

**AFRICAN CENTER OF EXCELLENCE IN
ENERGY FOR SUSTAINABLE
DEVELOPMENT (ACE-ESD)**

AUDIT REPORTS

For the year ended 30 June 2022

OAG Core Values

Integrity

In public Interest

Innovation

Objectivity

Professionalism

**AFRICAN CENTER OF EXCELLENCE IN
ENERGY FOR SUSTAINABLE
DEVELOPMENT (ACE-ESD)**

**AUDIT REPORT ON FINANCIAL
STATEMENTS**

For the year ended 30 June 2022

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1. INTRODUCTION

1.1 Project background

ACE-ESD is one of 24 Eastern and Southern Africa Higher Education Centres of Excellence in the World Bank's ACE II Project.

The African Centers of Excellence (ACEs) financed under the ACE II Project supports the Governments of **eight (8)** participating countries (namely Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia) to collectively address key development challenges facing the Eastern and Southern Africa region through interventions in developing critically-needed science and technology capacity. Accordingly, the International Development Association availed to Rwanda a credit amounting to **SDR 14,500,000** (Special Drawing Right) equivalent to **USD 20,000,000** to strengthen selected Higher Education Institutions.

The ACE-ESD is based at the University of Rwanda in the School of Business and Economics

1.2 Project objective

The objective of this project is to result in building capacity of East And southern Africa region through the university of Rwanda, college of science and technology to undertake interdisciplinary research and training in smart and micro-grid energy technologies tailed to serve remote and rural areas using renewable sources power system and energy management and trade policy, train 40 PhD and 120 MSc energy experts and improve research and teaching environment.

However, the main component of the project is to create a world -class energy Centre that will be a regional hub for research and training of African engineers, policy makers and energy utility managers in micro-grid energy management and policy contribution to rural development through technology transfer and nature and to promote entrepreneurship development in the energy sector to wards sustainable development.

1.3 Duration and funding summary

The Project is for duration of 6 years from 2016 to December 2023 with an approved budget of **USD 5,500,000** as highlighted in the table below:

Source of funds	Commitment	Cumulative amount received to 30 June 2022	Cumulative amount received to 30 June 2022	Undrawn balance to	*Undrawn balance
	(A)	(B)	(C)	D=(A)-(B)	E= (D*1,024.482)
	(in USD)	(in USD)	(in Frw)	(in USD)	(Frw)
Loan					
World Bank	5,500,000	4,641,768	4,202,541,217	858,232	879,243,236
Total	5,500,000	4,641,768	4,202,541,217	858,232	879,243,236

**Undrawn balance of USD as at 30 June 2022 was translated into Frw using BNR quoted average rate of 30 June 2022 which is 1 USD=Frw 1,024.482*

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Below are details of amount received from World Bank up to 30 June 2022:

Received date	Amount received	Exchange rate	Total amount in local currency
	USD		Frw
24/04/2017	1,100,000	818.668	900,534,644
13/05/2019	370,101	883.972	327,158,917
13/05/2019	511,000	883.972	451,709,687
14/08/2019	507,500	894.654	454,036,704
17/03/2020	270,000	920.676	248,582,446
28/08/2020	893,400	940.217	839,989,445
24/06/2021	86,767	990.667	85,957,073
19/10/2021	903,000	990.667	894,572,301
Total	4,641,768		4,202,541,217

1.4 Basic information of the Project

The description of the project is summarized in the table below:

Project Name	African Center of Excellence in Energy for Sustainable Development (ACE-ESD)		
Project Number	Credit Number : 5796-RW		
Line Ministry of the project	MINEDUC		
Funding sources	The project's total funding over the project lifetime is as below:		
	Source of funds	Amount in foreign currency	Amount in local currency/ Using the average exchange rate as at 30/06/2022 : Frw 1,024.482
		USD	Frw
	Loan from World Bank	5,500,000	5,634,651,000
	Total	5,500,000	5,634,651,000
Project Start Date:	The project approval date is 26th May 2016 The project signature of agreement date is 17th June 2016 The project effectiveness date is 17th October 2016		
Project End Date:	The project last disbursement date 30th June 2023 The project completion date is 31st December 2023 The project completion extended date : Extended from 31 st December 2022 to 31 st December 2023		
Project Manager	The project manager is Prof. KABIRI Charles		
Project Sponsor/ Funder	Lender name : World Bank		
The project objective	The objective of this project is to result in building capacity of East And southern Africa region through the university of Rwanda, college of science and technology to undertake interdisciplinary research and training in smart and micro—grid		

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	energy technologies tailed to serve remote and rural areas using renewable sources power system and energy management and trade policy, train 40 PhD and 120 MSc energy experts and improve research and teaching environment.
Strategic goals of the Project	The main component of the project is to create a world -class energy Centre that will be a region a regional hub for research and training of African engineers, policy makers and energy utility managers in micro-grid energy management and policy contribution to rural development through technology transfer and nature and to promote entrepreneurship development in the energy sector to wards sustainable developments
Project components and activities	<p>The project's components include:</p> <ol style="list-style-type: none"> 1. To provide national and regional capacity of building MSc & PhD for the establishment and implementation of energy system using local energy sources and appropriate technology to cover energy needs for sustainable development. 2. To develop and transfer appropriate energy technologies for sustainable development at national and regional levels. 3. To contribute and strengthen cooperation between industry and academia in the field of clean energy 4. To provide energy research, consultancy and advisory services to both public and private organization at national, regional and international level 5. To provide policy development skills training for student policy makers in the region which is critical for effective interconnection of energy systems. <p>The project offers MSc and PhD Programs in :</p> <ul style="list-style-type: none"> - Electrical power systems ; - Renewable energy ; and - Energy economics <p>It delivers also professional short trainings in energy sector.</p>
Physical address	The Project is domiciled in Kicukiro District, City of Kigali, Rwanda.
Implementing agency	The Project is implemented by the University of Rwanda (UR)

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1.5 Project achievements for the year ended 30 June 2022

Category	Total Amount (USD)	Overall Target [Results]	Cumulative Results verified as at December 31, 2019	Verified Amount	Remaining amount for all Years	Comments/ remedial actions
DLR# 1.1	600,000	1	1	600000	0	Achieved
DLR# 1.2	500,000	1	1	500000	0	Achieved
Development of the Project Implementation Plan						
DLR# 2.1 Timely annual implementation of the plans [% of execution of the budget)	0 This DLR 2.1 will be reallocated to DLR 2.2 , 2.5 and 2.6 according to the aide memoire	Above 85%				This DLR 2.1 will be reallocated to DLR 2.2, DLR 2.5 and 2.6
DLR #2.2: Newly enrolled students in the ACE of which at least 20% must be regional (African] students.		Masters: 120	34 verified (81 submitted for verification)			
	1,197,000	PhD: 40	28 verified (9 submitted for verification)	1,197,000	6	
		Short course: 80	79 verified (131 submitted for verification)			
DLR#2.3: Accreditation of quality of education programs.	550,000	6	6	300000	250,000	The international accreditation is still in progress
DLR#2.4: Partnerships for collaboration in applied research and training.	190,000	5	10 Molls are signed 3 Molls are under development	190,000	0	Achieved
DLR#2.5: Peer-reviewed journal papers	459,000	21	49 publications	459,000	0	Achieved

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or peer-reviewed conference papers prepared collaboratively with national, regional or international coauthors.						
DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching collaborations	644,000	58	46 Exchange programs	213,000	431,000	In February 2022, the Center submitted to IUCEA the student data related to exchange programs, the verification process is ongoing.
DLR#2.7: External revenue generation	825,000	1,000,000	USD \$ 2,917,555	825,000	0	Achieved
DLR#2.8: Institution participating in benchmarking exercise	95,000	1	1	95,000	0	Achieved
DLR#3.1: Timely Withdrawal applications supported by interim unaudited financial reports for each ACE	55,000	5	3	44,000	11,000	The verification of the DLI #3 for the last four years.
DLR#3.2: Functioning audit committee under each Eastern and Southern African Higher Education Institutions.	55,000	5	3	44,000	11,000	
DLR#3.3: Functioning internal audit unit for each Eastern and Southern African Higher Education Institution	55,000	10	3	44,000	11,000	
DLR#3.4:	55,000	10	3	44,000	11,000	

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Transparency of financial management (audit reports, interim unaudited financial reports, budgets and Annual Work Programs are all web accessible)						
DLR# 4.1 Timely procurement audit report for each ACE	110,000	10	3	66,000	44,000	The Center hired a private audit firm RUMA CPA to conduct procurement audit.
DLR#4.2: Timely and satisfactory procurement progress report for each ACE	110,000	5	3	66,000	44,000	
Total	5,500,000			4,687,001.3	812,998.7	
				85.2%	14.8%	

1.6 Project Management

S/N	Name	Position	Period
1	Françoise KAYITARE TENGERA	Deputy Vice Chancellor for Finance and Chief Budget Manager	From 5 th May 2021 to date
2	Dr Ignace GATARE	Principal of UR- CST	From 2017 th up to date
3	Prof Charles KABIRI	Ag. Center Director	From December 2019 to date
4	Immaculate BUGINGO	UR SPIU Coordinator	From December 2016 to date
5	MUSABYIMANA Innocent	ACEs project Coordinator	From 20 th October 2021 to date
6	Maurice KANAMUGIRE	P. Ag. UR SPIU Director of Administration and Finance	From March 2019 to date
7	JMV HARINDINTWALI	ACE-ESD Accountant	From 01 st July 2019 to date
8	KILIKIRI Landourd	Centre Administrator	From 15 th May 2017 to date

2. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Article 66 of the Organic Law N° 12/2013 of 12/09/2013 on State Finances and Property requires budget agencies to prepare and submit to the Ministry annual financial statements in a period of one month from the end of the fiscal year and submit their annual financial statements to the Auditor General of State Finances not later than 30th September of the following fiscal year.

