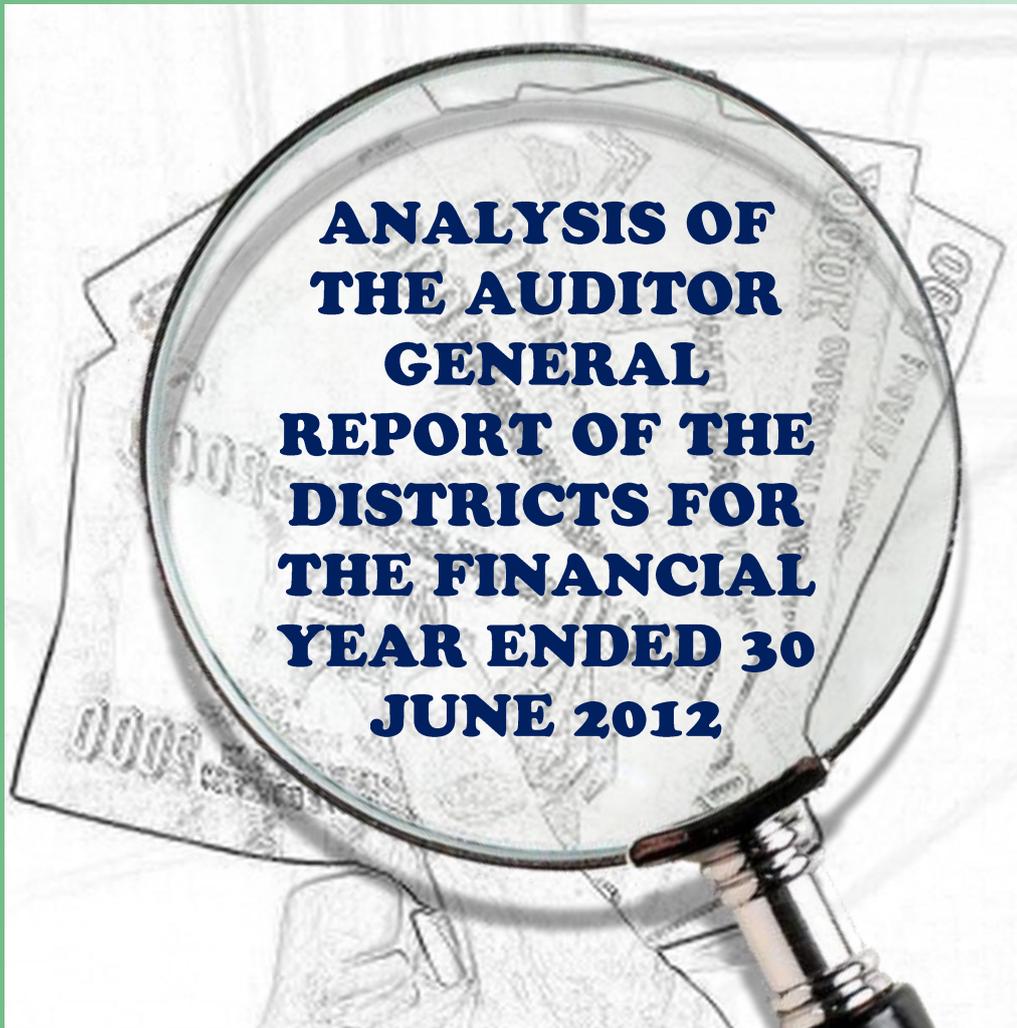




**TRANSPARENCY  
INTERNATIONAL  
RWANDA**



**ANALYSIS OF  
THE AUDITOR  
GENERAL  
REPORT OF THE  
DISTRICTS FOR  
THE FINANCIAL  
YEAR ENDED 30  
JUNE 2012**

June 2014



**german  
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GENERAL REPORT OF THE  
DISTRICTS FOR THE FINANCIAL  
YEAR ENDED 30 JUNE 2012**



## Acknowledgement

The Government of Rwanda has reached considerable achievements in the fight against corruption over the last two decades. The Government's political will in fighting corruption is especially salient in the area of Public Finance Management (PFM) for which several public institutions including the Office of the Auditor General (AG) have been established to take on a leading role in reinforcing transparency in the management of public funds.

It is in this context that Transparency International Rwanda (TI-Rw), in line with its mission of "fighting Corruption through enhancing integrity values in the Rwandan society" has analyzed Auditor General's Reports to better understand the challenges raised by the Auditor General's Office. Based upon this analysis, we have provided recommendations for improvement of the PFM targeting the different levels of public administration.

With the continuous support from the German Federal Ministry for Economic Development and Cooperation and GIZ's Good Governance and Decentralization Program, TI-Rwanda has analyzed the Auditor General's Report for all districts for the financial year that ended in June 2012. As this report illustrates, most districts have improved their public finance management relative to the previous year's report and hence deserve commendation. This positive trend highlights the prospect of a bright future to come and the much needed value for money through progressive improvement in public finance management in the decentralised and, indeed, in all public institutions.

On behalf of TI-Rwanda, I would like to express my sincere appreciation and gratitude to all the institutions and individuals who made this analysis possible. Among them are the German Federal Ministry for Economic Development and Cooperation and GIZ who provided the necessary funding, MINALOC and MINECOFIN and districts' staff who assisted us to access the required data, the consultant, Mr. Jean RUGARAMA in collaboration with TI-RW's research team who drafted the report. Last but not least, I would like to thank TI-Rwanda's Executive Director, Mr. Apollinaire MUPIGANYI, who provided the necessary support and guidance to the research and the quality assurance of the final report.

**Marie Immaculée Ingabire**  
Chairperson of TI-Rwanda



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## ACRONYMS

**AG:** Auditor General

**AGR:** Auditor General Report

**EDPRS:** Economic Development and Poverty Reduction Strategy

**FGDs:** Focus Group Discussions

**GIZ:** Gesellschaft für Internationale Zusammenarbeit

**IFMIS:** Integrated Financial Management Information System

**MINALOC:** Ministry of Local Government

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

**MUSA:** Mutuelle de Santé

**NBA:** Non Budget Agencies

**PFM:** Public Finance Management

**TI-Rw:** Transparency International Rwanda



## 1. BACKGROUND AND CONTEXT OF THE PROJECT

The Rwandan Government recognizes the importance of good PFM as a precondition to achieving the EDPRS objectives and Vision 2020. It developed the PFM Reform Strategy for 2013-2018 which was extended for a further five years (2013 – 2018) and committed to its implementation so that by the end of 2012, an “*enhanced PFM system that is efficient, effective and transparent*” is in place.

GIZ-Rwanda through its Decentralization and Good Governance program, in cooperation with the GoR is contributing to strengthen good governance in decentralized entities in general and specifically supports in the field of PFM reforms. The programme has three components consisting of 1) capacity development, 2) fiscal decentralisation and 3) citizen participation.

The component fiscal decentralization supports PFM reforms and one of its indicators is to reduce the number of weaknesses indicated in the Auditor general report for districts. However, PFM at the district level still remains a challenge. This was just recently confirmed by the Auditor general’s reports for all districts for the financial year ended June 2012 that was published as none of the districts received a clean audit bill.

GIZ collaborated with Transparency International Rwanda in order to identify the challenges and areas for improvement in PFM at the district level and to achieve the programme’s goal in general. Given the impact of Transparency International Rwanda’s analysis of the previous Auditor General’s report, the analysis of the 2011-2012 report covering all 30 districts contributes to the continuous monitoring of the Auditor General reports’ recommendations and maintains the dialogue with the relevant stakeholders to improve the dissemination and implementation of the Auditor General’s report findings.

## 2. OBJECTIVE:

*The main purpose of this analysis is to make information available regarding the expenditures of districts that lead to complaints as illustrated by the Office of the Auditor General’s reports in order to reduce them by 20% by the end of the GIZ programme in December 2015.*

More specifically, this analysis of the Auditor General on the financial year ended 30<sup>th</sup> June 2012 on all districts intends to make available data which shall be used to provide:

- 1) Baseline for the Decentralization and Good Governance Programme
- 2) Evidence- based information for the steering of the fiscal decentralization component of the Good Governance Programme
- 3) Evidence- based data for TI-Rw and other stakeholders to monitor and improve districts’ performance



### 3. METHODOLOGY

The Auditor General's reports of the 30 districts were analyzed through desk research and focus group discussions. The latter targeted staff involved in the financial management and related activities at District level including Executive Secretaries, Directors of Finance, Budget Officers, Directors of Planning, Directors of Good Governance, Accountants, Internal Auditors and Procurement Officers.

To facilitate the monitoring of any improvement or deterioration of the districts PFM as reported yearly by the Auditor General, the TI-Rwanda research team developed the following indicators and sub-indicators to categorise the complaints:

**- Expenditure related complaints were disaggregated by the following sub-indicators:**

- Inadequately supported expenditures;
- Unsupported expenditures;
- Wasteful expenditures;
- Overstated expenditure;
- Fraudulent expenditure; and
- Payments to nonexistent staff.
- Unrecorded transactions for non-budget agencies (NBAs)

**-Non-expenditure related complaints**

- Non- respect of laws and procedures;
- Poor bookkeeping;
- Posting errors

To avoid any confusion about some of the terms used in this analysis and indeed in the AG Report, the following terms have been explained in the context in which they have been used:

#### **Fraudulent Expenditures**

**TI-Rw defines fraud as a** deliberately practiced deception in order to secure unfair or unlawful gain. In the context of this analysis it involves the unlawful conversion of the ownership of property (belonging to the district) to one's own personal use and benefit.

#### **Posting Errors**

- Making entries from books of original/prime entry to wrong accounts in the ledger and sometimes to wrong sides of the accounts.
- Failure to make taxes payable entries to the books of accounts, yet taxes have been duly deducted.
- N.B. Some of the errors mentioned may indicate that some money is missing when in actual fact it is not.

#### **Poor bookkeeping**

They refer to:

- Slow or no entry of financial data
- Inconsistent reconciliation of books with bank statements
- Incorrectly tracking expenses/expenditures
- Incorrectly categorized transactions/expenditures
- Incomplete or no inventory
- Inconsistent filing



## 4. FINDINGS OF THE ANALYSIS OF THE AUDITOR GENERAL'S REPORT

This section presents the analysis of the findings on the Auditor General Report of 2011-2012 in all 30 districts on two main indicators namely: Expenditure related and non-expenditure related PFM weaknesses.

Before disaggregating the two indicators in their respective sub-indicators, the table below displays an overall view of all districts weaknesses as indicated by the Auditor General's Report. In addition, the table shows the total districts revenues and the percentage of districts' PFM weaknesses for the year under review.

**Table 1: All Districts' PFM weaknesses**

No	District Name	Districts' PFM weaknesses in monetary values RWF	Total districts' revenues for the financial year ended on 30 June 2012 (RWF)	% of PFM weaknesses of the total revenues
1	MUHANGA	208,874,267	8,410,134,786	2.5
2	RUHANGO	250,578,292	7,855,614,974	3.2
3	NYAMAGABE	265,992,538	8,158,373,062	3.3
4	GAKENKE	363,844,024	8,928,089,959	4.1
5	RUTSIRO	314,066,322	7,151,844,179	4.4
6	BUGESERA	381,777,841	8,610,481,815	4.4
7	NYAMASHEKE	959,289,881	10,209,502,690	9.4
8	BURERA	885,560,981	8,695,102,102	10.2
9	MUSANZE	1,000,883,753	9,675,843,187	10.3
10	RUSIZI	1,090,994,055	10,273,650,080	10.6
11	GASABO	1,341,632,519	12,231,758,869	11
12	KARONGI	1,386,345,529	9,303,141,735	14.9
13	KAMONYI	1,222,193,054	7,479,180,346	16.3
14	NGOMA	1,528,792,631	7,755,149,127	19.7
15	NYARUGENGE	2,386,746,894	11,998,957,728	19.9
16	NYAGATARE	1,744,186,975	8,710,881,677	20
17	HUYE	1,744,202,254	8,568,228,179	20.4
18	RWAMAGANA	1,629,298,862	6,729,383,426	24.2
19	NYABIHU	2,022,765,313	7,667,906,051	26.4
20	NYARUGURU	2,543,847,827	9,441,849,661	26.9
21	GISAGARA	1,940,217,009	7,105,843,657	27.3
22	GICUMBI	2,552,092,193	9,203,411,309	27.7
23	KIREHE	4,276,926,676	14,711,985,079	29.1
24	RUBAVU	2,978,987,503	9,730,387,385	30.6
25	RULINDO	2,437,303,757	7,921,353,216	30.8
26	NGORORERO	2,997,254,772	9,495,219,723	31.6
27	KAYONZA	2,568,463,684	7,208,277,159	35.6
28	NYANZA	2,549,164,085	7,128,115,849	35.8
29	GATSIBO	3,788,491,644	8,740,383,255	43.3
30	KICUKIRO	5,950,109,760	8,519,732,641	69.8
	<b>GRAND TOTAL</b>	<b>55,310,884,895</b>	<b>267,619,782,906</b>	<b>20.67</b>

Source: AG's Report 2011 -2012 for all the 30 districts



The table reveals that the year under review shows a downward trend in total PFM weaknesses amounting to **55,310,884,895 Rwf** resulting from all the indicators in comparison with the financial year 2010-2011 in which **70,391,299,441 Rwf** were subject to PFM weaknesses as indicated by the Auditor General's Report; thus displaying general financial management improvement.

This conclusion is made based on the fact that the total budget of all 30 districts for the financial year under review and that of the previous year 2010-2011 varied slightly since the budget for 2010-2011 was 276,097,576,834 Rwf while that of 2011-2012 was 277,098,974,553 Rwf. Furthermore, the total districts 'receipts during the financial year under review do not vary so much with the amount budgeted for.

Over 77% of all the districts (23 districts) were more affected by general weaknesses as they all have weaknesses which are above 10% of the total revenue for each district.

After disaggregating the above general overview in their respective sub-categories, the table bellow displays the expenditure related weaknesses compared to the total districts' revenues for the financial year under review.

#### 4.1. Expenditure related weaknesses

**Table 2: Expenditure related weaknesses**

N0	District Name	Districts ' Expenditures related weaknesses in monetary terms RWF	Total districts' revenues for the financial year ended on 30 June 2012 (RWF)	% of Expenditure related weaknesses of total revenues
1	NGORORERO	12,515,340	9,495,219,723	0.10
2	RULINDO	57,743,591	7,921,353,216	0.70
3	NYAMASHEKE	96,749,456	10,209,502,690	1.00
4	KAYONZA	121,993,050	7,208,777,159	1.70
5	MUHANGA	140,544,038	8,410,134,786	1.70
6	NYAMAGABE	147,538,830	8,158,373,062	1.80
7	GAKENKE	214,970,739	8,928,089,959	2.40
8	RUHANGO	194,703,807	7,855,614,974	2.50
9	NYARUGURU	257,224,054	9,041,849,661	2.80
10	RUTSIRO	226,034,347	7,151,844,179	3.20
11	HUYE	284,088,913	8,568,228,179	3.30
12	KIREHE	482,383,673	14,711,985,079	3.30
13	NYANZA	258,856,505	7,128,115,849	3.60
14	NYARUGENGE	432,553,989	11,998,957,728	3.60
15	BUGESERA	322,601,679	8,610,481,815	3.70
16	RWAMAGANA	273,214,185	6,729,383,426	4.00
17	RUSIZI	459,831,436	10,273,650,080	4.50
18	GASABO	622,317,226	12,231,758,869	5.10
19	MUSANZE	517,987,413	9,675,843,187	5.40
20	BURERA	563,467,260	8,695,102,102	6.50
21	NYABIHU	544,172,070	7,667,906,051	7.10
22	NGOMA	838,445,573	7,755,149,127	10.80
23	GICUMBI	1,071,829,711	9,203,411,309	11.60



24	KAMONYI	881,413,329	7,479,180,346	11.80
25	RUBAVU	1,223,893,738	9,730,387,385	12.60
26	KARONGI	1,237,521,951	9,303,141,735	13.20
27	GATSIBO	1,192,309,142	8,740,383,255	13.60
28	GISAGARA	1,345,760,230	7,105,843,657	18.90
29	NYAGATARE	1,724,366,975	8,710,881,677	19.80
30	KICUKIRO	4,339,879,327	8,519,732,641	51.00
	<b>GRAND TOTAL</b>	<b>20,086,911,577</b>	<b>267,619,782,906</b>	<b>7.51</b>

Source: AG's Report 2011 -2012 for all the 30 districts

This table above shows that overall the amount of **20,086,911,577 Rwf** was subject to expenditure related PFM weaknesses in all 30 districts. This figure indicates an improvement although not significant compared to that of the financial year ended 30 June 2011 which was **21,869,752,057 Rwf**.

The analysis of the auditor general report reveals that this improvement is explained by the reduction of weaknesses in line with the following categories:

- Inadequately supported expenditures;
- Unsupported expenditures;
- Wasteful expenditures;
- Overstated expenditure;
- Fraudulent expenditure; and
- Payments to inexistent staff.
- Unrecorded transactions for non-budget agencies (NBAs)

Nevertheless, it is worth noting that unrecorded transactions for NBAs are dominant compared to the other expenditure related weaknesses as shown in the table below:

**Table 3: Unrecorded transactions for Non Budget Agencies within the districts**

No	District Name	Amount in RWF
1	RWAMAGANA	0
2	NYARUGURU	0
3	KIREHE	0
4	NGORORERO	2,252,998
5	RULINDO	55,733,564
6	NYAMASHEKE	63,216,674
7	RUTSIRO	64,319,652
8	GATSIBO	70,673,195
9	HUYE	77,930,957
10	NYAMAGABE	78,185,655
11	KAYONZA	120,937,800
12	BURERA	120,937,800
13	MUHANGA	126,612,038
14	GAKENKE	134,337,352
15	RUHANGO	180,386,307
16	BUGESERA	190,145,145
17	RUSIZI	200,743,720



18	NYANZA	252,173,077
19	MUSANZE	353,104,848
20	NYARUGENGE	417,316,368
21	KARONGI	438,561,180
22	GASABO	443,724,243
23	NYABIHU	531,923,482
24	NGOMA	623,600,008
25	RUBAVU	846,817,050
26	KAMONYI	881,413,329
27	GICUMBI	1,067,912,682
28	GISAGARA	1,271,867,004
29	NYAGATARE	1,724,366,975
30	KICUKIRO	2,079,477,334
	<b>TOTAL</b>	<b>12,418,670,437</b>

Out of the 20,086,911,577 Rwf (see the table nr 2), accounting expenditure related weaknesses, 12,418,670,437 Rwf (62%) represents unrecorded transaction from Non Budget Agencies (NBAs) (see the table nr 3 ).

Indeed, during the focus Group Discussions conducted in ten districts, participants indicated that NBAs constitute a burden in PFM due to the fact that they are not incorporated in the existing financial management information system of the district, hence expenditures done at this level would be considered as unrecorded transactions at the district level by the Auditor General office. It was also highlighted that NBAs are known to have poor financial records as they do not have accountants or professional staff in that discipline.

Pharmacies, Medical Health Insurance Scheme (MUSA) and schools are pointed out as NBAs most affected by poor financial system. Despite the financial management procedures set by the districts to overcome the NBAs financial management challenges, a problem of accounts reconciliation was also reported as difficult to achieve, considering the number of NBAs in the district.

It is worth noting that in the table above, districts of Kirehe, Nyaruguru and Rwamagana had good PFM with regard to NBAs.

As in the case of the expenditure related weaknesses, the figures of the table below combines the sub-categories which include:

- Non- respect of laws and procedures;
- Poor bookkeeping;
- Posting errors



## 4.2. Non-expenditure related weaknesses

Table 4: Non expenditure related weaknesses

N0	District Name	Non-expenditure related weaknesses per each district in monetary terms RWF
1	KIREHE	3,794,543,003
2	NGORORERO	2,984,739,432
3	GATSIBO	2,596,182,502
4	KAYONZA	2,446,470,634
5	RULINDO	2,379,560,166
6	NYANZA	2,290,307,580
7	NYARUGURU	2,286,623,773
8	NYARUGENGE	1,954,192,905
9	RUBAVU	1,755,093,765
10	KICUKIRO	1,610,230,433
11	GICUMBI	1,480,262,482
12	NYABIHU	1,478,593,243
13	HUYE	1,460,113,341
14	RWAMAGANA	1,356,084,677
15	NYAMASHEKE	862,540,425
16	GASABO	719,315,293
17	NGOMA	690,347,058
18	RUSIZI	631,162,619
19	GISAGARA	594,456,779
20	MUSANZE	482,896,340
21	KAMONYI	340,779,725
22	BURERA	322,093,721
23	GAKENKE	148,873,285
24	KARONGI	148,823,578
25	NYAMAGABE	118,453,708
26	RUTSIRO	88,031,975
27	MUHANGA	68,330,229
28	BUGESERA	59,176,162
29	RUHANGO	55,874,485
30	NYAGATARE	19,820,000
	<b>GRAND TOTAL</b>	<b>35,223,973,318</b>

The analysis of the data in the table above reveals a considerable decrease in non-expenditure related weaknesses as compared to the financial year 2010-2011 which had a value of **48,521,547,384** Rwf against **35, 2223,973,318** Rwf in the year under review.

Disaggregated in its subcategories, the picture is shown in the following three tables below:



#### 4.2.1. Non respect of laws and procedures

Table 5: Non respect of laws and procedures

N0	District Name	Amount
1	RWAMAGANA	0
2	RUSIZI	0
3	RULINDO	0
4	RUHANGO	0
5	NYARUGURU	0
6	NYARUGENGE	0
7	NYAGATARE	0
8	NYABIHU	0
9	NGOMA	0
10	KIREHE	0
11	KICUKIRO	0
12	KARONGI	0
13	KAMONYI	0
14	HUYE	0
15	GISAGARA	0
16	GATSIBO	0
17	GAKENKE	0
18	BURERA	0
19	BUGESERA	0
20	MUHANGA	5,500,144
21	KAYONZA	5,977,586
22	GICUMBI	6,207,068
23	RUTSIRO	6,607,910
24	RUBAVU	6,996,331
25	GASABO	19,444,872
26	NGORORERO	19,698,366
27	NYAMASHEKE	26,772,077
28	NYAMAGABE	37,593,631
29	MUSANZE	44,515,694
30	NYANZA	114,708,194
	<b>TOTAL</b>	<b>294,021,873</b>

Source: AG's Report 2011 -2012 for all the 30 districts

Table 5 shows that the amount for districts on which weaknesses on non-respect of laws and procedures were reduced by 899,753,943 Rwf in monetary terms, showing a positive trend with 75.4% decrease, since in the financial year 2010-2011 the total amount was 1,193,775,816 Rwf while the year under review (2011-2012), the amount involved was 294,021,873 Rwf.



Nyanza District was most affected, with 114,708,194 Rwf, whereas the second district with the next highest level of weaknesses in this subcategory was Musanze which has 44,515,694 Rwf. The non-respect of laws and procedures in non-expenditure related complaints was mainly due to the fact that districts did not transfer the required percentage amounting to Mutual Health Insurance collections as required by the instructions issued by the Ministry of Health.

Districts which were not affected in this regard were: Rwamagana, Rusizi, Rulindo, Ruhango, Nyaruguru, Nyarugenge, Nyagatare, Nyabihu, Ngoma, Kire, Kicukiro, Karongi, Kamonyi, Huye, Gisagara, Gatsibo, Gakenke, Burea and Bugesera.

