



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL
STATEMENTS OF THE CENTRE FOR RESEARCH IN AGRICULTURE ADVANCEMENT
TEACHING EXCELLENCE AND SUSTAINABILITY (CREATES) IMPLEMENTED BY
NELSON MANDELA AFRICA INSTITUTION OF SCIENCE AND TECHNOLOGY
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2020**

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December, 2020

AR/CG/CREATES-FNS/NM-AIST/2019/20

Mandate

The statutory mandate and responsibilities of the Controller and Auditor General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 (as amended from time to time) and in Section 10 (1) of the Public Audit Act, 2008.

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

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- | | |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Objectivity | We are an impartial organization, offering services to our clients in an objectives and unbiased manner. |
| Excellence | We are professionals providing high quality audit services based on standards and best practices. |
| Integrity | We observe and maintain high standards of ethical behaviour, rule of law and strong sense of purpose. |
| People focus | We value, respect and recognize interest of our stakeholders. |
| Innovation | We are a learning and creative public institution that promotes value added ideas within and outside the institution. |
| Results Oriented | We are an organization that focuses on achievement based on performance targets. |
| Team work spirit | We work together as a team, interact professionally, and share knowledge, ideas and experiences. |

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- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

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TABLE OF CONTENTS

Abbreviations	iv
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	1
1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS.....	1
1.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS.....	4
2.0 FINANCIAL STATEMENTS	5

Abbreviations

AR	Audit Report
CG	Central Government
CREATES-FNS	Centre for Research in Agriculture Advancement Teaching Excellence and Sustainability-Food and Nutrition Security
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
IESBA Code	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
NBAA	National Board of Accountants and Auditors
NM-AIST	Nelson Mandela African Institution of Science and Technology

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Vice Chancellor,
The Nelson Mandela - African Institution of Science and Technology,
P.O. Box 447,
Arusha, Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of Centre for Research in Agriculture Advancement Teaching Excellence and Sustainability-Food and Nutrition Security (CRATES-FNS) implemented by Nelson Mandela African Institution of Science and Technology (NM-AIST) which comprise the statement of financial position as at 30th June, 2020, statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of CRATES-FNS as at 30th June, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, 2001 (Revised 2004).

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 CRATES-FNS in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Accounting Officer Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

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 IPSAS, 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

Responsibilities of the Controller and Auditor General 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 audit 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 skepticism 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 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 entity'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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity 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.

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 them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the Public Procurement Act No. 7 of 2011 (as amended in 2016)

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, CRATES-FNS procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No. 7 of 2011 (as amended in 2016) and its underlying Regulations of 2013 (as amended in 2016).


Charles E. Kichere
Controller and Auditor General
DODOMA.
UNITED REPUBLIC OF TANZANIA.



31st December, 2020



**EASTERN & SOUTHERN AFRICA HIGHER EDUCATION CENTERS OF
EXCELLENCE (ACEH)**

***Center for Research in Agriculture advancement Teaching Excellence and
Sustainability- Food and Nutrition Security
(CREATES-FNS)
at***

***Nelson Mandela African Institution of Science and Technology-NM-AIST
Tanzania***

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND DEFINITIONS OF TERMS	iii
Information about the Institution.....	iv
1.0 COMMENTARY BY CENTRE LEADER.....	1
2.0 CREATES FNS -OBJECTIVES, OUTCOME AND PILLARS.....	2
2.1 Overall Objective:	2
2.2 Specific objectives	2
2.3 Expected Outcomes	3
2.4 CREATES Pillars.....	3
3.0 ACHIEVEMENTS.....	4
3.1 Master and PhD students enrolled	4
3.2 Accreditation of MSc & PhD Programmes	4
3.3 Short courses students	5
3.4 Students and faculty exchange Programmes	5
3.5 Research and Publications.....	6
3.6 Partnerships for Collaboration in applied research and training	6
3.7 Outreach and community engagement activities	7
3.8 The 10th African Materials Research Society (AMRS) conference	9
3.9 Institutional Capacity building and staff development	9
3.10 Data Driven Innovation Incubation Centre	10
3.11 Establishment of Research Chair on Nano Science and Nanotechnology	11
3.12 Regional Technical Advisory (tam) and National Steering Committee Meetings	11
3.13 Project Midterm Review	12
3.14 Results Verification and Disbursement	13
3.15 Financial Sustainability and Revenue Generation	14
4.0 CREATAES-FNS IMPLEMENTATION CHALLENGES.....	14

5.0	CENTRE FINANCING MODEL.....	15
6.0	PERFORMANCE BASED MONITORING	15
7.0	FINANCIAL MANAGEMENT AND DISBURSEMENT	16
8.0	MANAGEMENT RESPONSIBILITY	16
9.0	DECLARATION OF THE HEAD OF FINANCE.....	18
10.0	CORPORATE GOVERNANCE.....	19
11.0	AUTHORIZATION DATE.....	19
12.0	LIST OF GOVERNMENT CIRCULAR USED IN PREPARATION OF FINANCIAL STATEMENTS.....	20
13.0	LIST OF FINANCIAL STATEMENTS PREPARED FOR THE FINANCIAL.....	21
14.0	OPENING STATEMENT OF FINANCIAL POSITION AS AT 1ST JULY, 2020... 	24
15.0	STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020	23
16.0	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2020	24
17.0	STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE,2020	25
18.0	STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE, 2020	26
19.0	RECEONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/DEFICIT)FOR THE YEAR ENDED 30TH JUNE, 2020.....	26
20.0	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT 'FOR THE YEAR ENDED 30TH JUNE 2020	28
21.0	NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30th JUNE 2020	29
21.1	Notes to the Financial Statements	29
21.1.1	Summary of Significant Accounting Policies.....	29

LIST OF ABBREVIATIONS AND DEFINITIONS OF TERMS

CREATES-FNS	Centre for Research in Agriculture advancement Teaching Excellence and Sustainability
DLIs	Disbursement Link Indicators
DLR	Disbursement Linked Result
IPSAS	International Public Sector Accounting Standards
NM-AIST	Nelson Mandela African Institution of Science and Technology
PfOR STEM	Program-for-Results Financing Science, Technology, Engineering, and Mathematics
URT	United Republic of Tanzania
USD	United States Dollar

Information about the Institution

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1.0 COMMENTARY BY CENTRE LEADER

On behalf of the Management and entire staff of Nelson Mandela African Institution of Science and Technology (NM-AIST), I wish to extend my appreciation to the World Bank for providing the financial loan amounting to USD 6 million for five years to support the Centre for Research, Agricultural Advancement, Teaching Excellence and Sustainability in Food and Nutritional Security (CREATES-FNS), which is among the 24 Regional African Centres of Excellence under ACEII project. Also, the government of Tanzania through the Ministry of Education Science and Technology (MoEST) and the Inter University Council of East Africa (IUCEA) for their tireless support and technical backstopping to fulfil centre objectives.

CREATES -FNS continue to provide a buzzing atmosphere of international and interdisciplinary research and education activities, novel technologies and private-public partnerships with the industry and the community at large as well as hands-on learning experience and evidence-based problem-solving projects. It encompasses novel curricula approaches, cutting-edge research facilities and highly skilled national, regional and international partners in various fields related to Life Sciences.

