

Rwandan Accounts.

1. Introduction

In order to achieve its objectives, the RSVP-UK sends money to the Mihabura Primary School. The amounts sent are mainly to pay the caterer who won the competition of cooking for the schools pupils.

To promote transparency and best practice, a bank account has been opened to make transfers and carry out payments transactions. The account is opened with COGEBANQUE.

RSVP has organised a financial audit in order to analyse different transactions on the account and give relevant recommendations for further transparency. The audit was conducted by Mrs Jeanne Dignite MUSABIMANA. Its specific objectives are summarised as follow:

- Ensure the authenticity of the transactions on the RSVP account.
- Ensure the caterer received all the amounts stated on the account.
- Analyse all transactions on RSVP account and give relevant recommendations.

The audit has been done for the period starting the beginning of August ending 31 December 2007. Different financial audit methods have been used throughout the process especially the review of bank statements and other documents showing the use of funds and interviews with the project representatives in Rwanda.

Generally, amounts of money that RSVP has sent to the Mihabura Primary School have been used properly/as planned. However, given the fact that the project was still at its start, there are a number of things that have to be organised in the way financial documents are used or prepared.

The audit results are presented in different parts of this report which are mainly, the methodology used, the results and recommendations.

2. Appreciation

This audit could not have achieved its objectives without the commitment of the project representatives in Bugarama.

We would like to express our gratitude to Mr. Fulgence Kaneza who availed all the project financial documents and provided detailed explanations on different issues.

We also thank Mr. Japheth Ndagijimana, the Mihabura Primary school headteacher for the documents he availed during the audit and helpful explanations.

Special thanks are also extended to the leadership of Bugarama Cite Parish represented by Reverend Pastor Francois Ntazinda. We thank them for their warm welcome and assistance during the audit.

We also thank every person who contributed one way or another to the success of this audit.

3. Audit methodology (Part I)

This audit was carried out in the light of its specific objectives and has covered the period between the beginning of August and 31 December 2007.

3.1. Ensure the authenticity of the transactions on the RSVP account.

Different bank statements that show the account transactions were reviewed. The review showed that the Mihabura Primary School operates an account n° 134-1020225 held with COGEBANQUE Cyangugu (Rusizi) Branch.

The main transactions of the account, as shown by the statements, are in five categories:

- Deposits of funds sent by RSVP-UK by Western Union: Bank statements show clearly that Mr. Fulgence Kaneza received amounts of money from Western Union BK and deposited it on the Mihabura Primary School account in COGEBANQUE.
- Deposits of other money: Apart from funds sent via RSVP, Mr. Fulgence Kaneza and Mr. Japheth Ndagijimana deposited some money on the account. For example, on 8th October 2007 Mr. Kaneza deposited Rwf 7000; on 15th October 2007 he deposited Rwf 30000 and Mr. Ndagijimana deposited Rwf 130000 on 31st October 2007.
- Withdrawal of money to pay Chantal Mutesi: There had been some withdrawals to pay Chantal Mutesi the RSVP caterer. Cheque payments started on 17th August 2007. Prior to that time she was paid in cash and she signed for the receipt.
- Other withdrawals: Apart from money paid to Chantal Mutesi, there had been other withdrawals by Japheth Ndagijimana. On 17th September 2007 he withdrew Rwf 68000.
- Custody fees: Every month COGEBANQUE charges a fee of Rwf 1500 on the Mihabura Primary School. The fee is mandatory for every account holder in the bank.

3.2. Ensure the caterer received all the amounts stated on the account.

All copies of cheques given to Chantal Mutesi were reviewed and the register, which shows class attendance and number of school days was analyzed.

As already mentioned, Chantal Mutesi was paid by cheques. Every cheque was signed by Mr. Kaneza, Mr. Ndagijimana and Reverend Pastor Ntazinda. She was to be paid every two weeks but most of the time there were delays in the payment process. Those delays were mainly caused by late transfers from the UK. Every cheque given to her was photocopied and she signed on the photocopy as proof of receipt.

Furthermore, the class attendance register was also analyzed in order to ensure Chantal was paid according to the number of school days.

3.4. Audit Results

3.4.1. About the authenticity of the account transactions

The audit has easily noticed that transactions related to Western Union transfers are very clear. There are supporting documents that prove the transfers made had been deposited on the account. However on 28th September 2007 a transfer of Rwf 456,000 was made but only Rwf 316,000 was deposited on the school account. According to explanations given by the project representatives, the balance was used to pay back Mr. Kaneza the money lent to RSVP when opening the account.

