



**CENTER FOR INNOVATIVE DRUG
DEVELOPMENT AND THERAPEUTIC TRIALS
FOR AFRICA (CDT-AFRICA)**

**FINANCIAL STATEMENTS
AND AUDIT REPORT
JULY 7, 2018**

Kokeb & Melkamu Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors in Ethiopia

P. O. Box 33645 Addis Ababa, Ethiopia
Telephone 251-11-515-07-52
E-mail: kokmelk@ethionet.et
Mob.Tel. 251-91-120-37-78/51-61-46
Fax 251-11-552-26-88



**CENTER FOR INNOVATIVE DRUG DEVELOPMENT AND THERAPEUTIC
TRIALS FOR AFRICA (CDT-AFRICA)**

**FINANCIAL STATEMENTS AND AUDIT REPORT
FOR THE YEAR ENDED 7th JULY 2018**

TABLE OF CONTENTS

Independent Auditors' Report.....	1-2
The Statement of Financial Position	3
The Statement of Sources and Uses of Funds	4
The Statement of Designated Account- IDA	5
Notes to the Financial Statements	6-16
Fixed asset procurement	17-21
AAU College of Health Science Salary	22
Management Letter	23-24



Kokeb & Melkamu Audit Partnership

Chartered Certified Accountants (UK)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF CENTER FOR INNOVATIVE DRUG DEVELOPMENT AND THERAPEUTIC TRIALS FOR AFRICA (CDT-AFRICA)

We have audited the accompanying financial statements of the **Center for Innovative Drug Development and Therapeutic Trials for Africa (CDT-AFRICA)** for the year ended July 7th, 2018, set out on pages 3 to 22 which have been prepared under the historical cost convention and the accounting policies set out on page 6 - 7.

These financial statements are the responsibility of the Management of the Project. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing applicable to the audit of financial statements. Furthermore, we have audited the Project's compliance with the provisions and covenants of the World Bank Financing Agreements, i.e. IDA Credit No 57940. The Standard require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether the Project has complied with the Financing Agreements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position and balance of the Designated Account of the **Center for Innovative Drug Development and Therapeutic Trials for Africa (CDT-AFRICA)** as at July 7th, 2018 and the Statement of Sources and Uses of Funds for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board. In addition, the Programme was, in all material respects, in compliance with the Financing Agreements and Contracts as at July 7th, 2018.

With respect to the statements of sources and uses of funds submitted during the period listed on page 4:

We noted that the other donors' grants have been deposited in the Designated Account without permission from the World Bank.

Except for this, in our opinion:

- (a) The statements, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals;



- (b) The proceeds of the Designated Account have been used exclusively for eligible expenditures and provisions and covenants of the Financing Agreement and Separate Agreement have been substantially respected.

Special Opinion

We refer to the terms of reference given to the auditors to give special opinion on the salary expenditure for the AAU College of Science shown on page 22:
Accordingly, based on our examination of the evidence supporting the expenditure, nothing has come to our attention which causes us to believe that these expenditures do not represent the actual monthly staff benefit expenditure of the College



Kokeb & Melkamu Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors in Ethiopia



Addis Ababa
January 9, 2019

**CENTER FOR INNOVATIVE DRUG DEV.
AND THERAPEUTIC TRIALS FOR AFRICA(CDT-AFRICA)
STATEMENT OF FINANCIAL POSITION
AS AT JULY 7, 2018**

Currency: ETB

	<u>Note 7</u>		2017
ASSETS			
CURRENT ASSETS			
Cash at banks	3	42,568,541	24,913,988
Debtors and prepayments	4	113,029	264,974
Total Assets		42,681,570	25,178,962
CURRENT LIABILITIES			
PAYABLES			
	5	89,484	211,975
REPRESENTED BY			
FUND BALANCE			
IDA		22,321,522	24,966,987
Uganda Virus Research Institute		471,103	-
Kings College London		10,174,454	-
The University of Sussex, Brighton		8,150,122	-
National Institute for Medical Resemaliki ,Tanzania		284,737	-
Karolinska Institutet , Stockholm		1,190,149	-
		42,592,087	24,966,987
Total Liabilities and Fund		42,681,570	25,178,962



**CENTER FOR INNOVATIVE DRUG DEVELOPMENT
AND THERAPEUTIC TRIALS FOR AFRICA(CDT-AFRICA)
STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED JULY 7, 2018**

Currency: ETB

SOURCES

MAIN

IDA Credit

2017

24,979,240

OTHER

Grant from Donors

7

21,115,990

-

Foreign Exchange Gain (net)

4,079,959

460,344

25,195,949

460,344

Total Source Of Funds

25,195,949

25,439,584

USES

EXPENDITURE CLASSIFICATION (IDA FUND)

Establish CDT-Africa consortium

3,566,182

67,389

ACE Action Plan for Learning Excellence

2,336,544

405,208

ACE Action Plan for Research Excellence

64,107

-

Action Plan for Quality Assurance

789,155

-

Total Expenditure on IDA FUND

6,755,988

472,597

EXPENDITURE ON OTHER GRANTS

CDT-AFRICA- University of Sussex -BSMS (Endpoint project) Grant

669,143

-

CDT-AFRICA-King's College London (ASSET Project) Grant

105,460

-

CDT-AFRICA-ECDTP-PROFORMA Grant

40,258

-

Sub-Total

814,861

-

GRAND TOTAL EXPENDITURE

7,570,849

-

EXCESS OF SOURCES OVER USES

17,625,100

24,966,987

BALANCE BROUGHT FORWARD

24,966,987

-

BALANCE CARRIED FORWARD

42,592,087

24,966,987



**CENTER FOR INNOVATIVE DRUG DEV.
AND THERAPEUTIC TRIALS FOR AFRICA(CDT-AFRICA)
STATEMENT OF DESIGNATED ACCOUNT
FOR THE YEAR ENDED 7, JULY 2018**

