



RUTSIRO DISTRICT

Monthly Report and Financial Statements For The Period Ended **December 2016**

Issued in **January 2017**

Table of contents	Page No.
1. Background of the institution	1
2. Statement of responsibilities.....	2
3. Statement of revenues and expenditure for the period ended 31st December 2016.....	3
4. Financial Assets and Liabilities as at 31st December 2016.....	4
5. Cash flow statement for the 31st December 2016.....	5
6. Accounting policies.....	11
7. Notes to the financial statements	Ошибка! Закладка не определена.
8. Important disclosures	
9. Budget Performance report	Ошибка! Закладка не определена.
10. Progress on follow up of Audit Recommendations	38
11. Compliance checklist for Budget Agencies	46
a) Trial Balance	
b) Bank reconciliation statements	
c) Bank statements to accompany the bank reconciliation statements	
d) Petty cash certificate	
e) List of debtors and creditors	

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

1. Background of the institution

RUTSIRO DISTRICT was constituted by the Organic Law No. **37/2006** and is an agency and falls under the Ministry of **MINALOC**. The entity was incorporated in **Rwanda** under **23** Act of Parliament. The entity is domiciled in Western Province, Rutsiro District, Gihango Sector, Rwanda. The address of its registered office is:

WESTERN PROVINCE

PO BOX 45 Kibuye

RUTSIRO DISTRICT

E-mail: rutsirodistrict@rutsiro.rw

Principal Activities

The principal activity of the agency is provision of Public Administration.

Management

The management who held office to the **Month of November 2016** and who had direct financial responsibility were:

No.	Name	Designation
1.	NIYONZIMA Tharcisse	Chief Budget Manager
2	KAMANA Jean Marie	Corporate Services Division Manager
3	TWAGIRAYEZU Sosthene	Director of Finance

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

2. Statement of responsibilities

Article 66 of the Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property requires budget agencies to submit annual reports which include all revenues collected or received and all expenditures made during the fiscal year, as well as a statement of all outstanding receipts and payments before the end of the fiscal year.

Article 19 of the Organic Law N° 12/2013 and Article 09 and Article 11 of Ministerial Order N°002/07 of 09/02/2007 further stipulates that the Chief Budget Manager is responsible for maintaining accounts and records of the budget agency, preparing reports on budget execution, managing revenues and expenditures, preparing, maintaining and coordinating the use of financial plans, managing the financial resources for the budget agency effectively, efficiently and transparently, ensuring sound internal control systems in the budget agency and safeguarding the public property held by the budget agency.

The Chief Budget Manager accepts responsibility for the annual financial statements, which have been prepared using the "modified cash basis" of accounting as defined by Article 2 (20) of the Ministerial Order N°002/7 of 09/02/2007 relating to Financial Regulations and using appropriate accounting policies supported by reasonable and prudent judgements and estimates.

These financial statements have been extracted from the accounting records of **RUTSIRO DISTRICT** and the information provided is accurate and complete in all material respects. The financial statements also form part of the consolidated financial statements of the Government of Rwanda.

In the opinion of the Chief Budget Manager, the financial statements give a true and fair view of the state of the financial affairs of **RUTSIRO DISTRICT**. The Chief Budget Manager further accepts responsibility for the maintenance of accounting records that May be relied upon in the preparation of financial statements, ensuring adequate systems of internal financial control and safeguarding the assets of the budget agency.

Signature: _____

Name: _NIYONZIMA Tharcisse
[Chief Budget Manager]