Article 19 of the Organic Law N° 12/2013 further stipulates that the Chief Budget Manager is responsible for maintaining accounts and records of the budget agency, preparing reports on budget execution, managing revenues and expenditures, preparing, maintaining and coordinating the use of financial plans, managing the financial resources for the budget agency effectively, efficiently and transparently, ensuring sound internal control systems in the budget agency and safeguarding the public property held by the budget agency.

As Chief Budget Manager, I accept responsibility for the annual financial statements, which have been prepared using appropriate accounting standards applicable to Public Entities as defined by Article 99 of the Ministerial Order N° 001/16/10/TC of 26/01/2016 relating to financial regulations.

These financial statements have been extracted from the accounting records of **African Center of Excellence in Energy for Sustainable Development (ACE-ESD)** and the information provided is accurate and complete in all material respects. The financial statements also form part of the consolidated financial statements of the Government of Rwanda.

In my opinion, the financial statements give a true and fair view of the state of the financial affairs of **ACE-ESD**. I further confirm that **ACE-ESD** maintained proper accounting records that may be relied upon in the preparation of financial statements. I also confirm that adequate systems of internal control were maintained and operated effectively during the financial year to safeguard the assets of the project.

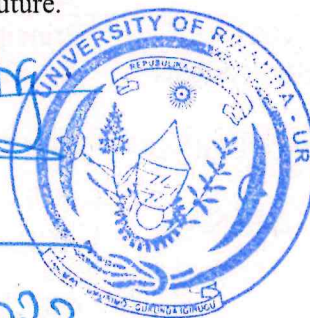
Nothing has come to the attention of management to indicate that **ACE-ESD** will not continue operating as a going concern for the foreseeable future.

Signature: _____

Françoise KAYITARE TENGERA
Deputy Vice Chancellor for Finance
University of Rwanda

Date: _____

December, 12th 2022



3. REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS

REPORT ON THE FINANCIAL STATEMENTS

Françoise KAYITARE TENGERA
Deputy Vice Chancellor for Finance
University of Rwanda

3.1 Opinion

As required by Article 165 of the Constitution of the Republic of Rwanda of 2003 revised in 2015, and Articles 6 and 14 of Law N° 79/2013 of 11/09/2013 determining the mission, organization and functioning of the Office of the Auditor General of State Finances (OAG), I have audited the financial statements of **African Center of Excellence in Energy for Sustainable Development (ACE-ESD)** for the year ended 30 June 2022. These financial statements comprise the statement of financial position as at 30 June 2022 statement of revenue and expenditure, statement of cash flows, statement of changes in net assets and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements are set out on pages **12 to 29**.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of **African Center of Excellence in Energy for Sustainable Development (ACE ESD)** as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with the guidelines provided by Ministerial Order N° 001/16/10/TC of 26/01/2016 relating to financial regulations and Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property.

3.2 Basis for opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under ISSAIs are described in section 3.4 of this report.

I am independent of **African Center of Excellence in Energy for Sustainable Development (ACE ESD)** and have fulfilled my ethical responsibilities in accordance with the ethical requirements that are relevant to my audit of financial statements of public entities as determined by the Code of ethics for International Organization of Supreme Audit Institutions (INTOSAI). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

According to Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property, management of **African Center of Excellence in Energy for Sustainable Development (ACE-ESD)** is responsible for keeping accounting records and books of account, and preparation of financial statements in accordance with the financial regulations prescribed by the Minister in Ministerial Order N° 001/16/10/TC of 26/01/2016 relating to financial regulations.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation 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 **ACE-ESD** ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Government either intends to discontinue operations of the **ACE-ESD**.

Those charged with Governance of this **ACE-ESD** are the project Steering Committee as per establishing funding agreement. They are responsible for overseeing **ACE-ESD**'s financial reporting process.

3.4 Auditor General's responsibilities for the audit of the financial statements

My objective when conducting an audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

An audit conducted in accordance with ISSAIs requires an auditor to exercise professional judgment and maintain professional skepticism throughout the audit and involves:

- The identification and assessment of the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform procedures responsive to those risks and to obtain sufficient and appropriate audit evidence to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtaining 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 purposes of expressing an opinion on the effectiveness of internal control.
- Evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management.
- Concluding 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 **African Center of Excellence in Energy for Sustainable Development (ACE-ESD)** ability to continue as a going concern as well as evaluating the presentation of the financial statements.
- Evaluation of the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieved fair presentation.

KAMUHIRE Alexis
AUDITOR GENERAL

KIGALI...15 December 2022



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4. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4.1 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

Description	Note	12 months ended 30 June 2022	12 months ended 30 June 2021
		Frw	Frw
Revenues			
Transfers from other government entities	2	1,037,848,974.27	3,930,915.19
Other revenue	3	5,000.00	65,000.00
Borrowings	4	0	839,988,974.40
Total Revenue		1,037,853,974.27	843,984,889.59
Expenses			
Goods and services	5	279,576,707.55	253,765,846.01
Capital expenditure	6	5,984,991.74	58,479,362.23
Grants and other transfer payments	7	0	14,172,825.00
Other expenses	8	254,084,059.26	375,802,658.18
Total Expenses		(539,645,758.55)	(702,220,691.42)
Other gains and losses			
Foreign exchange loss /(gain)	9	30,161,850.30	61,024,869.86
Surplus for the period		528,370,066.02	202,789,068.03

The notes on pages 17 to 29 form an integral part of these financial statements.

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4.2 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Description	Note	Balance as at 30 June 2022	Balance as at 30 June 2021
		Frw	Frw
ASSETS			
Current assets			
Cash and cash equivalents	10	1,495,817,261.47	964,160,267.77
Receivables from exchange transactions	11	143,500.00	142,176.00
Total assets		1,495,960,761.47	964,302,443.77
NET ASSETS/EQUITY AND LIABILITIES			
Liabilities			
Current Liabilities			
Payables	12	9,977,992.68	6,689,741.00
Total liabilities		9,977,992.68	6,689,741.00
Net Assets/Equity		1,485,982,768.79	957,612,702.77
Accumulated opening balances	13	957,612,702.77	754,823,634.74
Adjustments of the period		-	-
Surplus/deficit for the period		528,370,066.02	202,789,068.03
Total Equity and Liabilities		1,495,960,761.47	964,302,443.77

The notes on pages 17 to 29 form an integral part of these financial statements.

4.3 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

Description	12 months to 30 June 2022	12 months to 30 June 2021
	Frw	Frw
Cash flow from operating activities		
Receipts		
Transfers from other government entities	1,037,848,974	3,930,915
Other revenue	5,000	65,000
Total Revenue	1,037,853,974	3,995,915
Payments		
Use of goods and services	(279,576,708)	(253,765,846)
Grants and other transfer payments	-	(14,172,825)
Other expenses	(254,084,059)	(375,802,658)
Adjusted for:		
Changes in receivables	(1,324)	(142,176)
Changes in payables	3,288,252	6,689,741
Net cash flows from operating activities	507,480,135	(633,197,849)
Cash flows from investing activities		
Capital expenditure	(5,984,992)	(58,479,362)
Net cash flows from investing activities	(5,984,992)	(58,479,362)
Cash flow from financing activities		
Proceeds from borrowings	-	839,988,974
Net cash flow from financing activities	-	839,988,974
Net increase/(decrease) in cash and cash equivalents	501,495,143	148,311,763
Cash and cash equivalents at beginning of period	964,160,268	754,823,635
Effects of exchange rate changes on the balance of cash held in foreign currencies	30,161,850.30	61,024,870
Cash and cash equivalents at end of period	1,495,817,261	964,160,268

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4.4 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

Changes in net assets items	Accumulated surplus / deficit 2019/2020	Movement during the Year 2020/2021	Total 2020/2021
	Frw	Frw	Frw
Changes in net assets			
Accumulated opening balance			
Accumulated opening balance	672,300,072		672,300,072
Surplus/Deficit for the period			
Surplus/(deficit) for the period	78,045,091	202,789,068	280,834,159
Accumulated adjustments			
Adjustments on current liabilities	4,478,472.00	-	4,478,472.00
	754,823,635.00	202,789,068.03	957,612,703
Changes in net assets items	Accumulated Surplus/ Deficit 2020/2021	Movement during the Year 2021/2022	Total 2021/2022
	Frw	Frw	Frw
Accumulated opening balance			
Accumulated opening balance	672,300,072		672,300,072
Surplus/(deficit) for the period			
Surplus/(deficit) for the period	280,834,159	528,370,066	809,204,225
Accumulated adjustments			
Adjustments on current liabilities	4,478,472.00		4,478,472
Total	957,612,703	528,370,066	1,485,982,769

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4.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

Description	Revised budget 2021-2022	Actual 2021-2022	Variances	Performance
	Frw	Frw	Frw	%
	A	B	C=A-B	N/A (B/A)*100
Receipts				
Transfers from other Government Reporting entities	1,037,848,974	1,037,848,974	-	100%
Other Revenues	5,000	5,000	-	100%
Foreign exchange gain	30,161,850	30,161,850	-	
Total receipts	1,068,015,824	1,068,015,824	-	100%
Expenses				
Goods And Services	311,600,000	279,576,708	32,023,292	90%
Other Expenses	331,000,000	254,084,059.26	76,915,941	77%
Total payments	642,600,000	533,660,767	108,939,233	83%
Acquisition of non-financial assets				
Capital expenditure	7,264,331	5,984,992	1,279,339	82%

Explanation on variances:

Other expenses: There are PhD students who were not admitted. The Center planned to enroll new PhD students but the process is still in progress.

