



# Rwanda Cooperative Agency (RCA)

## Procedures Manual

November 2022

## Table of Contents

List of tables.....	vii
Foreword.....	viii
Declaration of Commitment .....	ix
Acknowledgment .....	x
Acronyms and Abbreviations .....	xi
1. General Introduction .....	1
1.1. Introduction.....	1
1.2. Vision.....	1
1.3. Mission.....	1
1.4. Core values.....	1
1.5. Objectives .....	2
1.6. Rational .....	2
1.7. Scope of the procedure manual.....	2
2. Board of Directors.....	2
2.1. Main responsibilities .....	3
2.2. Reporting relationship.....	4
2.3. Working conditions/environment .....	4
2.4. Sitting allowances .....	5
2.5. Laws and regulations .....	5
2.6. Audit Committee.....	5
2.6.1. Main responsibilities of the audit committee .....	5
2.6.2. Reporting timeline.....	5
2.7. Internal auditor .....	5
2.7.1. Main responsibilities of internal auditor .....	6
2.7.2. Reporting relationships of the audit committee .....	6
3. Directorate General .....	6
3.2. Reporting framework .....	7
3.3. Department and Division under directorate general .....	7
3.4. Working conditions /environment .....	7
3.5. Laws and regulations .....	7
3.6. RCA senior management .....	7
3.6.1. Main responsibilities .....	7

3.6.2.	Reporting relationships and timeline .....	8
3.	Cooperative promotion and inspection division .....	8
3.1.	Cooperative promotion and capacity building .....	8
3.1.1.	Main responsibilities .....	8
3.1.2.	Cooperative promotion .....	9
3.1.3.	Mobilization .....	9
3.1.4.	Research and development of cooperatives .....	9
3.1.5.	Effective Mechanisms for Stakeholder engagement and Coordination .....	12
3.1.6.	Sector coordination mechanism .....	12
3.2.	Cooperative capacity development .....	13
3.3.	Cooperative inspection.....	17
3.3.1.	Cooperative inspection plan.....	17
3.3.2.	Quarterly plan .....	17
3.3.3.	Implementation of the cooperative inspection plan .....	17
3.3.4.	Implementation of inspection recommendations .....	19
3.3.5.	Inspection timeframe.....	19
3.3.6.	Inspection process in CMIS .....	20
3.4.	Cooperative auditing .....	21
3.4.1.	Cooperative auditing process and plans .....	21
3.4.1.18.	Post audit follow-up and implementation of the audit recommendations.....	24
3.4.2.	Management of external audits .....	26
3.4.2.8.	Term of office of the audit quality assurance team.....	28
3.5.	Financial services cooperatives development and sustainability .....	28
3.5.1.	Responsibilities .....	29
3.5.2.	Capacity building of financial cooperatives.....	29
3.5.3.	Promotion and sustainability of financial cooperatives .....	31
3.5.4.	Professionalization of financial services .....	32
3.5.5.	Financial analysis of applications for registration of financial cooperatives .....	33
3.5.6.	Research, surveys and assessments related to financial service development .....	34
4.	Cooperative Registration, Accreditation, Arbitration, and Legal Affairs.....	36
4.1.	Registration of cooperatives.....	37
4.1.1.	Analysis of applications for legal personality .....	37
4.1.2.	Issuing provisional legal personality.....	37

4.1.3.	Issuing definitive legal personality .....	38
4.1.4.	Timeline .....	38
4.1.5.	Conflicts arbitration/settlement.....	38
4.2.	Regulation.....	39
4.2.1.	Blacklisting leaders or employees convicted of mismanagement.....	39
4.2.2.	Suspension of leaders.....	39
4.2.3.	Suspension of cooperative .....	39
4.2.4.	Withdraw/revocation of the legal personality .....	40
4.2.5.	Review of general assembly minutes.....	40
4.3.	Legal Affairs activities.....	40
4.3.1.	Draft legal instruments.....	40
4.3.2.	Legal and technical assistance to cooperatives .....	41
4.3.3.	Awareness and dissemination of laws and regulations .....	41
4.4.	Accreditation.....	41
4.4.1.	Certify external auditors.....	41
4.4.2.	Approve newly elected leaders .....	42
4.4.3.	Testifying the non-bankruptcy for cooperatives .....	42
5.	Human resource management and code of conduct .....	42
5.1.	Introduction.....	42
5.2.	Main Responsibilities.....	42
5.3.	Reporting framework .....	43
5.4.	Performance analytics .....	43
5.5.	Working conditions/environment .....	43
5.6.	Recruitment of the staff.....	44
5.7.	Employee Job profile .....	44
5.8.	Professional records .....	44
5.9.	Temporary replacement of an employee.....	45
5.10.	Transfer of RCA employee .....	45
5.11.	Protection of the employee .....	45
5.12.	Rights of a transferred employee .....	45
5.13.	Incentives for employees .....	46
5.14.	Protection of the employee .....	46
5.15.	Training and Upgrading .....	46

5.16.	Work Timetable .....	46
5.17.	Lateness and absence from duty .....	47
5.18.	Physical exercises .....	47
5.19.	Faults and Sanctions.....	48
5.20.	Annual leave .....	51
5.21.	Discipline and ethics in RCA.....	52
5.22.	Code of Conduct - RCA.....	52
6.	Financial management .....	57
6.1.	Regulatory framework and accounting policy .....	58
6.2.	Bank reconciliation .....	58
6.3.	Chart of account.....	60
6.4.	Funds management .....	60
6.5.	Accounting policies .....	60
6.6.	Budgeting processes.....	61
6.7.	Budget preparation.....	61
6.8.	Financial reports.....	63
6.9.	Payment procedures .....	64
6.10.	Management of invoices from supplies .....	64
6.11.	Payments of mission allowances.....	66
7.	Internal control procedures .....	67
7.1.	Definition .....	67
7.2.	Rationale for internal control in RCA.....	67
7.3.	Control environment .....	67
7.4.	Control Activities.....	68
7.4.1.	Information Technology Control Activities.....	69
7.5.	Information and Communication .....	70
7.5.1.	Information .....	70
7.5.2.	Communication.....	72
7.5.3.	Communication between RCA Headquarters and Branches.....	73
7.6.	Monitoring .....	73
7.6.1.	Ongoing monitoring.....	73
7.6.2.	Separate evaluations.....	74
7.7.	Correspondence management .....	74

7.7.1.	Features of correspondence management .....	74
7.7.2.	RCA inward correspondence Management .....	76
7.11.1.	Outward correspondence.....	76
7.12.	Work preparation procedures and reporting .....	77
7.12.1.	Field work preparation procedures.....	77
7.12.2.	General work duties .....	77
7.12.3.	Monthly, quarterly and annual reports .....	77
7.13.	Management of transport facilities.....	78
7.13.1.	Local transport .....	78
7.13.2.	National transport.....	78
7.13.3.	Public transport .....	78
7.14.	Telephone.....	78
7.15.	Office maintenance, keys and security.....	78
7.16.	Risk assessment and management .....	79
7.16.1.	Purpose of the Risk Management Framework .....	80
7.16.2.	Developing the Risk Management Framework.....	81
7.16.3.	Risk Management Strategy .....	81
7.16.4.	Risk Management Process .....	82
7.16.5.	Roles and responsibilities.....	82
7.16.6.	Measures to prevent and build resistance to risks in RCA.....	86
7.17.	Use of RCA seal, stamp, logo, and headed papers.....	87
7.18.	Contract management .....	88
7.18.1.	The objective of Contract Management.....	88
7.18.2.	Persons involved in public procurement contracts management .....	88
7.18.3.	Contract management team.....	89
7.18.4.	Contract management file .....	89
7.18.5.	Actions to be performed by the contract management team .....	89
7.18.6.	Information on contract management .....	90
8.	Technology usage procedures.....	90
8.1.	Cooperative Management Information System (CMIS) .....	90
9.	Logistics and asset management.....	92
9.1.	Logistics Management .....	92
9.1.1.	Management of stocks .....	93

9.2. Assets management.....	95
10. Service delivery .....	97
Annexes: .....	100
Approved administrative forms / Templates.....	100
A. TEMPLATE FOR MISSION REPORTING .....	101
B. TRAVEL CLEARANCE FORM.....	102
C. TEMPLATE OF A BOARD PAPER .....	103
D. ANNUAL LEAVE FORM .....	104
E. WORK ABSENCE FORM.....	105
WORK ABSENCE FORM.....	105
F. TEMPLATE FOR STAFF PROVISIONAL SUSPENSION .....	106
G. TRANSMISSION FORM.....	107
H. FORMAT OF THE ANNUAL REPORT ON ASSETS.....	108
J. FORMAT FOR THE ASSETS RECONCILIATION REPORT .....	110
K. ASSET HANDOVER FORM.....	110
L. FORM FOR ISSUE OF ICT ASSETS AND OTHER SHARED ASSETS/EQUIPMENT .....	111
M. TEMPLATE FOR EMPLOYMENT CONTRACT.....	112
N. INSPECTION REPORT FORMAT AND CHECKLIST .....	116
O. RCA AUDIT REPORTING FORMAT .....	118

## List of tables

Table 1: The relationship between BoDs activities and their timelines.....	4
Table 2: The timeframe of the inspection of cooperatives .....	19
Table 3: The inspection process using CMIS .....	20
Table 4: Shows the audit request, review and approval using CMIS .....	24
Table 5: Illustrates in detail the cooperative audit schedule .....	25
Table 6: The table below shows the process of the provisional legal personality .....	37
Table 7: The process of issuing definitive legal personality.....	38
Table 8: The budget preparation process .....	62
Table 9: The procedures apply when proceeding to payment of any invoice in RCA .....	64
Table 10: Shows field work Process flow for RCA.....	77
Table 11: Shows reporting system from units/branches .....	77
Table 12: Standards of service delivery .....	97

## **Foreword**

Rwanda Cooperative Agency (RCA), is an autonomous body established by the law N°48/2013 of 28/06/2013, it is mandated of “regulating and promoting economic and social welfare of cooperatives organizations in Rwanda”. The above-mentioned Law determines the mission, organization and functioning of RCA.

RCA operations are now decentralized into 4 Provinces and the City of Kigali where the corroboration with Local Governments and other stakeholders is strengthened through RCA branches.

In order to better deliver on the RCA mandate, fast-track the attainment of strategic impact areas and goals set forth in the National Cooperative policy and the Strategic Plan of RCA, a manual of procedures is a mandatory document describing how policies, laws, regulations and practices should be implemented in RCA. The development of RCA Procedure Manuals was based on the principles of public service, research & development, technology imparting, and was conducted under the valuable guidance of the members of the Board of Directors and Management of RCA whose dedication for further improvements in RCA performance and rebranding is commendable.

This Procedures Manual clearly and accurately describe administrative processes, chronological series of administrative steps required, as well as the responsibilities of everyone in accomplishing a given activity. Full compliance with these Procedure Manuals will ensure enhanced delivery on the RCA mandate, and will foster staff ownership and accountability, institutional rebranding and greater customer satisfaction.

(Se)

**Yves Bernard NINGABIRE**

**Chairperson of the Board of Directors/RCA**

## **Declaration of Commitment**

The Director General of Rwanda Cooperative Agency (RCA);

Pursuant to the Law N<sup>o</sup> 48/2013 of 28/06/2013 establishing RCA and determining its mission, organization and functioning;

Pursuant to the Law N<sup>o</sup> 024/2021 of 27/04/2021 governing cooperatives in Rwanda;

Pursuant to the Law N<sup>o</sup> 017/2020 of 07/10/2020 establishing the General Statutes governing public servant;

Pursuant to the Law N<sup>o</sup> 66/2018 of 30/08/2018 regulating labor in Rwanda;

Pursuant to the Presidential Order N<sup>o</sup> 021/01 of 24/02/2021 determining professional ethics for public servants;

After consideration and approval by the extraordinary meeting of the Board of Directors in its session of ..... November 2022;

On behalf of RCA Management and staff, hereby commit to ensure full implementation and compliance with the present Procedure Manual; and to further improve and delivery on the RCA mandate, institutional accountability, and satisfaction of all customers and stakeholders.

Muhanga, November 2022

(Se)

**Prof. HARELIMANA Jean Bosco**

**Director General**

**Rwanda Cooperative Agency**

## **Acknowledgement**

The authors would like to acknowledge Prof. HARELIMANA Jean Bosco, the Director General of Rwanda Cooperative agency, who initiated this document and provided useful and thoughtful comments. Their appreciation goes to the entire collaborating teams for their tireless efforts in designing and elaborating this document related to RCA staff internal rules, regulations and service charter; and Code of Ethics.

These are respectively:

1. MUGWANEZA Pacifique/ Cooperative inspection and promotion division
2. KARANGWA Jean Bosco/ Administration and finance unit
3. MUGAMBAGE Richard/ Financial services and sustainable development unit
4. HABUMUGISHA Jean de Dieu/ Directorate General
5. MUSABWA Nteze Claude/ Cooperative promotion and capacity building unit
6. HABINSHUTI Jean Bosco/ Legal affairs and registration unit.

We would like also to express our deepest gratitude and appreciation to the RCA staff management team who contributed a lot by giving trustworthy information.

## Acronyms and Abbreviations

<b>AOS LTD</b>	Associate in Occupational Studies Company Limited	<b>MINICOM</b>	Ministry of Trade and Industry
<b>BNR</b>	National Bank of Rwanda	<b>MIS</b>	Management Information System
<b>BoDs</b>	Board of Directors	<b>MoU</b>	Memorandum of Understanding
<b>CBM</b>	Chief Budget Manager	<b>MRC</b>	Management Risk Committee
<b>CCI</b>	Chef Cooperative Inspector	<b>NGOs</b>	Non-Government Organizations
<b>CFR</b>	Code of Federal Regulations	<b>NIDA</b>	National Identification Agency
<b>CLP</b>	Cooperative Learning Platform	<b>NPL</b>	Non-Performing Loan
<b>CM</b>	Content Management	<b>NST1</b>	National Strategy for Transformation
<b>CMIS</b>	Cooperative Management Information System	<b>PEARLS</b>	Protection, Effective financial structure, Asset quality, Rate of return and costs, Liquidity, and Signs of growth
<b>CMS</b>	Correspondence Management System	<b>PM</b>	Procedure Manual
<b>CAN</b>	Capacity Needs Assessment	<b>PMO</b>	Prime Minister Officer
<b>CPCBU</b>	Cooperative Promotion and Capacity Building Unit	<b>PO</b>	Purchase Order
<b>DAF</b>	Director of Administration and Finance	<b>QIAR</b>	Quarterly Internal Audit Reports
<b>DCF</b>	District Cooperative Forums	<b>RBM</b>	Result-Based Management
<b>DG</b>	Director General	<b>RCA</b>	RCA
<b>DM</b>	Division Manager	<b>RCA HQ</b>	RCA HeadQuarter
<b>D-SACCO</b>	District Savings and Credit Cooperative Organization	<b>RGB</b>	Rwanda Governance Board
<b>E.G</b>	Exempli Gratia	<b>RISA</b>	Rwanda Information Society Authority
<b>FRW</b>	Rwandan Francs	<b>RMC</b>	Risk Management Coordinator
<b>FSCDS</b>	Financial Services Cooperative Development and Sustainability	<b>RRA</b>	Rwanda Revenue Authority
<b>FSCs</b>	Financial Service Cooperatives	<b>RSSB</b>	Rwanda Social Security Board
<b>HR</b>	Human Resource	<b>SACCOs</b>	Savings and Credit Cooperative Organization
<b>HRM</b>	Human Resource management	<b>SMART</b>	(Specific, Measurable, Achievable, Relevant, and Time-bound).
<b>ISO</b>	International Standard Organization	<b>SMS</b>	Short Message Service
<b>MFI</b>	Microfinance Institutions	<b>SOD</b>	Segregation of Duties
<b>MI</b>	Management Information	<b>TV</b>	Television
<b>MIFOTRA</b>	Ministry of Public service and Labour	<b>U-SACCOs</b>	Umurenge Savings and Credit Cooperative Organization
<b>MINECOFIN</b>	Ministry of Finance and Economic Planning	<b>VSLs</b>	Village Savings loan group

# **1. General Introduction**

## **1.1. Introduction**

The Prime Minister's Order N° 115/03 of 08/04/2016 determining the structure of the manual of administrative procedures in public service defines a manual of administrative procedures in public institutions as a document describing how policies, laws, regulations and practices should be implemented in a given institution. The manual clearly and accurately describes the chronological administrative process required and the responsibilities for accomplishing a given activity in any public institution.

The procedures should not be confused with "policy" or "guidelines" or felt as their duplication. Procedures are the required steps a user must follow to be in compliance with legislation and/or policy; while guidelines are recommended best practices set for departments/units to accomplish tasks in an accepted way. A policy document includes the governing principles of a given subject, and it explains why there must be certain procedures or guidelines, but not how to accomplish tasks.

Therefore, Rwanda Cooperatives Agency establishes the Procedures Manual which shows how policies, laws and regulations must be implemented in its daily management and administrative practices. Implementing this PM will increase the Institute's efficiency by meeting cost-effectiveness, and accountability and facilitating induction and change management. The RCA is the institution responsible to ensure the effective implementation of the national policy on cooperatives in Rwanda.

## **1.2. Vision**

RCA's vision is to promote an autonomous and economically viable cooperative movement founded on cooperative values and principles and is able to enhance social integration and uplift the standard of living of its members.

## **1.3. Mission**

The mission of RCA is to empower the cooperative movement as a viable engine through which cooperative members could create productive jobs, increase income and maximize the social and financial capital for social-economic transformation.

## **1.4. Core values**

*Values*

- ❖ Excellence and professionalism
- ❖ Accountability
- ❖ Integrity and trustworthiness
- ❖ Person-centeredness of service delivery
- ❖ Community-based and solidarity
- ❖ Impartiality
- ❖ Transparency and collaboration

### **1.5. Objectives**

“Enable the cooperative movement plays its vital role towards the transformation and sustainability of the national economy”

### **1.6. Rational**

Policies, guidelines, Rules, regulations, and procedures and drive movement help the institution to run systematically and efficiently. Having a written outline of how things should be done at the workplace ensures that every employee has the knowledge and vision to contribute to the growth of the institution and to comply with them in daily work. The development of a procedure manual intends to empower the employees to do their work to the best of their abilities.

