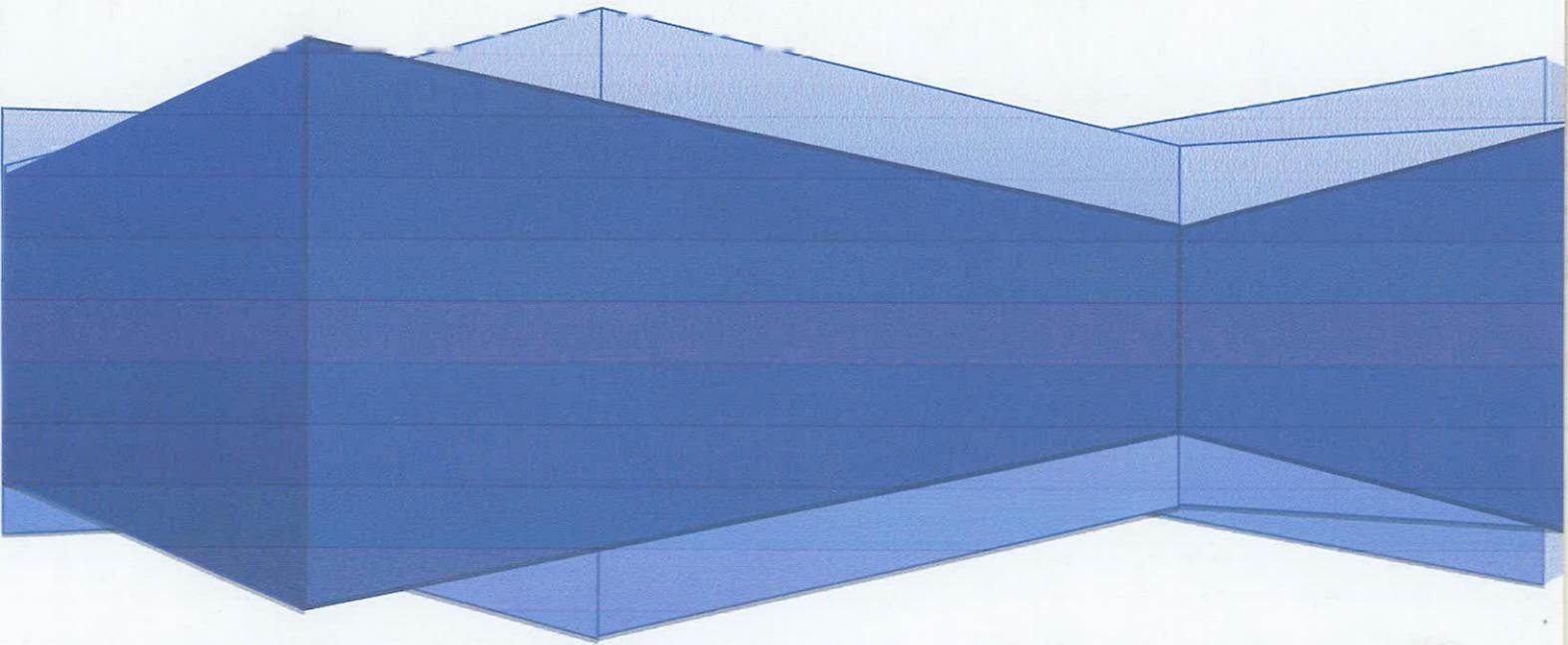




TRANSPARENCY INTERNATIONAL RWANDA (TI-Rw)

**AUDITED REPORT FOR THE YEAR ENDED
31- DECEMBER- 2023**



1 Introduction

1.1 Overview of the Organization

TRANSPARENCY INTERNATIONAL RWANDA was created in August 2004 and became operational some 18 months after and is a non-profit making organization, dedicated to fight corruption and related offences as well as to promote good governance.

Transparency International Rwanda was affiliated to Transparency International under the status "contact group", "Chapter in formation" and got its status as national chapter since 2011.

The following are the main objectives of the organization:

- To prevent and combat corruption and related offences through working with broad coalitions of individuals and organizations;
- To promote good governance and corporate transparency;
- To associate and/or work in collaboration with other associations both within and outside Rwanda, which share common principles;
- To provide proper information on the status of corruption in Rwanda;
- To establish a deepening awareness of all forms of bad practices and to foster a productive dialogue on the topic.