#### 4.2.2. Poor book keeping

Table 6: Poor book keeping

N0	District Name	Amount
1	NYAGATARE	0
2	RUTSIRO	0
3	GISAGARA	2,731,461
4	MUSANZE	9,440,804
5	GAKENKE	21,513,398
6	RUBAVU	30,524,007
7	MUHANGA	36,613,745
8	GATSIBO	39,057,107
9	KARONGI	44,047,898
10	RUHANGO	55,874,485
11	BUGESERA	59,176,162
12	RULINDO	67,399,245
13	NYAMAGABE	80,860,077
14	RUSIZI	84,412,979
15	NYABIHU	85,726,376
16	NGOMA	102,998,346
17	RWAMAGANA	113,955,222
18	HUYE	140,070,585
19	GICUMBI	185,993,669
20	NGORORERO	195,812,696
21	GASABO	219,196,639
22	NYARUGURU	288,380,413
23	BURERA	322,093,721
24	KAMONYI	340,779,725
25	KAYONZA	507,718,757
26	KICUKIRO	543,727,211
27	NYAMASHEKE	625,575,803
28	NYANZA	855,424,568
29	NYARUGENGE	1,444,826,760
30	KIREHE	1,509,487,471
	<b>TOTAL</b>	<b>8,013,419,330</b>

Source: AG's Report 2011 -2012 for all the 30 districts



In reference to table 6 above, almost all districts except Nyagatare and Rutsiro were affected by poor bookkeeping in the year under review (2011-2012). In monetary terms, this weakness amounts to 8,013,419,330 Rwf, while that of the previous financial year was 1,934,718,366 Rwf. However, in the analysis of 2010-2011 only 10 districts were considered whereas in 2011-2012, 28 districts were considered.

Furthermore, it has been noticed that Kirehe and Nyarugenge districts were the most affected with 1,509,487,471 Rwf and 1,444,826,760 Rwf monetary values respectively.

During the FGDs the districts administration staff evoked a number of reasons behind this anomaly which consists of:

- Insufficient number of accountants who are overloaded with work such that there is always poor bookkeeping process
- The few staff members available in the finance department who are often unskilled and inexperienced, thus committing accounting errors.
- High turnover of local government staff involved in financial management hence limited technical capacity for new recruited staff.

As a result of the weaknesses mentioned above, extraction of trial balances becomes difficult thus leading to incorrect financial statements.

#### 4.2.3. Posting errors

Table 7: Posting errors

N0	District Name	Amount
1	BUGESERA	0
2	RUTSIRO	0
3	RUHANGO	0
4	NYAMAGABE	0
5	NYAGATARE	0
6	KAMONYI	0
7	BURERA	0
8	MUHANGA	26,216,340
9	KARONGI	100,940,500
10	GAKENKE	127,359,887
11	NYAMASHEKE	210,192,545
12	MUSANZE	347,378,006
13	GASABO	480,673,782
14	NYARUGENGE	481,330,885
15	NGOMA	542,730,103
16	RUSIZI	546,749,640
17	GISAGARA	591,725,318
18	KICUKIRO	1,066,503,222
19	HUYE	1,134,861,795
20	NYARUGURU	1,214,499,898
21	RWAMAGANA	1,236,080,412
22	GICUMBI	1,286,993,682



23	<b>NYANZA</b>	1,307,192,419
24	<b>NYABIHU</b>	1,392,866,867
25	<b>RUBAVU</b>	1,715,923,277
26	<b>KAYONZA</b>	1,924,560,494
27	<b>KIREHE</b>	1,961,591,580
28	<b>NGORORERO</b>	2,119,778,682
29	<b>RULINDO</b>	2,273,252,778
30	<b>GATSIBO</b>	2,434,023,477
	<b>TOTAL</b>	<b>24,523,425,589</b>

In the financial year 2011-2012, Auditor General's report revealed posting errors weaknesses amounting to 24,523,425,589 Rwf. Only 23 out of 30 districts were affected by posting errors according to the report. The most affected districts by posting errors are Gatsibo, Rulindo, Ngororero, Kirehe, Kayonza, Rubavu, Nyabihu, Nyanza, Gicumbi, Rwamagana, Nyaruguru, Huye and Kicukiro, each with an amount over 1 Billion respectively. When compared with similar cases in the year 2010-2011 Auditor General's report, where the posting errors amounted to 41,879,429,211 Rwf and in which all 30 districts were affected, for this reason, a positive trend towards minimization of such cases as the amount involved in the year under review was reduced by 17,356,003,622 Rwf was also observed.

It is clear that in 2011-2012, Rutsiro, Ruhango, Nyamagabe, Nyagatare, Kamonyi, Burera and Bugesera were not affected.

During the Focus Group Discussions, participants argued that some of their staff in the Planning department are not competent enough as they are not conversant with the Chart of Accounts. Another important issue is the divergence between planning, budgeting and performance contracts. The issue was that districts sign performance contracts later after activities are being implemented following the planning and budget process. Some new activities often come with the performance contracts which cause confusion in the process of posting transactions thus resulting in posting errors. As a matter of fact, in one of the districts visited, performance contract was signed in September while the budget had been approved in June, meaning three months after the start of budget execution.

There is also a problem of instructions that come from the central government which require that some activities which had not been planned earlier be urgently implemented. This affects districts' PFM causing posting errors. These late instructions lead to discrepancies between the budget approved by District Councils and budgets from the central government.

Furthermore, donors budget lines are also not detailed enough and hence leading to posting errors.



### 4.3. Status of implementation of previous year's Auditor General's Recommendations by Districts

Table 8: implementation of previous year's Auditor General's Recommendations by Districts

N0	District Name	Number of recommendations	Number of recommendations not implemented	% of full implementation of previous year's audit recommendations
1	RUHANGO	25	4	84%
2	BUGESERA	41	1	83%
3	KAMONYI	16	-	81%
4	NYAGATARE	43	8	77%
5	RUTSIRO	33	5	76%
6	KARONGI	28	4	75%
7	GICUMBI	45	7	73%
8	MUHANGA	39	9	72%
9	RULINDO	32	8	72%
10	RUBAVU	57	15	71%
11	NGOMA	38	2	71%
12	GISAGARA	20	3	70%
13	RWAMAGANA	22	6	68%
14	GASABO	41	3	68%
15	MUSANZE	26	7	65%
16	HUYE	31	5	65%
17	BURERA	40	12	60%
18	NYABIHU	27	9	59%
19	NYAMAGABE	38	7	58%
20	KICUKIRO	41	8	56%
21	GAKENKE	36	8	56%
22	KIREHE	58	16	55%
23	NYARUGENGE	33	12	55%
24	NYAMASHEKE	43	13	53%
25	NYANZA	30	10	53%
26	KAYONZA	40	17	53%
27	RUSIZI	42	19	50%
28	NGORORERO	48	19	50%
29	NYARUGURU	41	21	49%
30	GATSIBO	44	23	48%
<b>Overall average of implementation performance</b>				<b>64%</b>

Source: AG's Report 2011 -2012 for all the 30 districts

From the table above, with an average of 64% of the implementation of the AG's recommendations, districts have performed generally well in as far as PFM is concerned. At over 80% level of performance by three districts, which is considered to be very high and 12 districts at 70% and above, it is an indication that districts are very committed to improving their Public finance management. Nonetheless, the remaining 18 districts (60% of the entire district) whose implementation level of the AG's recommendations is below 70% need to invest more efforts to increase their financial performance.



#### 4.4. Analysis of the implementation of TI-Rwanda 2010-2011 recommendation to the Districts

**Table 9: Analysis of the implementation of TI-Rwanda 2010-2011 recommendation to the Districts**

No	Recommendations of Transparency International Rwanda to the district for the year 2010-2011	Number of Districts which complied	% of implementation
1	The District Management should ensure that for any payment to be made, all necessary and complete supporting documentation is available and the documents should be well kept for future audit and other reference purpose in order to ensure that the laws and regulations in force are complied with	8	27%
2	The District Management should strengthen the internal control system over the bank account and bank reconciliation should be reviewed so as to prevent/detect fraudulent utilization of public funds.	9	30%
3	The District should collaborate with the Ministry of Health, the district pharmacy authorities and the Ministry of Finance and agree on the entity that should report the pharmacy revenue, expenditure, assets and liabilities and decide accordingly	22	73%
4	The District should put in place a proper system of stock management and should prepare a proper stock report showing the quantities of materials received from any entity and other sources that were utilized in different projects. Before taking any item from stock, there should be a requisition note initiated by the representative of concerned entity	7	23%
5	The District should ensure that the budget execution report is reviewed properly for accuracy and completeness of reported figures in order to enable proper monitoring of commitment and accountability. The Management should investigate the causes of the differences noted and take corrective actions	21	70%
6	The Management should plan well before issuing tender documents in order to ensure adequate coverage of the required scope of works and should investigate the case of payments made to the contractor	13	43%
7	The District Management should comply with law No 16/2005 of 18/08/2005 on direct taxes on income and the amount identified as not remitted should be remitted immediately	14	47%



8	The District Management should comply with the existing laws and regulations governing public procurement procedures. All tenders should be included in the annual procurement plan and the plan should be updated with any changes and be communicated to RPPA with appropriate explanations on a timely basis. Additionally any tender awarded should be fully supported by relevant documents (tender advert, bidding documents, bid opening and evaluation, tender award notification, contract signed between two parties, and so on)	11	37%
9	The District should review all classification errors in the books of account and make the necessary adjustments	5	17%
10	Districts should comply with the requirements of article 70 of organic law No 37/2006 of 12 <sup>th</sup> September 2006 on state finances and property which requires the district to recognize all revenues collected or received and all expenditures made during the fiscal year as well as all outstanding receipts and payments before the end of the fiscal year	11	37%
11	The District should implement government policies and procedures and ensure that all transactions of non budget agencies operating within the district are included in the district books of account. The District should ensure that at the end of each month all non-budget agencies submit original copies of their cash books together with detailed supporting documents to the chief budget manager of the district, for verification, approval and use in posting the transactions in the general ledgers of the District	3	10%
12	The District should comply with the time allotted to the preparation of tenders in order to benefit from competitive bidding	22	73%

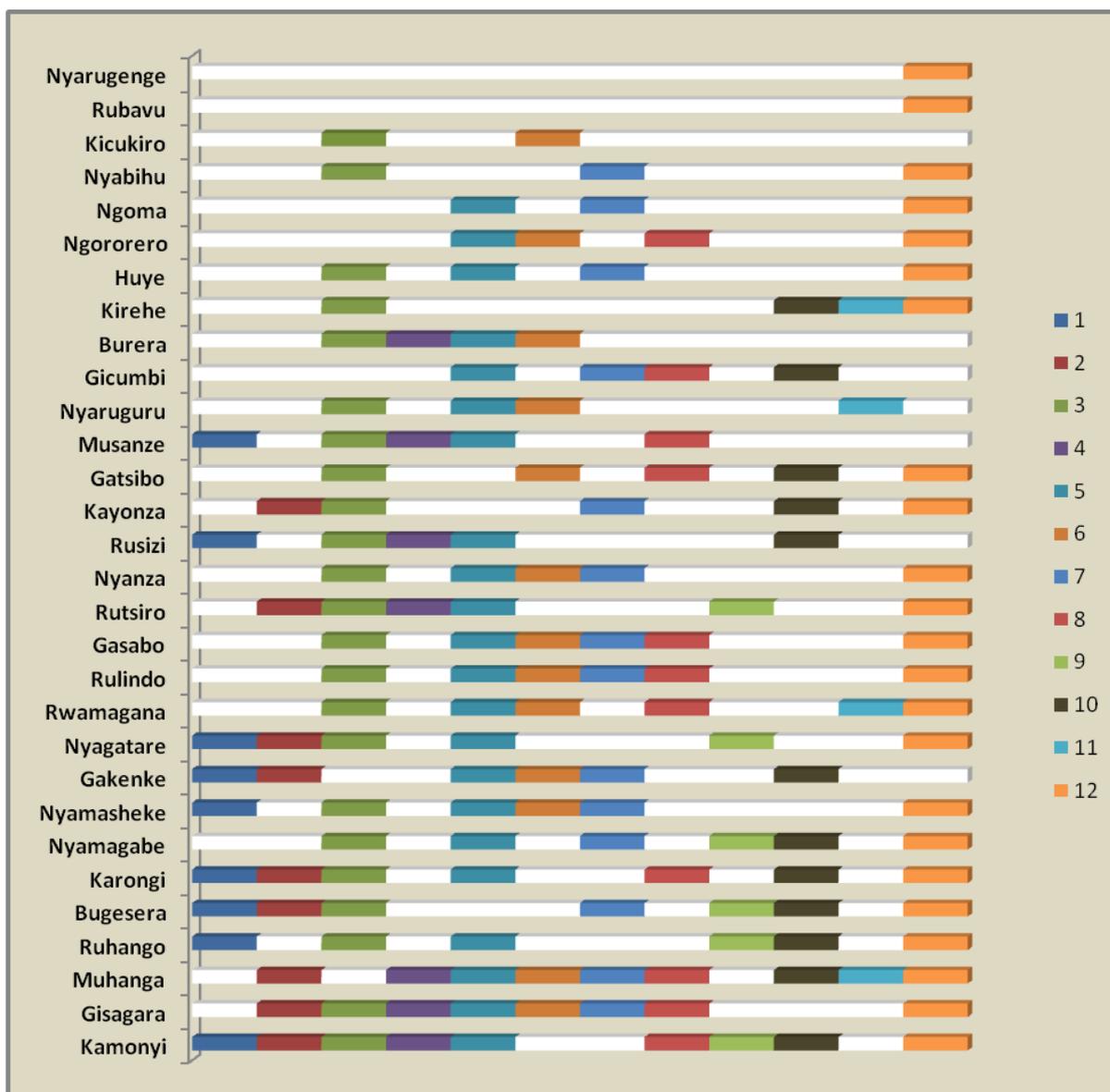
*Source: AG's Report 2011 -2012 for all the 30 districts*

The table reveals that out of 12 recommendations proposed by TI-Rwanda, only recommendations 3, 5 and 12 were implemented by majority of the districts (21 to 22 districts). However, it is important to note that the weakness most rampant (Unrecorded transaction for NBAs) in all the districts and for which TI-Rwanda made a recommendation (No 11) was implemented by only 3 district, namely: Kirehe, Rwamagana and Nyaruguru.

The figure below shows how each district implemented TI-Rwanda's 2010-2011 recommendations.



### Implementation Status of TI-R Recommendations per District



When analysing the level of implementation of TI-Rwanda’s recommendations on the AG’s report of fiscal year 2010-2011, it is evident that seven (7) districts implemented 7 to 9 of the 12 recommendations while 14, approximately half of the districts, implemented 6 to 9 recommendations. Generally, some effort is being made towards the improvement of public finance management.



## 5. CONCLUSION

As mentioned in the introduction, this analysis was done on the Auditor General's reports for all 30 districts for the financial year 2011-2012 which ended on 30<sup>th</sup> June 2012.

The methodology involved grouping the weaknesses into two main categories/indicators namely

- Expenditure related weaknesses, broken down into seven sub-indicators as already mentioned under 4.2 above.
- Non- expenditure related weaknesses. These, too, were disaggregated into three sub-indicators namely: Non-respect of laws and procedures, poor bookkeeping and posting errors

The data analysis was complemented by eight focus group discussions.

From the analysis on all aggregated data, no district was entirely clean in the expenditure related weaknesses. However all districts show a positive trend in the two designated categories namely expenditures and non expenditures related weaknesses. Turning to the latter, only **Nyagatare District** performed relatively better in all the three sub-indicators, while **Rutsiro, Ruhango, Kamonyi, Burera and Bugesera** performed better in two out of the three sub-indicators.



## 6. RECOMMENDATIONS

Based on the findings of our analysis and on the inputs from the districts staff during the focus group discussions, Transparency International Rwanda recommends the following:

### *6.1. To the District Management and Staff:*

- Despite the emergencies demands from central government, the district management and staff should strictly respect its approved procurement plan and only consider the unplanned activities during the revision of the budget and procurement plan.
- The district staff ought to put in place a good filing system so that all supporting documents can be easily available when required;
- The district management should strive to recruit competent and required personnel, especially in the finance department and in the NBAs;
- The district should make available the budget to implement its capacity building plan in every financial year and ensure that necessary technical capacities are provided to all staff.
- The district management should harmonise its annual action plan, performance contract and budget to avoid discrepancies in budget lines.
- Districts of Ruhango, Nyamagabe, Nyamasheke, Nyagatare, Rulindo, Gasabo, Nyanza, Rusizi, Gatsibo, Musanze, Nyaruguru, Gicumbi, Burerera, Kirehe, Huye, Ngororero, Ngoma, Nyabihu, Kicukiro, Rubavu and Nyarugenge should strengthen their internal control system and put more emphasis on bank reconciliation in order to avoid any misuse or fraudulent use of the public funds.
- Districts of Rutsiro, Musanze, Rubavu, Gabsabo, Ngororero, Nyabihu, Rulindo, Ngoma, Huye, Kicukiro, Nyaruguru, Rwamagana, Nyanza, Nyagatare, Nyamasheke, Burera and Gisagara should comply with the requirements of article 70 of organic law No 37/2006 of 12th September 2006 on state finances and property which requires the district to recognize all revenues collected or received and all expenditures made during the fiscal year as well as all outstanding receipts and payments before the end of the fiscal year.
- All districts of Rwanda except Rwamagana District should properly implement the government policies and procedures and ensure that all transactions of non budget agencies operating within the district are included in the district books of account.
- The District should ensure that at the end of each month all non-budget agencies operating within its territory submit original copies of their cash books together with detailed supporting documents to the chief budget manager of the district, for verification and approval and that their transactions are recorded in the general ledgers of the District



### 6.2. To the Central Government

- All ministries and other central government agencies that have activities to be implemented at districts level, should send a list of these activities along with the budget call circular issued by MINECOFIN in order to help districts to consider all priorities in their budgets.
- Apart from expenditure related to natural disasters, the Central Government should try to minimise or even to avoid as much as possible all emergencies which have to be implemented by the districts after budget approval.
- MINECOFIN should put in place a mechanism to incorporate all the non-budget agencies (NBAs) into the districts accounting system such that any transactions done by the NBAs can easily be linked to the district IFMIS ;
- The Government should make available the budget necessary for a competitive salary package to recruit the number of competent district personnel needed, especially in the finance department.

### 6.3. To Development partners

- Development partners should continue supporting the implementation of the PFM reform strategy 2013-2018 with the aim to enhance good Public Finance Management in decentralised entities;
- Development partners should put more emphasis on supporting all districts, especially in the implementation of their capacity building plan as well as supporting the organization of special workshop focused on professional ethics, integrity, and transparency and anti-corruption measures.

*The template below can be used as a guide to the monitoring of the implementation of the recommendations provided in this report:*

**Table 10: guide to the monitoring of the implementation of the recommendations provided**

Performance Indicators	Baseline	target	Means of Verification	Frequency	Responsible	Timeline
Each district comply with all recommendations given by Auditor general	Status of implementation of Auditor general recommendations	100% fully implemented recommendations of auditor general	<ul style="list-style-type: none"> <li>• Auditor general report</li> <li>• TI-annual assessment of A.G.report</li> </ul>	Annually	Chief budget officer at district level	PFM reform strategy 2013 – 2018)



## Annex 1: Weaknesses found in 30 Districts Audit Reports for the Year ended 30 June 2012

#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
1	KIGALI CITY	GASABO	Non respect of ministerial instruction regarding management of mutual health insurance	non expenditure	The district did not transfer the required 10% amounting to Mutual health insurance collections as required by the instructions	This may ultimately affect the service delivery to the members of the mutual health insurance scheme	The district should comply with the above Ministerial instructions and amount not transferred should be transferred as required	19,444,872
2	KIGALI CITY	GASABO	Weakness noted in the management of parking fees	non expenditure	There is lack of control over the receipt books of parking revenues and reports	In absence of revenue report and control over receipts used by KVCS, It may not be possible to ensure completeness of revenue from KVCS	Management should ensure that the monthly and annual reports are prepared by KVCS and submitted for review and He should also carry out regular audits of the revenue collected by KVCS in order to ensure the accuracy and completeness of amounts banked.	-
3	KIGALI CITY	GASABO	Lack of reconciliation between revenue from sale of plots in books of account and land office records	non expenditure	There is no reconciliation between the land office records and the accounting records to ensure completeness of revenue from sale of plots	There is a possibility that persons who have not paid may be cleared by the land office and allocated plots especially in the event of presenting forged deposits slips	Management should streamline the process of collections from sale of plots and ensure proper reconciliation between reported to the land office and amounts actually banked on the district bank account. After each payment, the proof of payment should be submitted to the revenue officer to enable reconciliation with the amount paid and reflected on the bank statement	-



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
4	KIGALI CITY	GASABO	Lack of reconciliation of bank deposit slips to the bank statements	non expenditure	Tax revenue is recorded on the basis of bank statements and there is no reconciliation done between the bank statements and the deposit slips attached to reports prepared by tax collectors	The lack of reconciliation between reports from sectors and deposits slips to the bank statements, errors that may be committed by the bank may not be detected by the district.	Management should ensure that reconciliation between reports from sectors and deposit slips on one part, and bank statements on the other part are performed, It will facilitate ensuring that all revenue collected is banked and reported in the books of account	
5	KIGALI CITY	GASABO	Posting Errors	non expenditure	Some transactions related to capital expenditure were incorrectly recorded in goods and services account and other expenses accounts	These posting errors led to misstatement of balances reported as capital expenditures, goods and services and other expenses, Consequently, the financial statements do not show a true and fair view of the financial affairs of Gasabo district.	Management should ensure that appropriate reviews are made to ensure that transactions are recorded under correct ledger accounts per the chart of accounts.	480,673,782
6	KIGALI CITY	GASABO	Non compliance with article 70 of Organic law N0 37/2006 of 12 Sept 2006	non expenditure	Invoices received during the audited period were not disclosed in the financial statements at 30 June 2012	The expenditure as well as the liabilities for the year ended 30 June 2012 are understated.	District should comply with Article 70 of the organic Law on state Finances and property Law N0 37/2006 of 12 Sept 2006 and ensure that all outstanding receipts and payments before the end of fiscal year are reflected in the books of account.	178,592,983



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
7	KIGALI CITY	GASABO	Non compliance with Law No 28/2004 of 03/12/2004 relating to management of abandoned property	non expenditure	All the collections from abandoned property were deposited on designed account and expenditure relating to management is also made from that account.	There is risk that the district may incur expenditure in excess of the set limit of 1/3 of collections from abandoned properties. This may result in shortage of funds to ultimately settle the owners of abandoned property.	The district should open another bank account on which 1/3 of the collections is deposited. Expenditure relating to management of abandoned property should only be met from this bank account	-
8	KIGALI CITY	GASABO	Omitted transactions and reporting wrong bank balance relating to abandoned property	expenditure	Various transaction of deposits and expenses made on bank account of abandoned property were not recorded in district books of account	The bank balance for abandoned property and accounts payables balance are understated due to omission of collections for the year. This may led to misuse of revenue if managed outside the district books of account	The district should report all transactions relating to abandoned property in its books of account and should ensure that appropriate adjustments are recorded to reflect the correct amounts in the district books of account.	160,218,792
9	KIGALI CITY	GASABO	Unsupported long outstanding accounts payable	expenditure	Included in accounts payable are creditors whose balance have been outstanding for long and long and had not been settled by the district	The authenticity of the balances recorded cannot be confirmed owing to the absence of supporting documentation. Such balances are ground for fraud as payments can be processed purporting to pay non existent creditors	Management should review all supplier balances to ensure that only genuine and supported balances are maintained in the books of account.	25,337,133



