



**AFRICA CENTRE OF EXCELLENCE FOR INFECTIOUS
DISEASES OF HUMANS AND ANIMALS (ACEIDHA) –
UNIVERSITY OF ZAMBIA
(ACEIDHA- UNZA)**

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER 2018**

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1. REPORT OF THE STEERING COMMITTEE

1.1 Background

The Africa Centre of Excellence for Infectious Diseases of Humans and Animals at the University of Zambia (ACEIDHA-UNZA) is one of the World Bank's Africa Centres of Excellence Second Project – (ACE II project). The Project is hosted in the School of Veterinary Medicine at the University of Zambia.

The project was launched on 24th April 2018 and will be implemented over a five (5) year period (2018 – 2022) at a total cost of six million United States Dollars (US\$6,000,000).

The principal activity of ACEIDHA is the delivery of high-quality research and training at MSc and PhD levels to students in Africa, so as to reduce the identified critical shortage of skilled human resource in the prevention and control of infectious diseases on the Continent.

The main objectives of the Project are:

- To develop a critical mass of skilled human resource for both private and public sectors through PhD and MSc training.
- To strengthen networks and or linkages with Local, Regional and International Institutions.
- To develop advocacy programs for community and policy formulation.
- To establish applied research programs.
- To develop infectious diseases counter measures.
- To elucidate the ecology of pathogens.

The Project is divided into five (5) Components namely:

- Strengthen management among collaborating partners
- Strengthen teaching excellence of infectious diseases of humans and animals
- Strengthen research in Emerging and Zoonotic diseases
- Attract regional and international students
- Centre infrastructure

1.2 Project Establishment

The Government of the Republic of Zambia, represented by the Ministry of Finance as the Principal recipient signed the Financing Agreement with the World Bank on 11th May 2017.

The signing of the Financing Agreement gave birth to the Africa Centre of Excellence for Infectious Diseases of Humans and Animals hosted at the University of Zambia.

1.3 Project Governance

The National Steering Committee is responsible for overall coordination of the Centre while the Project Management Unit (Africa Centre of Excellence) headed by the Centre Leader is responsible for implementation and management of the Project with coordination support from the Regional Facilitation Unit (RFU).

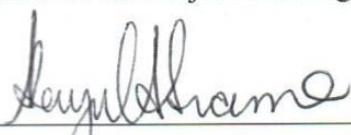
Table 1: Composition of the Steering Committee

No.	Organisation	Representative on the Steering Committee
1	Ministry of Higher Education – Permanent Secretary	Mr. Mabvuto Sakala
2	Ministry of Higher Education	Mrs. Chinkusu M. Jane
3	University of Zambia – Deputy Vice Chancellor	Mrs. Tembo Enala Mwase
4	Zambia Qualification Authority	Mrs. Mirriam Chiyaba
5	Ministry of Commerce	Mr. Mumba Amos
6	National Science and Technology	Mr. Zulu Filipo
7	National Science and Technology	Dr. Chitundu Kasase
8	Copperbelt University	Prof. Ngoma Naison
9	Ministry of Finance	Mr. Mfungo Patrick
10	Ministry of Higher Education	Mrs Mutelekesha Khondwani
11	Ministry of National Development Planning	Representative
12	Private Sector	Representative

1.4 Auditors

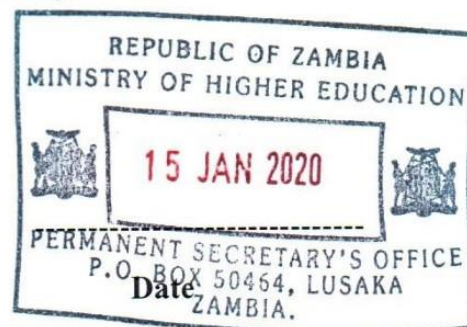
The Auditor General is the current auditor for the Africa Centre of Excellence for Infectious diseases of Humans and Animals (ACEIDHA- UNZA).

On behalf of the Project Steering committee.



