

**AFRICAN CENTER OF EXCELLENCE FOR
DATA SCIENCES (ACE DS)**

AUDIT REPORTS

For the year ended 30 June 2022

OAG Core Values

Integrity

In public Interest

Innovation

Objectivity

Professionalism

**AFRICAN CENTER OF EXCELLENCE FOR
DATA SCIENCES (ACE DS)**

**AUDIT REPORT ON FINANCIAL
STATEMENTS**

For the year ended 30 June 2022

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

TABLE OF CONTENTS

1. INTRODUCTION	2
2. STATEMENT OF MANAGEMENT RESPONSIBILITIES	7
3. REPORT OF THE AUDITOR GENERAL	8
4. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022	10

**AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022**

1. INTRODUCTION

1.1. Project background

ACE-DS 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-DS is based at the University of Rwanda in the School of Business and Economics.

1.2. Project objective

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 postgraduate education, and build collaborative research capacity in the regional priority area, to address key development challenges facing the region.

1.3. Duration and funding summary

The Project is for duration from 2016 to 2023 with an approved budget of 4.5 Million (Unit of Accounts) as highlighted in the table below:

Source of funds	Total donor commitment	Cumulative amount received to date (June 2022)	Cumulative amount received to date (June 2022)	*Undrawn balance to date (June 2022)	*Undrawn balance to date (June 2022)
	<i>(in USD)</i>	<i>(in USD)</i>	<i>(in Frw)</i>	<i>(in USD)</i>	<i>(in Frw)</i>
	<i>(A)</i>	<i>(B)</i>		<i>C</i>	<i>D=(C*1,024.482)</i>
Loan					
World Bank	4,500,000	4,317,538	3,914,230,805	182,462	186,929,035
Total	4,500,000	4,317,538	3,914,230,805	182,462	186,929,035

(Average exchange rate at 30/06/2022 = Frw 1,024.482406)

Note: Below are the details of the funding.

**AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022**

Date	Amount received in USD	Exchange selling rate	Amount in Frw
20/04/2017	1,100,000	818.648	900,512,800
13/05/2019	109,000	883.971	96,352,839
23/05/2019	340,765.96	883.971	301,227,226
14/08/2019	536,500	894.653	479,981,335
17/03/2020	441,000	920.675	406,017,675
28/08/2020	860,720	940.216	809,262,716
24/06/2021	31,551.72	990.667	31,257,248
19/10/2021	898,000		889,618,966
Total	4,317,538		3,914,230,805

1.4. Basic information of the Project

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

Project Name	African Centre of Excellence in Data Sciences (ACE-DS)														
Project Number	Credit Number : 5796-RW														
Line Ministry of the project	MINEDUC														
Funding sources	<div>The project’s total funding over the project lifetime is as below:</div> <table><tr><th>Source of funds</th><th>Amount in foreign currency</th><th>Amount in local currency/ Using the average exchange rate as at 30/06/2022 : Frw 1,024.482</th></tr><tr><td></td><td>UDS</td><td>Frw</td></tr><tr><td>Loan from World Bank</td><td>4,500,000</td><td>4,610,169,000</td></tr><tr><td>Total</td><td>4,500,000</td><td>4,610,169,000</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	4,500,000	4,610,169,000	Total	4,500,000	4,610,169,000
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	4,500,000	4,610,169,000													
Total	4,500,000	4,610,169,000													
Project Start Date:	<div>The project approval date is 26th May 2016</div> <div>The project signature of agreement date is 17th June 2016</div> <div>The project effectiveness date is 17th October 2016</div>														
Project End Date:	<div>The project last disbursement date 30th June 2023</div> <div>The project completion date is 31st December 2023</div> <div>The project completion extended date : Extended from 31st December 2022 to 31st December 2023</div>														
Project Manager	The project manager is Dr Charles Ruranga														
Project Sponsor/ Funder	Lender name : World Bank														
The project objective	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 postgraduate education, and build collaborative research capacity in the regional priority area, to address key development challenges facing the region.														

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

Strategic goals of the Project	Addressing specific development challenges by delivering a highly quality in postgraduate training, in research and in professional courses, focuses on data science involving the collection, analysis and transmission of data for facilitating decision-making
Project components and activities	<p>The project's components include:</p> <ul style="list-style-type: none"> (i) Offering a research hub for postgraduate students, attracting international expertise and practitioners; (ii) Stimulating collaboration between academics, partners and stakeholders; (iii) Demonstrating the relevance of the centre for innovation, job creation and economic prosperity; and <p>Securing resources to stimulate multidisciplinary collaborative international research projects.</p> <p>Programmes offered by African Center of Excellence for Data Science (ACE-DS) as follows:</p> <p>PhD Programmes:</p> <ul style="list-style-type: none"> • Data Science in Demography • Data Science in Econometrics • Data Science in Mining • Data Science in Actuarial Science • Data Science in Biostatistics <p>Master's Programmes:</p> <ul style="list-style-type: none"> • Specialization in Actuarial Science • Specialization in Demography • Specialization in Biostatistics • Specialization in Econometrics • Specialization in Data Mining <p>Certification programmes</p> <ul style="list-style-type: none"> • Associate Big Data Engineer • Senior Big Data Engineer • Associate Big Analyst • Senior Big Analyst • Senior Data Scientist <p>Short Programmes</p> <ul style="list-style-type: none"> • Machine Learning and Computation Statistics • Quantitative Monitoring and Evaluation • Data Management • Panel Data Analysis • Statistical Simulation
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)