IDA Credit

Account number

0100171300038

Depository Bank
Related Credit and Grant
Address
Currency

National Bank of Ethiopia
IDA Loan No. IDA57940 and Project ID No. P151847
Addis Ababa, Ethiopia
USD

	2017			
	<u>USD</u>	<u>Birr</u>	<u>USD</u>	<u>Birr</u>
Balance brought forward	1,030,786	23,840,956	-	-
Add:-Transferred from World Bank-Credit	-	-	1,100,000	24,979,240
Reimbursement from advance payment	-	-	-	-
	<u>1,030,786</u>	<u>23,840,956</u>	<u>1,100,000</u>	<u>24,979,240</u>
Less:- Transferred to Birr account, & Other expenditures	(250,258)	(6,247,093)	(69,214)	(1,598,628)
Bank charges	-	-	-	-
	<u>(250,258)</u>	<u>(6,247,093)</u>	<u>(69,214)</u>	<u>(1,598,628)</u>
Add:- Gain on exchange	-	4,105,570	-	460,344
Ending balance,7 July 2018	<u>780,528</u>	<u>21,699,433</u>	<u>1,030,786</u>	<u>23,840,956</u>



**CENTER FOR INNOVATIVE DRUG DEV. AND THERAPEUTIC TRIALS FOR AFRICA
(CDT-AFRICA)
FOR THE YEAR ENDED 7th JULY 2018**

Currency: Ethiopian Birr

1. BACKGROUND

CDT-Africa has been conditionally selected as an Africa Centre of Excellence to help improve access to essential medicines for millions in Africa. Addis Ababa University, through its College of Health Sciences, has won conditionally a highly competitive award from the World Bank to establish a regional centre of excellence for drug development, Centre for Innovative Drug Development and Therapeutic Trials for Africa (CDT-Africa). The centre will be coordinated by the Clinical Trial Unit of the College and will be executed jointly by the four main schools of the College, School of Medicine, School of Pharmacy, School of Public Health and School of Nursing and Allied Sciences.

CDT-Africa partners with five national universities, national research institutions and private organizations and five regional universities. Leading international institutions, such as King's College London and the Harvard, are involved as key knowledge partners.

The core task of CDT-Africa will be to increase human and infrastructure capacity through high quality trainings, research and by strengthening the management of education and research. Training and research programs will support therapeutic discovery through the following activities: (1) establishment of a database of scientifically tested natural products, which will serve as resource for translational research and accelerate pharmaceutical innovation in Eastern and Southern Africa; (2) Conduct drug discovery studies using database; (3) Repurpose currently available interventions, formulation and reformulation; (4) Bioequivalence and pharmacogenetic studies of medicines to ensure safety and effectiveness; (5) Implementation of pharmaco-economic evaluations; (6) Build foundational skills and assets to innovative point-of-care diagnostics; (7) Support skill development for industrial manufacturing in the region; (8) Establish sustainable impact through medicinal plants conservation, public and policy engagement and sustainable financing. The total amount of fund being sought from the World Bank is \$5,939,750 although the actual value of the project is much higher. The highest cost will be for direct capacity building through training for drug discovery (\$1,707,500). Related cost for visiting professors (\$300,000). Equipment upgrading and reagents (\$1,578,850);

upgrading of clinical trial facilities (\$500,000); actual conduct of clinical trials through a clinical trials network and clinical trial staff (\$960,000); costs related to governance, which include annual conferences of the CDT-Africa Consortium, Scientific Advisory Board Meetings, Public Advisory Board Meetings, communications, and financial management (\$893,000).



2. ACCOUNTING POLICIES

CDT-AFRICA follows the government's accounting policy of modified cash basis of accounting system. Where, the cash basis of accounting applies except for:-

-Revenue and expenditure recognition when aid in kind is received.

-Expenditure is recognised:-

- When payroll is processed
- When goods are received or services are rendered and if payments were effected in advance for the goods or services rendered.
- Salary related transactions withholdings, VAT and profit tax withholding from suppliers are recognised in the absence of actual cash transaction.

- Advance payments are recorded as receivable and charged to expenditure account against valid supporting documents which show the receipt of goods or services or accomplishments of the purpose of the advance.

- Accounting for direct payments will be charged to expenditure.

- All other revenues and expenditures are recognized as per cash basis of accounting i.e revenues and expenditures are recognized, when cash is received and paid respectively.

- Fixed Asset purchases are charged to expenses up on purchase & recorded on the Fixed Asset Register Book.

Center for Innovative Drug Dev. and Therapeutic Trials for Africa (CDT-AFRICA) uses a computerized accounting system which is Peachtree accounting software. The project uses Government of Ethiopia budget calendar for planning, budgeting and reporting purposes i.e.



