

**AFRICAN CENTER OF EXCELLENCE
IN DATA SCIENCES
(ACE-DS)**

**AUDIT REPORT ON FINANCIAL
STATEMENTS**

For the year ended 30 June 2021

OAG Core Values

Integrity

In public Interest

Innovation

Objectivity

Professionalism

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1. INTRODUCTION

1.1. Statement of purpose

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.

1.2. Project information

Project start date:	The project approval date is 26th May 2016 The project signature of agreement date is 17th June 2016 The project effectiveness date is 17th October 2016
Project end date:	The project last disbursement date 30th June 2023 The project completion date is 31st December 2023
Project Manager:	The project manager is Dr Charles Ruranga
Project Budget by Lender	Lender name, amount and currency 1. World Bank: 4.5 million (USD)
Total cost of the project	4.5 Million (USD)
Implementing Budget Agency	University of Rwanda (UR)

1.3. Project overview

Line Ministry of the project	UNIVERSITY OF RWANDA (UR)
Strategic goals/objectives of the project	The main objective of this project is to establish and strengthen specialization and collaboration among a network of higher education institutions in the Eastern and Southern Africa region to deliver quality post graduate education, and build collaborative research capacity in the regional priority area, to address key development challenges facing the region.
General achievement of strategic goals /main component of the projects	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.

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Specific achievement of strategic goals/outputs of the projects	<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 (iv) Securing resources to stimulate multidisciplinary collaborative international research projects.
Current situation that the project was formed to intervene	To train post-graduate student with combined expertise in statistics, economics, business, computer science and engineering to use big data and data analytics to solve development challenges.
Other important background information of the project	The ACE-DS places eastern and southern regional of Africa at the forefront of an emerging academic field that encourages collaborative partnerships between academia, government and the private sector.
Programmes offered by African Center of Excellence for Data Science (ACE-DS)	<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

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	<ul style="list-style-type: none"> • Quantitative Monitoring and Evaluation • Data Management • Panel Data Analysis • Statistical Simulation
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1.4. Registered office

The Project is implemented by the University of Rwanda. It is domiciled in Kicukiro District, City of Kigali, Rwanda.

1.5. Bankers

The following are the bankers for the current year:

- (i) National Bank of Rwanda
- (ii) Bank of Kigali

1.6. Auditors

The project is audited by the Office of the Auditor General.

1.7. Roles and responsibilities

The management who served the project during the year ended 30 June 2021 is as follows:

No	Name	Position
1	Françoise KAYITARE TENGERA	Deputy Vice Chancellor for Administration and Finance
2	Dr. Faustin GASHEJA	Principal of College of Business and Economics
3	Immaculate Bugingo	UR SPIU Coordinator
4	Dr. Charles Ruranga	ACE-DS Director
5	MUSABYIMANA Innocent	Aces project Coordinator
6	Maurice P. Kanamugire	Ag. UR SPIU Director of Administration and Finance
7	Thereza C. Gasengayire	Accountant

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1.8. 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 2021)	Cumulative amount received to date (June 2021)	*Undrawn balance to date (June 2021)	*Undrawn balance to date (June 2021)
	(in USD)	(in USD)	(in Frw)	(USD)	(in Frw)
	(A)	(B)		C	D=(C*987.139896)
Loan					
World Bank	4,500,000	3,387,986	2,993,354,590	1,112,014	1,097,713,384
Total	4,500,000	3,387,986	2,993,354,590	1,112,014	1,097,713,384

NOTE: Below is the detailed calculation of the funding.

Date	Amount received in USD	Exchange selling rate	Amount in Frw
20-04-17	1,100,000	818.648	900,512,800
13-05-19	109,000	883.971	96,352,839
23-05-19	340,765.96	883.971	301,227,226
14-08-19	536,500	894.653	479,981,335
17-03-20	441,000	920.675	406,017,675
28-08-20	860,720	940.216	809,262,716
Total	3,387,986		2,993,354,590

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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 **African Center of Excellence in Data Sciences (ACE-DS)**. I further confirm that **African Center of Excellence in Data Sciences (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 **African Center of Excellence in Data Sciences (ACE-DS)** will not continue operating as a going concern for the foreseeable future.

Signature: _____

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

Date: _____

31st December 2021



3. REPORT OF THE AUDITOR GENERAL

REPORT ON THE FINANCIAL STATEMENTS

Françoise KAYITARE TENGERA
Deputy Vice Chancellor for Administration and Finance
University of Rwanda

3.1 Opinions

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 2021. These financial statements comprise the statement of financial position as at 30 June 2021, 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 9 to 31.

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 2021, 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 **African Center of Excellence in Data Sciences** 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

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presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the **African Center of Excellence in Data Sciences'** 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 **African Center of Excellence in Data Sciences**.