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

1.5. Project achievements for the year ended 30 June 2022

S/N	DLRs	Targets for the year	Achievements for the year	Comment
1	DLR#1.1: Completion of Effectiveness Conditions	0	0	Completed
2	DLR#1.2: Development of the Project Implementation	0	0	Completed
3	DLR#2.1: Timely annual implementation of the plans	Reallocated to other DLRs by the World Bank		
4	DLR#2.2: Newly enrolled students (PhD, MSc and SC)	PhD: 3 MSc: 20 Short course: 30	PhD: 12 MSc: 27 Short course: 38	The ACEDS is running professional courses in collaboration with DASCA from America, currently 29 are admitted and 6 of them successfully completed their courses. 9 were trained in Machine learning professional course. Note that the Center reached the overall targets of PhD, MSc and Short course students among them 36 MSc students already graduated and 22 MSc and 1 PhD are ready for graduation and are awaiting it to be held. 1 PhD students successfully defended his PhD thesis. 1 PhD female submitted her thesis for defense. Also, the Centre continued to teach/train its already admitted students and will continue to support teaching and learning activities.
5	DLR#2.3 Accreditation of quality of education programs.	0	0	No new program to be accredited. 10 programs (5PhD and 5 MSc) are already accredited at national level. 8 programs got an international program from Data Science Council from America (DASCA) last year.
6	DLR#2.4: Collaboration and partnerships for applied research and training	0	0	Completed
7	DLR#2.5: Paper publication	5 papers published	22	PhD and Masters students with their Research supervisors are supported by the Centre in research activities such as providing research fees to students, facilitation in attending conferences, providing publication fees.
8	DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching.	10	33	Note that the Centre achieved 100% of the result. However, the Center continues to support exchanges programs of faculties, PhD and MSc students for teaching or research purposes.
9	DLR#2.7: External revenue generation	90,819 \$	\$165,029.28	\$165,029.28 is generated from students. The Centre achieved 100% of the result. However, for the sustainability purposes, the Centre continues to raise external income from self-sponsored students and from proposal grants writing.

**AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022**

10	DLR#2.8: Institution participating in benchmarking exercise	0	0	Completed
11	DLI#3: Timely and transparent institutional financial management	All requirement on Financial Management results of the year to be achieved at 100%	All requirement of the year achieved at 100%	The requirement of the Financial Management results of the fiscal year 2019/2020 were achieved and the linked disbursement reached the ACEDS bank account in November 2021. The requirements of the fiscal year 2020/2021 were met and the linked disbursement is under withdrawal process. The requirements of the fiscal year 2021/2022 to be met by December 2022 and then, the associated disbursement will be received.
12	DLI#4: Timely and audited Procurement	All requirement of procurement results the year to be achieved at 100%	All requirement of the year achieved at 100%	The requirement of the Procurement results of the fiscal year 2019/2020 were achieved and the linked disbursement reached the ACEDS bank account in November 2021. The requirements of the fiscal year 2020/2021 were met and the linked disbursement is under withdrawal process. The requirements of the fiscal year 2021/2022 to be met by December 2022 and then, the associated disbursement will be received.

1.6. Project Management

The project management who held the Project during the year ended 30 June 2022 and to the date of this report were as follows:

S/N	Name	Position
1	Françoise KAYITARE TENGERA	Deputy Vice Chancellor for Finance and Chief Budget Manager
2	Dr Pierre Claver RUTAYISIRE	Ag.UR-Principal of College of Business and Economics
3	Ass.Prof. Charles RURANGA	Ag. ACE-DS Director
4	Immaculate BUGINGO	UR SPIU Coordinator
5	MUSABYIMANA Innocent	ACEs project Coordinator
6	Maurice P. KANAMUGIRE	Ag. UR SPIU Director of Administration and Finance
7	Thereza C. GASENGAYIRE	ACE-DS Accountant

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

2. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Article 66 of the Organic Law No. 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 determined by Article 99 of the Ministerial Order No. 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 Data Sciences (ACE-DS)** 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-DS**. I further confirm that **ACE-DS** 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 year to safeguard the assets of the budget agency.

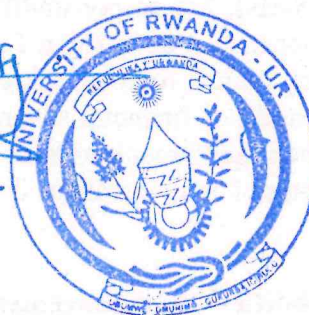
Nothing has come to the attention of Management to indicate that **ACE-DS** will not continue operating as a going concern for the foreseeable future.

