ANNUAL ACTIVITY REPORT

FOR THE YEAR ENDED 30TH JUNE 2020

P.O. Box 1020 Kigali
Tel : +250 788 189 800/+250 788 189 803
Web: www.oag.gov.rw E-mail: oag@oag.gov.rw

Kimihurura
KG 4 ST 8
OAG,RRA,NEC Complex

TABBLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS ii

FOREWORD BY THE AUDITOR GENERAL iii

CHAPTER 1: OAG MANDATE, VISION, MISSION AND CORE VALUES 1

1.1 OAG Mandate and Functions 1

1.2 OAG Vision, Mission and Core values 1

1.3 Management of OAG-SAI Rwanda 2

CHAPTER 2: IMPLEMENTATION OF THE 2018-2024 STRATEGIC PLAN 3

2.1. Strengthen OAG organization and management 3

2.2. Strengthen OAG Human Resource capacity. 5

2.3. Conduct High quality and impactful audits that enhance accountability, transparency and value for money 10

2.4. Improving communication and stakeholder engagement 13

CHAPTER3: OVERSIGHT, COORDINATION, IMPLEMENTATION AND MONITORING OF THE STRATEGIC PLAN 17

3.1. Oversight of the Strategic Plan 17

3.2. Coordination of SP implementation 17

CHAPTER 4: CORPORATE SOCIAL RESPONSIBILITY 20

CHAPTER 5: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR 2020-2021 . 21

5.1. Audit Coverage 21

5.2. Continued automation of audit systems and Upgrade of IT systems 21

5.3. Human resources Management 22

5.4. Consultancy on OAG staff capacity building 24

5.5. Consultancy to carry out SAI PMF assessment 24

5.6. Performance management 25

5.7. Audit standards and Methodology 25

5.8. Communication and Stakeholder Management 25

CHAPTER 6: WAY FORWARD AND CHALLENGES 27

LIST OF ABBREVIATIONS AND ACRONYMS

ACCA : Association of Certified Chartered Accountants

AFROSAI-E : African Organization of English-speaking Supreme Audit Institutions

CAAF : Canadian Audit and Accountability Foundation

CBMs : Chief Budget Managers

CISA : Certified Information System Auditor

CPA : Certified Public Accountant

DPs : Development Partners

EAAACA : Eastern African Association of Anti-Corruption Authorities

GBEs : Government Business Enterprises

ICPAR : Institute of Certified Accountants of Rwanda

INTOSAI : International Organization of Supreme Audit Institutions

ISSAI : International Standards of Supreme Audit Institutions

IT : Information Technology

MINECOFIN : Ministry of Finance and Economic Planning

OAG : Office of the Auditor General of State Finances

PAC : Public Accounts Committee

PFM : Public Finance Management

SAI : Supreme Audit Institution

SP : Strategic Plan

UNCAC : United Nations Convention against Corruption

UNODC : United Nations Office on Drugs and Crime

FOREWORD BY THE AUDITOR GENERAL

In accordance with Principle three of INTOSAI-P-10: Mexico Declaration of 2007 on SAI's independence, that requires SAIs to submit annual activity report to the legislature; I am pleased to submit to you the annual activity report commonly known in INTOSAI fraternity as performance report of the Office of the Auditor General of state finances for the year ended 30th June 2020.

This report highlights annual activities of the Office of the Auditor General of State Finances for the year ended 30 June 2020.

This report outlines key activities undertaken, successes recorded and some of the challenges encountered during the period ended 30 June 2020. Each activity was carried out in line with our constitutional mandate and in response to the objectives set by the office in our strategic plan for the years 2018-2024.

The year 2020 has been a challenging year because of COVID 19 pandemic. As it may have been the case for many institutions in our country and globally, the pandemic and related lockdown disrupted some of our planned audit activities and forced us to reorganize our working conditions. It, however, also proved our resilience. OAG took resolute actions in line with the guidelines issued by the Government of Rwanda and in accordance with audit realities but in line with the requisite Professional resilience, to both combat the pandemic and deliver on our mandate. All disrupted activities were resumed following the easing of the lockdown and completed.

I would like to acknowledge the continued support by the Government of Rwanda and by our development partners, partnerships with many other institutions in our country as well as international organizations. Without their collaboration it would have been impossible to set up and implement the reported activities. I look with great enthusiasm at the road we have traveled together, while being aware of the significant challenges that remain ahead.

I acknowledge the Parliament of the Republic of Rwanda for its oversight role and guidance. I also appreciate Public Accounts Committee that scrutinizes the Auditor General's annual report and hold those in charge of management of public funds to account through public hearing sessions. This has continuously led to improvements in Public Financial Management.

My sincere thanks also go to the members of OAG management team and to the employees in General. Throughout the year, their involvement, commitment, passion and vigilance enabled us to continue delivering on the mission of the office. Complementarity, cooperation and professionalism aptly describe the work accomplished by all team members.

Through their united efforts, they contributed to accountability, transparency and judicious management of public resources, which has enabled Rwandans to achieve a lot with Limited resources.

I take this opportunity to express my utmost admiration of the men and women in public offices who take up the pride of ensuring accountability in the management of public resources. These people are important actors in improving our society because, with their courage and determination, they motivate us to continue aiming high with hope to reach a point where every coin spent from treasury will make the difference to the lives of citizens.

Collaboration and consultation remain the key ingredients that we will continue to apply on a daily basis as the country Marshalls all effort to shorten the recovery from covid-19 impact on the economy as much as possible. The concept of National Integrity through Public Accountability remains imperative.

BIRARO R. Obadiah
Auditor General

Kigali,

……2020

CHAPTER 1: OAG MANDATE, VISION, MISSION AND CORE VALUES

1.1 OAG Mandate and Functions

The Office of the Auditor General (OAG) derives its mandate and independence from Article 165 and 166 of the Constitution of the Republic of Rwanda of June 2003 revised in 2015. The mandate is detailed in the law n° 79/2013 of 11/09/2013 determining the mission, organization and functioning of the Office of the Auditor General of State Finances as amended to date. The Office has legal personality and, financial and administrative autonomy. In discharging its responsibilities, the Office is independent and does not receive any injunctions from any other organ.