Organization's Core Values;

- Integrity
- Participation
- Diversity
- Equal opportunity
- Democracy
- Accountability
- Transparency

The structures of the Organization

The organs of the association are as follows;

- General Assembly which is the supreme organ.



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- Board of Directors
- Audit committee
- Advisory and conflicts resolution committee
- • Permanent Secretariat headed by an Executive Director;



1.2 Terms of reference

- To conduct an audit of the Organization's books of accounts for the period in accordance with the International Standards on Auditing, and express an opinion as to whether the Organization's books of accounts give a true and fair view of the Organization's state of affairs as at 31 December 2023;
- With specific reference to the Organization, to review the accounting systems and internal controls and highlight any weaknesses and suggest recommendations for improvement.

1.3 Audit objectives

RSK Associates Limited performed procedures to check and confirm;

- The funding received and transactions made accurately reflect the operations of Transparency International Rwanda projects during the audited financial year ended on 31st December 2023.
- That all funds were used in accordance with the conditions of the donor agreements between the various donors and Transparency International Rwanda and,
- That the necessary supporting documents, records and accounts have been kept in respect of all Transparency International Rwanda expenditures.
- Certify and file audited financial statement with Rwanda Revenue Authority as per the statutory regulatory requirements.

Audit of Financial Statements

- Reviewed the expenses incurred in the execution of Transparency International Rwanda activities during the audited financial year ended 31st December 2023 to ensure that they were in line with Transparency International Rwanda's major activities as specified in the donor agreements.
- Determined that the financial statements and transactions made accurately reflect the operations of Transparency International Rwanda during the audited financial year ended 31st December 2023.
- Determined that the budget account description to which expenditure was posted is appropriate

1.4 Compliance with agreement terms, applicable Laws and TI-Rw's internal rules and regulations

- Determined whether Transparency International Rwanda complied with the reporting requirements of donor agreements during the audited period ending 31st December 2023.
- Tested the compliance with donor terms and conditions, and the local Laws and regulations.
- Identified the agreement terms and pertinent laws and regulations and determined which of these, if not observed, could have a direct and material effect on the receipts and expenditure statement.

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1.5 Abbreviations used in this report

The following abbreviations have been used in this report.

EU	European Union
GIZ	Germany International Cooperation
NPA	Norwegian Peoples Aid
GPSA	Global Partnership for Social Accountability
PPIMA	Public Policy Information and monitoring
TI-S	Transparency International Secretariat
TI-Rw	Transparency International Rwanda
WB	World Bank
FCDO	Foreign Commonwealth & Development Office

1.6 Disclaimer and confidentiality

This report is strictly private and confidential and is addressed solely to the management of TRANSPARENCY INTERNATIONAL RWANDA. RSK Associates cannot be held responsible for its unauthorized distribution.

We have produced this report specifically for TRANSPARENCY INTERNATIONAL RWANDA as per the terms of reference for the audit. The interpretation, use or application of the report for other purposes without our prior written consent imposes no obligation on RSK Associates



2 **Audit report**

Unqualified Opinion

In our opinion, the income and expenditure statement below, gives a true and fair view of the activities of TRANSPARENCY INTERNATIONAL RWANDA for the year ended 31st December 2023.

We have audited the income and expenditure statement of the Organization set out on pages 6-7 for the year ended 31st December 2023. The income and expenditure statement is in agreement with the books of accounts, We have obtained all the information and explanations, which to our best knowledge and belief were necessary for the purposes of our audit and provide a reasonable basis of opinion.

Respective responsibilities

Management of the organization is responsible for the preparation of the income and expenditure statements, which give a true and fair view of the state of affairs of the Organization, and of its receipt and expenditure. Our responsibility is to express an independent opinion on the statement based on our audit and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we plan and perform or audit to obtain reasonable assurance that the financial statements are free from material misstatements. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by management, as well as an evaluation of the overall presentation of financial statements.