Signature: _____

Name: **Françoise KAYITARE TENGERA**
Deputy Vice Chancellor for Finance
University of Rwanda

Date: _____

December, 12th 2022



3. REPORT OF THE AUDITOR GENERAL

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 Data Sciences (ACE-DS)** 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 10 to 30.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of **African Center of Excellence in Data Sciences (ACE-DS)** 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 Data Sciences (ACE-DS)** 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 Organisation 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 **ACE-DS** 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.

**AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022**

In preparing the financial statements, management is responsible for assessing the **African Center of Excellence in Data Sciences (ACE-DS)** 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- DS**.

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

3.4 Auditor General's Responsibility

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 **ACE-DS'** 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



AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

4. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

Description	Notes	12 months to 30 June 2022	12 months to 30 June 2021
		Frw	Frw
Revenues			
Transfers from other government entities	2	1,086,177,019	18,362,395
Revenue from exchange transactions	3	1,800,000	9,647,500
Borrowings	4	0	809,262,716
Total Revenues (A)		1,087,977,019	837,272,611
Expenses			
Goods and services	5	362,598,085	341,850,440
Capital expenditure	6	221,913,598	31,225,807
Grants and other transfer payments	7	0	18,897,120
Other expenses	8	232,552,024	241,048,411
Total Expenses (B)		817,063,707	633,021,778
Other gains and losses			
Foreign exchange gains and losses (C)	9	40,700,434	82,919,391
Surplus for the period (D)=(A)-(B)+(C)		311,613,746	287,170,223

The notes on pages 16 to 30 form an integral part of the financial statements.

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

4.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Description	Notes	Balance as at 30 June 2022	Balance as at 30 June 2021
		Frw	Frw
Assets			
Current assets			
Cash and cash equivalents	10	1,732,524,394	1,419,845,463
Receivables from exchange transactions	11	6,728,345	2,334,295
Total assets		1,739,252,739	1,422,179,758
Equity and Liabilities			
Current Liabilities			
Payables	12	7,389,496	1,930,261
Total liabilities		7,389,496	1,930,261
Net Assets/Equity			
Accumulated opening balances	13	1,420,249,497	1,125,264,152
Adjustments made during the period	14	0	7,815,122
Surplus for the period		311,613,746	287,170,223
Total Net Assets/Equity		1,731,863,243	1,420,249,497
Total Equity and Liabilities		1,739,252,739	1,422,179,758

The notes on pages 16 to 30 form an integral part of the financial statements.

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

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	1,086,177,019	18,362,395
Revenue from exchange transactions	1,800,000	9,647,500
Total Revenue	1,087,977,019	28,009,895
Payments		
Use of goods and services	(362,598,085)	(341,850,440)
Grants and other transfer payments	-	(18,897,120)
Other expenses	(232,552,024)	(241,048,411)
Adjusted for:		
Changes in receivables	(4,394,050)	(2,334,295)
Changes in payables	5,459,235	(35,633,754)
Prior adjustments	-	7,815,122
Net cash flows from operating activities	493,892,095	(603,939,003)
Cash flows from investing activities		
Capital expenditure	(221,913,598)	(31,225,807)
Net cash flows from investing activities	(221,913,598)	(31,225,807)
Cash flow from financing activities		
Proceeds from borrowings	-	809,262,716
Net cash flow from financing activities	-	809,262,716
Net increase/(decrease) in cash and cash equivalents	271,978,497	174,097,906
Cash and cash equivalents at beginning of period	1,419,845,463	1,162,828,167
Effects of exchange rate changes on the balance of cash held in foreign currencies	40,700,434	82,919,390
Cash and cash equivalents at end of period	1,732,524,394	1,419,845,463

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

4.4. STATEMENT OF CHANGES IN NET ASSETS/EQUITY 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
Accumulated opening balance	581,545,741		581,545,741
Accumulated surplus	540,920,284	287,170,223	828,090,507
Adjustments on receivables		394,621	394,621
Adjustments on current liabilities	2,798,126	7,420,501	10,218,627
Total	1,125,264,151	294,985,345	1,420,249,497
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	581,545,741	-	581,545,741
Accumulated surplus	828,090,507	311,613,746	1,139,704,253
Adjustments on receivables	394,621	-	394,621
Adjustments on current liabilities	10,218,627		10,218,627
Total	1,420,249,497	311,613,746	1,731,863,243

**AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

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

Description	Revised budget Frw	Actual Frw	Variances Frw	Performance %
Resources	A	B	A-B	(B/A)*100
Transfers from other Government Reporting entities	1,194,142,168	1,086,177,019	107,965,149	91
Other revenues	1,800,000	1,800,000	0	100
Foreign exchange gains	0	40,700,434	(40,700,434)	
Total resources (A)	1,195,942,168	1,128,677,453	67,264,715	94
Payments				
Use of goods and services	394,890,733	362,598,085	32,292,648	92
Other expenses	242,971,911	232,552,024	10,419,887	96
Total payments	637,862,644	595,150,109	42,712,535	93
Acquisition of non-current assets				
Capital expenditure	273,059,835	221,913,598	51,146,237	81




