

RHODES UNIVERSITY

PUBLIC SERVICE ACCOUNTABILITY MONITOR
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 December 2020

RHODES UNIVERSITY
PUBLIC SERVICE ACCOUNTABILITY MONITOR
Annual Financial Statements for the year ended 31 December 2020

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The annual financial statements for the year ended 31 December 2020 set out on pages 4 to 10 were approved by the Management Committee of the Public Service Accountability Monitor and are signed on its behalf.

Jay Kruuse Digitally signed by Jay Kruuse
Date: 2021.07.22 14:15:39
+02'00'

Mr Jay Kruuse
Director

Mary Fike Digitally signed
by Mary Fike
Date:
2021.07.22
14:21:21 +02'00'

Mrs Mary Fike
Financial Manager

22 July 2021
Date



Independent auditor's report

To the Members of Public Service Accountability Monitor

Our opinion

In our opinion, the financial statements of the Public Service Accountability Monitor ("PSAM") for the year ended 31 December 2020 are prepared, in all material respects, in accordance with the basis of accounting described in note 1 to the financial statements.

What we have audited

PSAM's financial statements set out on pages 4 to 10 comprise:

- the balance sheet as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

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 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 PSAM in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Emphasis of Matter – Basis of Accounting

We draw attention to note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the PSAM's own accounting policies to satisfy the financial information needs of the PSAM's management committee members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



Responsibilities of the Management Committee for the financial statements

The management committee members are responsible for the preparation of these financial statements in accordance with the basis of accounting described in note 1 to the financial statements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the management committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management committee members are responsible for assessing the PSAM'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 management committee members either intend to liquidate the PSAM or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 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 judgement and maintain professional scepticism throughout 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 PSAM's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee members.
- Conclude on the appropriateness of the management committee'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 PSAM'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 PSAM to cease to continue as a going concern.



We communicate with the management committee 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.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: A Rathan

Registered Auditor

Gqeberha, South Africa

22 July 2021

RHODES UNIVERSITY
PUBLIC SERVICE ACCOUNTABILITY MONITOR
Income Statement for the year ended 31 December 2020

	Notes	R 2020	R 2019
Income			
Grants received from funders	6	10,110,942	12,508,236
Add: Miscellaneous income		456,149	442,541
Interest		106,703	188,805
Short Course Fees & Sundry Income		145,501	200,200
Consulting & Management Fees		203,945	82,437
Grant Return		-	(28,901)
		10,567,090	12,950,777
Less Expenditure		8,799,987	10,384,967
Human Resources	7.1	7,295,779	6,952,455
Travel	7.2	174,226	537,617
Conferences & Meetings	7.3	486,229	1,487,879
Other Direct Costs	7.4	319,323	853,334
Indirect Costs	7.5	524,429	553,682
Net (deficit) / surplus for the year		1,767,103	2,565,810

RHODES UNIVERSITY
PUBLIC SERVICE ACCOUNTABILITY MONITOR
Balance Sheet at 31 December 2020

	Notes	2020 R	2019 R
ASSETS			
Current assets			
Accounts receivable	2	356,628	475,444
Funds invested with Rhodes University	3	1,851,083	1,605,777
Current accounts with Rhodes University	4	5,224,371	3,632,542
Cash on hand		-	-
Total Assets		<u>7,432,082</u>	<u>5,713,763</u>
EQUITY & LIABILITIES			
Liabilities			
Accruals	5	<u>66,906</u>	<u>115,691</u>
Total Liabilities		<u>66,906</u>	<u>115,691</u>
Reserves			
Represented by: PSAM current projects donor funding		4,841,116	3,231,570
PSAM unencumbered reserves		<u>2,524,060</u>	<u>2,366,502</u>
Total Equity		<u>7,365,176</u>	<u>5,598,072</u>
Total Equity and Liabilities		<u>7,432,082</u>	<u>5,713,763</u>

RHODES UNIVERSITY
PUBLIC SERVICE ACCOUNTABILITY MONITOR
Statement of Changes in Reserves for the year ended 31 December 2020

