



UNIVERSITY *of*
RWANDA

SINGLE PROJECT IMPLEMENTATION UNIT

**EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION
CENTERS OF EXCELLENCE (ACE II) PROJECT**

**AFRICAN CENTRE OF EXCELLENCE IN INNOVATIVE
TEACHING AND LEARNING MATHEMATICS AND SCIENCE
(ACE ITLMS)**

**SEMI-ANNUAL INTERNAL AUDIT REPORT FOR THE
PERIOD FROM 01 JULY TO 31 DECEMBER 2021**

March 2022

**INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO
31 DECEMBER 2021**

TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
1. INTRODUCTION.....	2
1.1. Statement of Purpose	2
1.2. Project information	2
1.3. Project overview	3
1.4. Funding Summary.....	4
1.5. Responsibilities of Management.....	4
1.6. Responsibilities of the Internal Auditors	5
1.7. Audit Objectives	5
1.8. Scope and Methodology	6
1.8.1. Scope of the Audit	6
1.8.2. Audit methodology	6
2. EXECUTIVE SUMMARY.....	8
3. STATEMENT OF SOURCES AND USES OF FUNDS FOR THE PERIOD OF 6 MONTHS FROM 01 JULY TO 31 DECEMBER 2021	10
4. REVIEW OF PROCUREMENT.....	12

UNIVERSITY OF RWANDA – AFRICAN CENTRE OF EXCELLENCE IN INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE (UR-ACE ITLMS)

INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

1. INTRODUCTION

The Section 7 of the Ministerial Order N° 003/17/10/TC Of 27/10/2017 setting out Regulations for Internal Audit and Audit Committees in Public Entities provides for internal audit engagements to be performed by the internal auditors including the Financial and Compliance Audit.

The purpose of this audit was to evaluate the adequacy and effectiveness of internal controls systems, governance, operations to form an independent opinion on the quality of internal controls implemented to ensure that center goals and objectives are met focusing on effectiveness, efficiency, and economy.

1.1. Statement of Purpose

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. An amount of **USD 4,500,000** was allocated to the implementation of the African Centre of Excellence in Innovative Teaching and Learning Mathematics and Science (ACE-ITLMS)

1.2. Project information

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 is 30th June 2023
	The project expected completion date is 31st December 2023
Project Manager	ASSOCIATE PROFESSOR LAKHAN LAL YADAV
Project budget by donor	World Bank: 4.5 million (USD)
Total cost of the project	USD 4,500,000
Implementing budget agency	University of Rwanda (UR)

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INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

1.3. Project overview

Line Agency of the project	University of Rwanda
Strategic goals/objectives of the project	To identify and address higher skills and innovative requirements for priority sectors in the region. There is an extensive global of the importance of higher education in building critical human capital and driving research, innovation and research.
Main component of the projects	Utilize new technologies in promoting teaching, research and dissemination of information by developing variety of computer based and multimedia instructional materials and using computers in science teaching laboratories.
Outputs of the projects	<ul style="list-style-type: none"> • Strengthen human capacity to deliver research-based Quality teaching and learning of mathematics and science by offering postgraduate programs that produce graduates at international standards and regional relevance. • Conduct quality research and deliver indispensable trainings and short courses to support capacity building of science and mathematics educators in the region.
Current situation that the project was formed to intervene	Specifically, it will offer postgraduate educational reform program that will produce graduates at international standards and local relevance.
Other important background information of the project	The Center aims at strengthening human capacity to deliver research based quality teaching and learning of mathematics and science. The center's activities will expand beyond Rwanda in partnership with other institutions across the region and worldwide.
Programs offered by African Center of Excellence for Innovative Teaching and Learning Mathematics and Sciences (ACEITLMS)	<ul style="list-style-type: none"> - Master's Program in Science Education: <ul style="list-style-type: none"> • Master of Education in Biology Education; • Master of Education in Chemistry Education; • Master of Education in Mathematics Education and • Master of Education in Physics Education. - PhD by Research Programmes: <ul style="list-style-type: none"> • PhD by Research in Biology Education • PhD by Research in Chemistry Education • PhD by Research in Mathematics Education and • PhD by Research in Physics Education

INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

1.4. Funding Summary

The Project duration is 7 years from 17 June 2016 to 31 December 2023 with an approved budget of USD 4,500,000 as highlighted in the table below:

Source of funds	Commitment amount in USD	The cumulative amount received to 31 December 2021 in USD	Undrawn balance to 31 December 2021 in USD
	(A)	(B)	C=(A)-(B)
World Bank	4,500,000	3,723,748.30	776,251.70
Total	4,500,000	3,723,748.30	776,251.70