**CENTER FOR INNOVATIVE DRUG DEV.
AND THERAPEUTIC TRIALS FOR AFRICA(CDT-AFRICA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 7 JULY 2018**

Currency: ETB

3 CASH AT BANK

		2017
Designated Account-NBE	21,699,433	23,840,956
Donors Account balance-NBE	19,423,369	-
NBE-Birr Account	1,445,739	1,073,032
	42,568,541	24,913,988

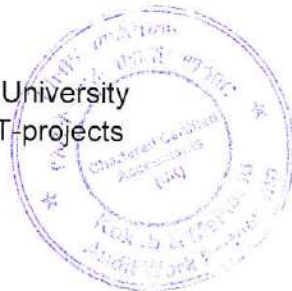
Donors money is kept in IDA designated account

4 DEBTORS AND PREPAYMENTS

Advances to Staff	20,758	264,974
Purchases Advance	92,271	-
	113,029	264,974

5 PAYBLES

Employee income tax payable	-	14,690
Pension payable	-	9,846
Salary payable	-	39,981
Other staff payable	-	29,765
Retention payable	28,470.89	-
Other payables within the University	20,755.01	117,693
Other payables within CDT-projects	40,257.73	-
	89,483.63	211,975



7 SOURCE OF FUNDS

Grant from Donors

a. Uganda Virus Research Institute

	<u>USD</u>	<u>Rate</u>	<u>ETB</u>
20-Apr-18	17,264.99	27.24370	470,362.21

b. Kings College London

	<u>USD</u>	<u>Rate</u>	<u>ETB</u>
7-May-18	376,775.38	27.2465	10,265,810.39

**CENTER FOR INNOVATIVE DRUG DEV.
AND THERAPEUTIC TRIALS FOR AFRICA(CDT-AFRICA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 7 JULY 2018**

Currency: ETB

c. The University of Sussex, Brighton

	<u>USD</u>	<u>Rate</u>	<u>ETB</u>
11-Jun-18	323,196.11	27.2549	8,808,677.72

d. National Institute for Medical Resemaliki ,Tanzania

	<u>USD</u>	<u>Rate</u>	<u>ETB</u>
12-Jun-18	10,435.05	27.2555	284,412.45

e. 7.6 Karolinska Institutet , Stockholm

	<u>EURO</u>	<u>Rate</u>	<u>ETB</u>
9-Apr-18	38,533.55	33.3924	1,286,727.72

Donors Total

21,115,990.49



**CENTER FOR INNOVATIVE DRUG DEVELOPMENT
AND THERAPEUTIC TRIALS FOR AFRICA(CDT-AFRICA)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 7, 2018**

	Balance brought Forward	Received	FC Gain/Loss	Expense	Inter fund Loan	Balance carried Forward
IDA	24,966,986.74	-	4,110,523.10	(6,755,988.31)	-	22,321,521.53
Uganda Virus Research Institute Kings College London	470,362.21	10,265,810.39	740.67	-	-	471,102.88
The University of Sussex, Brighton		8,808,677.72	14,103.69	(105,459.98)	-	10,174,454.10
National Institute for Medical Resemaliki , Tanzania		284,412.45	10,587.42	(709,401.17)	40,257.73	8,150,121.70
Karolinska Institutet , Stockholm		1,286,727.72	324.59	-	-	284,737.04
	24,966,986.74	21,115,990.49	(56,320.64)	-	(40,257.73)	1,190,149.35
			4,079,958.83	(7,570,849.46)	-	42,592,086.60



STATEMENT FOR INNOVATIVE DRUG DEVELOPMENT AND THERAPEUTIC TRIALS FOR AFRICA (CDT- AFRICA), ADDIS ABABA UNIVERSITI
 AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT (P151847-IDA57940)
 STATEMENT OF SOURCES & USES OF FUNDS (BIRR)
 FOR THE PERIOD ENDING JULY 07,2018

Source of Funds	Commutative For year End of July 07,2018
OPENING CASH BALANCE (BBF)	
Government Funds	-
World Bank IDA Funds	24,966,986.74
Student Fees	-
Others	-
TOTAL OPENING BALANCE-WORLD BANK FUND [A]	24,966,986.74
ADD: RECEIPTS:	
Government Funds	-
World Bank IDA Funds	-
Student Fees	-
EXTERNALLY GENERATED REVENUES	
CDT-AFRICA- University of Sussex -BSMS (EndPoint project) Grant-1	8,808,677.72
CDT-AFRICA-King's College London (ASSET Project) Grant-2	10,265,810.39
CDT-AFR-CA-EDCTP-PROFORMA Grant-3	1,286,727.72
CDT-AFRICA-EDCTP-EACCR-2 (Uganda Virus Rsearch Institute) Grant-4	470,362.21
CDT-AFRICA-EDCTP-EXIT-TB (TB-node) Grant-5	284,412.45
Gain on exchange of foreign currency- The University of Sussex -BSMS (EndPoint project) Grant (note 1)	10,587.42
Gain on exchange of foreign currency-King's College London (ASSET Project) Grant (note 2)	14,103.69
Gain on exchange of foreign currency-EACCR-2 (Uganda Virus Rsearch Institute) Grant (note 3)	740.67
Gain on exchange of foreign currency-EXIT-TB (TB-node) Grant (note 4)	324.59
Loss on exchange of foreign currency-EDCTP-PROFORMA Grant (note 5)	(56,320.64)
TOTAL EXTERNALLY GENERATED REVENUES [C]	21,085,426.22
(Gain on exchange of Foreign currency-WB FUND) Semi-Annual period ending January 08,2018 & July 07,2018 [B]	4,110,523.10
TOTAL FINANCING FROM WORLD BANK FUND [A+B]= D	29,077,509.84
GRAND TOTAL FINANCING FROM WORLD BANK & EXTERNALLY GENERATED REVENUES [C+D] = E	50,162,936.06
LESS: ACE Expenditure as per project Implementation plan	
EXPENDITURE CLASSIFICATION 1	
<i>Establish CDT-Africa Consortium</i>	3,566,182.48
EXPENDITURE CLASSIFICATION 2	-
<i>ACE Action Plan for Learning Excellence</i>	2,336,544.46
EXPENDITURE CLASSIFICATION 3	-
<i>ACE Action Plan for Research Excellence</i>	64,106.77
EXPENDITURE CLASSIFICATION 4	-
<i>Action Plan for Quality Assurance</i>	789,154.60
EXPENDITURE CLASSIFICATION 5	-
Strengthen education capacity and research capacity (through increased financial sustainability)	-
EXPENDITURE CLASSIFICATION 6	-



