## TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS ..... 3

MESSAGE OF THE AUDITOR GENERAL ..... 5

CHAPTER 1: OAG MANDATE, FUNCTIONS, VISION, MISSION AND CORE VALUES ..... 7

1. OAG Mandate and Functions ..... 7

2. OAG Vision, Mission and Core values ..... 8

3. Management of OAG-SAI Rwanda ..... 9

CHAPTER 2: IMPLEMENTATION OF THE SIX YEARS STRATEGIC PLAN 2018/2024 ..... 10

2.1. Strengthen OAG organisation and management ..... 10

2.1.1. Organisational structure ..... 10

2.1.2. Strengthening the ICT infrastructure, systems and support service to support OAG operations efficiently ..... 11

2.2. Strengthen OAG Human Resource capacity. ..... 12

2.2.1. Overview on OAG Staff ..... 13

2.2.2. Continued capacity building and training of OAG staff ..... 16

2.3. Conduct High quality and impactful audits that enhance accountability, transparency and value for money ..... 18

2.3.1. Standards and Methodology followed by OAG ..... 18

2.3.2. Overall Performance during the financial year ended 30th June 2022 ..... 19

2.3.2.4 Snapshot of audit results and findings ..... 23

 Audit opinions ..... 23

2.4 Improving communication and stakeholder engagement ..... 27

2.4.1 Strengthening OAG's engagement with Parliament ..... 27

2.4.2 Implementing an effective Outreach and Engagement with Strategic Stakeholders ..... 27

CHAPTER 3: OVERSIGHT, COORDINATION, IMPLEMENTATION AND MONITORING OF THE STRATEGIC PLAN (SP) ..... 33

3.1. Oversight of the Strategic Plan ..... 33

3.2. Coordination of Strategic Plan implementation ..... 33

3.2.1. Implementation arrangements ..... 33

3.2.2. Finance management ..... 34

3.2.4. Legal services unit ..... 35

CHAPTER 4: CORPORATE SOCIAL RESPONSIBILITY ..... 36

CHAPTER 5: PLANNED ACTIVITIES FOR THE NEXT FINANCIAL YEAR 2022/2023 ..... 37

5.1. Audit Coverage ..... 37

5.2. Continued automation of audit systems and Upgrade of IT systems ..... 37

5.2.1 Development of in-house audit software ..... 37

5.3. Human Resources Management ..... 38

5.4. Consultancy on OAG staff capacity building ..... 39

5.5. Performance management ..... 40

5.6. Audit standards and Methodology ..... 40

5.7. Communication and Stakeholder Engagement ..... 41

CONCLUSION ..... 44

## LIST OF ABBREVIATIONS AND ACRONYMS

**AAG** : Assistant Auditors General

**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

**EDCL** : Energy Development Corporation Limited

**EUCL** : Energy Utility Corporation Limited

**GBEs** : Government Business Enterprises

**GAH** : Gabiro Agribusiness Hub Limited

**ICPAR** : Institute of Certified Accountants of Rwanda

**IT** : Information Technology

**MINECOFIN:** Ministry of Finance and Economic Planning

**MMC** **:** Muhabura Multichoice Company Limited

**OAG** : Office of the Auditor General of State Finances

**PAC** : Public Accounts Committee

**PFM** : Public Finance Management

**RAB** : Rwanda Agriculture Board

**RBC** : Rwanda Biomedical Centre

**RCAA** : Rwanda Civil Aviation Authority

**RDB** : Rwanda Development Board

**REB** : Rwanda Education Board

**REG** : Rwanda Energy Group

**RNIT** **:** Rwanda National Investment Trust Ltd

**RP** : Rwanda Polytechnic

**RSSB** : Rwanda Social Security Board

**RTDA** : Rwanda Transport Development Agency

**RURA** : Rwanda Utilities Regulatory Authority

**NAEB** : National Agricultural Export Development Board

**SAI** : Supreme Audit Institution

**SP** : Strategic Plan

**UR** : University of Rwanda

**WASAC** : Water and Sanitation Corporation

## MESSAGE OF THE AUDITOR GENERAL

It is with pleasure that I present to you this Annual Performance Report, which highlights the activities accomplished by OAG in 2021/2022 and the challenges that inhabit the members of the OAG staff and management in discharging their duties.

This Report is written for the attention of Parliament and all our stakeholders and presents the results of the activities carried out by OAG during the financial year 2021/2022.

Chapter two (2) of the report outlines the activities and results achieved in relation to the pillars of our Strategic Plan 2018/2024, namely, Strengthening OAG organisation and management (2.1.), Strengthening OAG Human Resource capacity (2.2.), Conducting High quality and impactful audits that enhance accountability, transparency and value for money (2.3.) and Improving communication and stakeholder engagement (2.4.). The report also provides a brief of activities planned for the next financial year 2022/2023.

Paragraph 3.2.2 of the report contains a snapshot of financial information describing how allocated resources were utilized to achieve OAG objectives in accordance with the principles of sound financial management. Our audited financial statements for the financial year ended 30th June 2022 are submitted as a separate document.

During the financial year 2021/2022, the Office in the Annual Work Plan had planned to audit 88% of the National annual expenditure and achieved 91%. We issued 238 financial and compliance audit reports (2019/2020:188) and gave 102 unqualified audit opinions, 106 qualified audit opinions, 25 adverse audit opinions and 5 disclaimer audit opinions to audited entities. This included reports of 7 GBEs audited during the year (2019/2020:5).

In addition 10 performance audit reports (2019/2020:9), 6 IT audit reports (2019/2020:5), and 28 special audit reports (2019/2020:20) were issued.

During the year 78 new employees were recruited while 26 left the organization including 13 or 50% who were professionally qualified. At the end of the year the Office had 55 staff who held different professional qualifications, including forty-five (45) with accounting qualifications (ACCA, CPA). An additional 106 staff were pursuing different professional qualification programs.

As in all sectors, the extension of the health crisis and the constraints it entailed required a long-term adaptation of the internal procedures. Working tools were urgently put in place in 2020 to enable the Office achieve its objectives.

With regard to working methods, this year saw the continued deployment of teleworking and other flexible working methods in order to guarantee continuity of our work while protecting the health of our employees and clients as much as possible.

We salute the resilience of our staff members who defied the threats posed by the pandemic and helped OAG deliver on its constitutional mandate.

Despite the physical distance, the strengthening of communication tools has made it possible to support the teams through nourished and sustained exchanges. In this constrained context, the quality of life at work and the development of skills remained priority issues for the Office.

We acknowledge the contribution made by the Government of Rwanda and our Development Partners (DPs) to the achievements of our objectives this financial year. Continued support and collaboration will take us even further.

Our profound appreciation also go to Parliament. We have walked this journey together, most recently through the public hearing conducted by the Public Account Committee.

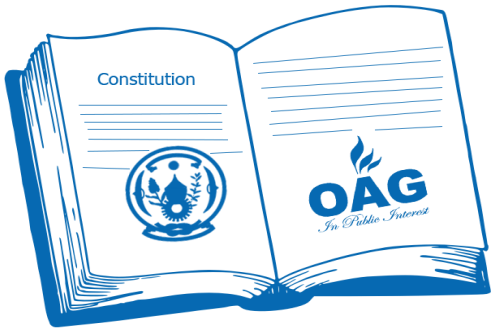
**KAMUHIRE Alexis**

**Auditor General**

**KIGALI, ……2022**

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

## 1. OAG Mandate and Functions




Article 165 of the Constitution of the Republic of Rwanda of 4th 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 as amended to date require the Auditor General to audit and report to Parliament on the Public Accounts of Rwanda and of all Public offices including Central Government, Local Government Organs, Public Enterprises and Parastatal Organizations, Joint Enterprises in which the State is participating and Government Projects.

The responsibilities of the Office of the Auditor General include the following:

- Auditing and reporting on the accounts of all public entities, local administrative entities, public enterprises, parastatal organizations and projects.
- Conducting financial and value for money, economy and efficiency audits in respect of expenditure in all institutions referred to above and
- Conducting accountability, management and strategic audits of accounts in the institutions mentioned above.

In addition, article 166 of the Constitution of the Republic of Rwanda of 4th June 2003 revised in 2015, stipulates that the Auditor General shall submit each year to both Chambers of Parliament, 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. That report must indicate the way the budget was utilised, unnecessary expenditure that was incurred or expenses that were contrary to the law and whether there was wasteful expenditure or misappropriation.

## 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

**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 judgment, responsibility, high level of secrecy, good conduct and behaviour.

**Innovation**

Introducing new ideas and methods of providing audit services to remain relevant in a dynamic audit environment.

**In Public Interest**

To conduct audit aimed at improving the wellbeing of citizens.