OAG reports to Parliament, both Chambers, prior to the commencement of the session devoted to the examination of the budget of the following year, a complete report on the state financial statements for the previous year on the public accounts of Rwanda and of all public offices of Rwanda including local administrative entities, public enterprises, parastatal organizations and projects. A copy of the report is submitted to the President of the Republic, Cabinet, the President of Supreme Court, and the Prosecutor General. This report must indicate the manner in which the budget was executed, unnecessary or unlawful expenditures, and whether there were embezzlement or squandering of public funds.

1.2 OAG Vision, Mission and Core values

Vision

"To be a leading institution in promoting accountability, transparency and judicious management of public resources".

Mission

"To conduct audit of government institutions as a means of assuring our stakeholders that public resources are being utilized for national priorities and wellbeing of citizens".

Core Values

The Auditor General and the staff of OAG, in executing their responsibilities are committed to live by the office's core values of:

- ***Integrity*:** To carry out audits with absolute honest, candidness and behaving beyond suspicion and reproach.
- ***Objectivity*:** To provide unbiased and factual audit conclusions, opinions and reports.
- ***Professionalism*:** Demonstrating competence, skills, and sound judgement, responsibility, high level of secrecy, good conduct and behaviour.
- ***Innovation*:** Introducing new ideas and methods of providing audit services to remain relevant in dynamic audit environment.
- ***In public interest*:** To conduct audit aimed at improving the wellbeing of citizens.

1.3 Management of OAG-SAI Rwanda

The Office is headed by the Auditor General, and is assisted by the Deputy Auditor General. They are both appointed by a Presidential order for a five (5)-year term renewable only once. After their appointment, the Auditor General and Deputy Auditor General take the oath of office before the President of the Republic.

They are supported by a General Secretariat headed by the Secretary General appointed by a Prime Minister's Order.

During the financial year ended 30 June 2020, the Deputy Auditor General was Habimana Patrick, the Secretary General was Muligo Olive, and I, Biraro R. Obadiah was the Auditor General.

CHAPTER 2: IMPLEMENTATION OF THE 2018-2024 STRATEGIC PLAN

The activities in the annual work plan implemented in the year 2019 was based on goals set out in the 2018-2024 Strategic Plan. In the following paragraphs we will detail the activities carried out in line with these strategic goals.

2.1. Strengthen OAG organization and management

This year OAG continued to embark on strengthening its organization and management in accordance with the principles of INTOSAI-P -12&20 and ISSAIs 130&140, as well as good practices. OAG has started to improve and upgrade its ICT systems and infrastructure to respond to the technological transformation for service delivery as per OAG 6 years Strategic Plan 2018-2024. The following are key achievements for this year.

2.1.1.Organisational structure

The office continues to implement its Organisational structure published in the Auditor General Instructions No 01/11/AG/16 of 01/11/2016 determining the organizational structure of the Office of the Auditor General. In line with this, the office proceeded with replacing staff who left the organisation in the course of the year as well as placing new recruits to respond to the growing audit demand.

2.1.2. Strengthening the ICT infrastructure, systems and support service to efficiently support OAG operations

Under this reporting period, the Office of Auditor General continued automation of audit systems and upgrade of IT systems. Some of the notable achievements are highlighted in the following paragraphs:

- **Acquisition of IT audit tool Nessus – Tenable**

  OAG acquired this vulnerability assessment solution and has started implementing it. Implementation of this tool will enable IT staff to regularly assess the vulnerability of OAG ICT Systems and Infrastructure as well as prioritize and solve problems with less time and effort.

- **Acquisition of KnowBe4 solution**

  This solution will be used during the planning, implementation and monitoring of the information security awareness to OAG staff using its application. A good number of employees have already undertaken a security awareness training combined with simulated phishing attacks to allow them avoid such attacks that can compromise their interests and those of the organization.

- **Acquisition of software application: Enterprise document automation**

  This software is expected to streamlines the production and distribution of office's critical documents in a flexible and scalable environment. It will simplify and accelerate complex processes and ensure consistent, quality and controlled communications.

- **Surveillance audit on Information Security Management System (ISMS) for the renewal of the ISO27001 certificate**

  The Surveillance audit was conducted through teleconference because of COVID-19 and documents were sent online. Physical checks were also done virtually.

  The auditors were satisfied that OAG is compliant with the standards of ISO27001 and renewed its certificate.

- **Acquisition of software application for developing and designing internal e-library within OAG**

  This IT solution was designed, customized and implemented as an internal e-library within OAG. The IT support staff were trained as Trainers and are expected to train other OAG staff.

- **Acquisition of software application for performance appraisal Management, recruitment process management and surveys**

  The software was acquired and was rolled out in July 2020. It is set to automate the recruitment process by centralizing requests, controlling job offers, Simplifying applications and in selecting the right candidate.

  Regarding performance appraisals, the system is expected to offer a great opportunity for dialogue between a line manager and his team members. In addition to sharing strategic information concerning the targets to be achieved at the organizational level, it would also allow an exchange on the relative strengths and weaknesses making it possible to identify not only those aspects of performance that are presently deficient or at risk of becoming so, but also the causes of these deficiencies, and allow them to be corrected on time.

  It is also expected that information derived from the system would be used for administrative decisions such as promotions, career plans, training plans, or formal or informal recognition.

2.2. Strengthen OAG Human Resource capacity.

The office continued with staff placement to fill positions on the OAG structure and conducted required staff training. We regularly train our staff to ensure they are well equipped to deliver on their responsibilities. We have put in place a strong performance and staff development system based on continuous training to facilitate staff capacity development and career growth.