Despite of few challenges such as COVID -19 pandemic, delays in verification process and funds disbursement CREATES-FNS has managed to accomplish major achievements such as; support enrolment of 27 MSC and 8 PhD students, facilitate accreditation of four MSC and PhD programs, organised and conducted four short courses, support exchange of 25 students and 15 faculty members, publication of 45 research papers, and signed four MOUs with partners. Furthermore, CREATES-FNS has conducted outreach activities to engage community and industry. During the year under review Centre won USD 250,000 grant from the IUCEA to establish a regional Data Driven Innovation Incubation Centre which will transform research outputs into commercially viable products and services.

Therefore, I have a pleasure to present an overview of the centre performance and financial statements for the year ended 30th June 2020.

2.3 Expected Outcomes

The outcomes, of the initiative include; critical mass of high capacity education staff, new technologies, spin off products and patents, transparency and access to knowledge, Strong linkage with Industries, Regional excellence in academic programme and Bio repository and high-impact real life projects.

Therefore, the outcomes will be realised through partnerships with industry, international, regional, national, stakeholder-oriented, academic, communities, and private public partnership.

Hence, CREATES will contribute in addressing the following development challenges related to Food and Nutrition Security across the region;

- (i) Low plant, human and livestock production and productivity;
- (ii) Increased post-harvest food losses and wastage;
- (iii) Low food quality (less nutrients) and safety;
- (iv) Poor resilience to climate change and variability.

2.4 CREATES Pillars

CREATES interventions are centred into the following six pillars;

- I. Sustainable Agriculture
- II. Biodiversity & Ecosystem Management
- III. Global Health & Biomedical Sciences
- IV. Food and Nutrition Sciences
- V. Clinical Human Nutrition and Dietetics
- VI. Bio-Engineering & Industrial Pharmacy

The Centre is under the School of Life Science and Bio Engineering (LiSBE) which is among the four Schools at NM-AIST others are; Computational & Communication Science & Engineering (CoCSE), Materials, Energy, Water & Environmental Sciences (MEWES), Business Studies and Humanities (BuSH)

2.0 CREATES FNS -OBJECTIVES, OUTCOME AND PILLARS

2.1 Overall Objective:

The overall objective of the Centre is to strengthen the capacity of NM-AIST to serve as an African Centre of Excellence for provision of post graduate training (Master and PhD), applied research and outreach programs for Food and Nutrition Security in the Eastern and Southern Africa region.

2.2 Specific objectives

Specifically, the Centre seeks to strengthen NM-AIST to become a magnet environment that provides innovative opportunities and state-of the-art learning environments for graduate students (PhD and MSc) as well as for faculty and other relevant stakeholders in the area of Food and Nutrition Security. This will enable NM-AIST produce high quality evidence-based research products, technologies and services with respect to agriculture, health and nutrition.

These objectives will be achieved through;

- (i) Research based training and support of excellent professionals and academia;
- (ii) Serve as a state-of-art core laboratory to support Life Science and related research fields;
- (iii) Promote technological research output in good agricultural practice (GAP), food safety, nutrition and health using bio-nanoscience and bio repositories for future research activities;
- (iv) Establish data repository to build capacity on predicting risks generated through climate variability and to provide scenarios on climate mitigation and adaptation.

3.0 ACHIEVEMENTS

3.1 Master and PhD students enrolled

During the year under review, 27 MSc and 8 PhD students were enrolled in CREATES supported programs. For the Masters programmes 25 (92.59%) students were national while only 2 (7.41 %) were regional. The ratio between female and male Masters Students are 2 female (7.41%) and 25 males (92.59%). Also, among 8 PhD students, 7 (87.5%) were national and 1 (12.5%) regional students. For the case of PhD student's male are 4 (50%) and female 4 (50%).

3.2 Accreditation of MSc & PhD Programmes

During the year under review, four new curricular (2 MSc and 2 Ph.D.) of the school of Life science and Bio-engineering (LiSBE) accredited by TCU. It, therefore, makes a total of 10 new Curricula accredited by TCU through the support of CREATES-FNS.

Besides, to these new programs, CREATES also supported development of two programs expected to be offered jointly with international academic partners are; *Industrial Pharmacy and Regulatory Science* will be jointly offered by NM-AIST and Purdue University and; *Biomedical Engineering* which will be jointly offered with Hunan University of Technology (HUT). The programs already submitted to TCU for review and accreditation.

Level	MSc Programs	PhD Programs
Accredited Programs	<ol style="list-style-type: none"> 1. MSc in Sustainable Agriculture 2. MSc in Food and Nutritional Science 3. MSc in Clinical Nutrition and Dietetics 4. MSc in Biodiversity and Ecosystem Management 5. MSc in Global Health & Biomedical Sciences 	<ol style="list-style-type: none"> 1. PhD in Sustainable Agriculture 2. PhD in Food and Nutritional Science 3. PhD in Clinical Nutrition and Dietetics 4. PhD in Biodiversity and Ecosystem Management 5. PhD in Global Health & Biomedical Sciences
Under TCU Review	<ol style="list-style-type: none"> 1. MSc Industrial Pharmacy and Regulatory Science – with Purdue University USA 2. MSc Biomedical Engineering -with Hunan University of Technology China 	

3.3 Short courses students

In this review period, the Centre in collaboration with partners institutions organised and conducted four short term courses as listed in the table below. In these trainings a total of 140 participants attended the trainings. CREATES prepared the trainings to compliments the knowledge students are getting from their MSc and PhD programs but also to equip the students with the specific knowledge and skills applicable to their carriers.

S/n	Course Name	Institutions	# of Participants
1	The R Statistics	CREATES, NM-AIST & University of Hohenheim, Germany	17
2	GIS in R workshop	CREATES, NM-AIST & Wake Forest University, USA	41
3	Leadership/mentorship skills	CREATES/WISE-Future and AWARD	40
4	Graduate Program Session on Biotechnology Innovation & Regulatory Science	CREATES, NM-AIST & International Center for Theoretical Physics	42
Total Participants			140

3.4 Students and faculty exchange Programmes

During the year under review, CREATES/NM-AIST hosted 25 students from local, regional, and international Institutions. The students attended a special training program organized by CREATES and ICTP "School Biophysical Approaches to Macromolecules and Cells" for two weeks. The Centre also hosted 15 faculty members from other partner institutions for a minimum of two weeks. The faculty members were also part of the training program organized by CREATES and ICTP. However, others came for a sabbatical leave, but during their stay supported teaching and participated in the research activities.

	Male	Female	Total
Faculty	7	8	15
Students	19	6	25
TOTAL	26	14	40

3.5 Research and Publications

The students and faculty members supported by CREATES managed to publish 45 research papers in reputable international Journals, of which (25) with international co-authors, (8) regional co-authors and (12) national co-authors. Further, CREATES students and faculty have been published in various conference proceedings.

3.6 Partnerships for Collaboration in applied research and training

During this reporting time, CREATES managed to initiate and sign four Partnership MoUs. These established partnerships are focusing on different joint activities.

(i) SmartNations Foundation, Inc. (SNFI)

Development project (the Project) of a High-Performance Computing (HPC) Cluster Data Centre and related Digital Infrastructure intended for Artificial Intelligence/Machine Learning (AI/ML) enabled big data analytics processing with additional Mission-Critical Data Centre capacity for general-purpose server and cloud computing, and inclusive of a research and development Innovation Lab (Hub).

(ii) University of Dar es Salaam (UDSM), The St John's University of Tanzania (SJUT), and Kenyatta University.