Those charged with Governance of this African Center of Excellence in Data Sciences (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 African Center of Excellence in Data Sciences' 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

31st December, 2021



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4. FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

4.1. STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED
30 JUNE 2021

Description	Notes	12 months to 30 June 2021	12 months to 30 June 2020
		Frw	Frw
Revenues			
Transfers from other government entities	2	18,362,395	149,156,014
Revenue from exchange transactions	3	9,647,500	3,686,936
Borrowings	4	809,262,716	885,999,653
Total Revenue		837,272,611	1,038,842,603
Expenses			
Goods and services	5	341,850,439	373,457,091
Capital expenditure	6	31,225,808	22,754,822
Grants and other transfer payments	7	18,897,120	-
Other expenses	8	241,048,411	199,002,058
Total Expenses		633,021,778	595,213,971
Other Gains and Losses			
Foreign exchange gain	9	82,919,391	36,460,968
Surplus for the period		287,170,224	480,089,600

The notes on pages 14 to 31 form an integral part of the financial statements.

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4.2. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

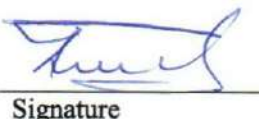
Description	Notes	Balance as at 30 June 2021	Balance as at 30 June 2020
		Frw	Frw
ASSETS			
Current assets			
Cash and cash equivalents	10	1,419,845,463	1,162,828,166
Receivables from exchange transactions	11	2,334,295	-
Total current assets		1,422,179,758	1,162,828,166
Total Assets		1,422,179,758	1,162,828,166
Net Assets/Equity and Liabilities			
Current Liabilities			
Payables	12	1,930,261	37,564,015
Total current liabilities		1,930,261	37,564,015
Total Liabilities		1,930,261	37,564,015
Net Assets/Equity		1,420,249,497	1,125,264,151
Accumulated opening balances		1,125,264,151	642,376,425
Prior year adjustments	13	7,815,122	2,798,126
Accumulated surplus		287,170,224	480,089,600
Total Net Assets/Equity		1,420,249,497	1,125,264,151
Total Liabilities and Net Assets/Equity		1,420,249,497	1,125,264,151

The notes on pages 14 to 31 form an integral part of the financial statements.

Authorization date

The financial statements were approved by the Management of the African Center of Excellence in Data Sciences (ACE-DS) on 28th December 2021 and were signed on its behalf by:

Prepared by: GASENGAYIRE C. Thereza
Project Accountant – ACE-DS


Signature

28/12/2021
Date

Reviewed by: KANAMUGIRE P. Maurice
Ag. DAF/UR SPIU


Signature

28/12/2021
Date

Checked by: Immaculate BUGINGO
UR SPIU Coordinator


Signature

28/12/2021
Date

Approved by: Françoise KAYITARE
TENGERA
Chief Budget Manager


Signature

28/12/2021
Date

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4.3. STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

Description	12 months to 30 June 2021	12 months to 30 June 2020
	Frw	Frw
Cash flow from operating activities		
Transfers from other government entities	18,362,395	149,156,014
Revenue from exchange transactions	9,647,500	3,686,936
Total Revenue	28,009,895	152,842,950
Payments		
Use of goods and services	(341,850,439)	(373,457,091)
Grants and other transfer payments	(18,897,120)	
Other expenses	(241,048,411)	(199,002,058)
Adjusted for:		
Changes in receivables	(2,334,295)	5,513,000
Changes in payables	(35,633,754)	(6,878,558)
Prior year adjustments	7,815,122	2,798,126
Net cash flows from operating activities(A)	(603,939,003)	(418,183,631)
Cash flows from investing activities		
Capital expenditure	(31,225,808)	(22,754,822)
Net cash flows from investing activities(B)	(31,225,807)	(22,754,822)
Cash flow from financing activities		
Proceeds from borrowings	809,262,716	885,999,653
Net cash flow from financing activities(C)	809,262,716	885,999,653
Net increase/(decrease) in cash and cash equivalents(D=A+B+C)	174,097,906	445,061,200
Cash and cash equivalents at beginning of period	1,162,828,166	681,305,997
Effects of exchange rate changes on the balance of cash held in foreign currencies	82,919,391	36,460,968
Cash and cash equivalents at end of period	1,419,845,463	1,162,828,166

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4.4. STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE PERIOD
ENDED 30 JUNE 2021

Changes in net assets items	Accumulated surplus/ deficit 2018/2019	Movement during the year 2019/2020	Total 2019/2020
	Frw	Frw	Frw
Accumulated opening balance	581,545,741	-	581,545,741
Accumulated surplus	60,830,684	480,089,600	540,920,284
Adjustments on current liabilities		2,798,126	2,798,126
Total	642,376,425	482,887,726	1,125,264,151
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	287,170,224	828,090,508
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	294,985,346	1,420,249,497