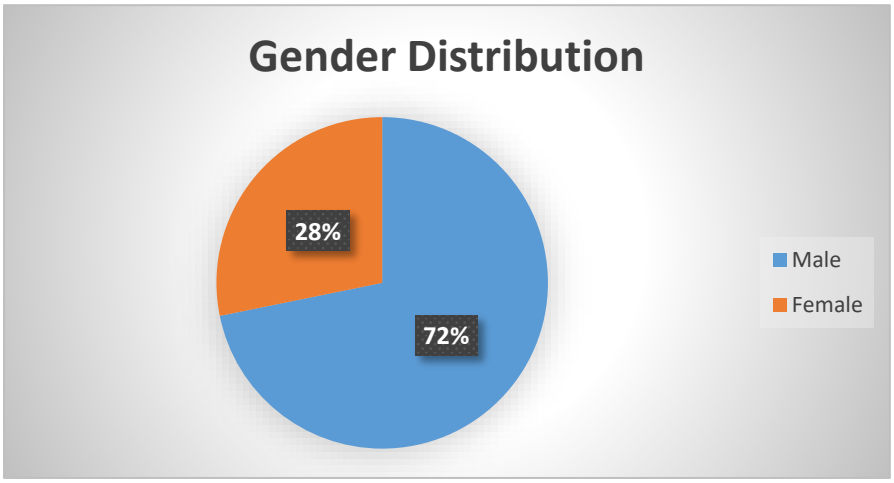
2.2.1. Overview on OAG Staff

- **Gender distribution**

  During the financial year ended 30 June 2020, OAG had one hundred and eighty-eight (188) staff members comprising of fifty three (53) female (representing 28%) and one hundred thirty five (135) male (representing 72%) as shown in the table and the pie chart below:

Table1: Gender distribution in number of staff and percentage

Gender distribution	Number of staff
Female	53
Male	135
Total	188

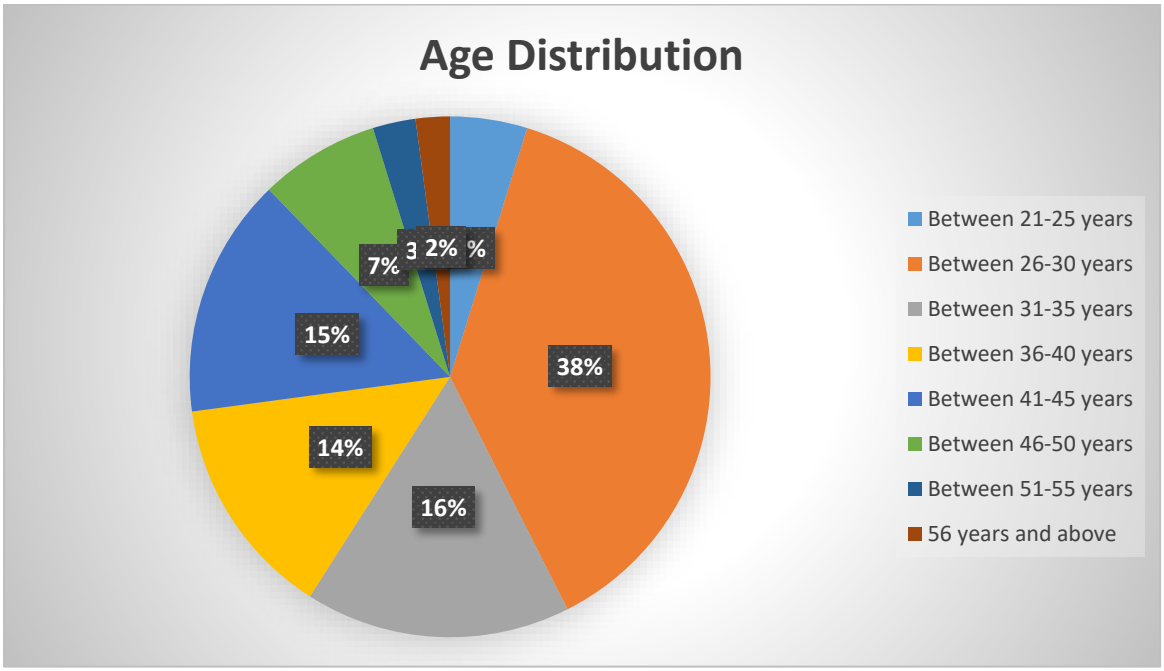


➢ **Age distribution**

The average age of staff is under 40 years with the largest age group between 26 and 30 years (representing 38%) as shown in the table and pie chart below:

Table 2: Age distribution in number of staff and the percentage

Age distribution	Number
Between 21-25 years	9
Between 26-30 years	71
Between 31-35 years	31
Between 36-40 years	26
Between 41-45 years	28
Between 46-50 years	14
Between 51-55 years	5
56 and above	4
Total	188