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
10	KIGALI CITY	GASABO	Creditors appearing in the district books of account whereas they were already paid	expenditure	Some creditors were paid during the period ended 30 June 2011 but were still appearing as payables at 30 June 2012	The accounts payable are misstated and financial statements do not present a true and fair view of the financial affairs of Gasabo district as at 30 June 2012	The district should make appropriate adjustments in the books of account and management should also ensure that appropriate reviews are conducted to facilitate proper recording of transactions in the books of accounts.	33,640,714
11	KIGALI CITY	GASABO	Un-recorded transactions for Non Budget Agencies	expenditure	The district did not recognize in its financial statements the transactions from NBA	The district books of account are incomplete and financial statements do not give a true and fair view of the state of its financial affairs	The district should comply with the manual and ensure that transactions and balances for NBA are reflected in the books of account	443,724,243
12	KIGALI CITY	GASABO	Irregularities in the management of 9&12 YBE construction materials	expenditure	There is no stocks records of the construction materials and no stock cards	In absence of records for stock of construction materials, the audit cannot confirm the quantities of materials received, distributed and the remaining in the store. Instances of misappropriation of construction materials may be occurred and not detected	The district should keep proper records for construction materials and clearly show the materials received and distributed and the balance at any given date.	
13	KIGALI CITY	KICUKIRO	Unrecorded transactions for Non Budget Agencies within the district	expenditure	The district did not maintain ledgers or debtors account amounts transferred to NBA	The district books of account are incomplete and the financial statements there from do not give a true and fair view of the state of financial affairs of the district	The district should comply with the manual and ensure that transactions and balances for NBA are reflected in the books of account	2,079,477,334



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
14	KIGALI CITY	KICUKIRO	Differences between approved revised budget and revised budget as per financial statements	expenditure	There was an extra spending which differs from the budget included in the budget execution report.	The execution of a budget differ from one approved by the district council and MINECOFIN implies that budget re-allocations were implemented without approval. This may result in allocation of public funds to low priority areas at the expense of key areas.	Management should ensure that budget revisions are approved by district council before they are implemented.	1,238,067,864
15	KIGALI CITY	KICUKIRO	Lack of complete list of taxpayers	non expenditure	The district did not maintain a comprehensive database of plot owners eligible for paying ground rent	In absence of an updated list of tax payers, its difficult to ensure that all revenue that should be collected was actually collected.	The management should maintain a complete list of taxpayers which should be regularly updated and repair or introduce new software which will help in optimizing tax collection in the district	
16	KIGALI CITY	KICUKIRO	Non remittance of 2/3 of the amount collected form abandoned property to a designated bank account	non expenditure	The district recruited a staff in charge of abandoned properties in 2009, while the generated income from the abandoned property does not reach 3,000,000 per quarter	The payment salary to the staff in charge of abandoned properties when the conditions per Ministerial order are not fulfilled constitutes ineligible expenditure which could have been avoided if due care had been exercised by management.	The district management should comply with Law and regulations in force, specifically the Ministerial order No 009/0.01 of 18/09/2006 determining members of the commission responsible for the management of abandoned property and conditions for employing staff.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
17	KIGALI CITY	KICUKIRO	Posting errors in expenditure accounts	non expenditure	Some transactions were incorrectly recorded in capital expenditure and goods and services account.	The posting errors imply that amounts for expenditure accounts affected are not reliable and accurate and are therefore misleading to users of financial statements.	Management should ensure that all transactions are properly posted on the respective accounts according to the chart of accounts. This required appropriate review of transactions before they are recorded in the books of account	1,066,503,222
18	KIGALI CITY	KICUKIRO	Expenditure - 0 not fully supported	expenditure	The district incurred expenditure that was not fully supported	Failure to adequately support expenditure is an indication that inappropriate expenditure may have been incurred by the district. The audit was unable to verify the authenticity of the expenditure	For better management of public funds, expenses incurred should be supported by necessary documents detailing their utilization and kept well for future reference.	12,937,200
19	KIGALI CITY	KICUKIRO	Bank account with negative balance reported in financial statements	non expenditure	The district reported in its financial statements a negative bank due to the payment transfer to Kigali City and sectors without sufficient funds on the bank account	Issuing OP/Cheques without sufficient funds on bank accounts indicates lack of proper cash flow management which may attract interest charges to the district.	Management should improve on its cash flow management practices and follow up action should be made to ensure the existence of sufficient funds on bank accounts before issuing a cheque and monthly bank reconciliation should be prepared to avoid issuing cheques on bank accounts with insufficient funds.	317,574,379



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
20	KIGALI CITY	KICUKIRO	Overstatement of accounts receivable	non expenditure	Account receivable due from various tax payers as at 30 June 2012 were settled but they were still appearing in financial statements as at 30 June 2012 and there is a double recording of debt owed by CAA.	Accounts receivable of Kicukiro district as at 30 June 2012 were overstated.	Make follow up of account receivables which still appear in financial statements while they were already recovered and make adjustment for the double recording of CAA debt.	16,185,843
21	KIGALI CITY	KICUKIRO	Unsupported debtors balances	non expenditure	The district recorded debtors in its books of account without any supporting documents	In the absence of supporting documents, it is difficult to ascertain whether the outstanding receivables represent genuine debts owed to Kicukiro district at the end of the year.	For better management of public funds, all transactions recorded in the district's books of account should be adequately supported by reliable and verifiable documents	17,813,357
22	KIGALI CITY	KICUKIRO	Long outstanding debtors	non expenditure	The audit noted long outstanding receivables which have not been recovered for over 2 years.	The long outstanding debtors may not be genuine and their recovery may not be possible thus misstating the district's financial position.	Management should make adequate follow up to recover these debtors.	55,111,479



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
23	KIGALI CITY	KICUKIRO DISTRICT	Unsupported creditors payable	expenditure	The district recorded creditors in its books of account without any supporting documents	In absence of supporting documents, its difficult to ascertain whether the outstanding creditors represent genuine obligations to Kicukiro district. The accounts payable may be misstated and consequently; financial statements may not be fairly stated. Unsupported accounts payable balances are a potential ground for fraudulent activity in form of paying nonexistent creditors.	For better management of public funds, all transactions recorded in the district's books of account should be adequately supported by reliable and verifiable documents.	7,925,704
24	KIGALI CITY	KICUKIRO DISTRICT	Long outstanding creditors	expenditure	The audit noted long outstanding creditors which have not been settled by the district.	The validity and accuracy of creditors' balances that have been long outstanding cannot be ascertained and may further casts doubt on the existence of reported creditors. Delayed settlement of accounts payable exposes the district to the risk of incurring fines and penalties	The management should review the creditors' balances in question to ascertain their validity. Those found valid should be settled while the invalid ones should be written off in the books of accounts subject to obtaining and following appropriate approvals.	123,393,449
25	KIGALI CITY	KICUKIRO DISTRICT	Liability paid but still appearing on the list of creditors	expenditure	The review of supporting documents revealed that the related invoice was paid during the period ended 30 June 2009 but it's still appearing as payable.	Failure to update creditors' individual accounts may lead to double payment. The payables of district as at 30 June 2012 are misstated.	Management of the district should ensure that necessary adjustments are made and in future that all transactions are appropriately recorded.	5,723,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
26	KIGALI CITY	KICUKIRO	Tenders awarded without involving the internal tender committee	expenditure	The district awarded tenders using request for quotation and single source procurement method without evidence of involvement of the internal tender committee. No minutes were prepared by the internal tender committee during the award of these tenders	Awarding tenders without the involvement of the members of the internal tender committee impairs the fundamental principles of transparency, fairness and objectivity.	Management should comply with the existing law by involving the internal tender committee in awarding all tenders and comply with the conditions of request for quotation and using single source method.	3,006,700
27	KIGALI CITY	KICUKIRO	Insufficient time for preparing tenders	expenditure	There were several tenders where time for preparing bids was less than the legal period required	Allocation of less time the one provided for by the law to potential bidders to respond to tender advertisements may attract few bidders resulting into limited competition in the tendering process.	The time allocated to potential bidders to prepare tenders for open competitive bidding must not be less than thirty calendar days from the time the notice is published through a newspaper.	974,314,678
28	KIGALI CITY	KICUKIRO	Amount allegedly withdrawn by the former accountant of Kigarama sector not yet recovered or supported	expenditure	The Amount allegedly withdrawn by the former accountant of Kigarama sector were still not supported by any documents and it had not yet recovered from the former accountant	That amount may not be recovered hence loss of public funds	The district management should follow up the case and ensure that the former accountant refunds the money he withdrew and utilised unlawful.	32,075,551
29	KIGALI CITY	KICUKIRO	The previous audit recommendations were not implemented and that some weaknesses still persist	non expenditure	Only 56% of the audit recommendations made in the previous audit were implemented and the remaining 46% are not yet to be implemented	Absence or delay in implementation of audit recommendations undermines the internal control system put in place to safeguard public assets and resources.	The district's management should endeavour to review the audit reports and put in place an implementation plan that will ensure that the audit recommendations are implemented on timely basis.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
30	KIGALI CITY	NYARUGENGE	Differences between the trial balance and general ledger	non expenditure	There is unexplained difference between balances in trial balance and those presented in underlying general ledger	The general ledger provided for the audit is not reliable and balances reported in the financial statements are not properly supported by the necessary underlying books of account.	Management should provide the general ledger which supports the trial balance and the financial statements. Financial statements should be prepared based on the underlying books of account.	13,080,571
31	KIGALI CITY	NYARUGENGE	Weakness in contract management for parking charges between KVCS and Nyarugenge District	non expenditure	The audit noted that the district did not reconcile the collection from the receipt books used by KVCS with the related deposits to the bank.	Without reconciliation of the receipt books and bank deposits slips, completeness of revenue cannot be ascertained	For effective control over used receipt books, all utilized receipt books from all car parking charges managed by Nyarugenge district should be verified by the district, and reconciliation should be made between the total amount of receipts as per receipt books and the total amount banked.	
32	KIGALI CITY	NYARUGENGE	Unreliable revenue reports	non expenditure	There is difference between revenues as per report from revenue officers and those as per reports from sectors	The audit cannot confirm the accuracy as well as the completeness of the revenue reported in the financial statement as at 30 June 2012, this implies weakness in follow up on tax collection process at sector's level by the district.	To remedy the issue, sectors should only render service to taxpayers only if they produce proof of payment for the service to be received beforehand.	1,207,311,778



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
33	KIGALI CITY	NYARUGENGE	Wasteful expenditure	expenditure	Amount of money was paid as damages and interest for the court cases which the district lost.	The amount of money paid as damages and interest for the court cases lost could have been used to carry out planned district activities and such expenses could have been avoided in Nyarugenge district has exercised due care, thus they amount to wasteful expenditure.	For better management of public funds, due care should be exercised to ensure that laws and regulations in force are complied with	28,035,260
34	KIGALI CITY	NYARUGENGE	Misposting	non expenditure	Transactions were not recorded in appropriate accounts as required by the chart of accounts in force	Mispostings led to misstatement of the balances included in the books of account and reported in the financial statements for goods and services. This may mislead the users of the financial statements.	Management should ensure transactions are properly recorded in the books of account to enable fair presentation of account's balances in the financial statements.	481,330,885
35	KIGALI CITY	NYARUGENGE	Transaction double recorded in the books of account	expenditure	The transaction related to sector transfers was double recorded in the district books of account	Expenses and payable accounts were overstated	These recording errors should be immediately corrected and in future care should be taken while posting entries into the accounting system to avoid errors. Regular review of ledgers by the director of finance should be done to minimize these errors	100,952,816



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
36	KIGALI CITY	NYARUGENGE	Unrecorded transactions for Non Budget Agencies within the district	expenditure	Transactions and closing bank balances were not recorded in the district books of account and the supporting documents thereto were not reviewed by the district.	The district books of account are incomplete and do not portray a true picture of the financial transactions and position of the district.	The district should ensure that at the end of every month, all NBA submit original copies of their cash books together with the detailed supporting documents for verification and approval and use in posting the transactions in the general ledger of the district.	417,316,368
37	KIGALI CITY	NYARUGENGE	Incorrect bank reconciliation statement	expenditure	There is unexplained difference between actual cashbook and cashbook bank balance used in the bank reconciliation statement	Occurrence of such errors in the bank reconciliations in an indicator that management does not properly prepare and review the bank reconciliations. Such a loophole can be exploited to carry out fraudulent activities without management notice.	Management should properly review bank reconciliation statements in order to trace errors eventually made so as to present the financial statements bank balances free from material misstatements	4,210,700
38	KIGALI CITY	NYARUGENGE	Written off of laptop debtors without supporting documents	expenditure	The district has written off the debtors on laptop given to staff on cost sharing basis in the books of account without supporting documents and 8 staff resigned from office and did not returned back the laptop.	The debtors written off and the outstanding amount for resigned staff may not have been recovered and is likely to incur a loss.	The management should take necessary measures to recover the amount due from former staff and the debtors written off without supporting documents should be investigated to confirm where this was recovered or not.	15,237,621
39	KIGALI CITY	NYARUGENGE	Unexplained differences in creditors balances	expenditure	There is an unexplained difference between creditors balance and individual creditors ledgers	The Unexplained creditors may be representing fictitious creditors. Therefore creditors balance may be misstated	The management should investigate those differences and take appropriate action.	9,071,923



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
40	KIGALI CITY	NYARUGENGE	Creditors with debit balances	expenditure	The audit noted that there was creditors with debit balance. Further this balance was not supported by any verifiable document.	In absence of the supporting document, the existence and accuracy of the reported creditors cannot be confirmed.	Management should investigate these unusual balances and make necessary adjustments to correct any errors and irregularities identified.	105,902
41	KIGALI CITY	NYARUGENGE	Payables omitted from the books of account and financial statements	expenditure	The outstanding invoice was not recorded in the books of account of the district as at 30 June 2012	The books of account and financial statements are misstated and do not show a true picture of the district's operations and financial position as at 30 June 2012	The district should pass necessary adjustments in the books of account and financial statements to recognise the omitted payables	110,093,070
42	NORTH	GAKENKE	Delays in banking revenue collections	non expenditure	Delays in banking of cash collected are ranging from 4 days to 87 days	Failure to bank the collections on timely basis makes it possible for revenue collectors to use public funds for private gains. It exposes public funds to risk of misappropriation	Management should ensure that all revenue collections are banked intact and timely as required by procedures	4-87 days of delays
43	NORTH	GAKENKE	Delayed transfers from mutual health insurance to district bank account of pooling risk	non expenditure	The transfers from mutual health insurance to district bank account of pooling risk delayed 6 days to 12 months and these transfer were not recorded in the books of account of the district	Delayed transfers from mutual health insurance is an indicator of inadequate follow up of transfer, which could have resulted in possible diversion of public funds for personal gain and receivable and revenue related are understated.	Management should make investigation for the cause of the delay noted and take appropriate action to avoid such delays in future and recording of these transfers in district books of account	6 days to 12 months of delays
44	NORTH	GAKENKE	Posting errors reported in revenue	non expenditure	Transfers from development projects and central government were wrongly posted in other revenue as unidentified revenue	Posting error are an indication of inadequate review of transactions posted in the books of account. Consequently the affected accounts are inaccurate and misleading to the users of financial statements	Management should ensure that posting in the books of account is regularly reviewed by the responsible persons to avoid such errors and adjustment should made to correct the errors	97,356,151



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
45	NORTH	GAKENKE	Difference between the amount of internally generated revenue per the financial statements and the amount internally generated revenue as per reports	non expenditure	There is unexplained difference between the amount of internally generated revenue per the financial statements and the amount internally generated revenue as per reports	In absence of reconciliation between collections in revenue report prepared by the local revenue officer and internally generated revenue per financial statements, it is difficult to confirm the existence and accuracy of reported internally generated revenue	Management should investigate the above difference and ensure that a proper reconciliation is made between revenue amounts in local revenue officer's report and those in the financial statements	17,247,180
46	NORTH	GAKENKE	Posting errors in expenditure	non expenditure	Various transactions were posted in wrong accounts	These posting errors imply that balances for these accounts above presented in the financial statements are not reliable and accurate, and therefore misleading to users of financial statements	Necessary adjustment should be made to correct the posting errors in the books of account. In future, management should ensure that all transactions are classified in the proper accounts as provided in the chart of accounts.	30,003,736
47	NORTH	GAKENKE	Unrecorded transactions for Non Budget Agencies within the district	expenditure	The district did not maintain ledgers or debtors account amounts transferred to NBA	The district books of account are incomplete and the financial statements there from do not give a true and fair view of the state of financial affairs of the district	The district should comply with the manual and ensure that transactions and balances for NBA are reflected in the books of account	134,337,352



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
48	NORTH	GAKENKE	Fictitious outstanding payments	expenditure	The bank reconciliation for June 2012 was included some reconciling items which are not genuine such as penalties, stale cheque and paid and duplicated cheque	The bank reconciliation process was not properly supervised in order to avoid errors and omissions in bank transactions and balances are prevented or detected and dealt with on a timely basis. The reported bank balances are misstated.	Management should ensure that bank reconciliations prepared are appropriately reviewed to ensure that any errors, omissions and differences identified are followed up and resolved promptly. The wrong reconciling items should be adjusted for, to ensure that correct bank balances are reported.	3,241,588
49	NORTH	GAKENKE	Long outstanding debtors	non expenditure	The audit noted long outstanding receivables on drugs sales which have not been recovered for more than one year	The long outstanding debtors may not be genuine and their recovery may not be possible thus misstating the district's financial position.	District pharmacy should make adequate follow up to recover receivables from health centres to which it has sold the drugs	4,266,218
50	NORTH	GAKENKE	Transit funds account	non expenditure	The district failed to explain the source of funds and the purpose for which the payments were done on the transit accounts	Without proper supporting documents, it is difficult to confirm the accuracy, validity and authenticity of funds received and payments	Management should ensure that all transactions recorded in the district books of account are fully supported and should be appropriately filed and cross-referenced with transactions in the books of account	77,391,799
51	NORTH PROVINCE	GAKENKE	Status of implementation of previous audit recommendations	expenditure	Only 56% of the audit recommendations made in the previous audit were implemented and the remaining 44% are yet to be implemented	Audit recommendations not implemented deprive the districts of improvements envisaged from audit recommendations. The weaknesses not addressed may negatively affect the district's ability to effectively carry out its activities and operations	The district's management should endeavour to review the audit reports and put in place an implementation plan that will ensure that the audit recommendations are implemented on a timely basis.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
52	NORTH	GICUMBI	Unrecorded transactions for Non Budget Agencies within the district	expenditure	The district did not maintain the cash books and debtors of all NBA under its control in its books of account	The district books of account are incomplete and do not portray a true picture of the financial transactions and position of the district.	The district should ensure that at the end of every month, all NBA submit original copies of their cash books together with the detailed supporting documents for verification and approval and use in posting the transactions in the general ledger of the district.	1,067,912,682
53	NORTH	GICUMBI	Delays in banking revenue collections	non expenditure	The tax collectors failed to deposit collections promptly and intact and delayed from 1 to 8 months	Delays in banking revenue collections may result in holding huge cash balances on hand which exposes the collected funds to the risk of loss or theft or diverted for personal gains by the tax collectors	Management should ensure that all revenue collections are banked intact and timely as required by procedures	1,068,063
54	NORTH	GICUMBI	Delays in returning fully utilised receipt books and returned receipt books	non expenditure	13 receipts books were returned to district after long delays ranging between 3-11 months and 20 receipt books have not yet been returned to the district	Failure to return the fully utilized receipt books implies that the revenue collected using those receipt books was misappropriated, and inadequate monitoring of the use of receipt books as highlighted by the irregularities portrays a weakness in the control over revenue collection and exposes the district funds to the risk of theft or loss	Management should put appropriate measures in place that will ensure that all receipt books issued and fully used are returned and accounted for. Appropriate action should be taken against those who have not returned the receipt books	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
55	NORTH	GICUMBI	Salaries paid to employees who were no longer working for the district	expenditure	The district paid wages and salaries to employees who left the district.	The salary paid was wasteful expenditure and that unduly paid could have been used in other district priorities	The management should ensure that salaries are only paid to staff that are still in service and review the payroll before payment salaries, any changes of recruitment, dismissal or resignation should be communicated timely and unduly payment should be recovered by the district.	3,917,029
56	NORTH	GICUMBI	Posting errors in expenditure accounts	non expenditure	Various misposting in general ledger accounts whereby transactions were not posted in their correct accounts in line with the official chart of accounts	The misposting imply that affected captions of the financial statements are misstated and therefore do not provide accurate information about the financial operations.	Management should ensure regular review of transactions posted in the books of account is made to enable timely detection and correction of misposting.	1,286,993,682
57	NORTH	GICUMBI	Credit balance of bank account	non expenditure	The bank reconciliation for June 2012 revealed that the total amount of outstanding cheques exceeded the balance available at bank	There is a risk that the district may have issued cheques without sufficient funds on its bank account which resulted into the cashbook balance being negative	Cheques should be issued after confirming that sufficient funds are available on the concerned bank account. The bank account should be investigated further to verify the origin of reported negative balance and appropriate action be taken accordingly	21,074,806



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
58	NORTH	GICUMBI	Long outstanding and unsupported liabilities	expenditure	The audit noted a long outstanding liabilities from previous years and unsupported liabilities reported in financial statements	Delayed settlement of liabilities and unsupported liabilities may impact negatively on the district's image and reputation, and long overdue payables may not be genuine and could be representing fictitious balances	Management should investigate on why these liabilities have been long outstanding and confirm whether these represent genuine liabilities that are payable by the district.	39,756,453
59	NORTH	GICUMBI	Overstatement of liabilities	expenditure	The audit noted that including liabilities payables, there are invoices were paid however they remained as outstanding balance as at 30 June 2012	Creditors balance is overstated	Necessary adjustment should be made to correct the errors, and management should always ensure that creditors paid are debited to the individual creditors' account in the books of account	8,524,675
60	NORTH	GICUMBI	Long outstanding and unsupported debtors balances	expenditure	These debtors balance were brought by from former districts after merging to form Gicumbi district but there is no evidence of any action taken by management to recover these funds from the concerned debtors	These long outstanding and unsupported debtors balances may causing risk of irrecoverable debts and its unable to confirm the validity and existence of these debtors	The management should examine whether or not these debts are recoverable and take appropriate action	31,505,012
61	NORTH	GICUMBI	Lack of detailed listing and supporting documents for account payable's balances	expenditure	The district failed to avail the detailed listing of individual creditors and their supporting documents	In absence of a detailed listing and supporting documents, its unable to confirm the validity and accuracy of the reported payable balances.	Management should investigate and confirm validity of the payable balances to establish that these actually represent obligations that are payable by the district, and should be supported by detailed listings of the individual creditors.	85,132,723