1.5. Responsibilities of Management

According to article 19 of Organic Law N° 12/2013/OL OF 12/09/2013 on State Finances and Property attributes the following responsibilities to the Chief Budget Manager:

- To manage effectively, efficiently, and in a transparent manner all the public funds for the a public entity under his/her responsibility in accordance with relevant legal provisions;
- To establish and maintain effective, efficient, and transparent systems of internal controls and risk management;
- To maintain accounts and records of the public entity under his/her responsibility in accordance with the financial regulations prescribed by the Minister;
- To supervise and ensure proper use of public funds at the disposal of subsidiary entities under his/her responsibility
- To exercise control over the execution of the budget of the public entity under his/her responsibility, in compliance with all provisions of this Organic Law as well as regulations issued by the Minister
- To ensure compliance with all the provisions of this Organic Law, regulations issued by the Minister, and other laws relating to public finance.

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INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

1.6. Responsibilities of the Internal Auditors

Article 10 of Ministerial Order N° 003/17/10/TC Of 27/10/2017 setting out Regulations for Internal Audit and Audit Committees in Public Entities requires the internal auditor to perform the following:

- To evaluate the adequacy and effectiveness of controls of governance, operations, and information systems;
- To provide assurance to management and the Audit Committee on the adequacy and effectiveness of the risk management process,
- To provide appropriate recommendations for improving the governance process in the accomplishment of its objectives;
- To make recommendations to avoid waste and fraud and investigate the suspected fraud or irregularity;
- To provide consulting services through training, support implementation of accounting systems, internal control documentation, risk management facilitation, and other similar services on the request of management, Audit Committee, or other high-level authorities;
- To communicate opportunities for improving management control, viability, and sustainability of services or profitability identified during the audit to the appropriate level of management

1.7. Audit Objectives

The main objective of this internal audit assignment was to check whether the University of Rwanda -ACE ITLMS has put in place an effective internal control system to ensure the project achieves its objectives.

The general objective of the review was to evaluate the adequacy and effectiveness of the existing risk management controls, and governance processes in place to provide an independent opinion on whether these processes are functioning as intended and the ACE ITLMS objectives are being met.

Further, the audit was aimed at making recommendations to address any weaknesses that may be identified during the course of the audit.

INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

1.8. Scope and Methodology

1.8.1. Scope of the Audit

The internal audit was conducted for the period of 6 months from 01 July to 31 December 2021. The audit was also to review the ACE ITLMS revenue and expenditure to check whether the related controls in place were effective enough to confirm their completeness and occurrence as reported in the Interim Financial Report (IFR).

1.8.2. Audit methodology

During the audit of the project, the following methodology was used:

- Discussion with key project staff
- Understanding the processes
- Review of different project documents and records to better understand the project activities
- Designed and performed audit procedures to obtain sufficient and appropriate evidence to provide reasonable assurance that the project resources are properly managed.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our independent opinion.

1.8.2.1. Financial Audit

The following audit methodology was applied while auditing financial transactions included in the project books of account:

- Assessment of risks through understanding financial processes and procedures,
- Design and perform audit procedures to obtain sufficient and appropriate audit evidence to provide assurance on whether the project financial report was properly prepared and supported,
- Performing audit procedures to confirm whether existing controls were adequately and effectively implemented.

1.8.2.2. Compliance Audit

The following audit methodology was applied while auditing compliance with laws and regulations relating to public spending:

- Assessment of risks of non-compliance with laws and regulations in force as well as the terms and conditions included in the funding agreement which may prevent the project to achieve the intended objective in due time,

**INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO
31 DECEMBER 2021**

- Design and perform compliance audit procedures to confirm whether the ACE ITLMS activities were implemented in accordance with different project documents and existing laws and regulations as well.

3

INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

2. EXECUTIVE SUMMARY

Basis of our independent audit observation

We conducted an independent evaluation of the internal control system at the University of Rwanda-ACE ITLMS in accordance with the requirements of the Ministerial Order N° 003/17/10/TC Of 27/10/2017 setting out Regulations for Internal Audit and Audit Committees in Public Entities.

In accordance with those regulations, the evaluation entailed the assessment of the design and implementation of the different elements of the internal control system such as the control environment, risk assessment, control activities, information and communication, and internal control monitoring. The audit was carried out on a risk basis and as a result, our audit procedures were tailored to the project risk analysis performed. The information provided by the project management was deemed necessary for the audit of the ACE ITLMS and we believe that we obtained sufficient and appropriate audit evidence to support our independent opinion.

CONCLUSION

Based on the results of our evaluation, in our opinion, except for matters raised below, the internal control system at the University of Rwanda -ACE ITLMS was adequate and effectively implemented throughout the period.

