

**RHODES UNIVERSITY**

**PUBLIC SERVICE ACCOUNTABILITY MONITOR**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 December 2021**

**RHODES UNIVERSITY**  
**PUBLIC SERVICE ACCOUNTABILITY MONITOR**  
**Annual Financial Statements for the year ended 31 December 2021**

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The annual financial statements for the year ended 31 December 2021 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 Kruise*

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**Mr Jay Kruise**  
**Director**

*Mary Elizabeth Fike*

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**Mrs Mary Fike**  
**Financial Manager**

02-12-2022 | 13:03 SAST

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**Date**



## Independent auditor's report

To the Members of Public Service Accountability Monitor

### Report on the audit of the financial statements

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#### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Public Service Accountability Monitor ('PSAM') as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements.

#### What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cashflows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

#### 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 Company in accordance with *the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) [International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code)*.

#### 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 to specify the purpose for which the special purpose financial

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statements are prepared. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for PSAM and should not be distributed to or used by parties other than PSAM. Our opinion is not modified in respect to this matter.

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### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in note 1 to the financial statements.

and for such internal control as management determines 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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### **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 judgment 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 Company'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 Company'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 Company 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 communicate with those charged with governance 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  
2 December 2022

**RHODES UNIVERSITY**  
**PUBLIC SERVICE ACCOUNTABILITY MONITOR**  
**Income Statement for the year ended 31 December 2021**

	Notes	R 2021	R 2020
<b>Income</b>			
Grants received from funders	6	1.923.069.98	10.110.942.03
Add: Miscellaneous income		762.600.01	456.148.22
Interest		61.614.50	106.702.26
Short Course Fees & Sundry Income		91.365.32	145.501.02
Consulting & Management Fees		608.073.33	203.944.94
Sale of Asset		1.993.75	
Grant Return		(446.89)	-
		<b>2.685.669.99</b>	<b>10.567.090.25</b>
<b>Less Expenditure</b>			
		<b>7.179.927.70</b>	<b>8.799.986.63</b>
Human Resources	7.1	6.058.712.76	7.295.778.84
Travel	7.2	95.950.35	174.226.33
Conferences & Meetings	7.3	477.362.28	486.229.19
Other Direct Costs	7.4	226.555.69	319.323.45
Indirect Costs	7.5	321.346.62	524.428.82
<b>Net (deficit) / surplus for the year</b>		<b>(4.494.257.71)</b>	<b>1.767.103.62</b>

**RHODES UNIVERSITY**  
**PUBLIC SERVICE ACCOUNTABILITY MONITOR**  
**Balance Sheet at 31 December 2021**

	Notes	2021 R	2020 R
<b>ASSETS</b>			
<b>Current assets</b>			
Accounts receivable	2	1.303.527	356.628
Funds invested with Rhodes University	3	2.868.633	1.851.083
Current accounts with Rhodes University	4	967.080	5.224.371
Cash on hand		-	-
<b>Total Assets</b>		<b><u>5.139.240</u></b>	<b><u>7.432.082</u></b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Liabilities</b>			
Accruals	5	<u>199.838</u>	<u>66.906</u>
<b>Total Liabilities</b>		<b><u>199.838</u></b>	<b><u>66.906</u></b>
<b>Reserves</b>			
Represented by: PSAM current projects donor funding		1.729.476	4.841.116
PSAM unencumbered reserves		<u>3.209.926</u>	<u>2.524.060</u>
<b>Total Equity</b>		<b><u>4.939.402</u></b>	<b><u>7.365.176</u></b>
<b>Total Equity and Liabilities</b>		<b><u>5.139.240</u></b>	<b><u>7.432.082</u></b>

**RHODES UNIVERSITY**  
**PUBLIC SERVICE ACCOUNTABILITY MONITOR**  
**Statement of Changes in Reserves for the year ended 31 December 2021**

	R 2021	R 2020
<b>Retained Earnings</b>		
PSAM reserves on hand at the beginning of the current period	7.365.176.16	5.598.072.23
Net (deficit) / surplus for the year	<u>(2.425.774.65)</u>	<u>1.767.103.93</u>
<b>PSAM reserves on hand at the end of the period</b>	<b><u>4.939.401.51</u></b>	<b><u>7.365.176.16</u></b>
Represented by: PSAM current projects donor funding	1.729.475.77	4.841.116.18
PSAM unencumbered reserves	3.209.925.74	2.524.059.98
	<b>4.939.401.51</b>	<b>7.365.176.16</b>

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**RHODES UNIVERSITY**  
**PUBLIC SERVICE ACCOUNTABILITY MONITOR**

Notes to the financial statements - 31 December 2021

**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 financials 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 .

**RHODES UNIVERSITY**  
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Notes to the financial statements - 31 December 2021 (continued)

