



# SAI RWANDA CONTRIBUTION TOWARDS IMPACTFULL AUDITS

ORGANISATION

*In Public Interest*

8 November 2023

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# Outline

1. ESTABLISHMENT AND LEGAL FRAMEWORK OF OAG
2. ROLE AND MANDATE OF OAG
3. SAI RWANDA CONTRIBUTION TOWARDS IMPACTFULL AUDITS
4. CONCLUSION

# 1. ESTABLISHMENT AND LEGAL FRAMEWORK OF OAG

- OAG was established by **Law N° 05/98 of 04 June 1998**.
- OAG is an **independent Public Institution** responsible for the **auditing of State finances and assets** [Art. 166 of the Constitution].
- It was recognized as a **Supreme Audit Institution (SAI)** by the Constitution of the Republic of Rwanda of 2003. [**OG N° Special of 24/12/2015**].
- The first audit was carried out **in 2000**.
- OAG mission is stipulated in **Art. 6 of OAG Law**

## 2. ROLE AND MANDATE OF OAG

### **Types of audits conducted by OAG**

1. Financial and compliance audits
2. Performance and environmental audits
3. IT audits
4. Special audits
5. Forensic audit is being considered to be conducted in the near future

## 2. ROLE AND MANDATE OF OAG (Ctnd)

- Is expenditure incurred necessary and in **conformity** with the **laws and regulations** in force and sound management?
- Are **controls** to safeguard the receipt, custody and proper use of public funds in place and were the laws and regulations in force duly observed to prevent misappropriation of public funds?
- Did the entity acquired and utilized human, material and financial resources **economically**, **efficiently** and **effectively** to prevent squandering of public funds?

### 3. SAI RWANDA CONTRIBUTION TOWARDS IMPACTFUL AUDITS

- SAI Rwanda started adopting an agile auditing approach of conducting audits that emphasizes at current issues. This allows auditors to conduct audits on ongoing projects
- SAI Rwanda is committed to conduct impactful audits by ensuring that audit recommendations are relevant, add value to decision making, and have a positive impact on the lives and livelihoods of citizens.
- This OAG Rwanda introduced a preventive audit approach which has started to have a positive impact by deterring mismanagement of public resources.

# 3. SAI RWANDA CONTRIBUTION TOWARDS IMPACTFUL AUDITS (Ctnd)

## Impact of the audit – financial losses likely to be recovered

- The audits for the financial year 2022 placed a strong emphasis on reviewing contracts before their implementation or while they were in progress. This audit approach helped to identify financial losses while there is still a chance for remedies.
- The audit identified public financial losses amounting to **Frw 10.05 Bn (USD 9.8 million)** that were likely to be recovered. The losses were as a result of contracts that were not properly designed. Management of the entities committed to discuss with the contractors to recover the losses

### 3. SAI RWANDA CONTRIBUTION TOWARDS IMPACTFULL AUDITS (Ctnd)

- The loses were noted in 5 public entities and related to contract management issues
- Loses were due to duplicated items in the Bills of Quantity for civil works, inflated quantity of items on the Bills of Quantity, Paid works not observed during the field visit, overpricing, payment of extra works etc
- Following the recommended action, OAG Rwanda is committed to continue following up recoverability of the losses.



## 4. Conclusion

- Impactful audits play a vital role in ensuring accountability and transparency in using public funds. By uncovering areas for improvement and facilitating responsible decision-making, impactful audits help organizations adapt, evolve, and thrive in an ever-changing business landscape.
- As the Supreme Audit Institution of the Republic of Rwanda, the Office of the Auditor General of State Finances (OAG) is committed to cultivating a culture of accountability, transparency, integrity, and performance in public entities to ensure that every Rwandan franc counts in delivering services to citizens and foster the country development.



Thank  
you!