(1) Tender for Development of ACE ITLMS sustainability plan yet to be awarded:

According to section 5.3 of the ACEs II project financing agreement, financing will be the most challenging aspect of sustainability for ACE II. Though national governments have shown strong commitment and ownership towards the selected ACEs, prior experience has highlighted the necessity for the ACEs themselves to develop fundraising capacity and learn innovative ways to generate revenues to finance their development needs after the project closing. The audit reviewed the implementation of this activity

The Centre initiated the tendering process during the year ended 30 June 2020 and the tender was not awarded due to that the terms of references were not properly designed and decided to revisit them before advertisement.

During the year ended 30 June 2021, the Centre proceeded for advertisement and was not successful after 2 attempts due to the following reasons:

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INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

- For the first time, the Public tender Committee recommended the cancellation of the tender due to the fact that only two technical proposals were received contrary to article 68 of law No 62/18 of 25 August 2018 requiring the minimum number of 3 bids.
- For the second time, the tender was cancelled due to that the first ranked consultant withdrew from the tender while the second-ranked had a high financial offer compared to the tender budget.

The tender committee recommended the cancellation on 25 February 2021 for the first time while the cancellation was recommended on 03 December 2021 for the second time.

However, further tendering processes were yet to be initiated to the time of the audit in March 2022. Hence, it is difficult to assess how the Centre will sustain itself after the project closing date without a sustainability plan. **Refer to section 4.1 for more details.**



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MIZERO MUNYAMPUNDU Janvier

ACEs Internal Auditor Specialist

Date:.....March 2022.

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INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

3. STATEMENT OF SOURCES AND USES OF FUNDS FOR THE PERIOD OF 6 MONTHS FROM 01 JULY TO 31 DECEMBER 2021

Details	Amount in USD
Sources of funds	
Opening balance	
World Bank IDA Funds	751,374.89
Students Fees	154,137.08
Other	6,752.40
Sub-Total 1	912,264.37
Add: Receipt during the period	
World Bank IDA Funds	491,748.34
Students Fees	25,403.06
Sub-Total 2	517,151.4
Total financing	1,429,415.77
Less: ACE Expenditure	
Learning and teaching excellence	160,008.92
Teaching and Research excellence	55,536.58
Quality Assurance	4,138.58
Attraction of Academic staff&students from region	126.33
National, Regional and International Partnership programmes	2,017.95
Sustainable financing	7,614.03
Management and Governance	68,341.41
Total Uses of Funds by Components	297,783.8
Closing balances	
World Bank IDA Funds	945,339.43
Students Fees	179,540.14
Other	6,752.40
Total Closing balance	1,131,631.97

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DETAILED OBSERVATIONS

INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

4. REVIEW OF PROCUREMENT

4.1. Tender for Development of ACE ITLMS sustainability plan yet to be awarded:

Observations

According to section 5.3 of the ACEs II project financing agreement, financing will be the most challenging aspect of sustainability for ACE II. Though national governments have shown strong commitment and ownership towards the selected ACEs, prior experience has highlighted the necessity for the ACEs themselves to develop fundraising capacity and learn innovative ways to generate revenues to finance their development needs after the project closing. The audit reviewed the implementation of this activity

The Centre initiated the tendering process during the year ended 30 June 2020 and the tender was not awarded due to that the terms of references were not properly designed and decided to revisit them before advertisement.

During the year ended 30 June 2021, the Centre proceeded for advertisement and was not successful after 2 attempts due to the following reasons:

- For the first time, the Public tender Committee recommended the cancellation of the tender due to the fact that only two technical proposals were received contrary to article 68 of law No 62/18 of 25 August 2018 requiring the minimum number of 3 bids.
- For the second time, the tender was cancelled due to that the first ranked consultant withdrew from the tender while the second-ranked had a high financial offer compared to the tender budget.

The tender committee recommended the cancellation on 25 February 2021 for the first time while the cancellation was recommended on 03 December 2021 for the second time.

However, further tendering processes were yet to be initiated to the time of the audit in March 2022.

Risks

- The lack of a sustainability plan makes it difficult to assess how the Centre will sustain itself after the project closing date.

Recommendations

INTERNAL AUDIT REPORT FOR THE PERIOD OF SIX MONTHS FROM 01 JULY TO 31 DECEMBER 2021

- The centre management should put efforts to ensure that the centre's sustainability plan is developed. This will ensure the centre's sustainability after the project closing.

Management comment

Observation is noted.

The ACEITLMS has made its best to have a draft Sustainability Plan as presented in the audit desk review. As the tendering processes which could not be successful for past financial year, the Centre had tried to prepare a draft sustainability plan that will be used to guide the consultant.

The Tender for hiring the consultant is planned during 2021-2022 and 2022-2023. Going forward, the center is revising the ToRs and procurement process shall be speeded up.

7