



UNIVERSITY of
RWANDA

UR-SPIU

EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION

CENTERS OF EXCELLENCE (ACE II) PROJECT

AFRICAN CENTRE OF EXCELLENCE IN DATA SCIENCE(ACE-DS)


INTERNAL AUDIT REPORT FOR THE SECOND SEMESTER OF FINANCIAL YEAR

ENDED 30th JUNE 2021


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1. INTRODUCTION

1.1. PROJECTS BACKGROUND

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

They are competitive loan won by the University of Rwanda- College Science and Technology (CST), College of Education (CE) and College of Business and Economics (CBE) respectively, on behalf of the Government of Rwanda to overcome the identified gaps in respective colleges, through delivering postgraduate studies, organizing professional courses and promoting collaborative research in the Eastern and Southern Africa.

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

1.2. OBJECTIVE OF ACEs

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

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1.3. SOURCES OF FUNDING

University of Rwanda Centers of Excellence are financed through credit Agreement no 5796-RW signed on 17th June 2016 between the Government of Rwanda and International Development Association. The credit is valued at 20 USD million for a period starting from 17th October 2016 to 31 December 2023 where funds allocated to ACE-DS worth **USD 4.5 million** for the period of 5 years.

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

1.4. STRUCTURE

The daily activities of the University of Rwanda, African Centers of Excellence academic programs are coordinated by Center Director while the Deputy Vice Chancellor for Finance and Administration, and SPIU coordinator coordinate the Finance and administrative services of ACEs.

1.5. RESPONSIBILITIES

1.5.1. Auditor's responsibility

Article 10 of Ministerial Order N° 003/17/10/TC Of 27/10/2017 setting out Regulations for Internal Audit and Audit Committees in Public Entities states that Internal Auditor must evaluate the adequacy and effectiveness of controls of governance, operations and information systems; provide assurance to management and the Audit Committee on the adequacy and effectiveness of the risk management process, provide appropriate recommendations for improving the governance process in accomplishment of its objectives; make recommendations to avoid waste and fraud and investigate the suspected fraud or irregularity; provide consulting services through training, support implementation of accounting systems, internal control documentation, risk management facilitation and other similar services on the request of management, Audit Committee or other high level authorities; communicate



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opportunities for improving management control, viability and sustainability of services or profitability identified during the audit to appropriate level of management.

1.5.2. Management responsibility

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

- To manage effectively, efficiently and in a transparent manner all the public funds for the public entity under his/her responsibility in accordance with relevant legal provisions;
- To establish and maintain effective, efficient and transparent systems of internal controls and risk management;
- To supervise and ensure proper use of public funds at the disposal of subsidiary entities under his/her responsibility.

1.6. AUDIT OBJECTIVE

The general objective of the review was to evaluate the adequacy and effectiveness of Africa Centers of Excellence in Data Science (ACE-DS) at UR, existing risk management controls, and governance processes are in order to provide, independent opinion whether these processes are functioning as intended and the ACE-DS objectives and goals are met. We intended to provide recommendations for improving both efficient and effective performance.

1.7. SCOPE OF THE AUDIT

The audit exercise covered Semi-Annual financial statement of ACE-DS starting from January 2021 to 30th June 2021.

1.8. AUDIT APPROACH

The following approaches have been used;

Documentations desk reviews and Interviews where applicable: we reviewed different documents and discussed with SPIU, ACE management, and Center different staff in order to understand the programs;

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

2. EXECUTIVE SUMMARY

2.1. AUDIT ON FINANCIAL STATEMENTS

2.1.1. Basis of our independent audit observation

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

Planned Tenders not awarded

We noted 1 tender for hiring a consultant to develop a business plan for the center with the total of **20,000 USD** planned to be awarded before June 2021, but up to the time of audit exercise in September 2021 were not awarded as planned.

CONCLUSION.

Based on the results of our evaluation above, in our opinion, the weaknesses noted bear medium risk on the operations of and except for the implications of few weaknesses, the internal control system at ACE-DS was satisfactory in design as of June 2021 when we concluded its evaluation.

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3. DETAILED FINDINGS

3.1. REVIEW OF COMPLIANCE WITH LAWS AND REGULATIONS

3.1.1. Planned Tenders not awarded as planned

Article 6 of Law N° 12/2007 of 29/03/2007 on Public Procurement states that, during the procurement planning process and the preparation of the bidding documents, the procuring entity shall ensure that there is sufficient budget allocation and shall respect regulations governing budget execution.

Contrary to this, during the review of UR-ACE-DS procurement plan for financial year ended June 2021, we noted 1 tender for hiring a consultant to develop a business plan for the center with the total of **20,000 USD** planned to be awarded before June 2021, but up to the time of audit exercise in September 2021 were not awarded as planned. **For more details see in the table below**

S/N	Tender title	Planned Method	Tender value (USD)	Completion date
1.	Hiring consultancy firm to develop UR-ACE in Data Science	Open tender	20,000	12/02/2021
Total			20,000 USD	

Source; Procurement plan and reports end June 2021

Risk

Failure to award the planned tender related to the core business of the Center's may be an indicator that the related activities were not executed as planned and hence, the center's objectives may not be achieved within time frame and an indicator of poor planning.

Recommendation

UR-ACE-DS Management, should ensure that all planned tenders are awarded as planned in order to achieve the intended objective.

Management comments;

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As indicated in the procurement Progress report provided during the audit; Initially, this tender was entitled "Hiring a consultant to develop business plan for UR-ACEs", after the revision of the associated terms of reference, the centers decided to change the name of the tender to better express the needs of the centers.

During the revision of the center's procurement plan, the concerned tender was planned under the new title of "Hiring consulting firm to develop ACEs Sustainability strategic plans with their associated annexes".

This tender was advertised on 15-01-2021 into two-stage tendering process but the first step (Shortlisting) failed, no firm was shortlisted because we only received two (2) firms that responded to the expression of Interest (EoI) which is contrary to the provisions of the law governing public procurement (in particular its article 68, paragraph 3).

This tender with a new title (1 step) has been re-advertised on 02-04-2021 and the 3 proposals were opened on 23/04/2021 and recommended to be shortlisted.

Now the tender is under contract negotiation phase with the First ranked consultant.