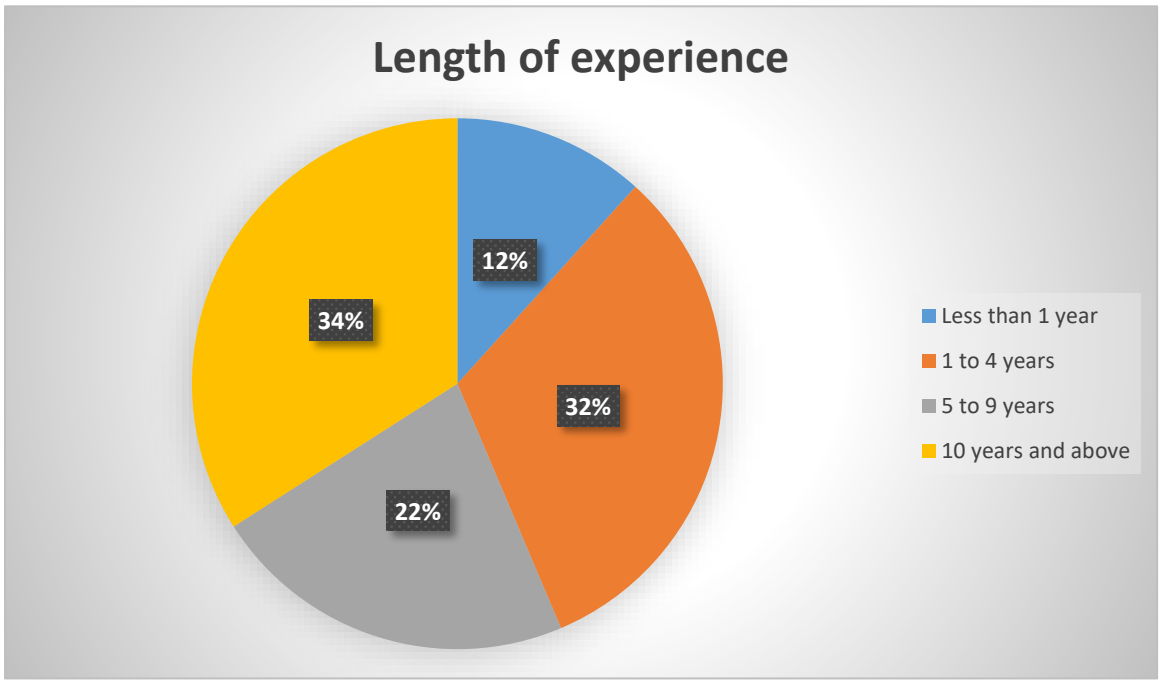


➢ ***Length of experience in the Office***

As shown in the table and pie chart below, the staff of the Office with 10 years of experience and above represent 34% of the total staff.

Table 3: Length of experience in the office in number

Length of experience	Number
Less than 1 year	22
1 to 4 years	60
5 to 9 years	42
10 years and above	64
Total	188



2.2.2. Continued capacity building and training of OAG staff

OAG continuously aim at attracting, developing and retaining great talent. The office is driven by the desire to be an employer of choice by creating opportunities for career growth. The following have been achieved in line with its strategic plan;

- ***Annual recruitment program***

  During the financial year ended 30 June 2020, OAG recruited 22 staff. They included; twenty one (21) new audit staff from various universities and an IT officer. The new audit and IT staff were taken through an induction program to equip them with knowledge and skills before deployment for audits and support services respectively.

- ***Professional Training and development***

  During the financial year ended 30 June 2020, twenty-five (25) staff benefited from international trainings which were offered by AFROSAI-E Secretariat, whereas one hundred thirty (130) staff acquired skills from local trainings. These trainings were meant to enhance the capacity of staff for better service delivery.

  In addition, one hundred and seven (107) staff members in OAG are undertaking professional training courses which include CPA Rwanda, CPA Kenya, ACCA, ICSA and CISA among others.

  Further, OAG currently has forty-eight (48) qualified staff. Forty-two (42) are qualified in professional accountancy while six (6) staff are qualified in other relevant courses.

These trainings equip staff with current development and facilitate them gain mastery in the audit manual and cope up with the recent technical updates.

The continued investment in human resource development has facilitated OAG to execute its mandate.

- ***Continuous Professional Development (CPD)***

OAG has continued to invest in staff learning and development. To this regard, one hundred thirty-two (132) staff participated in various workshops and trainings organized by ICPAR, AFROSAI-E and CAAF. These trainings focused on; report writing, strategic planning, strategic leadership, institutional review methodology, management of human resource and enhancing performance audit conducted by the office.

- ***Staff Retention***

Staff turnover has reduced from 10 staff by 30th June 2019 to 7 staff as at 30th June 2020. Hence, a decrease by 30%. This was mainly due to continued government support to address the problem of staff turnover like raising OAG salary index from 500 to 620, internal promotions, rewards to best performers and other incentives given to staff.

- ***Reward of best employees***

Performance management processes enabled the Office to reward and compensate employees who performed well. This is in line with motivating staff and Prime Minister's Order N°121/03 of 08/09/2010 establishing the procedure of performance appraisal and promotion of public servants. During the year ended 30th June 2019, twenty (20) staff have been rewarded.

- ***Promotion***

Internal vertical promotion remains our useful tool for performance. This year we promoted sixty-nine (69) members of staff, comprise four (4) staff at management level, twelve (12) team leaders and fifty-three (53) at various levels.

Among the promoted staff includes one who was promoted to fill the new post of Strategic Advisor, and those promoted to refill the posts of existing positions made vacant by the promotion or departure of the staff. This is in addition to horizontal promotions for all staff who met the requirements.

This practice is generally driven by the resolve to keep internal skills, capitalization of experience and knowledge as well as motivation to retain staff and attach them to the office. Once promoted to their new position, the employee is more productive quickly than a person who would come from outside because he knows the office, its organizational culture, its challenges as well as its working environment.

- ***Well-being of staff***

To Support the well-being of staff, OAG staff members have a credit and saving scheme (CMEC-*Caisse Mutuelle d'Epargne et de Crédit*) which allow employees of the office to build up additional savings for medium-term projects and access micro loans on a low interest rate.

During the financial year ended 30th June 2020, management of the CMEC responded positively to most of all applications from staff members. This has facilitated them improve their welfare. Consequently, contributing to staff retention.

In addition, OAG has set a culture, since last ten years, the social togetherness (u*busabane*) funded by OAG staff contributions. This is monthly event depending on availability of OAG staff members as most of the times, they are on fieldwork.

2.3. Conduct High quality and impactful audits that enhance accountability, transparency and value for money

2.3.1. Standards and Methodology followed by OAG

The Office conducted audits in accordance with the Rwandan Constitution of June 2003 revised in 2015, law nº 79/2013 of 2013 determining the Mission, Organisation and Functioning of the Office of the Auditor General of State Finances as amended to date and in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

In line with INTOSAI-P- 12 on the Value and Benefits of SAIs: Making a difference to the lives of citizens, the office acts professionally to demonstrate its relevance to the citizens, the Parliament and other stakeholders.