INTER FOR INNOVATIVE DRUG DEVELOPMENT AND THERAPEUTIC TRIALS FOR AFRICA (CDT- AFRICA), ADDIS ABABA UNIVERSITI
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT (P151847-IDA57940)
STATEMENT OF SOURCES & USES OF FUNDS (BIRR)
FOR THE PERIOD ENDING JULY 07,2018

Source of Funds	Commutative For year End of July 07,2018
Adhere to best financial management practice	-
EXPENDITURE CLASSIFICATION 7	-
Ensure best procurement practice	-
TOTAL USE OF FUND BY COMPONENT-WORLD BANK FUND [F]	6,755,988.31
EXPENDITURES ON EXTERNALLY GENERATED REVENUES	
CDT-AFRICA-University of Sussex -BSMS (EndPoint project) Grant	669,143.44
CDT-AFRICA-King's College London (ASSET Project) Grant	105,459.98
CDT-AFRICA-EDCTP-EACCR-2 (Uganda Virus Rsearch Institute) Grant	-
CDT-AFRICA-EDCTP-EXIT-TB (TB-node) Grant	-
CDT-AFRICA-EDCTP-PROFORMA Grant	40,257.73
TOTAL EXPENDITURES ON EXTERNALLY GENERATED GRANT [G]	814,861.15
GRAND TOTAL EXPENDITURES [F+G] = H	7,570,849.46
GRAND TOTAL CLOSING BALANCE [E-H]	42,592,086.60
Government Funds	-
WORLD BANK- IDA Funds (Balance on Foreign currency Birr Account)	21,699,432.89
Receivables on Foreign currency Birr Account (Travel Advance) & Other Recivables (WORLD BANK FUND)	72,531.02
Cash Balance on Designated Birr Account (WORLD BANK FUND)	598,543.52
Payables on Designated Birr Account (WORLD BANK FUND)	(48,985.90)
TOTAL CLOSING CASH BALANCE (WORLD BANK FUND) [I]	22,321,521.53
EXTERNALLY GENERATED REVENUES CLOSING CASH BALANCE	
CDT-AFRICA-THE UNIVERSITY OF SUSSEX -BSMS (EndPoint project) Grant (Balance on Foreign currency Sub-Ledger Birr Account)	7,974,801.09
CDT-AFRICA-KING'S COLLEGE LONDON-ASSET PROJECT Grant (Balance on Foreign currency Sub-Ledger Birr Account)	9,462,321.08
CDT-AFRICA-EDCTP-PROFORMA Project Grant (Balance on Foreign currency Sub-Ledger Birr Account)	1,230,407.08
CDT-AFRICA-EDCTP-THE EAST AFRICAN CONSORTIUM FOR CLINICAL RESEARCH-2 (EACCR-2) Grant-UVR1 (Balance on Foreign currency Sub-Ledger Birr Account) (EDCTP)	471,102.88
CDT-AFRICA EDCTP-EXIT-TB (TB-node) Grant (Balance on Foreign currency Sub-Ledger Birr Account)	284,737.04
Receivables on Foreign currency / Birr Account (Travel Advance) & Other Recivables (ENDPOINT PROJECT GRANT)	40,257.73
Cash Balance on Designated Sub- Ledger Birr Account (ENDPOINT PROJECT GRANT)	135,062.88
Payables on Designated Birr Account (ENDPOINT PROJECT GRANT)	-
Receivables on Foreign currency / Birr Account (Travel Advance) & Other Recivables (ASSET PROJECT Grant)	240.00
Cash Balance on Designated Birr Account (ASSET PROJECT Grant)	712,133.02
Payables on Designated Birr Account (ASSET PROJECT Grant)	(240.00)
Receivables on Foreign currency /Birr Account (Travel Advance) & Other Recivables (PROFORMA Grant)	-



CENTER FOR INNOVATIVE DRUG DEVELOPMENT AND THERAPEUTIC TRIALS FOR AFRICA (CDT- AFRICA), ADDIS ABABA UNIVERSISI
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT (P151847-IDA57940)
STATEMENT OF SOURCES & USES OF FUNDS (BIRR)
FOR THE PERIOD ENDING JULY 07, 2018