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
62	NORTH	GICUMBI	The 45% portion of contribution collected by the sections of Mutuelle de Sante not entirely remitted to the district pooling risk account	non expenditure	The audit noted that 45% portion of contribution collected by the sections of Mutuelle de Sante was not entirely remitted to the district pooling risk account, thus there is a difference of 6,207,068 Rwf	This constitutes to non compliance with the law governing mutual health insurance scheme. Failure to transfer the remitted contributions may lead to insufficiency of funds on the district's pooling risk account and impact on the capacity of district to settle invoices issued by hospitals for services offered by members	Management should ensure that all mutual health insurance sections within the district transfer 45% of their contributions collected to the district polling risk account on a timely basis	6,207,068
63	NORTH PROVINCE	RULINDO	Collections not banked	non expenditure	My follow up on this issue in November 2012, revealed that these receipt books were returned to the District but it was not provided with any evidence that amount collected using those receipt books was banked	Cash collections not banked , point to misappropriation of public fund .further , the district and the sectors were denied funds necessary for implementation of planned activities. This also implies the controls over receipt books distributed to tax collector are not operating properly	The district should make follow up to ensure that all receipt books issued to sectors are appropriately accounted for and on a timely basis.	2,507,075
64	NORTH	RULINDO	Misappropriation of revenue collected ,alteration and falsification of amounts on the deposit slips	non expenditure	There is less deposit amount obtained by tax collectors and falsification of amounts generated in their reports.	This implies that there were weakness in the internal controls of the district that led to failure for timely following -up of differences noted in bank reconciliation process between the bank statement and the source of documents.	The district should ensure that reconciliation of deposit slips is carried out on a monthly basis to be able to identify differences and them resolved in good time to avoid misappropriation of revenue collections. The amounts misappropriated should be recovered by Mr.Rebero Bertin.	15,670,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
65	NORTH	RULINDO	Differences noted in different reports	non expenditure	No reconciliations were performed by the district to ascertain whether all collections reported in the sectors reports had been recorded in Smart IFMIS system.	Since the amounts in the sectors reports on receipt books (total collections) and the amounts in SMART IFMIS are based on deposit slips (total banking) the differences indicate possible alterations in the amounts indicated on deposit slips or errors in recording the amount in SMART IFMIS or sectors reports. Ultimately, accuracy of revenue collections posted in the general ledger may not be ascertained.	District management should investigate the above differences and take appropriate action. Further, the district local revenue officer should ensure that the report of revenue collections from sectors are reconciled with the report of revenue collections generated by the system. Any difference arising should be investigated and follow up to ensure accuracy of amount reported in financial statements.	2,552,731
66	NORTH PROVINCE	RULINDO	Delays in banking of receipts collected	non expenditure	I noted that some of tax collections were neither banked at the end of the day nor the following day as required by financial management regulations.	Failure to promptly bank the collections contradicts public financial management procedure and may facilitate misuse of these resources for private benefit at the expense of district.	Management should ensure that all revenue collections are banked intact and timely as required by the Manual of Government Policies and Procedures: Financial management and accounting (volume 1) section 2.4.6	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
67	NORTH	RULINDO	Difference between the expected contributions from Mutual health insurance sections and the amount of revenue declared by the District Mutual Health insurance Unit	non expenditure	The computation shows the number of members' contributions and are different from what declared by mutual health insurance unit of Rulindo district.	Since the revenue collections disclosed in financial statement and revenue collections as per consolidated report generated by SMART IFMIS are not matching , it is difficult to conform whether the amount in financial statement is accurate. I addition, this may highlight absence of regular review of accounting records.	.The above differences should be investigated and appropriate action taken to ensure accuracy of financial statements .The district revenue officer should ensure that revenue collections posted in the revenue module in smart IFMIS is reconciled to the general ledger on a regular basis	18,178,337
68	NORTH PROVINCE	RULINDO	Recording of revenue using bank statement instead of source documents	non expenditure	I noted some cases where the district accountant recorded some revenue like contributions from Mutual Health insurance sections using bank statements instead of using source of documents.	The accuracy and completeness of revenue from district recorded in the book of account cannot be conformed and financial statements of the year end 30 June 2012 may be misstated.	Management should record revenue using bank deposit slips/ source to enable proper verification and reconciliation of deposits to the bank statements.	53,015,929
69	NORTH	RULINDO	Posting errors under expenditure accounts	non expenditure	I reviewed various expenses accounts and noted numerous posting errors.	Posting errors may lead to overstatement and understatement of the respective account balances and may also lead to inappropriate decisions being made for subsequent implementation period	Management should review the books of account and make necessary adjustments to ensure proper classification and true and fair presentation of financial affairs of Rulindo District.	2,273,252,778



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
70	NORTH	RULINDO	Unrecorded transaction for Non budget Agencies within the district	expenditure	Transactions of NBA were not recorded in the District book of account and the supporting documents for transactions carried out by these NBA were not reviewed by the district as required by the manual. These amounts were omitted from the district account by the bank balance all sectors together.	The district books of account are incomplete and do not portray the true picture of the financial transactions and position of the district at 30 June 2012	The district should implement government policies and procedures and ensure that all transactions of Non Budget Agencies operating within the district are incorporate within the district books of account. The district should ensure that at the end of each month, all non budget agencies submit original copies of their cashbook together with the detailed supporting documents to the Chief Budget Manager of the district, for verification, approval and use in posting the transactions in general ledgers of the district.	55,733,564
71	NORTH PROVINCE	RULINDO	Cash withdrawal not recorded in the sector cashbook and not supported	expenditure	KALINDA Leobald withdrew that amounts on various dates not recorded in the sector cashbook and there are no supporting documents relating to its utilisation .	Lack of support documents related to withdrawing the bank and missing sectors laptop all point to misappropriate of public funds. Further, the district and sectors were denied funds necessary for implementation of planned activities . This also implies the controls over cash and bank are not working properly	The district should strengthen controls over monitoring of sectors bank accounts and solve the issues of segregation of duties in sectors. Further ,the district should follow up this case to recover those funds and the assets stolen	2,010,027



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
72	NORTH PROVINCE	RULINDO	Unsupported and long outstanding debtors' balance	non expenditure	Included under receivables is an amount of 9,968,095 without any supporting documents. Since 2009 there debtors not yet recovered at the time of Audit.	Receivables recorded in books of account may not be genuine and therefore not recoverable has significant impact on district's cash flows which may affect their operation.	District management should investigate the above debtors and confirm if really exist and then take corrective action	9,968,095
73	NORTH	RULINDO	Unrecorded debtor balances	non expenditure	The amount of guarantees owed to the district by the insurances companies in contractual for some bidders was not recorded in the financial statements as receivable	The district' failure to comply with article 70 of the Organic Law No. 37/2006 of 12 September 2006 on State Financial and Property in preparing financial statements results in financial statement which do not fairly present then state of financial affairs of Rulindo district for the year ended 30 June 2012	Rulindo District should recognise all outstanding amount owed to it as the year end are recorded as receivables in the general ledger and financial statements . In compliance with article of 70 of Organic Law No. 37/2006 on 12September 2006 on State and Financial and Property, District management should institute measures to ensure that appropriate cut-off procedures are performed at the year end to ensure completeness of the respective balances	4,415,221
74	NORTH PROVINCE	MUSANZE	Difference between the amount of internally generated revenue as per financial statements and that reported in the revenue officer's report	non expenditure	The auditor noted that the amount of internally generated revenue (other revenue) as per financial statements for the year ended 30/06/2012 differed from that reported in the revenue officer's report.	Internally generated revenue may not be fairly stated. Further, the inconsistencies between the books of account and revenue officer's reports may mislead the decision making process by management and other users.	The district management should ensure that the reconciliation is done between information contained in the books of account (Smart IFMS Revenue Module) and the revenue officer's collection reports.	2,204,956



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
75	NORTH PROVINCE	MUSANZE	Revenue collected by sub-contractors not recovered and not recorded in the district books of account	non expenditure	Revenue collected by sub-contractors not recovered and not recorded in the district books of account	The district did not enforce terms of its own contracts with the entrepreneurs and this may result in loss of public funds. Debtors reported at 30 June 2012 are understated by 47,291,630 resulting in financial statements which do not fairly present the state of financial affairs of Musanze district for the year ended 30 June 2012	The district should comply with article 70 of the Organic Law No 37/2006 of 12 September 2006 and record all receivables in its books account	47,291,630
76	NORTH	MUSANZE	Delays in banking of revenue collections	non expenditure	The auditor noted that the revenue collected was not banked promptly as there were delays ranging 6 to 58 days.	The tax collectors may be using District revenue for personal gain. Amounts not banked promptly are prone to misuse and misappropriation.	The district management should ensure that daily cash collections are banked on the following day as required by the manual of Government Policies and Procedures	2,266,100
77	NORTH	MUSANZE	Non compliance with instruction letter No 20/55 of 30/11/2011 from the Ministry of Health regarding amounts to be remitted to the district pooling risk account as well as the national pooling risk account	non expenditure	The auditor noted that some sections of Mutual Health Insurance in Musanze district did not pay the required 45% of collections members.	The district may fail to settle all the invoices submitted by the district hospital and health centres due to failure to collect the required funds from the mutual health insurance sections	The district management should make the necessary follow up on the Mutual health sections to ensure that 45% of the total members' contribution is remitted to the District Pooling Risk account as stipulated by the instructions from the Ministry of Health. The district should also transfer the required 10% to the National Pooling Risk at MINISANTE level.	44,515,694



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78	NORTH PROVINCE	MUSANZE	Posting errors in expenditure account	non expenditure	The auditor noted that transactions related to revenue collections were incorrectly posted under grants from donors account instead of being recorded on 'Other Revenues' account (Internally Generated Income)	Balances included in the books of account for other revenue are understated by Frw 45,100 and grants from donors are overstated by the same amounts due to the posting errors.	Musanze district management should ensure appropriate review of transactions before they posted in the general ledger to ensure that transactions are posted on correct accounts designated per the chart of accounts	347,378,006
79	NORTH	MUSANZE	Irregularities the execution of the tender relating to the construction of public latrines	expenditure	Up to the date of auditor visit in October 2012, the construction works were not yet completed implying delays of 6 years while 50% of Frw 5,563,040 was already paid to the contractor at that date.	Musanze district lost money spent on this project since there is no indication that the project will continue	Management should exercise due care in transacting business on behalf of the district to avoid unnecessary and wasteful expenditure going forward.	5,563,040
80	NORTH	MUSANZE	Bid security that expired before signing the related contract	expenditure	The bid security regarding the tender for rehabilitation and extension of AEP Kanyansyo - Rwaza awarded to ECOHYBA for an amount of Frw 158,614,857 was expired on 16 January 2012 before signing contract.	In case the successful bidder fails to sign the contract while the bid security is already expired, the district would lose time in selecting another service provider with no form of compensation.	The district should ensure that the documents submitted by potential bidders are in line with the procurement laws and fulfil the validity period required to safeguard the district against any losses	158,614,857



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
81	<b>NORTH PROVINCE</b>	<b>MUSANZE</b>	Wrong computation of 3% withholding tax	expenditure	The auditor noted that the district wrongly computed the amount of 3% withholding tax where its calculations were based on invoice amounts less 20% advance paid and inclusive of VAT. This resulted into deduction of wrong amounts.	Failure to correctly compute 3% withholding tax can lead to penalties and interest being levied by Rwanda Revenue Authority for non compliance with tax regulations. Payments in respect of such penalties and interest of amount to wasteful expenditure.	Withholding tax of three percent(3%) should be retained on payments made by public entities to those who supply goods and services based on public tenders. The amount should be properly computed based on invoice amounts exclusive of VAT.	704,668
82	<b>NORTH</b>	<b>MUSANZE</b>	Fictitious bank balances	expenditure	The auditor noted that Musanze district ceased to record transaction on the district pharmacy's account in the year ended 30 June 2011. The closed bank account No 15-1300100/ Musanze district in FINABANK is however still reported in the district books of account with a balance of Frw 8,741,220 at 30 June 2012	Bank balances are not fairly stated and therefore financial statements do not give a true and fair view of financial affairs of the district at 30 June 2012	Bank balances related to the closed account No 15-1300100/Musanze district in FINABANK should be written off from the district's books of account after proper reviews and reconciliations.	8,741,220



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
83	NORTH	MUSANZE	Absence of bank statements as well as bank reconciliations statements	expenditure	The district did not avail bank statements as well as bank reconciliation statements for the bank accounts.	Banks accounts maintained by district but not subjected to controls like bank reconciliations are prone to misuse. Funds maintained on these accounts may be misappropriated without notice.	All bank accounts maintained by district should be subjected to controls including preparation of regular bank reconciliation statements. The district should ensure that all necessary supporting documents are maintained	1,920,458
84	NORTH	MUSANZE	Stale cheques in bank reconciliations statements	expenditure	The auditor noted that the amount included in the bank reconciliations for the months of June 2012 are reconciling items of Frw 15,661,930 and 5,396,000 relating to deposits in transit whose descriptions is 'reversals' and thus do not qualify to be outstanding payments or deposits in transit.	The reported bank balances are not fairly stated owing to the sale cheques and unsupported reconciling items whose authenticity could not established.	The district management should ensure that the long outstanding cheques are reversed and corresponding liabilities appropriately recognised in the books of account.	21,057,930
85	NORTH	MUSANZE	Unrecorded transactions of non budget agencies (NBAs)	expenditure	The auditor noted that the bank statements for a sample of non budget agencies as at 30 June 2012 noted bank balances amounting to Frw 353,104,848 that were on the respective bank accounts of non budget agencies and these balances were not reported in the financial statements.	The district books of account are therefore incomplete and do not show the true picture of the district operations and financial position as at 30 June 2012	The district should implement Government policies and procedures and ensure that all transactions of Non Budget Agencies operating within district are incorporated in the district books of account.	353,104,848



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
86	NORTH PROVINCE	MUSANZE	Unsupported long outstanding receivables	non expenditure	The auditor noted that the included in the books of account was debtors' balance of Frw 25,724,447 as at 30 June 2011 and out of this amount, Frw 11,353, 222 relating to Ikigega cy'Abagore was only supported by a list of debtors. No other documents such as contracts/invoices were provided to support this amount	In absence of proper supporting documents, it is difficult to ascertain the validity and authenticity of receivables balance included in the books of account. The recoverability of the amount is also questionable more so with the balance having been outstanding	Management should ensure that each entry in the books of account is adequately supported by proper documents in accordance with section 2.17 of the Government policies and procedures( volume 3)	7,520,346
87	NORTH PROVINCE	MUSANZE	Implementation of previous audit recommendations	non expenditure	The auditor noted an assessment of the status on the implementation of previous audit recommendations still revealed that 65% of the audit recommendations made in previous audit were implemented, and 35% were not fully implemented.	Non implementation of some of previous audit recommendations results in persistence of highlighted weaknesses. The desired improvements in management of public funds cannot be attained if audit recommendations are not implemented.	Management should ensure that a proper action plan for implementation of current and prior year audit recommendations is put in place and followed up to ensure full implementations of audit recommendations on a timely basis.	
88	NORTH	BURERA	Unexplained difference between revenue per district revenue officer and revenue disclosed in financial statements	non expenditure	There is unexplained difference between the amount of internally generated revenue per the financial statements and the amount internally generated revenue as per reports	Such unreconciled difference may imply that internally generated revenue amounts reported in the financial statements are not fairly stated. The completeness and accuracy of internally generated revenue cannot be ascertained. Further revenue reports are unreliable for decision making	Management should investigate these differences and make necessary adjustments and make sure its will happen again in the future	34,928,730



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
89	<b>NORTH PROVINCE</b>	<b>BURERA</b>	Rental income from district houses not collected	non expenditure	There is no evidence to prove that the tenants of six (6) houses owned by the district have been paying rent charges during the year under review	Uncollected rent charges constitute lost revenue that could have supplemented other district revenue sources. Absence of contracts also presents a challenge to the district in enforcing collection of rental arrears	Management should ensure contracts are signed with each of the tenants and ensure that monthly rental income from tenants is collected on a timely basis and recover all rental arrears not paid and rental rates should go in line with market conditions.	
90	<b>NORTH</b>	<b>BURERA</b>	Receipt books not yet returned to the district by private tax collectors	non expenditure	There is no evidence of any action taken by the management to address the issue of receipt books not yet returned to the district raised in previous audit	Failure to return used receipt as agreed between the district and the tax collectors is non compliance with the terms and conditions of the contract along with the government procedure.	Management should dedicate effort to ensure that all receipt books issued to tax collectors are appropriately accounted for and on timely basis	
91	<b>NORTH</b>	<b>BURERA</b>	Delayed deposit of collections	non expenditure	Some tax collectors failed from 9-106 days to deposit revenue collections promptly and intact totalling 1,089,964 Rwf	Delays in banking revenue collections may result in holding large amounts of cash that are susceptible to theft. There is also likelihood that the tax collectors can use the revenue collections for personal gains in the short term.	All daily revenue collections by the tax collector should be banked promptly and intact on a daily basis or the first thing in the morning for the next day.	6-106 days of delay



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
92	NORTH	BURERA	Unexplained difference between revenue disclosed in financial statements and collections reported by health insurance and pharmacy	non expenditure	There is an unexplained difference between revenue disclosed in financial statements and collections reported by health insurance and pharmacy	The internally generated revenue reported in the financial statements of the district may not be fairly stated, so its difficult to ascertain the accuracy and completeness of internally generated revenue	Management should investigate these differences and make necessary adjustments and ensure that appropriate action is taken to resolve these differences and make sure its will happen again in the future	86,515,575
93	NORTH	BURERA	Failure to comply with the terms of contract and penalties for delayed construction works not retained	expenditure	The execution of some constructors was delayed and the district did not retain penalties from the payments made to constructors for non compliance with contract.	Delayed execution of construction works and failure to charge penalties for delays caused by the contractors portray weaknesses in contract management which may have diminished the achievement of the intended objectives	Management should charge penalties to suppliers and contractors who fail to comply with agreed deadlines and in future proper monitoring of the construction works should be carried out so as to avoid unnecessary delays and its associated costs	110,565,816
94	NORTH	BURERA	Lack of performance securities	expenditure	The tenders totalling 254,639,148 Rwf were awarded without obtaining performance securities from the successful bidders	The district did not comply with public procurement procedures. In the absence of performance security and may exposed to a financial loss in case the suppliers do not comply with the contract terms and conditions.	Management should comply with public procurement laws and regulations in force and ensure that performance guarantees are secured from successful bidders before a contract can be signed.	295,720,558



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
95	NORTH	BURERA	Failure to prepare bank reconciliation statements	expenditure	The bank reconciliation of 3 bank accounts were not prepared throughout the year	In absence of bank reconciliation statements, management is unlikely to detect errors, omissions and fraudulent transactions relating to bank to enable timely corrective action.	Management should prepare monthly bank reconciliation for all its bank accounts,	175,686,717
96	NORTH	BURERA	Long outstanding debtors	non expenditure	There are long outstanding debtors which had not been recovered up to 30 June 2012.	The recovery of the debts is doubtful if the district does not devise strict mechanisms to follow up the debtors	Management should set up appropriate measures to ensure that the long outstanding balances are paid. Necessary legal and administrative measures should be taken.	24,962,699
97	NORTH	BURERA	Non compliance with organic law on state finances and property	expenditure	The outstanding payables relating to the previous financial year were not recognized as liabilities in the district's account for the year ended 30 June 2011 and were subsequently settled during the year ended 30 June 2012 and recognised as expenditure for the current year under audit	Failure to comply with the organic law resulted in misstatement of the financial statements.	Management should recognise all revenue collected or received and all expenditure made during the fiscal year as well as all outstanding receipts and payments	36,243,086



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
98	NORTH	BURERA	Unrecorded transactions for Non Budget Agencies within the district	expenditure	Transactions related to schools, sectors and internally income of hospitals and health centres were not recorded in districts books of account. The district did not verify all transactions and supporting documents from activities of the schools, sectors and health centres.	The district books of account are incomplete and the financial statement does not give a true and fair view of the state of the financial affairs of the district. There is no ascertain that funds transferred to NBAs were utilised for intended purposes.	The district should implement the government policies and procedures and ensure that all transactions of NBAs operating within the district are incorporated into the district books of account.	120,937,800
99	NORTH	BURERA	Follow up on implementation of prior years' audit recommendations	non expenditure	Only 60% of the audit recommendations made in the previous audit were implemented and the remaining 40% are not yet to be implemented	Absence or delay in implementation of audit recommendations undermines the internal control system put in place to safeguard public assets and resources.	The district's management should endeavour to review the audit reports and put in place an implementation plan that will ensure that the audit recommendations are implemented on timely basis.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
100	WESTERN	RUSIZI	Revenue debts not disclosed in the district's books of account	non expenditure	The district issued invoices for putting up communication towers and billboards advert but there is no evidence that these invoices were paid and the unpaid revenue was not disclosed as receivable	Completeness of revenue cannot be ascertained and debtors balance reported in the financial statements may be misstated. Therefore there is risk that the financial statements are not fairly stated.	Management should ensure that all revenue and debtors are recorded in the books of account and presented in the financial statements. Further, management should follow up and ensure that these debts are recovered from those concerned taxpayers	2,192,510
101	WEST	RUSIZI	Unreturned receipt book and unbanked tax revenue collected there from	non expenditure	Eight receipt books issued to various tax collectors but have not yet been returned to district and there is no evidence that that this was deposited to district bank account	The audit cannot confirm completeness of tax revenue collected and reported in financial statements. Further, revenue collected not banked may have been misappropriated and result into loss of funds that could have been used in the operation of the district	Management should put appropriate measures in place that will ensure that all receipt books issued and fully used are returned and accounted for. Appropriate action should be taken against those who have not returned the receipt books	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
102	WEST	RUSIZI	PAYE on salaries for teachers not declared to RRA	expenditure	The Pay as you Earn on salaries of teachers from July 2011 to June 2012 were not declared to RRA	There is non compliance with the law in force and this exposes the district to the risk of being charged penalties and interest by RRA	Management should ensure that tax declaration forms for PAYE on salaries for teachers directly paid by MINECOFIN to RRA on behalf of the district are completed at the time of payment and filed to RRA. Copies of such declaration forms should be filed and kept as evidence of compliance with tax law and for future reference.	257,181,740
103	WEST	RUSIZI	Salaries paid to teacher who was no longer in service	expenditure	The district paid 10 months to a teacher who was not in service	The salary paid was wasteful expenditure and that unduly paid could have been used in other district priorities	The management should ensure that salaries are only paid to staff that are still in service and review the payroll before payment salaries, any changes of recruitment, dismissal or resignation should be communicated timely and unduly payment should be recovered by the district.	1,905,976
104	WEST	RUSIZI	Misposting	non expenditure	Various misposting in general ledger accounts whereby transactions were not posted in their correct accounts in line with the official chart of accounts	The misposting imply that affected captions of the financial statements are misstated and therefore do not provide accurate information about the financial operations.	Management should ensure regular review of transactions posted in the books of account is made to enable timely detection and correction of misposting.	546,749,640



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
105	WEST	RUSIZI	Balances of bank accounts of former districts	non expenditure	The bank balances for the formers districts merged to form Rusizi district have not been recovered from BPR branches where they operated their accounts	The bank balance not recovered from BPR branches where the former districts operated their accounts may have been misappropriated	The district should follow up in order to recover the outstanding balance	82,220,469
106	WEST	RUSIZI	Unrecorded transactions and bank balances of NBA under district control	expenditure	The district did not maintain the cash books and debtors account of all NBA under its control in its books of account	The district books of account are incomplete and do not portray a true picture of the financial transactions and position of the district.	The district should ensure that at the end of every month, all NBA submit original copies of their cash books together with the detailed supporting documents for verification and approval and use in posting the transactions in the general ledger of the district.	200,743,720
107	WEST	RUSIZI	Status of implementation of previous audit recommendations	non expenditure	Only 50% of the audit recommendations made in the previous audit were implemented and the remaining 50% are not yet to be implemented	Audit recommendations not implemented deprive the districts from improvements envisaged from audit recommendations. The weaknesses not addressed may negatively affect the district's ability to effectively carry out its activities and operations	The district's management should endeavour to review the audit reports and put in place an implementation plan that will ensure that the audit recommendations are implemented on timely basis.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
108	WEST	NYABIHU	Unsupported transfer included in financial statements	expenditure	There is unsupported transfer from Mutuelle de Santé of Kibungo and was recorded as revenue, however there is no Kibungo section in Nyabihu district	The bank balance reported in the financial statements for the revenue may not be genuine balances for the district. Ultimately, income and bank balances as at 30 June 2012 may be overstated.	District management should make appropriate follow up to confirm the source of these funds, if they are discovered to belong to the district, necessary documents should be provided and they should be allocated to the right section.	28,938,310
109	WEST	NYABIHU	Misposting made in various expenditure budget lines	non expenditure	Various misposting in expenditure accounts whereby transactions were not posted in their correct accounts in line with the official chart of accounts	The misposting imply that affected captions of the financial statements are misstated and therefore do not provide accurate information about the financial operations.	Management should ensure regular review of transactions posted in the books of account is made to enable timely detection and correction of misposting.	1,392,866,867
110	WEST	NYABIHU	Weakness noted in preparation of bank reconciliation	expenditure	In bank reconciliation statements of 4 bank accounts, there are reconciling items presented as outstanding payments but cannot be traced in their respective cashbooks	Bank balances reported in the financial for the affected bank accounts are not properly reconciled to the bank statement and accordingly their accuracy and completeness cannot be confirmed.	Management should prepare bank reconciliations for the affected bank accounts to confirm their closing balance as at 30 June 2012	39,933,061