	R 2020	R 2019
Retained Earnings		
PSAM reserves on hand at the beginning of the current period	5,598,072	3,032,262
Net (deficit) / surplus for the year	<u>1,767,104</u>	<u>2,565,810</u>
PSAM reserves on hand at the end of the period	<u>7,365,176</u>	<u>5,598,072</u>
 Represented by: PSAM current projects donor funding	 4,841,116	 3,231,570
PSAM unencumbered reserves	2,524,060	2,366,502
	7,365,176	5,598,072

RHODES UNIVERSITY

PUBLIC SERVICE ACCOUNTABILITY MONITOR

Notes to the financial statements - 31 December 2020

1. Accounting Policies

The financial statements have been prepared on the accrual basis under the historic cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Income

Income is generally recognised at the fair value of the consideration received for goods and services rendered. Public Sector Accountability Monitor recognises income when the amount can be reliably measured, it is probable that the future economic benefits will flow to the entity and when specific criteria have been met for each of the activities as described below.

1.1.1 Grant Income

Grants are recognised as income in the financial year to which they relate, as set out in the contract relevant to each grant.

1.1.2 Interest Income

Interest is recognised on a time allocation basis, calculated monthly based on the balance in the investment account and the effective interest rate over the period it was in the investment account.

1.1.3 Other Income

Other income is recognised on the accrual basis unless collectability is in doubt.

1.2 Equipment

Equipment is not capitalised, but is expensed in the year of acquisition.

1.3 Accounts receivable

Accounts receivable are carried at fair value of the consideration to be received of goods and services that have been rendered or supplied.

1.4 Accounts Payable

Accounts payable are carried at the fair value of the consideration to be paid for goods and services that have been received or supplied and invoiced or formally agreed with the supplier and invoiced.

1.5 Foreign translation

A foreign currency transaction is recognised in SA Rands, by applying the payment rate to the foreign currency amount. The payment rate is the actual exchange rate at the date of payment or receipt.

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PUBLIC SERVICE ACCOUNTABILITY MONITOR

Notes to the financial statements - 31 December 2020 (continued)

2. Accounts receivable

	2020 R	2019 R
Foundation to Promote Open Society (FPOS) Grant <i>OR2018-43327 (19132)</i>	356,628	-
Funds due from funders - Action Aid International	-	345,444
Sundry Receivables	-	130,000
	356,628	475,444

3. Funds invested with Rhodes University

PSAM General Fund (Account 52721)	1,640,273	1,352,321
PSAM Legal Reserves (Account 52720)	210,810	253,457
	1,851,083	1,605,777

Funds invested with Rhodes University comprise cash deposits with the university which accrue interest as determined by Rhodes University, currently 1%

4. Current accounts with Rhodes University

PSAM General Fund (Account 19005)	442,418	226,474
PSAM Legal Fees (Account 19009)	10,090	81,539
PSAM CORE (Account 19104)	-	22,494
Hewlett Foundation 2015 - 2906 (Account 19114 and 19121)	-	38,307
Beit Trust 2020 (Account 19110)	45,986	266,584
PSAM DOI-EU (Account 19126)	185,680	106,012
PSAM Heinrich Boell (Account 19128)	8,546	29,197
PSAM OSF (Account 19129)	1,040,653	2,485,184
PSAM Action Aid International SDC (Account 19130)	784,698	277,312
PSAM Hewlett (Account 19131)	-	85,438
PSAM FPOS (Account 19132)	(116,359)	-
PSAM Hewlett (Account 19133)	2,822,659	-
PSAM Nxele L RU Grant TS34/2019 (Account 30293)	-	11,901
PSAM SC 09/19 (Account 55708)	-	2,100
	5,224,371	3,632,542

5. Accounts payable

Accruals	66,906	115,691
	66,906	115,691

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Notes to the financial statements - 31 December 2020 (continued)