Source of Funds	Commulative For year End of July 07, 2018
Cash Balance on Designated Birr Account (PROFORMA Grant)	-
Payables on Designated Birr & EUR Account (PROFORMA Grant) to Endpoint project	(40,257.73)
Receivables on Foreign currency / Birr Account (Travel Advance) & Other Recivables (EACCR-2 Grant)	-
Cash Balance on Designated Sub- Ledger Birr Account (EACCR-2 Grant)	-
Payables on Designated Birr Account (EACCR-2 Grant)	-
Receivables on Foreign currency / Birr Account (Travel Advance) & Other Recivables (EXIT-TB- TB node Grant)	-
Cash Balance on Designated Birr Account (EXIT-TB- TB node Grant)	-
Payables on Designated Birr Account (EXIT-TB- TB node Grant)	-
TOTAL EXTERNALLY GENERATED GRANT CLOSING CASH BALANCE [J]	20,270,565.07
GRAND TOTAL CLOSING BALANCE [I+J]	42,592,086.60

Note: 1. gain on foreign exchange currency birr 10,587.42 is the result of: USD sub- ledger account balance on July 7, 2018 \$292,260.71*27.2866 exchange rate on July 7,2018= 7,974,801.09 less Balance on Foreign currency Sub-ledger birr account 7,964,152.78

Note: 2. gain on foreign exchange currency birr 14,103.69 is the result of: USD sub- ledger account balance on July 7, 2018 \$346,775.38*27.2866 exchange rate on July 7,2018= 9,462,321.08 less Balance on Foreign currency Sub- ledger birr account 9,448,217.39 ;

Note: 3. gain on foreign exchange currency birr 740.67 is the result of: USD sub- ledger account balance on July 7, 2018 \$17,264.99*27.2866 exchange rate on July 7,2018= 471,102.88 less Balance on Foreign currency Sub- ledger birr account 470,362.21 ;

Note: 4. gain on foreign exchange currency birr 324.99 is the result of: USD sub- ledger account balance on July 7, 2018 \$10,435.05*27.2866 exchange rate on July 7,2018= 284,737.04 less Balance on Foreign currency Sub- ledger birr account284,412.45 ;

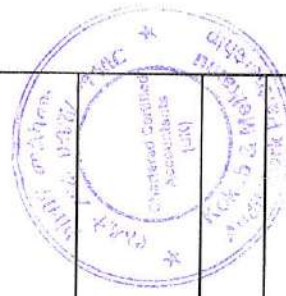
Note: 5. Loss on foreign exchange currency birr (56,230.64) is the result of: EUR ledger account balance on July 7, 2018 \$38,533.55*31.9308 exchange rate on July 7,2018= 1,230,407.08 less Balance on Foreign currency ledger birr account 1,286,727.72 ;

Note: 6. gain on foreign exchange currency birr 69,754.41 is the result of: USD sub- ledger account balance on July 7, 2018 \$795,241.36*27.2866 exchange rate on July 7,2018= 21,699,432.89 less Balance on Foreign currency Sub-ledger birr account 21,630,894.70 and adjusted to loss of birr 60.89 on transaction during the period ;



CENTER FOR INNOVATIVE DRUG DEVELOPMENT AND THERAPEUTIC TRIALS FOR AFRICA (CDT- AFRICA), ADDIS ABABA UNIVERSITY
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECTB (P151847-IDA57940)
USES OF FUNDS (BREAKDOWN IN BIRR)-WORLD BANK FUND
FOR THE YEAR ENDED JULY 07,2018

SUB-CLASSIFICATION	EXPENDITURE CLASSIFICATION	Cumulative For Financial Year End July 07,2018										PAD/Life of Project in Birr			
		Actual Expenditure					Planned						Variance		
		ACE Leader (A+A")	Partner (B+B")	ACE leader (C)	Partners (D)	C-(A+A")	D-(B+B")								
SUB-CLASSIFICATION	1 Establish CDT-Africa Consortium	1.1 Employment of center staff	1,718,847.32	-	3,406,260.00	-	1,687,412.68	-	-	-	-	-	-	-	
		1.2 Setting up center office	1,392,251.85	-	2,043,756.00	-	651,504.15	-	-	-	-	-	-	-	
		1.3 Develop center website and logo	38,000.00	-	87,427.34	-	49,427.34	-	-	-	-	-	-	-	
		1.4 Consortium planning meeting	93,023.93	324,059.38	95,375.28	404,209.52	2,351.35	80,150.14	-	-	-	-	-	-	
		Sub Total	3,242,123.10	324,059.38	5,632,818.62	404,209.52	2,390,695.52	80,150.14	15,454,315.16						
SUB-CLASSIFICATION	2 EXPENDITURE CLASSIFICATION	2.1 Learning Facility Upgrades	15,273.43	-	1,248,962.00	-	1,233,688.57	-	-	-	-	-	-	-	
		2.2 Curriculum and Module Development (10 Short Courses)	-	-	181,667.20	68,125.20	181,667.20	68,125.20	-	-	-	-	-	-	
		2.3 Development of curriculum in 3 masters programs (MSc.in Clinical Trials)	47,345.41	-	658,543.60	249,792.40	611,198.19	249,792.40	-	-	-	-	-	-	
		2.4 Delivery of Short Courses, 40 trainees	-	1,610,526.76	278,700.19	743,177.81	278,700.19	(867,348.95)	-	-	-	-	-	-	
		2.5 Enrolment of the first 15 Masters and	1,470.00	661,928.86	661,722.78	1,279,845.42	660,252.78	617,916.56	-	-	-	-	-	-	
		2.6 Procure transport vehicles for students, research and country partner support	-	-	3,243,894.94	-	3,243,894.94	-	-	-	-	-	-	-	-
		Sub Total	64,088.84	2,272,455.62	6,273,490.71	2,340,940.83	6,209,401.87	68,485.21	51,502,651.20						