Permanent Secretary

Ministry of Higher Education



2. STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Project Management is responsible for preparing the Statement of Sources and Utilisation of Funds for each financial year, which gives a true and fair view of the state of affairs of the Africa Centre of Excellence for Infectious diseases of Humans and Animals (ACEIDHA-UNZA). In preparing the Statement of Sources and Utilisation of Funds, the Project Management:

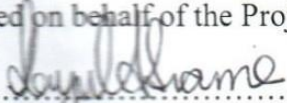
- Selects suitable accounting policies and then applies them consistently,
- makes judgments that are reasonable and prudent; and
- follows the International Public Sector Accounting Standards (IPSASs) Cash Basis of Accounting.


The Project Management is responsible for ensuring that Africa Centre of Excellence for Infectious diseases of Humans and Animals (ACEIDHA- UNZA) keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position and activities of the project. It is also responsible for taking reasonable steps for the prevention and detection of errors, fraud and other irregularities.

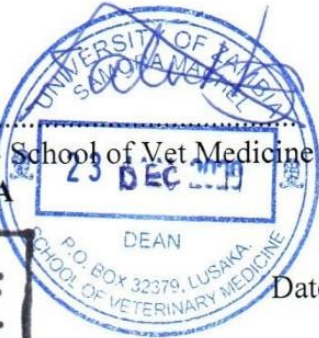
The Project Management is also responsible for the systems of internal controls. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements. The systems are implemented and monitored by suitably trained personnel with appropriate segregation of authority and duties. Nothing has come to the attention of the Project Management to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the years under review.

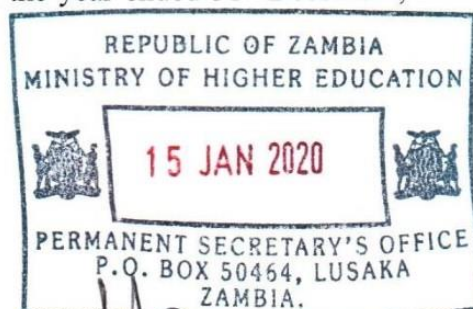
In the opinion of the Project Management, the Statement of Sources and Utilisation of Funds is drawn up so as to present fairly the financial activities for the year ended 31st December, 2018.


Signed on behalf of the Project Management by:


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Permanent Secretary
Ministry of Higher Education

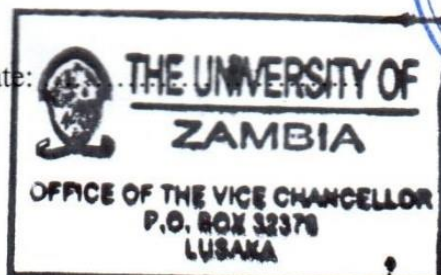

.....
Vice Chancellor
UNZA


.....
Dean - School of Vet Medicine
UNZA




.....
Centre Leader
ACEIDHA- UNZA

Date:



Date: 23/12/2019

OFFICE OF THE AUDITOR GENERAL

3. INDEPENDENT AUDITOR'S REPORT

STAND No.7951

HAILE SELASSIE AVENUE,
LONGACRES

P.O BOX 50071

LUSAKA, ZAMBIA

E-mail: auditorg@ago.gov.zm

Website: www.ago.gov.zm

Telephone: +260252611/252771

To the Permanent Secretary- Ministry of Higher Education

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Africa Centre of Excellence for Infectious Diseases of Humans and Animals - University of Zambia (ACEIDHA- UNZA) which comprise the Statement of Sources and Utilization of Funds for the financial year ended 31st December 2018 and a summary of significant accounting policies and other explanatory information on pages 8 to 19.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial affairs of the ACEIDHA-UNZA, as at 31st December 2018, in accordance with International Public Sector Accounting Standards (IPSAS) Cash Basis of Accounting.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Africa Centre of Excellence for Infectious Diseases of Humans and Animals-University of Zambia (ACEIDHA- UNZA) in accordance with the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics together with the ethical requirements that are relevant to my audit of the financial statements in Zambia, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the INTOSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

OFFICE OF THE AUDITOR GENERAL

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPASAS) Cash Basis of Accounting, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs 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 ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 controls.
- Obtain an understanding of internal controls 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 Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

I 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 I identify during my audit. I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable related safeguards.