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4.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Description	Revised budget Frw	Actual Frw	Variances Frw	Performance %
	A	B	A-B	(B/A)*100
Receipts				
Grants and transfers	142,311,000	18,267,546	124,043,454	*13
Revenues from Research Activities	9,647,500	9,647,500	0	100
Other Revenues	83,133,298	83,133,298	0	100
Total receipts (A)	235,091,798	111,048,344	124,043,454	
Expenditure				
Goods And Services	521,960,685	341,969,498	179,991,187.28	**66
Other Expenses	284,459,466	259,945,531	24,513,935	91
Total payments (B)	806,420,151	601,915,029	204,505,122	
Operating balance (C=A-B)	(571,328,353)	(490,866,685)	(80,461,668)	
Capital expenditure	39,456,853	31,225,808	8,231,045	***79
Total non-financial (D)	39,456,853	31,225,8078	8,231,046	
Net lending/(Borrowings)(E= C-D)	(610,785,206)	(522,092,493)	(88,692,713)	
External Borrowings (F)	839,260,989	809,262,716	29,998,273	96.43
Total net incurrence of liabilities (G=E+F)	228,475,783	287,170,224	(58,694,441)	

Explanation on variances

Explain the major variances observed above:

**The Low budget execution of 13% is mainly a result of transfer for registration fees that were expected to be received from college of Business and economics (CBE). The student fees were deposited into college account on 12 July 2021 and thereafter, the Centre requested for the transfer of these funds. However, the financial year ended when the funds were not yet transferred into ACE DS collection account.*

***The low budget execution for the goods and services is at 66% mainly because maintenance and rehabilitation of classrooms that was not done due to contract negotiation took long and negotiations were still in the process at the end of financial year 2020-2021.*

****Capital expenditure budget execution was at 79% because the centre had planned to buy equipment's for the upgrade of internet connectivity. This equipment included layer switch, access point and CAT which the centre had ordered from Dimension Technologies However the supplier failed to timely supply the equipment until the end of financial the year.*

4.6. NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

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 Minister of Finance and Economic Planning on 27/08/2021.

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 Consolidated Financial Statements have been prepared by Ministry of Finance and Economic Planning (MINECOFIN) pursuant to Articles 13 and 67 of the Organic Law on State Finances and Property of 2013 that empowers the Minister in charge of Finance and Economic Planning to prepare consolidated financial statements of the Government of Rwanda.

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) **Public debt (principal and interest)** – involving Treasury bills, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Ministry or any other debt the State may take on will be treated on cash basis and recognized as revenue during the year of receipt and as expenditure in the year of repayment. However, loans acquired directly by a public entity and any associated interest shall be treated on an accrual basis and recognized as liabilities.

(ii) Inventories – these are assets:

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

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

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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 2020 to 30th June 2021. The comparative figures reflect the 12 months ended 30th June 2020.

d. Key assumptions and judgements

These financial statements, as a component of the Government consolidated financial statements, reflect the Government's financial position as at 30th June 2021, 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

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assumptions stated and thus have a material impact on the financial statements. The key assumptions are discussed below:

e. Presentation Currency

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

The rates used to translate foreign currency balances is the average rate applicable by National Bank of Rwanda as at 30th June 2021.

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 IPSAS implementation roadmap as per blue print provides a six-year road map for implementation IPSAS accrual. The implementation is a process up to the six year. The government preferred incremental change instead of big bang.

Basing on the exemption relating to fair presentation and compliance provided by IPSAS 33, paragraph 33 to 62, the categories of assets and liabilities listed below have not been recognised but disclosed. Disclosing them is a first step in identification of assets and liabilities that have not been recognised in balance sheet. In addition, this is the second year of implementation, the identification is not yet completed and hence the disclosures might not be comprehensive. Further, though the approximate value is allocated to the non-current assets, the accuracy is not yet confirmed

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

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. 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.

b) 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

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).

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

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

b) Comparative figures

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

c) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2021.

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 2020/2021 was approved by the Parliament/ District council for Local Government on 30/06/2020. 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.

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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

During the 12 months to 30 June 2021, we received transfers from Government reporting agencies as detailed below:

ID Account	Description	12 months to 30 June 2021	12 months to 30 June 2020
		Frw	Frw
139104+ 139204	Transfers from central Government entities		
139199	Intra transfers from subsidiaries entities -current/Transfers from University of Rwanda (UR)	18,362,395	149,156,014
	Total	18,362,395	149,156,014

3. Revenue from exchange transactions

During the 12 months to 30 June 2021, we received fees collected from research activities as detailed below:

ID Account	Description	12 Months to 30 June 2021	12 Months to 30 June 2020
		Frw	Frw
142124	Revenues from research activities	9,647,500	3,686,936
	Total	9,647,500	3,686,936

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4. Proceeds from borrowings

During the 12 months to 30 June 2021, we received loan borrowing from external development partners as detailed in the table below:

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	Amount in local currency for the period ended 30 June 2020
		(USD)		(Frw)	(Frw)
	(A)	(B)	(C)	D=B*C	
World Bank	28/08/2020	860,720	940.216	809,262,716	885,999,653
Total				809,262,716	885,999,653

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5. Use of goods and services