Authorization date

The financial statements were approved by the Management of the ACE-ESD on 09/12/2022 and were signed on its behalf by:

Prepared by: **JMV HARINDINTWALI**
Project Accountant-ACE-ESD

Signature

09/12/2022
Date

Reviewed by: **KANAMUGIRE P. Maurice**
UR SPIU Ag. Director of Administration and Finance

Signature

9/12/2022
Date

Checked by: **BUGINGO Immaculate**
UR SPIU Coordinator

Signature

09/12/2022
Date

Approved by: **Francoise Kayitare Tengera**
Chief Budget Manager

Signature

12/12/2022
Date

Office of the Auditor General of State Finances



4.6 NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

Public entities maintain their books of account on a modified accrual basis of accounting as prescribed in basis for preparation.

a. Statement of compliance

The financial statements have been prepared in accordance with the Organic Law n° 12/2013 of 12/09/2013 on State Finances and Property and related legal framework. These financial statements have been authorized for issue by the Chief Budget Manager on 30/08/2022.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. The presentation and classification of items in the financial statements are consistent from one period to the next and takes into consideration progressive improvements as contained in the Government of Rwanda roadmap to migrate to accrual IPSAS.

Reporting Entity

The Financial Statements have been prepared by ACE-ESD pursuant to Articles 19 and 66 of the Organic Law on State Finances and Property No 12/2013 of 12/09/2013 that empowers the Chief Budget Manager to prepare the financial statements.

b. Basis of Preparation

The financial statements have been prepared on the basis of historical costs unless otherwise stated. The cash flow statement is prepared using the direct method.

The specific accounting basis for major items in the financial statements are provided below. Except for the subsidiary entities affiliated to the decentralised entities, public entities shall maintain their books of account on a modified accrual basis of accounting. The subsidiary entities affiliated to the decentralised entities shall maintain their books of account on a modified cash basis of accounting and progressively move to the same accounting basis as that of the rest of the public entities.

In this context, modified accrual basis of accounting means that financial transactions and events shall generally be recognized in the books of account when they occur and not only when cash or its equivalent is received or paid, except in the following circumstances when transactions will be treated on a cash basis;

(i) Inventories – these are assets:

- a. in the form of materials and supplies to be consumed in the production process,
- b. in the form of materials to be consumed in the rendering of services,
- c. held for sale or distribution in the ordinary course of operations,
- d. in the process of production for sale or distribution.

Inventories include assets such as consumable stores, maintenance materials, ammunition, land and other properties held for sale, strategic stock piles e.g. fuel reserves. These will be treated on cash basis and recorded as expenditure during the year of acquisition and treated as revenue in the year of disposal.

- (ii) **Non-exchange transactions:** - These arise where an entity receives value from another entity without giving approximately equal value in exchange. These include taxes, fines and penalties, transfers, gifts and donations and shall be recognized when cash is received.
- (iii) **Non-current assets (tangible and intangible assets):** - such as vehicles, furniture, equipment, finance leases, Plant and tools and investment property are treated on cash basis and recorded as capital expenditure during the year of acquisition and revenue in the year of disposal.
- (iv) **Investments excluding those directly made by public entities:** - shareholding in public corporations, investments in associates, equity interest in joint ventures, lending and on-lending by government entities will be treated on cash basis and recorded as capital expenditure during the year of acquisition and revenue in the year of disposal.
- (v) **Student loans:** - Student loans shall be treated on a cash basis at the time of disbursements and recognized as expenses. Similarly, they will be recognized as revenue when loan repayments are received from the students.

c. Reporting periods

The Government of Rwanda Fiscal Year runs from 1st July to 30th June. These financial statements cover the period 1st July 2021 to 30th June 2022. The comparative figures reflect the 12 months ended 30th June 2021.

d. Key assumptions and judgements

These financial statements, as a component of the Government consolidated financial statements, reflect the Government's financial position as at 30th June 2022, and the financial results of operations and cash flows for the period/year ended on that date. Included in these financial statements are a number of judgements, estimations and assumptions.

The assumptions are based on information available at the time of the preparation of the financial statements. It should therefore be noted that actual results may differ from the assumptions stated and thus have a material impact on the financial statements. The key assumptions are discussed below:

e. Presentation Currency

The functional currency of the Government of Rwanda is the Rwandan Franc. For reporting purposes, the financial statements are translated into Rwandan Francs.

The rates used to translate foreign currency balances is the average rate applicable by National Bank of Rwanda as at 30th June 2022.

f. Areas of significant estimation

These financial statements do not have significant estimates so far. For the non-current asset and inventory balances disclosures, the acquisition cost before depreciation has been used.

g. Adoption of new and revised standards

The government is in the process of transitioning to IPSAS through a phased approach that involves a six-year implementation plan.

Basis of consolidation

The financial statements are aggregated on a line by line basis with the inter-entity transactions of revenue and expenditure being eliminated at the national consolidation level to avoid overestimation of revenue or expenses.

Fair Presentation and Compliance with Accrual Basis IPSASs during the Period of Transition

IPSAS 33, First-Time-Adoption-of-Accrual-Basis-IPSASs, stipulates that where a first-time adopter has not recognized assets and/or liabilities under its previous basis of accounting, it is not required to recognize and/or measure the following assets and/or liabilities for reporting periods beginning on a date within three years following the date of adoption of IPSASs.

The standard recognizes that during the migration, some assets and liabilities are complex and a fair presentation may not be achieved within the three years following the first adoption of the migration and hence provides for exemption relating to fair presentation.

In this regard and basing on the exemption relating to fair presentation provided in paragraphs 33 to 62 of IPSAS 33, the following items of assets and liabilities will not be recognized on the face of financial statements under the current modified accrual basis of accounting. Instead those will be disclosed as important disclosures until those assets are fully identified, registered in appropriate registers and its value can be determined reliably

The main ones include;

- a) Inventories (see IPSAS 12, Inventories);
- b) Investment property (see IPSAS 16, Investment Property);
- c) Property, plant and equipment (see IPSAS 17, Property, Plant and Equipment);
- d) Defined benefit plans and other long-term employee benefits (see IPSAS 25, Employee Benefits);
- e) Biological assets and agricultural produce (see IPSAS 27, Agriculture);
- f) Intangible assets (see IPSAS 31, Intangible Assets);
- g) Service concession assets and the related liabilities, either under the financial liability model or the grant of a right to the operator model (see IPSAS 32, Service Concession Arrangements: Grantor);
- h) Public debts; and
- i) Government Investments in Public and Private Enterprises

h. Significant accounting policies

The accounting policies set out in this section have been consistently applied by all consolidated entities and for all the years presented.

i. Recognition

I. REVENUE

a) Revenue from non-exchange transactions

• Transfers from other general government units

Transfers from other general Government units includes Transfers from National Treasury, Inter-entity and intra-entity transfers. Inter-entity transfers refer to transfers between cost or revenue centres belonging to different public entities while intra-entity refers to transfers between cost or revenue centres within the same budget agency.

A transfer is a transaction in which one institutional unit provides a good, service, or asset to another unit without receiving from the latter any good, service, or asset in return as a direct counterpart. Grants are normally receivable in cash, but may also take the form of the receipt of goods or services (in kind). Grants receivable are classified first by the type of unit providing the grant and then by whether the grant is current or capital.

A grant may be a sum of money or services given by a government body for specific purposes. Usually the money given can only be used for the intended purposes stated in the grant writing or application.

These transfers could be classified according to the sector of the counterparty and whether they are current or capital transfers.

The grants and transfers shall be sub-categorized as follows:

- a) Grants received from Foreign Governments;
- b) Grants received from International Organizations; and
- c) Grants received from other general Government units which includes Treasury Transfers, Inter-entity and intra-entity transfers.

Grants and similar financing for capital items, to the extent that they have not been eliminated on consolidation, are recognized immediately in the Statement of financial assets and liabilities unless it is likely that the grant will need to be repaid, in which case the grant is deferred in the Statement of financial assets and liabilities

The following applies to grants and transfers:

- Grants are recognized in the books of accounts when cash is received and in case of grant in kind, such grants are recorded upon receipt of the grant item and upon determination of the value.
- Transfer from Treasury are recognized in the books of accounts when cash is received.

- Transfers received from Government entity for onward payment to a third party are not treated as an inter-entity (revenue) rather, such transfers shall be recorded as transit fund (liability) in the books of the receiving entity.
- Transfers from Treasury that are not related to current fiscal year budget are not treated as cash transfers. Instead such transfers shall be treated as inter-entity transfers.
- Transfers from entities to Treasury which does not relate to the current fiscal year budget are treated by Treasury as inter-entity transfers.
- Funds returned to Treasury at the end of the fiscal year as a result of zero balance accounts sweeping are not recognized as inter-entity transfers. Instead, those funds will reduce the cash transfer account balance for the same year. Where such transfers are received by Treasury in the subsequent fiscal year (such as embassies and foreign missions) such transfers is recognized as inter-entity transfers.
- The transfers other than grant include subsidies, as well as gifts and transfers from individuals, private non-profit institutions, nongovernmental foundations, corporations, and the nature of the transfer is not such that it could be included in the other categories of transfers.