## 3. Management of OAG-SAI Rwanda

The Auditor General heads the Office, 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 period under consideration the Deputy Auditor General was Habimana Patrick, the Secretary General was Muligo Olive, and I, Kamuhire Alexis was the Auditor General, having joined OAG in the second trimester of this year, replacing BIRARO R. Obadiah, who had fully served his term.

# CHAPTER 2: IMPLEMENTATION OF THE SIX YEARS STRATEGIC PLAN 2018/2024

The activities in the annual work plan implemented by OAG during the financial year ended 30th June 2022 were based on goals set out in the Six Years Strategic Plan 2018/2024. In the following paragraphs, we detail the activities carried out in line with these strategic goals.

## 2.1. Strengthen OAG organisation and management

During the financial year ended 30th June 2022, OAG continued to strengthen its organisation and management in accordance with the principles of INTOSAI P 12: The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens, P 20: Principles of Transparency and Accountability, ISSAI 130: Code of Ethics and ISSAI 140: Quality Control for SAIs, INTOSAI GUIDANCE 9100 and 1930: Guidelines for Internal Control Standards for the Public Sector, as well as good practices. OAG continued to improve and upgrade its ICT systems and infrastructure to respond to the technological transformation for service delivery as per OAG Six Years Strategic Plan 2018-2024.

The following are some of the achievements realised this year:

### 2.1.1.Organisational structure

The Office continues to implement its Organisational structure (**Annex I**) published in the Auditor General Instructions No 01/11/AG/16 of 01/11/2016 determining the organisational structure of the Office of the Auditor General. In this regard, the Office filled managerial posts left vacant by employees who left the organisation through internal recruitment. In 2021/22, OAG recruited seventy-eight (**78)** new employees, while twenty-six (**26**) left the organization. This high rate of turnover constitutes a threat to our professionalization drive and we will continue working with our stakeholders toward stabilizing it**.**

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

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

- **Acquisition of hyper-converged infrastructure (servers)**

As part of strengthening our ICT infrastructure, during the financial year 2021/2022 we acquired hyper-converged infrastructure and Data Domain, Backup devices and Media, and Dameware remote support.

- **Vulnerability assessment, penetration testing and hardening**

We conducted a vulnerability assessment to examine our systems for patches and security configuration items that pose a security risk. We also conducted a penetration test using ethical hackers to see if attackers can penetrate our system. The information collected from these cyber assessments increased our confidence in our security system and informed our strategy going forward.

- **Review of ICT and ISMS Policies**

We reviewed our ICT and ISMS policies to reflect our current aspirations and cater for all our needs. The current OAG ICT policies were adopted in 2016 and have guided our ICT activities since then. Over the last five years, we implemented many other initiatives that required adoption of other policies including ISO 27001 certification in Information Security Management System (ISMS).

Among others, the review led to the development and adoption of an Outsourced Software Development Policy. This document outlines the guidelines to be followed by the respective personnel during outsourced software development. It incorporates Information Security aspects to ensure OAG's data is protected adequately.

With the adoption of the Law No. 058/2021 of 13 October 2021 relating to the Protection of Personal Data and Privacy was published, OAG quickly adopted Privacy Policy in December 2021. This Policy describes how we process our clients' personal data and aims to address all possible data processing scenarios that may occur. We collect much information from our Auditees as part of our operations. This policy address how we handle that information.

- **ISO 27001 recertification**

In 2021/2022 OAG was recertified ISO 27001 in Information Security Management System (ISMS). This followed the lapse of three years after OAG was first certified. The ISO 27001 certification represents several advantages, from an organizational, but also security point of view. It gives assurance that specific processes are in place internally to ensure information security throughout the entire data lifecycle. Likewise, the certification indicates that the organization of our operations are adapted to respond to types of threats or attacks.

- **Review of the ICT strategic plan**

Through an independent consultant, we reviewed our ICT Strategic Plan 2018/2024, which we had been implementing for the last four years. The review was meant to adapt the Strategic Plan to the changes registered in the last four years and assess whether all activities planned are still relevant and compatible with the current technology. The review led to the inclusion of an important activity that OAG intends to implement in the next three years. This is the project to automate OAG audit systems, to be able to cope with the digitalization trend in other government entities.

## 2.2. Strengthen OAG Human Resource capacity.

During the financial year 2021/2022 OAG capitalized on Human Resources Management tools and practices, which reinforce the management and the development of skills. We therefore support the professional development of employees in line with the needs of our structure and in cooperation with the employees themselves and invest in increasing the skills of each employee, regardless of their place in the hierarchy.

### 2.2.1. Overview on OAG Staff

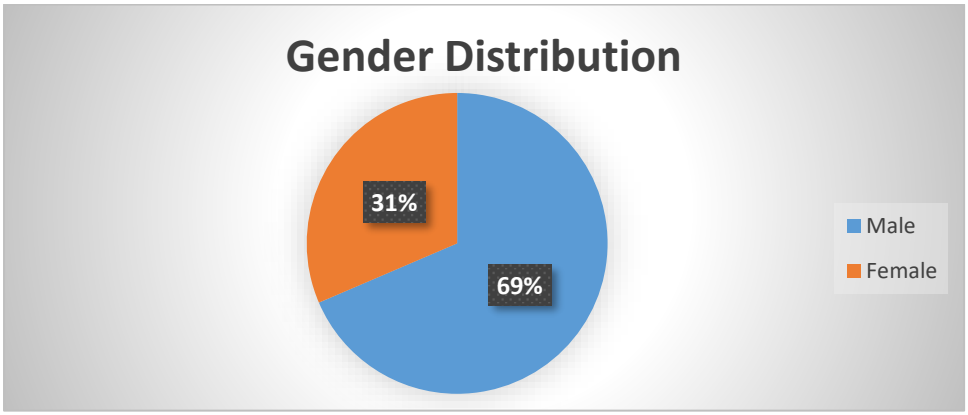
During the financial year ended 30th June 2022, OAG had two hundred twenty-nine (229**)** staff members comprising of thirty (30) staff in Corporate Services and one hundred ninety nine (199) audit staff. Besides, apart from financial and compliance auditors who have accounting skills background, the Office has other staff members with special skills among performance auditors. These include two (2) Civil Engineers, five (5) Electrical Engineers, four (4) Statisticians, one (1) staff with environmental Sciences skills, three (3) staff with Clinical Medicine skills, two (2) staff with Agribusiness skills, one (1) Economist six (6) IT Auditors and two (2) quantity surveyors.

- **Gender distribution**

  Concerning gender distribution, two hundred twenty-nine (229**)** staff members comprises of seventy-two (**72) female** (representing 31%) and one hundred fifty-seven (**157)** male (representing 69%), as shown in the table and the pie chart below:

***Table1: Gender distribution in the number of staff and percentage***

| **Gender distribution** | **Number of staff** |
|---|---|
| Female | 72 |
| Male | 157 |
| **Total** | **229** |

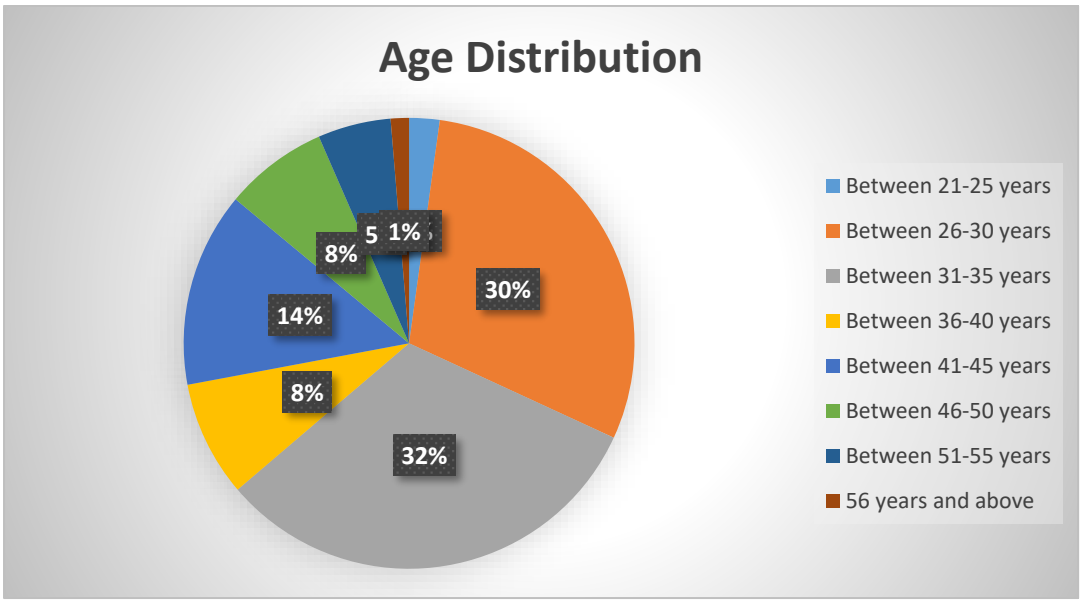


➢ **Age distribution**

The average age of staff is under 40 years with the largest age group between 31 and 35 years (representing 32%) as shown in the table and pie chart below:

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

| **Age distribution** | **Number** |
|---|---|
| Between 21-25 years | 5 |
| Between 26-30 years | 68 |
| Between 31-35 years | 73 |
| Between 36-40 years | 19 |
| Between 41-45 years | 32 |
| Between 46-50 years | 17 |
| Between 51-55 years | 12 |
| 56 and above | 3 |
| **Total** | **229** |

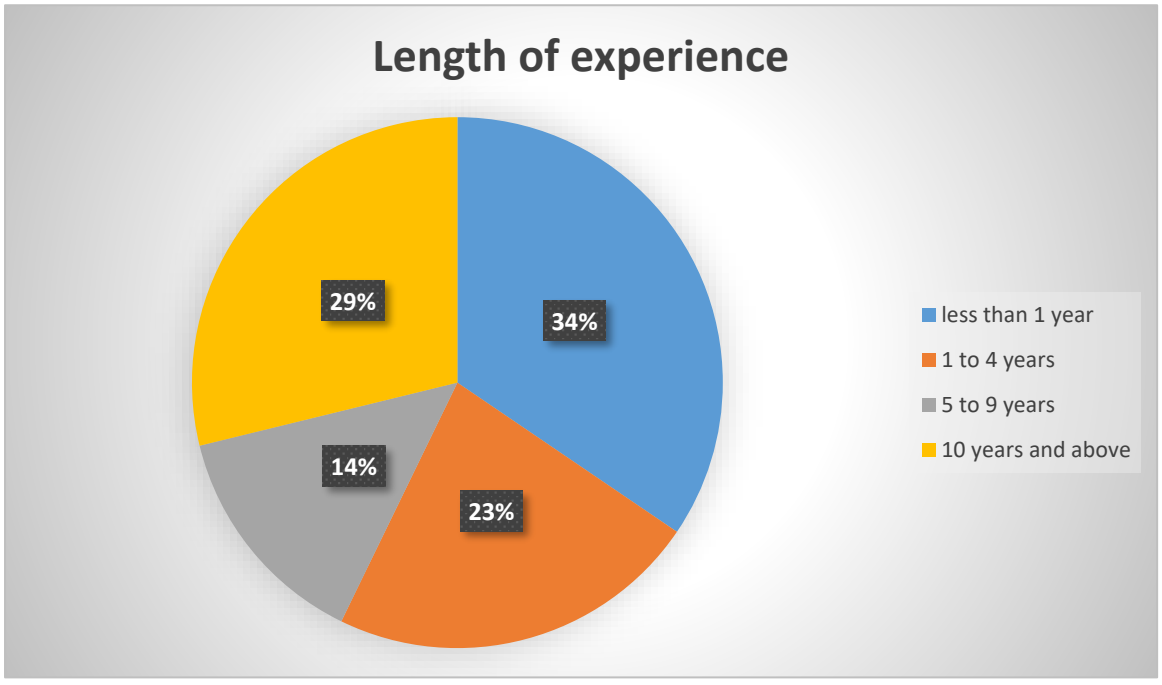


➢ ***Length of experience in the Office***

As shown in the table and pie chart below, employees of OAG with ten years of experience and above represent 29% of the total employees.

***Table 3: Length of experience among OAG employees***

| Length of experience | Number of employees |
|---|---|
| Less than one year | 79 |
| 1 to 4 years | 52 |
| 5 to 9 years | 32 |
| Ten years and above | 66 |
| **Total** | **229** |



### 2.2.2. Continued capacity building and training of OAG staff

Audit is a labor intensive trade and we rely on employee loyalty for OAG long-term success. Therefore, we continuously work towards positioning ourselves as an enviable and attractive organization. We support our employees in discovering their strengths and ensure we multiply the opportunities so that they can put them to use on a daily basis. We constantly work on attracting, developing, and retaining top talent. In accordance with our strategic plan, the following has been accomplished:

- ***Professional training and development***

During the financial year ended 30 June 2022, one hundred eighty-five (185) staff acquired skills from local training. Besides, two audit staff are pursuing other programs, meaning one OAG audit Manager is in Canada on a nine-month fellowship program in performance audit while from September 2021, another one at the level of Senior Auditor is pursuing a two (2) years Master degree of auditing program in Nanjing Audit University offered by National Audit Office of China.

In addition, 107 OAG employees are enrolled in professional accounting namely ACCA, CPA, while other 7 are pursuing other certifications including CFE, CIA, CRMA, CIMA, PMP, COMPTIA A+, CFIP, PHRi, CISA, CGI and ILPD, among others.

Furthermore, OAG now has sixty-four (64) qualified employees. Fifty-one (51) have professional accounting qualifications; while thirteen (13) have other relevant qualifications. These courses equip employees with current development and facilitate them to gain mastery in the audit manual and cope with the recent technical updates. The continued investment in human resource development has facilitated OAG to execute its mandate.

- ***Internal promotion***

Internal vertical promotion is still a valuable performance tool for OAG. We promoted Eighty-seven (87) employees during the year under reporting. They include those promoted to fill the positions of Audit Directors and Audit Managers left vacant by the retirement of an Audit Director and the departure of another.

This practice is motivated by a desire to retain internal talents, capitalize on experience and expertise, and retain employees. Furthermore, the internally promoted employee is more productive in her/his new role than someone who comes from outside because they are familiar with the working environment, its culture, difficulties and hierarchies.

- ***Implemented job rotation***

At OAG, we believe that job rotation is an effective way to increase personnel flexibility while developing and retaining them. During the year under reporting, we have temporarily assigned employees to different roles or departments for a specified period of time in order to complete the specific tasks of another position.

This concerned all audit staff members and contributed to sharpening their skills in various audit types and audit environments.

### 2.2.3. The well-being of staff members

Ensuring the health and well-being of our employees is one of the most important things we value in OAG.

Besides investing in the physical well-being at work, which concerns the comfort of every employee in OAG premises and at their workstation (brightness, tranquility, optimization of equipment, heating, etc.), we also care about other aspects including social, psychological and economic wellness.

To support the economic well-being of staff members, OAG employees have access to a credit and saving plan (CMEC-*Caisse Mutuelle d'Epargne et de Crédit*). This scheme brings together willing employees who pool their savings to grow and mutually procure financial services on terms and conditions that they agree to together.

CMEC is controlled and organised democratically by its members who are owner-users. Its mission is to provide members with financial services under the best conditions. During the fiscal year ended 30th June 2022, CMEC loaned Frw **198,568,200** to **142** employees through short-term loans and overdrafts. This improved the living conditions of its members, and it contributed to employee retention.

Furthermore, OAG maintains a Mutual Fund (CEA-*Caisse d'Entraide des Agents de l'OAG*) that contributes to the well-being of its employees. This fund provides financial support for social activities such as staff weddings, new baby families and staff members who have lost a direct family. We also utilise money from this fund to organise monthly get-together parties (*Ubusabane*) and end-of-year staff picnics, which strengthen employees social cohesiveness. However, the later were disturbed by Covid-19 restrictions during the year under reporting. The fund has however helped much in the acquisition of employee's personal protective equipment and other initiatives aimed at curbing the spread of Covid-19 in the Office. The fund is undergoing review to make it more beneficial to members.

OAG conducted Covid-19 screening among employees to be able to limit the effects of the pandemic on our daily work. The screening timelines depended on the need and the national situation.

## 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 P12 on the Value and Benefits of a SAI to the citizens of its country, the Office acts professionally to demonstrate its relevance to the citizens, the Parliament and other stakeholders.

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

Accordingly, the Office will continue to assess the technical quality of audits to ensure compliance with the highest quality standards. This will include, among others, attending technical updates and a refresher workshop organised by AFROSAI-E.

These workshops update changes in different audit standards to enable OAG to execute its mandate in line with the latest ISSAIs.

### 2.3.2. Overall Performance during the financial year ended 30th June 2022

#### 2.3.2.1. Audits performed by OAG

The Office of Auditor General meets its mandate by pursuing the three main audit disciplines (1) Financial, (2) Compliance and (3) Performance audits. We also perform IT and special audits.

Below are the definitions of the three (3) main types of audits our office carries out.