This collaboration was established for the purpose of conducting joint research on Covid-19 and other related viral research activities. In addition to joint research also publication of scientific papers, and other educational materials resulting from the collaboration. The parties will also ensure resources are mobilized from relevant funding agencies.

(iii) The Kilimanjaro Sustainable Ecosystems Centre

CREATES also established a mutual agreement with "The Kilimanjaro Sustainable Ecosystems Centre" for the purpose of implementing scalable

impact drive projects driven by collaborative research, publication, and data exchange that assess the impact of projects. Also, community mobilization and training at established demonstration plots.

(iv) Machine Intelligence Institute of Africa (MIIA)

This partnership was established to foster the development and promotion of the Data-Driven Innovations (DDI) Incubation centre. Specifically, aimed at tapping the experience of MIIA in upscaling and commercialization of Tech-innovation across the continent. Furthermore, the MIIA will help CREATES/DDI incubation centre to develop entrepreneurship programs for the Incubates. The collaboration also extended to community and industry outreach engagements.

(v) Pacific West Ventures

CREATES established a partnership with Pacific West Venture, based in the US specifically for resource mobilization. The C.E.O of Pacific West Venture, Nancy Dyste Christiano is among the renowned Philanthrope. Pacific West Ventures is working with CREATES to mobilize funds that will support the operationalization of the Data-Driven Innovation Incubation Centre.

3.7 Outreach and community engagement activities

In order to disseminate research and innovation findings to the community and industries CREATES has been supporting students and researchers to participate in outreach activities. Some of these events including;

Training of cotton Farmers and establishment of Demo-plot in Simiyu: CREATES established a demo plot in Bariadi Simiyu to train farmers on application of Vuruga Biopesticides. The Plot comprised of four crops; cotton, maize, tomatoes and cabbages. The demonstration was successfully and more than 150 farmers were reached through this intervention.

Training of Maize farmers on application of Vuruga-Biopesticide in Morogoro: CREATES also organized and conducted outreach to 38 maize farmers of Mvomero district in Morogoro on Good Agricultural practices and application of Vuruga Biopesticide.

Field training of bean's farmers in Machame Kilimanjaro: This outreach activity was conducted to bean's famers on pest's management and testing of a new product, a biopesticide also developed by CREATES sponsored student. The activity was also very successfully, and 42 farmers participated in this training.

A participatory rangeland use mapping, growing cages and wildlife behaviour. This was also an activity conducted by one of Centre students in collaboration with Ngorongoro Conservation Area Authority. It was a participatory activity engaging the local community in Ngorongoro area aimed at addressing conflicts occurred due to interactions between wildlife, livestock and human being.

Field Training on identification and management of invasive Parthenium hysterophorus (gugu karoti). This outreach activity was organised in collaboration with TPRI to study the impact and control of this invasive weed. The study was participatory as it involved the local community who were much affected by the weed. The community, were equipped with knowledge of identifying and managing the plant.

Field Farmer training on farming and value addition of Oysternut / Kweme (Telfairia pedata) CREATES in collaboration with Olmotonyi Forestry Training Institute conducted a study on the importance of Oysternut in Meru and Lushoto districts. Field studies were aimed at improving the productivity of Kweme and value addition to Kweme products for local income generation and nutrition, but also enhancing biodiversity in agricultural systems.

Participation in Exhibitions and events: The Centre also supported the students and faculty members to participate in both national and regional exhibitions and forums to showcase their innovations and research outputs. These events

include Nanenane exhibition, TCU exhibition, and MAKISATU, Mandela SETI Week, and IUCEA Public-Private partnership forum. CREATES organized a special soapbox science event to supports women in STEM and provides women with role models, closely interacting with farmers during the exhibition and showing that science is done for the community. Participation in CREATES in these events was successful as won different participation Awards.

3.8 The 10th African Materials Research Society (AMRS) conference

The African Materials Research Society (AMRS) and the Nelson Mandela African Institution of Science and Technology (NM-AIST) hosted the 10th International Conference of the African Materials Research Society from 10th – 13th December 2019 in Arusha, Tanzania. This conference brought 336 material scientists from around the world and over 100 students. With the theme: *"African Materials for African Development"* the conference focused on advancements in materials with a close bearing for Africa's growth and well-being. This Conference was held at NM-AIST due to the fact that the CREATES Centre Leader Prof. Hulda Swai was the president of AMRS. In this regard, CREATES was directly engaged in the organization of the conference. The conference was preceded by a Pre-Conference Workshop from 8th – 9th December 2019. Through this conference, a total of USD 172,000 was raised as participation fees and contributions.

3.9 Institutional Capacity building and staff development

CREATES, improved internet services at the NM-AIST campus by support purchasing internet servers. It also set-aside \$ 150,000 for the construction of Lactating Mothers students' hostel as this will increase the enrolment of the female students. CREATES, through its pattern's Dr. Richard Alward & Prof Tamera Minnick donated a Drone and associated Payloads and accessories worth 11,000 \$US for the student's researches.

Two Centre staff, M&E officer and Communication Officer attended short term trainings on Leadership skills as part of Capacity building organized by

AWARD and held in Accra Ghana. Also, the Centre Leaders participated in a training program called Leadership and mentorship skills organized and conducted AWARD and held in Arusha Tanzania.

3.10 Data Driven Innovation Incubation Centre

CREATES through the grant (US\$250,000) from IUCEA to establish a Data Driven Innovations Incubation Center at NM-AIST. The Centre already enrolled Six incubatees with prototypes. These prototypes are; Vuruga-Biopesticide, Nutrano-formular, Omega 3DHA superfood, Digital Farming App, A web-based application for plagiarism detection, Natural plant extracts for Storage, field pest management of legume. In addition, the Centre is establishing a container design factor which is a Mini-factory for three incubated products: Vuruga Bio pesticide, Nutrano and Omega-3DHA. The Centre already purchased three containers and construction work on progress.

#	Incubate Name	Prototype Name	Innovation Stage	Target Beneficiaries
1	Angela Mkindi	Natural plant extracts for Storage, field pest management and promotion of legume growth	Prototype	Farmers, Agro-input dealers and consumers
2	Michael Nkotagu	A web-based application for plagiarism detection	Prototype	Students, Researchers and Academic institutions
3	Christina Charles	Omega-3 DHA Super-food: a natural nutritious super-food rich in bioactive omega-3 DHA and other essential nutrients for brain development and cognitive function	Prototype	Mothers, Children, Hospitals and community in general
4	Never Zekeya	VURUGA BIOPESTICIDE-Organic pesticide for control of several crop pests	Product under full registration	Farmers, Agro-inputs dealers and consumers
5	Jofrey Raymond	NutriApp: A Phone-Based Nutrition Intervention Tool for Fighting Malnutrition in SSA	Prototype	Mothers, Children, Hospitals and community in general
6	Shakila Mshana	Digital Farming	Prototype	Farmers

3.11 Establishment of Research Chair on Nano Science and Nanotechnology

CREATES/NM-AIST has been selected as one of African Research Institution will host OR-Tambo Research Chair following the proposal developed to host O.R. TAMBO Africa Research Chair's Initiative (ORTARChI) for Nanoscience and Technology submitted to South Africa National Research Foundation (NRF). The proposed chair will be led by Prof. Hulda Swai who is also the CREATES Centre Leader and it will focus on the application of nanotechnology and Pheroid technology in the development of antimalarial drug and bio-fertilizers.