10/01/2017
Date: _____

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

3. Statement of revenues and expenditure for the period ended 31st December 2016

	Notes	Financial Year 2016 /17 Month to October 2016	Financial Year 2015/16 Month to June 2016
Revenues			
Operating revenue			
Tax Revenue	1	0	0
Fees, fines, penalties and licenses	2	40,000	55,490,023
Transfers from Treasury	3	4,414,914,573	8,915,249,008
Transfers from other Government Reporting entities	4	542,125,171	1,831,828,406
Grants	5	170,689,337	155,750,746
Other revenue	6	0	0
Total operating revenue (1)		5,127,769,081	10,958,318,183
Capital Receipts(2)			
Proceeds from sale of capital items	7	3,108,630	0
Loans and borrowings(3)			
Proceeds from borrowings	8	0	-
Total Revenues (A)		5,130,877,711	10,958,318,183
Expenses			
Operating expenses			
Compensation of Employees	9	2,387,423,096	4,725,948,989
Use of Goods and Services	10	379,693,466	1,604,954,509
Transfers to Reporting Entities	11	0	-
Grant and other transfer payments	12	281,997,062	970,099,499
Social Assistance	13	101,973,198	547,448,762
Finance cost	14	0	0
Other Expenses	15	28,618,196	65,900,321
Total operating expenses (4)		3,179,705,018	7,914,352,080
Capital payments			
Capital Expenditure	16	1,618,997,934	2,664,455,340
Repayment of borrowings			0
Loans repayments	17	0	
Total expenses (B)		4,798,702,952	10,578,807,420
Surplus/deficit (C=A-B)		332,174,759	379,510,763

Sign: Accountant Director of Finance Chief Budget Manager

4. Financial Assets and Liabilities as at 31st December 2016

	Notes	Financial Year 2016/17 Month to October 2016 Frw	Financial Year 2015/16 As at 30th June 2016
Financial Assets			
Bank Balances	18	1,001,854,957	711,685,841
Cash Balances	19	0	-
Accounts Receivables and Advances	20	188,777	315,486
Total Financial Assets		1,002,043,734	712,001,327
Less: Financial liabilities			
Accounts Payables	21	29,348,797	71,481,150
Net Financial assets		972,694,937	640,520,178
Representing			
Accumulated surplus (Deficit) from previous years	22	640,520,178	265,295,413
Net surplus / (Deficit) for current year		332,174,759	379,510,763
Prior year adjustment	23	0	(4,286,000)
Total closing balances		972,694,937	640,520,178

Sign: Accountant Director of Finance Chief Budget Manager

5. Cash flow statement for the 31st December 2016

	Notes	Financial Year 2016/17 Month to October 2016	Financial Year 2015/16 Month to June 2016
Cash flow from operating activities			
Tax Revenue	1		0
Fees, fines, penalties and licenses	2	40,000	55,490,023
Transfers from Treasury	3	4,414,914,573	8,915,249,008
Transfers from other Government Reporting entities	4	542,125,171	1,831,828,406
Grants from Donors	5	170,689,337	155,750,746
Other revenues	6	0	0
Payments for operating expenses			
Compensation of employees	9	(2,387,423,096)	(4,725,948,989)
Use of Goods and Services	10	(379,693,466)	(1,604,954,509)
Transfers to Reporting Entities	11	0	0
Grant and other transfer payments	12	(281,997,062)	(970,099,499)
Social Assistance	14	(101,973,198)	(547,448,762)
Finance cost	15	0	0
Other Expenses	16	(28,618,196)	(65,900,321)
Adjusted for:			
Changes in receivables	25	126,709	8,393,033
Changes in payables	25	42,132,353	21,478,293
Adjustments during the year	24	0	(4,286,000)
Net cash flows from operating activities		1,906,058,419	3,069,551,429
Cash flows from Investing Activities			
Purchase of capital items	18	(1,618,997,934)	(2,664,455,340)
Proceeds from sale of capital items	7	3,108,630	0
Net cash flows from Investing Activities		(1,615,889,304)	(2,664,455,340)
Cash flow from Financing Activities			
Repayment of borrowing	17	0	0
Proceeds from borrowing	8	0	0
Net cash flow from financing activities		0	0
Net increase in cash and cash equivalents during the year	N/A	290,169,115	405,096,089
Cash and cash equivalent at BEGINNING of the year	26	711,685,842	306,589,751
Cash and cash equivalent at END of the Month	26	1,001,854,957	711,685,840
Control		0	0

The notes set out on pages 10 to 24 form an integral part of these financial statements

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

Authorization Date

The financial statements were approved by the management of the entity on 31st December 2016 and signed on its behalf by:

Sign: Accountant Director of Finance Head of Corporate Services

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

6. Budget Performance report

Account and Description		Approved Budget	Revised Budget/ Reallocated Budget	This month Expenditure	Last Period Expenditure	Total Expenditure	Balance	Performance /Percentage
RECURRENT	6,957,997,838	6,957,997,838	554,511,142	2,581,142,646	3,135,653,788	3,822,344,050	45.07	
21	Compensation Of Employees	4,905,758,074	4,905,758,074	421,853,079	1,965,570,017	2,387,423,096	2,518,334,978	48.67
2115	Salaries in Cash for Health Staffs	743,419,572	743,419,572	102,441,403	225,297,561	327,738,964	415,680,608	44.09 %
2113	Salaries in cash for Other Employees	1,395,574,762	1,395,574,762	93,650,802	608,632,857	702,283,659	693,291,103	50.32 %
2114	Salaries in Cash for Teachers	2,766,763,740	2,766,763,740	225,760,874	1,131,639,599	1,357,400,473	1,409,363,267	49.06 %
22	Use Of Goods And Services	808,577,361	808,577,361	94,309,876	246,857,415	341,167,291	467,410,070	42.19
2214	Communication Costs	38,135,040	38,135,040	10,914,393	20,994,079	31,908,472	6,226,568	83.67 %
2271	Health and Hygiene	7,817,374	7,817,374	0	0	0	7,817,374	0.00 %
2215	Insurances and licences	800,000	800,000	0	0	0	800,000	0.00 %
2241	Maintenance and Repairs	9,280,080	9,280,080	588,000	1,905,000	2,493,000	6,787,080	26.86 %
2211	Office Supplies and Consumables	32,735,595	32,735,595	294,000	9,813,700	10,107,700	22,627,895	30.88 %
2275	Other production materials and supplies	3,659,075	3,659,075	0	0	0	3,659,075	0.00 %
2221	Professional and contractual Services	105,697,692	105,697,692	12,637,969	47,876,379	60,514,348	45,183,344	57.25 %
2217	Public Relations and Awareness	218,749,005	218,749,005	41,225,110	71,263,093	112,488,203	106,260,802	51.42 %
2273	Security and Social Order	2,000,000	2,000,000	0	0	0	2,000,000	0.00 %
2261	Training Costs	55,247,521	55,247,521	0	0	0	55,247,521	0.00 %
2231	Transport and Travel	327,025,979	327,025,979	28,650,404	93,905,164	122,555,568	204,470,411	37.48 %
2274	Veterinary and	5,430,000	5,430,000	0	0	0	5,430,000	0.00 %

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

	Agricultural Supplies							
2212	Water and Energy	2,000,000	2,000,000	0	1,100,000	1,100,000	900,000	55.00 %
23	Acquisition Of Fixed Assets	168,095,847	168,095,847	2,650,000	66,334,600	68,984,600	99,111,247	41.04
2316	Acquisition of Cultivated Assets	15,094,136	15,094,136	0	0	0	15,094,136	0.00 %
2314	Acquisition of ICT Equipment, Software and Other ICT Assets	12,413,000	12,413,000	2,650,000	0	2,650,000	9,763,000	21.35 %
2311	Acquisition of Structures, Buildings	137,233,782	137,233,782	0	65,000,000	65,000,000	72,233,782	47.36 %
2312	Acquisition of Transport Equipment	0	0	0	0	0	0	0 %
2341	Land	3,354,929	3,354,929	0	1,334,600	1,334,600	2,020,329	39.78 %
26	Grants	933,490,379	933,490,379	24,566,842	257,430,220	281,997,062	651,493,317	30.21
2673	Grants to Subsidiary Units	933,490,379	933,490,379	24,566,842	257,430,220	281,997,062	651,493,317	30.21 %
27	Social Benefits	103,976,177	103,976,177	11,131,345	16,332,198	27,463,543	76,512,634	26.41
2721	Social Assistance Benefits - In Cash	103,976,177	103,976,177	11,131,345	16,332,198	27,463,543	76,512,634	26.41 %
28	Other Expenditures	38,100,000	38,100,000	0	28,618,196	28,618,196	9,481,804	75.11
2811	Membership dues	28,000,000	28,000,000	0	28,000,000	28,000,000	0	100.00 %
2851	Miscellaneous Other Expenditures	1,600,000	1,600,000	0	582,920	582,920	1,017,080	36.43 %
2891	Premiums , Fees And Current Claims	1,000,000	1,000,000	0	35,276	35,276	964,724	3.53 %
2841	Transfers to non-reporting government entities	7,500,000	7,500,000	0	0	0	7,500,000	0.00 %
DEVELOPMENT		5,953,227,290	5,953,227,290	427,959,226	1,235,089,938	1,663,049,164	4,290,178,126	0.00
22	Use Of Goods And Services	667,100,347	667,100,347	22,003,132	16,523,043	38,526,175	628,574,172	0.00
2216	Bank charges and commissions and other financial costs	0	0	0	185,000	185,000	(185,000)	0 %
2214	Communication Costs	685,440	685,440	0	84,000	84,000	601,440	12.25 %