FINANCIAL STATEMENTS AUDIT

This audit determines whether the entity's financial statements were prepared in accordance with applicable financial reporting and regulatory framework, and they do provide clear information regarding the financial situation and performance of institutions.

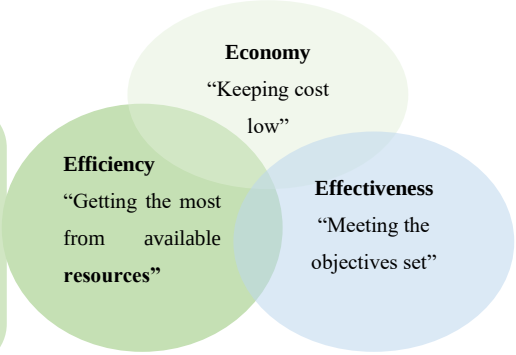



**COMPLIANCE AUDIT**

This audit is performed by assessing whether financial transactions and activities are, in all material respects in compliance with the authorities, which govern the audited entity. These authorities may include rules, laws and regulations, budgetary resolutions, policies, agreed terms, conduct of public officials, etc.

**PERFOMANCE AUDIT**

This audit determines whether the audited entity carried out its activities in an effective, productive and cost-efficient manner with respects to value for money.



Our office pays attention to high-risk entities that includes among others, GBEs, Boards and those, which implement programs that impact significantly on the lives of citizens as, described in the section on our annual audit coverage below.

### 2.3.2.2.Coverage of financial & compliance audits

The Audit coverage section shows a summarized snapshot of total number of Government entities our office audited, number of audit reports produced, expenditure audited, and type of audits carried out during the audit period, which runs from 1st May to 30th April each year. Below is the trend of financial & compliance audits performed over a period of four (4) years.

**AUDIT COVERAGE**

**Financial and Compliance Audits**

| | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 |
|---|---|---|---|---|
| Projects | 74 | ↓ 69 | ↓ 63 | ↑ 64 |
| Central Gov't | 17 | ↑ 22 | ↑ 29 | ↓ 18 |
| Boards | 10 | ↑ 11 | ↓ 10 | ↑ 11 |
| GBEs | 5 | ↓ 2 | ↑ 6 | ↑ 10 |
| Direct Investments By Entities | - | - | - | ↑ 7 |
| Ministries | 10 | ↑ 12 | ↓ 10 | ↓ 8 |
| Districts and CoK | 31 | 31 | 31 | ↓ 28 |
| Public Hospitals | 26 | 26 | 26 | ↑ 30 |
| Former District Pharmacies | - | - | - | ↑ 30 |
| Total | 173 | ↑ 174 | ↑ 175 | ↑ 206 |
| Expenditure | 2,001Bn | 2,363Bn | 2,793Bn | 3,562Bn |
| % Coverage | 86.6% | 87.1% | 87.8% | 91% |
| Audit Reports | 178 | 181 | 188 | 238 |

↓Decrease
↑Increase

As indicated in above snapshot, the number of financial and compliance audits performed, and the percentage of government expenditure audited by Office increased steadily over the period of four (4) years.

The current year audits covered 206 public entities and projects which comprise of 64 projects, 18 central government institutions, 8 ministries, 11 boards, 10 GBEs, 7 Other Direct Investments by Entities (Private companies), 28 districts, 30 public hospitals and 30 former districts pharmacies.

The percentage of our audit coverage considered expenditure amounting to Frw 3,562 billion incurred by 108 public entities and projects which represents 91% of the reported Government Expenditure of Frw 3,910.5 billion for the financial year ended 30 June 2021. We issued 238 audit reports to support the audit opinion issued on State Consolidated Financial Statements.

We also devoted resources on audits, that were not included in our percentage coverage computation of expenditure audited vis-à-vis government expenditure for the financial year ended 30th June 2021. These audits covered GBEs, Direct Investments by Entities (Private Companies) and other budget agencies as summarized in table below.

| **Institutions** | **Number of institutions** | **Financial year** |
|---|---|---|
| GBEs | 7 | 2021 |
| | 5 | 2020 |
| | 2 | 2019 |
| Direct Investments By Entities (Private Companies) | 7 | 2021 |
| Public Hospitals | 26 | 2020 |
| | 30 | 2021 |
| Former Districts pharmacies | 30 | 2020 |

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.

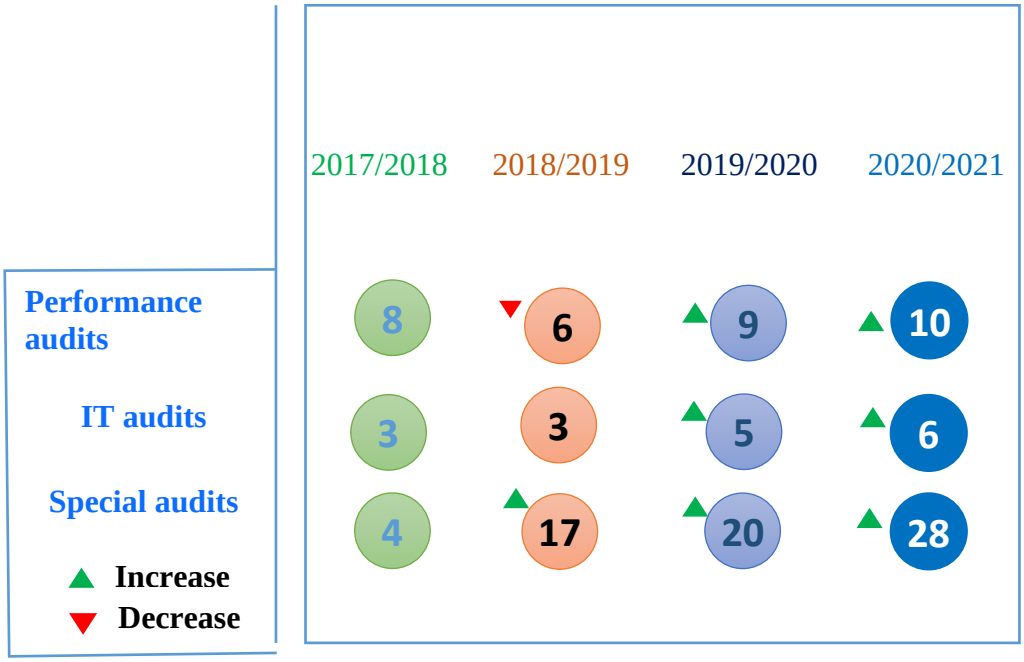
In addition, audits of four (4) Government Business Enterprises were ongoing at the time of tabling the current year's annual audit report. Their audit reports will be forwarded to Parliament upon completion of audit exercise. Those are: Prime holdings Ltd, Business Development Fund, King Faisal Hospital and Muhabura Multi Choice Company Ltd.

### 2.3.2.3 Coverage of Performance, Special and IT Audits

Current year performance audits focused more on the areas of national interest especially health, infrastructure, agriculture, education and social sectors. These contribute to improved living conditions of citizens and enable realization of National Strategy for Transformation (NST1). OAG is continuously increasing the number of performance audits as shown in snapshot below.

**AUDIT COVERAGE**

**Performance, Special and IT Audits**




This year, we carried out ten (10) performance audits, six (6) IT audits and twenty-eight (28) special audits.

### 2.3.2.4 Snapshot of audit results and findings

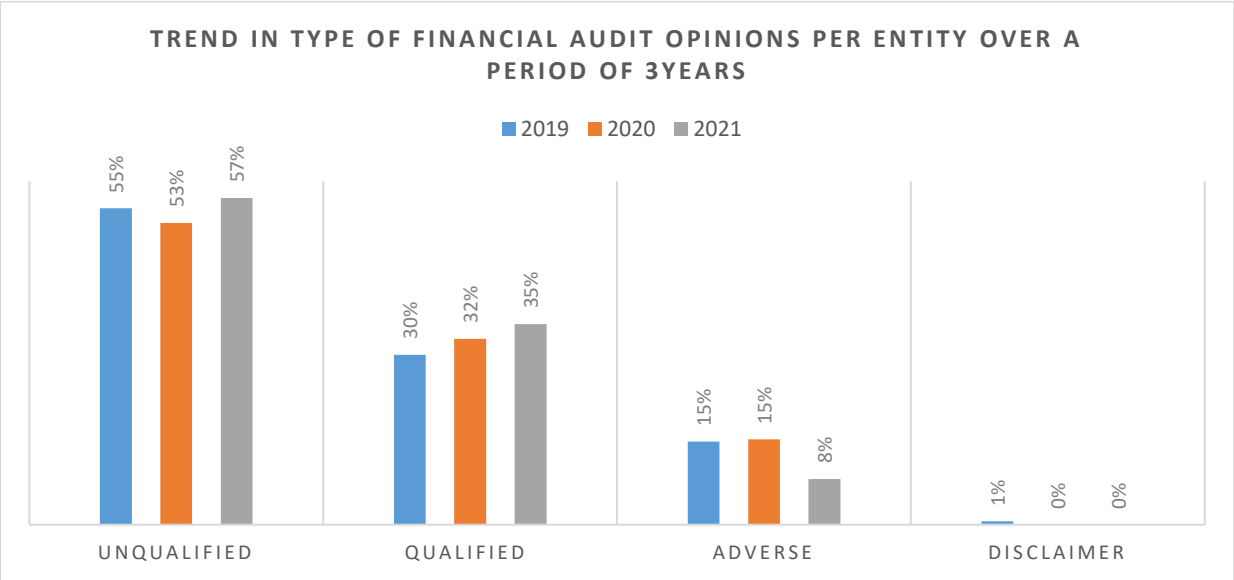
- **Audit opinions**

Audit opinions are expressed after the evaluation of evidence gathered during the audit. We expressed an opinion on whether the financial statements present fairly, in all material respects the financial position and performance of the respective entity and confirmed whether the entity complied with applicable laws and regulations governing public spending. The opinions we issued to audited entities during the year under reporting are classified per entity cluster in the tables below:

**(a) Opinions on Financial Statements**

| Clusters | Type of Audit Opinion | | | | |
|---|---|---|---|---|---|
| | Unqualified | Qualified | Adverse | Disclaimer | Total |
| Projects | 61 | 2 | 3 | - | 66 |
| Boards and GBEs | 12 | 8 | 5 | - | 25 |
| Other Private Companies (Direct Investments by entities) | - | - | 2 | 5 | 7 |
| Ministries and Other Central Government entities | 24 | 2 | - | - | 26 |
| Districts and City of Kigali | - | 25 | 3 | - | 28 |
| Public Hospitals | 1 | 44 | 11 | - | 56 |
| Former districts pharmacies | 4 | 25 | 1 | - | 30 |
| **Total** | **102** | **106** | **25** | **5** | **238** |

For the picture of audit opinions issued on financial statements for the last three years, refer to graph on next page.

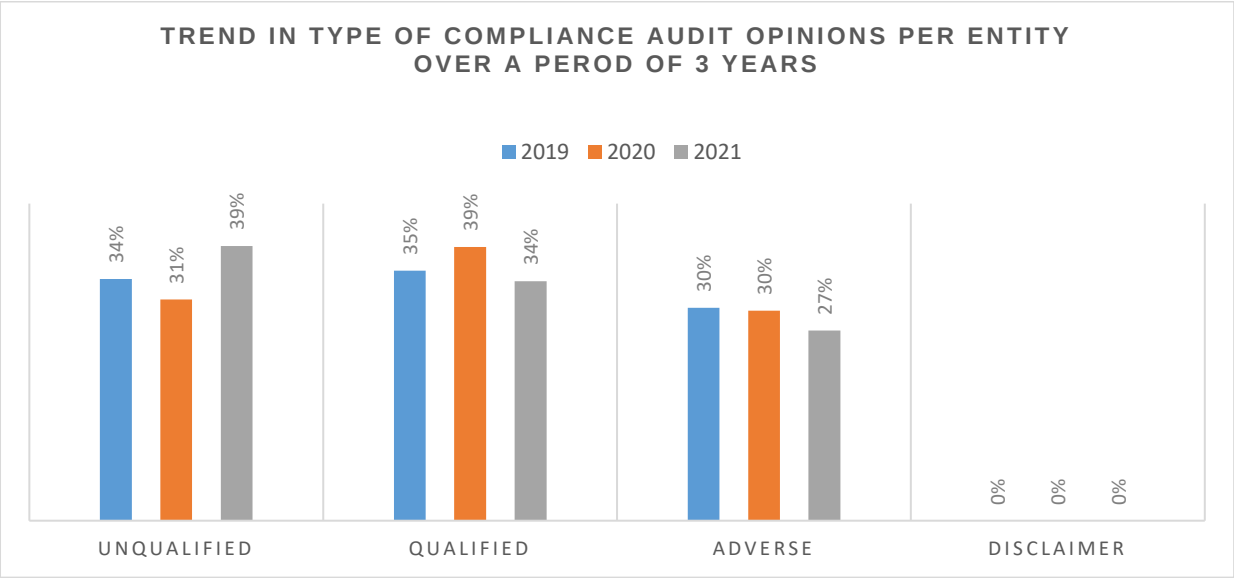



***The computation excluded directs investments by other entities and former districts pharmacies.***

The graph above analyses the trend in financial audit opinions issued over the last three years. The percentage of entities that got unqualified financial increased from 55% in 2019 to 57% in 2021. The percentage of entities that got qualified audit opinions increased from 30% in 2019 to 35% in 2021. The percentage of entities that got adverse opinions decreased from 15% in 2019 to 8% in 2021. This shows a positive trend in the overall level of accountability and transparency over the period.

### (b) Opinions on compliance audits

| Clusters | Type of Audit Opinion | | | | |
|---|---|---|---|---|---|
| | Unqualified | Qualified | Adverse | Disclaimer | Total |
| Projects | 30 | 26 | 10 | 0 | 66 |
| Boards and GBEs | 5 | 5 | 15 | 0 | 25 |
| Other Private Companies (Direct Investments by entities) | 0 | 0 | 7 | 0 | 7 |
| Ministries and Other Central Government entities | 10 | 12 | 4 | 0 | 26 |
| Districts and City of Kigali | 0 | 5 | 23 | 0 | 28 |
| District hospitals | 11 | 42 | 3 | 0 | 56 |
| Former districts pharmacies | 7 | 23 | 0 | 0 | 30 |
| **Total** | **63** | **113** | **62** | **0** | **238** |