OFFICE OF THE AUDITOR GENERAL

Report on Other Legal and Regulatory Requirements

In my opinion, the Statement of Sources and Utilisation of Funds of the Africa Centre of Excellence for Infectious Diseases of Humans and Animals - University of Zambia (ACEIDHA- UNZA) as at 31st December 2018, have been properly prepared in accordance with World Bank Financing Agreement.



Francis Mbewe
ACTING AUDITOR GENERAL
OFFICE OF THE AUDITOR GENERAL

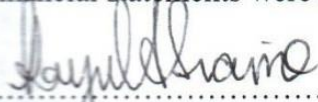



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3. STATEMENT OF SOURCES AND UTILISATION OF FUNDS BY COMPONENT

Description	Note	K	US \$
Sources of Funds			
World Bank IDA Funds	1	13,807,957	1,160,352
Income from Development and implementation of short courses	2	65,100	6,153
Total Income		13,873,057	1,166,505
Utilisation of Funds			
Strengthen Management Among Collaborating Partners	3	794,384	81,238
Strengthen Teaching Excellence of Infectious Diseases of Humans and Animals	4	2,148,958	166,871
Strengthen Research In Emerging and Zoonotic Diseases	5	201,951	20,586
Attract Regional and International Students	6	27,049	2,757
Centre Infrastructure	7	37,590	3,794
Administration Expenses	8	3,341,082	259,442
Total Utilisation		6,551,014	534,688
Sources less Utilisation		7,322,043	631,817
Exchange gains /(Losses)	9	(11,699)	0
Closing Cash/ Bank balances	10	7,310,344	631,817

The financial statements were approved by management and signed by:



.....
Permanent Secretary
Ministry of Higher Education


.....
Vice Chancellor
UNZA

Date: Jan 15 2020


.....
Dean- School of Veterinary Medicine
UNZA

REPUBLIC OF ZAMBIA
MINISTRY OF HIGHER EDUCATION

 **15 JAN 2020** 

PERMANENT SECRETARY'S OFFICE
P.O. BOX 50454, LUSAKA
ZAMBIA.

.....
Centre Leader
ACEIDHA- UNZA

Date: 23/12/2019

**Africa Centre of Excellence for Infectious Diseases of Humans and Animals – University
of Zambia (ACEIDHA – UNZA)**

Ministry of Higher Education

Financial Statements for the Year Ended 31st December, 2018

**5. DETAILED SOURCES AND UTILISATION OF FUNDS (RECEIPTS AND
PAYMENTS)**

Description	Note	K	US \$
Sources of Funds			
World Bank IDA Funds	1	13,807,957	1,160,352
Income from Development and implementation of short courses	2	65,100	6,153
Total Income		13,873,057	1,166,505
Utilisation of Funds			
Project Launch	3	64,894	6,636
Monitoring and Evaluation	3	8,083	827
Inception meeting	3	532,528	54,460
Redesigning ACEIDHA	7	37,590	3,794
National Steering Committee Meetings	3	14,114	1,443
Development of MSc Degrees	4	189,039	14,679
Development of Short Courses	4	375,717	29,175
Fuculty & Student Exchange	6	27,048	2,757
Curriculum Review of Msc courses	4	195,696	15,196
Workshops and Conferences Participation	8	100,284	7,787
Motor Vehicle	8	1,394,089	108,254
International Travel	3	174,764	17,872
Post Graduate Research Grant	5	201,950	20,586
Conference Package	8	129,693	10,071
Staff Training	8	397,006	30,829
Postgraduate Student Training	4	1,111,508	86,311
ICT Equipment – Laptops	4	276,999	21,510
Other Administrative costs	8	1,143,320	88,781
Staff Recruitment	8	70,176	5,449
Staff Salaries	8	106,516	8,271
Total Payments		6,551,014	534,688
Sources less Utilisation of Funds		7,322,043	631,817
Exchange gains /(Losses)	9	(11,699)	
Closing Cash/ Bank balances	10	7,310,344	631,817

6. NOTES TO THE 2018 STATEMENT OF SOURCES AND UTILISATION OF FUNDS.

6.1 Accounting Policies

(i) Basis of Accounting.

The 2018 Statement of Sources and Utilisation of Funds has been drawn using the International Public Sector Accounting Standards (IPSASs) Cash Basis method of accounting.

(ii) Receipts.

These are recognised when they are received in the Project bank account.

(iii) Expenditure.