<b>2. Accounts receivable</b>	<b>2021</b>	<b>2020</b>
	<b>R</b>	<b>R</b>
Funds due from funders - Action Aid International	1.303.526.69	-
	<b>1.303.526.69</b>	<b>-</b>
<b>3. Funds invested with Rhodes University</b>		
PSAM General Reserve (Account 52721)	2.681.863.93	1.640.272.70
PSAM Legal Reserves (Account 52720)	186.769.46	210.809.95
	<b>2.868.633.39</b>	<b>1.851.082.65</b>
Funds invested with Rhodes University comprise cash deposits with the university which accrue interest as determined by Rhodes University, currently 1%		
<b>4. Current accounts with Rhodes University (excludes accruals)</b>		
PSAM General Reserve (Account 19005)	339.183.57	442.418.24
PSAM Legal Fees Reserve (Account 19009)	2.108.78	10.089.58
PSAM Core Costs (Account 19104)	98.229.70	
Beit Trust 2021 (Account 19110)	11.939.94	45.985.60
EU PPIPP Grant AFS/ 2017/ 3990 - 941 (19126)	5.095.00	185.680.18
Heinrich Boell (Stiftung ( Account 19128)	-	8.546.89
Open Society Foundation Grant # 03810 (Account 19129)	280.096.21	1.040.652.74
SDC / Action Aid International (19130)	(445.825.01)	784.698.46
FPOS (Foundation to Promote Open Society+ (Account 19132)	-	(116.359.31)
Hewlett Foundation Grant # 200 1190 (Account 19133)	619.528.34	2.822.658.66
Global Partnership for Education Grant through Global Integrity (19134)	56.723.07	-
	<b>967.079.60</b>	<b>5.224.371.04</b>
<b>5. Accounts payable</b>		
Accrual of HR costs	88.501.42	
Accrual of audit fees	41.500.00	42.969.31
Accrual of direct running costs	4.660.42	6.105.00
Accrual of Indirect costs	65.176.33	17.831.40
	<b>199.838.17</b>	<b>66.905.71</b>

**RHODES UNIVERSITY**  
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Notes to the financial statements - 31 December 2021 (continued)

	<b>2021</b>	<b>2020</b>
		<b>R</b>
<b>6. Accounts from Funders</b>		
Hewlett Foundation Grant # 200 1190 ( <i>\$300,000 @ ZAR R16.63</i> )		4.988.550.00
Beit Trust ( <i>30,000 GBP @ 1 GBP: ZAR 20.82 (2021) / 30,0000 GBP @ 1GBP : R17.6083 (2020)</i> .	624.524.13	554.890.98
EU PPIPP Grant AFS/ 2017/ 3990 - 941	351.381.02	674.805.60
Foundation to Promote Open Society (FPOS) Grant OR2018-43327	735.145.64	1.472.665.51
Global Partnership for Education Grant through Global Integrity (19134)	212.019.19	-
	<b>1.923.069.98</b>	<b>7.690.912.09</b>
<b>6.1 Grants Returns</b>		
Heinrich Boell Foundation Grant Return (19128)	446.89	-
		-

# RHODES UNIVERSITY

## PUBLIC SERVICE ACCOUNTABILITY MONITOR

Notes to the financial statements - 31 December 2021 (continued)

	2021 R		2020 R
<b>7. Expenditure</b>	<b>7.179.927.70</b>		<b>8.799.986.63</b>
<b>7.1 Human Resources</b>	<b>6.058.713</b>		<b>7.295.779</b>
HR costs - Staff salaries	5.553.562		7.034.473
HR costs - Staff benefits	131.102		182.656
HR costs - Consultants	374.049		78.650
<b>7.2 Travel</b>	<b>95.950</b>		<b>174.226</b>
SUNDRY Travel and Accommodation			150.00
MAP: Travel cost of the MAP programme head & staff	15.253		12.917
RLP: Regional travel by RLP head & staff (Tanzania, Zimbabwe, Mozambique & Zambia)	80.697		151.470
RLP: Travel by MEL framework consultant	-		1.814
CORE Travel: National & International travel: Mainly undertaken by the PSAM Director	-		7.875
<b>7.3 Conferences &amp; Meetings</b>	<b>477.362</b>		<b>486.229</b>
MAP staff: Attending workshops and meetings	1.500		31.673
RLP: "Lessons Learned" Regional Workshop	29.376		3.239
RLP: "Fundamentals Plus" Regional Workshop	49.617		
RLP: Short course "Fundamentals of Social Accountability"	396.870		451.317
<b>7.4 Other Direct Costs</b>	<b>226.555.69</b>		<b>319.323.45</b>
<b>7.4.1 Administration Costs</b>	<b>113.475.08</b>		<b>156.711.62</b>
<b>7.4.1.1 MAP Administration Costs</b>	<b>889.80</b>		<b>34.016.30</b>
<b>7.4.1.2 RLP Administration Costs</b>	<b>17.739.91</b>		<b>1.287.67</b>
<b>7.4.1.4 CORE Administration Costs</b>	<b>53.345.37</b>		<b>78.407.65</b>
Communications (mobile and fixed lines )	25.379.74		35.117.30
Copier maintenance charges & printing costs.	1.906.50		1.789.50
Journal subscriptions	-		584.10
Courier & postage costs	1.980.30		-
Stationery	263.94		655.96
Cleaning materials & general office maintenance	1.959.39		17.747.92
Rental of archival storage facility	10.350.00		10.350.00
Security costs	5.148.00		7.164.00
Office teas, catering at events	2.442.90		4.648.87
Equipment & general repair costs	3.914.60		350.00
<b>Audit fee</b>	<b>41.500.00</b>		<b>43.000.00</b>
<b>7.4.3 Legal Fees</b>	<b>33.980.80</b>		<b>118.430.79</b>
<b>7.4.4 Marketing and Dissemination</b>	<b>1.350.00</b>		<b>-</b>
<b>7.4.5 Equipment (Laptops, dictaphones, pull-up boards, screen monitors .)</b>	<b>24.794.35</b>		<b>13.300.00</b>
<b>7.4.6 Staff wellness &amp; development.</b>	<b>35.759.70</b>		<b>14.319.06</b>
<b>7.4.7 Contingency &amp; sundry costs</b>	<b>17.195.76</b>		<b>16.561.98</b>
<b>7.5 Indirect Cost overhead</b>	<b>321.346.62</b>		<b>524.428.82</b>
Admin overhead paid to Rhodes University	229.981	-	524.429
PSAM management overheads	91.365	-	