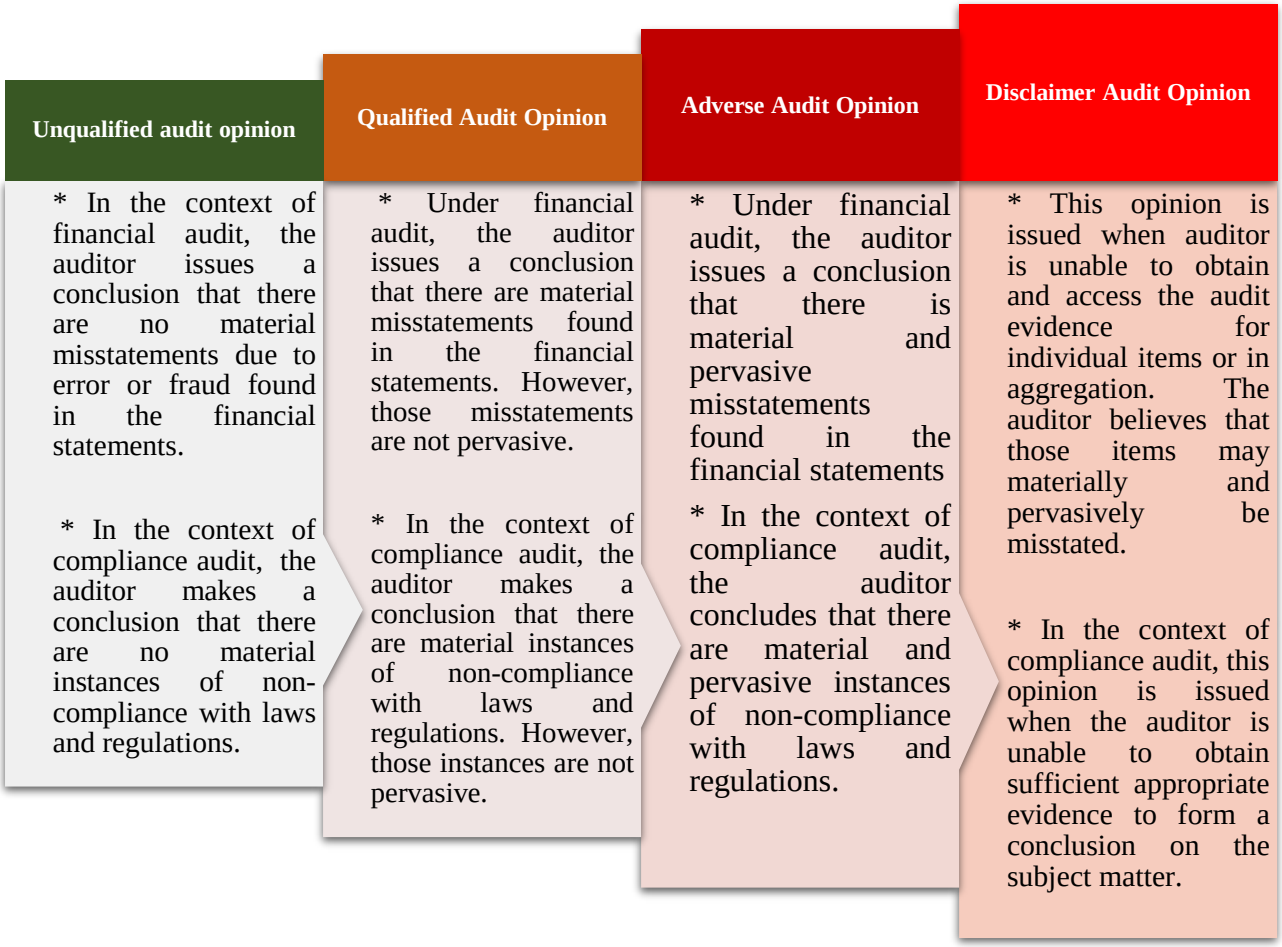



***The computation excluded directs investments by other entities, former districts pharmacies.***

The graph above indicates an improvement in the percentage of unqualified audit opinions, which increased from 34% in 2019 to 39% in 2021. The percentage of qualified audit opinion remained relatively the same. However, there was a decline in the percentage adverse opinions from 30% in 2019 to 27% in 2021. This is a notable improvement, although public entities are yet to reach the desired level in complying with applicable laws and regulations in incurring expenditure. Most of the results, I presented in this report, are the gaps that should be closed in order to reach the desired improvements in managing public resources.

**(c) Meaning of different types of audit opinions**

**We express different types of audit opinions based on the following criteria:**




### 2.3.2.5 The audit of the East Africa Community

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

**a) The focus of OAG audits during this audit cycle**

Like in the previous years, our risk assessment this year indicated that Boards and GBEs are highly risky. This is explained by their nature and placement at the heart of the execution of Government policies and programs to realise the objectives of NST1. To ensure that the funds allocated to these strategic entities are managed properly and utilised in priorities, OAG gave precedence to the audit of these entities.

This year we audited 10 GBEs (EDCL, EUCL, GAH, MMC, RCAA, REG Holding, RNIT, RSSB, RURA and WASAC Ltd) and eleven (11) boards, namely NAEB, RAB, RBC, RDB, REB, RMB, RP, RTDA, RTB, RWB and UR

## 2.4 Improving communication and stakeholder engagement

Partnerships are very important to OAG in terms of strengthening relationships with its stakeholders. In line with this, the Office held many constructive engagements with a wide range of stakeholders, as detailed below.

### 2.4.1 Strengthening OAG's engagement with Parliament

The OAG continued to collaborate with Parliament on Public Finance Management (PFM) issues. OAG participated in Public Account Committee (PAC) pre-hearing sessions to break down audit reports for committee members in preparation for public hearings involving audited entities. We also took part in the public hearings.

### 2.4.2 Implementing an effective Outreach and Engagement with Strategic Stakeholders

**a) Ministry of Finance and Economic Planning (MINECOFIN)**

- **Public Finance Management (PFM) activities:** The Auditor General attended meetings of the PFM Sector Working Group (SWG), the highest policy institution for the PFM sector, coordinating the efficacy of a variety of PFM stakeholders, which he is a member.

  The Secretary General for OAG on the other hand attended all meeting of the PFM Technical Working Group (TWG) in which members evaluated PFM activities, including assessing work plans and budgets, as well as monitoring the execution of the PFM SSP yearly action plans.

The PFM Sector Working Group (SWG) ought to meet quarterly while the PFM Technical Working Group (TWG) ought to meet not less than every two months. However, the two working groups did not meet as frequent as anticipated because of Covid-19 restrictions.

- **First Public Sector Accountability Training Forum:** OAG co-organized with MINECOFIN and the Institute of Certified Public Accountants of Rwanda (ICPAR) the first Public Sector Accountability Training Forum themed "*Striving for Excellence in Public Service Delivery*".

  The forum brought together PFM players including Chief Budget Managers; Division Managers; Finance Managers; Directors of Planning; Monitoring and Evaluation specialists, Chief Finance Officers; Directors of Finance; Accountants; Auditors and Procurement Specialists to name a few. The Auditor General addressed the gathering on "*Matters affecting audit Opinions of audited entities and lessons for future improvement*."

**b) Good Governance Institutions**

OAG is a member of the National Advisory Council to fight Against Corruption and Injustice (NACACI). OAG actively participated in the regular quarterly meetings and other activities organised by the Advisory Council, which coordinates actions and initiatives to prevent and combat corruption. During this year, OAG participated in the exercise of verification of state of government idle assets identified in OAG audit reports and other government entities' reports.

**c) Institute of Certified Accountants of Rwanda (ICPAR)**

During the financial year ended 30 June 2022. OAG continued working closely with ICPAR, the professional body regulating the accountancy profession in Rwanda, to promote our employees' competence and capacities and deliver accounting qualifications. The Auditor General is an *ex officio* member of ICPAR's Governing Council (GC). OAG participated in all quarterly meetings that provided strategic direction to the Institute and other activities it organised.

**d) Hosting delegations from other countries and international organisations**

OAG received various delegations. They included:

1. **Mali**: In November 2021 OAG hosted a delegation from '*Bureau du Verificateur General (BVG)*' from Mali Led by the Head of department of Management and Quality Control. The objective of the study tour to SAI Rwanda was to benchmark on quality control and strategic orientation in order to reinforce practices and professional capacities of BVG to improve the quality of their reports.

2. **Libya**: On 28th January 2022, OAG hosted a delegation from the Administrative Control Authority of the State of Libya (SAI Libya) on a study tour to SAI Rwanda. The study tour aimed at benchmarking on strategies and mechanisms to conduct audit of Government institutions as a means of assuring that public resources are being utilized for national priorities and wellbeing of citizens. The Libyan delegation was led by the Advisor of the President of the State.

3. **Côte d'Ivoire**: From 28th May to 04th June 2022, OAG hosted a delegation from the Court of Audit of Côte d'Ivoire (SAI Côte d'Ivoire) on a study tour to SAI Rwanda in the field of performance auditing. The Ivorian delegation for this study tour was led by the President of the Court of Audit (Head of SAI) and composed of 13 senior experts including a representative of GIZ Côte d'Ivoire. The team met SAI-Rwanda's performance auditors who shared experience and tools used in performance auditing.

4. **Djibouti:** 04th March 2022, OAG hosted a delegation from the Court of Auditors of Djibouti, which is the Superior Office of Public Finance Control in Djibouti. They were in Rwanda to benchmark on strategies and mechanisms to conduct audit of government institutions as a means of assuring that public resources are being utilized for national priorities and wellbeing of citizens. During the visit, OAG senior officials shared experience on performance audit relating to the modernization of direct tax management as well as the best practices in terms of organization, operation and governance on state revenue.

5. **Zimbabwe:** In September 2021, OAG received a delegation from Zimbabwe. The delegation comprised of eight members of the portfolio committee on budget, finance and economic development of the Zimbabwean parliament and two Members of Staff. They were in a six (6) days study visit in Rwanda, hosted by the Rwandan parliament. OAG shared experience on its role in strengthening the Accountability, Transparency, Integrity and judicious management of public resources of Government Institutions.

**e) Meetings, workshops and training organised by external stakeholders**

The Auditor General or his delegates participated in a number of international fora organized by international organizations of which the OAG is a member, as well as those convened by its stakeholders. Some examples are as follows:

- **AFROSAI General Assembly:** On the 17th and 18th March 2022, the Deputy Auditor General attended the second part of the 13 AFROSAI General Assembly held in Dakar, Senegal. The discussion in this assembly focused on Audit of the Extractive Industries Sector in Africa and the integration of the Big Data concept into the Public Sector audit. Members discussed and shared experiences on the above-mentioned topics and made joint recommendations to formulate technical and professional guidelines relating to the two subject matter.

- **AFROSAI-E Governing Board:** On 11th May 2022, the Deputy Auditor General attended the 18th meeting of the AFROSAI-E Governing Board held in the Gambia, Banjul.

  Members of the AFROSAI-E Governing Board deliberated on a range of topics affecting the region including, increasing accountability and reducing corruption through government audits and SAI independence and broadness of mandate to enable audit impact.

  Besides, the governing board approved the constitution and By-laws of the African Professionalization Initiative. Established by AFROSAI-E AND CREFIAF in June 2021, the African Professionalization Initiative is an online programme, which is, problem-based, professional development learning offering, which targets SAI financial auditors and public finance officials who do not have a formal accountancy qualification. The learning programme covers topics, which are of increasing relevance to SAI financial auditors.