• **Other revenue**

These are other revenue not classified in other classes of revenues. This include claims from insurance and guarantees seized.

b) Revenue from exchange transactions

The project received during the previous year end fees collected from research activities

c) Borrowings

The Ministry of Finance and Economic Planning is the principal borrowing agent for Central Government. Public debt and associated interest is recognized on cash basis. Proceed from loan borrowing is recognized as revenue during the year of receipt at cost and repayment as expenditure in the year of repayment. Cash is considered as received when recipient entity received a transfer advice from the partner rather than when cash is received in the bank account of the receiving entity.

Other loans (principal and any associated interest) acquired directly by a public entity (e.g. those acquired by Decentralized Entities) are treated on an accrual basis and recognized as liabilities.

II. Expenditure

All expenditure is recognized on accrual basis however, the point of recognition may be different according to their categories.

a) Goods and services

Goods and services consists of the value of goods and services used for the production of market and nonmarket goods and services.

The value of goods or services is recorded when the goods or services are actually used rather than when they were acquired or paid for. In practice, these events often coincide for inputs of services but not for goods, which may be acquired some time in advance of their use. The value of goods purchased and held for resale is recorded as goods and services when they are sold.

b) Acquisition of fixed assets

The expenditure on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as expenditure and income items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as revenue and as Acquisition of Fixed Assets otherwise it not recorded rather a fixed asset register which contains details of assets is maintained by each public entity.

c) Transfers to public Entities

Transfers to public entities are made in the form of direct/indirect cash transfers and direct payments to public reporting entities. Payments from the Central Treasury account are originated and approved by the respective Public entities before they are forwarded to the Treasury for payment. Direct/indirect cash transfers are transferred together with associated activities to be performed. The expenditure/receipt is recognised when actual cash is transferred. Cash is considered as transferred when consideration for payment such as EFT, Cheque, Payment Orders are approved level 2 rather than when cash and cash equivalent are debited from the bank statement. For direct payments expenditure is recognized when goods/services are received and when commitment is approved for all other expenditures. During the consolidation process while the actual spending reported by budget agencies is regarded as expenditures.

d) Other expenses

Any other expenses not part of the ones above will fall into this category. Other expenses comprise education non-reimbursable scholarships and students living allowances.

III. Assets and Liabilities

a) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents comprise balances with banks and investments in short-term money market instruments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the National Bank of Rwanda, foreign bank for the case of embassies and high commissions and at various commercial banks at the end of the reporting period.

b) Receivables from exchange transactions

These receivables include the receivables from the exchange transactions, prepayments and other receivables recoverable in period not exceeding 12 months.

c) Inventories

Inventories are expensed in the period in which they are acquired by the Government and its entities.

d) Current Liabilities

These mainly relate to invoices for goods and services which were outstanding on the date of the closure of the fiscal year. These are recognized as liabilities for that specific fiscal year. All goods received notes are recognised as liabilities if not yet paid as at the end of the period. It also includes short term borrowings received by budget agencies from Local Commercial Banks as these are not regarded as public debt.

e) Noncurrent liabilities

These Noncurrent liabilities includes funds due to suppliers whose repayment shall be done in more than 12 months from the end of the financial year.

IV. Other relevant information

a) Foreign currency transactions

Transactions denominated in foreign currencies are initially translated to the Rwandan Franc at the foreign exchange rate at the date of transaction.

The National Bank of Rwanda provides exchange rates for major foreign currencies on a daily basis. These are presented for selling rate (rate the bank will sell foreign currency to its clients), buying rate (rate the bank will buy foreign currency from its clients) and average rate (average between the selling and buying rate).

During the year, revenue items are translated using the buying rate presented at BNR website of the transaction day whereas the Expense items should be translated using the Selling rate presented at BNR website of the transaction day.

The associated exchange losses are recorded as other expenditure while exchange gains should be recorded as other revenue. At the end of the year, book balances, Assets (such as bank and cash and accounts receivables) and liability (such as accounts payables), denominated in foreign currencies are converted into the Rwanda Franc at the average rate of exchange ruling on that closing date, as issued by the National Bank of Rwanda. The associated exchange losses/gains are recorded as expenditure/income in the books.

b) Comparative figures

Adjustments have been made on the opening balances of the current financial period with respect to adjustments made by individual entities relating to the comparative periods.

c) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2022.

Changes in accounting policies and estimates

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so; in this regards, such adjustments have been treated as adjustments to opening balance.

d) Notes to the statement of comparison of budget and actual amounts

- The original budget for 2021/2022 was approved on 30/06/2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Government upon receiving the respective approvals in order to conclude the final budget. Accordingly, the Government recorded additional appropriations of budget in accordance with specific instructions of the Cabinet/Parliament.
- Government's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the Statement of revenues and expenditures, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

- Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for Government.
- Public entity differences occur when the budget omits program/activity or a public entity that is part of the public entity for which the financial statements are prepared. There are no entity differences.

2. Transfers from other government reporting entities

During the 12 months to 30 June 2022, the Project received transfers from Government reporting agencies as detailed below:

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ID Account	Description	12 months ended 30 June 2022	12 months ended 30 June 2021
		Frw	Frw
139112	University of Rwanda	57,318,873.20	3,930,915.19
139214	Transfer public debt external Project	980,530,101.07	
Total		1,037,848,974.27	3,930,915.19

3. Other revenue

These comprise of other revenues including voluntary transfers other than grants, miscellaneous income and unidentified revenues.

ID Account	Description	12 months ended 30 June 2022	12 months ended 30 June 2021
		Frw	Frw
1452	Unidentified revenue	5,000	65,000
	Total	5,000	65,000

4. External borrowings

These comprise of proceeds from loan borrowing from external development partners received during the previous period.

Name of Partner	Date received	Amount in USD	Exchange rate	Period ended 30 June 2021
				Frw
162102 Capital borrowing- International organizations	28-Aug-20	893,400	940.216	839,988,974.4
Total				839,988,974.4

5. Use of goods and services

During the 12 months to 30 June 2022, the Project consumed goods and services as detailed in the table below:

ID Account	Description	12 months ended 30 June 2022	12 months ended 30 June 2021
		Frw	Frw
2211	Office Supplies and Consumables	5,736,078.71	7,983,212.95
2214	Communication Costs	9,744,195.74	10,132,460.51
2216	Bank charges and commissions and other financial costs	105,702.10	487,759.16
2217	Public Relations and Awareness	11,301,413.65	2,975,400.00
2221	Professional and contractual Services	217,999,123.77	209,367,666.48
2231	Transport and Travel	30,930,566.46	21,011,351.33

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2241	Maintenance and Repairs	1,677,552.98	0
2261	Training Costs	2082074.14	1500001
2271	Reagents and chemicals consumables	0	307,994.58
Total		279,576,707.55	253,765,846.01

6. Acquisition of fixed assets

During the 12 months to 30 June 2022, the Project incurred capital expenditure as detailed in the table below:

ID account	Description	12 months ended 30 June 2022	12 months ended 30 June 2021
		Frw	Frw
2313	Office Equipment, Furniture and Fittings	1,584,991.74	3,429,970.98
2314	ICT Equipment, Software and Other ICT Assets	4,400,000.00	55,049,391.25
Total		5,984,991.74	58,479,362.23

7. Grants and other transfer payments

ID Account	Description	12 months ended 30 June 2022	12 months ended 30 June 2021
		Frw	Frw
269999	Grant and other transfer to UR for e-learning	0	14,172,825
Total		0	14,172,825

8. Other expenses

These include all expenses transactions not elsewhere classified. This includes membership and subscriptions, scholarships and education benefits as well as miscellaneous expenses.

ID account	Description	12 months ended 30 June 2022	12 months ended 30 June 2021
		Frw	Frw
288102	Education non reimbursable Scholarships	0	115,186,919.23
288104	Students living allowances	0	260,615,738.95
2822	Other educational benefits	254,084,059.26	0
Total		254,084,059.26	375,802,658.18

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9. Foreign exchange loss/gain

This notes related to exchange gain or losses resulted from foreign transactions

ID account	Description	12 months ended 30 June 2022	12 months ended 30 June 2021
		Frw	Frw
145111	Gain of currency exchange and translations	39,105,229.94	61,024,869.86
221605	Loss on currency exchange and translations	(8,943,379.64)	0
Total		30,161,850.30	61,024,869.86

10. Cash and Cash equivalents

The bank amounts shown in the table below have been reconciled to the bank statements as at 30 June 2022.

ID account	Bank name	Account No.	Currency	Amount in foreign currency	Exchange rate	As at 30 June 2022	As at 30 Jun 2021
						Frw	Frw
311391	BNR	1000038055	USD	1,127,255.50	1,024.48	1,154,853,705.70	680,708,513.98
311421	BK	07744799-76	USD	1,826.69	1,024.48	1,871,411.77	1,808,785.79
311520	BK	07744798-75	RWF			339,092,144.00	281,642,968
Total						1,495,817,261.47	964,160,267.77

Note that out of Frw 340,963,555.77 that was deposited on ACE-ESD accounts in B.K as at 30 June 2022, Frw 338,962,144 was subsequently deposited on term deposit account with annual interest of 11%.