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
111	WEST	NYABIHU	Unrecorded transactions for NBA within the district	expenditure	The district did not maintain the cash books and debtors account of all NBA under its control in its books of account	The district books of account are incomplete and do not portray a true picture of the financial transactions and position of the district.	The district should ensure that at the end of every month, all NBA submit original copies of their cash books together with the detailed supporting documents for verification and approval and use in posting the transactions in the general ledger of the district.	531,923,482
112	WEST	NYABIHU	Loan from BRD for the acquisition of mobile phones	non expenditure	Receivable from the owners of mobile phones was not recorded in financial statements	Accounts receivable reported in the district books of account are understated and its difficult to confirm recoverability of this balance since it has been outstanding for long	Adequate follow up should be enforced by management to ensure full recoverability of funds from beneficiaries, and further adjustments should be made in the books of accounts so as to recognise the receivable amount due from the beneficiary people	16,855,005
113	WEST	NYABIHU	Omitted payables	expenditure	Damages and interest for the lost of court case was not paid during the audit period nor reported as payables in financial statements	Liabilities are understated and amounts could attract penalties, hence resulting in wasteful expenditures.	Management should ensure that all outstanding liabilities at year end are included in the financial statements and necessary adjustment should be made in consultation with MINCOFIN to recognise the omitted liabilities.	12,248,588



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
114	WEST	NYABIHU	Delays in execution of contracts	expenditure	Various contractors failed to execute their contracts on time and delayed from 1 to 12 months	The above delays imply that the district is not realize the benefits of the intended infrastructure within the planned time. This may ultimately hinder achievement of the district objective of service delivery to the population	The district should ensure that the contract terms are respected as signed by both parties and case of non compliance should be reported to NPPA to enforce tougher penalties on contractor.	
115	WEST	NYABIHU	Implementation of prior year audit recommendations	non expenditure	Only 59% of the audit recommendations made in the previous audit were implemented and the remaining 41% are not yet to be implemented	Audit recommendations not implemented deprive the districts from improvements envisaged from audit recommendations. The weaknesses not addressed may negatively affect the district's ability to effectively carry out its activities and operations	The district's management should endeavour to review the audit reports and put in place an implementation plan that will ensure that the audit recommendations are implemented on timely basis.	
116	WEST	KARONGI	Bank balances of NBA not recorded in the district books of account	expenditure	The district did not maintain the cash books and debtors account of all NBA under its control in its books of account	The district books of account are incomplete and do not portray a true picture of the financial transactions and position of the district.	The district should ensure that at the end of every month, all NBA submit original copies of their cash books together with the detailed supporting documents for verification and approval and use in posting the transactions in the general ledger of the district.	438,561,180



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
117	WEST	KARONGI	Delayed banking of revenue collections	non expenditure	Some tax collectors failed to deposit revenue collections promptly and intact, and they delayed from 3 to 129 days	Delays in banking revenue collections may result in holding large amounts of cash that are susceptible to theft. There is also likelihood that tax collectors can use the revenue collections for personal gains in the short term.	All daily revenue collections by the tax collectors should be banked promptly and intact on daily basis	1,685,180
118	WEST	KARONGI	Unreturned receipt books	non expenditure	The audit noted that 2 tax receipts books issued for revenue collection during the audit period had not yet returned to the district	Unreturned receipt books may increase the risk of misappropriation of collected funds and hence loss of revenue for the district, therefore the tax revenue collected is not confirmed for its completeness.	Management should follow up with tax collectors to ensure that the unreturned receipt books are recovered. New receipt books should be issued to revenue collectors before previously issued receipt books are returned and accounted for.	
119	WEST	KARONGI	Receipts issued to tax payers without indicating the amount charged and dates of issue	non expenditure	The audit revealed some receipts issued to tax payers without indicating the amount charged and dates of issue	Not indicating the amount charged and date of issue on receipts may lead to misappropriation of revenue collections by tax collectors	Management should require tax collectors to indicate on receipt book the name of tax payer, amount, date and description of tax collected as minimum	
120	WEST	KARONGI	Unpaid rental income	non expenditure	The rental income from district house was not collected nor recorded in financial statements as receivable	Delayed recovery of rental income may lead to loss of revenue if the amount is not collected at all. The rental income reported by the district is incomplete due to omission of unpaid amounts.	The district should recover the above amount from the tenants with immediate effect	2,150,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
121	WEST	KARONGI	Posting errors	non expenditure	Some transactions were wrongly recorded in use of goods and services instead of other expenses, social benefits and compensation of employees accounts	These classification errors imply that amounts for each expenditure line reported in the financial statements are not reliable and accurate, and are therefore misleading to users of financial statements	Management should ensure review of transactions before they are posted in the books of account to ensure that they are posted on correct ledger accounts	100,940,500
122	WEST	KARONGI	Non declaration of social security and health insurance contributions	expenditure	The contributions of social security and health insurance for district staff were not declared to RSSB	Failure to declare statutory deductions on time for all district staff may lead to wasteful expenditure through paying penalties imposed by RSSB	Management should ensure that declarations cover all staff as reflected on the payrolls. The process of obtaining the affiliation numbers should be expedited to rectify the anomaly	27,534,372
123	WEST	KARONGI	Contract signed between Karongi district and Enterprise Rubare Josias for the construction of Kibuye Hospital	expenditure	The completion level of construction works of Kibuye hospital was at 17.9% while the contract had only 30 days to the expiry date	The delay in the construction works will impact on the timely availability of the district hospital and delivery of the envisaged services to the population, there is also high risk of damage to the already accomplished works if the delays continue.	Appropriate action and adequate follow up should be taken to ensure that the remaining construction works are completed without further delay	732,690,849



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
124	WEST	KARONGI	Uncompleted work relating to latrines in Mara Primary School	expenditure	The construction works of latrines were delayed and the contractor had stopped before completing the works.	There is high risk of damage and deterioration of the works already completed if no effort is made to ensure works are completed	The district management should ensure that latrines construction works are continued and completed. There should be follow up with the constructor to ensure resumption of works	38,735,550
125	WEST	KARONGI	Long outstanding debtors	non expenditure	There are long outstanding debtors from 2008 which had not been paid at the time of the audit	The recovery of the debts is doubtful if the district does not devise strict mechanisms to follow up the debtors	Management should set up appropriate measures to ensure that the long outstanding balances are paid. Necessary legal and administrative measures should be taken.	44,047,898
126	WEST	NYAMASHE KE	Posting errors of revenues and expenditures	non expenditure	I noted that revenue from sales of drugs were posted to transit funds account.	The revenue reported in the financial statements is understated by Frw 210192545 and the accounts payables are overstated by the same amount . Consequently balances reported in the financial statements for revenue and transit fund account are inaccurate and are misleading to the users.	The district management should ensure that posting in the books of account is regularly reviewed by the responsible persons to avoid such errors. Posting of revenue to the book of account should be done using source of documents like invoice issued by the district pharmacy.	210,192,545



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
127	WEST	NYAMASHE KE	Delays in banking of revenue collections	non expenditure	I noted that there were delays in banking collections ranging from delays of 3to 76 days.	Delays in banking collections exposes public funds to risk of misappropriation.	Management should ensure that all revenue collections are banked intact and timely as required by the Manual of Government Policies and procedure: financial management and accounting.	3 to 76 days of delay
128	WEST	NYAMASHE KE	Unrecorded transfer from Mutual Health Insurance	expenditure	The reported revenue and bank balances were misstated and other money credited to district pooling risk bank account	Revenue and bank balances are understated .The district bank account indicate inadequate follow up by the district management and funds may be misappropriated.	The district should ensure that transfers from mutual health insurance sections are followed up on time to avoid such delay.	1,162,687
129	WEST	NYAMASHE KE	Deductions from contributions to district' pooling risk bank not transferred to mutual health insurance at national level	non expenditure	That amounts has not been sent to the mutual health insurance at national level.	Non compliance with the instruction governing mutual health insurance scheme may lead to insufficiency of funds needed to ensure the Health care is satisfactory delivered to members and to settle invoice issued by Hospitals.	Management should ensure that 10%of contributions transferred to the district's pooling risk account have been sent to mutual insurance at national level	26,772,077
130	WESTERN PROVINCE	NYAMASHE KE	Non Compliance with Organic Law No.37/2006 of September 2006	expenditure	There are invoices of that amounts district received before the year end were not included in payables	The financial statement for the year end 30 June 2012 are not fairly stated	Necessary adjustments should be made to ensure that all omitted balances are recorded in the books of account	25,865,052
131	WEST	NYAMASHE KE	supply of foods and materials before signing a contract	expenditure	I found that the delivery of market was done before signing contract.	Non respect of terms of contract and article 44 of the procurement law No .12/2007 of 27/03/2007	The district should comply with the law and regulations	7,667,730



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
132	WEST	NYAMASHE KE	Non Budget Agencies transactions unrecorded within the district	expenditure	The NBAs should also submit reconciliation statements for each bank account to the chief Budget Manager of the parent district together with the cashbooks.	Failure to adjust the expenditure in the district books of account	The district should implement government policies and procedures	63,216,674
133	WEST	NYAMASHE KE	Bank account not disclosed	expenditure	No bank statement was provided for this bank account to facilitate review of any movement on this account. this district did not provide the documents relating to the opening of this account.	The financial statement may not give the true and fair view of financial affairs of the district and its operating results for year end 30 June 2012	The district should make follow up and seek for more details about the nature of this bank account	148,964
134	WEST	NYAMASHE KE	Long outstanding debtors	non expenditure	For the time of audit there are some amount recovered from debtors.	There is a risk that long outstanding debtors are not recoverable.	The district should look why those debtors have been long overdue and conform that they are genuine and can be recovered, show write off on timely.	2,733,201
135	WEST	NYAMASHE KE	Omitted debtors	non expenditure	There are debts totalling that amounts owed to the district pharmacy by hospitals and health centres were not recorded in the books of account.	The debtors' amounts not reported in the books of account may be collected and are understated.	Management should strengthen the recovery mechanism in order to recover the above amount .	83,375,626



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
136	WEST	NYAMASHE KE	Transit funds account	non expenditure	It is not easier to confirm the source of funds received and their intended purpose .there is no documents supporting.	Without supporting documents it difficult to conform the accuracy, validity, and authenticity of funds received, it implies that these revenue were not budgeted for and their respective expenditure as well.	All supporting documents should be appropriately filed and cross referenced with the transactions in the books of account.	538,155,325
137	WEST	NGORORERO	Receipts books not accounted for as at the period end	non expenditure	The audit noted that six (6) receipt books distributed in the years ended 30 June 2011 and 2012 were not yet returned to the district for accountability as at the time of his audit in October 2012.	Income for the district may not be complete, return of receipt books without deposit slips even there is no return for that receipt books.	The district should ensure that all receipt books are returned and receipt from deposited on district bank account.	546,200
138	WEST	NGORORERO	Revenue collected but not deposited on the district bank account by subcontractor	non expenditure	The district signed a contract with TWAHIRWA Patrick to collect taxes. TWAHIRWA Patrick drew a cheque amounting to Frw 2,660,000 for the payment of revenue collected on the behalf of the district. This cheque was remitted to the National Bank of Rwanda (BNR) on 24/05/2011 and returned unpaid due to insufficient funds on the bank account of TWAHIRWA Patrick on 25/05/2011.	The failure to recover the amount due to the district constitute a loss of public funds	The district should continue to make follow up to ensure that money is recovered. The unrecovered revenue should be recorded in the district receivables.	2,660,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
139	WEST	NGORORERO	Revenue from communication towers	non expenditure	The auditor noted that there are 8 communication towers within the district. The district recorded receipts amounting to Frw 946,000 as income from communication towers.	Income from the communication towers may be misstated	The district in collaboration with the communication companies and its engineers should determine the length for each tower.	946,000
140	WEST	NGORORERO	Difference noted in revenue reports	non expenditure	The auditor noted that a difference of Frw 129,803,629 between the amount of internally generated revenue disclosed in the financial statements and that recorded in the Smart IFMIS Revenue Module for the year ended 30 June 2012.	The completeness, existence and accuracy of the reported revenue amounts may be significantly misstated	The above differences should be investigated and appropriate action taken to ensure accuracy financial statements.	129,803,629
141	WEST	NGORORERO	Recoverability of tax dues from owners of plots	non expenditure	Ngororero district started the process of preparing the list of land owners and their respective plots number. At the time of audit, the auditor noted that the available list had a total of eighty three (83) land owners.	In absence of comprehensive land tax assessment to determine the appropriate amounts of tax payable, there is risk of revenue loss and misappropriation. In addition, the completeness of the amount recorded as revenue from plots owners cannot be confirmed.	The district should put in place a mechanism to provide information on amount payable by each plot owner to enable proper assessment and determination of the plots.	1,839,300



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142	WEST	NGORORERO	Difficulties in linking the collections and banking	non expenditure	Auditor noted that the receipt books distribution register does not contain the bank deposit slip references to enable matching of amounts in the receipt books and the deposits shown on the bank statement.	In absence of the reference of the deposit slips on the receipt books and in the receipt books distribution register, it is difficult to ensure that all collections are banked	Ngororero district should ensure that all cash receipts that are banked are matched to the respective deposit slips and their references to facilitate easy reconciliation of cash backings to the bank statements.	
143	WEST	NGORORERO	Contribution from Mutual Health Insurance sections not reached on the district pooling risk bank account.	non expenditure	Audit shows that a transfer made on 05 March 2012 by NTOMBWE Mutual health insurance section amounting to Frw 8,175,600 to Ngororero district pooling risk account had not yet been credited on the district bank account as at the time of his audit in October 2012.	The auditor cannot confirm whether the Mutual health contributions were actually deposited on the district pooling risk account. Hence, there is a risk that these funds may have been misappropriated.	District should put guidelines on how funds received should be utilises. And use it for intended purposes.	322,648,744
144	WEST	NGORORERO	Unsupported revenue	non expenditure	Auditor was not provided with any documentation like memoranda of understanding or guidelines relating to the utilisation of the funds.	In absence of guidelines or any other accompanying letter for funds received from donors and other budget agencies, it is difficult to ascertain whether the funds received were utilised for the intended purposes.	District management should make follow up with all funding agencies( both donors and other budget agencies) to obtain guidelines on how funds received should be utilised.	322,648,744



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
145	WEST	NGORORERO	Irregularities noted in the planning and execution of the study tour	expenditure	NGORORERO District conducted a study tour during the year ended 30 June 2012 that involves the study tour of Kayonza district cooperatives , a model village and Akagera national park on 25 and 26 June 2012.	The district may not have obtained adequate value for money from payments made in relation to the questioned expenditure.	Proper identification of staff to participate in the study tour is necessary to avoid unnecessary expenditure. Further, the participants should be those for which the learning objective are related to their duties	8,246,092
146	WEST	NGORORERO	Posting errors in expenditure accounts	non expenditure	The auditor reviewed the transactions recorded under various expense accounts and noted numerous posting errors amounting to Frw 2,119,778,682.	Mispostings may lead to misstatement of the respective balances and may also lead to inappropriate decision being made for subsequent implementations period.	Management should review the books of account and make necessary adjustments to ensure proper classification and true and fair presentation of the financial affairs of NGORORERO District.	2,119,778,682
147	WEST	NGORORERO	Fraudulent case	expenditure	In auditor review of social benefits transactions, he noted a case of reported fraud amounting to Frw 1,640,000	The weaknesses noted by the auditor led to the misappropriation of public funds meant for the enhancement of livelihoods of the sector population. These weaknesses may also facilitate further loss of public resources.	The district should investigate and ensure that all lost funds are recovered.	1,640,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
148	WEST	NGORORERO	Unrecorded transactions for Non Budget Agencies within the district	expenditure	Auditor noted that the transactions of NBAs ( schools, hospitals, and health centres) were not recorded in the District books of account and the supporting documents for transactions carried out by these NBAs were not reviewed by the District as required by manual.	The district books of account are incomplete and do not portray the true picture of the financial transactions and positions of the district at 30 June 2013	The district should ensure that all transactions of non budget agencies operating within the district are incorporated within the district books of account.	2,252,998
149	WEST	NGORORERO	Overpayment of capitation grant to G.S RUHUNGA Catholique	expenditure	The auditor compared the number of students per reports obtained for the head of the school with the number of students as per reports obtained from District education unit and noted over transfers amounting to Frw 376,250	Government may be paying capitation grants for fictitious students	Management should undertake regular verification exercises to confirm the students in school and update records maintained at the district.	376,250
150	WEST	NGORORERO	Review of bank reconciliation statements	expenditure	The auditor noted: difference between the reconciled bank balance and the cash book balance. Bank reconciliations not reviewed. Duplicated reconciling items. Validity of deposits in transit. Stale cheque not reversed from the books of account.	Inadequate review of bank reconciliation statements provides room for and may also lead to delays in detection of errors and fraudulent transactions.	Management should make timely review of bank reconciliations and make follow up to ensure resolution of all reconciling items and unexplained differences.	21,795,542



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
151	WEST	NGORORERO	Bank accounts not disclosed in the books of account.	expenditure	Ngororero district had bank( ECOBANK) accounts with debit( negative) balances to Frw 323,598 which were not reported in the financial statements of the district for the year ended 30 June 2012.	The authenticity and justification of any payments made out of this bank account cannot be ascertained. The reported bank balances was misstated.	Management of the district should follow up and seek more details about these bank accounts thereafter appropriate action should be taken.	325,598
152	WEST	NGORORERO	Non compliance with article 70 of Organic law No 37/2006	expenditure	The auditor noted that during the year under review, NGORORERO District paid outstanding invoices relating to the purchase of drugs arising from prior year amounting Frw 19,698,366 that was not recognized as liabilities at 30 June 2011	The district's failure to comply with article 70 of the Organic Law No. 37/2006 of 12 September 2006 on State Finances and Property in preparing financial statements and absence of proper cut-off procedures resulted in the misstatement of expenses, other income, receivable, payable and accumulated fund balances.	Ngororero district should recognize all outstanding invoices received before the yearend in its books of account as liabilities when preparing the financial statements for the period then ended.	19,698,366
153	WEST	NGORORERO	Omitted receivables	non expenditure	The auditor noted that receivables amounting to Frw 42,048,627 owed to district by Kabaya hospital, Muhororo hospital and other Health centres were not recorded in the financial statements.	The district failure to comply with Article 70 of the Organic Law No. 37/2006 of 12 September 2006 on State Finances and Property in preparing financial statements results in financial statements which do not fairly present the state of financial affairs of Ngororero district for the year ended 30 June 2012	Ngororero district should recognize all outstanding receipts as the year end are recorded as receivables in the general ledger and the financial statements.	42,048,627
154	WEST	NGORORERO	Status of previous audit	non expenditure	The auditor noted that Fifty per cent (50%)	Failure to implement or delay in implementation	Management should ensure that a proper	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
			recommendations		of the audit recommendations made in the previous audit were implemented and the remaining 50% are yet to be fully implemented.	of recommendations and undetermined the internal control system put in place to safeguard public assets and resources. These weaknesses may facilitate errors and fraudulent transactions leading to failure to deliver essential programmes as well as loss of public funds	action plan for implementation of current and prior year audit recommendations is put in place and tracking log reviewed at management and council meetings to ensure full implementation of both external and internal audit recommendations as soon as practicable.	
155	WEST	RUBAVU	Non compliance with article 70 of Organic law No 37/2006	non expenditure	The auditor noted that the revenue from billboards totalling Frw 6,996,331 due from Alliance Media Rwanda and other Companies was not recorded as receivable as at 30 June 2012. The revenue was outstanding at the end of the fiscal year.	It may be difficult to make follow up on the deceivability for the receivables not recorded in District books of accounts which may lead to loss of public funds.	Management should ensure compliance with article 70 of Organic Law No 37/2006 of 12 September 2006 on state finances and property. It should also adhere to the modified cash basis of accounting as adopted by the Government of Rwanda.	6,996,331
156	WEST	RUBAVU	Unrecorded transactions for Non Budget Agencies within the district	expenditure	The auditor noted that the District did not maintain a cash book or debtors account for balances held by each of the non budget agencies under its control within its books of account. Closing bank balances held by these NBAs as at 30 June 2012 were not recorded in the district's books of account.	Without verification of utilisation or financial reports, it is difficult to ascertain whether funds transferred to the NBAs and the internally generated revenue of NBAs were utilised for the intended purpose.	The district should implement Government policies and procedures and ensure that all transactions of Non Budget Agencies operating within district are incorporated in the district books of account.	846,817,050



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
157	WESTERN PROVINCE	RUBAVU	Posting errors in expenditure accounts	non expenditure	The auditor noted that transactions were wrongly debited under use of goods and services account and other expenses instead of the respective ledger accounts.	The posting errors imply that affected captions of the financial statements are misstated and therefore do not provide accurate information about the financial operations of the district as at 30 June 2012	Management should ensure regular review of transactions posted in the books of account is made to enable timely detection and correction of posting errors	1,715,923,277
158	WEST	RUBAVU	Unreturned receipt books	non expenditure	The auditor that four (4) receipt books used by the contractor EFECO represented by MAJYAMBERE MUSTAFA to collect revenue were not returned to district.	There is a risk that unreturned receipt books were used to collect taxes in fraudulent manner and revenue collected was misappropriated .	Rubavu district management should take necessary measures in order to secure the missing receipt books as well as the revenues collected using those receipt books.	1,635,000
159	WEST	RUBAVU	Delay in banking revenue collected and lack of description of the type of tax on receipt issued to taxpayer	non expenditure	The auditor noted that some tax collectors do not indicate their names, appropriate description( type of tax) and the name of tax payers on receipts issued to them.	Delays in banking cash collections may result in holding large amounts of money that are susceptible to theft/misappropriation or use for personal profits.	Management of the district should ensure that the cash collections are deposited on daily basis as required by section 4.2.2 of the manual of Government Policies and Procedures(volume)	15,150
160	WESTERN	RUBAVU	Partially supported expenditure	expenditure	The auditor noted that the district incurred expenditure amounting relating to capital expenditure, goods and services and social benefit that are not fully supported .	In absence of adequate supporting documents for Payments made by the district, the appropriateness and validity of these payments can not be ascertained.	For better management of public funds, all payments should be adequately supported by necessary documents	122,158,052