Members also deliberated and approved the recommendations from its four subcommittees (Capacity Building, Human Resources, Finance and Planning, and Audit and Governance).

### f) CAAF – Canadian Audit and Accountability Foundation

OAG has an ongoing MOU with the Canadian Audit and Accountability Foundation (CAAF) signed in 2019. In line with this MOU, CAAF trained OAG performance Auditors on several aspects of performance audit. Besides, currently one OAG audit Manager is in Canada on a nine-month fellowship program in the performance audit. This is a hands-on training exposing our employees to working alongside their Canadian counterparts.

### g) National Audit Office of China (SAI China)

Currently, the National Audit Office of China is offering opportunity to SAIs in developing countries to nominate eligible candidates from their SAIs to pursue a Master degree of auditing program in Nanjing Audit University. It is in this regards that from September 2021, one OAG staff at the level of Senior Auditor is on that two (2) years Master program. This academic program consists of four parts namely, general courses, core professional courses, selective courses and practice/internship.

### h) Engagement with the media

During the financial year 2021/2022, the Auditor General or his delegated officials engaged with the media to clarify the OAG's mission and highlight some of audit findings. Through answering questions from journalist on Radio and TV talk shows or print and digital media the Auditor General reached a big number of Rwandans and explained to them what the office achieved during the year under review and previous years.

Besides routine engagements, the Auditor General held a press conference after presentation of the Annual Audit Report to both chambers of Parliament in May 2022. This took place at the parliamentary building, a number of Journalists from different media houses attended the press conference, and their questions related to the report were answered. Until May 2022, OAG did not have an employee dedicated to communication and external relations.

The year 2021-2022 saw the recruitment of a Public relations and communication officer who will drive OAG's engagement with the media and the public at large.

# CHAPTER 3: OVERSIGHT, COORDINATION, IMPLEMENTATION AND MONITORING OF THE STRATEGIC PLAN (SP)

## 3.1. Oversight of the Strategic Plan

The Auditor General monitors the OAG SP with the assistance of the OAG Strategic Plan Technical Committee, which is chaired by the Deputy Auditor General. The Secretary-General, Assistant Auditors General, and Directors make up the Technical Committee.

Besides, the external oversight is done by the PFM Sector Strategic Plan Coordinating Forum. This forum is composed of AG, DPs and MINECOFIN. It is responsible for aligning OAG Strategic Plan with PFM reform programme. During the financial year ended 30th June 2022, OAG held virtual and physical quarterly meetings with its stakeholder's including DPs and MINECOFIN.

## 3.2. Coordination of Strategic Plan implementation

The coordination of plans between departments, units and the organisation is a best practice for any organisation to achieve success. The coordination of the OAG strategic plan implementation responds to our urge for convergence and consistency to achieve an expected result.

During the fiscal year ended 30th June 2022, the AG worked closely with the OAG Technical Committee, the PFM Coordination Forum and JCC to coordinate the OAG Strategic Plan successfully. This allowed OAG to remain on track in implementing its Strategic Plan despite challenges brought by Covid-19.

### 3.2.1. Implementation arrangements

OAG implemented its Strategic Plan within the overall framework of the National PFM Reform Strategy.

Activities in the strategic Plan were monitored on regular basis during OAG management weekly progress meetings to help ensure their effective implementation. 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 DPs.

### 3.2.2. Finance management

During the financial year ended 30th June 2022, OAG submitted all required reports to different Government authorities; these include monthly, quarterly and annual financial reports.

In December 2021, the budget revision for the financial year ended 30th June 2022 was done according to the Organic Law on State Finances together with the submission of budget proposal for the financial year ending 30th June 2023. The Office executed an annual budget of **Frw 6,468,366,643** composed of **Frw 4,635,708,643** of government funding and **Frw1, 832,658,000** as contribution from development partners (DPs). The allocated budget was executed at a rate of **93.87%, which** is equal to **Frw 6,072,044,057.**

**Table 5: Summary of budget execution for the financial year ended 30th June 2022 is shown below:**

| Description | FY 2019/20 | | FY 2020/2021 | | FY 2021/22 | | Projections | |
|---|---|---|---|---|---|---|---|---|
| **Budget Type** | **Revised Budget** | **Actual execution** | **Revised Budget** | **Actual execution** | **Revised Budget** | **Actual execution** | **FY 2022/23** | **FY 2023/24** |
| | **Frw** | **Frw** | **Frw** | **Frw** | **Frw** | **Frw** | **Frw** | **Frw** |
| Recurrent | 3,791,575,742 | 3,727,714,769 | 4,306,321,750 | 4,289,333,236 | 4,635,708,643 | 4,511,717,545 | 5,628,533,912 | 5,909,960,607 |
| Development Partners contribution | 2,250,730,665 | 1,802,992,171 | 2,322,756,895 | 1,441,047,305 | 1,832,658,000 | 1,560,326,512 | 2,771,875,615 | 2,910,469,396 |
| **Total** | **6,042,306,407** | **5,530,706,940** | **6,629,078,645** | **5,730,380,541** | **6,468,366,643** | **6,072,044,057** | **8,400,409,527** | **8,820,430,000** |

OAG maintained its books of account and records, coordinated and managed financial resources efficiently and transparently 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.

RUMA CPA LTD, an audit firm registered and recognised by ICPAR, audited the financial statements of OAG for the financial year ended 30th June 2022. We obtained an unqualified audit opinion.

### 3.2.3. The Procurement unit

The procurement unit supports OAG operations as the primary buyer of goods and services.

It negotiates and concludes purchases of any product or service necessary for the proper functioning of the Office, under the best conditions of quality, price and deadlines.

The unit conducts its operations hand in hand with the Internal Tender Committee established as per procurement regulations. The same committee evaluates and recommends the award of tenders in OAG.

During the financial year ended 30th June 2022, OAG had 40 tenders on its procurement plan, including tenders for consultancies, services and supplies. The unit awarded 39 tenders worth **Frw 1,350,030,496** by the end of the financial year. Only one tender was cancelled because the bidders had submitted unreasonable higher prices. Overall, OAG executed its procurement plan by **97.5%.**

OAG has used framework contracts for recurring goods in past years to assure timely delivery of supplies and minimise the lead-time for procurement. Nine (19) framework contracts from the previous fiscal year were renewed during the same fiscal year.

### 3.2.4. Legal services unit

The Legal Services unit is responsible for providing legal advice and assistance to the Auditor General and OAG General Secretariat on matters of a constitutional, administrative, contractual or general nature and with regard to the audit functions. It is also responsible for ensuring that OAG fully complies with its internal regulations and applicable laws.

Activities discharged by the unit during the financial year ended 30th June 2022 include:

- Providing legal advice on public finance management laws, tax laws and employees' benefits laws to auditors during audits in different institutions and on various cases;
- Drafting, verifying and advising on contracts concluded by OAG;
- Participating in the daily management of OAG and ensuring that decision-making processes comply with OAG legal frameworks.

## CHAPTER 4: CORPORATE SOCIAL RESPONSIBILITY

In most of its social activities OAG collaborate with Rwanda Revenue Authority and the National Electoral Commission, two government entities with which it shares administrative complex.

During the financial year ended 30th June 2022 the three institutions raised forty-four million Rwandan Francs (Frw 44,000,000) to fund the education of 12 best students selected among children born from Bisesero genocide survivors, in Karongi District and support the social wellbeing of the residents.

The raised money will be spent on two activities. Forty (40) million will be spent on education while the other Four (4) million shall be spent to buy an electric mill (Urusyo) to Bisesero residents.

The beneficiaries were selected in partnership with *Ibuka*, the umbrella association of Genocide against the Tutsi survivor organisations. The implementation of the three years' project will also involve *Ibuka*, which shall among others follow up and report on the status of students' performance at school every year.

# CHAPTER 5: PLANNED ACTIVITIES FOR THE NEXT FINANCIAL YEAR 2022/2023

## 5.1. Audit Coverage

The targets for the audit cycle 2022/23 are as follows:

- Financial and compliance audits: 230 entities (252 reports)
- Audit coverage against total national expenditure excluding GBEs and District Hospitals: 95%
- Performance audits : 14
- Special/Verification audits : 20
- IT audit : 6
- GBEs : 22
- Boards : 13
- Audit of the East African Community organs and its institutions.

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

### 5.2.1 Development of in-house audit software

The National Strategy for Transformation (NST1) anticipates that by the year 2024 all government services will be automated. This calls for OAG to position itself to ensure that these IT investments are achieving the expected value for money. To cope with this trend Office has embarked on a three-year project to create an audit management system capable of accessing data remotely to enable staff to audit in a computerized environment. This will reduce time taken conducting audit fieldwork thus increasing staff productivity. Today, Government entities rely more on IT systems to manage human resources, execute the budget and keep accounts as well as maintain data relating to relating to their operations. The first work is already underway to identify and validate all needs to inform the development of the envisaged in-house audit management system.