CENTER FOR INNOVATIVE DRUG DEVELOPMENT AND THERAPEUTIC TRIALS FOR AFRICA (CDT- AFRICA), ADDIS ABABA UNIVERSITY
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECTB (P151847-DA57940)
USES OF FUNDS (BREAKDOWN IN BIRR)-WORLD BANK FUND
FOR THE YEAR ENDED JULY 07,2018

SUB - CLASSIFICATION	5.1 Support faculty to submit three major	-	-	193,021.40	45,416.80	193,021.40	45,416.80	
	5.2 Raise revenue from external sources	-	-	224,813.16	-	224,813.16	-	
	Sub Total	-	-	417,834.56	45,416.80	417,834.56	45,416.80	2,316,256.80
6	EXPENDITURE CLASSIFICATION 6 Adhere to best financial							
SUB - CLASSIFICATION	6.1 Prepare and submit annual	-	-	23,843.82	-	23,843.82	-	
	6.2 Ensure transparency in financial management by uploading budget,	-	-	9,537.53	-	9,537.53	-	
	6.3 Ensure internal audit oversight	-	-	23,843.82	-	23,843.82	-	
	Sub Total	-	-	57,225.17	-	57,225.17	-	286,125.84
7	EXPENDITURE CLASSIFICATION 7							
SUB - CLASSIFICATION	7.1 Undertake third-party procurement processes verification	-	-	23,843.82	-	23,843.82	-	
	7.2 Ensure timeliness of procurement	-	-	74,937.72	-	74,937.72	-	
	Sub Total	-	-	98,781.54	-	98,781.54	-	493,907.70
	Total	4,154,557.81	2,601,430.50	22,913,774.77	5,661,794.54	18,759,216.96	3,060,364.04	129,339,212.00
	Contingency (5%)	-	-	1,145,688.74	283,089.73	1,145,688.74	283,089.73	6,466,960.60
	GRAND TOTAL USE & PLANNED FUNDS	4,154,557.81	2,601,430.50	24,059,463.51	5,944,884.27	19,904,905.70	3,343,453.77	135,806,172.60

We had a negative variance under expenditure sub-classification 2.4 which was due to providing training for more tha planned in the fiscal)

ADDIS ABABA UNIVERSITY-CDT AFRICA
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT
FIXED ASSET REGISTER FORM

FOR THE PERIOD END OF JULY 2018

No	Name of Fixed Asset	Purchase Requisition Number	GRN Number	Procured PV/JV No	Quantity (pcs)	Total Price with VAT	Receipt Number	Type of the Asset	Supplier Name	Serial No.	Location/ FA Holder
1	Epson EB-X31 Data Pprojector	CDT/040/0	621044	PV# 24633	1	16,004.55	29941	LCD Projector	ALTA COMPUT EC PLC	WE8F73000L	Dr. Tsegahun Manyazewal
2	BPC Power Gem pro 1500VA/1000 W	CDT/040/0	621044	PV# 24633	1	10,079.75	29941	UPS	ALTA COMPUT EC PLC	83221706100805	Tesfaye Asefa
3	Brother Heavy Duty printer	CDT/039/0	621045	PV# 24633	4	23,527.99		Printer	BRIDGETECH	E75667CTN598547 E75667C7N597488 E75667C7N598531 E75667C7N596377	Dr. Tsegahun Manyazewal Samrawit Ketema Tesfaye Asefa Getahun Aelemu
4	Brother Color printer	CDT/039/0	621045	PV# 24633	1	9,156.10		Printer	BRIDGETECH PLC		Samrawit Ketema
5	Laptop HP 450 Core i7	CDT/038/0	621046	PV# 24634	4	69,263.99	29548	Laptop Computer	SNAP TRADING &INDUST RY PLC	5CD712C2BK	Dr. Tsegahun Manyazewal Samrawit Ketema Tesfaye Asefa Getahun Aelemu
6	Hard Disk External 2TB	CDT/038/0	621046	PV# 24634	8	29,633.20	29548	External Hard Disk	SNAP TRADING &INDUST RY PLC		Dr. Tsegahun Manyazewal Samrawit Ketema Tesfaye Asefa Getahun Aelemu Miraf Mesfin
7	Wireless phone	CDT/069/0	621048	CPV# 5465	2	1,252.00		Wireless phone	Ethio Telecom	118787311 118787720	Samrawit Ketema
8	Mesh High Back swivel chair WFMTW-029C	CDT/068/0	624955	PV# 24638	2	10,000.01	37573	Mesh High Back swivel chair	Waryt Mulutilla Int.plc		Dr. Tsegahun Manyazewal Dr. Abebaw Fekadu

ADDIS ABABA UNIVERSITY-CDT AFRICA
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT
FIXED ASSET REGISTER FORM
FOR THE PERIOD END OF JULY 2018

