



UNIVERSITY of
RWANDA

AFRICAN CENTRE OF EXCELLENCE FOR INNOVATIVE TEACHING AND
LEARNING MATHEMATICS AND SCIENCE (ACE-ITLMS)

INTERNAL AUDIT REPORT FOR THE PERIOD FROM 1st JANUARY 2020 TO
30th JUNE, 2020

Prepared by;

S/N	Names	Position	Signature
1	HABIYAREMYE Fulgence	UR Internal Auditor Specialist	
2	TUGIRUMUREMYI Daniel	UR Internal Auditor	
3	MURERA Steven	UR Internal Auditor	

Reviewed by;

S/N	Names	Position	Signature
1	UWABABYEYI Diane	Ag Chief Internal Auditor	

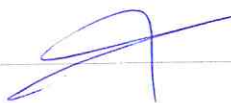
August, 2020

AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

Contents

1. INTRODUCTION	2
1.1. PROJECTS BACKGROUND.....	2
1.2. OBJECTIVES	2
1.3. SOURCES OF FUNDING.....	2
1.4. STRUCTURE.....	3
1.5. RESPONSIBILITIES	3
1.5.1. Auditor’s responsibility	3
1.5.2. Management responsibility	3
1.6. AUDIT OBJECTIVES.....	3
1.7. SCOPE OF THE AUDIT	4
1.8. AUDIT APPROACH.....	4
2. EXECUTIVE SUMMARY	4
2.1. AUDIT ON FINANCIAL STATEMENTS	4
2.1.1. Basis of our independent audit observation	4
2.1.2. Observations	5
2.2. CONCLUSION	5
3. DETAILED FINDINGS	6
3.1. REVIEW OF FINANCIAL STATEMENT.....	6
3.1.1 Lower rate of budget execution for some budget lines	6
3.1.2 Lower rate of implementation of action plan approved for the year ended 30/06/2020	7
3.1.4 Lower rate of disbursements compared to the useful life of the project	10
3.1 REVIEW OF COMPLIANCE TO LAWS AND REGULATIONS	11
3.2.1 Planned tenders not awarded as planned	11
3.2.2 Weaknesses noted in the tender of purchasing books	12

9



AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

1. INTRODUCTION

1.1. PROJECTS BACKGROUND

University of Rwanda Centres of Excellence composed of African Centre of Excellence in Energy for Sustainable Development (ACE-ESD), African centre of Excellence in Internet of Things (UR-ACEIoT), African Centre of Excellence for Innovative Teaching and Learning Mathematics and Science(ACE-ITLMS) and The African Centre of Excellence for Data Sciences (ACE-DS) are 4 out of 24 centres initiated by the World Bank in Eastern and Southern Africa Higher Education Centres of Excellence Project (ACE II).

They are competitive loan won by the University of Rwanda-College Science and Technology (CST),College of Education(CE) and College of Business and Economics (CBE) respectively, on behalf of the Government of Rwanda to overcome the identified gaps in handling big data, bio informatics, data mining, reliability modeling, research design and evidence-based policy analysis through delivering postgraduate studies, organizing professional courses and promoting collaborative research in the Eastern and Southern Africa.

The main objective of this project is to establish and strengthen specialization and collaboration among a network of higher education institutions in the Eastern and Southern Africa region to deliver quality post graduate education and build corroborative research capacity in the regional priority area to address key development challenges facing the region.

1.2. OBJECTIVES

To strengthen selected Eastern and Southern African higher education institutions to deliver quality post-graduate education and build collaborative research capacity in the regional priority areas.

1.3. SOURCES OF FUNDING

University of Rwanda Centres of Excellence are financed through credit Agreement no 5796- RW signed on 17 June 2016 between the Government of Rwanda and International Development Association. The credit is valued at 20 USD million for a period starting from 30 September 2016 to 31 December 2022, where funds allocated to ACE-ITLMS worth USD 4.5 million for the period of 5 years.

Their funding mode is performance based whereby plans and achievements must be guided by the set indicators to lead to funds disbursement (Disbursement Linked Indicators and Disbursement Linked results).

A handwritten number '9' is written in blue ink above a horizontal line. To the right of the line is a large, stylized handwritten signature in blue ink.

AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

1.4. STRUCTURE

The daily activities of the University of Rwanda African Centre of Excellence academic programs are coordinated by Directors while the Deputy Vice Chancellor for Finance, SPIU coordinator coordinates the Finance and administrative services of ACEs.

1.5. RESPONSIBILITIES

1.5.1. Auditor's responsibility

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 states that Internal Auditor must evaluate the adequacy and effectiveness of controls of governance, operations and information systems; provide assurance to management and the Audit Committee on the adequacy and effectiveness of the risk management process, provide appropriate recommendations for improving the governance process in accomplishment of its objectives; make recommendations to avoid waste and fraud and investigate the suspected fraud or irregularity; 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; communicate opportunities for improving management control, viability and sustainability of services or profitability identified during the audit to appropriate level of management.

1.5.2. Management responsibility

Article 19 of Organic Law No 12/2013 of 12/09/2013 on State Finances and Property requires the chief budget manager:

- To manage effectively, efficiently and in a transparent manner all the public funds for the 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 supervise and ensure proper use of public funds at the disposal of subsidiary entities under his/her responsibility.

1.6. AUDIT OBJECTIVES

The general objective of the review was to evaluate the adequacy and effectiveness of Africa Centres of Excellence (ACEs) at UR, existing risk management, controls and governance processes in order to provide, Independent opinion whether these processes are functioning as

AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

intended and will enable the UR ACEs' objectives and goals are met. We intended to provide recommendations for improving both efficient and effective performance.

1.7. SCOPE OF THE AUDIT

The audit exercise covered activities of UR-ACEs starting from 1st January to 30th June 2020.

1.8. AUDIT APPROACH

The following approaches have been used.

Documentations desk reviews and Interviews where applicable: we reviewed different documentation and discussed with SPIU and ACE management, staff from planning, Procurement and finance units in order to understand the programs;

We have also performed audit procedures to obtain sufficient and appropriate evidence in order to provide reasonable assurance that resources deployed in UR-ACEs projects are properly managed;

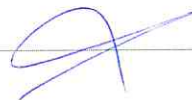
2. EXECUTIVE SUMMARY

2.1. AUDIT ON FINANCIAL STATEMENTS

2.1.1. *Basis of our independent audit observation*

We conducted an independent evaluation of the internal control system at UR-ACE in accordance with the internal audit standards issued by the government of Rwanda and in compliance with the requirements of the Ministerial Order N° 003/17/10/TC of 27/10/2017. The Order 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 at UR-ACE notably; its control environment, risk assessment, control activities, information and communication, and internal control monitoring. Our audit approach was risk-based and as such our tests were tailored according to ACEs risk analysis. The management of UR-ACEs provided us the information we deemed necessary for the audit, and we believe that we obtained sufficient evidence to support our independent opinion as stated below.

9



AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

2.1.2. Observations

2.1.2.1 Lower rate of budget execution for some budget lines

The review of budget execution for the year ended 30/06/2020, we noted some budget lines where their spending was done at a lower rate (62.41%).

2.1.2.2 Lower rate of disbursements compared to the useful life of the project

The review of implementation of the project implemented by ACEITLMS revealed the funding amount of the project is **USD 4,500,000** in 5 Years counted from January 2017 to December 2022. During our audit we noted that there is a lower rate of disbursement of funds related to the above project, it evidenced by the disbursement rate of 48.1% as on 30/6/2020 (3 Years completed). Out of **USD 4,500,000** to be disbursed in 5years only **USD 2,165,000** was disbursed in 3.5 years. The assessment revealed this lower rate of disbursement is due to non-achievement and delays in achieving of Disbursement Linked Indicators.

2.1.2.3 Lower rate of implementation of action plan approved for the year ended 30/06/2020

The review of planned activities and the budget allocated to each activity revealed that the budget approved for Fiscal Year 2019/2020 was implemented at rate of **63.57%** as on 30/06/2020 which is low compared to the time of 12 of the budget.

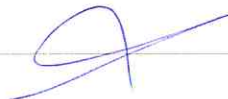
2.1.2.4 Planned tenders not awarded as planned

The review of procurement plan submitted by ACEITLMS for fiscal year 2019/2020 we noted 3 tenders worth **Frw 319,212,042** planned to be awarded but up to the time of audit conducted on 3/8/2020 were not yet awarded up to date

2.2. CONCLUSION.

Based on the results of our evaluation above, in our opinion, the weaknesses noted bear modest risk on the operations of ACEs and except for the implications of those weaknesses, the internal control system at UR-ACEs was satisfactory in design as at June 2020 when we concluded its evaluation.