The program lifetime is expected to be 15 years but the first phase will be 5 years. The total grant for the first phase is expected to be 1M\$. The award notification letter already issued and waiting for official project launching which is expected to be October 2020 and the project implementation will start January 2021.

3.12 Regional Technical Advisory (tam) and National Steering Committee Meetings

- **Regional Technical Advisory (TAM)**

Due to COVID-19, only one physical meeting was held instead of two meetings. The meeting was held in Lilongwe Malawi on November, 18th -19th, 2019. The meeting focused on the discussion of the report and findings from the Midterm review conducted from July to October 2019. In this meeting, CREATES was presented by NM-AIST Vice-Chancellor, Prof. Emmanuel Luoga, CREATES-Centre Leader, Prof. Hulda Swai, and Monitoring and Evaluation Officer, Mr. Edgar Kipoki.

The Second TAM was held from 16th to 18th June, 2020, due to Covid-19 it was through virtual. The main agenda during this meeting was the adoption of the proposed re-structuring following the Midterm review. Also, centres shared their experiences and strategies taken to respond towards the Covic-19 pandemic. Participants discussed how studies were affected but also what

approaches can be used to deliver training or studies during a pandemic. In addition, the Consultant commissioned by IUCEA to develop the online M&E system that will be used to track and report the performance of the project presented the progress and the system structure.

National Steering Committee Meetings

In this review period the National Steering committee (NSC) held two meetings. The first meeting which is 5th NSC meeting was held on 21st December, 2019 at NM-AIST. This meeting had two main agendas, approval of 3rd round verification and discussion of Midterm review reports. The 6th NSC meeting was held on 10th February, 2019 at Sokoine University of Agriculture (SUA), Morogoro. The meeting has also two main agenda; presentation and approval of Annual Work Plans and Presentation of CAG Audit Report for year ending 30th June, 2019. CREATES effectively participated into all these meetings.

3.13 Project Midterm Review

The Inter University Council of East Africa (IUCEA), commissioned the Independent Consultant to conduct the midterm evaluation of ACEs including CREATES. The evaluation was based measuring the project performances based on the key performance indicator as stipulated in the Project Appraisal Document (PAD) but also other general performance indicators. The Centres were also allowed to propose some restructuring based on experience and lesson learnt from the implementation. From this review the performance of the project was rated good as some of the targets were already achieved. The proposed restructuring especially on the Disbursement Linked Indicators (DLIs) were consolidated and presented during Technical Advisory Meeting held in Lilongwe Malawi on November, 2019.

3.14 Results Verification and Disbursement

In terms of fund Disbursement, in this review period the Centre it managed to trigger a total of US\$ 813,652 as indicated in the table below. Therefore, cumulatively the Centre has triggered a total of US\$ 3,482,196 from the results verified by the Independent Verifier. However, CREATES has also fulfilled the DLI 2.7 which is to do with external funds generated. This is in the process of submission and verification.

Summary of DLIs achievement results after Independent Verification for CREATES

DLR #	Disbursement Linked Indicator	Amount to disbursed (USD)
2.2	Newly enrolled students	223,652.00
2.3	Accreditation of quality of education programs.	300,000.00
2.4	Collaboration and partnerships for applied research and training	30,000.00
2.6	Faculty and PhD student exchanges	40,000.00
2.8	Institution participating in benchmarking exercise	100,000.00
3.1	Timely Withdrawal application supported by interim unaudited financial reports	30,000.00
3.2	Functioning audit committee	30,000.00
3.3	Functioning internal audit unit	30,000.00
3.4	Transparency of financial management (audit reports, interim unaudited financial reports, budgets and AWP)	30,000.00
Total Disbursement Amount		813,652.00

3.15 Financial Sustainability and Revenue Generation

In terms of financial sustainability and revenue generation, the Centre has invested in different fundraising strategies that will help to mobilize resources for Centre sustainability. The efforts included; funding proposal development, creating partnerships with private, public and development partners (DPs). The following are

funds generated from funding proposals;

- O.R. Tambo Africa Research Chairs Initiative (ORTARChI) - \$1,000,000
- Data Driven Innovations Incubation Centre -\$ 250,0000
- WILDNET-Project - EUR 50,000
- Epidemiological Surveillance for Infectious Diseases in Sub-Sahara Africa (ESIDA) - EUR 100,000
- International Centre for Theoretical Physics (ICTP) -\$ 31,000.

The Centre is also expected to generate funds from other sources, including products IP shares from its DDI Incubation Centre and establishing of income generation activities.

4.0 CREATAES-FNS IMPLEMENTATION CHALLENGES

The key drivers for centre have been the strong faculty teams, government and university ownership and visionary centre leaders that have attracted international partners as well as additional donor funding. Successes usually are accompanied by challenges. During this reporting time the Centre has encountered the following challenges;

- (i) Delays in DLI verification process and fund disbursement. The process can take up to 8 months from receiving results from IUCEA/WB to the time the money is deposited in our accounts

- (ii) Verification methodology and some of disbursement criterion are not practicable e.g. At least 20% should be regional students otherwise one is penalized. To date we have been penalized up to USD 500,000.
- (iii) COVID-19 slowed down exchange opportunities, which also triggers DLR 2.6 external funding sources DLR 2.7 (e.g., ESIDA start, Rufford funds for students). Also slowed down field work of students.

5.0 CENTRE FINANCING MODEL

The mode of financing of the Centre and its disbursement is based on the achievement of the agreed DLIs. The results-based financing approach is employed to incentivize the ACE institutions to focus on delivering results. The application of results-based financing in the form of DLIs is agreed based on (a) prudence when estimating implementation capacity and adequate time for delivering results; (b) focus on results that are within the control of the implementing agencies; and (c) specification of detailed monitoring and reporting requirements.

6.0 PERFORMANCE BASED MONITORING

There are four DLIs defined, each DLI as well as each of associated Disbursement Linked Result (DLR) has an agreed unit price. The use of DLIs ensures that each Centre receives funding based on its fulfilment of the agreed conditions/requirements. The reporting and verification of the achievement of the DLIs are carried out twice a year through an agreed process (as indicated in the Project Operational Manual (POM)). Once the results are verified by an independent verifier, disbursement follows. During the appraisal, the DLIs and their unit price were carefully examined to ensure that the indicators were ambitious but achievable.

Disbursement Link Indicators are as follows:

- DLI #1: Institutional readiness
- DLI #2: Excellence in education and research capacity and development impact
- DLI#3: Timely, transparent and institutionally reviewed Financial Management
- DLI#4: Timely and audited Procurement

7.0 FINANCIAL MANAGEMENT AND DISBURSEMENT

During the year under review CREATES -FNS received a total disbursement of U\$D 813,652 for the implementation of various activities outlined in the Annual Implementation Plan.

8.0 MANAGEMENT RESPONSIBILITY

Section 25(4) of the Public Finance Act 2001 requires the Management to prepare financial statements for each financial year, which give a true and fair view of the financial performance and financial position and, receipts and payments of the reporting entity as at the end of the financial year. It also requires the Management to ensure that the reporting entity keeps proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the reporting entity. They are also responsible for safeguarding the assets of the reporting entity. The Project Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSASs) Accrual Basis of Accounting and other Donors specific requirements.

The Management is of the opinion that these financial statements give a true and fair view of the state of the financial affairs of the reporting entity. The Management further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate system of internal financial control. Management is responsible for safeguarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of frauds, errors and other irregularities.