### **1.7. Scope of the procedure manual**

There are thirteen areas covered by RCA manual procedure:

- ✓ Financial management procedures;
- ✓ Human resources management procedures;
- ✓ Administrative procedures;
- ✓ Operation procedures.

This procedure manual document reveals how policies, laws and regulations must be implemented in its daily management and administrative practices.

## **2. Board of Directors**

The Board of Directors is the supreme management and decision-making organ of RCA. It is vested with powers to make decisions regarding administration, human resources, and the core mandate of RCA.

## **2.1. Main responsibilities**

Subject to the provisions of the Organic Law No: 001/2020.OL of 08/06/2020 establishing general provisions governing public institutions, the Board of Directors of RCA has the following responsibilities:

- ✓ to oversee the functioning of the Executive Organ of a public institution and provide strategic guidance to be followed by the Executive Organ in the fulfillment of its mission;
- ✓ to approve the strategic plan and action plan of the public institution and related reports;
- ✓ to approve the procedures manual and internal rules and regulations of the public institution;
- ✓ to monitor the use of property and management of staff members of a public institution;
- ✓ to monitor the implementation of recommendations of an auditor of State finances;
- ✓ to ensure the establishment of a risk management framework for a public institution;
- ✓ to ensure an effective audit in a public institution;
- ✓ to monitor the execution of the performance contract;
- ✓ to ensure that decisions of the Executive Organ are in line with laws.

### **Additional responsibilities**

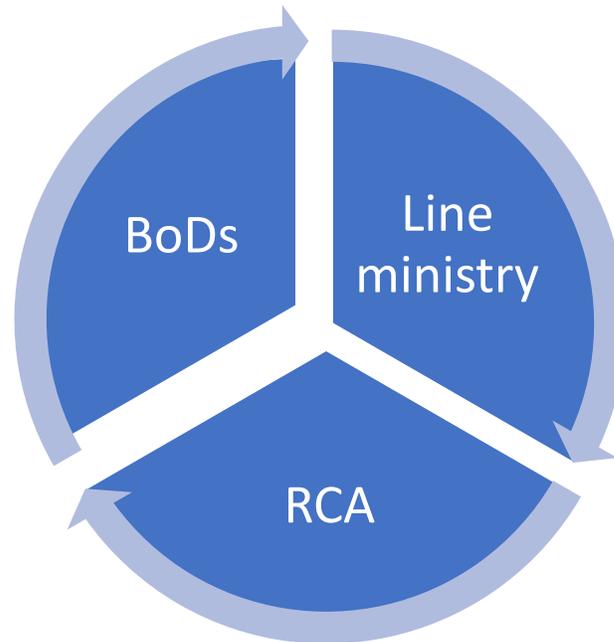
- ✓ To approve the draft budget proposal of RCA and make a follow-up on the budget execution;
- ✓ To approve the draft organizational structure of RCA;
- ✓ To approve the proposal of salary structure and fringe benefits for employees;
- ✓ To submit a quarterly and annual report to the Ministry in charge of cooperatives;
- ✓ To decide on all matters falling within the responsibilities of RCA.

Members of the Board of Directors of a public institution elect from among themselves an audit committee and a governance committee. Also, they may elect from among themselves another committee when considered necessary, as by nature of a public institution. The Board of Directors of a public institution determines the responsibilities of Committees provided for under Paragraph one the article 13 of organic law n° 001/2020.ol of 08/06/2020 establishing general provisions governing public institutions. Internal rules and regulations of a public institution determine the functioning of the Board of Directors. A Prime Minister's Order determines the code of conduct for members of the Board of Directors.

## 2.2. Reporting relationship

The minutes of the Board of Directors meeting should be submitted to the line Ministry (MINICOM) and then the line ministry requests the RCA to implement the recommendations from BoDs meeting accordingly.

The figure below shows Board of Directors reporting cycle.



**Table 1: The relationship between BoDs activities and their timelines**

No.	Activity	Timeline
1	Convening board meetings	Once per quarter
2	Submission of resolutions to the BoD	3 days after the meeting
3	Submission of the minutes	15 days after the meeting
4	Activities reporting (against Single Action Plan-RCA)	Quarterly and annually
5	Financial reports (against approved budget)	Quarterly and annually
6	Activities of the Board	Continuous

*Source: Rwanda Cooperative Agency*

## 2.3. Working conditions/environment

The working conditions of the RCA BoD should comply with optimum conditions as set forth by regulations in force.

## **2.4. Sitting allowances**

A sitting allowance is allocated to any Board Member if the member attends his/her respective meetings of the Board. If a Board Member attends the Board's activities or activities of the Board's Committee, the Member is also entitled to a sitting allowance. The allowance provided for the board shall not be granted more than once in a period of one (1) month, even if meetings of the Board or committee of the Board are held more than once in the same period as stipulated in the Presidential order N°10/01 of 10/05/2016 determining sitting allowances and other fringe benefits for Board members of national commissions, specialized organs, national councils and public.

## **2.5. Laws and regulations**

Laws and regulations for the Board of Directors are determined by

- ✓ Law N°86/2013 of 11/09/2013 establishing the General Statutes for public service.
- ✓ Presidential order n°10/01 of 10/05/2016 determining sitting Allowances and other Fringe benefits for board Members of national Commissions, specialized organs, national councils, And public institutions.

## **2.6. Audit Committee**

An audit committee is the sub commission of a Board of Directors in charge of finance and audit of the entire RCA.

### **2.6.1. Main responsibilities of the audit committee**

- ✓ Review of internal audit reports (quarterly and annual basis);
- ✓ Follow up on the implementation of Auditor General Recommendations;
- ✓ Provide an open avenue of communication between the internal auditor and external auditors;
- ✓ Analyze the financial reports;
- ✓ Report annually to the Board of Directors
- ✓ Review any other reports related to the Audit Committee

### **2.6.2. Reporting timeline**

Reporting timeline is on a quarterly basis as well as in a cumulative manner

## **2.7. Internal auditor**

An internal auditor is a staff in charge of cross-checking the overall RCA document, process, procedures, and supporting institution for better performance as well as to assist in implementing all audit recommendations for sustainability purpose.

An internal auditor is a trained professional tasked with providing independent and objective evaluation of an institution and operational business activities.

#### **2.7.1. Main responsibilities of internal auditor**

- ✓ Prepare RCA internal annual audit plan
- ✓ Carry out financial reviews (Monthly and annually)
- ✓ Carry out general management of the annual systems audit
- ✓ Provide advisory services
- ✓ Follow-up on the implementation of audit recommendations
- ✓ Prepare consolidated Quarterly Internal Audit Reports (QIAR).

Ministerial Order N° 003/17/10/TC of 27/10/2017 setting out regulations for internal audit and audit committees in public entities.

#### **2.7.2. Reporting relationships of the audit committee**

The RCA audit report is produced and submitted to MINECOFIN and BoDs through its audit committee. The Director General approves the transmission letter of the internal audit report produced. RCA is required to implement recommendations from both internal and external audits.

### **3. Directorate General**

The General Director is required to oversee all the institution operations and ensure that all RCA staff are participating and complying with its mandate in line with budget.

#### **3.1. Main responsibilities**

- ✓ Ensure Institutional development and sustainability;
- ✓ Coordinate the improvement of the institutional and policy environment to support rapid and transformative expansion of the cooperatives sector in Rwanda;
- ✓ Coordinate RCA administrative and finance activities;
- ✓ Coordinate and supervise RCA planning, monitoring and evaluation activities;
- ✓ Coordinate and supervise procurement activities;
- ✓ Supervise activities related to Institutional relations.

### **3.2. Reporting framework**

General Directorate should produce a report to the Board of Directors as well as the Line Ministry (Ministry of Trade and Industry).

### **3.3. Department and Division under directorate general**

- ✓ Division and departments under the Director General reporting to DG Office
- ✓ Under the Division office, there are also 5 Branches of RCA situated at the provincial level as per the prime minister's order No: 161/03 of 17/07/2013 determining RCA branches and their head office.
- ✓ There are also other positions under this office as per RCA structure.

### **3.4. Working conditions /environment**

The working conditions for all staff should be comfortable with standard compliance for safety and health

### **3.5. Laws and regulations**

- ✓ Law N° 66/2018 of 30/08/2018 regulating labor in Rwanda;
- ✓ Law N° 86/2013 of 11/09/2013 establishing the general statutes for public service;
- ✓ Presidential Order N°45/01 of 30/06/2015 establishing the code of professional ethics for public servants;
- ✓ Presidential Order No 65/01 OF 04/03/2014 determining modalities of imposing disciplinary sanctions on the public servant;
- ✓ Law n°48/2013 of 28 June 2013. This law also determines RCA's responsibilities, organization, and functioning.
- ✓ Law n°024/2021 of 27/04/2021 governing Cooperatives in Rwanda.
- ✓ Other applicable laws and regulations on public service.

### **3.6. RCA senior management**

RCA Senior Management is generally composed by a team of staff which has a highest level of management skills, decision making skills, critical thinking skills, time management skills, communicator skills, delegation of power skills. Senior Management also is responsible for supervising and guiding other staff members.

#### **3.6.1. Main responsibilities**

- ✓ To take a critical decision for each action raised in the SMM;
- ✓ Participating in all senior management meetings;

- ✓ To provide models that would help the organization achieve its set goals and objective;
- ✓ To manage RCA progress performance in line with budget and recommend changes when necessary for sustainable results;
- ✓ To manage, Improve, and measure progress in employee performance to meet RCA mandates
- ✓ Working with all departments/ units to ensure RCA activities are completed on time and within budget;
- ✓ Developing and implementing methodology to speed up RCA performance.

### **3.6.2. Reporting relationships and timeline**

The minute taker should share the minutes with the management team for comments and then submit to the DG Office no later than three (3) working days for review.

## **3. Cooperative promotion and inspection division**

The division covers the promotion of cooperatives and capacity development for both financial and non-financial cooperatives. It also includes the supervision of non-financial cooperatives in Rwanda.

### **3.1. Cooperative promotion and capacity building**

#### **3.1.1. Main responsibilities**

- ✓ Coordinate the development of sector policies, strategies, and plans;
- ✓ Implementation of Government policies in matters relating to cooperative organizations;
- ✓ Improve the coordination mechanism of stakeholders and partners for integrated and effective support of the cooperative movement.
- ✓ Ensure stakeholder participation in the development of a conducive and facilitative policy and legal framework for effective and efficient operation of all types of Cooperatives' umbrella organizations;
- ✓ Building viable cooperative movement organizations (Primary Cooperatives, Unions, Federations, and Confederation (APEX));
- ✓ Establish working relations with partners and other research institutions specialized in programs of cooperatives;
- ✓ Participating in the elaboration and follow-up of national, bilateral, and multilateral cooperation and project agreements;
- ✓ Lead the exercise of Cooperative Capacity Needs Assessment (CNA);
- ✓ Develop cooperative capacity-building plans;

- ✓ Conduct impact evaluation of capacity-building-related activities.
- ✓ Carry out research, surveys, and assessments supporting the development of the cooperative movement and;
- ✓ Performance-based cooperatives and the programme in charge of cooperative graduation and growth.
- ✓ Identification of the type of support needed for each category of cooperatives, unions, and federations;
- ✓ Promote cooperative membership for special groups of people such as youth, people with disabilities, women, and the Rwandan diaspora.

### **3.1.2. Cooperative promotion**

As per the cooperative policy, the Government of Rwanda recognizes the central role that cooperatives have to play in promoting inclusive, sustainable development and economic transformation. The unit of cooperative promotion and capacity building ensures that cooperatives serve as a unique form of a self-help group, pooling members' resources to achieve economies of scope and scale while serving as a platform for policy dialogue and multi-dimensional promotion of the members' wellbeing. In order to achieve the above-mentioned, different activities as listed below should be done by the Rwanda Cooperatives Agency through cooperatives promotion and capacity building unit.

### **3.1.3. Mobilization**

In cooperative mobilization, the responsible unit shall organize and coordinate the implementation of the mobilization event in collaboration with branches, departments, and stakeholders to encourage people to work together and take responsibility for ensuring that everyone is benefiting from the cooperative. The responsible unit ensures that cooperative members are aware of cooperative governance and management skills. The mobilization event should be done in different ways including the cooperatives week campaign, celebration of the International day of cooperatives, and media coverage.

### **3.1.4. Research and development of cooperatives**

RCA ensures adequate measures for improving cooperatives' performance and coordination mechanisms are in place. The institution shall streamline different supports to the cooperatives for better organizational growth. That is, assess that every intervention by a given stakeholder/partner

in cooperatives aims at improving governance, planning, and financial management in order to make cooperative organizations viable and sustainable.

The cooperative promotion and capacity-building unit shall develop communications and dissemination strategies for research studies. It shall communicate relevant research findings at meetings with external actors (government, donors, and NGOs). It ensures research findings and write-ups meet the needs of RCA's target audiences, particularly policy-makers and development practitioners. Conduct the monitoring of research activities that are likely to provide tangible benefits to cooperative members. This unit also shall collate and disseminate national, regional, and international research findings of relevance to Rwanda.

#### **3.1.4.1. Research process**

The following order concerning various steps provides a useful procedural guideline regarding the research process:

- 1) Formulating the research problem;
- 2) Extensive literature survey;
- 3) Developing the hypothesis;
- 4) preparing the research design;
- 5) determining sample design;
- 6) collecting the data;
- 7) execution of the project;
- 12) reached.
- 8) analysis of data;
- 9) hypothesis testing;
- 10) generalizations and interpretation, and
- 11) preparation of the report or presentation of the results, i.e., formal write-up of conclusions

#### **3.1.4.2. Report writing**

Writing the report must be done with great care keeping in view the following:

1. The layout of the report should be as follows: (i) the preliminary pages; (ii) the main text, and (iii) the end matter.

*In its preliminary pages* the report should carry title and date followed by acknowledgements and foreword. Then there should be a table of contents followed by a list of tables and list of graphs and charts, if any, given in the report.

*The main text of the report* should have the following parts:

- (a) *Introduction:* It should contain a clear statement of the objective of the research and an explanation of the methodology adopted in accomplishing the research. The scope of the study along with various limitations should as well be stated in this part.
- (b) *Summary of findings:* After the introduction, there would appear a statement of findings and recommendations in non-technical language. If the findings are extensive, they should be summarized.
- (c) *Main report:* The main body of the report should be presented in a logical sequence and broken down into readily identifiable sections.
- (d) *Conclusion:* Towards the end of the main text, a researcher should again put down the results of his research clearly and precisely. In fact, it is the final summing up.

*At the end of the report,* references and appendices should be enlisted in respect of all technical data.

2. Report should be written in a concise and objective style in simple language avoiding vague expressions such as ‘it seems,’ ‘there may be’, and the like.
3. Charts and illustrations in the main report should be used only if they present the information more clearly and forcibly.
4. Calculated ‘confidence limits’ must be mentioned and the various constraints experience in conducting research operations may as well be stated.

### **Quality of a good research**

1. *Good research is systematic:* It means that research is structured with specified steps to be taken in a specified sequence in accordance with a well-defined set of rules. The systematic characteristics of the research do not rule out creative thinking but it certainly does reject the use of guessing and intuition in arriving at conclusions.
2. *Good research is logical:* This implies that research is guided by the rules of logical reasoning and the logical process of induction and deduction are of great value in carrying out research. Induction is the process of reasoning from a part to the whole whereas deduction is the process of reasoning from some premise to a conclusion that follows from that very premise. In fact, logical reasoning makes research more meaningful in the context of decision-making.

3. *Good research is empirical:* It implies that research is related basically to one or more aspects of a real situation and deals with concrete data that provides a basis for external validity to research results.
4. *Good research is replicable:* This characteristic allows research results to be verified by replicating the study and thereby building a sound basis for decisions.

### **3.1.5. Effective Mechanisms for Stakeholder engagement and Coordination**

RCA shall establish a working framework for different joint activities. To harmonize joint annual action plans with local government in matters of cooperative development.

The cooperative sector is a cross-cutting policy that most people in Rwanda now associate with efficiency, effectiveness, and stakeholder ownership across all service delivery domains. The Rwanda Cooperatives Agency will work with stakeholders to put in place effective functional coordination and partnership development mechanisms for all actors working to promote or strengthen cooperatives.

RCA will strengthen its partnerships with all relevant stakeholders in the development process for the implementation of its strategic plan and cooperative policy. This will prevent the overlap and duplication of work, reduce transaction costs, leverage additional resources, increase impact and strengthen the sustainability of the Rwanda Cooperatives Agency activities. All partnerships will be regularly reviewed to assess their continued relevance and achievements.

### **3.1.6. Sector coordination mechanism**

#### **3.1.6.1. District cooperative forums (DCF)**

The cooperative district forum abbreviated as “CDF” will operate at district level

There will be hereby establishment, at the District level, a Cooperatives District Forum. However, at the Sector level, its affiliated cooperative promoters shall be designated.

CDF has the mission of ensuring sustainable socio-economic development and improved management of cooperatives through:

1. the dialogue and active participation;
2. improved cooperative accountability;
3. Cooperative problem-solving.

**CDF has the following specific objectives:**

1. to support the implementation of the cooperative policy by bringing all stakeholders together;
2. to ensure full participation of cooperative representation in the development process from the public and private sectors and civil society;
3. to promote the culture of dialogue and accountability so that the voice of cooperatives can be heard by local leaders and service providers;
4. to support the sustainable economic development of cooperatives;
5. to promote good governance among cooperatives.

#### **Organs of district cooperatives forum**

1. the General Assembly;
2. the Executive Committee.

#### **Reporting framework**

The DCF shall directly report to the Rwanda Cooperatives Agency for review and consideration on a quarterly basis.

#### **3.1.6.2.Cooperative learning platform (CLP)**

The Cooperative learning platform is a consultative meeting gathering all stakeholders in cooperative development in Rwanda for further strengthening cooperatives and experience-based sharing. As one improved coordination mechanism, any stakeholder/partner in the cooperative sector shall be authorized to freely identify cooperatives to support, assist and cooperate with. RCA shall establish a systematic way of recognizing and keep updating stakeholders/partners of cooperatives and ensure that all of them are known by local authorities and RCA. The RCA shall ensure adequate monitoring of the support or interventions rendered to the cooperatives. The RCA shall organize a meeting with stakeholders in cooperative development.

The ownership of CLP shall be owned by National Confederation of Cooperatives in Rwanda (NCCR) supported by RCA.