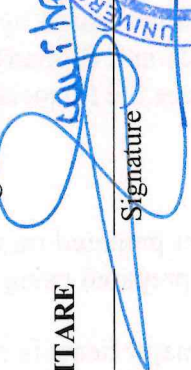
Explanation for variances:

Capital expenditure: This variance was caused by the requested equipment that was not delivered by the end of the fiscal year (LPO 1781/SPIU/FY 2021-22&797)

**AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

Authorization date

The financial statements were approved by the Management of the African Center of Excellence in Data Sciences (ACE-DS) on 09th December 2022 and were signed on its behalf by:

Prepared by:	GASENGAYIRE C. Thereza Project Accountant – ACE-DS	 Signature	<u>09.12.2022</u> Date
Reviewed by:	KANAMUGIRE P. Maurice Ag. DF/UR SPIU	 Signature	<u>9/12/2022</u> Date
Checked by:	Immaculate BUGINGO UR SPIU Coordinator	 Signature	<u>09/12/2022</u> Date
Approved by:	Françoise TENGERA Chief Budget Manager	 Signature	<u>09th December 2022</u> Date



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 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-DS 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.

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

Inventories include assets such as consumable stores, maintenance materials, ammunition, land and other properties held for sale, strategic stockpiles 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 recognised 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 recognised 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 30 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 30 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 recognised 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 recognised 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).

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

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 30 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 by the CBM 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.

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

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. Transfer from other government reporting entity

These transfers include intra transfers (transfers between budget agency and its subsidiaries are eliminated in the statement of financial performance. The project received transfers from Government reporting agencies as detailed below:

ID Account	Description	12 months to 30 June 2022	12 months to 30 June 2021
		Frw	Frw
139112	Intra transfers from subsidiaries entities - current/Transfers from University of Rwanda (UR)	165,300,763	18,362,395
139214	Transfers public debts external Projects	920,876,256	
	Total	1,086,177,019	18,362,395

3. Revenue from exchange transactions

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

ID Account	Description	12 Months to 30 June 2022	12 Months to 30 June 2021
		Frw	Frw
145	Miscellaneous and unidentified revenue	1,800,000	9,647,500
Total		1,800,000	9,647,500

4. Proceeds from borrowings

During the 12 months to 30 June 2022, the project received loan borrowing from external development partners as detailed in the table below:

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

Name of Lender	Receiving date (this is the date on which funds were credited on bank account)	Amount in disbursement currency	Exchange Rate	Amount in local currency for the period ended 30 June 2021
		(USD)		(Frw)
	(A)	(B)	(C)	
World Bank	28/08/2020	860,720	940.216	809,262,716
Total				809,262,716

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 to 30 June 2022	12 months to 30 June 2021
		Frw	Frw
2211	Office supplies and consumables	21,487,046	16,607,636.47
2214	Communication Costs	9,702,206.54	9,283,968.30
2216	Bank charges and commissions and other financial costs	1,048,736	531,839.03
2217	Public relations and awareness	11,660,840	9,049,090.00
2221	Professional and contractual services	249,094,376	276,578,515.00
2231	Transport and travel	61,855,302	28,177,759.00
2241	Maintenance and repairs	4,584,179	0
2261	Training costs	3,165,400	1,269,993.00
2291	Other use of goods& services	0	351,639.00
	Total	362,598,085.30	341,850,439.80

6. Capital expenditure

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

ID Account	Description	12 months to 30 June 2022	12 months to 30 June 2021
		Frw	Frw
2313	Office Equipment, furniture and fittings	0	1,697,997.41
2314	ICT equipment, software and other ICT assets	221,913,597.71	29,527,810.04
	Total	221,913,597.71	31,225,807.45

7. Grants and other transfer payments

These are transfer payments made previously to university of Rwanda (UR) to facilitate E-learning/online courses as detailed below:

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

ID Account	Description	12 months to 30 June 2022	12 months to 30 June 2021
		Frw	Frw
267109 to 267114 & 267209 to 267214	Intra - Entity Transfers -University of Rwanda (UR)	0	18,897,120
	Total	0	18,897,120

8. Other expenses

During the 12 months to 30 June 2022, the project incurred various other expenditures as detailed in the table below:

ID Account	Description	12 months to 30 June 2022	12 months to 30 June 2021
		Frw	Frw
288102	Scholarship (Education non-reimbursable scholarships)	79,779,990.22	93,585,979.42
288104	Other education benefits (Students Living Allowances)	152,772,034	147,462,432
Total		232,552,024.22	241,048,411.42

9. Foreign exchange gain

This relates to the net of gain and loss from exchanges and translations during the period.