No	Name of Fixed Asset	Purchase Requisition Number	GRN Number	Procured PV/JV No	Quantity (pcs)	Total Price with VAT	Receipt Number	Type of the Asset	Supplier Name	Serial No.	Location/ FA Holder
9	Excitive Table	CDT/068/0	624961	PV# 24639	4	75,199.51	0344	Excitive Table	Technostyle Furniture center plc		Dr. Tsegahun Manyazewal Samrawit Ketema Tesfaye Asefa Getahun Aelemu
10	Excitive Table	CDT/068/0	624960	PV# 24639	2	37,954.60	0344	Excitive Table	Technostyle Furniture center plc		Dr. Tsegahun Manyazewal Samrawit Ketema Tesfaye Asefa Getahun Aelemu
11	Book shelf	CDT/068/0	624960	PV# 24639	5	32,067.75	0344	Book shelf	Technostyle Furniture center plc		Dr. Tsegahun Manyazewal Samrawit Ketema Tesfaye Asefa Getahun Aelemu
12	Medium Back Chair	CDT/068/0	624960	PV# 24639	4	23,869.40	0344	Medium Back Chair	Technostyle Furniture center plc		Dr. Tsegahun Manyazewal Samrawit Ketema Tesfaye Asefa Getahun Aelemu
13	Gust Chair	CDT/098/1	624969	PV# 78957	10	7,923.50	3763	Gust Chair	WOW Primw House		Yodit Fikresilassie
14	File cabinet	CDT/098/1	624971	PV# 78957	2	5,940.90		File cabinet	WOW Primw House		Tesfaye Asefa Getahun Aelemu
15	Curtains	CDT/070/1	75222	JV# 71985	-	17,226.96		Curtains	Unity Curtain work		Samrawit Ketema
16	Under Table Drawer	CDT/098/1	624977	JV# 71985	1	1,732.00	00002251	Under Table Drawer	GM Furniture		Samrawit Ketema

ADDIS ABABA UNIVERSITY-CDT AFRICA
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT
FIXED ASSET REGISTER FORM
FOR THE PERIOD END OF JULY 2018

No	Name of Fixed Asset	Purchase Requisition Number	GRN Number	Procured PV/JV No	Quantity (pcs)	Total Price with VAT	Receipt Number	Type of the Asset	Supplier Name	Serial No.	Location/ FA Holder
17	Office Table	CDT/098/1	624977	JV# 71985	1	3,242.00	00002252	Office Table	GM Furniture		Samrawit Ketema
18	Computer Table	CDT/098/1	624980	JV# 71985	2	5,800.83	00005819	Computer Table	3F		Yodit Fikresilasie
19	Secretary Table	CDT/098/1	257657	JV# 71988	2	6,732.00	00002613	Secretary Table	GM Furniture		Yodit Fikresilasie
20	Double PED Table		257657	JV# 71988	1	4,378.00	00002613	Double PED Table	GM Furniture		Yodit Fikresilasie
21	Hisense Washing Machine	CDT/021/1	624979	JV# 71985	1	13,995.00	00040606	Hisense Washing Machine	Glorious plc		Yodit Fikresilasie
22	Electric Divider	CDT/099/1	75221	PV# 87957	12	4,416.00	0010	Electric Divider	Aschal Chakol Stationery		Yodit Fikresilasie
23	Media W Displs	CDT/099/1	624970	PV# 87957	1	6,500.00	0004	Media W Displs	Hala Electronic s		Yodit Fikresilasie
24	Media Water Pur Bolite	CDT/099/1	624970	PV# 87957	1	800.00	0004	Media Water Pur Bolite	Hala Electronic s		Yodit Fikresilasie
25	Puncher Big	CDT/021/1	75228	PV# 78961	1	379.99	00001259	Puncher Big	Subnet International trading		Samrawit Ketema
26	STEPLER BIG	CDT/021/1	75228	PV# 78961	1	430.00	00001259	STEPLER BIG	Subnet International trading		Samrawit Ketema

ADDIS ABABA UNIVERSITY-CDT AFRICA
AFRICA HIGHER EDUCATION CENTERS OF EXCELLENCE PROJECT
FIXED ASSET REGISTER FORM
FOR THE PERIOD END OF JULY 2018

No	Name of Fixed Asset	Purchase Requisition Number	GRN Number	Procured PV/JV No	Quantity (pcs)	Total Price with VAT	Receipt Number	Type of the Asset	Supplier Name	Serial No.	Location/ FA Holder
27	Stove Hot plate	CDT/021/1	75228	PV# 78961	1	575.00	00001259	Stove Hot plate	Seble Tikuye		Yodit Fikresilasie
28	Computer Table	CDT/098/1	624978	PV# 78961	1	1,492.70	00004427	Computer table	Uni PLC		Yodit Fikresilasie
29	Lenovo Core i5 computer	CDT/065/1	257654	PV# 78964	1	21,729.25	00001516	Lenovo Core i5 computer	Seifu Reta		Yodit Fikresilasie
30	Lenovo Core i5 Laptop computer	CDT/065/1	257654	PV# 78964	1	21,729.25	00001516	Lenovo Core i5 Laptop computer	Seifu Reat		Miraf Mesfin
31	Curtains	CDT/093/18	897099	PV# 78964	-	19,959.50	0000436	Curtains	Semerem		Yodit Fikresilasie
32	Coffee Morg Kenyito	CDT/112/18	897174	JV# 71985	1	828.00	2710599	Coffee Morg Kenyito	Addis Fana GM & Hotet Trade		Yodit Fikresilasie
33	Melamine Service tary	CDT/112/18	897174	JV# 71985	1	389.60	00313022	Melamine Service tary	Addis Fana GM & Hotet Trade		Yodit Fikresilasie
34	Brother Light Duty Copier	CDT/038/09	257675	JV# 71989	3	33,600.00	00003484	Brother Light Duty Copier	BRIDGET EC PLC		Testfaye Asefa
35	Brother scanner	CDT/038/09	257675	JV# 71989	1	12,000.00	00003484	Brother scanner	BRIDGET EC PLC		Samrawit Ketema
36	Lenovo Desktop Core i5	CDT/038/09	257675	JV# 71989	1	23,250.00	00003484	Lenovo Desktop Core i5	BRIDGET EC PLC		Testfaye Asefa