9



**AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND
LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT**

3. DETAILED FINDINGS

3.1. REVIEW OF FINANCIAL STATEMENT

3.1.1 Lower rate of budget execution for some budget lines

The review of budget execution for the year ended 30/06/2020, we noted some budget lines where their spending was done at a lower rate compared to the funds allocated to them as shown by the table below

S/N	Description	approved budget	Revised budget	actual	Variance	%
1	Use of goods and services	319,487,267	480,951,797	151,391,914	329,559,883	31.48
2	CAPITAL Expenditures	597,457,945	313,558,906	143,336,658	170,222,248	45.71
3	Total payments	686,225,821	931,411,818	581,281,162	350,130,656	62.41

Risk

Lower budget execution rate indicates poor planning.

Recommendation

The management of ACEITLMS should investigate the reasons which affect the execution of the budget and take corrective measure in order to speed up the budget execution in coming years

Management comment

Recommendation is noted. The Covid-19 pandemic affected the execution of the budget for some goods and services for example some training workshops were organized online thereby using low budget, more support for students and staff to participate in conferences and exchange programmes could not be done as travels were stopped; some meeting at international levels like Advisory Board meeting and the Technical Advisory Meeting could not be arranged face to face and the process of international accreditation was delayed.



**AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND
LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT**

The Low budget execution for Capital expenditure was due to the outbreak of Covid-19 pandemic that caused the delay in procurement process of planned tenders such as laboratory equipment; design and supervision of the guest house and the hiring of a consultant to develop the business plan of the Centre.

Financial support to PhD and Masters students research projects could also not be done due to closure of schools where students collect data.

3.1.2 Lower rate of implementation of action plan approved for the year ended 30/06/2020

Observation

The review of planned activities and the budget allocated to each activity revealed that the budget approved for Fiscal Year 2019/2020 was implemented at rate of **63.57%** as on 30/06/2020 which is low compared to the time of 12 of the budget. *For more information, see the details in the table below*

S/N	Particulars	Activity	Budged amount/USD	Actual	Variance	% of execution
1	Component 1	Learning and training Excellence	573,519	515,199.26	58,319.74	89.83
2	Component 2	Research excellence	431,800	198,665.30	233,134.70	46.01
3	Component 3	Quality assurance	74,400	939.07	73,460.93	1.26
4	Component 4	Attraction of Academic staff and students from the region	3,000	2,045.70	954.30	68.19
5	Component 5	National, regional and international Academic/industry	70,000	50,307.51	19,692.49	71.87
6	Component 6	Management and governance	127,540	89,958.88	37,581.12	70.53
7	Component 7	Sustainable financing	69,000	652.16	68,347.84	0.95
Total			1,349,259	857,767.88	491,491.12	63.57



AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

Risk

- This significant lower budget execution indicates that the activities planned by ACEITLMS for the period ended 30/06/2020 was achieved as planned.
- The non-achievement of Disbursement Linked Indicators will affect the disbursement of funds granted by World Bank and it will be a loss to the Government of Rwanda.

Recommendation

The management of ACEITLMS should investigate the reasons which affect the execution of the budget and take corrective measure in order to speed up the budget execution

Management comment

The low budget execution is due to the following:

The outbreak of Covid-19 since the beginning of the 4th quarter caused delay/stopped some of the planned activities and thus allocated budget could not be utilised or used small amount compared to the planned as some workshops were arranged online (Example: Training of Science and ICT Laboratory technicians/lecturers; Training academic staff on postgraduate supervision were done online); more support for students and staff to participate in conferences and exchange programmes could not be done as travels were stopped; some meetings at international levels like Advisory Board meeting and the Technical Advisory Meeting could not be arranged face to face; financial support to PhD and Masters students research projects could not be done due to closure of schools where students collect data and the procurement process of laboratory equipment; design and supervision of the guest house and the hiring of a consultant to develop the business plan of the Centre were delayed.