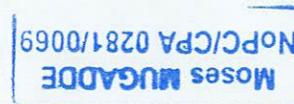
RSK ASSOCIATES
CERTIFIED
ACCOUNTANTS

PUBLIC



Kigali Rwanda

Date



3 Financial report

3.1.1 Income And Expenditure Statement 2023

Description	Note	2023 Rwf	2022 Rwf
INCOME			
Grant income	3.3.1	854,727,887	1,223,456,857
Other income	3.3.2	166,690,111	169,452,105
Total Income		1,021,417,998	1,392,908,962
EXPENDITURE			
Expenses fund by NPA	3.4.1	112,397,180	258,984,064
Expenses funded by TI-Rw	3.4.2	155,135,860	194,642,292
Expenses funded by GIZ	3.4.3	344,017,204	12,503,950
Expenses funded by TI-S	3.4.4	332,959,073	259,422,309
Expenses funded by World Bank	3.4.5	-	69,691,689
Expenses funded by FCDO	3.4.9	-	293,610,172
Expenditures by LAF	3.4.11	-	32,345,026
Expenditure by two local Partners	3.4.12	-	172,947,840
Total Expenditure		944,509,317	1,294,147,342
Deficit/ surplus		76,908,681	98,761,620

Apollinaire MUPIGANYI
 Executive Director

Date: 30/03/2024



3.1.2 Statement of Assets and Liabilities as at 31st December 2023

	Notes	2023 Rwf	2022 Rwf
Fund balances		76,908,681	98,761,620
Represented by:			
Cash Balances	3.5.1	100,896,660	114,188,845
Accounts Receivable (cash in transit)	3.5.2	-	11,445,000
Accounts payable	3.5.3	(23,987,979)	(26,872,225)
Surplus/(Deficit) for the year		(76,908,681)	98,761,620
NET FINANCIAL ASSETS		76,908,681	98,761,620

The financial statements on pages 6 and 7 were approved by management on 28/03/2024 and signed on its behalf by

Apollinaire MUPIGANYI
 Executive Director

Date: 28/03/2024



3.2 Notes to the accounts

3.2.1 Principal accounting policies

The principal accounting policies adopted in the preparation of the fund accountability statement are set out below;

a) Basis of preparation

The financial statements have been prepared under the modified cash basis of accounting. Under this basis, income is recorded when received, while expenditures are recorded when paid for. The modification of this policy is that advances are recognized as claimable until documentation of expenses incurred have been provided. Statutory deductions not remitted to Rwanda Revenue Authority (RRA) and Rwanda Social Security Board (RSSB) are also recognized as payables.

b) Accordingly, these financial statements are not intended to be in conformity with the Internal Financial Reporting Standards (IFRS).

3.2.2 Receipts

Receipts represent the total amounts received from various donors and other Partners including members' contributions for the implementation of Transparency International Rwanda's activities in accordance with the provisions of the grant agreements with the respective donors.

3.2.3 Expenditures

The amount shown as expenditure relate to the amounts spent on Transparency International Rwanda activities during the period. Expenditures are recognized when incurred.

3.2.4 Fixed assets

All fixed assets/purchased by the organization are expensed off hence there is no depreciation charge. However, an asset register is maintained with the respective assets depreciated by straight line method at the following rates;

Class of Fixed asset	Depreciation Rate
Computer equipments	50%
Office equipments	25%
Motor vehicles	25%

3.2.5 Foreign currencies transactions

All the transactions were done in Rwandan francs which is the local currency. All the receipts that were sent by the donors in foreign currency were converted into local currency by the local bank at the rate ruling at the time of transaction. All expenses in foreign currency are translated to Rwanda Francs at the ruling rate.

All cash and bank balances and creditors in the trail balance denominated in foreign currency are translated to Rwanda Francs using the month end rate.

All exchange gains/ losses arising during the year are recognized in the year in which they arise. The total expenditure is therefore offset by the amount of exchange gain/ loss realized during the year.