During the 12 months to 30 June 2021, we consumed goods and services as detailed in the table below:

ID Account	Description	12 months to 30 June 2021	12 months to 30 June 2020
		Frw	Frw
2211	Office Supplies and Consumables	16,607,636	15,270,802
2214	Communication Costs	9,283,968	9,239,306
2216	Bank charges and commissions and other financial costs	531,839	1,470,001
2217	Public Relations and Awareness	9,049,090	18,391,103
2218	Membership and Subscriptions		406,779
2221	Professional and contractual Services	276,578,515	146,790,798
2231	Transport and Travel	28,177,759	158,326,299
2261	Training Costs	1,269,993	23,562,003
2291	Other Use of Goods& Services	351,639	
	Total	341,850,439	373,457,091

6. Capital expenditure

During the 12 months to 30 June 2021, we incurred capital expenditure as detailed in the table below:

ID Account	Description	12 months to 30 June 2021	12 months to 30 June 2020
		Frw	Frw
2313	Office Equipment, Furniture and Fittings	1,697,998	1,915,603
2314	ICT equipment, software and other ICT assets	29,527,810	20,839,219
	Total	31,225,808	22,754,822

7. Grants and other transfer payments

During for the period ended 30 June 2021, we made transfer payments to university of Rwanda (UR) to facilitate E-learning/online courses as detailed below:

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

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8. Other expenses

During the 12 months to 30 June 2021, we incurred various other expenditures as detailed in the table below:

ID Account	Description	12 months to 30 June 2021	12 months to 30 June 2020
		Frw	Frw
288102	Education non-reimbursable scholarships	93,585,979	78,310,008
288104	Students Living Allowances	147,462,432	120,692,050
Total		241,048,411	199,002,058

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 2021	12 months to 30 June 2020
		Frw	Frw
145111	Gain of currency exchange and translations	83,038,450	36,500,423
221605	Loss on currency exchange and translations	(119,059)	(39,455)
	Total	82,919,391	36,460,968

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10. Bank balances

The bank amounts shown in the table below have been reconciled to the bank statements as at 30 June 2021 and as at 30 June 2020:

ID Account	Bank name	Account currency	Amount in foreign currency	Exch. Rate	Balance as at 30 June 2021	Balance as at 30 June 2020
					Frw	Frw
311390	UR-DATA SCIENCES	USD	24,470	987.139896	24,155,313	889,296,590
311500	UR- ACE FOR DATA SCIENCES	FRW			251,550,579	226,595,358
311420	UR- ACE FOR DATA SCIENCES	USD	1,159,045	987.14	1,144,139,571	46,936,218
	Total				1,419,845,463	1,162,828,166

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11. Accounts receivable

The following were accounts receivable relating to unused mission allowances to be recovered from respective project staffs and balance of withholding tax recognized as double payment to Rwanda Revenue Authority as at 30 June 2021:

Debtor's Account Code	Debtor's name	Balance as at 30 June 2021 Frw
3121	Accounts receivables - Third parties	
	Dr. Charles Ruranga	140,100
	Dr Ignace Kabano	140,100
	Dr J Claude Byungura	133,200
	Dr Pierre Claver Rutayisire	140,100
	Dr Francois Niragire	140,100
	Dr. Joseph Nzabanita	140,100
	Dr Leon F.Uwimbabazi Ruganzu	133,200
	Mr Roger Muremyi	133,200
	Elias Mutezimana	111,000
	Charles Nzaramyimana	111,000
	Dr Dieudonne Muhoza	140,100
	Dr Richard Kabanda	133,200
	Dr Gisanabagabo Sebhuzuzi	93,400
	Leonidas Banamwana	133,200
	RRA	512,295
	Total	2,334,295

12. Accounts payable

The following were the accounts payable balances as at 30 June 2021:

Creditor's name	Creditor's name	Balance as at 30 June 2021 Frw	Balance as at 30 June 2020 Frw
4121	Accounts Payables -Third parties		37,564,015
	SGES/ATT	548,000	
	MBTC LTD	134,400	
	Gorilland Safaris Ltd	325,760	
	Gorilland Safaris Ltd	739,540	
	Emmanuel Dufourq	182,561	
	Total	1,930,261	37,564,015

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13. Prior year adjustments

The following are the prior year adjustments to opening balances:

ID Account	Description	As at 30 June 2021	As at 30 June 2020
		Frw	Frw
512102	Prior years errors adjustments on receivables	394,621	
512103	Prior years errors adjustments on accounts payable	7,420,501	2,798,126
	Total	7,815,122	2,798,126

13.1 Adjustments on accounts receivable

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

13.2 Adjustments on accounts payable

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

14. Important disclosures

14.1 Inventory of supplies and consumables

Description	Balance as at 30 June 2020	Additions	Consumed /disposed of	Balance as at 30 June 2021
	Frw	Frw	Frw	Frw
Consumable stores	3,665,600	12,447,211	8,483,206	7,629,605
Total	3,665,600	12,447,211	8,483,206	7,629,605