About the Disbursement Linked Indicators DLIs, the table below shows that key project indicators are achieved within the past three years. However, the verification process of some indicators are verified once a year while it was supposed to be done twice a year and this caused delay for the Centre to get approved DLRs and thus disbursement was also affected. In March 2020, students and non-students indicators were submitted to the independent verifier through IUCEA as facilitation unit, the feedback was given in July 2020 and the approved disbursement of USD 1,456,300 associated to corresponding DLIs is under withdrawal application processes. For that no loss to the Government of Rwanda will be counted because upon getting this money, the Centre is at about 80% of the total target results just in three years. This brings very strong confidence to us that in the next two years, the Centre will be able to achieve remaining 20% given that the project was given an extension of 18months, there won't be any loss to the Government.

Key Disbursement Linked Indicators (DLIs) Achieved as on 30 June 2020

AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

<i>DLIs</i>	<i>DLRs</i>	<i>Categories</i>	<i>Overall targets</i>	<i>Cumulative Results verified</i>	<i>Cumulative Results achieved as on June 30th 2020</i>	<i>Progress Color</i>	<i>Comments/Remedial action to be taken</i>
<i>DLI #1: Institutional readiness</i>	<i>DLR#1.1: Completion of Effectiveness Conditions</i>						<i>DLR completed and all amount was disbursed</i>
	<i>DLR#1.2: Development of the Project Implementation</i>						<i>DLR completed and all amount was disbursed</i>
<i>DLI 2: Excellence in education and research capacity and development impact</i>	<i>DLR#2.1: Timely annual implementation of the plans</i>	<i>Non-students Indicator</i>	<i>At least 85%</i>				<i>Planned activities have been implemented at around 85%</i>
	<i>DLR#2.2: Newly enrolled students</i>	<i>PhD students enrolment</i>	<i>40</i>	<i>33</i>	<i>38</i>		<i>Target amount reached. Withdrawal is in process</i>
		<i>Masters students enrolment</i>	<i>80</i>	<i>109</i>	<i>111</i>		<i>Target amount completed. Withdrawal is in process</i>
		<i>Short course enrolment</i>	<i>120</i>	<i>54</i>	<i>161</i>		<i>Target completed</i>
	<i>DLR#2.3 Accreditation of quality of education programs.</i>	<i>Non-students Indicator</i>	<i>4</i>	<i>8</i>	<i>8</i>		<i>8 programs nationally accredited: 4 PhD and 4 MEd programmes. The process of international accreditation is initiated.</i>

9

**AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND
LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT**

<i>DLR#2.4: Collaboration and partnerships for applied research and training</i>	<i>Non- students Indicator</i>	<i>5</i>	<i>7</i>	<i>8</i>	<i>Target completed: 7 out of 8 Signed MoUs were verified.</i>
<i>DLR#2.5: : Paper Publication</i>	<i>Non- students Indicator</i>	<i>35</i>	<i>27</i>	<i>36</i>	<i>More than 85% of target is completed</i>
<i>DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching .</i>	<i>Students Indicator</i>	<i>43</i>	<i>26</i>	<i>31</i>	<i>10 are verified in 1st round and 16 were verified in the 2nd round of which withdrawal is in process</i>
<i>DLR#2.7: External revenue generation</i>	<i>Non- students Indicator</i>	<i>500,000.0</i>		<i>131,089.59</i>	<i>An amount of about 400,000USD, through WB-MINEDUC QBE Project, will be generated. In addition the centre is running a self sponsored program and planned to construct a Guest House-cum-PG Hostel for income generation/sustainabi lity.</i>
<i>DLR#2.8: Institution participating in benchmarking exercise:</i>	<i>Non- students Indicator</i>	<i>1 Particip ation</i>	<i>1</i>	<i>1</i>	<i>Completed: and amount received</i>

3.1.3 Lower rate of disbursements compared to the useful life of the project

The review of implementation of the project implemented by ACEITLMS revealed the funding amount of the project is **USD 4,500,000** in 5 Years counted from January 2017 to December 2022. During our audit we noted that there is a lower rate of disbursement of funds related to the

9

AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

above project, it evidenced by the disbursement rate of **48.1%** as on 30/6/2020 (3 Years completed). Out of **USD 4,500,000** to be disbursed in 5years only **USD 2,165,000** was disbursed in 3.5 years. The assessment revealed this lower rate of disbursement is due to non-achievement and delays in achieving of Disbursement Linked Indicators. *For more information, see the table below*

S/N	Total project cost USD	Project period	Total amount disbursed after 3.5 years (30/6/2020)	Funds not yet disbursed	% of Disbursement
	4,500,000	5 years	2,165,000	2,335,000	48.1

Risk

With the above lower disbursement rate, the project may end up without achieving all the planned activities. The lower disbursement rate indicates that the management of ACEITLMS not achieved the disbursement Linked Indicators.