CENTER FOR INNOVATION DRUG DEVELOPMENT
AND THERAPEUTIC TRIALS FOR AFRICA (CDT-AFRICA)
FOR THE YEAR ENDED 7 JULY 2018

AAU COLLEGE OF HEALTH SCIENCE SALARY

Months	YEAR	Admin	Learning & Teaching /Academic/	Total
JULY	2017	1,251,475.16	15,610,312.61	16,861,787.77
AUGUST	2017	1,253,648.67	16,418,371.18	17,672,019.85
SEPTEMBER	2017	22,446.08	397,509.29	419,955.37
OCTOBER	2017	2,532,956.19	29,832,130.68	32,365,086.87
NOVEMBER	2017	1,270,228.22	15,339,032.10	16,609,260.32
DECEMBER	2017	1,259,319.11	15,602,874.72	16,862,193.83
JANUARY	2018	1,245,759.49	16,475,653.32	17,721,412.81
FEBRUARY	2018	1,244,991.37	16,005,210.85	17,250,202.22
MARCH	2018	1,251,806.24	17,159,595.67	18,411,401.91
APRIL	2018	1,240,995.69	15,996,531.93	17,237,527.62
MAY	2018	1,161,851.32	16,779,067.83	17,940,919.15
JUNE	2018	1,272,552.97	16,721,761.76	17,994,314.73
Total		15,008,030.51	192,338,051.94	207,346,082.45



Kokeb & Melkamu Audit Partnership.

Chartered Certified Accountants (UK)

January 9, 2019

Center for Innovative Drug Development and Therapeutic Trials for Africa (CDT-Africa)
Addis Ababa

**RE: INTERNAL CONTROL MEMORANDUM ON THE ACCOUNTS OF
CENTER FOR INNOVATIVE DRUG DEVELOPMENT AND
THERAPEUTIC TRIALS FOR AFRICA (CDT-AFRICA)**

Dear Sirs,

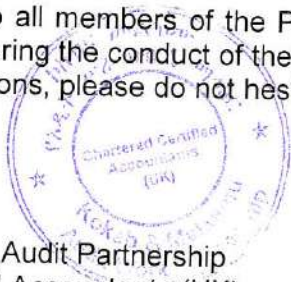
During our review of the accounts for the year ended 7 July 2018, we examined certain aspects of the Project's control and attach here to a memorandum containing recommendations on possible way in which the system could be improved to overcome weaknesses in internal control, which came to our notice during that examination together with other comments and observations (Pages 24).

It must be appreciated that the matters referred to in this memorandum came to our notice during the conduct of our normal audit procedures which are designed primarily with a view to the expression of our opinion on the accounts of the Project. Therefore, our comments cannot be expected to include all possible improvements in internal control and to disclose all defalcations and other irregularities, which a more extensive special examination might develop and reveal.

We are in a position to offer constructive suggestions for improvements in accounting and control procedures but our work in these areas is not designed for the purpose of expressing an opinion on the effectiveness of the various control systems and accordingly, would not extend into all areas in which improvements may be warranted. Accordingly, in as much as our audit examinations do not include a 100% detailed audit of transactions, they would not necessarily disclose defalcations or irregularities, if any.

We are grateful to all members of the Project's staff for the courtesy and assistance rendered to our representatives during the conduct of the audit. If you would like us to assist you in implementing any of our recommendations, please do not hesitate to contact us.

Yours faithfully,



Kokeb & Melkamu Audit Partnership
Chartered Certified Accountants (UK)
Authorized Auditors in Ethiopia

P. O. Box 33645 Addis Ababa, Ethiopia
Telephone 251-11-515-07-52
E-mail: kokmelk@ethionet.et
Mobile Tel. 251-91-120-37-78/51-61-46
Fax 251-11-552-26-88

1. We noted that fixed assets such as furniture and equipment lack ID tagging.

Recommendation: Proper ID should be affixed on the fixed asset to identify project assets and strengthen the internal control.

Management Comment: *CDT-Africa acknowledges the comments. Fixed assets are already registered by the College of Health Sciences and will be tagged soon. CDT-Africa is waiting for the college to assign personnel to do the tagging.*

2. The Project achievement is slow when compared to the planned budget. In addition, explanation on major planned and actual variances were not detailed by the management.

Recommendation: As part of management control tool the variances should be reasoned out and improvement mechanisms should be placed.

Management Comment: *The project implementation was delayed due to initial procedural requirements that needed to be in place in the first year. This is one of the main reasons for variances between the plan and the actual achievement. The other reasons for delay were to do changes in signatories and procurement processes, which are now being rectified. There will be improvement in the second and consecutive years of the project since the center is establishing a system to carefully monitor the implementation process.*

3. Donors' grants are kept in IDA designated account in contrast to the financing agreement.

Recommendation: The financing agreement should be observed and any actions affecting the agreement should be based in a written permission by the World Bank.

Management Comment: *CDT-Africa has been exerting a significant amount of its effort to open separate accounts for the purpose of externally generated revenues. We have also consulted the World Bank during this process. However, there were challenges and delays beyond the control of CDT-Africa. CDT-Africa had to allow transfer of the externally generated fund because the project implementation requirements for the new funds were not negotiable. The center accepts the comment with regards to the above mentioned matter. We are grateful that CDT-Africa has eventually been allowed to open a new USD Account for externally generated revenues, which will be used for these purposes.*