11. Receivable from exchange transactions

This refers to the amount receivable from the fees, sales of Goods and Services and property income as at 30 June 2022:

Debtor's Account Code	Debtor's name	As at 30 June 2022	As at 30 June 2021
		Frw	Frw
3121	Accounts receivables - Third partie (Double payments fees to two students KIPROTICH NGETICH EMMANUEL (Frw 35,000 and JEROTICH Anita (Frw 140,000)	143,500	142,176
Total		143,500	142,176

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12. Accounts payable

This refers to the payables from the normal course of the operations as below:

ID account	Description	As at 30 June 2022	As at 30 June 2021
		Frw	Frw
4121	Accounts Payable -Third parties (<i>Baltos: Frw 822,000 and DTS : Frw 4,400,000</i>)	5,222,800	0
412101	Suppliers Control		
	UBUZIMA Restaurent	0	54,000
	Good Friend Papeterie	0	223,981
	UBUZIMA Restaurent	0	60,000
	Woth Ten	0	2,975,400
	KNMG	0	953,626
412105	Returned Payment (<i>MDPI:Frw 2,189,367; PTS:787,835; Mission of Wali Uwaru Galuba: 28,231; BSC Ltd: 166,497; CEB Contribution: 1,033,607; and KIBLIS: 549,656</i>)	4,755,193.68	998,343
412108	Other account payables	0	1,424,391
Total		9,977,993.68	6,689,741

13. Accumulated opening balance

This refers to the balance of cash and cash equivalent, receivables, other assets and payables of the Government agency at the start.

ID account	Description	30 June 2022	30 June 2021
		Frw	Frw
51111	Bank and cash equivalent opening balance	964,160,268.77	754,823,634.46
51112	Receivables opening balance	142,176	-
51113	Payable opening balance	(6,689,741)	-
Total		957,612,702.77	754,823,634.46

14. Important Disclosures

14.1. Inventory of supplies and consumables

Description	Balance as at 30 June 2021	Additions	Consumed/D isposed off	Balance as at 30 June 2022
	Frw	Frw	Frw	Frw
Consumables stores	12,998,412	15,941,709	25,833,055	3,107,066
Total	12,998,412	15,941,709	25,833,055	3,107,066

14.2. Summary of physical assets and reconciled to the fixed asset register

Categories	Opening balance as at 1 July 2021	Acquisition of assets	Disposed of/ Transferred	Total gross carrying amount as at 30 June 2022
	Frw	Frw	Frw	Frw
Office Equipment	23,934,971	1,584,997	0	25,519,968
ICT Equipment	119,789,923	4,400,000	0	124,189,923
Lap equipment	715,791,468	0	0	715,791,468
Other equipment	2,230,000	0	0	2,230,000
Total	861,746,362	5,984,997	0	867,731,359

DETAILED AUDIT FINDING

5. REVIEW OF INTERNAL CONTROL SYSTEMS

5.1. REVIEW OF MANAGEMENT OF FIXED ASSETS

5.1.1. Damaged assets neither repaired nor disposed

Observation

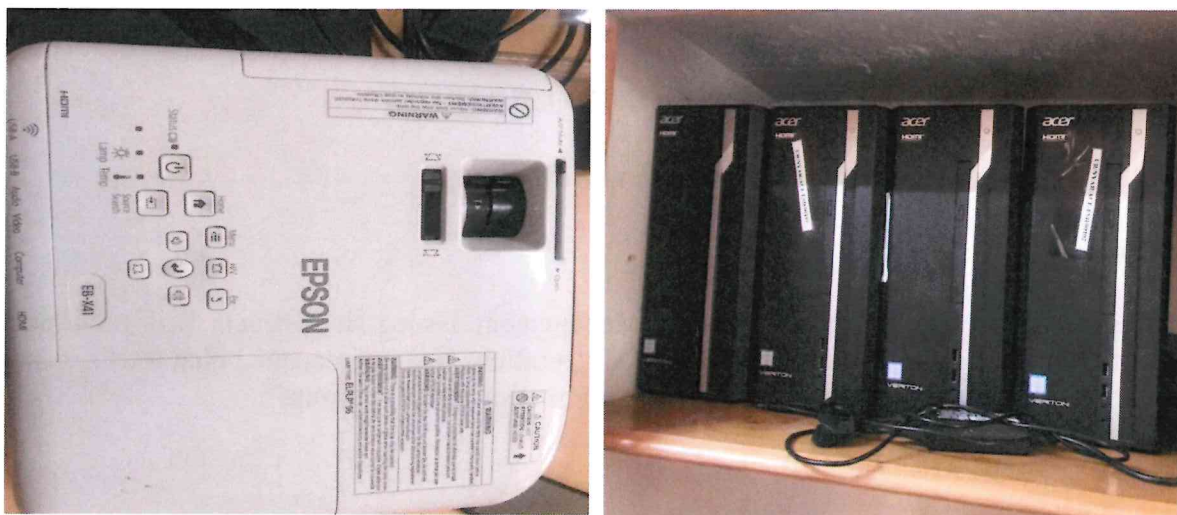
Paragraph 14.2.2.3 of Public financial Management issued in instructs that each public institution and entity shall prepare an annual operations and maintenance plan for its existing assets. The plan will contain the following information as a minimum:

- Name of the Asset/Infrastructure
- Projected total asset value
- Maintenance approach (Preventive or Corrective)
- Expenditure Item (Operation, Maintenance, Administration, Rehabilitation and Asset Related Receipts)
- Budget

However, physical verification of assets of the Centre carried on 18th October 2022 revealed seven (7) damaged assets with value of **Frw 5,002,371** in the asset register. Those assets were neither repaired nor disposed of. Further, there was no maintenance or disposal plan for damaged assets provided by management. *See details in the table and photo below.*

S/N	Item	Quantity	Value	Nature of damage
1	Desktop compute brand Acer	4	2,060,000	Mother board failure
2	Laptop brand Lenovo	1	760,656	Mother board failure
3	Laptop brand Dell	1	900,000	Screen broken
4	Projector brand	1	1,281,715	Mother board failure
	Total		5,002,371	





Photos taken by OAG on 18th October 2022: Damaged assets neither repaired nor disposed of.

Risks

Failure to dispose or repair damaged assets and put them to use exposes them to the risk of theft and more damages. Consequently, the centre may fail to recover any possible money from sale of these damaged assets if it continues to hold them for long.

Recommendation

UR-ACEESD Management in collaboration with the Center should ensure that damaged assets are either repaired or disposed.

Management comment

Management of the Centre has conducted the identification of those assets. The damaged assets are in the category of IT equipment whose lifetime is 4 years and they are now obsolete. The Management of the Centre is working closely with the College of Science and Technology to have these assets donated to ENVIROSERVE.

**AFRICAN CENTER OF EXCELLENCE IN
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**COMPLIANCE AUDIT REPORT ON
EXPENDITURE**

For the year ended 30 June 2022

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1. INTRODUCTION

1.1 Project background

The African Centres of Excellence (ACEs) financed under the ACE II Project supports the Governments of **eight (8)** participating countries (namely Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia) to collectively address key development challenges facing the Eastern and Southern Africa region through interventions in developing critically-needed science and technology capacity. Accordingly, the International Development Association availed to Rwanda a credit amounting to **SDR 14,500,000** (Special Drawing Right) equivalent to **USD 20,000,000** to strengthen selected Higher Education Institutions.

1.2 Project objective

The objective of this project is to result in building capacity of East And southern Africa region through the university of Rwanda, college of science and technology to undertake interdisciplinary research and training in smart and micro-grid energy technologies tailed to serve remote and rural areas using renewable sources power system and energy management and trade policy, train 40 PhD and 120 MSc energy experts and improve research and teaching environment.

However, the main component of the project is to create a world -class energy Centre that will be a regional hub for research and training of African engineers, policy makers and energy utility managers in micro-grid energy management and policy contribution to rural development through technology transfer and nature and to promote entrepreneurship development in the energy sector to wards sustainable development.

1.3 Duration and funding summary

The Project is for duration of 6 years from 2016 to December 2023 with an approved budget of **USD 5,500,000** as highlighted in the table below:

Source of funds	Commitment	Cumulative amount received to 30 June 2022	Cumulative amount received to 30 June 2022	Undrawn balance to	*Undrawn balance
	(A)	(B)	(C)	D=(A)-(B)	E= (D*1,024.482)
	(in USD)	(in USD)	(in Frw)	(in USD)	(Frw)
Loan					
World Bank	5,500,000	4,641,768	4,202,541,217	858,232	879,243,236
Total	5,500,000	4,641,768	4,202,541,217	858,232	879,243,236

**Undrawn balance of USD as at 30 June 2022 was translated into Frw using BNR quoted average rate of 30 June 2022 which is 1 USD=Frw 1,024.482*

AFRICAN CENTER OF EXCELLENCE IN ENERGY FOR SUSTAINABLE DEVELOPMENT (ACE-ESD)

COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2022

Below are details of amount received from World Bank up to 30 June 2022:

Received date	Amount received	Exchange rate	Total amount in local currency
	USD		Frw
24/04/2017	1,100,000	818.668	900,534,644
13/05/2019	370,101	883.972	327,158,917
13/05/2019	511,000	883.972	451,709,687
14/08/2019	507,500	894.654	454,036,704
17/03/2020	270,000	920.676	248,582,446
28/08/2020	893,400	940.217	839,989,445
24/06/2021	86,767	990.667	85,957,073
19/10/2021	903,000	990.667	894,572,301
Total	4,641,768		4,202,541,217