Recommendation

The management of ACEITLMS is advised to speed up the implementation of their activities and ensure that project activities are timely monitored and achieved

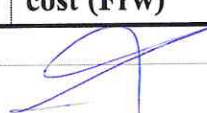
Management comment

Recommendation is noted and it is true that by 30th June 2020 the Centre had only got 2,165,000USD representing 48.1%. However, this was due to the delay in verifying students indicators as the Centre had achieved many students related results (Masters and PhD enrolments and exchanges not verified). These data had been submitted in March 2020. As of now, the Centre has triggered 1,171,300USD and 285,000USD from both the students and non-students data, respectively, submitted in March 2020. The withdrawal of this total of 1,456,300USD is in process. This puts the Centre at a total of 3621300USD representing about 80% of the total disbursements in 3 years. This assures that the Centre shall be able to get disbursement of the remaining 20% in the remaining project period.

3.1 REVIEW OF COMPLIANCE TO LAWS AND REGULATIONS

3.2.1 Planned tenders not awarded as planned

The review of procurement plan submitted by ACEITLMS for fiscal year 2019/2020 we noted 3 tenders worth **Frw 319,212,042** planned to be awarded but up to the time of audit conducted on 3/8/2020 were not yet awarded up to date. *Detailed in the table below*

Tender Titles	Planned method	Estimated cost (Frw)	Planned contract signing date	status as on 30/6/2020
				

**AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND
LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT**

Supply and installation of Lab materials (Research equipment science lab)	Open tender	259,070,643	16/04/2020	Tender is under evaluation
Hiring a consultant to develop a business plan of the centre	Open tender	13,878,784	22/07/2020	The tender was not awarded due to lack of terms of references
Study, design and supervision of ACE ITMLS	Open tender	46,262,615	17/06/2020	Tender is still under contract negotiation
Total		319,212,042		

Risk

Non awarding tenders and delays in tendering process affect the achievement of planned activities and affect the objective of the project.

Planned tenders not awarded it is an indicator of poor planning

Recommendation

The management of ACEITLMS should ensure that all planned tenders are timely awarded in order to implement the other planned activities

Management comment

Recommendation is noted. Going forward, as per the status of 30-06-2020, all tenders are in the process and the procurement unit is speeding up in accordance with the procurement rules and regulations in force.

3.2.2 Weaknesses noted in the tender of purchasing books

On 13/06/2019 the management of University of Rwanda as procuring entity signed a contract with **Barnes & Noble Booksellers, Inco** as supplier to provide two Lots of books where the Lot 2 contains 64 books for ACEITLMS. The contract duration was **75 days** counted from the signature of the contract and the contract amount for both lots was **USD 182,025.79** Ex-Works.

The following are the weaknesses highlighted in our review.

- The payment was done using an expired contract. The contract started on 13/06/2019 and the payment was conducted on 17/10/2019, the contract expiration date was 28/08/2019
- It was indicated in the contract that no performance security is not required which is contrary to Article 40 of Ministerial Order N° 001/14/10/TC of 19/02/2014.establishing



AFRICAN CENTRE OF EXCELLENCE- INNOVATIVE TEACHING AND LEARNING MATHEMATICS AND SCIENCE INTERNAL AUDIT REPORT

regulations on public procurement, standard bidding documents and standard contract related to ‘ *Amount and period for submission of performance security*’.

- Until the time end of audit the books purchased and paid 100% were not yet delivered (321 days left after the payment).

Risk

Noncompliance with procurement laws which may lead loss of funds

Recommendation

The management of ACEITLMS in collaboration with the management of UR should work closely in order to obtain the procured books and going forward laws and regulation should be respected in procurement process.

Management comment

Books purchased and paid by ACEITLMS have already arrived in Rwanda and currently stored in MAGERWA. The University of Rwanda already engaged a clearance agency and clearance process of books has started already. Books shall be delivered at the centre once clearance complete soon. Attached is also the packing list of books in MAGERWA.