Expenses are recognised when they are paid. No commitments have been recognised in the 2018 Sources and Utilisation of Funds.

(iv) Foreign currency Translation

The Centre receives funding in United States Dollars. However, most expenses are incurred in Zambian Kwacha. In preparing the 2018 Financial Statements, the Bank of Zambia prevailing rate at the date of the transaction is used as a convention rate.

Cash and Cash equivalents were converted at the Bank of Zambia closing rate as at 31st December 2018 of K11.8998.

(v) Non-current Assets

The Non-Current Assets have been recorded at historical cost and expensed. No depreciation has been recognised in the Statement of Sources and Utilisation of Funds.

A Fixed Asset register is maintained and is part of the report in the Appendix.

(vi) Consumable stocks.

These have expensed at the date of payment. Stores Management Record is in place to monitor utilisation.

Note 1: Bank Funds Transfers

- The Centre received a total of USD \$1,160,352 equivalent to K13,807,957 from the World Bank in its account which is held at the Bank of Zambia.
- US\$ 600,000.00 (United States Dollars Six Hundred Thousand) was transferred from the Designated ACEIDHA Project account which is held at the Bank of Zambia to its operational Dollar account held at Standard Chartered Bank, Lusaka Main.
- US\$ 400,000.00 (United States Dollars Four Hundred Thousand) was transferred to the Kwacha account from the Dollar account at different time intervals as shown in the table below. The \$200,000.00 which remained in the Dollar account was used to make payments quoted in foreign currency.

Date	Amount in USD	Rate	Amount In Kwacha
16.02.18	100,000	9.745	974,500
01.06.18	100,000	10.06	1,006,000
12.07.18	200,000	9.81	1,962,000
TOTALS	400,000		3,942,500

Note 2: Income from Development and Implementation of Short Courses

Date	Details	Receipts	Rate	Amount
		K	USD \$	
24.08.18	Mr. Peter D.C. Phiri AAU Participation	3,500	10.12	346
31.08.18	UNZALARU - AAU Participation	10,500	10.25	1,024
06.09.18	AAU - Prof Sichingabula	4,000	10.28	389
07.09.18	UNZA Workers Union - AAU Participation	12,600	10.23	1,232

Africa Centre of Excellence for Infectious Diseases of Humans and Animals – University of Zambia (ACEIDHA – UNZA)

Ministry of Higher Education

Financial Statements for the Year Ended 31st December, 2018

Note 4: Expenditure on Component Two: Strengthen Teaching Excellence of Infectious Diseases of Humans and Animals.

Description	K	US \$
Curriculum Review of Msc courses	195,696	15,196
Postgraduate student Training	1,111,507	86,311
Development of Msc Degrees	189,039	14,679
Development of Short Courses	375,717	29,175
ICT Equipment - Laptops	276,999	21,510
Total - Strengthen Teaching Excellence of Infectious Diseases of Humans and Animals	2,148,958	166,871

Note 5: Expenditure on Component Three: Strengthen Research in Emerging and Zoonotic Diseases

A total of US \$ 20,586 equivalent to K201,950 was spent on research grant to students pursuing both undergraduate and postgraduate studies.

Note 6: Expenditure on Component Four: Attract Regional and International Students

A total of US \$ 2,757 equivalent to K27,049 was spent on the Hokkaido visiting staff.

Note 7: Expenditure on component five: Centre Infrastructure

A total of US \$ 3,794 equivalent to K37,590 was spent on the Architectural Services for the redesigning of the ACEIDHA building.

*Africa Centre of Excellence for Infectious Diseases of Humans and Animals – University
of Zambia (ACEIDHA – UNZA)*

Ministry of Higher Education

Financial Statements for the Year Ended 31st December, 2018

Note 8: Administrative costs.