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

Code	Categories	Opening balance as at 30 June 2020	Acquisition of assets	Disposed of/Transferred	Total gross carrying amount as at 30 June 2021
		A	B	C	D=A+B-C
		Frw	Frw	Frw	Frw
343	Machinery and equipment	169,645,905	31,225,807	-	200,871,712
	Total	169,645,905	31,225,807	-	200,871,712

14.3 Aging summary report for receivables

Receivable Name	Date Intervals				Total
	1-45 days	46-90 days	91-365 days	Above 2 Years	
	Frw	Frw	Frw	Frw	Frw
Receivable	2,334,295				2,334,295
Total	2,334,295				2,334,295

14.4 Aging summary report for payables

Payable Name	Date Intervals				Total
	1-45 days	46-90 days	91-365 days	Above 2 Years	
	Frw	Frw	Frw	Frw	Frw
Payables	1,930,261				1,930,261
Total	1,930,261	-	-	-	1,930,261

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14.5 Funding summary (Loan)

Source of funds	Total donor commitment	Cumulative amount received to date (June 2021)	Cumulative amount received to date (June 2021)	*Undrawn balance to date (June 2021)	*Undrawn balance to date (June 2021)
	(in USD)	(in USD)	(in Frw)	(USD)	(in Frw)
	(A)	(B)		C	D=(C*987.139896)
Loan					
World Bank	4,500,000	3,387,986	2,993,354,590	1,112,014	1,097,713,384
Total	4,500,000	3,387,986	2,993,354,590	1,112,014	1,097,713,384

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14.6 Grant funds of tuition fees not received from UR as at 30 June 2021

Number of students in various domain	Transferring entity name	Amount
		Frw
83	Funds of tuition fees not received from University of Rwanda	118,469,638
Total		118,469,638

These funds relate to students' tuition fees to be received from the College of Business and Economics which was yet to be received as at 30 June 2021

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**AFRICAN CENTER OF EXCELLENCE
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(ACE-DS)**

**COMPLIANCE AUDIT REPORT ON
EXPENDITURE**

For the year ended 30 June 2021

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**AFRICAN CENTER OF EXCELLENCE IN DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2021**

1. INTRODUCTION

1.1. Statement of purpose

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.

1.2. Project information

Project start date:	The project approval date is 26th May 2016 The project signature of agreement date is 17th June 2016 The project effectiveness date is 17th October 2016
Project end date:	The project last disbursement date 30th June 2023 The project completion date is 31st December 2023
Project Manager:	The project manager is Dr Charles Ruranga
Project Budget by lender	Lender name, amount and currency World Bank: 4.5 Million (USD)
Total cost of the project	4.5 million (USD)
Implementing Budget Agency	University of Rwanda (UR)

1.3. Project Overview

Line Ministry of the project	UNIVERSITY OF RWANDA (UR)
Strategic goals/objectives of the project	The main objective of this project is to establish and strengthen specialization and collaboration among a network of higher education institutions in the Eastern and Southern Africa region to deliver quality post graduate education, and build collaborative research capacity in the regional priority area, to address key development challenges facing the region.
General achievement of strategic goals /main component of the projects	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.

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Specific achievement of strategic goals/outputs of the projects	<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 (iv) Securing resources to stimulate multidisciplinary collaborative international research projects.
Current situation that the project was formed to intervene	To train post-graduate student with combined expertise in statistics, economics, business, computer science and engineering to use big data and data analytics to solve development challenges.
Other important background information of the project	The ACE-DS places eastern and southern regional of Africa at the forefront of an emerging academic field that encourages collaborative partnerships between academia, government and the private sector.
Programmes offered by African Center of Excellence in Data Science (ACE-DS)	<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

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JUNE 2021**

	<ul style="list-style-type: none"> • Data Management • Panel Data Analysis • Statistical Simulation
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1.4. Registered office

The Project is implemented by the University of Rwanda. It is domiciled in Kicukiro District, City of Kigali, Rwanda.

1.5. Bankers

The following are the bankers for the current year:

- (i) National Bank of Rwanda
- (ii) Bank of Kigali

1.6. Auditors

The project is audited by the Office of the Auditor General.

1.7. Roles and responsibilities

The management who served the project during the year ended 30 June 2021 is as follows:

No	Name	Position
1	Françoise KAYITARE TENGERA	Deputy Vice Chancellor for Administration and Finance
2	Dr. Faustin GASHEJA	Principal of College of Business and Economics
3	Immaculate Busingo	UR SPIU Coordinator
4	Dr. Charles Ruranga	ACE-DS Director
5	MUSABYIMANA Innocent	Aces project Coordinator
6	Maurice P. Kanamugire	Ag. UR SPIU Director of Administration and Finance
7	Thereza C. Gasengayire	Accountant

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COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2021**

1.8. 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 2021)	Cumulative amount received to date (June 2021)	*Undrawn balance to date (June 2021)	*Undrawn balance to date (June 2021)
	(in USD)	(in USD)	(in Frw)	(USD)	(in Frw)
	(A)	(B)		C	D=(C*987.139896)
Loan					
World Bank	4,500,000	3,387,986	2,993,354,590	1,112,014	1,097,713,384
Total	4,500,000	3,387,986	2,993,354,590	1,112,014	1,097,713,384

NOTE: Below is the detailed calculation of the funding.