### **3.2. Cooperative capacity development**

The following are capacity development processes:

#### ***Step 1: Engage stakeholders in capacity development***

If stakeholders are involved and share ownership in the process of development they will feel more responsible for the outcome and sustainability of the development. Each year the responsible unit

shall consolidate action plans from all stakeholders involved in the capacity-building of cooperatives to develop a joint annual capacity-building plan. Rwanda Cooperatives Agency shall design a reporting system, discussed and approved by the stakeholders meeting for quarterly reporting to Rwanda Cooperatives Agency.

***Step 2: Assess capacity needs***

Capacity Needs Assessment is a process of evaluating actual existing gaps within cooperatives in terms of knowledge, skills, strengths, weaknesses, opportunities, threats, assets, and other elements required for them to achieve the pre-specified objectives.

***Step 3: Preparing the capacity development plan***

1. Identify interventions. 2. Define capacity development indicators. 3. Outline capacity development objectives. 4. Develop an estimated budget.

***Step 4: Implement a capacity development plan***

It involves conducting capacity building of cooperatives and continual reassessment and expecting change depending on changing situations. It includes evaluative indicators to measure the effectiveness of initiated programs.

***Step 5: Evaluate capacity development***

The institution shall evaluate the impact of capacity building of cooperatives and disseminate the findings to the stakeholders at the end of the financial year for the recognition of the support in the cooperative movement.

**Quality training standards**

***1. Training needs assessment***

Ensure that training is needed to address the gap, training is not always the solution. Conduct a needs assessment that validates the need for training. Consider a simple or complex approach:

- a. Complex approaches might include collecting new data through surveys, assessments and interviews.
- b. Simple approaches might include looking at existing data or reports.

**2. Training objectives.**

The training objectives should be SMART (Specific, Measurable, Achievable, Relevant, and Time-bound).

### ***3. Training content.***

Develop content that meets the needs of the trainers and program based on the assessment needs. Consider your trainers and make sure your content (including examples and visuals) is culturally appropriate and relevant. Ensure content aligns with learning objectives to avoid unnecessary material.

### ***4. Participatory training.***

Design training that is interactive or engaging (e.g., knowledge checks, case studies, question and answer sessions, or exercises), as appropriate for trainers' needs and training goals. Provide the opportunity for trainers to receive feedback. Provide opportunities for trainers to share experiences and learn from others' experiences. These may include peer learning and interdisciplinary opportunities for practice.

#### ***Cooperative member training principles:***

**Principle #1:** Adults are internally motivated and self-directed.

**Principle #2:** Adults need to draw upon their own life experiences and knowledge.

**Principle #3:** Adults are goal-oriented.

**Principle #4:** Adults are relevancy-oriented.

**Principle #5:** Adults are practical.

**Principle #6:** Adults need to be shown respect.

### ***5. Good conversational style***

Use a conversational style that is appropriate for trainers (i.e., active voice, present tense, and second person). Use language and tone that is inclusive, familiar, and clear for trainers.

### ***6. Training evaluation for improvement.***

Develop and implement a training evaluation plan that includes the evaluation purpose, questions, and data collection methods.

## **7. Training way forward**

Provide opportunities to trainers for continued learning after the training that reinforces retention and application of content delivered during training.

### **3.2.1. Training and coaching of cooperatives**

Define and implement a training program of cooperatives based on the training needs identified (relevant for both the cooperative management and the skills needed by members to deliver on their activities). Ensure quality training/coaching and conduct accreditation of standardized training modules.

### **3.2.2. Accounting and financial management tools**

Facilitate cooperatives to comply with article 73 of cooperative law No: 024/2022 of 27/04/2022 stipulating the documents kept by a cooperative and standard accounting and procedures.

### **3.2.3. Use of Information and Communication Technology**

RCA shall encourage cooperatives to use technology in their daily operations. Different technology systems shall be used by cooperatives such as putting in place a management information system (MIS). A management information system provides the data to identify non-performing areas and leads to better business productivity and efficiency, better decision-making, better communication and better data knowledge of customer needs.

A management information system provides the information that managers need to get a feel for how their business is performing. These systems gather data about different areas of a cooperative, such as:

- ✓ Products
- ✓ Human resources
- ✓ Sales and marketing
- ✓ Inventory control
- ✓ Profits
- ✓ Document flows
- ✓ Taxes
- ✓ Cash balances
- ✓ Accounts receivable
- ✓ Accounts payable
- ✓ Payment process
- ✓ Cashbook
- ✓ Debtor's book
- ✓ Creditor's book
- ✓ Register of members' shares
- ✓ Purchase book
- ✓ Stock documents
- ✓ Intangible documents
- ✓ Invoice

- ✓ Delivery note
- ✓ Balance sheet

- ✓ Income Statement /Statement of Revenue and Expenditure.

RCA shall propose different possible technology systems to be used by cooperatives for better strengthening cooperative movement in Rwanda.

The unit shall also innovate and introduce technological approaches to ease the work and better improve its performance and make close follow-up for the cooperatives' accountability.

### **3.3. Cooperative inspection**

A cooperative inspection is a critical examination usually following a predefined checklist, and with a defined frequency (daily, weekly, monthly, bimonthly, etc.) in order to verify compliance with cooperative law, rules and regulations, by-laws, and general assembly resolutions. In summary, a cooperative inspection focuses at the physical conditions of assets on a workplace.

#### **3.3.1. Cooperative inspection plan**

At the beginning of every fiscal year, RCA Branch Team conducts a planning meeting in which they make a list of cooperatives to be inspected, Chief Cooperative Inspectors submit an inspection plan, mentioning the names of the cooperatives that they intend to inspect to the Division Manager. The Director of the department shall verify and consolidate each list from the Chief Cooperative Inspectors to come up with a final plan which he or she shall submit to the Cooperative Division Manager for review and subsequently Director General for approval.

The annual plan shall then be subdivided into quarterly, monthly and weekly plan to enable a better implementation.

#### **3.3.2. Quarterly plan**

The division Manager shall prepare a consolidated quarterly inspection plan based on the annual Inspection plan, indicating the names of the cooperative organizations to be inspected in the quarter of the year.

#### **3.3.3. Implementation of the cooperative inspection plan**

##### **3.3.3.1. Weekly cooperative inspection plan**

For the purposes of executing the annual inspection plan, the inspectors shall come up with a weekly plan. The weekly plan shall indicate the names of the cooperative to be inspected, the activities it specializes in and the district and the Sector where it is located. RCA administration shall approve the plan and facilitation thereof. However, the weekly inspection plans and mission

orders shall be submitted to the Director of the inspection unit three (3) days before the departure of inspectors to the field. After the approval of the weekly inspection plan, inspectors shall discretionally and subject to the prevailing circumstances, determine whether it is necessary to inform the cooperative committees. In another hand, this procedure shall not be respected if it happens suspecting of embezzlement cases, mismanagement, fraud cases, bad bookkeeping etc.

### 3.3.3.2. Cooperative inspection tools

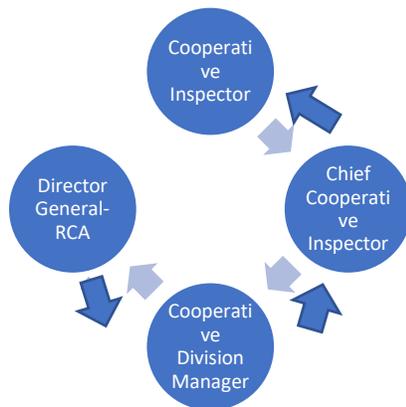
The following are the tools that should help an inspector during the field visit:

- ❖ Cooperative laws and regulations
- ❖ Cooperative internal policies and procedures
- ❖ Easy access to the internet (Modems)
- ❖ Computers
- ❖ Work identity card
- ❖ Stationary materials
- ❖ Communication and transport facilities
- ❖ Mobile data tool for collecting information
- ❖ Reporting template.
- ❖ Transport means

### 3.3.3.3. Reporting framework

#### Full inspection report

Cooperative inspectors shall have to draft and submit a report to the supervisor after every inspection as illustrated below.



*Figure 1: Inspection report submission processes*

As illustrated in the above diagram, the full inspection report shall have a two-way traffic feedback starting from the reports from the inspectors towards Chief cooperative inspector then submit the consolidated inspection report to the Division Manager. At this point, the Division manager reviews the report and send it back to the Chief cooperative inspector for the correction or he or she will submit it to the office of the Director General as a final copy for endorsement and administrative reactions. After the signature, full inspection report is submitted to the concerned cooperative General Assembly.

### **Ordinary inspection**

During the ordinary inspection, an inspector inspects and gathers the information from the cooperatives using the agreed mobile tool. The chief cooperative inspector consolidates the reports at the branch (province) level and submits it to the DM’s Office. The Division Manager consolidates all reports from provinces and submits it to the planner for consideration.

### **3.3.4. Implementation of inspection recommendations**

The recommendations from the consolidated inspection report are shared to different departments of RCA based on their area of concern for planning accordingly. For example, if the recommendation requires an audit, it will be submitted to audit department, if the recommendation requires training it will be submitted to the CPCBU, if it requires conflict arbitration it will be submitted to Legal Unit.

### **3.3.5. Inspection timeframe**

The inspection of the cooperative organization’s timeframe shall be the period of time within which inspection activities are scheduled to occur. The table below gives a detailed illustration of the time frame.

***Table 2: The timeframe of the inspection of cooperatives***

<b>Activity</b>	<b>Duration</b>	<b>Responsible</b>
Weekly inspection plan	Every Wednesday, CCI shall submit the weekly inspection plan for the next week, accompanied by the mission orders.	CCI
Field inspection activities	This activity shall take four working days, every cooperative shall be inspected in one day but they can increase to more than 1 cooperative day depending on RCA targets, performance contract and budget availability. An inspection is done at least by a team of 2 inspectors.	Cooperative inspector

Inspection report	One day after coming back from the field work.	Cooperative inspector
consolidate inspection reports	After receiving inspection reports from Branch inspectors	CCIs
Submission of inspection report to the supervisor	The Chief cooperative inspector shall consolidate all inspection reports from cooperative inspectors and submit it to the DM's office not later than Friday of that same week.	CCI
Submission of the inspection report to DM office	After the reception of the consolidated inspection report from the CCI, the DM shall submit the consolidated inspection report to within three working days for review and recommendation.	DM
Submission of the inspection report to the Director General's office.	Within two days after the consolidation inspection report shall submit the inspection report to the Director General's for approval and transmission to the concerned cooperative organization.	DM
Presentation of the Inspection reports.	The final inspection reports which represent critical cases shall be presented to the cooperative Organization in their ordinary or extra ordinary General assembly meetings. In other hands, others shall be presented to the cooperative management.	Cooperative Inspector/CCI

Note: inspection activities shall always start from Monday to Thursday and on Friday all inspectors shall work from their respective offices.

### 3.3.6. Inspection process in CMIS

CMIS has different modules including the module related to inspection of cooperatives as described in this section.

**Table 3: The inspection process using CMIS**

Sl.	Business Process	Description	Done by
1	Cooperative Inspection Process	<ul style="list-style-type: none"> <li>Fill the Inspection Form</li> <li>Submit the application form</li> </ul>	<ul style="list-style-type: none"> <li>RCA</li> <li>Cooperative</li> <li>Coop members</li> <li>stakeholders</li> </ul>
2	Inspector	<ul style="list-style-type: none"> <li>Receive application</li> <li>Inspect the Cooperative</li> </ul>	•
3	CCI	<ul style="list-style-type: none"> <li>Receive application</li> <li>Forward / Reject/Revert application</li> </ul>	•
4	Div. Manager	<ul style="list-style-type: none"> <li>Receive application</li> <li>Forward / Reject/Revert application</li> </ul>	•
5	Director General	<ul style="list-style-type: none"> <li>DG receive and approve the application</li> </ul>	•

### **3.4. Cooperative auditing**

Cooperative audit is an "independent examination of financial information of cooperative. This examination is conducted with a view to express an opinion thereon.

#### **3.4.1. Cooperative auditing process and plans**

The audit process is the series of steps followed by an auditor in order to conduct an audit engagement with a client. The exact steps followed will depend on the nature of the audit engagement, but typically follow the general steps described in this section.

##### **3.4.1.1. Annual audit plan**

The cooperative audit department shall prepare an annual cooperative audit plan for complying with RCA action plan. This audit plan will base from the following:

- Ordinary plans from audit department
- Recommendations from inspection reports
- Requests from cooperatives
- Requests from stakeholders
- Arbitration recommendations
- Other pledges

##### **3.4.1.2. Monthly audit plan**

However, for a better implementation of the annual audit plan, the audit department shall prepare a monthly audit plan which shall explicitly indicate the names of the cooperatives to be audited. It is on the basis of the monthly audit plan that respective cooperative organizations shall be informed in writing the date they will be audited.

##### **3.4.1.3. Pre-audit procedures**

Although every audit project is unique, the audit process is similar for most engagements and normally consists of four stages: Planning (sometimes called Survey or Preliminary Review), Fieldwork, Audit Report, and Follow-up Review. Client involvement is critical at each stage of the audit process. As in any special project, an audit results in a certain amount of time being diverted from your department's usual routine. One of the key objectives is to minimize this time and avoid disrupting ongoing activities. Following is a sample flowchart of the process from an organization that you may find helpful:

#### **3.4.1.4. Audit planning**

During the planning portion of the audit, the auditor notifies the cooperative organization of the audit, discusses the scope and objectives of the examination in a formal meeting with organization management, gathers information on important processes, evaluates existing controls, and plans the remaining audit steps.

#### **3.4.1.5. Audit announcement letter**

The cooperative organization is informed of the audit through an announcement or engagement letter from RCA in seven working days. This letter communicates the scope and objectives of the audit, the auditors assigned to the project and other relevant information. However, in case of embezzlement suspected, cash counts, fraud and investigation engagement letter is not necessary.

#### **3.4.1.6. Audit opening meeting**

The opening meeting is an initial conference summit, the cooperative organization describes the unit or system to be reviewed, the organization, available resources (personnel, facilities, equipment, funds), and other relevant information. The auditor meets with the senior cooperative leaders directly responsible for the unit under review and any staff members she/he wishes to include. It is important that the cooperative organization identify issues or areas of special concern that should be addressed.

#### **3.4.1.7. Preliminary survey**

In this phase the auditor gathers relevant information about the cooperative organization in order to obtain a general overview of operations. He/she talks with key personnel and criticisms reports, administrative books, accounting books and files, and other sources of information.

#### **3.4.1.8. Internal control review**

The auditor will review the cooperative's internal control structure, a process which is usually time-consuming. In doing this, the auditor uses a variety of tools and techniques to gather and analyze information about the operation. The review of internal controls helps the auditor determine the areas of highest risk and design tests to be performed in the fieldwork section.

#### **3.4.1.9. Fieldwork**

The fieldwork concentrates on transaction testing and informal communications. It is during this phase that the auditor determines whether the controls identified during the preliminary review are operating properly and, in the manner, described by the cooperative organization. The fieldwork

stage concludes with a list of significant findings from which the auditor will prepare a draft of the audit report.

#### **3.4.1.10. Transaction testing**

After completing the preliminary review, the auditor performs the procedures in the audit program. These procedures usually test the major internal controls and the accuracy and propriety of the transactions. Various techniques including sampling are used during the fieldwork phase.

#### **3.4.1.11. Advice & informal communications**

As the fieldwork progresses, the auditor discusses any significant findings with the cooperative organization. Hopefully, the cooperative organization can offer insights and work with the auditor to determine the best method of resolving the finding. Usually these communications are oral. However, in more complex situations, memos and/or e-mails are written in order to ensure full understanding by the auditees and the auditor. Our goal: No surprises.

#### **3.4.1.12. Exit meeting report**

Upon completion of the fieldwork, the auditor summarizes the audit findings, conclusions, and recommendations necessary for the audit report discussion draft with cooperative organization leaders.

#### **3.4.1.13. Collection of supporting documents**

Working papers are a vital tool of the audit profession. They are the support of the audit opinion. They connect the client's accounting records and financials to the auditor's opinion. They are comprehensive and serve many functions. Working Paper Documentation

#### **3.4.1.14. Draft audit report**

Our principal product is the final report in which we express our opinions, present the audit findings, and discuss recommendations for improvements. To facilitate communication and ensure that the recommendations presented in the final report are practical, statutory audit discusses the rough draft with the cooperative organization prior to issuing out of the final report. The discussion shall be at RCA office.

#### **3.4.1.15. submission of the final report to the director of audit department for review**

At the end of fieldwork, the auditor shall process the final report and shall submit it to the Director of the Audit department for recommendations.

#### **3.4.1.16. Submission of audit report to the quality assurance team**

After reviewing the final audit report, the Director of the audit department, shall submit it to the quality assurance team for final review and recommendations. The reviewed report with recommendations shall be submitted to Cooperative division manager for further orientation.

**3.4.1.17. Presentation of the final audit report to the cooperative organization general assembly**

After the responsible auditor has done the final corrections as recommended by the quality assurance in the audit report, the audit department shall submit the final and conclusive audit report in three copies to the office of Director General for stamping and signature. The office of Director General Write a letter to the audited cooperative, informing them the date and the time of the presentation of the final audit report.

**3.4.1.18. Post audit follow-up and implementation of the audit recommendations**

After presentation of final audit report in the cooperative organization, the final audit report shall be shared to the RCA concerned branch for follow up and implementation of the recommendations during the provincial inspection and give feedback to the audit department.

Unresolved findings will also appear in the follow-up report and will include a brief description of the finding, the original audit recommendation, the cooperative organization response, the current condition. It is also the recommendation of the monitoring and evaluation officer to consolidate all the audit recommendation implementation status.