ID Account	Description	12 months to 30 June 2022	12 months to 30 June 2021
		Frw	Frw
145111	Gain of currency exchange and translations	49,279,012	83,038,449
221605	Loss on currency exchange and translations	(8,578,578)	(119,059)
	Total	40,700,434	82,919,391

**AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

10. Bank balances

The bank amounts shown in the table below have been reconciled to the bank statements as at 30 June 2022 and as at 30 June 2021:

ID Account	Bank name	Bank name	Account currency	Amount in foreign currency	Exch. Rate	Balance as at 30 June 2022	Balance as at 30 June 2021
						Frw	Frw
311390	B.K	UR-DATA SCIENCES	USD	24,459.83	1,024.482406	25,058,665.5	24,155,313
311500	B.K	UR- ACE FOR DATA SCIENCES	FRW	0	0	418,370,817	251,550,579
311420	BNR	UR- ACE FOR DATA SCIENCES	USD	1,258,288.97	1,024.482406	1,289,094,911.5	1,144,139,571
		Total				1,732,524,394	1,419,845,463

Note that out of Frw 443,429,482.50 that was deposited on ACE-DS accounts in B.K as at 30 June 2022, Frw 413,488,717 was subsequently deposited on term deposit account with annual interest of 11%.

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

11. Accounts receivable

The following were accounts receivable relating to Bank error on payment of teaching in MSc Program and balance of withholding tax recognized as double payment to Rwanda Revenue Authority as at 30 June 2022:

Debtor's Account Code	Debtor's name	Balance as at 30 June 2022	Balance as at 30 June 2021
		Frw	Frw
3121	Accounts receivables - Third parties	0	1,822,000
	RRA	512,295	512,295
	Bank error on payment of teaching in MSc Program Mrs Melanie Natividad Fernandez Pradier (Frw 3,108,025) and Mr Weiwei (Frw 3,108,025)	6,216,050.29	0
	Total	6,728,345.29	2,334,295

12. Accounts payable

The following were the accounts payable balances as at 30 June 2022:

Creditor's name	Creditor's name	Balance as at 30 June 2022	Balance as at 30 June 2021
		Frw	Frw
4121	Accounts Payables -Third parties		
	SGES/ATT	0	548,000
	MBTC LTD	0	134,400
	Gorilland Safaris Ltd	0	325,760
	Gorilland Safaris Ltd	0	739,540
	Emmanuel Dufourq	0	182,561
	Accounts Payables -Third parties	7,389,496	0
	Total	7,389,496	1,930,261

13. Accumulated opening balance

ID Account	Description	Balance as at 30 June 2022	Balance as at 30 June 2021
		Frw	Frw
511101	Bank and cash equivalent opening balance	1,419,845,463	1,162,828,166
511102	Receivables opening balance	2,334,295	
511103	Payable opening balance	(1,930,261)	(37,564,014)
Total		1,420,249,496.92	1,125,264,152.00

AFRICAN CENTRE OF EXCELLENCE FOR DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2022

14. Prior year adjustments

The following are the prior year adjustments to opening balances for the year ended 30 June 2021

ID Account	Description	As at 30 June 2022	As at 30 June 2021
		Frw	Frw
512102	Prior years errors adjustments on receivables	0	394,621
512103	Prior years errors adjustments on accounts payable	0	7,420,501
	Total	0	7,815,122

14.1 Adjustments on accounts receivable for the year end 30 June 2021

Description	Amount Frw
<i>Recognition of stipend balance amount recovered from student (Diane IBAMBE) who dropped out</i>	394,621
Total	394,621

14.2 Adjustments on accounts payable for the year end 30 June 2021

Description	Amount Frw
<i>Adjustment for MSC stipends allowance for December 2018</i>	255,349
<i>Adjustment for MSC stipends allowance already paid to regional MSC students for November 2019</i>	7,165,152
Total	7,420,501

15. Important disclosures

15.1 Inventory of supplies and consumables

Description	Balance as at 30 June 2021	Additions	Consumed /disposed of	Balance as at 30 June 2022
	Frw	Frw	Frw	Frw
Consumable stores	7,629,605	13,953,737	17,855,923	3,727,419
Total	7,629,605	13,953,737	17,855,923	3,727,419

**AFRICAN CENTRE OF EXCELLENCE IN DATA SCIENCES (ACE-DS)
AUDIT REPORT ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

15.2 Summary of physical assets reconciled to the fixed asset register

Code	Categories	Opening balance as at 30 June 2021	Acquisition of assets	Disposed of/Transferred	Total gross carrying amount as at 30 June 2022
		A	B	C	D=A+B-C
		Frw	Frw	Frw	Frw
343	Machinery and equipment	200,881,785	221,913,598	0	422,795,383
	Total	200,881,785	221,913,598	0	422,795,383

**AFRICAN CENTER OF EXCELLENCE FOR
DATA SCIENCES (ACE DS)**

**COMPLIANCE AUDIT REPORT ON
EXPENDITURE**

For the year ended 30 June 2022

TABLE OF CONTENTS

1. INTRODUCTION	2
2. STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	7
3. REPORT OF THE AUDITOR GENERAL.....	8
4. DESCRIPTION OF THE SUBJECT MATTERS AND SCOPE.....	11
DETAILED AUDIT FINDINGS PER SUBJECT MATTER.....	13
5. COMPLIANCE WITH LAWS, REGULATIONS AND GUIDELINES REGULATING PUBLIC SPENDING	14
6. STATUS OF IMPLEMENTATION OF PREVIOUS AUDIT RECOMMENDATIONS	16
APPENDIX.....	17
Appendix 1: Status of previous year's audit recommendations.....	18

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

1. INTRODUCTION

1.1. Project background

ACE-DS 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-DS is based at the University of Rwanda in the School of Business and Economics.

