

**RWANDA SWIMMING FEDERATION**

**INTERNAL AUDIT REPORT 2021-2022**

**BY AUDIT COMMISSION**

**September 2022**

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## 1. SUMMARY

The mission of the Internal Audit Service is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight. The internal audit exercise helps the RSF accomplish its objectives by bringing a systematic, disciplined approach in order to evaluate and improve the effectiveness of risk management, control and governance processes. Its tasks include assessing and making appropriate recommendations to improve the risk management, control and governance process to achieve the following three objectives:

- (i) Promoting appropriate ethics and values within the organisation;
- (ii) Ensuring effective organisational performance management and accountability;
- (iii) Effectively communicating risk and control information to appropriate areas of the organisation.

No critical financial control issues were identified in year 2020 that we believed to represent material deficiencies in internal controls for RSF. Additionally, we identified no circumstances in which we believe that management's decisions resulted in the acceptance of unreasonable levels of risk. However, for the year 2019, issues of financial control were identified as no documentation related to financial management were found. This represent material deficiencies in internal controls.

## I. Introduction

Rwanda Swimming Federation (RWF) was created in 2000 by a consortium of 15 swimming clubs that aimed to promote and improve Swimming activities in Rwanda. RSF is a registered federation with Rwanda Governance Board and is affiliated to FINA (Federation Internationale de Natation) and CANA (African Swimming Confederation) to run all aquatic activities in Rwanda. Rwanda Swimming Federation operates in a good synergy with other partners including the Rwanda's Ministry of Sport, Rwanda National Olympic and Sports Committee, the private sector through hotels owners, swimming clubs, schools and other performers involved in swimming activities. The Federation has metamorphosed into what it is currently, a focused and forward-looking organization with plans to overhaul swimming and other water sports in Rwanda.

RWF's mission is to promote and develop swimming and other aquatic sports in Rwanda to international competitive standards and to connect and to promote economic and social values of swimming activities to health and well-being of the community.

In July 2020 a new RSF executive committee and audit commission were elected for a period of five (5) years. The audit commission was tasked to conduct an internal audit covering the year 2019 to 2020.

This report highlights the outcomes of Internal Audit, which demonstrate our efforts to assist Rwanda Swimming Federation to identify and address significant risks and drive efficiencies while providing ongoing assurance to the federation and other stakeholders.

The aim of the audit is to provide assurance on key areas of financial management. The review covered all major systems within RSF to ensure compliance with internal regulations. The scope of the audit included assessment of the following:

- ✓ adequacy of accounting, financial and other controls;
- ✓ compliance with established plans and procedures;
- ✓ the integrity and reliability of financial and other information;
- ✓ whether assets and other interests of the Council are properly safeguarded; and
- ✓ whether the use of resources achieves value for money.

## 2. Findings, recommendations and action plan

Findings	Risks	Risk category	Agreed action
<p><b>Governance</b>  <b>Objective</b> – To ensure the responsibilities of the governing body, its committees are clearly defined and limits of delegated authority established; and that management, organisation and arrangements are adequate and effective leading to sound financial decisions.</p> <p><b>Finding</b> – RSF has recently developed a Financial internal rules which includes Financial Procedures Manual. The documents are yet to be shared and they have not yet been implemented.</p> <p>There is no evidence (from handed documents from previous executive committee) that the RWF had any financial internal rules or procedures before the newly approved ones.</p>	<p>The risk is the effective use of internal rules and financial procedures.</p>	<p>medium risk</p>	<p>RSF to approve the documents and start to effectively use them.</p> <p><b>Responsible:</b>                      Executive committee</p> <p><b>Target date:</b> January 2023</p>
<p><b>Purchasing</b></p> <p><b>Objective</b> – To ensure that the RSF’s purchasing, tendering and contracting arrangements achieve value for money</p> <p><b>Finding</b> – There is no approved financial and procurement procedures that are followed in purchasing, tendering, contracting and payment of services and goods.</p> <p>Petty cash management is not regulated</p>	<p>Improve the use or mismanagement of financial resources</p>	<p>low risk</p>	<p>Develop, approve and enforce procedures for purchasing, tendering and contracting and payment processes to ensure that all purchases are reviewed and executed in accordance with requirements as approved within the Financial Procedures Manual and according to work plans, ensuring at all times that a separation of duties exists between purchase order request, purchase order approval and payment by credit card, sufficient budget is available</p>

			<p><b>Petty cash</b> funds be kept in a locked location, such as a <b>cash</b> box or drawer, with documentation of transactions and is kept by the accountant.</p> <p>Petty cash management should be regulated.</p> <p>Responsible: Executive committee</p> <p><b>Target date:</b> January 2023</p>
<p><b>RSF assets</b>  <b>Objective</b> - To ensure that RSF has adequate controls and records to safeguard its valuable/moveable assets and items of inventory.</p> <p><b>Finding:</b> Very few assets were handed over:</p> <ul style="list-style-type: none"> <li>✓ Office table (1)</li> <li>✓ Office chairs (2)</li> <li>✓ Office keys</li> <li>✓ One laptop</li> </ul> <p>Items purchased by current committee:</p> <ul style="list-style-type: none"> <li>✓ Printer (1)</li> <li>✓ Classeur (6)</li> <li>✓ Perforateur (1)</li> <li>✓ Agrafeuse (1)</li> <li>✓ Calculator (1)</li> </ul> <p>Existing office equipment and materials are not documented and not codified.</p>	<p>Sustainability of office assets.</p> <p>Loss of office assets</p>	<p>Medium</p>	<p>Documentation, classification and codification of office equipment, materials.</p> <p>Find out whether the former committee did not purchase other items for RSF.</p> <p>Responsible: Executive committee</p> <p><b>Target date:</b> January 2023</p>

### 3. Conclusion

It is RSF executive committee's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

## Appendix 1: Definition of risk categories

<b>Risk rating</b>		
<b>Critical</b>	Critical issue where action is considered imperative. Action to be effected immediately.	
<b>High</b>	Fundamental issue where action is considered imperative to ensure that the School is not exposed to high risks, also covers breaches of legislation and policies and procedures. Action to be effected within 1 to 3 months.	
<b>Medium</b>	Significant issue where action is considered necessary to avoid exposure to risk. Action to be effected within 3 to 6 months.	
<b>Low</b>	Issue that merits attention/where action is considered desirable. Action usually to be effected within 6 to 12 months.	
<b>Level of assurance</b>		
Substantial	The standard of controls operating in the systems audited at RSF is robust and provides substantial confidence that the school is protected from loss, waste, fraud or error.	
Reasonable	The standard of controls operating gives reasonable assurance that RSF is protected from loss, waste, fraud or error but there may be areas which need to be strengthened to provide robust confidence in the system of internal control.	
Limited	The standard of controls is insufficient to give confidence that RSF is protected from loss, waste, fraud or error. Prompt attention needs to be given to strengthening one or more areas of the control system before sufficient confidence is provided.	
No	The standard of controls is poor and places RSF in potential danger of loss from waste, loss, fraud or error. Urgent attention needs to be given by management to addressing weaknesses identified in the audit.	



## Appendix 2 Participation in internal audit activities

RUGABIRA GIRIMBABAZI Pamela; Chair person, Rwanda Swimming Federation

BAZATSINDA James; Secretary General, Rwanda Swimming Federation

MUSHIMIYIMANA Chantal, In charge of finance

### **Audit Commission members**

MUKAMUHIRE Sylvie



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