To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the financial statement for the year 2018/2019. We accept responsibility for the integrity of the financial statement, the information it contains, and its compliance with the IPSASs, Public Finance Act 2001 and African Development Bank Disbursement Guidelines (2012). Procurement of goods, works, consultancy and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act of 2011(amended in 2016) and its subsequent regulations. Nothing has come to the attention of the Management to indicate that the Nelson Mandela Institutes project will not remain a going concern.

Prof. Emmanuel J. Luoga
Vice Chancellor-NM-AIST

Signature.....

Date.....10th/12/2020

Prof. Hulda Shaidi Swai
Centre Leader

Signature.....

Date.....10/12/2020

**9.0 DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF
NELSON MANDELA-AFRICAN INSTITUTION OF SCIENCE AND
TECHNOLOGY (NM-AIST)**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Project Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Public Sector Accounting Standards (IPSASs Accrual Basis) and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Project Management as under Management Responsibility statement on an earlier page.

I **ACPA Janeth A. Lema** being the Head of Finance/Accounting of NM-AIST, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of CREATES-FNS Centre as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: **BURSAR**

NBAA Membership No.: **ACPA 2295**

Date: **10/12/2020**

10.CORPORATE GOVERNANCE

CREATES-FNS is directed by a Governing Board, facilitated by an Advisory Board meanwhile the various Centre functions are overseen by the Centre Leader through the Centre Manager.

11.AUTHORIZATION DATE

The Financial statements were submitted to the Controller and Auditor General (C.A.G) on 30th September 2020 for certification and then submitted to NM-AIST before 31st December 2020 when become Public on their release.

Prof. Emmanuel J. Luoga
Vice Chancellor-NM-AIST

Signature.....

Date.....10th/12/2020

Prof. Hulda Shaidi Swai
Centre Leader

Signature.....

Date.....10/12/2020

12. LIST OF GOVERNMENT CIRCULAR USED IN PREPARATION OF FINANCIAL STATEMENTS

The Financial statements for the financial year ended 30th June 2020, adhered to mandated changes as issued by Government through circulars,

- Circular No. 12 of 2015/2016 “application of proper standards for preparation of financial statements”
- Circular No. 03 of 2015/2016 “accounting Circular No. 03 of 2015/2016 closure of Accounts for the financial year 2015/2016.
- Circular No. 04 of 2017/2018 “accounting Circular No. 04 on the preparation of financial statements and other financial reports and closure of the financial year 2017/2018.
- Circular No. 02 of 2019/2020 “treasury circular No. 02 of 2018/19 on Accounting treatment of Taxpayer funds and recognition of Revenue Related to Capital Expenditure.
- Circular No. 06 of 2019/2020 “accounting Circular No. 06 on the preparations of financial reports and closure of the financial year ending 30th June, 2020.
- Accordingly, CREATES applied all mandated options retrospectively to the financial statements of 2019/2020.

**13. LIST OF FINANCIAL STATEMENTS PREPARED FOR THE FINANCIAL
YEAR ENDED 30TH JUNE,2020**

- (i) Opening statement of Financial Position as at 01st July, 2019, the date of adoption of accrual basis IPSAS;
- (ii) Statement of Financial Positions as at 30th June, 2020.
- (iii) Statement of Financial Performance for the year ended 30th June, 2020.
- (iv) Statement of Cash Flows for the year ended 30th June, 2020.
- (v) Statement of Changes in Net Assets for the year ended 30th June, 2020.
- (vi) Reconciliation of net cash flows from operating activities to surplus/ (deficit) for the year ended 30th June, 2020
- (vii) Statement of comparison of budget versus actual amount for the year ended 30th June, 2020.

**14.0 OPENING STATEMENT OF FINANCIAL POSITION AS AT 1ST JULY, 2019,
THE DATE OF ADOPTION OF ACCRUAL BASIS IPSAS;**

ASSETS	30.06.2019	Adjustments required by transition to IPSAS	01.07.2019
Current Assets	USD	USD	USD
Cash and Cash Equivalents	11,856.60	-	11,856.60
Total Current Assets	11,856.60	-	11,856.60
Non-Current Assets			
Property, Plant and Equipment	-	120,716.82	120,716.82
Total Non-Current Assets	-	-	-
TOTAL ASSETS	11,856.60	120,716.82	132,573.42
LIABILITIES			
Current Liabilities			
Deferred Grant	11,856.60	-	11,856.60
Total Current Liabilities	11,856.60	-	11,856.60
Non- Current Liabilities	-	-	-
Total Liabilities	11,856.60	-	11,856.60
Net Assets	-	120,716.82	120,716.82
NET ASSETS			
Accumulated Surplus	-	120,716.82	120,716.82
Total Net Assets	-	120,716.82	120,716.82

15.0 STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

Particulars	Note	Amount (USD)
ASSETS		30.06.2020
Current Asset		
Cash and Cash Equivalent	3	509,594.01
Receivables	4	41,639.00
Total Current Assets		551,233.00
Non-Current Assets		
Property, Plant & Equipment	2	101,190.00
Total Current Asset		
TOTAL ASSETS		652,423.00
LIABILITIES		
Current Liabilities		
Deferred Income	5	509,594.00
Total Current Liabilities		509,594.00
Non-Current Liabilities		
Total Liabilities		509,594.00
Net Assets		142,829.00
NET ASSETS		
Accumulated Surplus		142,829.00
Total Net Assets		142,829.00

Prof. Emmanuel J. Luoga
Vice Chancellor-NM-AIST

Signature.....

Date.....

Emmanuel J. Luoga
10th/12/2020

Prof. Hulda Shaidi Swai
Centre Leader

Signature.....

Date.....

Hulda Shaidi Swai
10/12/2020

**16.0 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR
ENDED 30TH JUNE, 2020**

Particulars		(USD)
REVENUE	Note	2019/2020
Revenue from Non- Exchange Transaction		
Grants Amortized	5	618,956.59
Total Revenue		618,956.59
Expenses		
To achieve learning Excellence	8	68,315.00
Research Excellence	9	177,324.80
Quality assurance framework	10	7,000.00
Equity Dimensions	11	25,000.00
Attracting Regional Academic Staff and Students	12	6,000.00
Engaging National and Regional Academic Partners	13	4,500.00
Attracting National and Regional Sector Partners	14	34,000.00
Centre Management and Governance	15	186,278.00
Sustainable Financing	16	32,900.00
Monitoring and Evaluation	17	30,500.00
Depreciation	2	25,027.00
Total Expenses		596,845.00
Surplus for the Period		22,111 00

Prof. Emmanuel J. Luoga
Vice Chancellor-NM-AIST

Signature.....
Date...10th/12/2020.....

Prof. Hulda Shaidi Swai
Centre Leader

Signature.....
Date...10/12/2020.....

17.0 STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE,2020

		USD
	Note	2019/2020
Cash flows from operating activities		
Receipts		
Grants Disbursement	5	813,652 .00
Grants Sustainable Finances	6	250,000.00
Other Income	7	53,042 .00
Total Grants Received		1,116,694.00
Expenses		
To achieve learning Excellence	18	(98,315.00)
Research Excellence	19	(188,963.00)
Quality assurance framework	10	(7,000.00)
Equity Dimensions	11	(25,000.00)
Attracting Regional Academic Staff and Students	12	(6,000.00)
Engaging National and Regional Academic Partners	13	(4,500.00)
Attracting National and Regional Sector Partners	14	(34,000.00)
Centre Management and Governance	15	(186,278.00)
Sustainable Financing	16	(32,900.00)
Monitoring and Evaluation	17	(30,500.00)
Total Expenses		(613,456.00)
Net cash from operating activities		503,237.00
Cash flows from investing activities		
Purchase of Plant Property and Equipment		(5,500.00)
Net cash from investing activities		(5,500.00)
Cash flows from financing activities		
Development Grants Received		-
Net cash from financing activities		
Net increase in cash and cash equivalents		497,737 .00
Cash and cash equivalents at beginning of period		11,857.00
Cash and cash equivalents at the end of period		509,594.01

Prof. Emmanuel J. Luoga
Vice Chancellor-NM-AIST

Signature.....