**3.4.1.19. Audit request, review and approval using CMIS**

**Table 4: Shows the audit request, review and approval using CMIS**

Sl#	Business Process	Description	Applicant	Document Involved
1	Audit request	<ul style="list-style-type: none"> <li>Fill the Audit Form</li> <li>Submit the application form</li> </ul>	Cooperative Audit unit, Inspectors, District, External auditor Province or others	Upload documents
2	Director General	<ul style="list-style-type: none"> <li>Receive application</li> <li>Forward / Reject/Revert application</li> </ul>		
3	Division Manager.	<ul style="list-style-type: none"> <li>Receive application</li> <li>Forward / Reject/Revert application</li> </ul>		
4	Director Audit	<ul style="list-style-type: none"> <li>Receive application</li> <li>Forward / Reject/Revert application</li> </ul>		
5	Auditors	<ul style="list-style-type: none"> <li>Conduct Audit</li> <li>Submit audit report to Director Audit</li> </ul>		
6	Director Audit	<ul style="list-style-type: none"> <li>Receive report</li> <li>Forward / Reject/Revert report</li> </ul>		

7	Division Manager.	<ul style="list-style-type: none"> <li>• Receive report</li> <li>• Forward / Reject/Revert report</li> </ul>		
8	Director General	<ul style="list-style-type: none"> <li>• Receive report</li> <li>• Forward / Reject/Revert report</li> </ul>		

### 3.4.1.20. Cooperative audit timeframe

**Table 5: Illustrates in detail the cooperative audit schedule**

Activity	Duration	Responsible
Announcement letter	7 (seven) days before the audit commences, RCA shall inform Cooperative organization to be audited in writing, the date on which they shall be audited.	Audit Department
Weekly Audit plan	Every Wednesday, the audit department shall submit the weekly audit plan for the next week, accompanied with the mission orders.	Director of Inspection Department
Fieldwork	Audit field work shall depend on volume of work, cooperative location, cooperative activities, operations and cooperative category.	Cooperative auditor
Draft Audit Report	This activity shall take three working days after finalizing field audit activities, and the draft report shall be sent to the cooperative organization for comments within seven working days.	Cooperative auditor and cooperative organization
Submission of the audit final report to the Director of audit department for review	Within two working days after receiving comments from the cooperative organization, the cooperative auditor shall finalize the audit report and submit it to the Director of department.	Cooperative auditor
Submission of Audit report to the quality Assurance Team	Within four working days, the Director in charge of audit department shall submit the final audit report to the quality assurance team for review.	The Director in charge of audit department
Reviewing final audit report	<p>Within five working days, the quality assurance team examine and submit final audit report to Director in charge of audit department for correction. He or she will thereafter submit the final copy to the Cooperative Division Manager for comments, suggestions or recommendations where necessary.</p> <p>Within two (2) days after reception of the final audit report from Director of audit department,</p>	The quality assurance team, Director in charge of audit department and Cooperative Division Manager

	DM shall submit it to the Director General office for approval.	
Approval of the final audit report	The final audit report attached with the transmission letter from DM, shall be approved by Director General within two days.	Director General
Presentation of the final audit report to the Cooperative organization general assembly	After the approval of the final audit report by DG/RCA, he/she shall inform in writing the cooperative organization that the final report shall be presented within 15 days from its approval.	Cooperative auditor

### **3.4.2. Management of external audits**

An external audit is an examination that is conducted by an independent auditor from outside of the cooperative. This type of audit is most commonly intended to result in a certification of the financial statements of a cooperative. This certification is required by certain investors, lenders, and for tax purposes.

#### **3.4.2.1. Duties of an external auditor**

Article 102 of Cooperative Law: 024/2022, the external auditor audits all books of accounts and bank accounts, all vouchers in support of them and all relevant papers and records in the possession of a cooperative. If necessary, an external auditor requires explanations from any member of the Board of Directors, a member of a cooperative as well as from any officer or associate of a cooperative in order to fulfil his or her duties. The external auditor has the right to check the financial status of the cooperative and the functioning of its decision-making organs and the compliance with the procedures set out in the bylaws or in any other relevant documents of the cooperative.

Where the external auditor identifies any shortcoming in the books of account or in the functioning of the cooperative, he or she recommends such remedial action and measure as he or she considers appropriate. The external auditor has the right to participate in the meeting of the General Assembly and to be heard on any issue related to his or her mandate.

The external auditor is not allowed to conduct audit in a cooperative of which he or she is a member.

#### **3.4.2.2. Requirements for an external auditor**

Article 103 of Cooperative Law: 024/2021, no one can act, either individually or as a cooperative, as an external auditor in a cooperative unless he or she is approved by the General Assembly of the cooperative basing on the list of external auditors approved by the National Agency.

No external auditor may audit a cooperative or prepare an audit report if he or she:

- ✓ was a member of the Board of Directors of the cooperative, an accountant or another employee with tasks related to the financial management of the cooperative during the audited year or the preceding year;
- ✓ is a spouse of an employee or one of the members of the Board of Directors of the cooperative or any other direct relative to the first degree;
- ✓ is a collector of the property of the cooperative;
- ✓ owes a debt to the cooperative;
- ✓ was expelled from the cooperative of which he or she was a member;
- ✓ has a direct interest in the cooperative.

#### **3.4.2.3. Code of conduct of an external auditor**

Article 104 of cooperative law No:024/2021, in carrying out audit, an external auditor and any person assisting him or her must:

- work with due diligence and discernment and respect the standards of auditors' profession;
- maintain professional secrecy on internal matters of the cooperative obtained during the exercise of their duties of audit;
- be individually or jointly liable for any loss sustained by or damage caused to a cooperative by:
  - negligence on duties;
  - voluntary breach of the professional secrecy obtained during the performance of their duties;
  - failure to comply with the standards of the audit profession.

#### **3.4.2.4. Responsibilities of Cooperative leaders, staff and members**

Any leader, officer, agent, servant or member of a co-operative society who is required by the Organ in charge of the development of cooperative organizations, or by a person authorized in writing by him to do so shall, at such place and time as the competent authority may direct, produce all moneys, securities, books, accounts and documents belonging to or relating to the affairs of such Cooperative society which are in the custody of such officer, agent, servant or member (for the purpose of auditing/inspecting)

#### **3.4.2.5. Cooperatives books of accounts**

Every co-operative society shall keep proper accounts which shall:

- 1° be prepared in accordance with International Accounting Standards;
- 2° reflect the true and fair state of the cooperative society's affairs; and
- 3° explain the cooperative society's transactions including:

- all sums of money received and paid by the co-operative society and the reasons thereto;
- all sales and purchases of goods and services by cooperative society; and
- all assets and liabilities of the cooperative society.

#### **3.4.2.6. Certification of external auditors**

RCA will interest all competent individuals and firm external auditors to apply, from these applications, RCA will make a list of Accredited External Auditors for Cooperatives. All will make a regulation on functionalities of external auditors for cooperatives.

#### **3.4.2.7. The quality assurance team**

The audit quality assurance team shall be a team responsible for detecting and preventing mistakes, and flaws in the RCA audit reports. It shall also be responsible for conducting activities that validate audit reports quality. The audit quality assurance team shall be appointed by RCA management. It shall be composed of five people including the Director of audit department. In a bid to facilitate the team to execute its tasks effectively, the management shall designate the incentives to be given to the team. However, auditors shall not be part of the audit quality assurance team.

The following shall be the audit quality assurance team

- Reviewing the audit reports
- Annotating the report
- Editing
- Recommendations.
- Drafting and submitting a summary report of work done to the Cooperative Division manager at the end of the review of the audit report for orientation.

#### **3.4.2.8. Term of office of the audit quality assurance team**

The quality assurance team shall a term of office of one-year renewable.

### **3.5. Financial services cooperatives development and sustainability**

Financial service cooperatives are member-owned cooperatives formed to serve a population's financial needs. The unit in charge of financial services cooperatives in RCA has the mandate to ensure the development and sustainability of these cooperatives.

### **3.5.1. Responsibilities**

- ✓ Capacity building of Financial Services Cooperatives.
- ✓ Promotion, Development and Sustainability activities of Financial Services Cooperatives
- ✓ research and development activities in Financial Services Cooperatives.
- ✓ mobilization of informal savings and credit groups (VSLs) to form Financial Services Cooperatives
- ✓ financial analysis of requests for registration, merging, transformation and dissolution of Financial Services Cooperatives

### **3.5.2. Capacity building of financial cooperatives**

Capacity building (or capacity development) is the process by which individuals and organizations obtain, improve, and retain the skills, knowledge and tools. At the individual level, capacity building refers to the process of changing attitudes and behaviours-impacting knowledge and developing skills while maximizing output.

#### **3.5.2.1. Capacity Needs Assessment (CNA)**

“Capacity Needs Assessment” is the method of determining if a training need exists and, if it does, what training is required to fill the gap. CNA seeks to identify accurately the levels of the present situation in the target surveys, interview, observation, secondary data and/or workshop. The gap between the present status and desired status may indicate problems that in turn can be translated into a training need.

#### **Capacity Needs=Desired Capability – Current Capability of the Participants**

Before planning for any capacity building, Financial services cooperatives development and sustainability unit has to conduct Capacity Needs Assessments (CNA) which is composed of the following steps:

- Step 1: Identify Problem and Needs
- Step 2: Determine Design of Needs Assessment
- Step 3: Collect Data
- Step 4: Analyze Data
- Step 5: Provide Feedback.

#### **3.5.2.2. Capacity building plan**

The following are the steps to make capacity building plan

- ✓ **Identify interventions**

Describe the activities in detail, noting the capacity strengths and the weaknesses which have led to the proposed activity.

✓ **Define capacity development indicators**

Each capacity development activity should have a clear indicator to measure progress. Indicators should be relevant and feasible to measure and in accordance with RCA mandate and Annual action plan.

✓ **Outline capacity development objectives**

The plan should outline the overall objectives of a groups of activities. For example, developing financial policies and procedures, followed by training staff in these procedures all contribute to strengthening Financial Management and reducing risk.

✓ **Develop an estimated budget**

Once the activities are agreed, the budget should be developed using standard costing and basing on RCA approved budget for the specific activities.

### **3.5.2.3. Development of training materials**

Financial Services cooperatives development and sustainability Unit should make sure that the following training materials are available and harmonized with FSCs policies, procedures, laws and regulations:

- induction training materials;
- loan & delinquency management;
- financial accounting, reporting & analysis;
- product design & development;
- governance and leadership of FSCs;
- human resources management;
- performance monitoring system for SACCOs: ratios/Camels/PEARLS (Protection, Effective financial structure, Asset quality, Rate of return and costs, Liquidity and Signs of growth);
- Business planning and budgeting for MFIs;
- Agriculture and rural finance;
- internal control, audit and risk management;
- Training and Dissemination of all new laws.

### **3.5.2.4. Training and Coaching**

It is the responsibility of Financial Services cooperatives development and sustainability Unit to coach and train FSCs, any training or coaching activity has to be planned in the annual action plan of RCA. Below is the process flow of any training or coaching activity:

- ✓ FSCDS specialists develops a concept note budget and mission orders
- ✓ Approval by FSCDS Director
- ✓ Approval by DM
- ✓ Approval and signature by DG
- ✓ Conduction of training or coaching activity
- ✓ Impact assessment.

### **3.5.3. Promotion and sustainability of financial cooperatives**

In order to promote sustainable financial services cooperatives, RCA was given mandate to review internal policies and procedures of FSCs, coordinate FSCs sector and to facilitate them to design new products.

#### **3.5.3.1. Review of internal policies and procedures**

All FSCs internal policies and procedures must be reviewed and updated on annual basis in order to be customized with new changes in laws, regulations, member needs and macro-economic changes.

#### **3.5.3.2. Financial service sector coordination mechanisms**

It is the responsibility of Financial Services cooperatives development and sustainability Unit to coordinate a well-established financial services cooperative sector coordination mechanism of the collaboration and partnerships of financial services cooperatives with stakeholders and partners at all levels -central and decentralized.

#### **3.5.3.3. Financial product development**

It is the responsibility of Financial Services cooperatives development and sustainability Unit to facilitate FSCs to diversify their financial products basing on members needs and market trends as follows:

- Prepare a product concept
- Carry out market research.
- Develop savings and credit product
- Implement a product pilot test

- Describe the product roll-out process.

FSCs should also be trained to use 8 Ps of marketing in the designing and marketing of their financial products as indicated in the below cycle:



**Figure 2: Shows 8 Ps of marketing, Source: RICEM-pdd training module**

### 3.5.4. Professionalization of financial services

Professionalization is a process by which any trade or occupation transforms itself into a true "profession of the highest integrity and competence."

#### 3.5.4.1. Automation of FSCs

All FSCs need the following:

- Core banking system with Cleaned data
- IT training of staff;
- Hardware acquisition; Electricity supply
- Internet connectivity

#### 3.5.4.2. Consolidation of U-SACCOs

FSCDS unit has to consider the following aspects during the merging of small SACCOs:

- |                                  |                                     |
|----------------------------------|-------------------------------------|
| • Legal and regulatory framework | • Services                          |
| • Membership                     | • Service delivery channels         |
| • Share capital                  | • Financially weak U-SACCOs-support |
| • Governance                     |                                     |

#### ❖ Responsibilities

The following are the responsibilities of FSCDS unit in the consolidation of FSCDS:

- ✓ Awareness campaign on rationale of UMURENGE SACCO automation, consolidation and the formation of the Cooperative Bank;
- ✓ Mobilization and sensitization campaign through meeting of Board members of USACCOs of each District, in presence of local leaders, in preparation of USACCO General Assembly Meeting with regard to the loss of USACCO legal personality and the decision to amalgamate
- ✓ To develop and validate D-SACCO internal policies and procedures;
- ✓ Mobilising U-SACCOs to merge into D-SACCO and awareness campaign;
- ✓ USACCO General Assembly Meeting to decide on the loss of USACCO legal personality, to enter into the amalgamation process, election of representatives of members in the General Assembly Meeting of District SACCO;
- ✓ Attending U-SACCO dissolution general assemblies;
- ✓ Inviting and leading D-SACCO constituent General Assemblies.
- ✓ Dissemination of D-SACCO's organization chart and the general functioning of the network;
- ✓ Dissemination of District SACCO internal policy and procedure manuals.

#### **3.5.4.3. Mobilization of informal savings and credit groups (VSLS) to form Financial Services Cooperatives**

FSCDS responsibilities:

- ❖ Coordinate savings campaigns to increase mobilization of informal village saving groups (VSLS) to form Financial Services Cooperatives;
- ❖ Coordinate development of accounting and management tools for informal savings and credit groups;
- ❖ Supervise assistance of savings and credit groups to meet legal and financial requirements for registration and licensing;
- ❖ Participate in annual National Savings Campaigns.

#### **3.5.5. Financial analysis of applications for registration of financial cooperatives**

It is the responsibility of Financial Services cooperatives development and sustainability Unit to make financial analysis of the following applications from financial services cooperatives:

- |                |                  |
|----------------|------------------|
| • Registration | • Transformation |
| • Amendment    | • Merging        |

- Amalgamation
- dissolution

### **3.5.6. Research, surveys and assessments related to financial service development**

Each budget year FSCDS unit should conduct at least one research, surveys and assessments related to financial service development.

#### **3.5.6.1. Responsibilities**

- ✓ Understand sector objectives and designing surveys to discover prospective Financial Services Cooperatives preferences;
- ✓ To coordinate Research and impact assessment on financial services cooperatives and ensure that they are strengthened and sustained;
- ✓ Coordinate and assist all research activities related to the development of Financial Services Cooperatives;
- ✓ Remain full informed on market trends, other parties researchers and implement best practices;
- ✓ Coordinate conducting assessments exercises related to Financial Services Cooperatives.

#### **3.5.6.2. Resource mobilization**

Resource Mobilization is a management process that involves identifying people who share the same values as your organization, and taking steps to manage that relationship. Resource mobilization is all the means that an organization should acquire to implement its action plan. It goes beyond fund raising. It entails obtaining various resources from a multitude of partners, by different means. Thus, resource mobilization could be seen as a combination between:

- Resources – elements necessary for the running of an organization.
- Mechanisms – means which make it possible to obtain resources directly.
- Partners – persons and/or institutions providing resources.

#### **3.5.6.3. Concepts of resource mobilization**

Resource mobilization is actually a process that involves three integrated concepts: The key concepts are:

- organizational management and development,
- communicating and prospecting,
- and relationship building.

#### **3.5.6.4. Principles of resource mobilization**

Each concept of resource mobilization is guided by a number of principles.

#### ❖ **Organizational management and development**

Organizational management and development involves establishing and strengthening organizations for the resource mobilization process. It involves identifying the organization's vision, mission, and goals, and putting in place internal systems and processes that enable the resource mobilization efforts, such as: identifying the roles of board and staff; effectively and efficiently managing human, material, and financial resources; creating and implementing a strategic plan that addresses the proper stewardship and use of existing funds on the one hand, and identifies and seeks out diversified sources of future funding on the other.

#### ❖ **Communicating and Prospecting**

Once an organization has achieved a certain readiness for resource mobilization, it must then take on another challenge: ensuring its long-term sustainability by acquiring new donors and maintaining a sizeable constituency base. The art of resource mobilization entails learning how to connect with prospective donors in a manner and language they understand, and finding common ground through shared values and interests. It also entails discerning the right prospect to approach, and matching the appropriate resource mobilization strategy to the prospect. Relationship Building And thus the courtship begins: once you identify your donors, the objective then is to get closer to them, get to know them better, very much the same way as developing a casual acquaintance into a trusted friend and confidante. As the relationship deepens, this increases the chance of donors giving higher levels of support over time. Initiating new relationships, nurturing existing ones, and building an ever-expanding network of committed partners is an ongoing activity, embedded as a core function of the organization. This requires the dedication of board members, staff and volunteers. Resource mobilization goes beyond raising funds. It is a combination between resources mechanism and partners.

#### **3.5.6.5. Importance of resource mobilization**

- To diversify and expand resources.
- Resource Mobilization helps to formulate an independent budget.
- To break the tradition of running the specific programs of any donor agencies only.
- To spend in the program of the organisation's liking.
- To decrease dependency on others.
- To save oneself the chance of becoming contractors of foreign donor agencies.

- For sustainability of the organisation and program. For maximum use of domestic capital and skills. To fulfill responsibilities towards the community.
- To disseminate the good practices of the organization.
- To develop new thinking and challenge the old traditions.

#### **3.5.6.6. Features of resource mobilization**

- Resource identification
- Identification of resource provider.
- Identification of mechanism to receive resource.
- Expansion of relations with the Resource
- Provider Right use of resource
- Knowledge and skills to Resource Mobilisation
- Human skills, service, information, equipment Seeking out new resource
- Thought of institutional sustainability
- Lower financial risk

#### **3.5.6.7. Types of resources**

- Financial
- Moral
- Cultural
- Human
- Social organizational
- Material.

#### **3.5.6.8. Resource providers**

- Organisation/Institution
- Internal Non-Government organisation/Institution
- National Governments
- Business/organisation/Private sector
- Individual and Other Groups.