1.2. Project objective

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 postgraduate education, and build collaborative research capacity in the regional priority area, to address key development challenges facing the region.

1.3. Duration and funding summary

The Project is for duration from 2016 to 2023 with an approved budget of 4.5 Million (Unit of Accounts) as highlighted in the table below:

Source of funds	Total donor commitment	Cumulative amount received to date (June 2022)	Cumulative amount received to date (June 2022)	*Undrawn balance to date (June 2022)	*Undrawn balance to date (June 2022)
	(in USD)	(in USD)	(in Frw)	(in USD)	(in Frw)
	(A)	(B)		C	D=(C*1,024.482)
Loan					
World Bank	4,500,000	4,317,538	3,914,230,805	182,462	186,929,035
Total	4,500,000	4,317,538	3,914,230,805	182,462	186,929,035

(Average exchange rate at 30/06/2022 = Frw 1,024.482406)

Note: Below is the detailed calculation of the funding.

Date	Amount received in USD	Exchange selling rate	Amount in Frw
20/04/2017	1,100,000	818.648	900,512,800
13/05/2019	109,000	883.971	96,352,839
23/05/2019	340,765.96	883.971	301,227,226
14/08/2019	536,500	894.653	479,981,335

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

17/03/2020	441,000	920.675	406,017,675
28/08/2020	860,720	940.216	809,262,716
24/06/2021	31,551.72	990.667	31,257,248
19/10/2021	898,000	990.667	889,618,966
Total	4,317,538		3,914,230,805

1.4. Basic information of the Project

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

Project Name	African Centre of Excellence in Data Sciences (ACE-DS)														
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><th>Source of funds</th><th>Amount in foreign currency</th><th>Amount in local currency/ Using the average exchange rate as at 30/06/2022 : Frw 1,024.482</th></tr><tr><td></td><th>UDS</th><th>Frw</th></tr><tr><td>Loan from World Bank</td><td>4,500,000</td><td>4,610,169,000</td></tr><tr><td>Total</td><td>4,500,000</td><td>4,610,169,000</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	4,500,000	4,610,169,000	Total	4,500,000	4,610,169,000
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	4,500,000	4,610,169,000													
Total	4,500,000	4,610,169,000													
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 Dr Charles Ruranga														
Project Sponsor/ Funder	Lender name : World Bank														
The project objective	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 postgraduate education, and build collaborative research capacity in the regional priority area, to address key development challenges facing the region.														
Strategic goals of the Project	Addressing specific development challenges by delivering a highly quality in postgraduate training, in research and in professional courses, focuses on data science involving the collection, analysis and transmission of data for facilitating decision-making														

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

Project components and activities	<p>The project's components include:</p> <ul style="list-style-type: none"> (i) Offering a research hub for postgraduate students, attracting international expertise and practitioners; (ii) Stimulating collaboration between academics, partners and stakeholders; (iii) Demonstrating the relevance of the centre for innovation, job creation and economic prosperity; and <p>Securing resources to stimulate multidisciplinary collaborative international research projects.</p> <p>Programmes offered by African Center of Excellence for Data Science (ACE-DS) as follows:</p> <p>PhD Programmes:</p> <ul style="list-style-type: none"> • Data Science in Demography • Data Science in Econometrics • Data Science in Mining • Data Science in Actuarial Science • Data Science in Biostatistics <p>Master's Programmes:</p> <ul style="list-style-type: none"> • Specialization in Actuarial Science • Specialization in Demography • Specialization in Biostatistics • Specialization in Econometrics • Specialization in Data Mining <p>Certification programmes</p> <ul style="list-style-type: none"> • Associate Big Data Engineer • Senior Big Data Engineer • Associate Big Analyst • Senior Big Analyst • Senior Data Scientist <p>Short Programmes</p> <ul style="list-style-type: none"> • Machine Learning and Computation Statistics • Quantitative Monitoring and Evaluation • Data Management • Panel Data Analysis • Statistical Simulation
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)