Date	Amount received in USD	Exchange selling rate	Amount in Frw
20-04-17	1,100,000	818.648	900,512,800
13-05-19	109,000	883.971	96,352,839
23-05-19	340,765.96	883.971	301,227,226
14-08-19	536,500	894.653	479,981,335
17-03-20	441,000	920.675	406,017,675
28-08-20	860,720	940.216	809,262,716
Total	3,387,986		2,993,354,590

**AFRICAN CENTER OF EXCELLENCE IN DATA SCIENCES (ACE DS)
COMPLIANCE AUDIT REPORT ON EXPENDITURE FOR THE YEAR ENDED 30
JUNE 2021**

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, **African Center of Excellence in Data Sciences (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 Administration and Finance
University of Rwanda

Date: 31st December 2021



3. REPORT OF THE AUDITOR GENERAL

REPORT ON COMPLIANCE

Françoise KAYITARE TENGERA

**Deputy Vice Chancellor for Administration and 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 2021** 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. Unqualified opinion on compliance with applicable laws, regulations and guidelines regulating public spending

In my opinion, based on audit work performed, **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 year ended 30 June 2021.

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)** complied, in all material respects with applicable laws, regulations and guidelines to realize value for money in utilization of public funds for year ended 30 June 2021.

3.2. Basis for Opinions

I conducted my audit 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.

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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.

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**

31st December, 2021



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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 2021. 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 2021.

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;

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- 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

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

**5.1. REVIEW OF COMPLIANCE WITH PROCUREMENT PROCEDURES IN
INCURRING EXPENDITURE**

**5.1.1. Concerns over tender for hiring consulting firm to develop African Centers of
Excellence (ACEs) sustainability strategic plans with their associated annexes**

Observations

- *Long delay noted in awarding tender of hiring consulting firm to develop ACEs sustainability strategic plans with their associated annexes*

What was noted previously

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.

What was noted during this audit

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.

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.

- *Failure to provide the basis to determine the budgeted amount of the tender*

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 as shown below:

Bidders	Budgeted amount	Submitted financial offers	Variance	
	Frw	Frw	Frw	%
MTI Consulting Group	80,000,000	158,760,000	78,760,000	98
LIFETIME LEARNING LTD		406,463,081	326,463,081	408

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The above irregularities are attributable to lack of proper guidance by the project management in the tendering process and inadequate planning and budgeting of that tender.

➤ ***Documents provided related to the cancellation of the tender not posted in e-procurement system***

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.

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.

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.

Risks

- The above irregularities noted above is an indication of inappropriate oversight/guidance by the project management on this tender. Therefore, there is a risk that the intended purpose will not be achieved within the planned timeline as envisaged.
- Delay to award tender for consultancy service implies that ACEs are delaying to get strategic guidance including how to generate income for future sustainability after the project funding.
- The validity and authenticity of documents provided outside the e-procurement could not be ascertained.

Recommendations

- UR management should undertake market survey or benchmarking on this tender that will serve for planning the realistic cost of the tender.
- 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.

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Management comments

The tender for hiring consulting firm to develop African Centers of Excellence (ACEs) sustainability strategic plans followed usual and normal procurement processes. In fact, the tender was advertised twice because the initial one was cancelled due to lack of required number of bidders. Only two technical offers were submitted instead of three as required by the article 68 of the Procurement Law N° 62/2018 of 25-08-2018, stipulating that the procuring entity must establish a shortlist comprised of bidders with the capacity to perform the required consultancy. The shortlist must have as many consultants as possible but not less than three.

In the absence of the required number of bidders, the tender was re-advertised for the second time following regular procurement process. Unfortunately, the first ranked bidder both financially and technically decided to withdraw from the tendering process. Therefore, the tender was cancelled in the Umucyo E-procurement system, and it will be re-advertised. It is important to emphasize the legitimacy of the public procurement law that is being strictly followed and adhered to throughout these processes. Therefore, the process of seizing the bid security of the bidder has been initiated.

The basis to determine the amount of the tender was based on the rates found on page 27 of UNDP procurement guide. The average rate taken was 500\$ per day which is within the limits (300 USD-550 USD) in reference to the above guide. The duration of the assignment was 120 days resulting in the total consultant fees amounting to USD 60,000. In addition, an amount of USD 20,000 of reimbursable was estimated based on the nature and the scope of work to be performed. This was to cover validation workshops, local transport and communication.