1.4 Basic information of the Project

The description of the project is summarized in the table below:

Project Name	African Center of Excellence in Energy for Sustainable Development (ACE-ESD)														
Project Number	Credit Number : 5796-RW														
Line Ministry of the project	MINEDUC														
Funding sources	The project’s total funding over the project lifetime is as below: <table><tr><td>Source of funds</td><td>Amount in foreign currency</td><td>Amount in local currency/ Using the average exchange rate as at 30/06/2022 : Frw 1,024.482</td></tr><tr><td></td><td>UDS</td><td>Frw</td></tr><tr><td>Loan from World Bank</td><td>5,500,000</td><td>5,634,651,000</td></tr><tr><td>Total</td><td>5,500,000</td><td>5,634,651,000</td></tr></table>			Source of funds	Amount in foreign currency	Amount in local currency/ Using the average exchange rate as at 30/06/2022 : Frw 1,024.482		UDS	Frw	Loan from World Bank	5,500,000	5,634,651,000	Total	5,500,000	5,634,651,000
Source of funds	Amount in foreign currency	Amount in local currency/ Using the average exchange rate as at 30/06/2022 : Frw 1,024.482													
	UDS	Frw													
Loan from World Bank	5,500,000	5,634,651,000													
Total	5,500,000	5,634,651,000													
Project Start Date:	The project approval date is 26 th May 2016 The project signature of agreement date is 17 th June 2016 The project effectiveness date is 17 th October 2016														
Project End Date:	The project last disbursement date 30 th June 2023 The project completion date is 31 st December 2023 The project completion extended date : Extended from 31 st December 2022 to 31 st December 2023														
Project Manager	The project manager is Prof. KABIRI Charles														
Project Sponsor/ Funder	Lender name : World Bank														
The project objective	The objective of this project is to result in building capacity of East And southern Africa region through the university of Rwanda, college of science and technology to undertake interdisciplinary research and training in smart and micro—grid														

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	energy technologies tailored to serve remote and rural areas using renewable sources power system and energy management and trade policy, train 40 PhD and 120 MSc energy experts and improve research and teaching environment.
Strategic goals of the Project	The main component of the project is to create a world -class energy Centre that will be a region a regional hub for research and training of African engineers, policy makers and energy utility managers in micro-grid energy management and policy contribution to rural development through technology transfer and nature and to promote entrepreneurship development in the energy sector to wards sustainable developments
Project components and activities	<p>The project's components include:</p> <ol style="list-style-type: none"> 1. To provide national and regional capacity of building MSc & PhD for the establishment and implementation of energy system using local energy sources and appropriate technology to cover energy needs for sustainable development. 2. To develop and transfer appropriate energy technologies for sustainable development at national and regional levels. 3. To contribute and strengthen cooperation between industry and academia in the field of clean energy 4. To provide energy research, consultancy and advisory services to both public and private organization at national, regional and international level 5. To provide policy development skills training for student policy makers in the region which is critical for effective interconnection of energy systems. <p>The project offers MSc and PhD Programs in :</p> <ul style="list-style-type: none"> - Electrical power systems ; - Renewable energy ; and - Energy economics <p>It delivers also professional short trainings in energy sector.</p>
Physical address	The Project is domiciled in Kicukiro District, City of Kigali, Rwanda.
Implementing agency	The Project is implemented by the University of Rwanda (UR)

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1.5 Project achievements for the year ended 30 June 2022

Category	Total Amount (USD)	Overall Target [Results]	Cumulative Results verified as at December 31, 2019	Verified Amount	Remaining amount for all Years	Comments/ remedial actions
DLR# 1.1	600,000	1	1	600000	0	Achieved
DLR# 1.2	500,000	1	1	500000	0	Achieved
Development of the Project Implementation Plan						
DLR# 2.1 Timely annual implementation of the plans [% of execution of the budget)	0 This DLR 2.1 will be reallocated to DLR 2.2 , 2.5 and 2.6 according to the aide memoire	Above 85%	0	0	0	This DLR 2.1 will be reallocated to DLR 2.2, DLR 2.5 and 2.6
DLR #2.2: Newly enrolled students in the ACE of which at least 20% must be regional (African] students.		Masters: 120	34 verified (81 submitted for verification)	1,197,000	6	
	1,197,000	PhD: 40	28 verified (9 submitted for verification)			
		Short course: 80	79 verified (131 submitted for verification)			
DLR#2.3: Accreditation of quality of education programs.	550,000	6	6	300000	250,000	The international accreditation is still in progress
DLR#2.4: Partnerships for collaboration in applied research and training.	190,000	5	10 Molls are signed 3 Molls are under developmen t	190,000	0	Achieved
DLR#2.5: Peer-reviewed journal papers or peer-reviewed conference papers prepared collaboratively with national,	459,000	21	49 publications	459,000	0	Achieved

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regional or international coauthors.						
DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching collaborations	644,000	58	46 Exchange programs	213,000	431,000	In February 2022, the Center submitted to IUCEA the student data related to exchange programs, the verification process is ongoing.
DLR#2.7: External revenue generation	825,000	1,000,000	USD \$ 2,917,555	825,000	0	Achieved
DLR#2.8: Institution participating in benchmarking exercise	95,000	1	1	95,000	0	Achieved
DLR#3.1: Timely Withdrawal applications supported by interim unaudited financial reports for each ACE	55,000	5	3	44,000	11,000	The verification of the DLI #3 for the last four years.
DLR#3.2: Functioning audit committee under each Eastern and Southern African Higher Education Institutions.	55,000	5	3	44,000	11,000	
DLR#3.3: Functioning internal audit unit for each Eastern and Southern African Higher Education Institution	55,000	10	3	44,000	11,000	
DLR#3.4: Transparency of financial management (audit reports,	55,000	10	3	44,000	11,000	

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interim unaudited financial reports, budgets and Annual Work Programs are all web accessible)						
DLR# 4.1 Timely procurement audit report for each ACE	110,000	10	3	66,000	44,000	The Center hired a private audit firm RUMA CPA to conduct procurement audit.
DLR#4.2: Timely and satisfactory procurement progress report for each ACE	110,000	5	3	66,000	44,000	
Total	5,500,000			4,687,001.3	812,998.7	
				85.2%	14.8%	41

1.6 Project Management

S/N	Name	Position	Period
1	Françoise KAYITARE TENGERA	Deputy Vice Chancellor for Finance and Chief Budget Manager	From 5 th May 2021 to date
2	Dr Ignace GATARE	Principal of UR- CST	From 2017 to date
3	Dr Charles KABIRI	Ag. Center Director	From December 2019 to date
4	Immaculate BUGINGO	UR SPIU Coordinator	From December 2016 to date
5	MUSABYIMANA Innocent	ACEs project Coordinator	From 20 th October 2021 to date
6	Maurice KANAMUGIRE	P. Ag. UR SPIU Director of Administration and Finance	From March 2019 to date
7	JMV HARINDINTWALI	ACE-ESD Accountant	From 01 st July 2019 to date
8	Landourd KILIKIRI	Centre Administrator	From 15 th May 2017 to date

2. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Article 66 of the Organic Law N° 12/2013 of 12/09/2013 on State Finances and Property requires budget agencies to prepare and submit to the Ministry annual financial statements in a period of one month from the end of the fiscal year and submit their annual financial statements to the Auditor General of State Finances not later than 30th September of the following fiscal year.

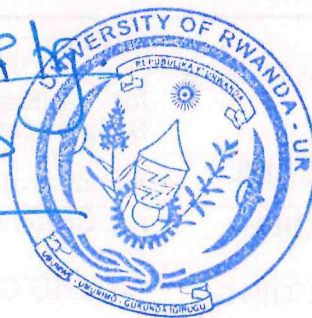
Article 19 of the Organic Law N° 12/2013 further stipulates that the Chief Budget Manager is responsible for maintaining accounts and records of the budget agency, preparing reports on budget execution, managing revenues and expenditures, preparing, maintaining and coordinating the use of financial plans, managing the financial resources for the budget agency effectively, efficiently and transparently, ensuring sound internal control systems in the budget agency and safeguarding the public property held by the budget agency.

As Chief Budget Manager, I accept responsibility for complying with all the provisions of the Organic Law, applicable public financial management regulations and other laws relating to public finance in incurring expenditure and managing the financial resources for **African Centre of Excellence in Energy for Sustainable Development (ACE-ESD)** effectively, efficiently and transparently as determined by Article 19 of the Organic Law N° 12/2013 of 12/09/2013 on State Finances and Property.

In my opinion, **ACE-ESD** complied with all applicable laws, regulations and guidelines in incurring expenditure and I further confirm that financial resources were managed effectively, efficiently and transparently to enable the realization of value for money for public funds.