As a SAI, OAG has customized audit manuals which are aligned to the ISSAIs. In addition, the Office has a strong quality control system which includes different levels of review to ensure quality audit work.

Accordingly, the office will continue to assess the technical quality of audits to ensure adherence to the highest quality standards. This will include among others, attending technical updates and refresher workshop organized by AFROSAI-E. These workshops provide update on changes in different audit standards to enable OAG to execute its mandate in line with latest ISSAIs.

2.3.2. Overall Performance during the Year 2019/2020

The Office has continued to conduct its audit work, increasing the emphasis on extensive systemic audits such as Performance and Compliance audits. These audits have provided opinions on the capability of the State administration to achieve service delivery levels in compliance with applicable laws, regulations and the principles of value for money. The following achievements were realized during the financial year ended 30 June 2020.

OAG achievements of this year are in framework of priority area five (5): Strengthen capacity, service delivery and accountability of public institutions of transformational governance pillar of National Strategy for Transformation (NST1).

a) Audit Coverage

OAG continued to increase audit coverage in financial and compliance audit, increase of number of assignments in performance audit, IT audit and special audit so as to provide assurance over public expenditure in terms of economy, efficiency and effectiveness.

- ***Coverage of Financial and Compliance audits***

  The current year audits covered **165** public entities and projects, which comprises of 137 budget agencies and projects during the year ended 30 June 2019.

Two (2) Government Business Enterprises and 26 District Hospitals. For each of the audited entity, I expressed an opinion on fair presentation of financial statements and confirmed whether the entity complied with laws and regulations governing public spending.

The audits which represent current year audit coverage, are summarized in table below;

Table 4: Number of public entities audited and their respective expenditure

Summary	**No. of entities audited**	**Number of reports from audited entities**	**Expenditure audited for the year ended 30 June 2019 covered by the audits**
			(Frw)
Projects	69	73	222,470,472,015
Central Gov't agencies	19	20	350,825,432,765
Boards	10	10	377,404,696,848
GBEs	2	2	*
Ministries	11	13	873,976,814,295
Districts	28	28	449,636,832,091
District Hospital	26	26	*
Sub/ total (A)	**165**	**172**	**2,274,314,248,014**
Inter-entity transfers (B)			**104,745,409,740**
Net audited expenditure C= (A-B)			**2,169,568,838,274**
Consolidated expenditure-2018-2019 (D)			**2,715,210,418,536**
Audit coverage-2018-2019 E=(C/D)*100			**80%**

**Assets and expenditure amounting to Frw 1,158,098,012,246 of 2 GBEs and 26 district hospitals are not consolidated. Therefore, it is not part of our computation of the expenditure coverage of 80%. These assets and expenditure which is not part of computation of current year audit coverage represents 42 % of government consolidated government expenditure for the year ended 30 June 2019.*

It worth noting that nine (9) audit reports representing 7.1% of audit coverage that were put on hold due to countrywide lockdown measures to contain the spread of COVID-19 pandemic, when lockdown was lifted, the audits were completed and submitted to parliament in August 2020. Therefore our target of 87.1% was achieved.

- ***Audit of the East Africa Community***

  OAG continues to contribute in audit of East Africa Community and its organs. Under the supervision of Auditor General, OAG availed four (4) staff members for a period of 2 months to join audit commission. All these audits were completed and audit reports submitted to Council of Ministers for EAC.

- ***Coverage of Performance, Special and IT Audits***

  During the current year audits, OAG conducted six (6) performance audits, twenty-one (21) special audits and three (3) IT audits. Selection of topics for performance audits this year focused more on the areas of national interest especially health, environment, education, investment and social sectors. These contribute to improved living conditions of citizens and enable realization of National Strategy for Transformation (NST1). The performance, special and IT audits touched twelve (12) Sustainable Development goals.

  Due to COVID-19 pandemic disruption, 2 performance audits were work in progress at the time of tabling the current year audit report. Currently, they are still being worked on.

b) Focus of OAG audits during this audit cycle

By their nature, Boards and GBEs are key to the execution of Government policies and programs to realize the objectives of NST1. These entities are regarded as highly risky. OAG has put more focus on them and invested significant time and resources.

2.4. Improving communication and stakeholder engagement

OAG places great importance on strengthening relationships with its stakeholders through partnerships. In line with this, the Office has built more constructive engagement with a number of stakeholders as will be elaborated below.

2.4.1. Strengthening OAG's engagement with parliament, PAC in particular

The OAG continues to work closely with Parliament especially the Public Accounts Committee. Since the presentation of the annual report for last year, OAG participated in various activities including PAC hearings and workshop of PAC members held in November 2019. The workshop aimed at "sustaining the gains from the then concluded public hearings conducted by PAC on the Auditor General's report of the year ended June 2018."

The Auditor General also participated in a workshop organised for new senators in November 2019 and gave a presentation on "Scrutinizing the Auditor General's report and how the senate's comments on the draft budget can help the country achieve its objectives".