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

2271	Health and Hygiene	7,099,358	7,099,358	0	0	0	7,099,358	0.00 %
2218	Membership and Subscriptions	0	0	0	0	0	0	0 %
2221	Professional and contractual Services	303,989,451	303,989,451	12,702,900	7,536,425	20,239,325	283,750,126	6.66 %
2217	Public Relations and Awareness	123,225,130	123,225,130	7,247,532	7,680,748	14,928,280	108,296,850	12.11 %
2273	Security and Social Order	50,000,000	50,000,000	0	0	0	50,000,000	0.00 %
2261	Training Costs	8,665,283	8,665,283	0	0	0	8,665,283	0.00 %
2231	Transport and Travel	5,374,400	5,374,400	2,052,700	1,036,870	3,089,570	2,284,830	57.49 %
2274	Veterinary and Agricultural Supplies	168,061,285	168,061,285	0	0	0	168,061,285	0.00 %
23	Acquisition Of Fixed Assets	4,605,115,131	4,605,115,131	364,581,939	1,185,431,395	1,550,013,334	3,055,101,797	33.66
2316	Acquisition of Cultivated Assets	1,292,996,236	1,292,996,236	266,643,552	183,239,704	449,883,256	843,112,980	34.79 %
2314	Acquisition of ICT Equipment, Software and Other ICT Assets	19,000,000	19,000,000	0	0	0	19,000,000	0.00 %
2313	Acquisition of Office Equipment, Furniture and Fittings	70,000,000	70,000,000	0	0	0	70,000,000	0.00 %
2311	Acquisition of Structures, Buildings	3,223,118,895	3,223,118,895	97,938,387	1,002,191,691	1,100,130,078	2,122,988,817	34.13 %
2341	Land	0	0	0	0	0	0	0 %
26	Grants	0	0	0	0	0	0	0.00
2673	Grants to Subsidiary Units	0	0	0	0	0	0	0 %
27	Social Benefits	582,733,313	582,733,313	41,374,155	33,135,500	74,509,655	508,223,658	12.79
2721	Social Assistance Benefits - In Cash	578,963,914	578,963,914	41,374,155	31,312,000	72,686,155	506,277,759	12.55 %
2722	Social Assistance Benefits - In Kind	3,769,399	3,769,399	0	1,823,500	1,823,500	1,945,899	48.38 %
28	Other Expenditures	98,278,499	98,278,499	0	0	0	98,278,499	0.00
2841	Transfers to non-reporting government	98,278,499	98,278,499	0	0	0	98,278,499	0.00 %

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

	entities							
Total	12,911,225,128	12,911,225,128	982,470,368	3,816,232,584	4,798,702,952	8,112,522,176	37.17	

Explanation on variances

Explain the major variances observed above:

(i)

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

Authorization Date

The financial statements were approved by the management of the entity on **31st December 2016** and signed on its behalf by:

Prepared by:	NDIKUBWIMANA ANASTASE Chief Accountant	_____ Signature	<u>10/01/2017</u> Date
Checked by:	TWAGIRAYEZU Sosthene Director of Finance	_____ Signature	<u>10/01/2017</u> Date
Confirmed by:	KAMANA JEAN MARIE Head of Corporate Services	_____ Signature	<u>10/01/2017</u> Date
Approved by:	NIYONZIMANA THARCISSE Chief Budget Manager	_____ Signature	<u>10/01/2017</u> Date

7. Accounting policies

a) Basis of preparation

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the requirements of Article 66 of the Organic Law on State Finances and Property: Law No. 12/2013 of 12 September 2013 and the Ministerial Order N°001/16/10/TC of 26/01/2016 relating to Accounting Standards applicable to Public Entity

The Financial Statements have been prepared based on generally Accepted accounting Principles, except where stated otherwise. In the context of Ministerial Order N°001/16/10/TC of 26/01/2016 relating to Financial Regulations financial transactions are recognized in the books of account as follows:

1. Generally, transactions are recognized only at the time the associated cash flows take place;
2. The expenditure on acquisition of fixed assets is not capitalized. Thus fixed assets are written-off on acquisition and the wear and tear (depreciation) of those assets is not recorded in the books of account; and
3. Prepaid expenditure/advances is written-off during the period of disbursement.