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

1.5. Key achievements of the project for the year ended 30 June 2022

S/N	DLRs	Targets for the year	Achievements for the year	Comment
1	DLR#1.1: Completion of Effectiveness Conditions	0	0	Completed
2	DLR#1.2: Development of the Project Implementation	0	0	Completed
3	DLR#2.1: Timely annual implementation of the plans	Reallocated to other DLRs by the World Bank		
4	DLR#2.2: Newly enrolled students (PhD, MSc and SC)	PhD: 3 MSc: 20 Short course: 30	PhD: 12 MSc: 27 Short course: 38	The ACEDS is running professional courses in collaboration with DASCA from America, currently 29 are admitted and 6 of them successfully completed their courses. 9 were trained in Machine learning professional course. Note that the Center reached the overall targets of PhD, MSc and Short course students among them 36 MSc students already graduated and 22 MSc and 1 PhD are ready for graduation and are awaiting it to be held. One PhD students successfully defended his PhD thesis. One PhD female submitted her thesis for defense. Also, the Centre continued to teach/train its already admitted students and will continue to support teaching and learning activities.
5	DLR#2.3 Accreditation of quality of education programs.	0	0	No new program to be accredited. 10 programs (5PhD and 5 MSc) are already accredited at national level. 8 programs got an international program from Data Science Council from America (DASCA) last year.
6	DLR#2.4: Collaboration and partnerships for applied research and training	0	0	Completed
7	DLR#2.5: Paper publication	5 papers published	22	PhD and Masters students with their Research supervisors are supported by the Centre in research activities such as providing research fees to students, facilitation in attending conferences, providing publication fees.
8	DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching.	10	33	Note that the Centre achieved 100% of the result. However, the Center continues to support exchanges programs of faculties, PhD and MSc students for teaching or research purposes.

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

9	DLR#2.7: External revenue generation	90,819 \$	\$165,029.28	\$165,029.28. is generated from students. The Centre achieved 100% of the result. However, for the sustainability purposes, the Centre continues to raise external income from self-sponsored students and from proposal grants writing.
10	DLR#2.8: Institution participating in benchmarking exercise	0	0	Completed
11	DLI#3: Timely transparent and institutionally reviewed financial management	All requirement on Financial Management results of the year to be achieved at 100%	All requirement of the year achieved at 100%	The requirement of the Financial Management results of the fiscal year 2019/2020 were achieved and the linked disbursement reached the ACEDS bank account in November 2021. The requirements of the fiscal year 2020/2021 were met and the linked disbursement is under withdrawal process. The requirements of the fiscal year 2021/2022 to be met by December 2022 and then, the associated disbursement will be received.
12	DLI#4: Timely and audited Procurement	All requirement of procurement results the year to be achieved at 100%	All requirement of the year achieved at 100%	The requirement of the Procurement results of the fiscal year 2019/2020 were achieved and the linked disbursement reached the ACEDS bank account in November 2021. The requirements of the fiscal year 2020/2021 were met and the linked disbursement is under withdrawal process. The requirements of the fiscal year 2021/2022 to be met by December 2022 and then, the associated disbursement will be received.

1.6. Project Management

The project management who held the Project during the year ended 30 June 2022 and to the date of this report were as follows:

S/N	Name	Position
1	Françoise KAYITARE TENGERA	Deputy Vice Chancellor for Finance and Chief Budget Manager
2	Dr Pierre Claver Rutayisire	Ag. UR-Principal of College of Business and Economics
3	Ass.Prof. Charles Ruranga Charles Ruranga	Ag. ACE-DS Director
4	Immaculate Bugingo	UR SPIU Coordinator
5	MUSABYIMANA Innocent	ACEs project Coordinator
6	Maurice P. Kanamugire	Ag. UR SPIU Director of Administration and Finance
7	Thereza C. Gasengayire	ACE-DS Accountant

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

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.

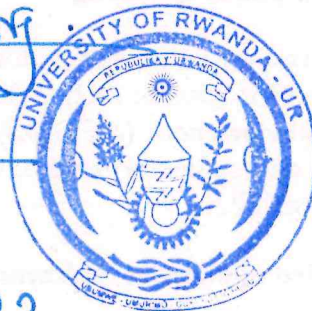
As Chief Budget Manager, I accept responsibility for complying with all the provisions of the Organic Law, applicable public financial management regulations and other laws relating to public finance in incurring expenditure and managing the financial resources for **African Center of Excellence in Data Sciences (ACE-DS)** 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-DS** 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: _____

Name: **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 Center of Excellence in Data Sciences (ACE-DS)** 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 Center of Excellence in Data Sciences (ACE-DS)** 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 Center of Excellence in Data Sciences (ACE-DS)** 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 Center of Excellence in Data Sciences (ACE-DS)** 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 Center of Excellence in Data Sciences (ACE-DS)** 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 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 ACE-DS 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 Center of Excellence in Data Sciences (ACE-DS)** 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.