### **4. Cooperative Registration, Accreditation, Arbitration, and Legal Affairs**

Registration and Legal Affairs is one of the departments of RCA. Its main responsibilities are: (1) Registration of cooperatives; (2) Accreditation; (3) Provision of legal and technical assistance; (4) Settlement of conflicts or disputes in which cooperatives are involved; (5) Provision of advice on possible amendments to the existing legal instruments related to cooperatives and propose new ones if necessary

## 4.1. Registration of cooperatives

Registration is one of the core mandates of RCA. The below paragraphs emphasize on the following: (1) Analysis of applications for legal personality; (2) Issuing provisional legal personality; (3) Issuing definitive legal personality; (4) timeline.

### 4.1.1. Analysis of applications for legal personality

The application is made through Cooperatives Management Information System (CMIS) or other means that can be decided by RCA's management in case the system got a technical problem.

The analysis of applications for legal personality covers the reception and analysis of (1) applications for provisional registration, (2) applications for definitive registration, and (3) applications for amendment including change of activity, additional activity, and change of cooperative's name and merging. During the analysis process, the analyst can decide to conduct a field visit to assess and crosscheck the requirements and the viability or sustainability of their projects as per their provided business plans as provided by the law governing cooperatives in Rwanda. The analysis ends with (1) granting a provisional certificate or (2) providing advice on a way forward to the applying cooperative.

### 4.1.2. Issuing provisional legal personality

A provisional certificate of legal personality is issued to the new cooperative after getting the Sector's document attesting that it fulfills all legal requirements. The validity period for a provisional certificate is 12 months.

**Table 6: The table below shows the process of the provisional legal personality**

Tasks	Responsible
Provision of certificate testifying the fulfillment of legal requirements.	Sector
Application for provisional registration via CMIS	Applying cooperative
Analyze the application and submit it to the Director of the Legal Unit	Legal Analysts
Verify and submit it to DG for approval	Director of the Legal Unit
Approval and signing of the certificate	DG
Downloading the certificate via CMIS	Applying cooperative

*Source: RCA, 2022*

#### **4.1.3. Issuing definitive legal personality**

Based on the assessment report of the district, RCA through its analysts decides on (1) granting the definitive certificate or (2) informing the cooperative of the grounds for refusing to grant the certificate.

**Table 7: The process of issuing definitive legal personality**

<b>Tasks</b>	<b>Responsible</b>
Submit an application for definitive registration via CMIS	Applying cooperative
Analyze the application and submit it to the Director of the Unit	Legal Analysts
Verify and submit it to DG	Director of the Unit
Final approval and signing of the certificate	DG
Downloading the certificate via CMIS	Applying cooperative

*Source: RCA, 2022*

This process for applying the definitive legal personality is started after getting the assessment report of the district. The assessment report is prepared 30 days before the expiration of the validity period.

#### **4.1.4. Timeline**

- ✓ The document attesting that cooperative fulfills legal requirements is issued by the sector within 5 working days starting from the reception of the application;
- ✓ The provisional certificate is issued by RCA within 2 working days starting from the reception of the application;
- ✓ The definitive certificate is issued by RCA within 2 working days starting from the reception of the assessment report of the district.

#### **4.1.5. Conflicts arbitration/settlement**

The law N<sup>0</sup> 024/2021 of 27/04/2021 governing cooperatives in Rwanda, especially article 132 provides the organs in charge of settling disputes or conflicts in which cooperatives are involved. They are among others the Board of Directors and general assembly of the concerned cooperative as well as RCA in case its organs failed to settle them. Thus, a party that is dissatisfied with the decision of the RCA has the right to refer the case to the competent court.

RCA assists the parties involved to settle the dispute or conflict based on a written application by a party or information got (eg. During an inspection, training, and or coaching, via other means of

communication). The disputes or Conflicts arbitration/settlement exercise is conducted at a place decided by the RCA's arbitrator based on different criteria (eg. Proximity of the parties, availability of meeting room, security in terms of working conditions....).

At the end of the arbitration process, the arbitration report is prepared by the arbitrator, and signed by all involved parties and RCA's arbitrator (s). Each involved party and arbitrator keep an original of the arbitration report. In addition, assess the causes of disputes in cooperatives and propose solutions.

## **4.2. Regulation**

Regulation is one of the core mandates of RCA. The below paragraphs emphasize on the actions forming part of regulation: (1) Blacklisting leaders or employees convicted of mismanagement; (2) Suspension of leaders; (3) Suspension of cooperative; (4) Withdraw/revocation of the legal personality; (5) Review of general assembly minutes.

### **4.2.1. Blacklisting leaders or employees convicted of mismanagement**

- ✓ Ensure all leaders and employees convicted of mismanagement of the cooperative assets are blacklisted;
- ✓ Ensure all blacklisted persons are put in the appropriate register;
- ✓ Ensure the blacklisting register is regularly reviewed and updated.

### **4.2.2. Suspension of leaders**

- ✓ Ensure leaders and employees who mismanage cooperatives' property are suspended;
- ✓ Ensure that the decision is based on one of the following:
  - audit report made in conformity with the law governing cooperatives;
  - faults committed. Faults can be revealed through inspection, arbitration, etc., and testified by a signed report.

### **4.2.3. Suspension of cooperative**

- ✓ Ensure that cooperatives do not comply with the principles and laws governing cooperatives are suspended;
- ✓ Ensure that the decision is based on the following procedure:
  - Being aware of the defaulter, through inspection, audit, arbitration, etc;
  - Requesting written explanations;
  - Explanations are provided within fifteen (15) days from receipt of the letter requesting explanations;

- Suspension for 3 months in case the explanations given are insufficient or fail to respond to the problems;
- The decision is submitted to the cooperative and notified to the Minister in charge of cooperatives and the district in which the cooperative operates.

#### **4.2.4. Withdraw/revocation of the legal personality**

- ✓ Ensure that cooperatives that do not comply with the principles and laws governing cooperatives are suspended;
- ✓ Ensure the following procedure is observed:
  - Being aware of the defaulter, through inspection, audit, arbitration, etc;
  - Conduct deep analysis to relate findings with the grounds provided what the law provides;
  - The decision is submitted to the cooperative and notified to relevant organs;
  - Ordering the concerned cooperative to dissolve and liquidate.

#### **4.2.5. Review of general assembly minutes**

- ✓ Cooperatives shall send minutes of the general assembly's meeting via official channel of communication: [info@rca.gov.rw](mailto:info@rca.gov.rw) or other communicated ways determined by RCA.
- ✓ The minutes shall be reviewed by the analysts;
- ✓ Ensure all received general assembly meeting minutes are reviewed within 7 working days;
- ✓ Ensure feedback in terms of action or recommendation is submitted to the concerned cooperative within 7 working days. Action that can be taken is among others the annulment of an act or decision taken contrary to the principles, laws, and regulations governing cooperatives.

### **4.3. Legal Affairs activities**

Legal Affairs activities include among others the following: (1) Draft legal instruments; (2) Legal and technical assistance to cooperatives; (3) Awareness and dissemination of laws and regulations.

#### **4.3.1. Draft legal instruments**

- ✓ Ensure advice on possible amendments to the existing legal instruments related to cooperatives is provided;
- ✓ Ensure gap analysis in the existing legal instruments related to cooperatives is conducted;
- ✓ Ensure legal instruments related to cooperatives are drafted;

- ✓ Ensure proper legal compliance on documents produced within the institution in relation to cooperatives.

#### **4.3.2. Legal and technical assistance to cooperatives**

- ✓ Ensure legal assistance is provided to cooperatives applying for dissolution and liquidation, transformation into a cooperative;
- ✓ Ensure the cooperative assisted is given a certificate attesting the compliance with the law, followed by its deregistration;
- ✓ Ensure also, legal assistance is provided while attending general assemblies of cooperatives, and also following the application for legal advice made orally or in writing.

The legal and technical assistance is also provided to cooperatives in their formation (new primary cooperatives, unions, and federations). It is carried out by all staff from the Registration and Legal Affairs Unit.

#### **4.3.3. Awareness and dissemination of laws and regulations**

In collaboration with the public relations office, new or amended legal instruments related to cooperatives are made known to the public through the following activities:

- ✓ Printing and distribution of copies of legal instruments;
- ✓ Provision of training related to legal instruments;
- ✓ Radio and TV talks related to legal instruments.

#### **4.4. Accreditation**

In accreditation, RCA carries out the activities include among others: (1) certify external auditors; (2) Approve newly elected leaders; Testify the non-bankruptcy for cooperatives.

##### **4.4.1. Certify external auditors**

- ✓ Ensure terms of reference inviting qualified individuals and companies to submit their applications are prepared;
- ✓ Ensure qualified individuals and companies are approved or certified based on selection criteria set in terms of reference;
- ✓ Ensure a list of certified external auditors is displayed on RCA's website;
- ✓ Ensure Instructions establishing the functioning of external auditors are issued;

- ✓ Ensure all external auditor's reports submitted to RCA are reviewed for quality assurance purposes.

#### **4.4.2. Approve newly elected leaders**

Ensure newly elected leaders (Board of Directors, Supervisory Committee members,) of the existing cooperatives (cooperatives having definitive legal personality) are approved within 7 working days from the reception of the application.

#### **4.4.3. Testifying the non-bankruptcy for cooperatives**

Tender providers included the certificate of non-bankruptcy among the requirements for bidders. Thus, cooperatives as entrepreneurs need this certificate enabling them to submit their bids. Therefore, RCA establishes the requirements for this service, and ensures the applicants are given certificates of non-bankruptcy timely.

## **5. Human resource management and code of conduct**

### **5.1. Introduction**

According to MIFOTRA guidelines, the Human Resource Management (HRM) procedures are designed to be the standard operating procedures that describe how policies, laws, regulations and practices related to human resource management should be implemented on a daily basis. It sets the guidelines in staff management and, at the same time, ensures the compliance with rights and obligations for both the employee and the employer as enshrined in the Constitution of the Republic of Rwanda and legislation governing employment in public service.

More details on HRM functional responsibilities, reporting framework, performance analytics, working conditions / environment, code of conduct as well as rules & regulations are provided as follows:

### **5.2. Main Responsibilities**

- ✓ Manage the HR function and ensure that all national HR policies, procedures and systems are respected;
- ✓ To organize, manage and process all steps of recruitment process including managing staff induction and retention;

- ✓ To initiate staff development strategies and identify training & capacity needs for them;
- ✓ To initiate staff performance improvement and appraisal measures;
- ✓ Enhance the efficiency and effectiveness of RCA staff;
- ✓ Manage performance evaluation in RCA
- ✓ Enhance Public Institutions' accountability and good governance;
- ✓ Entrench a culture of excellence in RCA;
- ✓ Enhance institutional and strengthen Individual Capacity Development;
- ✓ Strengthen strategic human resource management of RCA;
- ✓ Promote inclusive labor standards and fundamental principles and rights at work;
- ✓ Promote Occupational Safety and Health;
- ✓ Enhance social activities between staff;
- ✓ Manage staff attendance at staff;
- ✓ Assure good work conditions;
- ✓ Communicate with RCA staff;
- ✓ to prepare staff salaries' and their regular contributions to Rwanda's Social Security Board (RSSB) and other withholds;
- ✓ To carry out all necessary HR and administration activity and action including grievance handling and ensuring all HR policies and regulations are complied with law.

### **5.3. Reporting framework**

The Human resource Director or Officer is required to report to the Director of Administration and Finance. His/ her reports should be submitted on weekly, monthly, Quarterly and annually.

### **5.4. Performance analytics**

These are analytics of how well the job is being performed:

- a. Functional internal controls of human resources management;
- b. Staff attendance lists at work;
- c. Quality of internal and external audit reports;
- d. Proper work conditions of staff;
- e. Timely payment of staff salary and other remunerations.

### **5.5. Working conditions/environment**

*Law and regulations*

- a. Law N°: 017/2020 of 07/10/2020 establishing the General Statutes governing public servant;
- b. Law N° 66/2018 of 30/08/2018 regulating labour in Rwanda;
- c. Presidential Order No: 021/01 of 24/02/2021 determining professional ethics for public servants;
- d. Presidential Order N°144/01 of 13/04/2017 determining modalities for recruitment, appointment and nomination of public servants.
- e. Ministerial order n° 01/MIFOTRA/22 of 30/08/2022 on public servants governed by an employment contract and weekly working hours for public servants.

### **5.6. Recruitment of the staff**

Without prejudice to the provisions of the presidential order N°144/01 of 13/04/2017 governing the recruitment, appointment and nomination of public servants, the competent authority nominates recruitment panel members who receive a seating allowance determined by the executive organ.

The provisions of this presidential order apply also the recruitment of the contractual staff. Public servants are recruited according to the institution structure approved by the competent authority. Contractual staffs are recruited following the availability of funds from either institutional income or project budget implemented by the institution.

### **5.7. Employee Job profile**

If RCA staff commences the probation period, he/she shall be informed in writing by the competent authority, of his/her responsibilities and duties.

### **5.8. Professional records**

RCA employee has right to personal professional file kept by the Administration and containing all documents with regard to his/her administrative situation and career development.

A RCA's employee enjoys access right to his/her personal professional file and may require the Administration, to clarify, rectify, update, complete or withdraw information which is inaccurate, incomplete, ambiguous, outdated and whose collection, use, communication or preservation is forbidden. When the concerned RCA's employee so requests, the competent administration must carry out the requested modification. In case of contention, the proof burden lies with the

Administration to which the right of access is exercised, except where it is noticed that the contested information was communicated by the concerned employee or with his/her consent.

### **5.9. Temporary replacement of an employee**

When an employee leaves temporarily or definitely his/her employment, the Director General of RCA appoints in writing temporarily another RCA employee who is competent to carry out responsibilities of the left employee, and should benefit all advantages provided by the law. For an employee to be temporary appointed in a higher position, he/she must fulfil the following requirements:

- ✓ Being a permanent staff;
- ✓ Not have been reprimended with a sanction of the first degree (warning, official blaming, ...) during the previous three years

### **5.10. Transfer of RCA employee**

RCA employee must occupy the post to which he/she is appointed. However, RCA employee may, in the interest of service, be transferred to the post for which he/she qualifies and of the same grade. The transfer of an employee shall be decided by Director general of RCA in the interest of service and shall be in writing. RCA employee who is transferred shall retain his/her right to the grade previously held depending on his/her professional seniority. In case of performance appraisal, the evaluation shall consider of both parties he has served.

### **5.11. Protection of the employee**

RCA is required, within its capacities, to provide its employee with protection against threats, insults, violence, abuse or slander of which he/she may be victim, due to or while exercising his/her duties. RCA is required to ensure protection to its employee against accident and illnesses related to his/her profession. In case of their occurrence, the due services are served in accordance with such provisions in force as relating to social security scheme.

### **5.12. Rights of a transferred employee**

In case RCA employee is appointed to another post which is in a remote area from his/her previous post, RCA ensures his/her and family transportation cost to join his/her new post of appointment. This shall also apply when he/she is transferred from outside to RCA headquarters.

### **5.13. Incentives for employees**

The Board of Directors can, upon their own decision or upon request by the Director General decide to give incentives to employees as a result of their good performance, high demanding work or particular expertise. The amount of that incentive or motivation is determined by the Board of Directors but cannot exceed his/her monthly salary.

Concerning the incentives provided by projects under RCA, their issuing must explicitly be prescribed in the Memorandum of Understanding (MoU) signed between RCA and the Donor. Nevertheless, the Project Coordinator will specify the incentive beneficiaries and amount to be received by each beneficiary and this has to be approved by the Director General of RCA.

### **5.14. Protection of the employee**

RCA is required, within its capacities, to provide its employee with protection against threats, insults, violence, abuse or slander of which he/she may be victim, due to or while exercising his/her duties. RCA is required to ensure protection to its employee against accident and illnesses related to his/her profession. In case of their occurrence, the due services are served in accordance with such provisions in force as relating to social security scheme.

### **5.15. Training and Upgrading**

RCA employees are entitled to both short- and long-term training as provided by prime Minister order No 151/03 of 10/06/2016, determining modalities of conducting training of public servants.

### **5.16. Work Timetable**

Employees of RCA shall be governed by public services timetable. Every employee should respect the working time-table, he/she should not be out of work without his/her supervisor's permission.

#### **Use of working hours**

A public servant uses the time table of working hours when the public servant is at office of the organ for which he or she works or at another workplace. However, a public servant may work from home or from any other place upon written authorization by the immediate supervisor. The following conditions must be respected for a public servant to be authorized to work from home or from any other place: 1° to carry out an analysis of the nature of the work and services of a public servant if they can be offered from home or any other place, to be approved by the head of the employing organ before the authorization; 2° to provide the public servant with necessary

equipment in order to facilitate the continuity of service provision; 3° the public servant must use working hours in the interest of service; 4° the public servant must provide a timely a report of achieved results. 5° the public servant must be available on telephone, email and whenever his or her supervisor or the service beneficiary needs him or her during working hours.

### **Overtime work**

A public servant who carries out overtime work in the interest of service as approved by **the immediate supervisor**, has the right to be given a compensatory rest equal to hours spent on overtime work. Such rest time is valid and taken within a period not exceeding one (1) month starting from the date of overtime work. Monetary compensation for overtime work is prohibited in public service. RCA shall approve the overtime form that will be used for this case.

### **5.17. Lateness and absence from duty**

Any late employee due to unexpected circumstances or reasons beyond his/her control should inform the supervisor on time. Any employee who is absent from duty due to unexpected reason should inform his/her hierarchical superior. However, the absence should be justified otherwise he/she should be punished accordingly. Working hours are eight as stipulated by the law.

### **5.18. Physical exercises**

In the framework of creating good working environment and good health for better production, RCA shall pay for its employees and affiliated projects sport services provided at different companies selected according to the regulations governing public procurement. However, the absence without justification is punished by law. RCA shall facilitate its employees by providing sports equipments that shall be used in training session and tournaments

### **Restauration facilitation**

In order to avoid tiresome movements in search of lunch, RCA may look for and prepare a near and better place for its workers for better production.

### **Professional discretion**

Every RCA's employee must show his/her professional discretion in all matters related to facts, information or documents that he/she might have knowledge in the exercise of his/her functions with exception to cases provided for by the laws in force or allowed for by his/her immediate superior.