The recognized "modification" is as follows:

1. Invoices for goods and services which are outstanding on the date of the closure of the fiscal year are recognized as liabilities for that specific fiscal year;
2. Loans and advances are recognized as assets/liabilities at the time of disbursement and related interest is recognized only when disbursed. Interest payable on public debt is accrued; and
3. Book balances denominated in foreign currencies are converted into the Rwanda Francs at rates of exchange ruling on that date issued by the National bank of Rwanda. The associated exchange losses are recorded as recurrent expenditure while the exchange gains are recorded as recurrent revenue.

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

b) Reporting entity

The financial statements are for **RUTSIRO DISTRICT**

Presentation Currency

The financial statements are reported in Rwanda Francs, being the currency of legal tender in Rwanda.

c) Revenue

- **Tax revenue**

These are tax revenue collected by Rwanda Revenue Authority which are transferred to central treasury for a given period

- **Fees, fines, penalties and licenses**

Non Tax revenue includes revenues collected by Rwanda Revenue Authority which are not tax related

- **Transfers from Treasury**

Transfers from Treasury include budgetary allocations from Central Treasury and are disbursed directly to the bank account of the institution periodically (Direct Cash transfers) or indirectly to another Government reporting entity's bank accounts (Indirect Cash Transfers). Transfers from Treasury also include these payments directly made to beneficiaries by the Central Treasury on behalf of the institutions. Direct payments are recorded when the transfer is made to the supplier.

- **Transfers from other Government reporting agency**

These are funds received from another reporting agency (Ministry, Agency, Development Project or a subsidiary entity with status of submitting financial report for consolidation). These funds should be in form of budget support.

- **Grants from Development Partners**

These are funds received from partners including domestic grants and external grants. These funds are recognised as revenue when the institution receives the cash from the donors.

- **Capital receipts**

Capital receipts combine the sale of government tangible assets, sale of government equity investments and other domestic resources which include drawdown from Government Accounts.

- **Other income**

Other income includes internally generated income, receipt of fees from payment of fines, penalties and forfeits, interest and dividend income, proceeds from sale of capital assets and funds received from repayment of loans and advances to employees.

- **Proceeds from borrowings**

Borrowings includes external and domestic loans received from development partners

d) Expenditure

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016

Expenditure is classified according to major categories in line with Article 19 of Ministerial Order N°002/07 of 09/02/2007 relating to Financial Regulations. The main categories of expenditure includes compensation of employees, Use of Goods and Services, Capital expenditures, Transfers and subsidies, Loan and interest repayments, social benefits, Transfers to reporting entities and other expenses. A part from points of Modification which are mentioned clearly in the Ministerial Instructions, expenditure is recognized when payment is made.

e) Bank and Cash

Cash comprises cash on hand, demand deposits and cash equivalents. Demand deposits and cash equivalents comprise balances with banks and investments in short-term money market instruments.

f) Receivables and Advances

Receivables mainly relate to loans and advances which are recognized at the time of disbursement. Receivables also include amounts due to the budget agency as at the end of the reporting period.

g) Account payables

These mainly relate to invoices for goods and services which were outstanding on the date of the closure of the fiscal year. These are recognized as liabilities for that specific fiscal year.

This also relate to loans and advances to the institution which are recognized as liabilities at the time of disbursement.

h) Foreign currencies

Transactions denominated in foreign currencies are translated to the Rwandan Franc at the rate of exchange issued by the National bank of Rwanda (BNR) applicable for the dates of the transaction. At the balance sheet date, book balances denominated in foreign currencies are converted into Rwandan Francs at the exchange ruling on that date as issued by BNR. The associated exchange losses/gains are recorded as expenditure/ income in the books.

i) Accumulated Surplus or Deficit from previous years

These include cash book reconciled bank balances, petty cash balances, and accounts receivables as well as accounts payable balances existing at the beginning of the year

j) Prior year Adjustments

Prior Year adjustments consist of different adjustments made to consolidated report of prior year

RUTSIRO DISTRICT

Financial statements For the 6 Months Ended 31st December 2016