Signature: _____

Françoise KAYITARE TENGERA
Deputy Vice Chancellor for Finance
University of Rwanda



Date: _____

December 12th 2022

3. REPORT OF THE AUDITOR GENERAL

REPORT ON COMPLIANCE

Françoise KAYITARE TENGERA
Deputy Vice Chancellor for Finance
University of Rwanda

3.1 Opinions

In accordance with the Article 165 of the Constitution of the Republic of Rwanda of 2003 revised in 2015, and Articles 6 and 14 of Law N° 79/2013 of 11/09/2013 determining the mission, organization and functioning of the Office of the Auditor General of State Finances (OAG), I carried out a compliance audit on whether **African Centre of Excellence in Energy for Sustainable Development (ACE-ESD)** complied with applicable laws, regulations, guidelines and realized value for money in incurring expenditure for the year ended 30 June 2022 evaluated against the compliance with laws, regulations and guidelines regulating public expenditure. The evidence obtained is sufficient and appropriate to provide a basis for my opinion that **African Centre of Excellence in Energy for Sustainable Development (ACE-ESD)** complied in all material respects, with applicable laws, regulations, guidelines and realized value for money in incurring expenditure. The opinions I expressed are described below:

3.1.1 Qualified opinion on compliance with applicable laws, regulations and guidelines regulating public spending

In my opinion, based on audit work performed, except for the effect of the matter described in the *Basis for qualified opinion* section 3.2.1 of my report paragraph (1), **African Centre of Excellence in Energy for Sustainable Development (ACE-ESD)** complied, in all material respects with applicable laws, regulations and guidelines regulating public spending in incurring expenditure for the year ended 30 June 2022.

3.1.2 Unqualified opinion on realization of value for money in utilization of public funds

In my opinion, based on audit work performed, **African Centre of Excellence in Energy for Sustainable Development (ACE-ESD)** realized value for money in utilization of public funds for the year ended 30 June 2022.

3.2 Basis for Opinions

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of **African Centre of Excellence in Energy for Sustainable Development (ACE-ESD)** and have fulfilled my ethical responsibilities in accordance with the ethical requirements that are relevant to my audit of public entities as determined by the Code of ethics for International Organization of Supreme Audit Institutions (INTOSAI). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions on whether the entity complied with applicable laws, regulations and guidelines regulating public spending and realized value for money in incurring expenditure.

3.2.1. Basis for Qualified Opinion on compliance with applicable laws, regulations and guidelines regulating public spending

REVIEW OF COMPLIANCE WITH PROCUREMENT PROCEDURES IN INCURRING EXPENDITURE

(1) Lengthy delay in awarding the tender for hiring a consulting firm to develop African Centers of Excellence (ACEs) sustainability strategic plans with their associated annexes

As highlighted in the previous audit report, the tender of hiring a consulting firm to develop ACEs (ACE-ITLMS, ACE-ESD, ACE-IoT and ACE-DS) sustainability strategic plans with their associated annexes was previously entitled, tender for hiring a Consultant to develop a business plan.

The tender was initially planned for the year ended 30 June 2020. However, up to the time of audit in October 2022, **three (3)** years have elapsed without being awarded. The tender was not successful for three time due to lack of interested bidders. This was mainly because of unrealistic budget that was estimated without making market survey or benchmarking to attract interest of bidders.

According to the Technical and Advisory Meeting conducted in June 2022 by the World Bank, the program implementation unit is considering to use direct contract method through headhunting. However, though on 3 November 2022, the University of Rwanda appointed members of headhunting team, no timeline was established to guide the acceleration of the headhunting process to ensure the tender is awarded before the Project funding ends. It is worth noting that project will close on 31 December 2023.

Therefore, delay to award tender for consultancy service implies that AC-ESD is delaying to get strategic guidance including how to generate income for future sustainability after the project funding. As the project will close on 31 December 2023, if the tender is not accelerated there is risk that the funding will end before the tender is awarded. Hence, the intended objective of the Center may not be achieved as initially envisaged. *Refer to section 5.1.1.*

3.3 Management's responsibility for compliance

The Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property specifies that management of **African Centre of Excellence in Energy for Sustainable Development (ACE-ESD)** is responsible for ensuring compliance with all the provisions of the Organic Law, applicable public financial management regulations and other laws relating to public finance, to manage economically, effectively, efficiently and in a transparent manner, all the public funds in accordance with relevant legal provisions.

3.4 Auditor General's responsibility for compliance

Article 166 of the Constitution of the Republic of Rwanda of 2003 as revised in 2015, requires the Auditor General to confirm that:

- Expenditure incurred was necessary and in conformity with the laws and regulations in force and sound management;
- Controls to safeguard the receipt, custody and proper use of public funds were put in place and that the laws and regulations in force were duly observed to prevent misappropriation of public funds; and
- ACE-ESD acquired and utilized human, material and financial resources economically, efficiently and effectively to prevent squandering of public funds.

My responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the above provisions of the Constitution implemented through Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property and other existing laws and regulations relating to public financial management in Rwanda. This responsibility includes performing procedures to obtain audit evidence about whether the entity's expenditure was incurred in accordance with applicable laws, regulations and guidelines and whether value for money was realized in utilization of public funds. Such procedures include the assessment of the risks of material non-compliance.

KAMUHIRE Alexis
AUDITOR GENERAL

KIGALI... *15th December* ...2022



4 DESCRIPTION OF THE SUBJECT MATTERS AND SCOPE

In accordance with the mandate vested in the Office of the Auditor General under Article 165 of the Constitution of the Republic of Rwanda of 4 June 2003, revised in 2015, and Articles 6 and 14 of Law N° 79/2013 of 11/09/2013 determining the mission, organization and functioning of the Office of the Auditor General of State Finances (OAG), I carried out a compliance audit on whether the **African Centre of Excellence in Energy for Sustainable Development (ACE-ESD)** complied with laws, regulations and guidelines regulating public spending in incurring expenditure for the year ended 30 June 2022. I also evaluated whether **ACE-ESD** realized value for money in utilization of public funds for the year ended 30 June 2022.

4.1 Audit Objective

Article 166 of the Constitution of the Republic of Rwanda of 2003 as revised in 2015 and article 6 of Law N°79/2013 of 11/09/2013 determining the mission, organization and functioning of the OAG, require the Auditor General to confirm that:

- Expenditure incurred was necessary and in conformity with the laws and regulations in force and sound management;
- Controls to safeguard the receipt, custody and proper use of public funds were put in place and that the laws and regulations in force were duly observed to prevent misappropriation of public funds; and
- **ACE-ESD** acquired and utilized human, material and financial resources economically, efficiently and effectively to prevent squandering of public funds.

I conducted compliance audit to confirm whether **ACE-ESD** complied with applicable laws, regulations and guidelines regulating public spending in incurring expenditure and realized value for money in utilization of public funds.

4.2 Audit Criteria

Criteria refer to relevant acts /laws or resolutions of the legislature and guidance issued by the competent public authorities, with which the audited entity is expected to comply.

The following are applicable criteria:

4.2.1 Compliance with applicable laws, regulations regulating public expenditure

- Law N° 12/2007 of 27/03/2007 on public procurement;
- Law N° 05/2013 of 13/02/2013 modifying and completing the Law N° 12/2007 of 27/03/2007 on public procurement;
- Law N°62/2018 of 25/08/2018 governing public procurement;
- Law N° 86/2013 of 11/09/2013 establishing the general statutes for public service;
- Law N° 003/2016 of 30/03/2016 governing maternity leave benefit scheme;
- Law N° 016/2018 of 13/04/2018 establishing taxes on income;
- *Law N° 37/2012 of 09/11/2012* establishing the value added *tax*;
- Law N° 25/2005 of 04/12/2005 on tax procedures;

- Presidential order N° 144/01 of 13/04/2017 determining modalities for recruitment, appointment and nomination of public servants;
- Presidential Order N° 46/01 of 26/07/2011 governing modalities for the recruitment, appointment and nomination of public servants;
- Prime Minister's Order N° 121/03 of 08-09-2010 establishing the procedures of performance appraisal and promotion of public servants;
- Ministerial Order N° 03/MIFOTRA/15 of 09/06/2015 determining modalities for recruiting contractual staff in public service;
- Ministerial order N° 001/14/10/TC of 19/02/2014 establishing regulations on public procurement, standard bidding documents and standard contracts;
- Signed loan agreement N° 5796RW between Government of Rwanda and International Development Association and related Project implementation plan;
- Performance and financing agreement regarding the provision of proceeds of IDA credit for Eastern and South Africa Higher Education Centers of Excellence-ACEII (Credit N°5796RW)
- Eastern and South Africa Higher Education Centers of Excellence-ACEII Customized Project Operational Manual.

4.2.2. Realization of value for money in utilization of public funds

- Ministerial Order N° 001/16/10/TC of 26/01/2016 relating to financial regulations;
- Contracts signed between ACE-ESD and the suppliers.

4.3. Summary of Work Performed and Methods

To obtain sufficient and appropriate audit evidence on which I based on to express an opinion, I used different techniques in gathering evidence namely; inquires, inspection of documents, inspection of fixed assets or constructed infrastructure and re-computation.

Meaning of methods of gathering audit evidence

Inquiries: This method of gathering evidence involves seeking information from relevant persons, both within and outside the audited entity, and may include: Formal written inquiries; informal oral discussions; interviewing and asking questions of relevant persons, including experts; and preparing and sending questionnaires or surveys.

Inspection of documents: This method involves the examination of documents and records, both internal and external, in paper, electronic or other forms.

Inspection of fixed assets or constructed infrastructure: This method involves examining an asset or constructed infrastructure to determine its physical condition, its use and applicable required asset's specifications.

Re-computation: This method consists of confirming the mathematical accuracy of documents or records.