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

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
- **African Center of Excellence in Data Sciences (ACE-DS)** 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 Center of Excellence in Data Sciences (ACE-DS)** complied with laws, regulations and guidelines regulating public spending in incurring expenditure for the year ended 30 June 2022. I also evaluated whether **African Center of Excellence in Data Sciences (ACE-DS)** 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
- **African Center of Excellence in Data Sciences (ACE-DS)** 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 **African Center of Excellence in Data Sciences (ACE-DS)** 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°62/2018 of 25/08/2018 on public procurement;
- Law N° 017/2020 of 07/10/2020 law establishing the general statute governing public servants;
- Law N° 37/2012 of 09/11/2012 establishing the value added tax;
- Law N° 026/2019 of 18/09/2019 on tax procedures;
- Law N° 25/2005 of 04/12/2005 on tax procedures;
- Law N° 016/2018 of 13/04/2018 establishing taxes on income;

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

- Presidential order N°144/01 of 13/04/2017 determining modalities for recruitment, appointment and nomination 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°02/MIFOTRA/15 of 09/06/2015 determining weekly working hours in public service and modalities of their respect;
- Approved salary scales
- Agreement N° 5796-RW signed on 17 June 2016 between the Government of Rwanda and International Development Association;
- Performance and Funding agreement ACEII between the Republic of Rwanda represented by the Ministry of Finance and Economic Planning and the University of Rwanda regarding provision of the proceeds of an International Development Association Credit for Eastern and Southern Africa Higher Education Centers of Excellence Project-ACE II credit number 5796-RW signed on 13 October 2016.
- Project Operational Manual for Eastern and Southern Africa Higher Education Centers of Excellence project (ACEII).

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 African Center of Excellence in Data Sciences (ACE-DS) and 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 MATTER

**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, one tender of hiring a consulting firm to develop African Centers of Excellence sustainability strategic plan with their associated annexes, was planned to be awarded for estimated budget of **Frw 80,000,000**. Estimated contribution of ACE-DS was **Frw 20,000,000**. This tender was not awarded and the following weaknesses was noted:

**5.1.1. Lengthy delay in awarding 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 appropriate 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 head-hunting. 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-DS 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. 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

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

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.

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2022**

**6. STATUS OF IMPLEMENTATION OF PREVIOUS AUDIT
RECOMMENDATIONS**

6.1. Status of implementation of previous year audit recommendations

Observation

According to Article 69 of Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property, 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.

An assessment of the status on the implementation of previous audit recommendations revealed that **75%** of the audit recommendations made in the previous audit were fully implemented and **25%** were partially implemented as summarized below:

Details	Number
1. Total n°. of findings raised in previous 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. N°. of recommendations that have been fully implemented as at time of current audit:	2
5. N°. of recommendations that have been partially implemented as at time of current audit:	1
6. N°. of recommendations not implemented as at time of current audit:	-
7. Percentage of previous findings fully implemented (no4 /no 3)	75%
8. Percentage of previous findings partially implemented (no 5/no 3)	25%
9. Percentage of previous findings not implemented (no 6/no 3)	-

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

Risk

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-SPIU/ACEDS 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

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2022**

Appendix 1: Status of previous year's audit recommendations

N°	Observation	Recommendation partially implemented	Recommendation not implemented
1	<p>COMPLIANCE AUDIT REPORT</p> <p>Concerns over 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> <p>What was noted previously</p> <p>This 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>What was noted during this 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 the qualified bidder to be awarded the tender as the first ranked MTI consulting group withdrew his bidding documents from tendering process and the second ranked had high financial offer compared to the budget. On 3 December 2021, the Public Tender Committee (ITC) recommended to cancel this tender due to the mentioned reason and recommend to the user department to have a deep market survey and revised 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 audit noted a long delay of 2.5 years in awarding this tender and this has an impact on the realisation of the intended objective as this business plan will help Centers of Excellence (ACEs) in Rwanda to ensure their sustainability after the project implementation period is over.</p>	<p style="text-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>	

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2022**

	<p>➤ <i>Failure to provide the basis to determine the budgeted amount of the tender</i></p> <p>The audit did not obtain the basis to estimate the budgeted amount such as market survey as this is evidenced by the significant variance between the planned cost of the tender and the offers submitted by the bidders This is attributable to lack of proper guidance by the project management in the tendering process and inadequate planning and budgeting of that tender.</p> <p>➤ <i>Documents provided related to the cancellation of the 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 there are documents provided by the project management related to the tendering process of the tender of hiring firm to develop ACEs Sustainability strategic plans with their associated annexes. However, these documents such as minute of the Public Tender Committee dated 3 December 2021 that has cancelled the tender, vetting report and also the letter from MTI Consulting Firm withdrawing his bid in tendering process were not posted in the e-procurement system. In addition, no cancellation letter included in the e-procurement system.</p> <p>Recommendations</p> <ul style="list-style-type: none"> • UR management should undertake market survey or benchmarking on this tender that will serve for planning the realistic cost of the tender. 	
--	--	--

**AFRICAN CENTER OF EXCELLENCE FOR DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2022**

	<ul style="list-style-type: none"> UR management should give guidance on this tender and ensure that the process to award this tender is accelerated to award it to the appropriate consulting firm by complying with all tendering procedures. Going forward, UR management should ensure that all documents related to any tender are filed in e-procurement system for future reference 		
	Total	1	0