## **Prohibitions**

Without prejudice to the incompatibilities provided by the general statute, Institutions' employee is forbidden:

- ✓ To directly or indirectly receive gifts, commission or any other advantage from a physical person or a cooperative beneficiary of the institution services.
- ✓ Leave work without authorization;
- ✓ Coming at work being drunken with a very big fatigue;
- ✓ Being insolent or violent;
- ✓ Using RCA properties in his/her own interest;
- ✓ Any other prohibitions referred to the presidential order No: 021/01 of 24/02/2021 determining professional ethics of public servant.

## **Employee's behavior and/or Discipline**

RCA'S employees should be characterized by good character, discipline and fairness. They should cooperate, respect each other and respect their duties. An employee should be respectful and to all persons he/she is called to serve. without expecting any other type of gift from them.

## **Avoidance of divisionism**

Employees of RCA shall have to avoid any sort of divisionism; particularly, segregation based on ethnic groups, nationality, region, sex, religious beliefs, age, disabilities, Aids infection, political ideology and/or personal opinion.

## **Work instructions**

Employees shall perform duties given to them by their supervisors, in accordance with instructions and they shall be expected to write reports on performed duties.

## **Hygiene**

Every employee shall be expected to be clean and smartly dressed at work.

## **5.19. Faults and Sanctions**

### **Internal disciplinary Committee**

RCA shall establish an internal disciplinary committee comprising of at least five members;

The internal disciplinary Committee shall be comprised of the following members:

- 1° the Director in charge of human resources;
- 2° the Human Resources Officer, Secretary of the Committee;
- 3° the Legal Advisor/Affairs of the institution.

Other members of internal disciplinary Committee shall be elected as follows:

- 1° a public servant from the category of professionals elected by his/her peers;
- 2° a public servant from the category of support staff elected by his/her peers.

The modalities of the functioning, responsibilities and mandate of internal disciplinary committee shall be determined by the presidential order No 65/01 of 04/03/2014, determining modalities of imposing disciplinary sanctions to public servants.

### **Simple and grave mistake/offenses**

The following mistakes are considered as simple:

- ✓ Lateness;
- ✓ Absence from duty;
- ✓ Delaying the work;
- ✓ Lack of custom care;
- ✓ Not fulfilling the responsibility of Declaration of assets to the Ombudsman Office timely;
- ✓ Neglecting instructions from competent superior;
- ✓ Application of arbitrary measures against an employee.

The following mistakes/offenses are considered as serious or grave:

- ✓ Theft;
- ✓ Disclosing professional secret;
- ✓ Bribery and corruption;
- ✓ Disrespect and fighting at work place;
- ✓ Abandoning and/or absence from duty;
- ✓ Harassment at work;
- ✓ Sexual harassments.

Abandoning the duty is the absence from work a period of fifteen (15) consecutive days without any valid reason, or without informing his/her superior.

### **Explanations by the employee**

No single sanction can be applied to RCA's employee without explanation in writing and no single sanction should be applied before the offender is found guilty.

### **Sanctions**

Any RCA's employee who does not comply with the regulations and his/her duties is punished accordingly as follows:

- ❖ Minor sanctions
  - Warning in writing
  - Reprimand in writing
  - Cut of his/her salary by one fourth for a period not exceeding one month.
- ❖ Penalties/Sanctions for grave mistakes
  - Temporary suspension for a period not exceeding 3 months
  - Delay in promotion
- ❖ Definitive dismissal from the job

### **Application of sanctions**

One offense shall be sanctioned by only one of the sanctions mentioned in article above. In case an employee is involved and guilty of many offenses, he/she shall only be given the highest of penalty/sanction provided for in each category of the offenses above.

### **Temporary suspension for investigation**

An employee who is guilty of an offence punishable by dismissal shall be suspended while investigations are being carried out so as to avoid interfering with investigation. This suspension should not exceed one month and does not prevent the employee from getting his/her salary. When the suspension period expires before any decision has been taken, the employee automatically resumes work, but that shall not stop investigations from being carried out.

The disciplinary sanction of a public servant shall be independent from criminal liability and punishment as provided by the criminal code to the extent that the same fault may cause both disciplinary procedure and criminal procedure.

## **5.20. Annual leave**

RCA employee shall be entitled to an annual leave of thirty (30) calendar days and may be split into a maximum of two (2) portions. The annual leave is calculated on the basis of two days and a half (2.5) per month. However, a newly recruited public servant shall enjoy an annual leave after twelve (12) months including the probation period.

### **Authorization of Leaves**

Application for leave by RCA Director General shall be addressed to and accorded by the Prime Minister. The Minister of Trade and industry and the chairperson of the Board of Directors shall be informed. For other workers of RCA, the request for annual leave shall be addressed to and be given by the Director General of RCA.

### **Staff evaluation**

RCA staff is annually evaluated. The evaluation is done by the direct hierarchical supervisor while the Director General approves all RCA staff's evaluations.

### **Appraisal of a new Public Servant**

The performance appraisal for a new RCA staff t shall be conducted after six (6) months of probation. The performance appraisal of a Public Servant, who has been confirmed, is done in July of the following year.

### **Denial of the evaluation results**

Each RCA staff who fill unsatisfied by performance evaluation results shall mention his/her disagreement on the form of performance evaluation before this one is transmitted to the higher level.

### **Appeal**

Any RCA staffs who believe that he/she was unfairly appraised may appeal for the review of the score granted to him/her. Appeal of RCA staff shall be addressed to the high level than his supervisor at the first level, then to the Board at second level, and to the Public Service Commission at last level.

### **Rewarding of Best Employees**

In the framework of encouraging workers to excelling at work, RCA may award best employees of the previous year. The selection of the best employees and their awards shall be determined by executive organ basing on the following criteria:

- 1° Score
- 2° Innovation
- 3° Behavior
- 4° Smartness
- 5° Service delivery

### **5.21. Discipline and ethics in RCA**

If an employee of RCA breaches or fails to comply with the obligations assigned to him/her, this shall constitute a disciplinary fault punishable, in consideration of its seriousness, by one of sanctions provided for by the Presidential Order No: 021/01 of 24/02/2021 determining professional ethics for public servants.

### **5.22. Code of Conduct - RCA**

The Director General of RCA (RCA),

- ✓ Pursuant to the Law N°: 017/2020 of 07/10/2020 establishing the General Statutes governing public servant;
- ✓ Pursuant to the Law N° 66/2018 of 30/08/2018 regulating labour in Rwanda;
- ✓ Pursuant to the Presidential Order No: 021/01 of 24/02/2021 determining professional ethics for public servants;
- ✓ Pursuant to the Presidential Order N°144/01 of 13/04/2017 determining modalities for recruitment, appointment and nomination of public servants.
- ✓ Pursuant to the Ministerial order n° 01/MIFOTRA/22 of 30/08/2022 on public servants governed by an employment contract and weekly working hours for public servants.

Hereby commits enforcement of the following code of Ethics:

#### **Article 1: Purpose of this Code of Ethics**

The purpose of this Code of Ethics is:

- ✓ To preserve order and discipline among employees;
- ✓ To help employees to have better understanding about the institution's policy with an ultimate objective of a higher labor efficiency and delivery.
- ✓ To establish standards of conduct necessary for attaining institution's objectives, mission and visions.

- ✓ To establish guidelines and procedures for the administration of employee discipline for purposes of due process and fairness, thus promoting a sense of discipline among the employees.
- ✓ To integrate rules concerning conduct to be observed by all staff in order increase awareness of the importance of self-discipline and organization to ensure efficient and effective operations.
- ✓ To ensure that proper measures are taken to enable staff to realize and learn from their mistakes and shortcomings.

### **Article 2: Scope of application**

This Code of Ethics shall apply to RCA Staffs governed by General Statute governing Public Servant and those governed by labor law. However, it shall not be applied for staff who are governed by special laws of professional ethics.

### **Article 3: Compliance with laws**

Every RCA Staff must always respect:

- ✓ The Constitution of the Republic of Rwanda and other laws in force.
- ✓ Respect national policies and programs in general and those governing the sector in particular, both at national and local levels.

### **Article 4: Decision making and accountability**

Before making any decision, every RCA Staff must be careful, make deep analysis and consider such decision consequences. Every RCA Staff is personally responsible for his/her actions or inactions and must always provide explanations when called upon to give reasons for the decisions or actions he/she has taken.

### **Article 5: Impartiality, objectivity and transparency**

Every RCA Staff shall treat all persons he/she interacts with in a fair and unbiased manner, regardless of gender, race or ethnic group, origin, religion, political affiliation or any other ground of discrimination. Any choice to be made or service to be offered shall be done impartially, objectively and in a transparent manner.

### **Article 6: Integrity**

Every RCA Staff must present himself /herself in a respectable manner that generally conforms to morally and ethics of Rwandan culture such as avoidance of prostitution, drunkenness, telling

lies, defamation and contempt against a superior. A RCA Staff must refrain from any form of abuse of position or usurpation of duties, titles or uniform with intent to mislead the public or on detriment of public interest. Every RCA Staff must refrain from any act of corruption and bribery in his/her service and elsewhere. He/she must report to the competent authority any incident of corruption or bribery.

#### **Article 7: Punctuality**

Every RCA Staff must be punctual and be at work during the working hours and days as determined by laws. Working hours are used for official duties and each staff shall strive to be results oriented in performing duties and endeavor to promptly finalize assigned work on time. Any delay to attend the working place, official meetings or any other appointment given by authorities, is intolerable. Any absence, permission or delay must be officially authorized by the direct supervisor or by the authority who invited the meeting/appointment.

#### **Article 8: Dressing code and service card**

At the work place, RCA Staff must dress in a decent manner and always wear his/her service card. For services requiring a particular dressing code, such as at field work, and other particular areas, staff shall put on required dressing and use other required equipment.

#### **Article 9: Consciousness**

It is prohibited to engage in behavior that can disrupt work or other workmates. Those behaviors include but are not limited to:

- ✓ Reading newspapers at all times;
- ✓ Keeping the radio or other play stations on higher volume;
- ✓ Playing computers games or surfing the internet irresponsibly;
- ✓ Transacting private business during office hours;
- ✓ Engaging in private conversation and gossip during working hours;
- ✓ Making noise in the offices and corridors during working hours;
- ✓ Using social media for entertaining during working hours or in meetings and during other activities related to the institution.

#### **Article 10: Professionalism**

Every RCA Staff must respect and uphold all norms and standards of good performance of duties and responsibilities he/she is entrusted with by applying the required skills, competences and good

character. He/she shall not put his/her own interest before the public interest and should not take decisions in order to gain financial and other personal benefits. While in an official training or mission abroad, he/she must safeguard good image of Rwanda and refrain from acting contrary to the laws, customs and traditions of the host country.

### **Article 11: Working behavior towards colleagues**

Each RCA Staff must:

- ✓ Behave politely and honestly regardless of their religion, sex, disabilities, region or any discriminatory ground;
- ✓ Not obstruct by any means the effectiveness of their colleagues;
- ✓ Not interfere with their private lives;
- ✓ Offer his/her knowledge and experience, when asked by colleagues of the same or another service.

### **Article 12: Efficiency and effectiveness**

In order to achieve mission and objectives of the institution, every RCA Staff must use efficiency available resources in an efficient and effective manner. He/she strives to achieve the intended results in terms of quality and quantity in accordance with set targets and performance standards set for service delivery.

### **Article 13: Customer care**

RCA Staff must receive and serve service beneficiaries with a warm welcome, promptness, respect and good manners with a view to ensuring service beneficiary satisfaction and enhancing the image of his/her Institution. He/she shall:

- ✓ Serve every service beneficiary in a kind manner;
- ✓ Serve all beneficiaries of services equally;
- ✓ Manifest courtesy, empathy and fairness to all service beneficiaries with special attention to persons with disabilities, the old persons, sick and expectant mothers;
- ✓ Uphold teamwork by making consultations where necessary, to promote service delivery vis-à-vis service beneficiaries;
- ✓ Respond with promptness and clarity to questions and requests addressed to him/her;

- ✓ To give priority to Service beneficiary when present at work without interruption, serve him/her or give appropriate orientation in accordance with the request.

#### **Article 14: Effective management of resources**

Every Staff shall be accountable for all resources under his/ her disposition as follows:

1. For financial and property management, RCA staff must:

- ✓ Ensure proper utilization of public funds and value for money;
- ✓ Safeguard public assets entrusted to him / her and ensure that no damage, loss or misuse occurs.

2. For human resources management, a concerned Staff shall:

- ✓ Ensure that staff under his/her supervision understand well and comply with their job descriptions and understand the scope of their work;
- ✓ Supports all staff under his/her supervision to enhance their competencies and professional self-development;
- ✓ Ensure respect for his/her subordinates.

#### **Article 15: Effective Communication**

A RCA Staff shall ensure effective and consistent communication with his/her colleagues and his/her superiors in a bid to promote the organizational efficiency. RCA Staff must report to his/her supervisor about the meeting proceedings in which he/she represented the institution.

#### **Article 16: Professional secrecy**

Each RCA staff shall:

- Keep secret information gained during the course of his/her duty in the Public Service in accordance with applicable laws;
- Not publish any official information in any document, article, book, play, film or otherwise without explicit permission from the superior.

#### **Article 17: Continuity of public service**

A RCA Staff ordered or intending to be out of office for leave, mission, training, suspension, termination of employment or any other reason shall before his/her departure, transfer any pending matter to another RCA Staff as approved by his/her supervisor, to ensure that RCA service is continuously delivered without loss or interruption caused by his/her absence.

#### **Article 18: Conduct after service**

Any RCA Staff leaving public service shall keep safeguard good image of the institution. After leaving the institution, RCA Staff shall keep professional secrecy in accordance with relevant laws.

**Article 19: Respect of this Code of Ethics**

Every RCA Staff has to abide by provisions of this code of conduct. Failure to abide constitutes a violation and is punished accordingly.

**Article 20: Sanctions**

Without prejudice to the provisions of other laws such as penal code and those governing public servants, a RCA Staff who fails to abide by the provisions of this code of ethics commits an administrative fault and disciplinary sanctions shall be applied. The modalities of imposing disciplinary sanctions shall be those provided by the Presidential Order determining modalities of imposing disciplinary sanctions to public servants or any other amendment or replacement legal text.

**Article 21: Non-provided faults**

Faults provided in this code of ethics, which are not provided in the Presidential Order determining modalities of imposing disciplinary sanctions to public servants or any other amendment or replacement legal text, shall be considered according to their gravity and related sanctions shall be imposed accordingly.

**Article 22: Hierarchy level of this code of conduct**

The provisions of this code of conduct are in conformity with existing laws and orders. In case of contradiction between provisions of this code and those of legal texts hierarchically superior, the later shall be applied.

**Article 23: Implementation of this code of ethics**

The Director General is entrusted with the implementation of this code of ethics.

**Article 24: Commencement**

This code of ethics shall come into force on the date of its signature. However, for publication purpose it shall be published on RCA's website and be communicated to all staff.

## **6. Financial management**

Public fund is managed through manual has been issued pursuant to the Article 14 (9) of Organic Law N° 12/2013/OL of 12/09/2013 on State Finances and Property that mandates the Minister to

issue instructions of preparation, use, accounting, control, reporting and monitoring use of public funds.

### **6.1. Regulatory framework and accounting policy**

Laws and regulations: - The Government has put in place laws and regulations to enforce an effective and functional PFM system. This manual has been prepared in conformity with the following laws and regulations: a. The 2003 Rwanda Constitution (As revised in 2015) - especially Articles 162, 163, 164,165,166,167, dealing with the PFM function of GoR

Organic Law N° 12/2013/OL on State Finances and Property of 2013 - which is the principal law on financial management within the Government of Rwanda and is subsidiary to the constitution. Under Article 13 of the Organic Law on State Finances and Property, the Minister has the responsibility to enforce this Organic law and any prescribed norms and standards including any prescribed standards of accounting practice and uniform classification systems, in central and local Government administrative entities.

Ministerial order no. 001/16/10/TC of 26/01/2016 relating to the Financial Regulation, 2016 on the Organic Law on State Finances and Property - which elaborates more on the implementation of the Organic Law on State Finances and Property of 2013.

### **6.2. Bank reconciliation**

The Government of Rwanda has made significant progress in reforming its public financial management system that include the updating of the legal and regulatory framework, various training and capacity building interventions, and the computerization of the government financial management systems. Specifically, the reforms progress took a significant step forward with the promulgation of the revised Organic Law No. 12/2013 on State Finances and property in September 2013 which was followed up by promulgation of the accompanying Ministerial order No. 001/16/10/TC relating to financial regulations issued in 2016.

To further unfold the content of the Organic Law on State finances and Property and the associated Ministerial Order on financial regulations, I am glad to issue the detailed manual, which sets out the financial policies and procedures in public financial management.

This manual replaces the four existing volumes of the government policies and procedures published in 2007 and has taken into account the various changes brought about by the PFM

reforms and provides guidelines to be applied in public financial management in order to build the required capabilities and strengthen financial systems within public entities so as to achieve a highly effective financial management system. The manual shall be used in conjunction, with new circulars issued from time to time in respect of new developments and changes in financial policies and procedures.

Bank reconciliation procedure at the end of each month, a bank reconciliation statement shall be prepared for the bank accounts maintained by the subsidiary entity This reconciliation provides an assurance that receipts and payments recorded in the cashbook as having been made through the bank are correct and accurate.

The bank reconciliation process must:

- (1) Identify the transactions processed by the banker without the prior record in the cashbook. Examples of such transactions are: direct standing instructions such as scheduled repayment of Treasury Bills and interest thereon, electronic transfer charges on external remittance, other bank charges, exchange differences arising on external remittances, third party cheques made directly into the bank, direct transfers from the Treasury account into the bank accounts of RCA. Upon identification, those transactions must be brought to the immediate attention of the Chief Budget Manager or his/her designate, for appropriate action before posting them into the cashbook.
- (2) Identify transactions entered into RCA cashbook which the bank has not yet processed. Examples of such transactions include: outstanding payment orders or cheques issued to third parties (any cheques not presented within three (3) months are stale and should therefore be reversed); cash/ cheque deposited within the bank but not yet posted to the bank account. These will mainly comprise of deposits towards the end of the working day and any delays beyond one day must be investigated. Any dishonoured deposits must be reversed and the depositor immediately informed for rectification.
- (3) Identify any posting errors in the cashbook/bank statement. Such errors must be investigated and immediately rectified.

Based on the findings in process above, a bank reconciliation statement is prepared.