OAG is ISO 27001 certified and will undergo a surveillance audit this year. Being "ISO 27001 certified," means that OAG is serious about protecting the security and privacy of information got from clients. This periodic audit aims to ensure that OAG is continuing to comply with ISO standards.

## 5.3. Human Resources Management

### 5.3.1. Conduct Staff Satisfaction Survey

We plan to gather opinions of our staff members to measure their engagement, their pride in working for OAG, and their image of it. Better understanding opinions of our employees and their level of satisfaction or dissatisfaction with their work and their professional environment would allow us to understand better the Office's human and social dimension of life.

The result would help us optimise human resources, staff development, team development, managerial support tools, and others. The same would provide us with invaluable information for identifying and prioritising action.

### 5.3.2. Screening employees for non-communicable diseases and covid-19

We are mindful that Non-communicable diseases constitute a global concern, and Rwanda is not an exception. Therefore screening, detection, treatment and palliative care are essential parts of responding to these diseases.

OAG finds it crucial to invest in better management of non-communicable diseases for its personnel, especially in early detection, to mitigate their impact. We, therefore, plan to have our employees screened at least once every year.

We will also continue to screen for Covid-19 among our employees every time we deem it important to limit the effects of the pandemic on our daily work. The screening timelines would be determined depending on the national situation.

### 5.3.3. Finalize the development of OAG Gender policy

In accordance with the National Gender Policy (2010), OAG intends to create a tailored institutional Gender policy that will incorporate national gender equality concepts into our own policies, procedures, and programs. During the year under reporting, OAG did preliminary surveys among employees to inform the development of the policy. It is projected that the drafting of this gender policy will be completed in the ongoing financial years.

This policy is expected to allow OAG to carry out its mission while remaining committed to Rwanda's Vision of creating a Rwandan society free of all forms of gender discrimination and in which both males and females participate fully and equitably in all development processes. (MIGEPROF, 2010).

### 5.3.4. Continued capacity building and training of OAG staff

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

- Professional courses: ACCA, CPA, CIPS, ICSA, PMP, HR Courses, actuarial course and CISA.
- Teammate training support
- Annual Refresher Training and CPD
- Other Training (INTOSAI/AFROSAI, CAAF)

## 5.4. Consultancy on OAG staff capacity building

In regard with performance and IT audits support, OAG has an ongoing Capacity building arrangement with AFROSAI-E, and this will continue in the coming year. This approach involves the 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. Note that, under this arrangement for finance and compliance audits, AFROSAI-E provide trainings especially in relation to new technical updates given that OAG has another ongoing Capacity building arrangement with an individual Consultant who provides an on job training and transfer skills to finance and compliance audit staff through training and coaching.

## 5.5. Performance management

The Office of the Auditor General of State Finances has its customised performance management tool. Every staff member is assessed on each assignment for auditors and an annual performance review for the whole workforce after each year.

For the fiscal year ending 30 June 2023, we will continue to evaluate all auditors based on assignment.

Employees will also assess their individual development needs and produce their development plans, approved by their respective supervisors and the Office will implement these.

Supervisors will monitor employee development plans to ensure that identified areas for improvement are addressed.

## 5.6. Audit standards and Methodology

**a)** The Office will continue to use AFROSAI-E Regularity, Compliance and Performance Audit Manuals.

**b)** OAG will conduct refresher training in the audit manuals to enhance their further application. OAG will attend technical updates fora to ensure that any improvements on the audit manuals are considered. In addition, the performance audit department will continue to select and update its area watch.

**c)** OAG plans to hire private audit firms to carry out some audits on our behalf. This year we plan to outsource private audit firms to work on forty (40) assignments. These include audit of thirty (30) Public Hospitals and ten (10) GBEs. The contracted private audit firms must use the International Standards of Supreme Audit Institutions (ISSAIs) while performing their works. Senior OAG audit personnel will perform concurring reviews to verify that the audit work satisfies OAG standards.

## 5.7. Communication and Stakeholder Engagement

### a) *Anti-corruption fora*

OAG will strengthen its collaboration with other entities involved in combating corruption in public administration and improving the openness and accountability of public administration in the handling of public funds. In particular, we will continue to take part in all NACACI activities, meetings and initiatives.

### *b) PAC hearing*

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

### *c) Engaging the media*

The media plays a significant role in disseminating the findings of our reports to the public and setting the agenda for public debate in matters of Public Finance Management and financial accountability. Therefore, we will continue to engage the media through press conferences, interviews and talk shows. We also plan to hold a second workshop with reporters to strengthen their capabilities in interrogating and interpreting our audit reports.

# CHAPTER 6: CHALLENGES AND WAY FORWARDS

The Government of Rwanda has continuously provided financial support, and our development partners and members of the INTOSAI also provided financial and technical assistance. The support provided has enabled to increase the OAG capacity to conduct the audits effectively and efficiently. As a result, there is increased audit coverage and improved quality of OAG audit services.

Despite the remarkable achievements mentioned in this report OAG is facing the following challenges which need to be addressed through its various strategic stakeholders:

## 6.1 Working space

As a result of its growth to respond effectively to the demand of the stakeholders, the Office is progressively facing the issue of working space and then will need to expand in terms of office space in the near future. On this issue I have engaged concerned stakeholders.

## 6.2 High staff turnover resulting in loss of highly trained , experienced and qualified staff

The Office has experienced high staff turnover among highly trained, experienced and qualified staff with ACCA, CPA and CISA qualifications among others qualifications. Since May 2019 up to the end of August 2022, fifty (50) experienced auditors left the Office. Of these twenty nine (29) or 58% staff were at the middle manager level and above (between Deputy Team Leader and Audit Director) while thirty three (33) or 66% were professionally qualified. This erodes OAG capacity gains.

Note that, it takes a number of years to train staff to reach the required level of skills and competency. This requires an effective strategy to attract and retain staff with specialized skills and competencies while providing opportunities for career growth and development. The high staff turnover is attributed to misalignment in salary structures with comparable public sector positions.

### 6.3 Institutional Review

As a way forward to the above challenge of high staff turnover , OAG engaged the African Organization of Supreme Audit Institutions-English speaking (AFROSAI-E), in June 2022 to conduct an institutional review to assess whether:

(i.) OAG legal mandate is in line with international best practice as set out in INTOSAI-P 10;
(ii.) Organizational structure is adequate to enable execution of the Constitutional mandate;
(iii.) Information and Communications Technology (ICT) systems were aligned with the OAG's view to digitalization; and
(iv.) OAG performance management system is functioning to report on performance effectively.

The review found that the current OAG organization structure was not adequate to meet current and future human resource needs and recommended changes to the structure and conducting of a salary survey to ensure staff remuneration is comparable to other institutions in the public sector.

I look forward to receiving more support from the Parliament, the Government of Rwanda and other stakeholders including development partners to overcome the above mentioned challenges.

## CONCLUSION

This Annual Activity Report takes stock of the objectives foreseen in our annual work program achieved by OAG during the financial year 2021/2022.

In this report, we presented the financial year 2021/2022 in the context of the overall achievement of the implementation of our six years' strategic plan 2018-2024. This was the fourth year of our strategic plan, which is currently undergoing midi term review.

As highlighted in the report, we have achieved a lot in this year, having achieved more than 100% of the objectives we had set for the period. We can all be proud of our accomplishments over the past year.

Achieving what we achieved was not an easy task. The labour market is changing and it is very favourable to qualified and well-experienced professionals. The shortage of such professionals, especially accountants, greatly contributes to job-hopping mainly among the mid managers. In return, during the financial year 2021/2022 OAG experienced an unprecedented staff turnover that took many of our experienced employees. I take this opportunity to highlight the exceptional work of our team that absorbed the shock and delivered on our target. I consider that the office is privileged to be able to count on such a dedicated and committed team.

The prospects for the future are encouraging and the challenges many. We are grateful for the remarkable support of our several stakeholders, with whom we share a genuine desire to ensure the judicious management of public funds, which, no doubt, translate into the betterment of lives of Rwandans.

We are always keen to improve the services offered to our auditees. Certainly, we must continue our work with the same devotion and the same determination as if we wish to stay the course and remain well connected to the needs of the people of Rwanda.

We know the importance our work represents to every Rwandan citizen. We are therefore committed to pursuing our mission of assuring our stakeholders that public resources are being utilized for national priorities and wellbeing of citizens.

## Annex I.: OAG organisational structure