Date.....10th/12/2020

Prof. Hulda Shaidi Swai
Centre Leader

Signature.....

Date.....10/12/2020

**18.0 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR
ENDED 30TH JUNE, 2020**

Particulars	Accumulated Surplus	Total
	USD	USD
Opening Balance as at 01 July 2019	120,716.82	120,716.82
Surplus /Deficit year	22,110.94	22,110.94
Net assets as at 30 June 2020	142,827.76	142,827.76

Prof. Emmanuel J. Luoga
Vice Chancellor-NM-AIST

Signature.....

Date.....

Emmanuel J. Luoga
10th/12/2020

Prof. Hulda Shaidi Swai
Centre Leader

Signature.....

Date.....

Hulda Shaidi Swai
10/12/2020

19.0 RECONCILIATION OF NET CASH FLOWS FROM OPERATING
ACTIVITIES TO SURPLUS/(DEFICIT) FOR THE YEAR ENDED 30TH
JUNE, 2020

Particulars	30.06.2020
	USD
Surplus from ordinary activities	22,111.00
Non-cash movements	
Depreciation	25,027.00
Increase in Deferred	497,738.00
Increase /Decrease in Receivables (Imprest Issued)	41,639.00
Net cash flows from operating activities	503,237.00

Prof. Emmanuel J. Luoga
Vice Chancellor-NM-AIST

Signature.....

Date.....

Prof. Hulda Shaidi Swai
Centre Leader

Signature.....

Date.....

**20.0 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED 30TH JUNE 2020**

	Original Budgeted 2020	Final Budgeted 2020	Actual	Performanc e	Note	%
			Performanc e	difference		
			2020	2020		
Revenue	1,032,000.00	1,032,000.00	813,650.00	218,350.00	(i)	79%
Grants Sustainable Finance Receipts			250,000.00	(250,000.00)	-	-
Other Income			53,042.00	(53,042.00)	-	-
Total Grants Received	1,032,00.00	1,032,000.00	1,116,692.00	(84,692.00)	-	-
Improve the CREATES- FNS teaching and learning approach	293,500.00	293,500.00	98,315.00	195,185.00	(ii)	33%
Research Excellence	195,000.00	195,000.00	188,963.00	6,037.00	(iii)	97%
Quality assurance framework	15,000.00	15,000.00	7,000.00	8,000.00	(iv)	53%
Equity Dimensions	43,000.00	43,000.00	25,000.00	18,000.00	(v)	42%
Attracting Regional Academic Staff and Students	20,000.00	20,000.00	6,000.00	14,000.00	(vi)	30%
Engaging National and Regional Academic Partners	14,000.00	14,000.00	4,500.00	,500.00	(vii)	32%
Attracting National and Regional Sector Partners	49,000.00	49,000.00	34,000.00	15,000.00	(viii)	69%
Center Management and Governance	302,000.00	302,000.00	186,278.00	115,278.00	(ix)	59%
Sustainable Financing	47,000.00	47,000.00	32,900.00	14,100.00	(x)	70%
Monitoring and Evaluation	53,500.00	53,500.00	30,500.00	23,000.00	(xi)	57%
GRAND TOTAL	1,032,000.00	1,032,000.00	613,456.00	418,544.00		

Prof. Emmanuel J. Luoga
Vice Chancellor-NM-AIST

Signature.....

Date.....10th/12/2020

Prof. Hulda Shaidi Swai
Centre Leader

Signature.....

Date.....10/12/2020

21.0 NOTES TO THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 30th JUNE 2020

21.1 Notes to the Financial Statements

21.1.1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparations of financial statement

The CREATES-FNS financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) accrual basis. Accordingly, the accounting policies have been updated to IPSAS accrual. Owing to the change of accounting basis in the first year of the adoption of IPSAS, a full suite of comparative information for the prior year is not provided in the financial statements.

(b) First time Adoption of the IPSASs-Accrual Basis

For the first time, the financial statements of CREATES-FNS have been prepared in accordance with IPSAS Accrual Basis. Prior year financial statements were prepared in accordance with the IPSASs Cash Basis. The adoption of IPSAS Accrual basis has been accepted for improving the quality, comparability and credibility of financial reporting across the Project.

The adoption of the new accounting policies has resulted in changes to the assets and liabilities recognized in the statement of financial position. Accordingly, the last audited statement of assets, liabilities and reserves and fund balances as at 30th June 2019 has been restated and the resulting changes are reported in the statement of changes in net assets as prior year adjustment.

(c) Reporting Period and Restatement of prior year comparative information

Financial Statements have been prepared to cover for the period of twelve months (12) from 1st July 2019 to 30th June, 2020. In compliance with International Public Sector Accounting Standards (IPSAS Accrual basis), the last audited statement of assets, liabilities and reserves and fund balances as at 30th June 2019 has been restated and the resulting changes are reported in the statement of changes in net assets as prior year adjustment.

(d) Compliance with Financier Policy

During the year under review the Centre complied with financier disbursement guidelines, Procurement guidelines and grant agreement specific and general terms. The Centre received NO objections to pursue its various missions as stipulated in the annual work plan and budget for the year 2020.

(e) Property, Plant and Equipment - Recognition

The cost of an item of Plant and Equipment shall be recognized as an asset if, and only if:

- It is probable that future economic benefits associated with the item will flow to the Institution; and
- The cost of the item can be measured reliably.

(f) Measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition and the initial estimate of dismantling and site restoration costs.

(g) De-recognition

The carrying amount of an item of property, plant and equipment shall be derecognized:

- On disposal; or
- When no future economic benefits are expected from its use or disposal.

Gains and losses on de-recognition of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

(h) Subsequent costs

Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the Centre and the subsequent costs can be measured reliably. All other expenditure items are recognized in the income statement as expenses during the financial period in which they are incurred.

(i) Depreciation

Depreciation is recognized for property, plant and equipment over their estimated useful life using the straight-line method. Impairment reviews are undertaken for property, plant and equipment at least annually and any impairment losses are recognized in the statement of financial performance. The residual values and useful lives of assets are reviewed at least annually and adjusted. A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from its carrying amount. Those gains or losses are recognized in the statement of financial performance within other revenue or other expenses.

Property, Plant and Equipment acquired during the financial year are depreciated from the date when they became available for use and ceased to be depreciated at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized.

The asset economic life is projected in ranges as follows; -

Asset Category	Economic Life (Yrs.)
Buildings	50
Plant and Machinery	15
Furniture and Fixture	5
Office Equipment	5
Motor Vehicles	5
Computer (Desk tops and Laptops)	4

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(k) Foreign currency transactions

The project functional currency is the USD and the administrative expenses and capital expenditures are primarily denominated and settled in this currency. All Earning and Expenditure are made in USD. For the case of Demand note/payments prepared in local currency, the payments are affected prior to translation of the transactions using the prevailing exchange rate of TZS against USD at that particular date.