### **6.3. Chart of account**

The Standard Chart of Accounts (SCoA) is a classification system by which financial transactions are recorded. Article 97 of the Ministerial Order No. 001/16/10/TC of 26/01/2016 relating to financial regulations requires the Minister and upon the advice of the Accountant General to issue a standardized Chart of Accounts generally applicable to all public entities excluding public institutions. Under the regulations, public institutions are empowered to develop their own chart of accounts adapted to their financial operations.

The SCoA provides a basis for a uniform budget classification and execution. It is mandatory for all Government entities within general Government to use the coding structure of SCoA to budget and execute the budget. For entities using IFMIS, the SCoA is already set up in the system, however, for entities using standalone systems the SCoA has to be set up independently.

Consistent with Article 97 of the Ministerial Order No. 001/16/10/TC of 26/01/2016 relating to financial regulations, the coding structure of the SCoA comprises five segments. When recording a transaction, a selection must be made from each of the five segments, meaning that all segments must be used for recording a single transaction

### **6.4. Funds management**

All State monies received or to be received by Rwanda Cooperative Agency including revenues collected by designated Government departments, donations, loans for the Government, and any other money that the Minister may, direct to be paid into the accounts of the consolidated fund;

### **6.5. Accounting policies**

Financial Statements of RCA are prepared on a Modified accrual basis of Accounting, except where stated otherwise. In the context of manual, which sets out the financial policies and procedures in public financial management. This manual replaces the four existing volumes of the government policies and procedures published in 2007 and has taken into account the various changes brought about by the PFM reforms and provides guidelines to be applied in public financial management in order to build the required capabilities and strengthen financial systems within public entities so as to achieve a highly effective financial management system. The manual shall be used in conjunction, with new circulars issued from time to time in respect of new

developments and changes in financial policies and procedures. The manual shall apply to all General Government entities that include Rwanda Cooperative Agency.

The accrual basis of accounting is an accounting methodology under which transactions and other events are recognized in the books of accounts when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transaction and events are recorded in the books of accounts and recognized in the financial statements of the period to which they relate.

The cash basis of accounting is an accounting methodology under which transactions and events are recognized in the books of accounts only when cash and cash equivalents is received or paid by the entity. Therefore, the transactions and events are recorded in the books of accounts in the period in which the associated cash flows occur.

## **6.6. Budgeting processes**

The budget of Central Government shall be adopted by the Chamber of Deputies, while the budget of decentralized entities shall be adopted by their respective Councils before the beginning of the fiscal year to which they relate. With regard to public institutions, classification, presentation and approval of their budgets shall be done by competent authorities provided for in laws establishing such public institutions, which shall adhere to general principles and provisions of this Organic Law.

## **6.7. Budget preparation**

The annual budget is prepared for the period from July 1st till June 30th of the next year. It is presented in Rwandan Francs (FRW).

Budget preparation should not only constitute a solitary exercise but also proceed from the reflection and collective contribution from all RCA staff who from their experience and understanding evaluate the references from which the budgetary objectives will be defined and figured.

It should be noted that this collective work should be led by the Director General in order to be able to reach RCA's objectives.

The Procedures to be followed are:

1. Dissemination of the DG and Board of Directors' orientations for the annual action plan and budget preparation;

2. Initial meeting for the RCA staff at the Head Office;
3. Data collection from different units;
4. Consolidation of the above collected data by finance team.
5. Review of the budget by the Director of Finance;
6. Consultative meetings among RCA units and Director general/Chief budget manager;
7. Approval of budget by the Director General/ Chief Budget Manager;
8. Approval of budget by the Board of Directors.
9. Submission of the budget to the MINICOM for approval and consolidation.

From the action plan approved by the Board of Directors, the Finance Unit and the Planning, monitoring and prepare the annual budget and the medium-term budget (in accordance with regulations in force) to be submitted to the Ministry of Finance and Economic Planning (MINECOFIN) through line ministry for inclusion in the Government budget, and it includes the following:

- the actual data for the year before the current year;
- budget estimates for the current year;
- data projections for the two years following the budget year.

The budget will comprise also the following details:

- the expected revenues from the Government, donors and internal resources generated from RCA's programmes (if any) and expenditures including expectations in the following budget year;
- the actual data on the use of the budget of the previous year.

### **Budget preparation calendar**

**Table 8: The budget preparation process**

<b>ACTIVITIES</b>	<b>RESPONSIBLE</b>	<b>DEADLINE</b>
Dissemination of the DG and Board of Directors' orientations for the annual action plan and budget preparation; Initial meeting for the RCA staff at the unit level.	Director General, Division Manager and director of unit	10 <sup>th</sup> October
Action plan preparation from different Units	Directors of units	15 <sup>th</sup> October

Consolidation of the above-collected data by the Planning Unit	Planning, Monitoring and Evaluation Specialist	20th October
Review of the budget by the Director of Finance; Review of the action plan and budget by the chief budget manager/director General to compare the costs with similar activities implemented previously.	Director of Finance, Chief Budget Manager	30th October
Consultative meetings among RCA units and directorates;	Director General	10th November
Approval of the action plan and budget by the Director General; Approval of annual action plan and budget by the Board of Directors.	Director General	15 <sup>th</sup> November
Submission of the action plan and budget to the MINICOM for consolidation.	Planning, monitoring and evaluation specialist	25th November
Submission of the action plan and budget to MINECOFIN	Planning, monitoring and evaluation specialist	1 st December
Approval of MINECOFIN	MINECOFIN	April
Revision of the action plan and budget following the approved	Planning, monitoring and evaluation specialist and directors of unit	15th May
Request for funds to MINECOFIN following the approved budget	Director of Finance	15th June
Beginning of execution of the action plan and budge	Users departments, Head of Corporate, Director of Finance and procurement uniT	July

## 6.8. Financial reports

Financial statements are prepared on a Modified Accrual Basis of Accounting, except where stated otherwise. RCA must prepare an annual financial report covering the transactions for the concluded financial year and submit it to the Minister of Finance and Economic Planning by August 15<sup>th</sup> and to the Office of the Auditor General by 30<sup>th</sup> September of the following financial year. RCA annual financial report includes collected revenues and expenditures made during the financial year, as well as a statement of outstanding receipts and payments before the end of the financial year. The financial statements are submitted to the Accountant General on behalf of the Minister. The statements are accompanied by reconciliation statements of the bank accounts operated by RCA. Those financial statements must be in the prescribed format only.

The three (3) basic financial statements to be submitted to MINECOFIN are:

- (1) Statement of financial Position/Balance Sheet, which shows RCA assets, liabilities, and net worth on a stated date;
- (2) statement of comprehensive income/Income and expenditure account;
- (3) cash flow statement, which shows the inflows and outflows of cash caused by RCA activities during a stated period.

RCA must ensure that monthly and quarterly financial reports are prepared in the format and content prescribed by legislation and submitted not later than the 15<sup>th</sup> of the following month. Monthly, quarterly and annual financial reports are prepared by the Accountant of RCA. They should comprise the following components:

- |  |   |
|--|---|
| (1) Background of RCA;                             | (5) statement of cash flow;                                   |
| (2) statement of responsibilities;                 | (6) budget execution report;                                  |
| (3) statement of revenue and expenditure;          | (7) designated account reconciliation statement;              |
| (4) statement of financial assets and liabilities; | (8) accounting policies and explanatory notes adopted by RCA. |

As Chief Budget Manager, the DG of RCA is responsible for:

- (1) maintaining accounts and records of RCA;
- (2) preparing reports on budget execution;
- (3) managing revenues and expenditures;
- (4) preparing, maintaining and coordinating the use of financial plans;
- (5) effectively managing RCA financial resources;
- (6) efficiently and transparently ensuring sound internal control systems and safeguarding the public property held by RCA.

## **6.9. Payment procedures**

RCA receives requisitions for funds from both within RCA and outside the institution in form of suppliers. The procedures in the table below elaborate the steps and approvals to be undertaken before money is disbursed to the internal RCA employee who requisitioned for funds or an external party/supplier who submitted an invoice.

## **6.10. Management of invoices from supplies**

**Table 9: The procedures apply when proceeding to payment of any invoice in RCA**

N°	Activity	Responsible Officer/Unit	Action to be taken
1	RCA receives invoice from supplier with supporting documents and the transmission letter.	Central Secretariat	Central Secretariat passes it over to office of the DG.
2	DG receives invoice and sends it to DAF to take action.	Director General	DG passes the dossier to DAF for action.
3	DAF receives and analyses the dossier.	DAF	<p>DAF checks to ensure that the dossier is complete. He/she consults concerned Director(s) of unit and the contract manager (s) for last observation. If the Director(s) of unit (s) and contract manager (s) support(s) invoice payment, the contract manager prepares the cash requisition form for payment and submits it to the DAF. The latter checks and approves the requisition and then sends the whole dossier to the Accountant / Budget Officer to start processing payment.</p> <p>If the invoice is deferred, DAF shall list the missing supporting documents or information. He/she then informs the supplier and requests him/her to come and collect back the invoice. In such case, the return of the dossier to the supplier must be recorded in the register of incoming mails with the date of return and signature of the supplier.</p>
4	Accountant / Budget Officer receives invoice, checks validity of supporting documents, and prepares payment.	Accountant / Budget Officer	Accountant / Budget Officer prepares payment (requisition form, payment voucher, cheque or PO, etc.) and submits the dossier to DAF.
5	DAF receives and reviews the documents and sends them to DG.	DAF	DAF reviews and verifies the dossier and authorises payment by signing; he/she sends the dossier to DG for approval.
6	DG receives and reviews the dossier; and checks verification done by DAF.	DG	DG approves and signs the dossier for payment. Deferred requisition should be sent back to DAF for appropriate action.

N°	Activity	Responsible Officer/Unit	Action to be taken
7	On receipt of approval from DG, Accountant/Budget Officer or any other employee authorised by the DG submits cheque/PO to the bank /MINECOFIN for payment.	Accountant/Budget Officer or any other employee authorised by the DG	Requesting Unit is noticed that payment was affected.

**Note:** The internal transmission of invoices must respect internal mailing procedures.

### **Payment of Transport Expenditures**

RCA does not have enough cars for staff transport. RCA hires cars from transport companies using government procurement procedures. The number of needed cars and the period will be specified in purchasing order that is sent to the companies that won the tender in the Ministry of Infrastructure. For local transport in RCA, every person who needs transport shall fill a transport request form and will get first the authorization from the Head of respective Unit before forwarding the request to the Logistic Officer. For the travel inside the country, when the distance is 30km and above considering the requested itinerary, every staff who needs transport will get a signed mission order. In addition, RCA shall prepare a paper to be submitted to the Board of Directors for approval determining the areas to be considered for mission allowance for the RCA staff in the branches in their respective districts where the offices are located. Then the payment will be based on transport request, itinerary certificate duly signed by the transported staff (feuille de route), purchase order and invoice.

### **6.11. Payments of mission allowances**

According to ministerial instructions n°001/15/10/TC of 20/07/2015 determining mission allowance of civil servants on mission inside the country, the allowance is granted before departure, exceptions will be caused by circumstances beyond control of RCA Management.

Basing on the above ministerial instructions staff mission allowance is divided into 2 parts:

- ✓ Mission allowance per day
- ✓ Allowance for the night.

Presidential order N° 16/01 of 28/08/2008 regulating civil servants in official missions inside the country also states that a civil servant is considered to be on a mission inside the Country when

he/she is working away, outside his place of work, in more than thirty kilo meters (30) away from his usual place of work, and the mission lasts at least five (5) hours before his return. A concept document to be approved by RCA Management and Board determining how concerned RCA staffs will be facilitated.

## **7. Internal control procedures**

### **7.1. Definition**

Internal control is an integral process that is affected by an entity's management and personnel and is designed to address risks and to provide reasonable assurance that in pursuit of the entity's mission, the following general objectives are being achieved:

- ✓ executing orderly, ethical, economical, efficient and effective operations;
- ✓ fulfilling accountability obligations;
- ✓ complying with applicable laws and regulations;
- ✓ safeguarding resources against loss, misuse and damage.

### **7.2. Rationale for internal control in RCA**

Internal control is about ensuring that all RCA operations are efficient, effective and in line with laws and policy objectives. Clear internal control processes will protect RCA as a Government Institution from fraud, corruption, waste and abuse. They will help RCA to measure value-for-money, assess risk, and ensure compliance with laws, regulations and policies. RCA Management the first responsible for internal control activities. Other staffs, including risk managers, inspectors and internal auditors, also contribute in making sure that internal controls are in place and provide advice.

### **7.3. Control environment**

The control environment sets the tone of RCA, influencing the control consciousness of its staff. It is the foundation for all other components of internal control, providing discipline and structure. Elements of the control environment are:

- ✓ the personal and professional integrity and ethical values of management and staff, including a supportive attitude toward internal control at all times throughout RCA;
- ✓ commitment to competence;
- ✓ the “tone at the top” (i.e. management's philosophy and operating style);

- ✓ RCA structure (assignment of authority and responsibility, empowerment and accountability, appropriate lines of reporting)
- ✓ human resource policies and practices.

#### **7.4. Control Activities**

Control activities are the policies and procedures established to address risks and to achieve the RCA objectives. To be effective, control activities must be appropriate, function consistently according to plan throughout the period, and be cost effective, comprehensive, reasonable and directly relate to the control objectives. Control activities occur throughout the RCA, at all levels and in all functions. They include a range of detective and preventive control activities as diverse, for example, as:

- |  |  |
|--|--|
| (1) authorization and approval procedures;                                 | (5) reconciliations;   |
| (2) segregation of duties (authorizing, processing, recording, reviewing); | (6) reviews of operating performance;  |
| (3) controls over access to resources and records;                         | (7) reviews of operations, processes and activities;                         |
| (4) verifications;   | (8) supervision (assigning, reviewing and approving, guidance and training). |

RCA should reach an adequate balance between detective and preventive control activities. Corrective actions are a necessary complement to control activities in order to achieve the objectives. Control activities are the policies and procedures established and executed to address risks and to achieve the entity's objectives.

To be effective, control activities need to:

- ✓ be appropriate (that is, the right control in the right place and commensurate to the risk involved);
- ✓ function consistently according to plan throughout the period (that is, be complied with carefully by all employees involved and not bypassed when key personnel are away or the workload is heavy);
- ✓ be cost effective (that is, the cost of implementing the control should not exceed the benefits derived);
- ✓ be comprehensive, reasonable and directly relate to the control objectives.

### **7.4.1. Information Technology Control Activities**

Information systems imply specific types of control activities. Therefore, information technology controls consist of two broad groupings:

#### **General Controls**

General controls are the structure, policies and procedures that apply to all or a large segment of an entity's information systems and help ensure their proper operation. They create the environment in which application systems and controls operate.

The major categories of general controls are:

- (1) entity-wide security program planning and management,
- (2) access controls,
- (3) controls on the development, maintenance and change of the application software,
- (4) system software controls,
- (5) segregation of duties, and
- (6) service continuity.

#### **Application Controls**

Application controls are the structure, policies, and procedures that apply to separate, individual application systems, and are directly related to individual computerized applications. These controls are generally designed to prevent, detect, and correct errors and irregularities as information flows through information systems.

General and application controls are interrelated and both are needed to help ensure complete and accurate information processing. Because information technology changes rapidly, the associated controls must evolve constantly to remain effective. As information technology has advanced, RCA has become increasingly dependent on computerized information systems to carry out their operations and to process, maintain, and report essential information. As a result, the reliability and security of computerized data and of the systems that process, maintain, and report these data are a major concern to both management and auditors of RCA. Although information systems imply specific types of control activities, information technology is not a "standalone" control issue. It is an integral part of most control activities.

**The major categories of general controls that RCA should use:**

(1) RCA wide security program planning and management provide a framework and continuing cycle of activity for managing risk, developing security policies, assigning responsibilities, and monitoring the adequacy of the RCA's computer-related controls.

(2) Access controls limit or detect access to computer resources (data, programs, equipment, and facilities), thereby protecting these resources against unauthorized modification, loss, and disclosure. Access controls include both physical and logical controls.

(3) Controls on the development, maintenance and change of application software prevent unauthorized programs or modifications to existing programs.

(4) System software controls limit and monitor access to the powerful programs and sensitive files that control the computer hardware and secure applications supported by the system.

(5) Segregation of duties implies that policies, procedures and RCA structure are established to prevent one individual from controlling all key aspects of computer-related operations and 33 thereby conducting unauthorized actions or gaining unauthorized access to assets or records.

(6) Service continuity controls help to ensure that when unexpected events occur, critical operations continue without interruption or are promptly resumed and critical and sensitive data are protected.

The major categories of application controls that RCA should use:

- ✓ **input:** data are authorized, converted to an automated form, and entered into the application in an accurate, complete, and timely manner;
- ✓ **processing:** data are properly processed by the computer and files are updated correctly;
- ✓ **output:** files and reports generated by the application reflect transactions or events that actually occurred and accurately reflect the results of processing, and reports are controlled and distributed to the authorized users.

## **7.5. Information and Communication**

Information and communication are essential to realizing all internal control objectives.

### **7.5.1. Information**

A precondition for reliable and relevant information is the prompt recording and proper classification of transactions and events. Pertinent information should be identified, captured and

communicated in a form and timeframe that enables staff to carry out their internal control and other responsibilities (timely communication to the right people). Therefore, the internal control system as such and all transactions and significant events should be fully documented.

Information systems produce reports that contain operational, financial and non-financial, and compliance-related information and that make it possible to run and control the operation. They deal not only with internally generated data, but also information about external events, activities and conditions necessary to enable decision-making and reporting. Management's ability to make appropriate decisions is affected by the quality of information which implies that the information should be appropriate, timely, current, accurate and accessible.

Information and communication are essential to the realization of all the internal control objectives. For example, one of the objectives of internal control is fulfilling public accountability obligations. This can be achieved by developing and maintaining reliable and relevant financial and non-financial information and communicating this information by means of a fair disclosure in timely reports. Information and communication relating to RCA performance will create the possibility to evaluate the orderliness, ethicality, economy, efficiency and effectiveness of operations. In many cases, certain information has to be provided or communication has to take place in order to comply with laws and regulations.

Information is needed at all levels of RCA in order to have effective internal control and achieve the entity's objectives. Therefore, an array of pertinent, reliable and relevant information should be identified, captured and communicated in a form and timeframe that enables people to carry out their internal control and other responsibilities. A precondition for reliable and relevant information is the prompt recording and proper classification of transactions and events.