2.4.2. Implementing an effective Outreach & Engagement with Strategic Stakeholders

a) Prime Minister Office: The AG was invited in the Prime Minister's Accountability Office and presented Key issues of Annual audit report for financial year ended 30 June 2018.

b) Ministry of Finance and Economic Planning (MINECOFIN)

- **Public Finance Management (PFM) activities:** OAG is a member of PFM working group. During the financial year ended 30 June 2020, the Office participated actively in the planned activities (2020/2021) for PFM Secretariat based at MINECOFIN.
- **Annual Chief Budget Managers (CBM) Workshop:** The Auditor General participated in the annual workshop for chief Budget Managers-PS and ES. The AG gave a presentation on "Cross cutting issues in PFM. "What to stop and to start with from oversight perspectives." The Training workshop was also extended to Head of Corporate Services from Central and Local Government as well as chief Budget Managers- All Directors General from Agencies, Commissions, Boards and Authorities.
- Auditor General received a delegation from National Public Service Commission (NPSC), for a benchmarking visit.

c) CAAF – Canadian Audit and Accountability Foundation

In line with a CAAF – Canadian Audit and Accountability Foundation: In line with the MOU signed between OAG and CAAF, the latter conducted a Workshop for OAG employees on "root cause analysis and environmental & Performance audits'

OAG also sent two (2) senior staff in Canada for 9 months fellowship program in performance audit. This program enables our staff to gain hands on experience that shall be in turn applied in our local context.

d) Good Governance Institutions

OAG actively participated in the regular quarterly meetings and activities organised by the National Advisory Council to fight Against Corruption and Injustice (NACACI)

e) Institute of Certified Accountants of Rwanda (ICPAR)

OAG has continued to support ICPAR. The institute is a professional body in charge of regulating the accountancy professional in Rwanda. The Auditor General is a member of the Governing Council (GC). The GC meets quarterly and provides strategic direction to the Institute.

f) Hosting delegations from other countries and international organizations

OAG received various delegations from different countries and international organisations, mainly for benchmarking visit purposes. They included:

- **Madagascar:** The Auditor General hosted a delegation from the Madagascar Senate on a study tour in Rwanda. The AG took the Senators through the organisation and functioning of OAG and its role in the Public Finance Management cycle.
- **Tchad:** The parliamentary committee of Finance and budget of the parliament of Tchad was on a benchmarking visit to Rwanda from 15th to 24th March, 2020.
- **Mali:** The delegation from the "*Bureau du Vérificateur Général du Mali*" was in Rwanda for four days on a Benchmarking visit at SAI Rwanda.

- **Delegation from UNODC:** The team was on a working mission aimed at continuing implementation of EAAACA's desire to fast-track the implementation of the UNCAC-

Article 9(1). The article is about establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, that are effective, inter alia, in preventing corruption.

- **World Bank:** The Auditor General received a delegation from World Bank on a study mission on Rwanda's anticorruption experience
- **Global Fund:** A team from the Global Fund paid a Courtesy call to the AG and held a meeting with him together with senior OAG staff related to the audit of GF grants.

g) Meetings, workshops and training outside the office

The Auditor General attended a number of international fora organized by international organizations that OAG is a member as well as those convened by its stakeholders. The following are some of them:

- **INCOSAI:** The AG attended the 23rd International Congress of Supreme Audit Institutions (INCOSAI), held in Moscow, Russia in September 2019. He was among key note speakers on DPs Funded Project.
- **GLOBAL FUND:** The AG attended the Second Regional round table on the involvement of SAIs in the audit of Global Fund Grants in Sub-Saharan Africa, held in December 2019, in Accra, Ghana

h) Hosting international conferences and workshops

OAG together with MoH/RBC hosted the AIDSPAN Programmatic audit workshop. AIDSPAN is the Global Fund's watchdog of the Fund and its grant implementers.

CHAPTER3: OVERSIGHT, COORDINATION, IMPLEMENTATION AND MONITORING OF THE STRATEGIC PLAN

3.1. Oversight of the Strategic Plan

The oversight of OAG SP is being done by the AG through the support of OAG Strategic Plan Technical Committee chaired by the Deputy Auditor General. The Technical Committee is comprised of Secretary General, Assistant Auditors General and Directors.

For external oversight, it is being done by PFM Sector Strategic Plan Coordinating Forum. This forum is made up of AG, DPs and MINECOFIN. It is responsible for aligning OAG Strategic Plan with PFM reform programme. During the year ended 30 June 2020, OAG participated in quarterly meetings with its stakeholder's including DPs and MINECOFIN.

3.2. Coordination of SP implementation

To ensure effective coordination of OAG Strategic Plan, during the financial year ended 30 June 2020, AG worked closely with OAG Technical Committee as well as the PFM Coordination Forum level. This helped OAG to effectively implement its own Strategic Plan.

3.2.1. Implementation arrangements

Implementation of the Strategic Plan was undertaken within the overall framework of the National PFM Reform Strategy.

To ensure the effective implementation and monitoring of OAG Strategic Plan, most of the activities are monitored during the weekly progress review meetings chaired by AG. With the support of the Project Manager, OAG prepared and shared progress reports (quarterly and annual reports) on SP implementation with PFM Coordinating Forum and as well as DPs.

3.2.2. Finance management

During the year ended 30th June 2019, OAG submitted all required reports to different Government authorities; these include monthly, quarterly and annual financial reports.

In December 2019, the budget revision for the financial year ended 30 June 20202019/2020 was done according to the Organic Law on State Finances together with the submission of budget proposal for the financial year ended 30 June 2020. The Office executed an annual budget of Frw 5,981,819,611 composed of Frw 4,325,150,261 of government funding and Frw 1,656,669,350 as contribution from development partners (DPs). The allocated budget was executed at a rate of 84.38% equal to Frw 5,047,728,706.

Table 5: Summary of budget execution for the year ended 30 June 2020 is shown below:

Description	**FY 2017/2018**		**FY 2018/2019**		**FY 2019/20**		**Medium Term Expenditure Framework Projections**	
Budget Type	Revised Budget	Actual execution	Revised Budget	Actual execution	Revised Budget	Actual execution	FY 2020/21	FY 2021/22
	Frw	Frw	Frw	Frw	Frw	Frw	Frw	Frw
Recurrent	3,213,192,517	3,165,473,975	3,791,575,742	3,727,714,769	4,325,150,261	4,179,831,480	4,226,729,750	4,464,104,200
Development Partners contribution	1,598,827,963	1,192,602,215	2,250,730,665	1,802,992,171	1,656,669,350	867,897,226	1,958,901,275	2,259,635,023
Total	**4,812,020,480**	**4,358,076,190**	**6,042,306,407**	**5,530,706,940**	**5,981,819,611**	**5,047,728,706**	**6,185,631,025**	**6,723,739,223**

OAG maintained its books of account and records, coordinated and managed financial resources in an efficient and transparent way as stipulated by article 19 of the Organic Law N° 12/2013 on State Finances and Property and Ministerial Order N°001/16/10/TC of 26/01/2016 relating to financial regulations.