Total

-

69,691,689



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3.4.9 Operating Expenses funded by FCDO

Description	2023 Rwf	2022 Rwf
Staff Salaries	-	72,574,377
Researches	-	163,731,083
Workshop and capacity buildings	-	35,088,099
Other operating cost	-	22,216,613
Total	-	293,610,172

3.4.11 Expenses funded by IAF

Description	2023 Rwf	2022 Rwf
Staff costs	-	6,000,000
Researches	-	23,748,200
Other administration cost and office running	-	2,596,826
Total	-	32,345,026

3.4.12 Expenses by Partners

Description	2023 Rwf	2022 Rwf
IMBARAGA under GPSA	-	9,748,003
SDA IRIBA under GPSA	-	9,283,816
Imbaraga under FCDO	-	60,069,450
CCOAIB under FCDO	-	93,846,571
Total	-	172,947,840



3.5.1 Cash and Bank

The total cash and bank balances as at 31st December 2023 is as follows:

Description	2023 Rwf	2022 Rwf
Petty cash		-
Bank of Kigali	-	1,488,439
Coge Bank/Equity	15,791,291	5,601,460
ECO Bank	77,286,041	96,783,098
KCB/BPR	7,819,328	10,315,848
Total	100,896,660	114,188,845

3.5.2 Accounts Receivable

Description	2023 RWF	2022 Rwf
Cash in transit	-	11,445,000
Total	-	11,445,000

3.5.3 Accounts payables

Description	2023 RWF	2022 Rwf
Pavables	6.673.160	8.541.323
Statutory pavables	17.314.819	15.330.902
Other pavables	-	3.000.000
Total	23.987.979	26.872.225





TRANSPARENCY INTERNATIONAL RWANDA (TI-RW)