As the public procurement law allows undertaking and trying a number of times until a successful and competent bidder is found, the tender will be re-advertised accordingly in the Umucyo E-Procurement system as it was done previously.

Auditor's comments

- *Letter from MTI Consulting Firm withdrawing his bid in tendering process and the cancellation letter of the tender were not uploaded in the e-procurement system, contrary to article 17 of procurement 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.*
- *In addition, there was no documented basis of estimating the USD 20,000 of reimbursable fees stated in the management comment.*

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5.1.2. Failure to provide approved market survey by the Public Tender Committee on the tender of supply and installation of a high performing server for Data science programs

Observation

Article 32 of Ministerial Order N° 002/20/10/TC of 19/05/2020 states establishing regulations on public procurement states that before starting evaluation of bids for tenders of goods and works, members of the public tender committee must possess a research report on the real price in the market carried out by the beneficiary department and approved by the public tender committee during the public procurement plan.

Contrary to above article, the audit noted that the market survey provided to the audit team was not approved by Public Tender Committee as required by law. Further, this survey does not indicate any date in which market survey was conducted. Therefore, the audit was unable to confirm if the price indicate in the procurement plan was based on that survey report.

It is worth to note that this survey report was prepared and signed by IT officer representing the user department. Therefore, the audit was unable to confirm if the price indicate in the procurement plan of **Frw 300,000,000** was based on that survey report.

Risk

Failure to conduct a market survey is an indication that the budgeted cost included in the procurement plan was not realistic. Thus, this leads to the overestimation of the tender budgeted cost included in the procurement plan.

Recommendation

UR management should ensure that the market survey is properly conducted and dully approved by the Public Tender Committee before including tender price in the procurement plan.

Management comment

During procurement planning and budgeting process, the market survey was done by the centre as required by the procurement law to guide estimation of the budget for the tender budget. The IT staff conducted market survey and his report was uploaded in the Umucyo E-procurement system to guide the planning and budgeting process prior procurement process.

Auditor's comment

The market survey provided was not approved by the Public Tender Committee as required by the law as it was prepared and signed by the representative of user department. Further, this survey report does not indicate any date in which market survey was conducted.

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6. REALIZATION OF VALUE FOR MONEY IN UTILIZATION OF PUBLIC FUNDS

6.1 REVIEW OF BANK BALANCES

6.1.1 Idle funds held in commercial bank

Observation

Annex 3 point 5(f) of the Project Appraisal Document states that the African Centers of Excellence (ACEs) will be responsible for ensuring its sustainability after the project implementation period is over. The ACE will work on fundraising and developing external sources of revenue.

In addition, according to the Project Implementation Manual, for financial sustainability ACEs are required to generate revenue from externally generated revenue deposited into the ACE's account from tuition fees, other student fees, sale of consultancies, joint research, fund raising and donations, or other external sources.

It is in this context that the tuitions fees are deposited on bank accounts of ACE-DS opened in Bank of Kigali meant for financial sustainability after the funding period. The deposited amounts accumulated to **Frw 275,705,892** as at 30 June 2021. However, the audit considered this balance as idle since it is not generating interests that could contribute in matching the incentives allocated to DLI 2.7 (which required to have external revenue generation) and increasing the funds that will be needed for financial sustainability after the funding period.

See table below for details:

Centers	Account number	Account Name	Balance as at 30 June 2021 in Frw
ACE DATA SCIENCE	000940774479673	UR ACE DATA SCIENCE USD BK	24,155,313
ACE DATA SCIENCE	000940774479774	UR ACE DATA SCIENCE RWF BK	251,550,579
		Total	275,705,892

It is worth mentioning that, of USD 825,000 allocated to DLI 2.7 that should be matched, only incentive of **USD 713,601.75** had been received, leaving **USD 111,398.25** that had not yet been matched up to the time of audit in November 2021.

Risk

Keeping idle funds in commercial bank without earning interest, denied the Project income that could be earned to increase own generated revenue for future financial sustainability.

Recommendation

UR SPIU Management should expedite the process of negotiating with the Bank of Kigali so as to open a fixed term deposit bank account as approved by MINECOFIN.

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Management comments

The purpose of opening African Centres of Excellence (ACEs) collection accounts was to achieve DLI 2.7 related to revenue generation. It was required that funds attracted appear on the separate bank account so that they could be verified by the Inter University Council for East Africa (IUCEA) to confirm DLI 2.7 related to income generation by ACEs and thereafter trigger funding related to that specific DLI. If one was to refer to the past audit reports of the ACEs, the biggest concern was the fact that at the beginning of the ACEs project, collection accounts were not opened immediately. Therefore, there was a fear and risk that DLI 2.7 will never be achieved. When the centres started generating some income, the collection accounts were opened. Thus, funds started being deposited although there was still a lot of pessimism that centres will not generate enough funds to trigger DLI. However, in 2021, after a sizable amount of money was accumulated in the respective centre's collection accounts, IUCEA did a verification and confirmed the amount that triggered funds related DLI 2.7. Funds were received on 30th November 2021. Before then, funds accumulated on collection accounts could not be used for any purpose except to trigger funds related to DLI 2.7. Therefore, there was no idealness of funds of whatsoever as the intended and key purpose of why collection accounts were opened was achieved, DLI 2.7.