(l) Income

(i) Grants recognition

Revenue grants are treated as income in the statement of financial performance. Capital grants are initially credited to the capital grant account and subsequently released to income in amounts equivalent to the annual depreciation charged in respect of the assets financed by the grant.

(ii) Other income

Other income is recognized in the accounting period in which it accrues and/or realized.

(m) Pre-finance and retroactive finance expenditure

Retroactive financing is the financing of the eligible Centre expenditures incurred and paid by the NM-AIST before the grant agreement is signed. World Bank approved retroactive financing, as the project request, to finance eligible expenditures incurred and paid after the project was approved by the World Bank. During the year under review there was no retroactive finance cost.

NOTE 2. Property, plant and Equipment

Description	Motor Vehicles, Motorcycles	Plant and Machinery	Office Furniture and Equipments	Computers & Accessories	Total
Costs	5yrs	15yrs	5yrs	4yrs	
Balance as at 01.07.2019	68,786.00	17,054.00	19,121.00	15,756.00	120,717.00
Additions	-	-	-	5,500.00	5,500.00
Balance as at 30.06.2020	68,786.00	17,054.00	19,121.00	21,256.00	126,217.00
Depreciation					
Charge for the Year	13,757.00	2,132.00	3,824.00	5,314.00	25,027.00
Balance as at 30.06.2020	13,757.00	2,132.00	3,824.00	5,314.00	25,027.00
NBV as at 30.06.2020	55,029.00	14,922.00	15,297.00	15,942.00	101,190.00

NOTE 3 Cash and Cash Equivalent

Particulars	Amount(USD)
	30.06.2020
A/C No 0250047604208 (USD)-CRDB	476,880
A/C No -B.O.T	32,714
Total	<u>509,594</u>

NOTE 4

Receivable

Particulars	Amount (USD)
	30.06.2020
Imprests	41,639.00
Total Receivable	<u>41,639.00</u>

NOTE 5 .Grants Disbursements

During the Financial year 2019/20, CREATES received a total of USD 813,652.00 from World Bank IDA Funds for implementation of approved annual work plan.

Grant Amortization

Particulars	Amount (USD)
Opening Deferred Income	11,856
Grants disbursement-World Bank-IDA	813,650
Data Driven Innovation (IUCEA)	250,000
Other Income	53,042
Grant Amortized	618,957
Deferred Income	509,594

NOTE 6. Centre Sustainable Finance-External Funding

During the year under review CREATES-FNS has been able to generate \$250,000 from IUCEA for establishment of Data Driven Innovation Centre. Among proposals submitted for funding by various funders, all of them are still under review.

NOTE 7. Other Income

During the year under review USD 53,042.00 was recognised as other income from various sources such as stipend for students. The amount was used to cover activities within annual implementation plan.

Particulars	Amount USD 2019/2020
Other Income	53,042.00

NOTE 8. To achieve learning Excellence

Learning excellence falls under objective 1 of the Centre key activity, Key tasks that falls under this category includes, Enrol and support Masters and PhD candidates, Co-create CREATES-FNS teaching and learning environment, Improve the CREATES-FNS teaching and learning approach, Establish Life Sciences / CREATES-FNS experiential based curricula, Strengthen the research framework in CREATES-FNS, Improve the CREATES-FNS research approach, Development of Proposals for Grants and Develop Centre Strategic Plan. During the year under review USD 68,315.02 was used in relation to objective 1 of the Centre Action Plan 2019/2020.

Particulars	Amount (USD) 2019/2020
Paying approval or accreditation cost to TCU for national accreditation of international programs	7,315.00
Support hosting or sending PhD and Faculty staff from/or to other institutions for research or teaching	10,000.00
Support recruitment and retaining of two/three post docs in teaching and supervising the students	14,425.00
Support students with concrete research findings, products, innovations to attend short courses/conferences, national and regional exhibitions to showcase their products	15,000.00
Preparing training materials/modules for short-courses	13,575.02
Improving NM-AIST Laboratory facility through equipment and furnishing	8,000.00
Total Costs	68,315.00

NOTE 10. Research Excellence

Learning excellence falls under objective 1 of the Centre key activity, Key tasks that falls under this category includes, Support development of Bioengineering Laboratory at NM-AIST, Establishment of Demonstration plots/farm facilities for practical trainings, research and Income generation, Facilitating Participation of CREATES in knowledge exchange events and conferences (TCU exhibition, Nanenane (soapbox) and Mandela set week). During the year under review USD 177,324.80 was used in relation to objective 6 of the Centre Action Plan 2019/2020.

Particulars	Amount (USD) 2019/2020
Support development of Bioengineering Laboratory at NM-AIST in Collaboration Hunan University of Technology (HUT)	7,111.00
Establishment of Demonstration plots/farm facilities for practical training s, research and Income generation (Acknowledge and Skill Platform)	160,213.80
Facilitating Participation of CREATES in knowledge exchange events and conferences (TCU exhibition, Nanenane (soapbox)and Mandela set week)	10,000.00
Total Costs	177,324.80

NOTE 10. Quality Assurance

Quality Assurance falls under objective 3 of the Centre key activity, Key tasks that falls under this category includes, Participate in the Partnership of Applied Sciences, Engineering and Technology (PASET) benchmarking exercise, Support acquisition and retention of ISO 9000 and ISO 17025 certificates. During the year under review USD 7,000 was used to achieve quality assurance objectives related to objective 3 of the Centre Action Plan 2019/2020

Particulars	Amount (USD) 2019/2020
Support accreditation ad certification of NM-AIST testing Laboratory	7,000.00
Total Costs	7,000.00

NOTE 11. Equity Dimension

Equity Dimension falls under objective 4 of the Centre key activity, Key tasks that falls under this category includes, Special Needs Programme development costs, Final programme Documents preparation, Sensitize and engage the public and partners on equity issues during the year under review USD 25,000 was used to achieve Equity dimension objectives related to the Centre Action Plan 2019/2020

Particulars	Amount (USD) 2019/2020
Support implementation of NM-AIST Gender policy	4,000.00
Participate in ongoing AWARD activities (mentorship courses, best performance recruitment)	3,000.00
Sensitizing young girls and boys in secondary schools and colleges to participate in Sciences, Engineering, and Mathematics and Technology subjects (in collaboration STEMi program)	8,000.00
Conducting training to women, special groups, youth and other small-scale processors on food processing, value addition, packaging and marketing	10,000.00
Total Costs	25,00.00

NOTE 12. Attracting Regional Academic Staff and Students

Attracting Regional Academic Staff and Students falls under objective 5 of the Centre key activity, Key tasks that falls Motivate local and regional faculty as well as students to work at CREATES-FNS, Showcase the capacity of CREATES-FNS to faculty, research scientists and students from the region. During the year under review USD 6,000.00 was used to attract regional Academic staff and students Action Plan 2019/2020

Amount (USD) Particulars 2019/2020	
Updating and maintaining Centre -website with opportunities and CREATES capacities for Attracting Regional Academic Staff and Students	6,000.00
Total Costs	6,000.00

NOTE 13. Engaging National and Regional Academic Partners

Engaging National and Regional Academic Partners falls under objective 6 of the Centre key activity, Key tasks that falls under this category includes, Establish a knowledge translation and exchange hub, Sensitize targeted audiences in the region to showcase the knowledge products of CREATES-FNS. During the year under review USD 4,500.00 was used to achieve learning Excellence related to objective 6 of the Centre Action Plan 2019/2020.

