
Core Cost	3,702,921.79	4,384,319.37	681,397.58
<b>TRAVEL:</b>	<b>5,894,731.70</b>	<b>7,237,216.59</b>	<b>1,342,484.89</b>
Monitoring and advisory programme	318,747.43	475,568.00	156,820.57
Regional Learning Programme	4,753,561.40	6,628,849.00	1,875,287.60
Advisory Impact Programme	474,891.75	1,268,809.59	793,917.84
Core Cost	147,531.12	264,000.00	116,468.88
<b>PROGRAMME &amp; ADMINISTRATION</b>	<b>1,761,467.88</b>	<b>2,369,861.68</b>	<b>608,393.80</b>
Monitoring and advisory programme	75,126.84	108,203.08	33,076.24
Regional Learning Programme	849,463.00	1,487,358.59	637,895.59
Advisory Impact Programme	62,738.84	138,875.09	76,136.25
Core Cost	863,679.20	775,625.72	(88,053.48)
<b>CAPITAL EQUIPMENT</b>	<b>95,144.00</b>	<b>191,792.69</b>	<b>96,648.69</b>
<b>MARKETING</b>	<b>41,718.39</b>	<b>62,467.00</b>	<b>20,748.61</b>
<b>CONTINGENCY</b>	<b>623,166.87</b>	<b>623,490.14</b>	<b>323.27</b>
Rhodes University Levy (2%)	1,825,646.21	1,825,790.80	144.59
Rhodes University Levy for Fundamentals	352,107.38	352,858.49	751.11
<b>Surplus / (Deficit) for the period</b>	<b>2,293,985.74</b>	<b>(1,417,357.00)</b>	<b>(3,711,342.74)</b>
Opening balance 1 January 2015	(11,863.56)	(11,863.56)	-
Closing balance at the end of 2015/2016	-	8,845,148.93	3,045,485.36
Transferring Bal 2015 balance into 2016 programme	42,354.00	42,354.00	-
Reversing of Cash Inflow	(114,454.35)	(114,454.35)	-
Transfer of 2015 carry forward CBPP to 2016	(288,523.48)	(288,523.48)	-
All components of additional Capital Expenditure transferred to revenue pool of assets	(134,243.88)	-	134,243.88
<b>Surplus / (Deficit) as at 31 December 2015</b>	<b>1,785,382.35</b>	<b>1,265,884.62</b>	<b>(519,497.73)</b>

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 24 May 2016

Initialed for Identification  
 2016-05-27  
 PWC PORT ELIZABETH

*Mr J Krauss*  
 Mr J Krauss  
 Director, PDSM  
 Rhodes University  
 Date: 24/5/2016



RHODES UNIVERSITY

**PUBLIC SERVICE ACCOUNTABILITY MONITOR**

**Statement of Income and Expenditure**

for the period of 1 January 2012 to 31 December 2015

	R ACTUAL JAN 2012 - DEC 2015	R APPROVED BUDGET JAN 2012 - DEC 2015	R VARIANCE JAN 2012 - DEC 2015
<b>INCOME :</b>	<b>21,845,962.17</b>	<b>24,008,177.80</b>	<b>2,052,214.83</b>
Hewlett Foundation	12,432,892.00	12,434,044.00	(1,152.00)
Swiss Cooperation Office of Southern Africa	12,180,800.00	12,205,200.00	2,200,000.00
Open Society & OSISA Grants	8,006,152.41	8,282,182.84	2,286,030.43
Hewlett Resch. Stiftung	288,612.00	385,480.00	96,868.00
The Bell Trust	1,071,000.00	1,071,000.00	-
CSPP	1,028,444.04	1,828,444.04	800,000.00
Course Fees	218,419.51	0.00	218,419.51
Interest received - CSPP	8,190.84	-	8,190.84
Interest received - SDC	88,740.80	-	88,740.80
Interest received - OSF & OSISA	22,580.30	-	22,580.30
Interest received - The Bell Trust	18,200.70	-	18,200.70
Interest received - Hewlett	157,884.98	-	157,884.98
<b>EXPENDITURE :</b>	<b>28,701,916.43</b>	<b>28,893,034.83</b>	<b>6,751,624.85</b>
<b>SALARIES AND RELATED</b>	<b>18,808,818.82</b>	<b>22,808,287.78</b>	<b>3,836,347.04</b>
Monitoring and advocacy programmes	4,788,298.88	5,076,826.87	2,288,527.89
Regional Learning Programme	8,289,824.48	7,258,132.89	1,031,691.59
Advocacy Impact Programme	4,888,878.88	5,237,800.10	358,921.22
Care Cost	3,781,217.78	4,285,217.36	504,000.00
<b>TRAVEL</b>	<b>8,084,735.78</b>	<b>7,287,818.88</b>	<b>1,882,286.89</b>
Monitoring and advocacy programmes	318,187.43	418,800.00	96,612.57
Regional Learning Programme	4,722,895.48	5,525,840.00	802,944.52
Advocacy Impact Programme	478,891.18	1,085,309.50	606,418.32
Care Cost	147,867.64	146,000.00	17,867.64
<b>PROGRAMME &amp; ADMINISTRATION</b>	<b>5,781,887.83</b>	<b>2,500,361.60</b>	<b>3,281,526.23</b>
Monitoring and advocacy programmes	71,188.84	125,222.98	54,034.14
Regional Learning Programme	888,385.88	1,482,286.80	593,900.92
Advocacy Impact Programme	82,738.84	128,870.00	46,131.16
Care Cost	841,825.43	778,821.78	62,993.65
<b>CAPITAL EQUIPMENT</b>	<b>85,144.85</b>	<b>88,788.88</b>	<b>3,644.03</b>
<b>MAINTENANCE</b>	<b>42,718.88</b>	<b>62,487.88</b>	<b>19,769.00</b>
<b>CONTINGENCY</b>	<b>423,118.87</b>	<b>812,491.18</b>	<b>389,372.31</b>
Rhodes University Levy (2%)	1,623,846.31	1,682,703.80	58,857.49
Brink (Levy for Fundamentals)	281,127.78	281,858.43	730.65
Surplus / (Deficit) for the period	2,294,891.74	(7,485,287.83)	(9,780,199.09)
Opening balance 1 January 2012	(71,882.88)	(71,882.88)	-
Unspent balances at the end of 2012/2014	-	1,845,488.90	1,845,488.90
Transferring 2012 balance into 2014 programme	42,284.90	42,284.90	-
Reversing of OSISA funds	(114,434.25)	(114,434.25)	-
Transfer of 2012 carry forward CSPP to 2015	(238,523.89)	(238,523.89)	-
All components of additional Course Fee amount transferred to course cost of 2015	(154,242.89)	-	154,242.89
<b>Surplus / (Deficit) as at 31 December 2015</b>	<b>1,785,362.33</b>	<b>1,285,664.62</b>	<b>500,697.71</b>

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 2016-05-27  
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 Date: 24/5/2016