MANAGEMENT LETTER FOR THE PERIOD ENDED

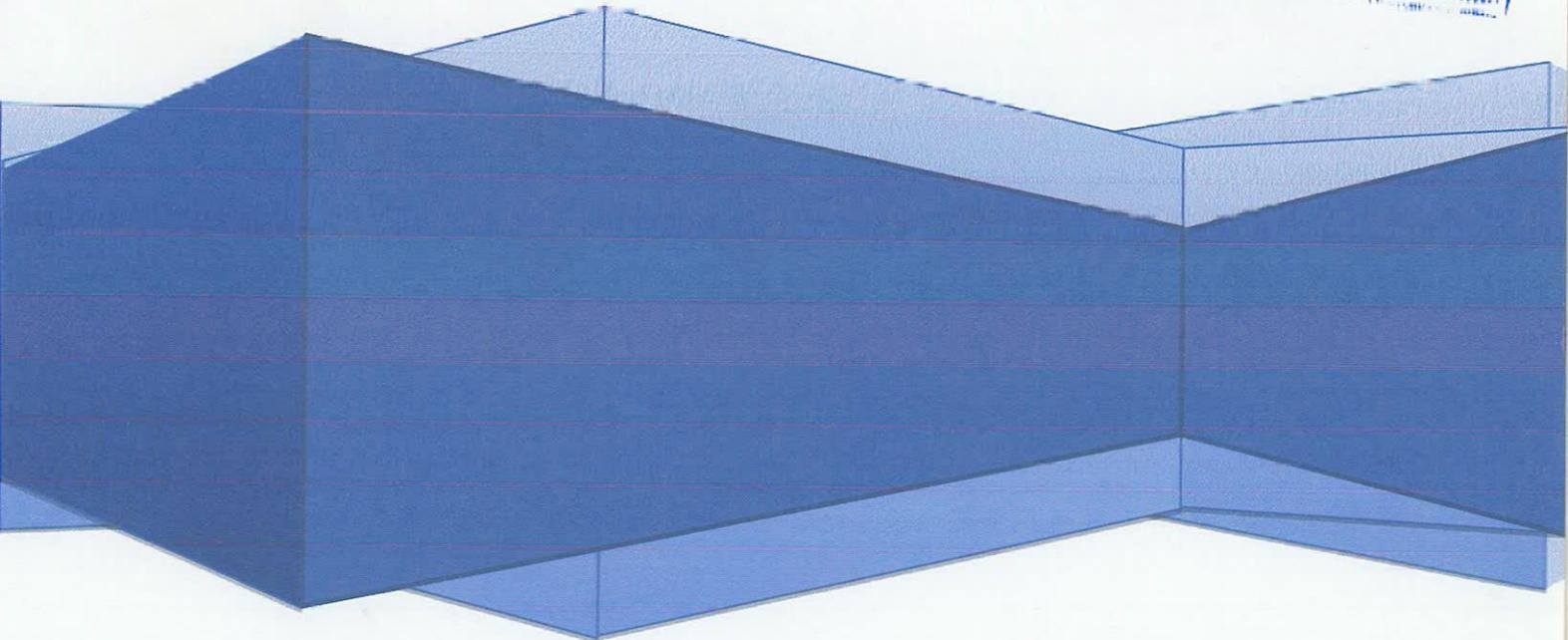
31ST DECEMBER 2023

TRANSPARENCY
INTERNATIONAL
RWANDA

Received on: 13/6/2024

Name: Alice

Signature: 



PRIVATE AND CONFIDENTIAL

The Management of Transparency International Rwanda (TI-Rw)

Att: The EXECUTIVE DIRECTOR (TI-Rw)

Kigali

Rwanda

29th March 2024

Dear Sir

MANAGEMENT LETTER TO TI-Rw FOR THE YEAR ENDED ON 31ST DECEMBER 2023

We have completed the audit of the financial statements of Transparency International Rwanda (TI-Rw) for the financial year ending on 31st December 2023. The purpose of this audit was to enable us express an opinion on the financial statements of Transparency International Rwanda.

In this regard, the management of Transparency International Rwanda (TI-Rw) is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorised use or disposition, and that transactions are executed in accordance with management's authorisation and recorded properly to permit the preparation of financial statements in accordance with Generally Accepted Accounting Standards. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

Our examination was not conducted primarily to ascertain and/or discover weaknesses or inefficiencies which may be present in the accounting systems. During our audit we became aware of certain matters as weaknesses that we consider as opportunities for strengthening the internal controls and operating efficiency of Transparency International Rwanda (TI-RW).

The memorandum in form of analysis that accompanies this letter summarizes our findings, assessment of such findings within a risk-based framework, suggestions regarding these matters and a provision for you to stipulate your efforts as far as rectifying such weaknesses.

You will note that we will review the status of these comments during our next audit engagement. And we will be pleased to discuss the findings and comments in further details at your convenience to perform any additional study of these matters or to assist you in implementing such recommendations as outlined.

We have prepared this report for your use and within the organization as it aims at assisting you over and above our legal responsibilities as auditors. It should not be shown to third parties to whom we cannot be responsible.

We take this opportunity to express our gratitude to you and your staff for the co-operation and assistance, which we received during the course of our audit.

Yours faithfully,

For RSK Associates
Certified Public Accountants



1. Audit findings grading

The issues have been ranked as HIGH, MEDIUM and LOW using the criteria described below:

HIGH: This indicates a weakness we consider high risk and is critical. Management should pay attention to this area to ensure that weakness is given high priority to be addressed and resolved as soon as possible

MEDIUM: This indicates a medium level of risk, where we felt there is some scope of a material misstatement in this area and therefore the responsible staff should review it carefully

LOW: Any weakness in this area is regarded as having a low level of risk. Whilst not critical, the responsible staff should be aware of this weakness and monitor it to ensure it does not become medium or high

2. Memorandum showing the analysis of the findings, assessment within the risk-based framework, comments and recommendations to management:

This section summarizes the principal issues that attracted our attention in the course of the audit of the financial statements of Transparency International Rwanda (TI-Rw) for the year ended 31 December 2022. We have summarized our findings and recommendations.

2.1 Status of the implementation of the previous year’s recommendations

Recommendation/Management responses	Status of implementation	Further recommendation	Management comments
<p>1. Fundraising Policy While performing our audit, we evaluated how TRANSPARENCY INTERNATIONAL RWANDA (TI-RW) mobilizes resources that are used to implement its activities. We noted that as an organization, TRANSPARENCY INTERNATIONAL RWANDA (TI-RW) does not have a fundraising policy to guide and inform this key process. We recommended TI-Rw to develop and implement the fundraising policy.</p>	<p>Implemented</p>	<p>Not applicable.</p>	<p>N/A</p>
<p>2. Accounting information security. Transparency International Rwanda used SAGE Pastel as the accounting software that all financial transactions are recorded. This software has a server that is housed in the same location with the executing desktop computers. This arrangement poses the following risks to the institution; a) In case of fire outbreak, all financial information can be losted</p>	<p>Not implemented</p>	<p>We re-recommend that; Transparency International Rwanda; ✓ Houses the server in a secure separate location with</p>	<p><i>TI-Rwanda has its server and separate one for financial software,</i></p>