The financial statements of the Office for the year ended 30th June 2020 were audited by external Auditors RUMA CPA LTD registered and recognized by ICPAR and obtained unmodified audit opinion.

3.2.3. Procurement unit

- In compliance with tender regulations, the office has Public Tender Committee and the Procurement unit which are entrusted with evaluating and providing recommendations for the award of tenders in OAG.

- The procurement plan 2019-2020 had 28 tenders comprising those for services and supplies, 21 tenders were awarded by 30 /6/2020. The remaining tenders were awarded in subsequent period. Overall, the procurement plan was executed at 75%.
- For efficiency, OAG has adopted framework contracts in the previous years for recurrent items to ensure timely delivery of supplies and shorten the lead time for delivery of services and supplies. During the same financial year, 12 framework contracts from the previous year were renewed.

3.2.4. Legal services unit

- The Legal unit provided legal advice on public finance management laws, tax laws and employees' benefits laws to auditors during the course of audits in different institutions and on different cases.
- It drafted, verified and advised on contracts concluded by OAG and participated in amicable settlement of misunderstandings that eventually resulted in implementation of some of those contracts.
- It participated in the daily management of the organization, mainly advising on compliance with laws and regulations.

CHAPTER 4: CORPORATE SOCIAL RESPONSIBILITY

The office of the Auditor General (OAG), together with Rwanda Revenue Authority (RRA) and the National Electoral commission (NEC) visited genocide survivors in Nduba Sector of Gasabo district *See photo 1 below*. The three institutions provided food, clothing (Igitenge) and mattresses worth 16 million Rwandan Francs to 143 families made up of 699 people. They also paid health insurance for 166 for the most vulnerable among them.



Photo 1: The Deputy Auditor General headed a team of staff representatives and delivered equipment to needy genocide survivors in Nduba sector.

OAG organized "Ndi Umunyarwanda programme" where staff meet, discuss and share experience about their history background. The programme is inspired by the desire to build a strong, united society after it was torn apart during the 1994 Genocide against the Tutsi.

CHAPTER 5: PLANNED ACTIVITIES FOR NEXT FINANCIAL YEAR 2020-2021

5.1. Audit Coverage

The targets for the audit cycle 2020-21 are as follows:

- Financial and compliance audits: 192 entities
- Audit coverage against total national expenditure excluding GBEs and District Hospitals: 87.3%
- Performance audits : 10
- Special/Verification audits : 20
- IT support to financial audit : 5
- Audit of the East African Community organs and its institutions.

5.2. Continued automation of audit systems and Upgrade of IT systems

a) Strengthen the ICT infrastructure, systems and support service to efficiently support OAG operations

- Continued automation of audit systems and Upgrade of IT systems
  - *Replacement/Upgrade of IT applications (MS exchange servers, SQL servers, total security)*
  - *Implement SDN as future holistic ICT security solution*: This will replace physical networking devices by an application that manage all networking devices virtual to enhance the Network security and traffic management, it also reduces the maintenance cost and improves the network performance.
- Acquisition of new servers and infrastructure in Disaster Recovery (DR) site and Data domain, Backup Devices & Media, Cisco WebEx support.

b) Strengthen performance, special and IT audit department

- Provide resources to support OAG to conduct regular performance audits; the initiatives will be aimed at performance audit department. Experts (Engineer, educationists, medical expert, etc.) in different fields will be hired to provide services in some specialized areas. Follow-up on the recommendations of performance recommendations.

This will enable OAG to effectively utilize technical y to deliver its mandate in a stable, safe and cost-effective manner.

5.3. Human resources Management

- **Review HR policy**

OAG adopted its HR policy in 2015. It is imperative to review such an important strategic document and adapt it to current needs. Among other, the review will adapt the HR Policy to our strategic plan 2018-2024.

- **Develop policy of performance management**

Improving performance is one of OAG's biggest aspirations. This certainly explains the accelerated development of performance management systems to increase the ability of the office to measure its performance. The performance management policy will define our adequate performance measurement system and allows an evaluation of the effectiveness and the efficiency of the actions carried out by the office, as well as a better understanding of progress and gains made.

- **Assessment of outcome of training**

OAG invests heavily in trainings both in-house and those provided by external stakeholders. We therefore plan to measure the effectiveness of the systems put in place for employees and the gaps between the objectives set by the training and the results actually obtained. And more broadly, to ensure the relevance and profitability of training actions at office level.

- **Provide training on emotional intelligence to all line managers**

Recognizing and accepting the nuances of human emotions at work can have pragmatic benefits, such as better collaboration between employees and a happier work environment. OAG is conscious that we are human beings every day, and not just when we leave our desks.

Taking into consideration our working environment that involve a lot of pressure we intend to provide training on emotional intelligence to all line managers to help them understand, express and manage, maintain good working relationships and resilience under pressure.

- **Elaborating a stress management program**

The nature and intensity of work at OAG necessitate a stress management program. We intend to elaborate and implement one to reduce the presence of work-related stressors or to help people reduce the negative effects of these stressors. The intended program is part of our corporate health programs projected to prevent and reduce the negative impact and chronicity of mental disorders that might result from work and to reduce their economic, social and human costs.

- **Establish job rotation plan**

At OAG we see Job rotation as an effective means of increasing ability, collaboration of personnel. We will, this year, establish a plan to guide temporary assignment of an employee in a position or department for a predetermined period to perform the specific duties of another position. This will be done for all audit staff and is expected to sharpen their skills on different types of audit and audit environments.