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
161	WEST	RUBAVU	Delays in contract execution and penalties for delay not charged	expenditure	The auditor noted that construction works for tenders' worth Frw 446,849,205 was delayed for a period ranging between 50 to 376 days and penalties caused by contractors were not charged.	Delayed execution of contract denied to achieve the intended objectives.	Management should improve their monitoring and evaluation of construction works to ensure timely realization of the intended objectives	3,072,404
162	WEST	RUBAVU	Performance securities that do not cover the entire contract period	expenditure	The auditor noted a case where the performance security expired before full delivery of goods. The contract was extended but the performance security was not renewed to cover the extension in contract duration.	The failure to secure performance securities that cover the entire contract period exposes the district to the risk of financial loss in case the contractors do not honour their contractual obligations.	Rubavu District should ensure that the performance securities provided by suppliers cover the entire contract duration.	251,846,232
163	WEST	RUBAVU	Unsupported payables	expenditure	Included under accounts payable are amounts to the tune of Frw 8430190 which are not adequately supported and classified as 'transit funds' deposited by various institutions on the district's bank account.	In absence of adequate supporting for the above transactions, it is difficult to confirm the nature, accuracy and existence of payables' balances reported in the financial statements.	Management should ensure that transactions recorded in the books of account are supported by all the necessary verifiable supporting documents.	8,430,190



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
164	WEST	RUBAVU	Long outstanding receivables	non expenditure	Review of the debtors' account for the year ended 30 June 2012 revealed Frw 22,093,817 that has been outstanding from 2009/10 financial year up to the time of the audit in October	Absence of proper debt recovery mechanism may result into loss of funds and increase the risk of bad debts	Rubavu district management should ensure the recovery of this debt or write it off after all means of recovery have been exhausted but futile, and in the future Rubavu should reinforced the system of debt recovery	22,093,817
165	WEST	RUBAVU	Findings on physical verification carried out on construction works	expenditure	During the findings on physical verifications carried out on construction works, the auditor not that the execution of construction of Nyamyumba 'poste de sante' was wrongly constructed.	This poor workmanship is an indicator of inadequate monitoring and follow up of construction works by the District	Contractors should correct the weaknesses identified before the final handover of these construction works.	
166	WESTERN PROVINCE	RUTSIRO	Unrecorded transactions for NBAs within the District	expenditure	The district did not maintain a cash cashbook or debtors account for balances by each of the NBA under its control within its books of account. For example banks balances from sectors, health centres and schools were not recorded in the district's books of account as at 30th June 2012.	The financial statements of the district are incomplete. Further, it is difficult to confirm wither the amounts received by NBAs were utilised for appropriate and genuine purpose.	District should implement the government policies and procedures and ensures that all transactions of NBAs operating within the District are incorporated within the districts accounts.	64,319,652



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
167	WEST	RUTSIRO DISTRICT	Delays in banking of revenue collections	non expenditure	The Tax collectors failed to deposit revenue collections promptly and intact and delayed from 8 to 85 days	Delays in banking revenue collections may result in holding large amounts of cash that are susceptible to theft. There is also likelihood that tax collections can use the revenue collections for personal gains in the short term.	All daily revenue collections by the tax collectors should be banked promptly and intact on daily basis	8-85 days of delay
168	WEST	RUTSIRO DISTRICT	Amount not yet transferred to the district pooled risk account	non expenditure	During the audit, the collected amounts from Mukura and Nyabirasi sector from mutual health had not been transferred to the district pooling risk bank account	Failure to remit mutual health collections may negatively impact on operations of the community based health insurance since there may not be sufficient funds to settle invoice raised by the district hospital	Outstanding transfers should be reflected in the district's books of account as income and proper follow up should be carried out to get the amount deposited onto the district pooling bank account as soon as possible	6,607,910
169	WESTERN PROVINCE	RUTSIRO DISTRICT	Failure to comply with terms of contracts and penalties for delayed construction works not retained.	expenditure	The execution of some contracts delayed for a period running between 22-585 days and the district did not charge penalties to the concerned contractors and or terminate the contracts for delays caused	Delayed execution of construction works and failure to charge penalties for delays caused by the contractors portray weaknesses in contract management which may have diminished the achievement of the intended objectives	Management should charge penalties to suppliers and contractors who fail to comply with agreed deadlines and in future proper monitoring of the construction works should be carried out so as to avoid unnecessary delays and its associated costs	161,714,695



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
170	WESTERN PROVINCE	RUTSIRO DISTRICT	Delays in recovering loans from financial services beneficiaries	non expenditure	Only 41% of loans from financial services beneficiaries had been recovered	Recoverability of loans disbursed is doubtful and the project may lose out funds meant to support other beneficiaries	VUP and other sector staff should make follow up at village level to identify the challenges limiting beneficiaries from refunding the money and then make necessary efforts to ensure that the loans are recovered	81,424,065
171	SOUTH	GISAGARA DISTRICT	There is unexplained difference in revenue	non expenditure	There is a difference between revenue recorded in the district financial statements and revenue annual report prepared by revenue officer	The difference cast doubt on the completeness and accuracy of amount in the financial statements for the year ended 30 June 2012	The difference should be investigated and necessary correction made and reconciliation should be made between revenue report and general ledger.	2,731,461
172	SOUTH	GISAGARA DISTRICT	Delay to credit transfers from mutual health sections to the district pooling risk bank account	non expenditure	There is long delays of 8-9 months to credit transfer of 45% of mutual health collections to the district pooling risk bank account and that amount was not recorded as revenue as at 30 June 2012	Delay to credit transfer from mutual health sections may result to misappropriation of these fund and the district may not be able to settle medical bills and the reported revenue and bank balances are understated.	Transfer from mutual health insurance should be followed up on time to ensure that they are credited to the district pooling risk account, and necessary adjustments should be made in the books of account	8-9 months



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
173	<b>SOUTH PROVINCE</b>	<b>GISAGARA DISTRICT</b>	Posting errors	non expenditure	Some transactions were recorded in wrong accounts	These classification errors imply that amounts for each expenditure line reported in the financial statements are not reliable and accurate, and are therefore misleading to users of financial statements	Management should ensure review of transactions before they are posted in the books of account to ensure that they are posted on correct ledger accounts and adjustment should be made to correct the errors identified.	591,725,318
174	<b>SOUTH</b>	<b>GISAGARA DISTRICT</b>	Creditors paid but still appearing as payables	expenditure	Some creditors are still appearing as payables in books of account while they have been paid during the year under audit	Payables reported in financial statements are overstated	Necessary adjustments should be made in district books of account	21,261,883
175	<b>SOUTH</b>	<b>GISAGARA DISTRICT</b>	Unsupported payables	expenditure	Some transactions related to payables were supported	In absence of the supporting documents, its difficult to confirm whether those payables are genuine and represent the obligation of the district at the year end.	The district should provide the missing documents to support these payables	52,631,343
176	<b>SOUTH PROVINCE</b>	<b>GISAGARA DISTRICT</b>	Unrecorded transactions for Non Budget Agencies within the district	expenditure	The district did not recognize in its financial statements the transactions from NBA	The district books of account are incomplete and financial statements do not give a true and fair view of the state of its financial affairs	The district should comply with the manual and ensure that transactions and balances for NBA are reflected in the books of account	1,271,867,004
177	<b>SOUTH</b>	<b>NYAMAGABE DISTRICT</b>	Unrecorded transactions for NBA within the district	expenditure	The district did not recognize in its financial statements the transactions from NBA	The district books of account are incomplete and financial statements do not give a true and fair view of the state of its financial affairs	The district should comply with the manual and ensure that transactions and balances for NBA are reflected in the books of account	78,185,655



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
178	SOUTH	NYAMAGA BE DISTRICT	Weakness in management of internally generated revenue	non expenditure	The revenue collections unit did not establish a schedule to indicate list taxpayers of trading licences, list of land owners, list of properties, the rental amount per month, tax on rental income paid and amount outstanding	Inadequate controls over the revenue collection process increase the risk of revenue leakage and thus loss of revenue to the district. Such loopholes may also result in misappropriation of the revenue collections since it is easy to ascertain how much should have been collected and what was actually collected and the outstanding balance.	Management should establish a database of all trading companies within the district as well as a detailed listing of government assets currently rented out to third parties so as to ascertain the accuracy of revenue from trading licence and rental of government assets. This database should be regularly updated and monitored to ensure effectiveness and efficiency in revenue collection process.	75,120,077
179	SOUTH PROVINCE	NYAMAGA BE DISTRICT	Weakness in contract management with tenants	non expenditure	The district's tenants are occupying its houses without contracts and monthly rental charge is lower compared to current market rates	Failure to renew the expired contracts implies that such tenants are occupying the district houses illegally and it is very hard to solve conflicts in absence of valid contract.	Management should ensure that each tenant occupying the district house/building has a valid contract. Such a contract shall serve as a point of defence regarding the payments and other necessary terms and this will ultimately mitigate the possibility of occurrence of disputes in future.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
180	SOUTH	NYAMAGA BE DISTRICT	Delayed banking of revenue collections	non expenditure	Some tax collectors failed from 6-150 days to deposit revenue collections promptly and intact	Delays in banking revenue collections may result in holding large amounts of cash that are susceptible to theft. There is also likelihood that the tax collectors can use the revenue collections for personal gains in the short term.	All daily revenue collections by the tax collector should be banked promptly and intact on a daily basis or the first thing in the morning for the next day.	
181	SOUTH	NYAMAGA BE DISTRICT	Partially supported debtors balances that have been long outstanding	non expenditure	The debtors balance amounting of 5,740,000 reported in the financial statements are not adequately supported	In absence of the supporting documents, the receivables balance could be representing errors or fictitious transactions recorded in the books of account and their recoverability is doubtful	Management should ensure that every debtor reported in the financial statements adequately supported by all verifiable supporting documents. These documents should be filed and well kept for future reference and would enable management to enforce recovery.	5,740,000
182	SOUTH	NYAMAGA BE	Non-compliance with organic law on state finances and property	non expenditure	The district did not recognize in its financial statements the receivable as outstanding balance on BRD loan for purchase of solar mobile to local population	Failure to comply with the organic law resulted in misstatement of the financial statements and the district is exposed to losses yet it has already paid BRD all outstanding amounts	The omitted debtors' balances should be established and recorded in the books of account, Management should make adequate follow up with the beneficiaries who have not refunded the amounts due from them and ensure that all the outstanding balance is recovered from them.	37,593,631



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
183	SOUTH	NYAMAGA BE	Expenditure not adequately supported	expenditure	The expenditure was not sufficiently supported such as delivery notes as proof of receipt of items, invoices and contract	Due to lack of adequate supporting documentation, there is an increased risk of invalid payments being made and this may result into misuse of public funds. It is difficult to ascertain the validity and authenticity of this expenditure	For better management of public funds, all expenses incurred by the district should be adequately supported by the necessary documents. These documents should be chronologically referenced and properly filed for future reference.	12,528,000
184	SOUTH	NYAMAGA BE DISTRICT	Failure to comply with terms of contracts and penalties for delays construction works not retained	expenditure	The district did not charge penalties to contractors for delayed execution of the construction works and there was no evidence of justifiable reasons to explain the cause for the delays which ranged between 13-310 days	The failure to charge penalties to constructors who delayed to execute their works within the contract duration may have resulted in a financial loss to the district. Thus no value for money was achieved.	Management should always perform adequate monitoring and evaluation of the progress of execution of construction works so as to realize the intended objectives then penalties should be charged to the concerned contractor or terminate the contract if penalties exceed 10% of the contract amount.	
185	SOUTH	NYAMAGA BE DISTRICT	Partially supported tenders	expenditure	Some documents such as final certificate of completion of work or service for tenders awarded during the period under audit were not availed to auditors for review	There is a risk that the district did not acquire assets, goods and services of good quality	Management should provide all the necessary supporting documents	56,825,175



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
186	SOUTH PROVINCE	NYARUGURU DISTRICT	Delayed banking of revenue collections	non expenditure	The delays of banking tax collections range from 2-26 days	Where cash is not banked on time and intact there is an increased risk of misappropriation which may lead to loss of public funds	All revenue collections should be banked intact and timely to the nearest authorised district collection bank accounts to avoid misappropriation. The non compliant tax collectors should be penalised	
187	SOUTH	NYARUGURU DISTRICT	Omitted debtors	non expenditure	Receivables due from Munini Hospital and MTN were not disclosed in the financial statements of the district for the year ended 30 June 2012	The receivables and revenue in the financial statements were understated.	Necessary adjustments should be made in district books of account to include to omitted debtors	21,999,552
188	SOUTH	NYARUGURU DISTRICT	Unsupported difference between the total amount as per district revenue officer monthly reports and the amount disclosed in the financial statements	non expenditure	There is unsupported difference of 41,610,815 Rwf between the total amount as per district revenue officer monthly reports and the amount disclosed in the financial statements	The internally generated revenue balances reported in the financial statements of the district may not be fairly stated, so its difficult to ascertain the accuracy and completeness of internally generated revenue	Management should investigate the difference and make necessary adjustment if any. Management should prepare and review monthly reconciliations between the revenue reports prepared by the revenue officer and financial statements and budget execution reports.	44,610,815
189	SOUTH	NYARUGURU DISTRICT	Funds received from budget agencies without agreements or documented guidelines for their utilization	expenditure	There is no any agreement or documented guidelines indicating how the funds received by the district will utilized.	Without documentation regarding the purpose for which funds were transferred to the district, its is difficult to ascertain the rationale for the transfers and whether the funds were utilised for the intended purpose	Each amount received by the district should be supported by agreements or guidelines indicating the intended use to prevent any use of public funds in unintended purposes	783,743,462



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
190	SOUTH	NYARUGURU DISTRICT	Partially supported expenditure	expenditure	The district incurred expenditure without sufficient supporting documents such as invoices, utilization reports, contracts, acknowledgements of receipt by beneficiaries and evidence of professional handover of work done	Owing to the absence of adequate supporting documents for the expenditure its unable to confirm the validity of the expenditure	All posting made to the expense ledgers should be adequately supported by relevant support documents. These documents should be properly filed for future reference.	224,417,224
191	SOUTH	NYARUGURU DISTRICT	Unrecorded liabilities	expenditure	Outstanding invoices as at 30 June 2012 were not recorded in books of account as payables	The district did not comply with the organic law. Therefore, expenditure and liabilities reported in the financial statements for the year ended are understated.	Adjustment should be made to ensure that the omitted liabilities are recorded in the books of account. In future all outstanding receipts and payments at the year end should be recorded in the books of account and reported in financial statements	29,596,841
192	SOUTH	NYARUGURU DISTRICT	Posting errors in expenditure accounts	non expenditure	Some transactions were recorded in wrong accounts	These classification errors imply that amounts for each expenditure line reported in the financial statements are not reliable and accurate, and are therefore misleading to users of financial statements	Management should ensure review of transactions before they are posted in the books of account to ensure that they are posted on correct ledger accounts and adjustment should be made to correct the errors identified.	1,214,499,898



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
193	SOUTH	NYARUGURU DISTRICT	Non deduction of 3% withholding tax	expenditure	The withholding tax of 3% was not deducted from suppliers' invoices hence not remitted to RRA	Failure to withhold taxes leads to loss of government revenue and penalties as well as interest may be levied by RRA against the district for non compliance with tax regulations	Management should ensure that withholding tax is deducted on payment for goods and services and is duly remitted to RRA	596,989
194	SOUTH	NYARUGURU DISTRICT	Wasteful expenditure	expenditure	Members of tender committee were accommodated for 5 days where they were carrying out the evaluation of tenders	The wasteful expenditure may hinder the implementation of the other planned district activities	Management should ensure that such unnecessary expenditure is avoided	1,333,000
195	SOUTH	NYARUGURU DISTRICT	Unrecorded transactions for NBA within the district	expenditure	The district did not recognize in its financial statements the transactions from NBA	The district books of account are incomplete and financial statements do not give a true and fair view of the state of its financial affairs	The district should comply with the manual and ensure that transactions and balances for NBA are reflected in the books of account	
196	SOUTH	NYARUGURU DISTRICT	Unexplained adjustment made to the opening bank balances	non expenditure	Management did not explain or justify the rationale for recording the adjustments	The reported bank balances reported and accumulated surplus may be misstated	Management should review the adjustments to establish their rationale, any entries found to be unjustified should be adjusted for in the financial statements.	40,664,033
197	SOUTH	NYARUGURU DISTRICT	Lack of bank reconciliation statements	expenditure	The bank reconciliation statements for 4 bank accounts were not prepared during the year ended 30 June 2012 and some bank reconciliation statement have no date of preparation, verification and approval.	In absence of bank reconciliation statements, management is unlikely to detect errors, omissions and fraudulent transactions relating to bank to enable timely corrective action.	Management should prepare monthly bank reconciliation for all its bank accounts	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
198	SOUTH	NYARUGURU DISTRICT	Amounts incorrectly shown as outstanding cheques on the bank reconciliations	expenditure	The outstanding cheques disclosed in bank reconciliation statement were received by bank and transfers were made to the respective service providers	The bank reconciliation statements are not reliable and hence they did not serve their purpose as a tool of control.	Management should strengthen the bank reconciliation review process to enable it detect errors as well as fraudulent transactions.	586,264
199	SOUTH	NYARUGURU DISTRICT	Unexplained differences between reconciled bank balance and cashbook balance	non expenditure	The management failed to explain the differences between reconciled bank balance and cashbook balance.	The audit cannot confirm the accuracy of the bank balances reported in the financial statements as at 30 June 2012	The management should investigate these differences and make necessary adjustment to the cashbook	27,542,964
200	SOUTH	NYARUGURU DISTRICT	Double payment	expenditure	The district issued two double payments made to CODACE	There is a weaknesses in updating of the cash book as well as the preparation and review of bank reconciliation statements	Management should recover the amount paid to RRA through receipt of cash or by agreement to offset the amount against future payments	1,280,000
201	SOUTH	NYARUGURU DISTRICT	Difference between accounts payable balance disclosed in the financial statements and that per list of payables	expenditure	The balance of accounts reported in the financial statements differs from the amounts per creditors' listing.	The unexplained difference between accounts payable balance disclosed in the financial statements and that per list of payables is an indicator of errors in the books of account	Necessary adjustment should be made in the books of account of the district	2,189,109



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
202	SOUTH PROVINCE	NYARUGURU DISTRICT	Unsupported creditors' balances and lack of creditors listing	expenditure	The accounts payable are not supported and they are lack of documents such as invoices, purchasing orders and a details list of individual suppliers and respective balances	In absence of details of the reported creditors' balances and supporting documents, it is difficult to establish validity, accuracy and completeness of the creditor balances. The creditor balances reported in financial statements may be misstated.	Ledger accounts should be maintained for each creditor/supplier to facilitate the process of tracking supplier balances and supporting documentation and subsequent of these balances	150,787,676
203	SOUTH	NYARUGURU DISTRICT	Implementation of previous audit recommendations	non expenditure	Only 49% of the audit recommendations made in the previous audit were implemented and the remaining 51% are not yet to be implemented	Absence or delay in implementation of audit recommendations undermines the internal control system put in place to safeguard public assets and resources.	The district's management should endeavour to review the audit reports and put in place an implementation plan that will ensure that the audit recommendations are implemented on timely basis.	
204	SOUTH	NYANZA DISTRICT	Unexplained adjustment on opening balances	non expenditure	There is no documentation nor evidence of any decision by district council to justify the written off as an adjustment on opening balances of cash and bank, payables and receivables	Absence of supporting documents to justify the adjustment and lack of appropriate approvals makes it difficult to ascertain the rational for the adjusting entries posted in the books of account.	Management should ensure that proper justification together with the journal vouchers should be provided and approved by chief budget officer before it being posted in accounting system	384,476,295
205	SOUTH PROVINCE	NYANZA DISTRICT	Posting errors	non expenditure	Some transactions were recorded in wrong accounts	These classification errors imply that amounts for each expenditure line reported in the financial statements are not reliable and accurate, and are therefore misleading to users of financial statements	Management should ensure review of transactions before they are posted in the books of account to ensure that they are posted on correct ledger accounts and adjustment should be made to correct the errors identified.	628,097,550



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
206	SOUTH	NYANZA DISTRICT	Difference between the amounts per revenue report from Revenue management module in IFMIS and revenue ledgers	non expenditure	The management did not provide any reconciliation to explain the difference between the amounts per revenue report from Revenue management module in IFMIS and revenue ledgers	The difference indicates the system did not operate as designed and as a consequences, its functionality could be at risk and its an indicator of collections which were not banked during the year.	Management should investigate the difference and prepare regular reconciliation to explain any differences that may arise between the two modules.	18,174,897
207	SOUTH	NYANZA DISTRICT	Difference between amounts in the monthly revenue reports for internally generated revenue from sectors and those from revenue management module in IFMIS	non expenditure	The management did not provide any reconciliation to explain the difference between amounts in the monthly revenue reports for internally generated revenue from sectors and those from revenue management module in IFMIS	Since internally generated revenue is collected mainly through sectors, the difference between the information from sectors and that in the revenue module at district is an indicator of lack of timely review of records before capturing information in the revenue module	Management should investigate the difference and prepare regular reconciliation to explain any differences that may arise between the revenue management module and sectors revenue.	76,329,081
208	SOUTH PROVINCE	NYANZA DISTRICT	Lack of proper records for houses owned by Nyanza District	non expenditure	There is no proper identification of the houses and no rental contract between the district and the respective tenants nor the proof of rental payment and rental charges.	In the absence of rental contracts, approved tariff, its difficult to ascertain the time each one of the tenant has occupied the house and to determine the amount to be paid. Therefore, the unpaid rental income may not be recovered by the district	The district should have an updated database which include identification of houses and contract should be signed with tenant and tariff should set to serve as basis for determining rent payable for each house	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
209	SOUTH	NYANZA DISTRICT	Reported revenue not properly supported	non expenditure	Recomputed revenue from billboards are higher than the reported revenue, and this implies that some revenue and related receivables are not recorded in financial statements	In absence of signed contracts/agreement, its difficult to confirm the completeness of revenue reported for license fees, therefore the revenue from billboards is understated.	Management should investigate the difference noted in revenue for billboards and make necessary adjustments in the books of account and financial statements and indicate the date the billboards were erected within the district.	1,466,000
210	SOUTH	NYANZA DISTRICT	Receivables omitted from the financial statements	non expenditure	Receivables from different tax payers were not disclosed in the financial statements for the year ended 30 June 2012	Receivables reported in the financial statements are understated	Management should comply with laws and regulations in force and make necessary adjustments to recognise the receivables in the books of account	1,336,282
211	SOUTH	NYANZA DISTRICT	Review of tax payer's lists	non expenditure	There is an unexplained difference between expected revenue and the revenue recorded in general ledger	Completeness of internally generated revenue reported in the financial statements cannot be confirmed	Management should investigate the differences noted and make proper reconciliations to explain the causes.	31,967,619
212	SOUTH	NYANZA DISTRICT	Management of revenue from Nyanza stadium	non expenditure	There is no evidence of any amount received as revenue by the district from stadium operations nor a register to track activities and events taking place at the stadium	As revenues from stadium, operations are unknown or were omitted from the district books of account, its difficult to ascertain the completeness and the accuracy of all revenue reported and the financial statements	Management should make a follow up of all stadium operations to ensure that all revenues collected from those activities are properly accounted for.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
213	<b>SOUTH PROVINCE</b>	<b>NYANZA DISTRICT</b>	Wasteful expenditure	expenditure	The district paid 12 million to settle former district employees who had been dismissed and filed a case against the district.	The amount of money paid as damages and interest for the court cases lost could have been used to carry out planned district activities and such expenses could have been avoided in the district had exercised due care, thus they amount to wasteful expenditure.	For better management of public funds, due care should be exercised to ensure that laws and regulations in force are complied with.	12,982,399
214	<b>SOUTH PROVINCE</b>	<b>NYANZA DISTRICT</b>	Unrecorded transactions for NBA within the district	expenditure	The district did not recognize in its financial statements the transactions from NBA	The district books of account are incomplete and financial statements do not give a true and fair view of the state of its financial affairs	The district should comply with the manual and ensure that transactions and balances for NBA are reflected in the books of account	252,173,077
215	<b>SOUTH</b>	<b>NYANZA DISTRICT</b>	Differences in wages and salaries reported	expenditure	There is an unexplained difference between wages and salaries reported in financial statements and that per payrolls	The amount reported in the financial statements for wages and salaries is not accurate,	Management should review the classification errors and investigate the difference identified with a view of making necessary adjustment after appropriate consultation with MINECOFIN	679,094,869
216	<b>SOUTH</b>	<b>NYANZA DISTRICT</b>	Payables cleared and yet still appearing as outstanding in the books of account	expenditure	Some payables were paid and yet are still appearing as outstanding in the books of account	The management does not monitor the movement of the transactions on payables account and shows that creditor balances are not updated with some transactions	Necessary adjustment should be made in the books of account of the district	1,998,108
217	<b>SOUTH</b>	<b>NYANZA DISTRICT</b>	Payables accounts with debit balances	expenditure	Included under supplier payables are creditors with debit balances	These represent errors in balances reported for creditors resulting in understatement of liabilities	Management should investigate these debit balances and make necessary adjustments	89,835,473