<p>through destruction of both the server and computers.</p>		<p>limited access.</p>	
<p>b) Need to have offsite financial information backup plan to secure financial information should the existing one crash.</p>		<p>✓ Offsite financial information storage backup plan be initiated and implemented</p>	
<p>We thus recommended that; Transparency International Rwanda;</p>			
<p>✓ Houses the server in a secure separate location with limited access.</p>			
<p>✓ Offsite financial information storage backup plan be initiated and implemented.</p>			

2.2 NEW ISSUES ARISING FROM THE AUDIT FOR THE PERIOD ENDED 31 DECEMBER 2023

2.2.1 Updating of accounts manual

<p>OBSERVATIONS/FINDINGS</p>	<p>During our review of the existing financial accounts procedures manual, we noted areas that should be updated to conform to recent Rwanda government legislation, which directly affects the accounting function at Transparency International Rwanda. These include;</p> <ul style="list-style-type: none"> • Procedure on filing of the annual financial reports to RRA. Though this requirement is competently done by the finance / accounts staff, it is not included in the accounts procedures manual.
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	<ul style="list-style-type: none"> • PAYE computation as revised in the new Tax law • Additional RSSB deductions such as Maternity and CBH though carried out as required are not within the accounts procedures manual. • Requirement on the issuance of EBM invoices for all financial transactions be suppliers.
RISKS/IMPLICATION	<ul style="list-style-type: none"> • Fines and penalties should finance fail to execute these requirements appropriately. • Reputation risk to Transparency International Rwanda
RECOMMENDATION	Update accounts manual to address the regulatory requirements plus other areas as to guide the finance team when executing their mandate.
AGREED ACTION/ MANAGEMENT COMMENTS	<i>Ti-Rwanda is in the process of updating its governance tool including procedure manual for 2025-2029. This will be updated. But note that currently, all financial transaction and taxation is done accordingly no gap identified.</i>
RANKING/ PRIORITY (HIGH/MEDIUM/LOW)	Medium
RESPONSIBLE PERSON	DAF

2.2.2 Lack of structured staff capacity building plan

OBSERVATIONS/FINDINGS	Staff building capacity is essential for fostering employee growth, improving organisational performance and maintaining competitiveness at the market place. During our review of staff file, we noted that Transparency International Rwanda (Ti-Rw) staff files lacked “detailed staff capacity development plan”. Capacity development is key in enhancing staff performance so that Ti-Rw can fulfil its mission and objectives.
RISKS/IMPLICATION	<ul style="list-style-type: none"> • Failure in realisation of Ti-Rw core objectives

RECOMMENDATION	Staff capacity needs should be identified and agreed upon with each staff respective line manager and filed. Periodic review in the implementation of this development plan should be carried out.
AGREED ACTION/ MANAGEMENT COMMENTS	<i>Capacity needed by employee is always available if staff performance evaluation each year and are prepared accordingly.</i>
RANKING/ PRIORITY (HIGH/MEDIUM/LOW)	Medium
RESPONSIBLE PERSON	N/A

2.2.3 Vehicle log book

OBSERVATIONS/FINDINGS	<p>During our audit, we noted that Transparency International Rwanda updates the vehicle log book with transport journeys made.</p> <p>We also noted that Transparency International Rwanda implements field projects financed by different development Partners that make fuel/ transport support. However, we were not able to independently verify individual donor fuel use for the supported projects.</p>
RISKS/IMPLICATION	<ul style="list-style-type: none"> • Failure to fully comply with donor requirement with regards to fuel use clauses
RECOMMENDATION	<ul style="list-style-type: none"> • Customise the logbook with additional columns that will specifically identify the donor/project for each vehicle journey.
AGREED ACTION/ MANAGEMENT COMMENTS	<i>Implemented already.</i>
RANKING/ PRIORITY (HIGH/MEDIUM/LOW)	Medium
RESPONSIBLE PERSON	n/a