It is very important to highlight though that achievement of DLI 2.7 is progressive as ACEs project continues, particularly for centres of excellence that have not yet fully achieved 100%. Therefore, collection accounts will continue to serve the very purpose and reason why they were created in reference to the World Bank project documents.

Regarding the investments of the funds already verified, it is a best practice but not a requirement by the World Bank. It is in that perspective that after getting the funds related to DLI 2.7 on 30th November 2021, the ACEs thought about possible investment to be done and engaged the Ministry of Finance and Economic Planning (MINECOFIN) about it as the mandated ministry in that regards. MINECOFIN approved the proposal of opening bank deposit accounts and requested the ACEs to negotiate with the Bank of Kigali. As investing is a process and require deep negotiations, the process of negotiating with the Bank of Kigali has already started and once the very best deal is obtained, it will be communicated to MINECOFIN accordingly. From 30th November 2021 to date (27th December 2021) when this report is being finalized; it would be premature and unfounded to qualify the funds "idle".

Regarding the sustainability issue, investment of cash generated is one source including many others like fundraising, winning grants, to name a few. Therefore, sustainability remains a key priority that centres are working on exhaustively without only focusing on one source. As the project document says the ACEs will work on fundraising and developing external sources of revenue.

Auditor's comments

Based on the documentation shared; it is not stated anywhere whether funds can only be invested upon DLI verification. There was no attempt of engaging strategic stakeholders for action for possible earning of interest on these deposits.

In addition, the funds that were considered as idle are those accumulated up to 30 June 2021. Funds sent by the bank on 30th November 2021 as stated in the management comments, were

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deposited on bank accounts after the year end and these were not questioned in the above observation.

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

7.1 Status of implementation of previous year audit recommendations

Observation

Article 69 of the Organic Law N° 12/2013/OL of 12 September 2013 on State Finances and Property states the Chief Budget Managers shall be responsible for implementing the recommendations of the Auditor General of State Finances aimed at improving the effective management and use of public funds. Contrary to this provision, an assessment of the status on the implementation of previous audit recommendations revealed that **80%** of the audit recommendations made in the previous audit were implemented and **20%** of the audit recommendations were partially implemented . **See the summary in the table below:**

Description	Number of issues
1. Total number of recommendations raised in the previous audit report	5
2. Number of recommendations no longer applicable	0
3. Number of recommendations to be implemented	5
4. Number of recommendations that have been fully implemented as at time of current audit	4
5. Number of recommendations that have been partially implemented as at time of current audit	1
6. Number of recommendations not implemented as at time of current audit	0
7. Percentage of previous recommendations fully implemented (no.4/no.3)*100	80%
8. Percentage of previous recommendations partially implemented (no.5/no.3)*100	20%
9. Percentage of previous recommendations not implemented (no.6/no.3)*100	0%

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

The management should endeavour to review the audit reports and put in place an implementation plan that will ensure that the audit recommendations are implemented on a timely basis. In addition, all ACE-DS/UR staff should be sensitized on the need to implement audit recommendations and put in place a mechanism that identifies those who have not been able to implement the recommendations and take appropriate action.

Management comment

Recommendation is noted. Going forward, proper action plan for implementation of current and prior year audit recommendations will be put in place and followed up to ensure full implementation of audit recommendations.

APPENDIX

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Appendix 1: Status of follow up of prior year's audit recommendations

No	Particulars of paragraph	Recommendation not implemented
	Compliance audit report (issues)	
	REVIEW OF COMPLIANCE WITH PROCUREMENT PROCEDURES IN INCURRING EXPENDITURE	
1	Planned tender for hiring a consultant to develop a business plan not awarded	
	<p>Observation</p> <p>Review of the procurement plan and the procurement execution report for the year ended 30 June 2020 revealed that UR-ACEs failed to award a tender worth Frw 45,000,000 for hiring a Consultant to develop a business plan for the four (4) ACEs (ACE-ITLMS, ACE-ESD, ACE-IoT and ACE-DS). The contribution of ACE-DS was Frw 11,250,000 (45,000,000/4).</p> <p>This is attributable to inadequate planning and budgeting of tenders that need to be awarded during a financial year.</p> <p>Recommendation</p> <p>Management of ACE-DS should ensure that the annual procurement plan reflects the priority activities of the Center. The procurement plan should be prepared after a proper evaluation of needs from user departments. The factors that lead to failure to award planned tender should be identified and properly dealt with.</p>	<p align="center">√</p> <p align="center">Not implemented</p> <p><i>The issue was not solved. Thus, the consultant was not yet hired to develop the business plan for ACEs. Refer to section 5.1.1 of this compliance audit report</i></p>
	Total:	1