As mentioned early, there are other deposits made on the account other than the money transferred. For example there are Rwf 7000 deposited on the 8th October 2007; Rwf 30,000 deposited on 15th October 2007 and Rwf 130,000 deposited on 31st October 2007. These amounts of money are mentioned on bank statements but there are not any other supporting documents for further explanations. The project representatives explained that when RSVP-UK delayed to transfer money to pay Chantal Mutesi, they have deposited their own money so that Chantal could continue her work without any disturbance.

On the withdrawals side, the amounts paid to Chantal are clearly depicted and the photocopies of the cheques she received are signed. It is important to note that there are some cheques issued that the bank did not cash. This was

mainly caused by the way they were filled in or when they were no money on the account. In such cases Chantal got other cheques to replace them.

We realised that apart from those cheques' photocopies, there were not any other supporting document to give detailed explanations on the amounts paid. It would have been better if there were another document used to show the number of days and the dates for which the payment was made. The use of such supporting documents is very useful especially when checking if children were fed on those days using also the attendance register.

Still on the withdrawal side, there are some money withdrawn but their use was not mentioned in any report. A relevant example is the Rwf 68,000 withdrawn on 17th September 2007. This amount is only mentioned on bank statements. According to explanations we received, this amount of money was used to complement the money used during the study trip.

Beside the bank statements, we had access to other financial documents which showed amounts of money used to pay different items without necessary coming from the school account. We refer here to amounts explained in the 2007 annual report. For example a sum of Rwf 195,000 was paid on transport during the study trip, Rwf 33,400 was paid on children's lunch during the study trip and Rwf 10,900 was used to buy vegetable seeds and watering can. Apart from that report, there are also invoices of money paid on transport and lunch. We did not have access to the invoices of vegetable seeds and watering can. But these are kept by the head teacher as we were told by the project coordinator who only had photocopies.

3.4.2. About the amounts of money paid to the caterer

For the period covered by the audit, Chantal Mutesi received Rwf 876,000. This amount is found on bank statements and it equals the total sum of all cheques she received.

Considering that 39 children and one teacher were fed, that is 40 people, and given the fact that it was paid Rwf 300 per person, we deduct that Chantal was paid for 73 days.

Comparing the number of school days as found in the attendance register, children studied for 57 days. These days are lower than what Chantal were paid for. The difference was mainly caused by the fact that the teacher did not fill in the attendance register during the month of November 2007.

We can say that the amounts of money sent by RSVP-UK have served their purpose. Apart from some transactions that are not clear in the available documentation, bank statements and cheques given to Chantal clearly show the use of money.

In order to improve on procedures and promote more transparency, following recommendations have been given:

- It is important to establish a system whereby the amounts spent can be retrieved on other supporting documents than bank statements. Given the fact that RSVP works on a voluntary policy, the system should not create additional work on the Rwandan Team. For instance, when paying Chantal a payment voucher can be used mentioning dates and number of days the payment is made for. It can bear the cheque number hence cutting down the expenses of photocopying cheques.
- Amounts of money spent on other expenses should also appear in supporting documents with a clear mention of their purpose.
- Every expense should have an invoice/supporting document which will be attached on corresponding bank statements. This helps to know the expenses carried out with the money withdrawn.
- Debts from RSVP volunteers should also appear on appropriate supporting documents. This is very important as the 2007 annual report shows that the school used greater amounts of money than what RSVP-UK sent and this can compromise on the transparency policy.

- Deposits made on the school account other than the RSVP transfers should have supporting documents explaining their source. These should be attached on the bank statements.
- It is very important that Chantal get paid on time as stated in the contract, that is every two weeks.
- There is a need for a greater collaboration between the school teachers and the project. This collaboration will mainly be manifested in the teachers' commitment in filling in attendance registers. The practice will make easier to control if the caterer has been paid for the days children come to school.
- It is important to report when children are fed on a special day other than normal school days.
- RSVP should establish a written guide on money spending. The "procedures manual" will efficiently guide volunteers in money matters.

In conclusion, we can say that the work done by the Rwandan team is commendable. The observed loopholes were mainly due to the fact the project was at its start and volunteers had not yet mastered the work system.

Given the commitment of the Rwandan team, we can confidently looking forward to greater improvements on the project work in general and money spending in particular.

Kigali on 10/4/2008

Mrs Jeanne Dignite.MUSABIMANA