DETAILED AUDIT FINDINGS PER SUBJECT MATTERS

5. COMPLIANCE WITH LAWS, REGULATIONS AND GUIDELINES REGULATING PUBLIC SPENDING

5.1. REVIEW OF COMPLIANCE WITH PROCUREMENT PROCEDURES IN INCURRING EXPENDITURE

During the year ended 30 June 2022, the audit reviewed two tenders with contracts amounting to Frw 45,000,000. From the tenders reviewed, the audit noted that one tender out of two reviewed representing 50% did not comply with procurement procedures as summarized in the table below:

Number of tenders audited (A)	Number of tenders with irregularities (B)	% of tenders that did not comply with procurements laws and regulations (C=B/A)
2	1	50

The following weakness was noted in relation with procurement procedures:

5.1.1. Lengthy delay in awarding the tender for hiring a consulting firm to develop African Centers of Excellence (ACEs) sustainability strategic plans with their associated annexes

Observation

As highlighted in the previous audit report, the tender of hiring a consulting firm to develop ACEs (ACE-ITLMS, ACE-ESD, ACE-IoT and ACE-DS) sustainability strategic plans with their associated annexes was previously entitled, tender for hiring a Consultant to develop a business plan.

The tender was initially planned for the year ended 30 June 2020. However, up to the time of audit in October 2022, **three (3)** years have elapsed without being awarded. The tender was not successful for three time due to lack of interested bidders. This was mainly because of unrealistic budget that was estimated without making market survey or benchmarking to attract interest of bidders.

According to the Technical and Advisory Meeting conducted in June 2022 by the World Bank, the program implementation unit is considering to use direct contract method through headhunting. However, though on 3 November 2022, the University of Rwanda appointed members of headhunting team, no timeline was established to guide the acceleration of the headhunting process to ensure the tender is awarded before the Project funding ends. It is worth noting that project will close on 31 December 2023.

Risks

Delay to award tender for consultancy service implies that ACE-ESD are delaying to get strategic guidance including how to generate income for future sustainability after the project funding. As the project will close on 31 December 2023, if the tender is not accelerated there is risk that the funding will end before the tender is awarded. Therefore, the intended objective of the Center may not be achieved as initially envisaged.

Recommendations

UR-ACEITLMS management should give guidance on how the procurement process of the tender through head hunting, can be fast-tracked and ensure it is awarded to the competent consulting firm by complying with all tendering procedures as recommended by the Technical and Advisory Meeting conducted by the World Bank team. Afterwards, the available funds should be prudently invested in revenue generating activities in accordance with the developed sustainability strategic plan.

Management comments

Due to the nature of the tender i.e. rare skills in areas of Internet of Things; Data Science Energy for Sustainable Development; Innovative Mathematics and Science; the procurement process through open competition has not been successful for 3 times. The last attempt failed on 25th May 2022.

The challenges were reported by the UR ACEs during the ACEs Technical Advisory Meeting (TAM) that took place in June 2022. It was recommended that the African Centres of Excellence use Single Source or Direct Contracting through head hunting. A number of letters were shared to indicate the process that UR has been going through to have procurement process concluded; they include: A letter of 20 July 2022 with REF: DVC -FIN/0293/2022 requesting the support from the World Bank to develop Sustainability plans for ACEs. The feedback that UR received on the same from the World Bank on 2nd August 2022 whereby the World Bank responded that their Technical and Procurement team is ready to work with respective teams at UR and the Centers of Excellence to review the Terms of reference. This was done. They further advised the University of Rwanda/Centers of Excellence could reach out to the Inter-University Council of East Africa (IUCEA) as the regional facilitation unit in charge of coordinating implementation of the ACE II project across all participating countries and seek support in identifying potential firms or consultants that UR could include in the short list.

Terms of reference were submitted to the World Bank on 4th August 2022 and the feedback was provided on 26 August 2022. The IUCEA was contacted on 30th August 2022 unfortunately they said they do not have a database.

The task team to identify firms to work on Sustainability and Business Plans for four ACEs was appointed on 3rd November 2022. The assignment is progressing well.

6. IMPLEMENTATION OF PREVIOUS YEAR AUDIT RECOMMENDATIONS

6.1. Low implementation of previous year audit recommendations

Observation

Article 69 of the Organic Law N° 12/2013/OL of 12 September 2013 on State Finances and Property states the Chief Budget Managers shall be responsible for implementing the recommendations of the Auditor General of State Finances aimed at improving the effective management and use of public funds.

Contrary to this provision, an assessment of the progress on the implementation of previous audit recommendations revealed that some of the preceding recommendations were not implemented. At the time of this audit in October 2022, **67%** of the audit recommendations made in the previous audit were implemented and **33%** were partially implemented, **as summarized in the table below:**

No	Particulars	Number of findings
1.	Total number of findings raised in the previous audit report	3
2.	Number of recommendations that are not applicable	0
3.	Number of recommendations that were applicable at the time of audit	3
4.	Number of recommendations that have been fully implemented as at time of current audit	2
5.	Number of recommendations that have been partially implemented as at time of current audit	1
6.	Number of recommendations not implemented as at time of current audit	-
7.	Percentage of previous recommendations fully implemented (no.4/no.3)*100	67%
8.	Percentage of previous recommendations partially implemented (no.5/no.3)	33%
9.	Percentage of previous recommendations not implemented (no.6/no.3)*100	-

Detailed status on implementation of prior year audit recommendations is provided in **appendix 1**

Risks

Non-implementation of some of the previous audit recommendations results in persistence weaknesses in internal control systems and management of public funds and therefore the desired improvements may not be realized.

Recommendation

UR-ACEESD Management should ensure that proper action plan for implementation of current and prior year audit recommendations is put in place and followed up to ensure full implementation of audit recommendations as soon as practicable.

Management comment

The Center management team will ensure that all recommendations are fully implemented. Detailed action plan for implementation of current and prior year audit recommendations will be put in place and followed up closely to ensure full implementation of audit recommendations.

APPENDIX

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Appendix 1: Implementation status for prior year's audit recommendations

N°	Observation	Recommendation partially implemented	Recommendation not implemented
	COMPLIANCE AUDIT REPORT		
1	<p>Concerns over a tender for hiring consulting firm to develop African Centers of Excellence (ACEs) sustainability strategic plans with their associated annexes</p> <p>Observations</p> <ul style="list-style-type: none"> ➤ <i>Long delay noted in awarding tender of hiring consulting firm to develop ACEs Sustainability strategic plans with their associated annexes</i> ➤ <i>Concerns noted during the prior year audit</i> <p>The tender of hiring consulting firm to develop ACEs (ACE-ITLMS, ACE-ESD, ACE-IoT and ACE-DS) sustainability strategic plans with their associated annexes was previously entitled, tender for hiring a Consultant to develop a business plan. It was planned but was not awarded during the previous year ended 30 June 2020 due to the fact that the terms of reference were not adequately designed.</p> <p>Concerns noted during the current audit</p> <p>During the year under review, it was noted that the tender was re- advertised 2 times (on 15/01/2021 and 02/04/2021). However, the project did not obtain qualified bidder to be awarded the tender as the first ranked consultant, MTI consulting group withdrew his bidding documents from tendering process and the second ranked had high financial offer compared to the budget.</p> <p>On 3 December 2021, the Public Tender Committee (ITC) recommended to cancel this tender due to the mentioned reason and recommended to the user department to have a deep market survey and revise the budget allocated to this activity prior to the tender re-advertisement and also to seize the bid security of MTI consulting group.</p> <p>Therefore, the procurement process of this tender has taken 2.5 years so far and this has an impact on the realisation of the intended objective as this business plan would give guidance to Centers of Excellence (ACEs) in Rwanda to ensure their sustainability after the project funding period.</p> <ul style="list-style-type: none"> ➤ <i>Failure to provide the basis to determine the budgeted amount of the tender</i> 	<p align="center">√</p> <p><i>Up to the time of audit in November 2022, this tender was yet to be awarded. Though on 3 November 2022, the University of Rwanda appointed members of headhunting team, no timeline was established to guide the acceleration of the headhunting process to ensure the tender is awarded before the Project funding ends. Refer to section 5.1.1 of compliance audit report.</i></p>	

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	<p>The audit did not obtain the basis to estimate the budgeted amount such as market survey or benchmarking as this is evidenced by the significant variance between the planned cost of the tender and the offers submitted by the bidder.</p> <p>➤ <i>Documents related to the cancellation of that tender not posted in e-procurement system</i></p> <p>Article 17 of Law N°62/2018 of 25/08/2018 governing public procurement states that any communication relating to public procurement is made through e-procurement system. However, other forms of communication are temporally accepted if any user encounters problems in using the e-procurement system. The concerned user immediately communicates using the e-procurement system when the problem is resolved.</p> <p>In case pre-tender meeting or on site visit is necessary, the substance of discussions and clarifications must be written down and posted to the e-procurement system. All information to be provided in relation to public procurement must be provided within five (5) working days after it has been requested. For communication of information, the use of electronic address is mandatory unless it is impossible, in which case the information is provided as already explained in this Law.</p> <p>Contrary to the requirement above, the audit noted that documents such as vetting report, letter from MTI Consulting Firm withdrawing his bid in tendering process and the cancellation letter of the tender were not posted to the e-procurement system.</p> <p>Recommendations</p> <ul style="list-style-type: none"> • UR/SPIU management should undertake market survey or benchmarking on this tender that will serve for planning the realistic cost of the tender. • UR/SPIU management should give guidance on this tender and ensure that the process to award the tender is accelerated to award it to the competent consulting firm by complying with all tendering procedures. • Going forward, UR/SPIU management should ensure that all documents related to any tender are posted to e-procurement for future reference. 		
Total		1	0