Description	K	US \$
Training Workshop and Conferences	1,535,740	119,254
Staff Recruitment	70,175	5,449
Project Staff	106,515	8,271
Motor Vehicle	1,394,088	108,254
Conference Package	129,693	10,071
Bank Charges	8,151	633
Stationery	37,287	2,895
Procurement evaluations	43,609	3,386
Refreshment	15,824	1,229
Total Administrative costs	3,341,082	259,442

Note 9: Exchange Loss

Description	K	US \$
Sources less Utilisation	7,322,043	631,817
Closing Cash/ Bank balances	7,310,344	631,817
Exchange Loss	(11,699)	-

*Africa Centre of Excellence for Infectious Diseases of Humans and Animals – University
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Ministry of Higher Education

Financial Statements for the Year Ended 31st December, 2018

Note 10: Cash and Cash Equivalents Balance as at 31 December, 2018

Description	Bank Account Balances	RATE- K	Currency	
			ZMW	USD
Bank of Zambia balance as at 31.12.18	\$ 560,352	11.8998	6,668,077	560,352
Standard Chartered Bank Dollar account balance as at 31.12.18	\$ 9,152	11.8998	108,907	9,152
Standard Chartered Bank Kwacha account balance as at 31.12.18	K 533,360		533,360	62,313
Total			7,310,344	631,817

APPENDIX 1.

Asset Code	Description	Type of Asset	Value	Name of Supplier	Year of Purchase	Location	Status	Voucher No/ Chq No
6880	Laptop	Office Equipment	K8,905	Computer Express	2018	Procurement– Mrs Chipasha Faith	Good	Q0000012
6881	Laptop	Office Equipment	K8,905	Computer Express	2018	Public Relation – Mr Damaseke Chibale	Good	Q0000012
6882	Laptop	Office Equipment	K8,905	Computer Express	2018	Procurement – Mrs Thresa C. Siyumbwa	Good	Q0000012
6883	Laptop	Office Equipment	K8,905	Computer Express	2018	Paraclinical Studies – Prof. Hangombe M. Mudenda	Good	Q0000012
6885	Laptop	Office Equipment	K8,905	Computer Express	2018	Biomedical Sciences – Dr Simukoko Humphrey	Good	Q0000012
6886	Laptop	Office Equipment	K8,905	Computer Express	2018	Disease Control- Dr Munyeme Musso	Good	Q0000012
6887	Laptop	Office Equipment	K8,905	Computer Express	2018	Accounts – Mrs Matimuna Mulenga Acbertha	Good	Q0000012
6888	Laptop	Office Equipment	K8,905	Computer Express	2018	Accounts – Jameson Libinga	Was stolen from a Car at Pick n Pay	Q0000012

							Woodlands- Reported to Police	
6889	Laptop	Office Equipment	K8,905	Computer Express	2018	Paraclinical Studies – Dr Sikasunge Chummy	Good	Q0000012
6978	Laptop	Office Equipment	K8,905	Computer Express	2018	Disease Control – Prof. Aaron Mweene	Good	Q0000012
6879	Laptop	Office Equipment	K8,905	Computer Express	2018	International Relations – Patricia Sakala	Good	Q0000012
6985	Laptop	Office Equipment	K8,905	Computer Express	2018	Disease Control – Dr. Martin Simuunza	Stolen - Reported	Q0000012
6890	Laptop	Office Equipment	K8,905	Computer Express	2018	Clinical Studies – Dr Phiri Andrew	Good	Q0000012
Not yet coded	Laptop	Office Equipment	K8,905	Computer Express	2018	SOM - CBU	Good	Q0000012
Not yet coded	Laptop	Office Equipment	K11,985	Computer Express	2018	SOM - CBU	Good	Q0000012
Not yet coded	Laptop	Office Equipment	K8,905	Computer Express	2018	SOM - CBU	Good	Q0000013
Not yet coded	Laptop	Office Equipment	K8,905	Computer Express	2018	SOM - CBU	Good	Q0000013
Not yet coded	Laptop	Office Equipment	K8,905	Computer Express	2018	SOM - CBU	Good	Q0000013
Not yet	Laptop	Office	K8,905	Computer	2018	SOM - CBU	Good	Q0000013

coded		Equipment		Express				
Not yet coded	Laptop	Office Equipment	K8,905	Computer Express	2018	SOM - CBU	Good	Q0000013
BAH 9908	Toyota Land Cruiser	Motor Vehicle	K609,098.55	Toyota Zambia	2018	School of Veterinary Medicine	Runner	Q0000018
BAH 9912	Toyota Fortuner	Motor Vehicle	K670,535.41	Toyota Zambia	2018	School of Veterinary Medicine	Runner	Q0000018