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
218	SOUTH PROVINCE	NYANZA DISTRICT	Lack of detailed aging creditor's analysis	expenditure	There is no individual breakdown for each of the creditor balances to show its analysis.	In absence of individual breakdown for each of the creditor balances to show its analysis, its unable to confirm the authenticity of the balances recorded in these accounts.	Management should provide all details of accounts payables to ensure that are genuine and properly supported, each of the outstanding liabilities needs to be analysed to show the details transactions not yet paid as at 30 June 2012	178,757,086
219	SOUTH	NYANZA DISTRICT	Unsupported transit fund payable account	expenditure	The district failed to support the transactions on the transit fund payable account	Failure to support transactions on the transit fund payables account, this account can be used for fraudulent activities	The district should provide details of the senders of fund credited in the transit fund account. The fund not utilized should be returned to the senders	73,081,835
220	SOUTH	NYANZA DISTRICT	Unrecorded liabilities	expenditure	The outstanding invoices before the year ended were omitted from the financial statements	The non compliance with article 70 of organic law implies that reported liabilities at 30 June 2012 are understated.	The district should comply with the requirements of the organic law and include all outstanding receipts and outstanding payments in the financial statements of the district and necessary adjustment should be made accordingly.	4,685,320
221	SOUTH	NYANZA DISTRICT	Failure to remit 10% of collections to the national insurance scheme account	non expenditure	The district did not remit 10% of contribution from mutual health insurance scheme to the national insurance scheme account	This is non compliance with MINISANTE's instruction and denies MINISANTE necessary funds to finance health insurance activities. District revenue is overstated and payables are understated.	Management should comply with instruction from MINISANTE and ensure that the 10% contribution is remitted to MINISANTE and necessary adjustment should be made to recognize a payable.	114,708,194



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
222	SOUTH	RUHANGO DISTRICT	Unrecorded transactions for Non Budget Agencies within the district	expenditure	The auditor noted that the District did not maintain a cashbook or debtors account for balances held by each of the non budget agencies under its control in its books of account	The district books of account are incomplete and do not show the true picture of the district operations and financial position at period end.	The district should implement Government policies and procedures and ensure that all transactions of Non Budget Agencies operating within the district are incorporated in the district books of account.	180,386,307
223	SOUTH	RUHANGO DISTRICT	Delayed banking of revenue collections	non expenditure	Auditor noted that some of the revenue collectors opted to deposit the cash collected in instalments and remained with part of the collections in some cases even after fully utilizing related receipt books. Where the cash not banked on time and intact there is an increased risk of misappropriation of such cash.	Failure to bank collections on time contradicts public financial management procedures and make it possible for tax collectors to use public funds for private gain	Management should ensure that all revenue collections are banked intact and timely as required by the Manual of Government Policies and Procedures: Financial management and accounting (volume 1) section 2.4.6	
224	SOUTH PROVINCE	RUHANGO DISTRICT	Income from renting district houses not collected	non expenditure	Auditor did not obtain any contracts signed between the District and the tenants determining the tenancy terms. Management did not avail tariffs for the mentioned houses.	The uncollected rental income constitutes lost revenue that could have supplemented other District revenue sources. Further, lack of contracts presents a challenge to the district in enforcing collection	The district management should ensure that the district council approves the tariff for district houses for rent, contracts are signed with each of the tenants, and ensure that monthly revenue from the tenants is collected promptly.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
225	SOUTH	RUHANGO DISTRICT	Weakness in recording internally generated revenue	non expenditure	The auditor noted that revenue amounting to 55,874,485 was recorded in general ledger on the basis of the bank statement which is not a reliable source document.	Recording revenue basing on the bank statements does not allow management to detect any errors committed by the bank and such errors may end up being recorded in the books of account and thus resulting in misstatement of the financial statements.	Revenue should be recorded on the basis of source documents like bank slips, transfer notes or any other source documents and not relying on the bank statements only.	55,874,485
226	SOUTH	RUHANGO DISTRICT	Unsupported grants	expenditure	The auditor did not obtain any grant agreement signed between the district and the donor indicating how the grants received by the district were supposed to be used	Without documentation regarding the purpose for which funds were transferred to the district, it is difficult to ascertain the rationale for these grants and whether the funds were utilised for the intended purpose.	Each grant received by the district should be supported by the agreements or guidelines indicating the intended use of these funds to prevent any use of public funds for unintended purposes.	14,317,500
227	SOUTH	KAMONYI	Recording internally generated revenue	non expenditure	These amounts were posted into their respective cash books using bank statements instead of documents.	when recording the data entries using the bank statement rather than source of documents may create errors and bank balance and other revenue may be misstated.	The amounts recorded in the ledger using the source of document should then be reconciled to the amounts per bank statements.	325,530,020
228	SOUTH	KAMONYI	Delayed banking of cash collections	non expenditure	There are unjustified delays in banking of cash collected	The above weaknesses make it difficult to confirm whether all collections are banked accordingly and the financial statements cannot be confirmed.	Management should reinforce its internal controls with regard to tax and non -tax revenue and make regular follow up.	delayed to 2012/2013



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
229	SOUTH	KAMONYI DISTRICT	Long outstanding debtors	non expenditure	There are various debtors which have been outstanding for 4years.	The above debtors balance may be irrecoverable and thus the account receivable may be reported at carrying amounts in excess of the recoverable amount.	The district management should make the efforts to recover these balances from the concerned debtors.	15,249,705
230	SOUTH	KAMONYI	Unrecorded bank balances of Non Budget Agencies	expenditure	The bank accounts operated by district's schools, sectors, mutuelle de sante, and health centres were not included in the district financial statements.	The district 's books of account are incomplete. without appropriate review of supporting documents for NBA ,misappropriation of funds may occur and not be detected timely.	The district should implement government policies and procedures .	881,413,329
231	SOUTH	KAMONYI	Physical verification of the district project	non expenditure	Though the contractors requested for the provisional handover of works on 02 october,2012 which had paid 40% of that amounts.	There is a risk that the District will not obtain full value for money from this project if the defects and corrected and works completed as per the contract.	The district should make follow up and the defects should also be corrected before the final payment is made and the penalty for late delivery should also be changed to the contractors.	delays for 410 days
232	SOUTH	MUHANGA DISTRICT	Unsupported receipts from Nyamabuye sectors	non expenditure	The revenue reports are not therefore linked to the receipt books used in revenue collection.	In the absence of details of the relevant receipt serial numbers ,it is difficult to link the weekly revenue collected and deposit slips, and we not sure if revenue collected was banked on timely.	The district should make follow up Nyamabuye sector to ensure that amount of revenue reported are properly and supports receipt books used in collection.	.
233	SOUTH	MUHANGA	Receipts book not accounted for by tax collector	non expenditure	I note cases where the tax collectors did not account for some receipt books for long ,with one receipt book still not accounted for by the time of audit in October 2012.	Failure to account for all receipt books issued during the year makes it difficult to confirm completeness of revenue collected and reported in financial statement in the year.	The district should make follow up the receipt books not yet returned and ensure they are all returned.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
234	SOUTH	MUHANGA DISTRICT	Failure to adhere to Ministerial instruction no 20/55 of 30/11/2011 regarding the management of Mutual health insurance	non expenditure	The district did not transfer that amounts as required by these instructions and had not recognised as payable in the books of account of Muhanga district at 30 June 2012.	Failure to recognise the liability implies that liabilities reported in the financial statements as at 30 June,2012.	The adjustment should be made in the financial statements to recognise the unremitted balances at 30 June,2012.	5,500,144
235	SOUTH	MUHANGA DISTRICT	Posting errors in various expense accounts.	non expenditure	The transactions related to compensation of employees, goods and services of these amounts respectively were wrongly recorded under expenditure.	The district did not match the expenditure to the appropriate budget lines at the time of expenditure which causes posting errors.	Management should ensure that appropriate review are conducted to facilitate recording of transactions under designated ledger account per chart of account..	26,216,340
236	SOUTH	MUHANGA	Long outstanding balances for accounts receivable not reconciled.	non expenditure	The district conducted a census to verify the debtors but had not performed a reconciliation to confirm the actual outstanding balance per debtor as at 30 June ,2012.	It is difficult to confirm the accuracy and to ascertain recoverability for outstanding debtors at 30 June 2012.	Management of Muhanga district should ensure that proper reconciliations are done for each debtor.	36,613,745
237	SOUTH	MUHANGA	Unsupported transactions in the transit fund ledger account.	expenditure	The liability is not genuine and the errors had not been corrected by the time of audit in Oct,2012 and there is no evidences that Muhanga district made follow up with the bank in order to correct this errors.	Bank balance and liabilities are overstated and the funds may be utilised in activities other than they were meant for.	The district management should ensure that all transactions recorded in the district books of account are fully supported.	13,932,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
238	<b>SOUTH</b>	<b>MUHANGA DISTRICT</b>	Unrecorded transactions of Non Budget Agencies	expenditure	The district did not maintain a cash book for balances held by each of the Non Budget Agencies under its control in its books of account.	The bank balances reported in the financial statements are understated and expenditure are overstated to the extent of the unutilised funds still on the sector bank account at 30 June 2012.	The district need to ensure that all unspent funds at the yearend are adjusted from expenditure to ensure accuracy of expenditure reported.	126,612,038
239	<b>EAST</b>	<b>BUGESERA</b>	Transfers made from section bank account in BPR that had not been credited to the district's bank account in BNR	non expenditure	Transfers of mutuelle de sante made from section bank account in BPR that had not been credited to the district's bank account in BNR	There is risk of loss and misappropriation of contributions in case funds transferred from sections bank accounts did not reach the designated district's bank account	Management should put in place the control measures to verify and ensure that funds transferred from the sections' bank accounts have actually been received at the destination bank account in BNR and identify the reason why these funds did not reach the district bank account and ensure that they have been recovered	57,734,500
240	<b>EAST</b>	<b>BUGESERA DISTRICT</b>	Abandoned works	expenditure	The contractor FIECO abandoned the constructions works of dike and feeder roads at execution 39% and 71% respectively	Delayed execution of the construction works limits the realization of the intended objectives. This also portrays management's weaknesses in monitoring of the executions of contract and incurring loss	Management should improve its monitoring and supervision roles to ensure that construction works are always completed within the set deadlines.	132,456,534



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
241	EAST	BUGESERA	Accounting for transactions of NBA	non expenditure	The district did not maintain the cash books and debtors of all NBA under its control in its books of account	The district books of account are incomplete and do not portray a true picture of the financial transactions and position of the district.	The district should ensure that at the end of every month, all NBA submit original copies of their cash books together with the detailed supporting documents for verification and approval and use in posting the transactions in the general ledger of the district.	190,145,145
242	EAST	BUGESERA	Write off debtors without appropriate explanations	non expenditure	The district written off the debtors from fishing tax without appropriate explanations	Write off of receivables balance without justifiable reasons led to loss of public funds, this portrays a weakness in controls over revenue collections from fishing activities	Management should always ensure that adequate justification to support the write offs is obtained and property documented for future reference. The district should contact the cooperatives of COOPERWE and COAJ and ensure the taxes due from them are recovered.	1,441,662
243	EAST	NYAGATARE DISTRICT	Lack of relevant information in list of taxpayers	non expenditure	The list of taxpayers does not include information such as contract amount for rental income, tax to be paid by each taxpayer. Hotel and lodge, basis of computing tax on billboard and communication towers	Incomplete information provided on the lists makes it difficult to make revenue estimates, revenue projections made by the district may not be reliable and audit can confirm that each tax base was properly invoiced and all collections thereto were fully made. This may result in revenue loss. Consequently the completeness of the revenue recorded in the financial statements as at 30 June 2012 cannot be assured.	Management should prepare a complete list of taxpayers for each revenue, with all relevant information so that potential district taxpayers are identified with their corresponding tax payable. This will ensure that projected revenue collections are accurately forecasted and monitored.	



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
244	EAST	NYAGATARE	Wasteful expenditures incurred on court cases challenging decisions made by District	expenditure	Amount of money was paid as compensation for damages, penalties and interest for the court cases of sale of cows which the district lost.	The amount of money paid as damages and interest for the court cases lost could have been used to carry out planned district activities and such expenses could have been avoided in Nyagatare district has exercised due care, thus they amount to wasteful expenditure.	For better management of public funds, due care should be exercised to ensure that laws and regulations in force are complied with	16,500,000
245	EAST	NYAGATARE	Unrecorded transactions for Non Budget Agencies within the district	expenditure	The district did not recognize in its financial statements the transactions from NBA	The district books of account are incomplete and financial statements do not give a true and fair view of the state of its financial affairs	The district should comply with the manual and ensure that transactions and balances for NBA are reflected in the books of account	1,724,366,975
246	EAST	NYAGATARE	Weaknesses in the management of rent contract of district houses	non expenditure	The rental income from district house was not collected nor recorded in financial statements as receivable	Delayed recovery of rental income may lead to loss of revenue if the amount is not collected at all. The rental income reported by the district is incomplete due to omission of unpaid amounts.	The district should recover the above amount from the tenants with immediate effect	3,320,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
247	EAST	NYAGATARE	Stock of construction materials not properly managed	expenditure	There is lack of proper storage facilities for materials, unutilisation of those materials for long and lack of proper stock cards for tracking its utilisation.	There is risk of loss, damages and misappropriation of construction materials	Management should ensure that a tag card is maintained for each type of construction materials and all necessary information is regularly updated showing quantity received, date of reception, quality issued, date of issue, the beneficiary and the remaining stock, storage facilities and utilisation of those materials should be put into action quickly	
248	EAST	KAYONZA	Non compliance with the contract terms	non expenditure	Amount paid without review which was carried out to confirm the completeness of the amount paid to the district, in addition, contract is silent on the deadline of payment. Hence, the completeness of revenue received from ATRACO cannot be confirmed	In absence of review in collections from packing fees made by ATRACO, it is difficult to confirm the completeness of revenues paid to the District. So, there is a risk of loss of revenues by district due to the unclear terms of contract.	The district should review the collections made by ATRACO from the packing fees in order to confirm the completeness and accuracy of amount paid.	5,977,586



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
249	EAST	KAYONZA DISTRICT	Weakness in internally generated revenue	non expenditure	Some of the internally generated revenue such as building tax, building tax interest, tax on plots and land registration, notary charges, sale of tender documents are paid on the account of the district but the District does not maintain any record or list/register for the person who have got those services, bank deposit slips and the corresponding payment at the district level to facilitate the reconciliation with the amount on the bank statement.	Absence of supported documents related to the record of deposits, corresponding payments, reconciliation with the bank statements, errors made at the bank statement cannot be detected timely. In the same way, completeness of revenue collections cannot be adequately ascertained. Due to the weaknesses mentioned, it is not easy to confirm the completeness and the validity of the revenue recorded under the administrative fees.	The district should maintain a record showing the name of the depositor, bank slip number, and amount to be used when carrying out reconciliation with the banks statement.	20,812,997
250	EAST	KAYONZA	Delays in depositing the tax revenue collections	non expenditure	The Auditor General noted that there is amount collected which were banked with delays from 3 days to 60 days during the year ended 30 June 2012.	This delay of District in banking collections exposes the district funds to the risk of misappropriation and theft.	Management should ensure timely deposit of collections as required by law and non compliance should be subject to disciplinary measures taken by the District.	1,159,379



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
251	EAST	KAYONZA	Weakness in recording and differences in reporting income from Mutual Health	non expenditure	The contribution from the mutual health insurances sections deposited on the district Pooling Risk account were recorded in the books of accounting using statement instead of using source support documents such as deposit slip. There is also a difference between Mutual Health Insurance contributions per sections' report and that consolidated by the district officer.	Recording revenue on the basis of bank statements alone does not guarantee that the amount recorded is complete and accuracy. This indicates an inadequate review of reports submitted.	Revenue should be recorded in the district's books account using source documents like revenue reports, deposit slips. Management should ensure appropriate oversight over Mutuelle de Santé reporting process and recording of transactions.	193,943,181
252	EAST	KAYONZA	Posting errors in expenditure accounts	non expenditure	Transactions related to expenditures were erroneously posted. This posting errors imply that the amounts shown in the financial statements for each component are not accurate and therefore misleading to management and other users	These posting errors imply the lack of accurate in the management of the district and mislead the users of financial statements.	The management should review the books of account and make necessary adjustments to ensure proper classification of amount presented in the financial statements of the district.	1,924,560,494
253	EAST	KAYONZA	Overstatement of employees costs	expenditure	A comparison of Kayonza District staffs salaries recorded in the general ledger to the supporting payrolls revealed unexplained difference in salaries.	The employees costs presented in the financial statements may not be stated.	Management should ensure that the salaries amount as per the payrolls is adequately reconciled to the general ledger on a regular basis. Any difference noted should be investigated and appropriate action be taken.	7,054,418



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
254	EAST	KAYONZA	Difference between number of students per school reports and that used by the district to transfer funds	expenditure	The Auditor General noted that the transferred capitation grant to the district was different to the number of students at the secondary school.	The payment differences indicate the inadequate follow up by the district management.	Management should undertake regular verification exercises to confirm the students in schools and update records maintained at the district level.	1,055,250
255	EAST	KAYONZA	Unrecorded transactions for NBAs within the District	expenditure	Transaction related to schools, sectors and internally income of hospitals and health centres were not recorded in districts books of account. The district did not verify all transactions and supporting documents from activities of the schools, sectors and health centres.	The district books of account are incomplete and the financial statement do not give a true and fair view of the state of the financial affairs of the district. There is no ascertain that funds transferred to NBAs were utilised for intended purposes.	The district should implement the government policies and procedures and ensure that all transactions of NBAs operating within the district are incorporated into the district books of account.	120,937,800
256	EAST	KAYONZA	Difference between the budget approved by district council and that implemented by the district	expenditure	The audit indicated that the budget approved by the district council for 2012 year was different from the one implemented by the district.	This situation imply that the executed budget by the District was not approved by the district council. This may result in allocation of funds to low priority areas at the expense of key area.	Management should ensure that budget revisions are approved by the district council before they are implemented.	221,074,509



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
257	EAST	KAYONZA	Lack of a list detailed debtors	non expenditure	Review of debtors in Kayonza District revealed that the district does not maintain individual debtors' account. All are recorded in one account "312101" which is called "Accounts Customers" Further, there is no listing individual customer balances to support the total debtor balance from the financial statement.	It is not easy to trace the movement of each individual debtor account. So, to confirm the completeness and the accuracy of the accounts receivables balance presented in financial statement is more complex.	The district should consider creation of an individual account for each and individual debtor. The individual account should be reconciled on a regular basis to ensure that the balances are complete and accurate.	71,888,070
258	EASTERN PROVINCE	GATSIBO DISTRICT	Management of income from flags	non expenditure	During the audit period, the district did not avail the information on the quantity of flags held in store at the beginning of the year, the quantity supplied by MINALOC, and the quantity sold and then the balance. Consequently is not possible to confirm the completeness of the revenue from sale of flags.	The amount of revenue shown from sale of flags may be mistaken. Failure to provide information on movement of flags indicates lack of control.	The district management should establish proper control over the movements of flags. A mechanism of record on the sale of flags should be maintained regularly.	1,608,800



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
259	EAST	GATSIBO	Lack of proper monitoring of courts fees	non expenditure	The audit indicated that the courts fees are deposited to the district revenue bank account. There is no verification conducted by the district in order to confirm the completeness of the courts fees received.	In absence of these supported document it is not easy to confirm the accuracy of the revenue received.	The district should put in place a mechanism which can permit the district to use the bank deposit slips while recording income from courts fees.	16,858,483
260	EAST	GATSIBO	Weakness in management of income from sale of taps water	non expenditure	There is no evidence of any verification and monitoring done by the district to confirm the completeness of the income received from sectors and deposit to water sales account. There is a difference between income from water sales as per books account and income as per bank statements for the bank account of water sales.	The income from water sales was wrongly reported in the district financial statements. Thus, the income recorded in the books of account can not be confirmed. Failure to verify collections from taps water sales imply that district did not oversight on income generated by sectors including sale of water.	The district should investigate the difference noted between the income recorded in the books of accounts and the bank statement.	55,017,328
261	EASTERN PROVINCE	GATSIBO DISTRICT	Delays in depositing tax revenue collections	non expenditure	Contrary to the requirements from the government in terms of tax collections procedures, the audit noted that revenue collected from receipt books was not banked promptly. The delays in banking ranged from 2 days to 22 days	Delays in banking revenue collections results in holding large amounts of cash that is susceptible to theft.	All daily revenue collected by tax collectors should be banked promptly and intact on a daily basis.	1,355,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
262	EASTERN PROVINCE	GATSIBO DISTRICT	Difference between the revenue officer's report and accounting report	non expenditure	It was observed that the amount of internally generated revenue as per financial statement ( 488,179,261) differed from that in the revenue officer's report (472,857,383).	Existence of different data on one item, in this case of internally generated revenue may mislead the decision making process by management and other users.	Management of district should investigate the differences observed and obtained proper explanation. Necessary adjustments should be done in the books of account and financial statements.	15,321,878
263	EAST	GATSIBO	Recording transfers from reporting entities	expenditure	It is difficult to confirm wither funds were utilised in accordance with the requirements of the funding agency in case the transfer is not supported by funding agreements, memoranda of understanding or guidelines note stipulate how the funds should be utilised by the district.	Absence of clear guidelines for utilisation of funds transferred to the district makes it difficult to confirm its utilisation accordingly.	Management should ensure that the guidelines for utilisation of funds are obtained from the funding agencies before implementation of any activity. In addition, proper follow ups should be made to identify the sources of all revenue included in the books of accounts.	769,367,507
264	EAST	GATSIBO DISTRICT	Partially supported expenditure	expenditure	According to the manual of Government, each cash entry in the books of account must be supported by proper accounting documents. Contrary to above instructions, some expenses do not have all supported documents.	In the absence of sufficient documentation, it is not possible to confirm the nature and validity of such expenditure.	For better management of public expenditure, expenses incurred by district must be supported by necessary documents detailing their utilization and will be kept for the future reference.	61,848,440