Particulars	USD 2019/2020
Support joint teaching among the National and Regional academic partners	4,500.00
Total Costs	4,500.00

NOTE 14 . Attracting National and Regional Sector Partners

Attracting National and Regional Sector Partners falls under objective 7 of the Centre key activity, Key tasks that falls under this category includes, Establish a knowledge translation and exchange hub, Sensitize targeted audiences in the region to showcase the knowledge products of CREATES-FNS. During the year under review USD 34,000.00 was used to attract National and Regional Sector Partners as per Action Plan 2019/2020.

Particulars	USD 2019/2020
Organize and conducting outreach activities in collaboration with National and Regional Partners sectors partners (Private and public institutions) to promote technology and knowledge transfer, skills dissemination for addressing challenges facing community and industries	26,000
Participate in National and Regional sectors forums for showcasing CREATES capacity to attract Sector Partners (eg.National Agricultural policy conference, SAGCOT Partners forum	8,000
Total Costs	34,000

NOTE 15. Centre Management and Governance

Centre Management and Governance falls under objective 9 of the Centre key activity, Key tasks that falls under this category includes, Hire staff and incentivize leaders and other staff (to build the CREATES-FNS admin team, Provide training on management and leadership for Centre leaders, Procurement of equipment, furnishing and office supplies and vehicle and repair and maintenance, Prepare annual budget and action plan and support the National ACE Steering Committee, Support training for finance and other supporting staff, Support for conducting sub working group, management and governing board meetings, Support training for Internal Auditor, Prepare annual procurement plan, Support training for procurement officer, Advertise products and services to be procured, Facilitate meetings of tender Board and tender evaluation committee, Audit procurement process and products/services, Prepare audit report and table it in the Council Audit Committee. During the year under review USD 186,278 was used to achieve learning Excellence related to objective 9 of the Centre Action Plan 2019/2020.

Particulars	Amount (USD) 2019/2020
Support Review of NM-AIST Corporate Strategic plan	21,000.00
Off-set of Monthly Centre Management Team	87,137.00
Salaries and incentives	
Support short-term trainings to Centre Management Team to enhance their performance	8,000.00
Support recruitment of new Centre staff (Job Advert and Interview)	2,000.00
Procurement of office equipment, furnishing, office supplies repairing and maintenance	8,000.00
Covering cost for fuel expenses	3,500.00
Maintenance and repair of the Centre vehicle	2,500.00
Procurement of 4 laptops and 1 Desktop computer and 1 Smart table for	5,500.00

Data Visualization

Advertise products and services to be procured	17,343.00
Developing CREATES Sustainability Strategy	13,298.00
Support the Centre Leaders to attend National ACE Steering Committee meetings	18,000.00
Total Costs	186,278.00

NOTE 16 . Sustainable Financing

Sustainable Financing falls under objective 10 of the Centre key activity, Key tasks that falls under this category includes, Facilitate development of winning proposal grants (grants writing support, seed money, identifying calls) including research chairs, Conduct demand/ industry-driven short courses and international conferences on a cost-plus basis, Prepare an ethical framework for provision of consultancy services to the industry and society, Sensitize and conduct annual campaigns for philanthropic contributions. During the year under review USD 32,900 used to achieve learning Excellence related to objective 10 of the Centre Action Plan 2019/2020.

Particulars	Amount (USD) 2019/2020
Facilitate development of winning grant proposals (grants writing support, seed money, identifying calls)	7,000.00
Conduct demand-driven short courses and international conferences on a cost-plus basis	25,900.00
Total Costs	32,900 .00

NOTE 17 . Monitoring and Evaluation

Monitoring and Evaluation falls under objective 11 of the Centre key activity, Key tasks that falls under this category includes, develop a Monitoring and Evaluation Framework (shared across all key partners, including equity indicators), Conduct Independent Monitoring and Evaluation. During the year under review USD 30,500 used for Monitoring and evaluation related to objective 10 of the Centre Action Plan 2019/2020.

Particulars	Amount (USD) 2019/2020
Develop monitoring and evaluation e-system (shared across all key partners including equity indicators)	4,500.00
Preparing of Audit reports (Finance & procurement) and Financial statements	2,500.00
Conducting centre Performance review and planning meeting/workshop	9,500.00
Preparing, documenting and sharing of Centre success	14,000.00
Total Costs	30,500.00

NOTE 18. To achieve learning Excellence

Learning **excellence** falls under objective 1 of the Centre key activity, Key tasks that falls under this category includes, Enrol and support Masters and PhD candidates,

Co-create CREATES-FNS teaching and learning environment, Improve the CREATES-FNS

teaching and learning approach, Establish Life Sciences / CREATES-FNS experiential based

curricula, Strengthen the research framework in CREATES-FNS, Improve the CREATES-FNS

research approach, Development of Proposals for Grants and Develop Centre Strategic

Plan.

During the year under review USD 98,315 was used in relation to objective 1 of the Centre

Action Plan 2019/2020.

Particulars	Amount (USD) 2019/2020
Paying approval or accreditation cost to TCU for national accreditation of international programs	7,315.00
Support hosting or sending PhD and Faculty staff from/or to other institutions for research or teaching	10,000.00
Support recruitment and retaining of two/three post docs in teaching and supervising the students	14,425.00
Support students with concrete research findings, products, innovations to attend short courses/conferences, national and regional exhibitions to showcase their products	15,000.00
Preparing training materials/modules for short-courses	14,166.00
Improving NM-AIST Laboratory facility through equipment and furnishing	8,000.00
Imprest movement	30,000.00
Total Cost	98,315.00

NOTE 19. Research Excellence

Learning excellence falls under objective 1 of the Centre key activity, Key tasks that falls under this category includes, Support development of Bioengineering Laboratory at NM-AIST, Establishment of Demonstration plots/farm facilities for practical trainings, research and Income generation, Facilitating Participation of CREATES in knowledge exchange events and conferences (TCU exhibition, Nanenane (soapbox) and Mandela set week). During the year under review USD 188,963 was used in relation to objective 6 of the Centre Action Plan 2019/2020.

Particulars	Amount (USD) 2019/2020
Support development of Bioengineering Laboratory at NM-AIST in Collaboration Hunan University of Technology (HUT)	7,111.00
Establishment of Demonstration plots/farm facilities for practical training s, research and Income generation (Acknowledge and Skill Platform)	160,213.80
Facilitating Participation of CREATES in knowledge exchange events and conferences (TCU exhibition, Nanenane (soapbox)and Mandela set week)	10,000.00
Imprsest Movemnts	11,638.00
Total Costs	188,963.00

Explanation of Variance on Comparison of Budget Versus Actual

(i)Revenue

(ii)Are Ongoing and activities like Supporting the construction of Hostels for female

(iii)Are Ongoing and activities like Supporting development of bioengineering Laboratory at NM_AIST in Collaboration with Hunan University of Technology (HUT)

(iv)Delaying because of Covid-19

(v) This will be implemented in the second quarter for next financial year

(vi)The activity did not finalize on time because of Covid-19

(vii) The activity will be implemented and finalized in the next financial year

(viii) Are ongoing and will be implemented in the next financial year

(ix)There was understaffing but the staff already recruited

(x) Are on going and will be completed at the end of December 2020

(xi) Are ongoing and other Exercise such as CAG Auditing to be done in future from October, 2020