	2020 R	2019 R
6. Accounts from Funders		
Hewlett Foundation Grant # 2015 - 2906 (2019: \$370,000 @ ZAR14.2656)	-	5,278,272
Hewlett Foundation Grant # 2019 -9585 (\$20,000 @ ZAR14.5107)	-	290,214
Hewlett Foundation Grant # 200 1190 (\$300,000 @ ZAR R16.63)	4,988,550	-
Open Society Foundation Grant # 03810	-	3,000,000
Open Society Initiative for Southern Africa (OSISA) Grant 08029 -\$71,107.50 @ ZAR14.30485	-	1,017,182
Beit Trust (30,0000 GBP @ 1GBP : R17.6083 (2020) / 30,0000 GBP @ 1GBP : R17.6083 (2019))	554,891	528,250
Action Aid International (7% held back \$23, 419.66)	-	345,444
Action Aid International (\$150,262.78 @ ZAR16.11)	2,420,030	1,060,081
EU PPIPP Grant AFS/ 2017/ 3990 - 941	674,806	762,445
Foundation to Promote Open Society (FPOS) Grant OR2018-43327	1,472,665	-
Heinrich Boell Foundation	-	190,000
Rhodes University Conference Travel Grant	-	36,348
	10,110,942	12,508,236
6.1 Grants Returns		
Open Society Foundation Grant Return #03587	-	17,000
Rhodes University Conference Travel Grant Return	-	11,901
	-	28,901

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Notes to the financial statements - 31 December 2020 (continued)

	2020 R	2019 R
7. Expenditure		
7.1 Human Resources		
HR costs - Staff salaries	7,034,473	6,667,073
HR costs - Staff benefits	182,656	209,282
HR costs - Consultants	78,650	76,100
	7,295,779	6,952,455
7.2 Travel		
SUNDRY Travel and Accommodation	150	48,977
MAP: Travel cost of the MAP programme head & staff	12,917	62,531
RLP: Regional travel by RLP head & staff (Tanzania, Zimbabwe, Mozambique & Zambia)	151,470	266,541
RLP: Travel by MEL framework consultant	1,814	16,514
AIP Travel: Social accountability research field work	-	1,875
CORE Travel: National & International travel: Mainly undertaken by the PSAM Director	7,875	141,178
	174,226	537,617
7.3 Conferences & Meetings		
MAP staff: Attending workshops and meetings	31,673	220,801
AIP: AIP staff attending workshops, conferences	-	64,663
RLP: "Lessons Learned" Regional Workshop	3,239	501,796
RLP: Short course "Fundamentals of Social Accountability"	451,317	700,620
	486,229	1,487,879
7.4 Other Direct Costs		
7.4.1 Administration Costs		
7.4.1.1 MAP Administration Costs	34,016	
MAP programme: Printing cost of research outputs	-	9,896
MAP programme: Subscriptions to newspapers and on-line journals	-	-
7.4.1.2 RLP Administration Costs		
RLP programme: Printing of evaluation reports	-	9,660
RLP programme: Regional country communication and printing costs	1,288	2,692
RLP programme: Fundamental training courses: Admin, accreditation, course materials, catering etc	-	412,575
RLP Programme: "Lessons Learned" Regional workshop: Venue hire, catering & conference packs.	-	44,262
7.4.1.3 AIP Administration Costs		
AIP Programme: Dissemination cost: printing and website	-	6,253
AIP Programme: Local/International conference registration fees for AIP staff	-	5,053
7.4.1.4 CORE Administration Costs		
Communications (mobile and fixed lines)	35,117	24,443
Copier maintenance charges & printing costs.	1,790	23,207
Journal subscriptions	584	975
Courier & postage costs	-	2,356
Stationery	656	11,305
Cleaning materials & general office maintenance	17,748	284
Rental of archival storage facility	10,350	9,200
Security costs	7,164	11,298
Office teas, catering at events	4,649	14,494
Equipment & general repair costs	350	2,841
Audit fee	43,000	38,845
7.4.3 Legal Fees	118,431	-
7.4.4 Marketing and Dissemination	-	5,105
7.4.5 Equipment (Laptops, dictaphones, pull-up boards, screen monitors .)	13,300	76,994
7.4.6 Staff wellness & development.	14,319	28,184
7.4.7 Contingency & sundry costs	16,562	113,412
	319,323	853,334
7.5 Indirect Cost overhead	524,429	553,682
TOTAL	8,799,987	10,384,967