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
265	EASTERN PROVINCE	GATSIBO DISTRICT	Posting errors in expenditure accounts	non expenditure	The audit indicates many transactions done in wrong manner according to financial statements procedures.	Misposting implies that the books of account contain errors and the financial statements extracted therefore are not appropriately classified and do not present a true and fair view of the financial affairs of Gatsibo District for the period under observation.	The management should review the books of account and make necessary adjustments to ensure the proper classification, true and fair presentation of financial statement.	2,434,023,477
266	EAST	GATSIBO DISTRICT	Unrecorded transactions for NBAs within the District	expenditure	Transaction related to schools, sectors and internally income of hospitals and health centres were not recorded in districts books of account. The district did not verify all transactions and supporting documents from activities of the schools, sectors and health centres. Sample of seven sectors.	The District books of account are incomplete and do not portray a true picture of the financial transactions and position of the district.	The district should implement Government policies and procedures and ensure that all transactions are incorporated within the district books of account.	70,673,195
267	EAST	GATSIBO DISTRICT	Wasteful of expenditure	expenditure	The district paid some amount for penalties and interest for delays in remittance of PAYE and 3% withholding tax to RRA in previous years.	Money paid as penalties was not within the approved budget of Gatsibo District and could have been avoided as it is indicated in the law.	The district should comply with laws and regulations in force, specifically timely payment of statutory deductions to avoid the wasteful expenditure.	48,262,307



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
268	<b>EASTERN PROVINCE</b>	<b>GATSIBO DISTRICT</b>	Long outstanding debtors not recorded in books of account	non expenditure	It was noted that outstanding receivable from the sale of mobile phones had neither been recorded from the beneficiaries of the mobile by the time of the audit nor recorded in the financial statements of the District as at 30 June 2012.	The receivable reported in the financial statement are understated. Further, there is an increased risk of loss of public funds if these balances are not recovered.	All debtors of the District should be recorded in the books of account. The district should develop strategies to recover the outstanding amount from beneficiaries of mobile phones.	23,735,229
269	<b>EAST</b>	<b>GATSIBO</b>	Defects noted in construction of Kiziguuro Modern market	expenditure	During the field visit of the auditor general staff, some defects on the completed construction works were observed.	The above anomalies indicate inadequate supervision and control over contractors, leading to poor quality of works or change of the contractor works without involvement of the district. There is a risk of cracks enlarging hence reducing the durability of the building.	The district should take action to recover the money paid for the works not done or defects not corrected by the contractors.	290,420,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
270	EASTERN PROVINCE	GATSIBO DISTRICT	Review of audit committee function	non expenditure	Referring to the article 5 of Ministerial instructions, for the establishment of the audit committee in public entities, each audit committee shall be composed of at least three but no more than five members. It was noted that one of the audit committee members who served during the year had significant and recent experience in accounting and financial management, and one have got a university degree in accounting, finance or business administration.	The audit committee with such a gap of skills may not provide proper advisory assistance to the district's management towards achieving operational efficiency.	The district should comply with the Ministerial instruction while appointing members of audit committee.	
271	EASTERN PROVINCE	NGOMA DISTRICT	Non compliance with cut off principle of accounting.	non expenditure	It was noted that the district expenditure in financial statements for the year ended 30 June 2012 and yet this expense relates to invoice received in the previous year. The amount was not recorded as liability in previous year and hence outstanding expenditure for the year ended 30 June 2012.	Expenditure is overstated and opening balance for liabilities understated. In addition, that district did not comply with the financial regulations.	Management should ensure that proper cut off procedures are followed to identify any outstanding invoices at the end of the year.	4,805,683



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
272	EAST	NGOMA	Long outstanding creditors	expenditure	Some liabilities have been outstanding for a period of one year as at 30 June 2012.	Delay settlement of the accounts payable exposes the district to the risk of damaging its relationship with its suppliers.	Management of NGOMA district should settle fully supported creditors as soon as possible. In future management should ensure that liabilities are settled as and when they fall due.	5,438,981
273	EAST	NGOMA	Long outstanding debtors	non expenditure	It was noted that the district has debtors relating to unpaid fees on advertising billboard, tax not paid and sale of drugs as at 30 June 2012.	Long outstanding debtors are an indicator of recovery problems and may result in loss of public funds. The debtors reported in the financial statements may not be fairly stated.	The district should make a follow up to ensure prompt recovery of these long outstanding.	97,559,365
274	EASTERN PROVINCE	NGOMA DISTRICT	Receiveble relateing to BRD loan for telephone	non expenditure	The amount to be paid by citizens from the loan of BRD was not recovered by the District for more than two years. And there was no evidence of a recovery plan drawn by management to ensure these funds are fully repaid by the concerned beneficiaries.	Recoverability of these funds is doubtful and may result a loss of public funds.	The district should make a follow up to ensure prompt recovery of these long outstanding debts. If all recovery measures have been undertaken and no recoveries, the district management should write to the district council so that it can take action on this matter.	44,618,609



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
275	EAST	NGOMA	Misposting in expenses account	non expenditure	The audit indicated that there was amount relating to capital expenditure and transfers to non reporting entities which was wrongly posted to various ledger accounts under goods and services. Likewise, some transactions relating to purchase of goods and services were incorrectly recorded under capital expenditure instead of transfers to non reporting entities and goods and services accounts.	Misposting are an indication of inadequate review of transactions posted in the books of accounts. These transactions and transfers are misstated and inaccurate and thus, misleading to the users of the financial statements.	The district management should ensure that transactions posted in books of account are regularly reviewed by the DAF and Executive secretary to avoid such errors.	542,730,103
276	EAST	NGOMA DISTRICT	Unrecorded transactions for NBAs within the District	expenditure	The district did not maintain a cashbook or debtors account for balances held by each NBAs under its control, within its books of account as it is requested by the Manuel of the Government policies and procedures .	The district books account are incomplete and the financial statements therefore do not give a true and fair view of the state of the financial affairs of the district. Absence of proper monitoring and follow up of utilization of public funds may result in misuse of public funds.	The district should implement the government policies and procedures and ensure that all transactions of NBAs operating within the district are incorporated into the district books of account.	623,600,008



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
277	EAST	NGOMA DISTRICT	Incorrect computation of social security deductions	expenditure	The audit indicated that amounts used by Ngoma District as a basis for computation of social security contributions were incorrect and this led to understatement of social security contributions.	Incorrect computation of social security contributions led to under declarations and remittance of the statutory deductions. There is also a risk of incurring penalties and fines from RSSB for under declaration of the statutory deductions.	The amount not declared should be remitted and declared to RSSB to minimize accumulation of fines and penalties. Management should ensure that payrolls are properly prepared and adequately reviewed and verified for completeness.	2,005,302
278	EAST	NGOMA	Absence of proof of receipts of provisional notification letters	non expenditure	There was no proof that the unsuccessful bidders were notified of the outcome of the evaluation	In absence of proof of receipt of provisional notification letter by unsuccessful bidders for the tenders awarded by the district, it is difficult to ascertain whether the principles of competition, transparency, economy, equity and accountability have been complied with in awarding those tenders	The district should comply with the law on public procurement procedures and ensure that all unsuccessful bidders are not notified of the evaluation exercise	208,034,580
279	EAST	KIREHE DISTRICT	Difference between the revised budget approved by the District Council and the revised budget as per budget execution report.	expenditure	The Audit indicated that there was a difference between the approved budget by the District council and the revised budget as per budget execution report.	The execution of budget different from one approved by the district council implies that budget re-allocations were implemented without approval. This may result in allocation of public funds to low priority areas at the expenses of key areas.	Management should ensure that budget revisions are approved by the district council before they are implemented.	1,484,015,804



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
280	EAST	KIREHE	Loan from BRD for the acquisition of mobile phone	non expenditure	The district did not recover the loans from beneficiaries to be paid to BRD bank and this was not recognized in as receivable in the financial statement of the district.	Accounts receivable recorded in the district books are understated.	Adequate follow up should be made by management to ensure full recoverability of funds from the beneficiaries.	33,800,896
281	EAST	KIREHE	Completeness of community health insurance revenue	non expenditure	Some deposit could not be allocated to any mutuelle de sante sections where they were deposited from. Accordingly they were unallocated, making it difficult to ascertain whether all contributions by the sections were deposited on the bank account.	It is difficult to confirm completeness of contributions from mutual health insurance sections due to lack of complete, details and reliable reports.	The district should investigate that difference and make necessary corrections. The district should ensure that consolidated report agree with underlying records in finance department. The district management should investigate the source of funds deposited on its bank account not allocated to any section to ascertain whether they are genuine receipts/income from mutual health insurance sections.	177,061,733
282	EAST	KIREHE	Lack of list of land and property taxpayers	non expenditure	The land and revenue collection unit did not preparer any schedule containing of persons whose land rights are registered and the amount to be paid. Consequently there is no record of revenue collected from land owners	The district did not comply with the law in force, making it difficult to ascertain whether all revenue expected from property tax and rent on plots was collected. There is a risk that the district missed out on revenue to finance operations.	The district should comply with the law in force in order to collect money. Such a list should be regularly reviewed and reconciled to amounts collected and recorded in the books of account.	43,208,000



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
283	EAST	KIREHE	Non compliance with laws and regulations for statutory deduction	expenditure	It was noted that PAYE calculated by the district for the year ended 30 June 2012 was not correctly computed for some employees so, leading tax not being deducted.	Failure to comply with existing laws and regulations regarding statutory deductions may result in fines and penalties being levied on the district. This may ultimately lead to wasteful expenditure in future.	The district should comply with the rules and regulations on statutory deductions at the time of calculations of these deductions to avoid penalties.	1,254,964
284	EAST	KIREHE	Revenue transactions recorded without sufficient support documents	non expenditure	The district recorded various transactions in the revenues ledger on the basis of the bank statements, instead of source documents needed to show the source of revenue , it's nature and purpose.	In absence of adequate supporting records to confirm the validity of transactions recorded on the basis of bank statements, it is difficult whether all amounts banked accounts and recorded as revenue belong to the district.	All funds received should be followed up to ascertain their source, and related documentation should be properly kept. The district should comply with the Government policies and procedures.	10,499,583
285	EASTERN PROVINCE	KIREHE	Posting errors in expenditure accounts	non expenditure	The audit indicated that there were numerous misposting under the account of use of goods and services. Some amount was wrongly recorded under capital expenditure account instead of being recorded in 'social benefits account.	These misposting imply that affected captions of the financial statements are misstated and therefore do not provide accurate information about the financial operations of the district as at 30 June 2012.	Management should ensure that regular review of transactions posted in books of account is made to enable timely detection and correction of posting errors.	1,961,591,580



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
286	EAST	KIREHE	Expenditure not full supported	expenditure	During the audit, it was observed that the district incurred expenditure that was not fully supported	Absence of adequate support documents makes it difficult to confirm the authenticity of expenditure reported.	For better management of public funds, expenses incurred by the district should be supported by necessary documents detailing their utilization and should be well kept by the district.	13,118,120
287	EAST	KIREHE	Delays in recovery of loans from financial services beneficiaries under VUP Programme	non expenditure	Loans from VUP Programme in 2012 were not reimbursed or not repaid as at the tome of audit in January 2013.	The above cases show difficulties in recovery of loans given to beneficiaries and this may hamper continuity of the VUP programme. This will result in loss of funds by the programme and failure to achieve the objectives.	VUP and other sector staff should make follow up at village level to identify challenges limiting beneficiaries form refunding the money and then take necessary efforts to ensure that the loans are recovered.	69,393,323
288	EAST	KIREHE	Difference between general ledger and payrolls sheets	expenditure	There is an unexplained difference between the amount of compensation of employees as per the payrolls and the amount recorded in the general ledger.	It can not be possible to confirm the completeness and accuracy of employees costs paid by the district staff during the ended 30 June 21012. Referring to that situation, financial statement may not be fairly stated.	The district should investigate that difference and make necessary corrections and necessary control mechanisms of reviewing payrolls before payments should be done to avoid errors and other irregularities.	8,770,892
289	EASTER N PROVIN CE	KIREHE	Unreconciled balances between the reconciled bank balances and cashbook	expenditure	It was noted that bank reconciliation statement for the account n0 121.06.90 had reconciled difference a difference between bank balance and cashbook balance.	Unreconciled differences in the bank reconciliation statements are an indication that the bank reconciliation are not properly prepared , reviewed and approved.	The management should investigate the differences in the bank reconciliation statements and ensure that necessary adjustments are made to correct any errors.	1,689,891



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
290	EAST	KIREHE	Difference between closing bank balances as at 30 June 2011 and opening bank balances as at 01/07/2011	expenditure	There was unexplained difference between the total closing bank balances on 30/06/2012 and total opening bank balances as at 01/07/2011 for bank accounts.	The unexplained differences indicate that opening bank balances are not supported by underlying accounting records and the opening balance and comparative figures shown in the financial statements for bank balances are not accurate..	Management should investigate these differences and appropriate actions should be taken to ensure the accuracy in reported comparative figures.	4,511,301
291	EAST	KIREHE	Use of inappropriate method of procurement	expenditure	Kirehe district awarded the tender without comply with the public procurement procedures. The district violated the Article 18 of Ministerial Order n0 001/08/10/min of 16/01/2008.	Non compliance with public procurement procedures in force may limit the number of bidders thereby limiting competition.	Kirehe district should comply with the public procedures in force.	22,000,000
292	EAST	KIREHE	Delays in contract execution.	expenditure	There was a delay of 268 days of construction of 7 small bridges in the District by Company ERMB which could not allow the district to achieve its objectives.	The district objectives were not achieved within the planned time.	In future, the management of the district should strengthen its assessment of performance of contractors in the related construction works before awarding tenders to constructors.	446,010,589
293	EAST	RWAMAGANA	Prior year adjustments not supported	expenditure	Rwamagana district made adjustments on the prior year balances to cash and bank balances and account payables. However, there are no explanations as to the rationale of passing this adjustment and those adjustments are not supported.	In absence of proper documentation to support adjustments made, the completeness and accuracy of the reported opening balances cannot be confirmed.	Rwamagana District should investigate the source of unexplained adjustment on opening balances and provide adequate documentation to justify this adjustment.	46,406,417



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
294	EAST	RWAMAGANA	Difference between the amount of internally generated income as per revenue officer's report and that per financial statements	non expenditure	The audit noted a difference between the total revenue as per monthly revenue reports and the amount disclosed in the financial statements of the district.	The difference indicates lack of regular reconciliation for internally generated revenue and as consequence, it is difficult to validate the accuracy and completeness of the amount reported in the financial statements.	Reconciliation should be undertaken by the district to ascertain causes of the noted differences and make necessary adjustments in books of account and revenue officer's reports.	13,530,613
295	EAST	RWAMAGANA	Wasteful expenditure	expenditure	Demolition of a house which was lawful, cost paid by the district to DIETA BAR and Centre d'Accueil Ste Agnes, for its General assembly and paid participants who did not attend.	The compensation cost could have been avoided had care been exercised to ascertain if demolition of the house was lawful. The expenditure is clearly wasteful.	The district management should exercise due care incurring public expenditure to avoid cases of wasteful expenditure from recurring.	6,049,043
296	EAST	RWAMAGANA	Posting errors in expenditure accounts	non expenditure	During the audit time, their view of expenditure revealed that there was erroneously posted in wrong accounts in the general ledger.	The above classification errors result in misstatement of individual components and also distort the budget execution reports. Such reports any mislead management and other users in making decisions to which they form a significant input.	The district management should ensure proper review of transactions to enable their recording in appropriate accounts as designated per the chart of accounts. The district should review all classification errors in the books of account and make necessary adjustments.	1,236,080,412



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
297	EAST	RWAMAGANA DISTRICT	Non compliance with the cut off principle	expenditure	There are some expenditure which are overstated, others are omitted and wrongly recorded.	Financial statements as a result are not fairly sated, the district did not comply with the Article 70 of organic Law no. 37/2006 of 12 September 2006 on state finances. Liabilities not recognised in the financial statements.	Appropriate cut-off procedures should be performed at year end to ensure that all transactions arising in a specific financial year are recorded in that period in compliance with the requirements of the organic Law on state financial and property.	122,550,874
298	EAST	RWAMAGANA DISTRICT	Overstatement of expenditure and payables	expenditure	It was noted that expenditure relating to district shares in EPIC Ltd that was wrongly recorded by debiting expenditure account of assets and crediting account payables for the year ended 30 June 2012. These transactions are not genuine.	This implies that expenditure on acquisition of assets and account payables for financial period ended 30 June 2012 were overstated.	Management of Rwamagana district should make necessary adjustments to derecognise the accounting entries.	60,000,000
299	EAST	RWAMAGANA	Weaknesses noted in purchase of construction materials for Kiziguro village and rehabilitation of road from Byimana to Gishali.	expenditure	Some irregularities were observed in this activity. Absence of competition when district during purchase of materials for construction, the district have received invoice from contractor of the rehabilitation of road Byimana-Gishali but the liabilities related to this rehabilitation was not recognized in	It is difficult to confirm whether the principles of transparency, accountability and fairness were observed in the process of purchasing materials, awarded tenders which are not planned for may expose the district to risk of purchasing goods and services which were not budgeted for. This may lead to misallocation of Rwamagana district funds to unplanned activities.	Rwamagana district should ensure compliance with public procurement guidelines and procedures in force to ensure transparency, fair competition and value for money in spending public funds. Necessary adjustments should be recorded by the district to recognise the liabilities.	73,240,340



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
					the financial year ended 30 June 2012. Also, it was the same for the rehabilitation and construction of Kitazigurwa road, even the district received the invoice from the constructor, this liability was not recognized as payable in financial statements of the ended year 30 June 2012. The district paid 2,600,000 to a contractor without the involvement of the internal tender committee.			
300	EAST	RWAMAGANA	Failure to deduct 3% withholding tax for expenses incurred by the sectors	expenditure	For some expenses incurred by the sectors, it was noted that Kigabiro and Muhazi sectors did not deduct 3% withholding tax on invoices of Frw 17,879,132.	Penalties and interest may be levied by RRA for non compliance with tax regulations.	The district management should ensure that sectors are deducted 3% for all related invoices. The amount deducted should be remitted to RRA within 15 days following the end of the month.	533,132
301	EAST	RWAMAGANA	Weaknesses noted in review of bank reconciliation statements	expenditure	There is absence of details and supported document related to the bank reconciliation of some items. It was difficult to confirm if the reconciliation items were genuine.	The bank reconciliation exercise was not properly carried out in the absence of itemising and explaining reconciliation items. Errors and other irregularities may have occurred without being detected in time due to lack of details of reconciliation items.	Management should ensure that bank reconciliations for all bank accounts are prepared monthly clearly for providing details of all reconciliation items to facilitate proper follow up.	16,889,839



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
302	EAST	RWAMAGANA	Long outstanding and unsupported creditors	expenditure	The audit noted that there are long outstanding creditors reported at 30 June 2012 but arising from previous financial years. Most of those creditors have been outstanding since 2009.	Failure to settle liabilities within the agreed time may impair the district's relationship with its suppliers. Long outstanding balances can also be used to perpetrate fraud through making payments to non-existent /ghost suppliers.	Management should investigate each of the balances highlighted above to ascertain their authenticity. Genuine balances with appropriate supporting documents should be paid off subject to appropriate approvals.	54,018,192
304	SOUTH	HUYE DISTRICT	Misposting in different expense accounts	expenditure	Misposting in different expense accounts	Balances reported for the affected accounts in the financial statements are misstated, hence misleading to the users of the financial statements	Management should ensure that transactions are properly recorded in the books of account to enable fair presentation of account balances in the financial statements	1,134,861,795
305	SOUTH	HUYE	Non compliance with organic Law N0 37/2006	expenditure	Receivable and unpaid invoices were not reported in books of accounts	Revenue, expenditure, payables and receivables disclosed in the financial statements were understated.	Management should comply with organic Law N0 37/2006 of 12 September 2006 on state finances and property which become effective on the date of publication	10,238,973
306	SOUTH	HUYE	Unrecorded transactions for Non Budget Agencies within the district	expenditure	The district did not maintain a cash book for balances, and transactions made by each of the Non Budget Agencies under its control in its books of account.	The bank balances reported in the financial statements are understated and expenditure are overstated to the extent of the unutilised funds still on the sector bank account at 30 June 2012.	The district need to ensure that all unspent funds at the year end are adjusted from expenditure to ensure accuracy of expenditure reported.	77,930,957



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
310	SOUTH	HUYE	Overstatement of expenditure	expenditure	Expenditure for school fees of FARG Orphans was twice recorded in district financial statements	The reported liability is not genuine and hence overstated of liabilities and expenditure on social assistance	The management should ensure that regular review of accounting records is done and necessary adjustments should be made in the financial statements to reverse this non-existent liability	14,109,700
312	SOUTH	HUYE	Overstatement of district bank account balances	expenditure	The transactions relating to district pharmacy were recognized in the books of account of the pharmacy not district	Bank balances disclosed in the financial statements were overstated	District management should adjust its books of account and remove assets not belonging to the district	168,476,303
313	SOUTH	HUYE	Tender relating in construction of health centres of Kigoma and Huye sectors awarded to the highest bidder	expenditure	Tender relating in construction of health centres of Kigoma and Huye sectors awarded to the highest bidder	Wrongful disqualification of ECORAMEN resulted in award of the tender to wrongful bidder and ultimate additional cost was incurred.	Management should ensure a full compliance with the existing procurement laws and regulations to enhance compliance, transparency and attainment of value for money	13,332,980
303	SOUTH	HUYE	Unsupported adjustments in opening balances	non expenditure	Unsupported adjustments in opening balances	It is difficult to confirm the accuracy of adjustments made in absence of appropriate supporting documents to justify the adjustments	Management should ensure that all transactions recorded in books of account are full supported and approved by the district authorities. Proper justification should be provided for each of the adjusting entries made in the books of account	109,095,168



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
307	SOUTH	HUYE	Unexplained difference in other revenue reported	non expenditure	There is difference between revenue as per the revenue officer's reports and that as per the general ledger	Absence of regular reconciliations between information maintained by the revenue officer on district revenue and the books of account may result in errors being undetected in financial statements	Management should perform reconciliation between revenue as per revenue officers' reports with records made in books of account. Any unexplained differences identified during the reconciliation exercise should be investigated and appropriate action taken by districts management	1,968,573
308	SOUTH	HUYE	Revenue from courts	non expenditure	There were no control mechanisms in place to facilitate the district in gathering information on court fees in order to determine whether the amount of fees received from courts is exhaustive.	It's difficult to ascertain completeness and accuracy of collections reported in the books of account	District management should put in place mechanisms to gather information to support the computation by the district of the expected proportion of court fees from ruling in the lower and high instance courts within the district	29,006,844
309	SOUTH	HUYE	Difficulties in recording taxpayer's register and actual collections made	non expenditure	There is no evidence that tax payment was provided to show whether the taxpayers paid their due to the district.	In absence of taxpayers' individual files and proof of payment of the tax due, the completeness of revenue and receivables disclosed in the financial statements cannot be confirmed.	Management should ensure that proper records are maintained to show whether all taxpayers included in the register paid their dues during each financial year	6,803,514



#	Province	District	Complaints	Category of complaints	Description	Risk	Recommendation	Amount in RWF
311	SOUTH	HUYE	Unsupported transactions in the transit fund ledger account.	non expenditure	Included in the financial statements under accounts payable is an amount relating to transit funds which is not supported by an analysis showing entities the district owes money for the implementation of activities on their behalf	In absence of supporting documents, it is difficult to confirm whether the balances disclosed in the financial statements for transit funds is accurate and genuine	The district management should ensure that all transactions recorded in the district books of account are fully supported.	178,377,447





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