- **Continued capacity building and training of OAG staff**

During the year, the Office will continue to train its staff in the following fields:

- Professional courses: ACCA, CPA, CIPS, ICSA, HR Courses, project management professional, actuarial course and CISA.
- Teammate training support
- Annual Refresher Trainings
- Other Trainings offered by INTOSAI and AFROSAI

- **People Change Management**

- ***The Prosci'sADKAR change management model***

The office will have Consultancy in place for Implementation of People Change Management using Prosci ADKAR approach, training of champions and facilitate

for certification of the used approach. The training in Prosci ADKAR Model is a goal-oriented change management model that guides individual and organizational change. The Prosci ADKAR Model is proven to help organizations achieve the greatest benefits from their change initiatives.

5.4. Consultancy on OAG staff capacity building

OAG has an ongoing Capacity building arrangement with AFROSAI-E and this will continue in the coming year. This approach involves transfer of knowledge and skills through training and coaching. The objective of AFROSAI-E Secretariat capacity building is to ensure that, by the end of the contract, all OAG audit staff possess the knowledge and expertise to carry out audits in line with INTOSAI standards and that OAG has the technical capacity to carry out audit development and training in-house.

5.5. Consultancy to carry out SAI PMF assessment

The SAI PMF is a holistic and evidence-based framework for assessments of SAI performance against the Principles, Standards and Guidance in the INTOSAI Framework of Professionals Pronouncements (IFPP), in addition to other established international good practices for external public auditing.

OAG will hire a consultant to develop a set of measurable indicators and a qualitative performance report, which would be applied using different approaches namely self-assessments, peer reviews or external assessments. We project that the developed SAI PMF assessment will have the following purposes among others:

- Assess the Performance of SAI Rwanda;
- Assess the way SAI Rwanda is implementing its Strategic plan;
- Assess the current status of structure and operations of OAG;
- Assess the way SAI Rwanda is responding to expectations of stakeholders.

This assessment would help to carry out a self-evaluation on the performance and service delivery of SAI Rwanda.

5.6. Performance management

The Office of the Auditor General of State finances has its own performance management tool, whereby every staff is evaluated on each assignment for auditors and an annual performance evaluation which is done every end of year for the entire staff.

We will continue to evaluate all staff per assignment for the year ending 30th June 2021.

Individual staff will also identify their needs and prepare own development plans which would be approved by their respective Supervisors and implemented by the office.

The supervisors will monitor implementation of individual staff development plans to ensure that highlighted areas of improvements are addressed.

5.7. Audit standards and Methodology

a) The Office will continue to use financial, compliance and performance OAG audit Manuals.

b) Refresher trainings in the audit manuals shall be conducted to further enhance their application. Technical updates fora shall be attended to ensure that any improvement on the audit manuals are taken into consideration. In addition, the performance audit department will continue to select its area watch.

c) As it has been the practice, OAG will again engage private audit firms to conduct audit of district hospitals. The audit shall be conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Thorough quality checks shall be conducted by Senior OAG audit staff to ensure that the audit work done meets OAG standards.

5.8. Communication and Stakeholder Management

a) Anti-corruption fora

The Office will further enhance cooperation with other institutions involved in fighting against corruption in public administration and in enhancing transparency and accountability of public administration in the management of public funds while respecting value for money. Particularly OAG will continue to participate in all NACACI activities.

b) PAC hearing

OAG will participate in public hearings organized by PAC and will hold the annual workshop with PAC members to reflect on the achievements and challenges encounters in scrutinizing the AG reports.

c) Engaging the media

The media plays a major role not just in disseminating the findings of our reports to the public, but also by setting the agenda for public debate in matters of Public Finance Management and financial accountability.

We will continue to engage the media through press conferences, interviews and talk shows. We will also hold a workshop with reporters to strengthen their capabilities in interrogating and interpreting our audit reports.

CHAPTER 6: WAY FORWARD AND CHALLENGES

In the general outlook: - This report outlined key activities undertaken, successes recorded and some of the challenges encountered by the Office of the Auditor General of state Finances during the year ended 30 June 2020.

The year has been a challenging year for OAG, as it may have been for many institutions in our country and globally mainly because of COVID-19 pandemic that saw us halt some of our planned activities and work in an unusual environment. We are glad we overcame the challenge and delivered on our mandate in the timeline set by the Constitution.

An overall assessment of our performance this year is positive and we are confident that we are poised for a positive trend in the coming years.

OAG has now for two decades contributed to enhancing accountability in Public Finance Management (PFM). Our achievements have been and will continue to be results of concerted efforts by several stakeholders, including the Parliament, Government of Rwanda, Development Partners as well as individual institutions we audit.

I have equally noted a positive trend in the management of public resources, though some shortcomings remain as stated in my recent audit report to Parliament. Improvements registered by institutions we audit constitute a plus on our side because it not only credits our work over the years but also increase accountability, transparency and judicious management of public resources.

Recent years have seen a sustained yearly increase in the budget of our country and this translate into a horizontal extension of our mandate going by the volume of expenditure we have to audit. This highlights that the role of OAG is more crucial than ever. We pledge to continue investing efforts and resources to ensure public resources are being utilized for national priorities and wellbeing of citizens.

Despite the remarkable achievements mentioned in this report and as mentioned in my previous activity report, OAG continues to face the following challenges which need to be addressed through its various strategic stakeholders:

a) There is a high demand for audits (Financial, Compliance, performance and IT audits) compared to the OAG available resources;

b) As a result of its growth to respond effectively to the demand of the stakeholders, the Office will need to expand in terms of office space in the near future.
c) Staff turnover, resulting in loss of highly trained and qualified staff.

I would like to thank all those who, for their time and hard work, have contributed to the achievements described in this report, and look forward to continuing and deepening the cooperation as well as working together to overcome the highlighted challenges.