Transactions and events must be recorded promptly when they occur if information is to remain relevant and valuable to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event, including the initiation and authorization, all stages while in process, and its final classification in summary records. It also applies to promptly updating all documentation to keep it relevant.

Proper classification of transactions and events is also required to ensure that reliable information is available to management. This means organizing, categorizing, and formatting information from

which reports, schedules, and financial statements are prepared. Information systems produce reports that contain operational, financial and non-financial, and compliance-related information, and that make it possible to run and control the operation. The systems deal not only with quantitative and qualitative forms of internally generated data, but also with information about external events, activities and conditions necessary for informed decision-making and reporting.

Management's ability to make appropriate decisions is affected by the quality of information which implies that the information is:

- ✓ appropriate (is the needed information there?);
- ✓ timely (is it there when required?);
- ✓ current (is it the latest available?);
- ✓ accurate (is it correct?);
- ✓ accessible (can it be obtained easily by the relevant parties?).

In order to help ensure the quality of information and reporting, carry out the internal control activities and responsibilities, and make monitoring more effective and efficient, the internal control system as such and all transactions and significant events should be fully and clearly documented (e.g. flow charts and narratives). This documentation should be readily available for examination.

Documentation of the internal control system should include identification of RCA structure and policies and its operating categories and related objectives and control procedures. RCA must have written evidence of the components of the internal control process, including its objectives and control activities. The extent of the documentation of an entity's internal control varies however with the entity's size, complexity and similar factors.

### **7.5.2. Communication**

Effective communication should flow down, across, and up RCA, throughout all components and the entire structure. All personnel should receive a clear message from top management that control responsibilities should be taken seriously. They should understand their own role in the internal control system, as well as how their individual activities relate to the work of others.

There also needs to be effective communication with external parties. Information is a basis for communication, which must meet the expectations of groups and individuals, enabling them to

carry out their responsibilities effectively. One of the most critical communications channels is between management and its staff. Management must be kept up to date on performance, developments, risks and the functioning of internal control, and other relevant events and issues. By the same token, management should communicate to its staff what information it needs and provide feedback and direction. Management should also provide specific and directed communication addressing behavioral expectations. This includes a clear statement of the entity's internal control philosophy and approach, and delegation of authority. Communication should raise awareness about the importance and relevance of effective internal control, communicate the entity's risk appetite and risk tolerances, and make personnel aware of their roles and responsibilities in effecting and supporting the components of internal control.

In addition to internal communications, management should ensure there are adequate means of communicating with, and obtaining information from external parties, as external communications can provide input that may have a highly significant impact on the extent to which RCA achieves its goals. Based on the input from internal and external communications, management has to take necessary action and perform timely follow up actions.

### **7.5.3. Communication between RCA Headquarters and Branches**

As it is the responsibility of RCA branches to collaborate with all provincial stakeholders in matters of cooperatives, all RCA planned activities in the province should be communicated to the Branch staffs for efficient communication and implementation.

## **7.6. Monitoring**

Internal control systems should be monitored to assess the quality of the system's performance over time. Monitoring is accomplished through routine activities, separate evaluations or a combination of both:

### **7.6.1. Ongoing monitoring**

Ongoing monitoring of internal control is built into the normal, recurring operating activities of an entity. It includes regular management and supervisory activities, and other actions personnel take in performing their duties. Ongoing monitoring activities cover each of the internal control components and involve action against irregular, unethical, uneconomical, inefficient and ineffective internal control systems.

### **7.6.2. Separate evaluations**

The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Specific separate evaluations cover the evaluation of the effectiveness of the internal control system and ensure that internal control achieves the desired results based on predefined methods and procedures. Internal control deficiencies should be reported to the appropriate level of management.

Monitoring should ensure that audit findings and recommendations are adequately and promptly resolved.

## **7.7. Correspondence management**

Correspondence management is the process of receiving, recording, logging, appropriately processing and responding to and creating an audit trail of received correspondence. A Correspondence Management System such as Imboni is used to track all the incoming and outgoing business correspondence of an organization and make it available to all application users according to their roles and access.

A good Correspondence Management system provides the electronic means of storing, retrieving, and routing correspondence for review and approval. Such systems provide the capability to efficiently and effectively manage huge number of correspondences both electronically as well as on paper, mail, fax and other traditional methods. The Correspondence Management systems centralize and manages the creation, assembly and delivery of secure, personalized, and interactive business correspondences. It enables RCA to quickly assemble correspondence from both pre-approved and custom-authored content in a streamlined process from creation to archival. As a result, customers get the right communication at the right time in the right way – timely, accurate, convenient, secure, and relevant. This enables businesses to maximize the value of customer interactions and minimize the costs and risks associated with a rather complex process.

A correspondence management system (CMS) boosts productivity and efficiency by streamlining an organization's internal and external communications, enabling officials to perform more critical tasks in a productive manner.

### **7.7.1. Features of correspondence management**

Some of the features of RCA Correspondence Management System are as follows:

### **Correspondence Capture**

Paper-based correspondence still forms the bulk of business correspondence of RCA. Although it is on the decline, the solution needs to have the ability to capture incoming paper-based correspondence, as well as digital ones.

### **Correspondence Storage**

RCA should have a correspondence solution that is able to store incoming, and outgoing, correspondence in a secure and compliant manner.

### **Process Management**

RCA's correspondence management system needs to be able to route the correspondence to the most appropriate person or team in an organization to process it.

### **Communications Management**

RCA's correspondence management system needs to be able to produce outgoing communication, in traditional paper or in email format, and the output needs to be personalized to the needs of the person to whom it is being sent.

### **Content Management (CM) Integration**

Typically, correspondence needs to be viewed within the context of RCA Content Management system. Therefore, the solution must have standards-based integration to enable this where applicable.

### **Management Information**

RCA have limited visibility of their performance in dealing with business correspondence. The correspondence management system needs to provide this information so that RCA can improve their performance as well as their customer service.

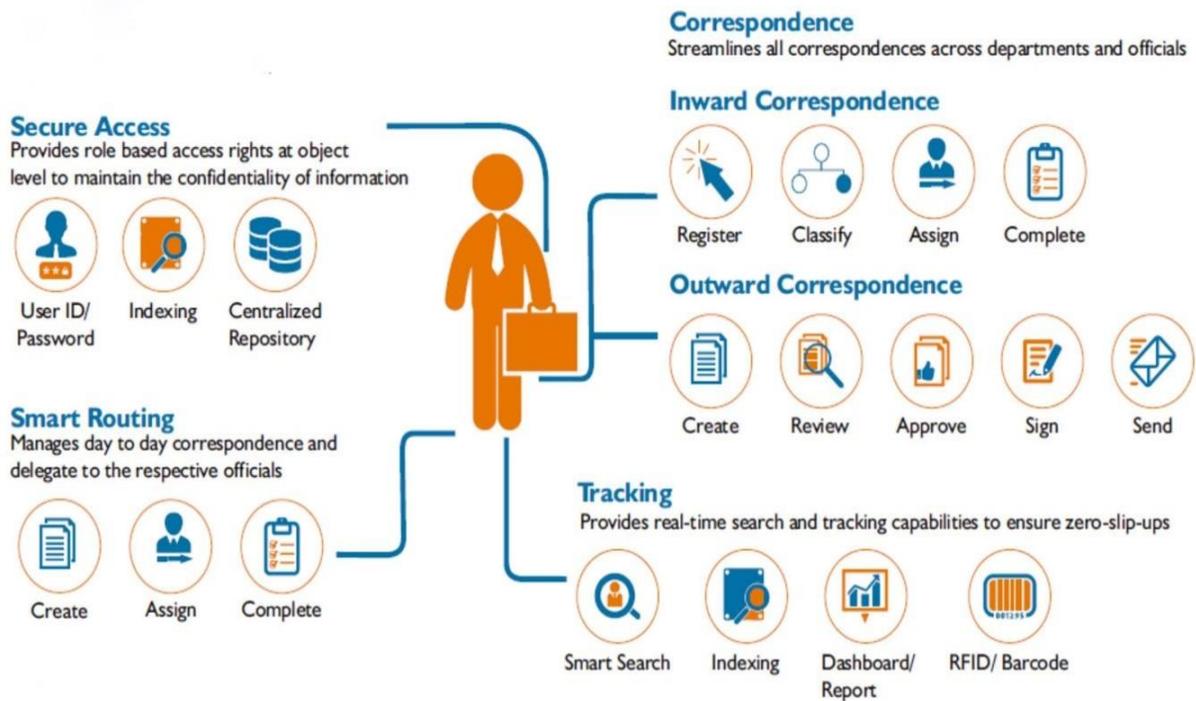


Figure 3: Shows RCA communication management

### 7.7.2. RCA inward correspondence Management

All correspondences from outside RCA should go through the following process flow:

❖ **Process flow for inward hard copies:**

- 7.8.Registration of correspondence at RCA headquarter or branch
- 7.9.Submission to DG’s office
- 7.10. Assignment to responsible units
- 7.11. Complete and filing

❖ **Process flow for inward soft copies:**

- a. Submission of correspondences to official email of RCA
- b. DG assigns it to responsible units
- c. Complete and filing

### 7.11.1. Outward correspondence

Process flow for outward correspondences from RCA:

- a. Creation from units
- b. Review by DM or any other supervisors

- c. Transmission note to DG by DM or any other supervisors
- d. Approval and signature by DG
- e. Send and file copy for tracking purpose.

## 7.12. Work preparation procedures and reporting

### 7.12.1. Field work preparation procedures

**Table 10: Shows field work Process flow for RCA**

Activity	Responsible	Timeline
Consulting DAF for the budget availability	Units/Branch	Monday
Development of concept notes and mission orders from units	Units/Branch	Tuesday
Review	DM/ any other supervisor	Wednesday
Transmission note to DG	DM/ any other supervisor	Wednesday
Approval and signature	DG	Thursday
submits approved concept note and mission orders to the user unit/branch and notifies DAF for preparation of logistics.	Administrative assistant to DG	Thursday
Reports from the field	Responsible staff	3 working days after completion

*Source: RCA*

### 7.12.2. General work duties

Each Friday of the week, all RCA staff should provide weekly report in agreed format which will be consolidated by planner and submitted to DG.

### 7.12.3. Monthly, quarterly and annual reports

**Table 11: Shows reporting system from units/branches**

Report	Responsible	Timeline
Monthly	Units/Branch	5 days after the end of the month
Quarterly	Units/Branch	Basing on the requirement from RBM
Annual	Units/Branch	10 days after the end of the year

## **7.13. Management of transport facilities**

### **7.13.1. Local transport**

For local transport in RCA, every person who needs transport shall fill a transport request form and will get first the authorization from the Supervisor of respective Unit/Branch before forwarding the request to the Logistic Officer for approval. In RCA branches, RCA staff based at the branch shall fill a transport request form and approved by Chief Cooperative Inspector.

### **7.13.2. National transport**

RCA does not have enough own cars for staff transport. RCA hires cars from transport companies using government procurement procedures. The number of needed cars and the period will be specified in purchasing order that is sent to the companies that won the tender in the Ministry of Infrastructure.

### **7.13.3. Public transport**

In order to use RCA budget allocated for transport efficiently, where possible RCA staffs may use public transport means as explained in the public transport management manual which was approved by RCA Management and Board. For the travel inside the country, when RCA staff is going to work in areas that are not very far from the main road, he/she will use public transport means and gets reimbursed 15,000Frw/day in addition to the reimbursement of RURA transport fees from office to the destination area.

## **7.14. Telephone**

- ✓ Toll-free and other telephone lines are used to smooth RCA daily communication.
- ✓ RCA provides all employees with communication facilities as provided by legislation.
- ✓ Switching-on work cell phones during working and non-working hours is mandatory to all RCA employees. Breach of this clause may fall into a disciplinary fault.

## **7.15. Office maintenance, keys and security**

RCA management ensures that all its buildings are well maintained and secured. Security guards must control movements inside and outside of RCA compounds and offices. In collaboration with RCA management, the security guards take all necessary security measures to keep the compounds and offices free from unwanted persons especially during non-working hours; to secure RCA premises and other properties. The security guards further ensure a proper parking of visitors' cars and their security in RCA

Parking. RCA management also ensures that cleaning services are provided to permanently clean offices and RCA premises.

Copies of all RCA door keys – except safe keys and keys of the DG’s and Finance offices – must be kept by the Logistics Officer. All keys kept in the logistics office must be numbered correspondingly to the numbers of their respective doors. The Logistics Officer ensures that a list of staff to whom office keys are entrusted is maintained and updated when any change occurs.

The management of RCA always ensures that fixed assets are in good working conditions. The Logistics Officer ensures that repairs are carried out on worn-out assets.

- (1) When a given asset is broken, the user unit must declare it to the DG in writing with a copy to the Logistics Officer within one (1) working day after the damage.
- (2) In collaboration with the user unit, the Logistics Officer proposes an action to be taken within one (1) working day after being informed of the damage and, if necessary, inform the DG.
- (3) If deemed necessary, the Logistics Officer contacts the maintenance company hired by RCA for repair in not later than two (2) working days. The maintenance company is expected to certify whether the broken asset can be repaired or not.
- (4) In case of repairing, the user unit is responsible for follow-up of financial procedures until the damaged asset is repaired and the maintenance company is paid.

## **7.16. Risk assessment and management**

The Government of Rwanda is committed to a process of risk management that is aligned to the principles of sound corporate governance. Recognizing that management of risk is an important strategy for the achievement of NST 1, the Organic Law No. 12/2013/0L of 12/09/2013 on State Finances and Property requires every public institution to put in place risk management mechanisms to manage uncertainties that could impede achievement of institution's objectives.

Risk management is an integral part of management; therefore, public entities are required to adopt a comprehensive approach to the management of risk as outlined in the organization's Risk Management Strategy. RCA has to adhere to the risk management strategy and work together in a consistent and integrated manner, with the overall objective of reducing risk and taking advantage of opportunities, as far as reasonably practicable.

RCA shall adopt an entity-wide approach to risk management and ultimately, the risk management processes shall become embedded into entity's systems and processes, ensuring that responses to

risk remain current and dynamic. These guidelines have been developed to assist public entities to formalize risk management procedures which shall include, among others, risk management frameworks as required under Article 114 of Ministerial Order N0:001/16/10/TC of 26/01/2016 relating to financial regulations.

RCA shall develop institutional risk management frameworks based on their specific circumstances to lay out the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the entity. RCA will put in place a risk management policy and strategies that outline their commitment and direction related to risk management and anti-fraud policy that specifically outline how they will fight against fraud risks.

The risk management policy and strategies shall be reviewed regularly to reflect the current stance on risk management in line with operational and regulatory requirements. Every employee has a part to play in this important endeavor and we look forward to working with all the stakeholders in achieving these aims.

### **Risk Management Framework**

The Risk Management Framework is set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization. The foundations include the policy, objectives, mandate and commitment to manage risk. The organizational arrangements include plans, relationships, accountabilities, resources, processes and activities. The risk management framework is embedded within the RCA's overall strategic and operational policies and practices.

#### **7.16.1. Purpose of the Risk Management Framework**

The purpose of the Risk Management Framework is to define how management of risk is handled within the associated context (could be organization-wide or for a specific activity such as a project/program). To provide information on roles, responsibilities, processes and procedures, tools, facilities and documentation required.

For effective implementation of Risk Management Framework within RCA, the following best practice principles and strategies shall be applied:

- ✓ Promoting an organizational philosophy and culture that says everybody is a risk manager;

- ✓ RCA Board of Director, Council or Commission and top management must champion risk management, define and communicate acceptable levels of risk (risk appetite);
- ✓ RCA Executive Management shall establish open communication channels;
- ✓ RCA shall adopt the strategy of using teams and committees;
- ✓ RCA shall adopt easy, simple and common risk language;
- ✓ RCA shall set up an enterprise-wide Risk Management Function;
- ✓ RCA shall on regular basis communicate Risk Management performance;
- ✓ RCA shall plan and carry out capacity building and continuous Risk Management training for all personnel.

### **7.16.2. Developing the Risk Management Framework**

To develop an effective Risk Management Framework, RCA shall follow a systematic approach consisting of the following steps:

Step 1: Establishing the risk governance structure

Step 2: Define the context for risk management- (Risk appetite for RCA)

Step 3: Develop an approach to risk identification

Step 4: Build a risk assessment matrix

Step 5 Establish a risk register

Step 6: Rollout of the Risk Management Framework

Step 7: Incorporate Risk Management into performance monitoring.

### **7.16.3. Risk Management Strategy**

Risk Management Strategies are actions, tactics deployed by the entity to maintain risks within the accepted tolerable levels (risk appetite) approved by the Board. The Risk Management Strategy serves to implement the RCA's risk management policy. The Strategy outlines how the structure of responsibility and accountability across RCA shall be developed and maintained. RCA shall deploy one of the following risk management strategies among others:

- ✓ Reducing the probability of event happening and or its consequence once it occurs
- ✓ Accepting or retaining the risks depending on costs and benefits analysis of deploying other risk management strategies
- ✓ Risk avoidance or termination- discontinuing the event that causes the risks

- ✓ Risk transfer in the form of taking insurance cover
- ✓ Risk mitigation such as Business Continuity Plan
- ✓ Integrating risk management into all entity activity; and
- ✓ Adopting three lines of defense model into risk management.

#### **7.16.4. Risk Management Process**

Risk Management process is a systematic application of management policies, procedures and practices to the activities of communicating, consulting, establishing the context, and identifying, analyzing, evaluating, treating, monitoring and reviewing risks.

RCA shall adopt and customize the risk management process prescribed in ISO 31000:2009 as revised and amended to date. This process should be an integral part of management, embedded in the culture and practices, and tailored to the business processes of RCA. The process take into account the uniqueness and environment of RCA in which it operates. The steps below present the process in summary form:

- |                         |                           |
|-------------------------|---------------------------|
| ✓ Establish the context | ✓ Treat the risk          |
| ✓ Risk Identification   | ✓ Monitor and Review      |
| ✓ Risk analysis         | ✓ Risk Reporting          |
| ✓ Risk evaluation       | ✓ Communicate and Consult |

#### **7.16.5. Roles and responsibilities**

##### **Board of Directors:**

- ✓ Approve the design and implementation of risk management approaches, including the risk response, tolerance and the Risk Appetite Statement;
- ✓ Receive and consider on quarterly basis the risk Management Reports;
- ✓ Review the entity risk profile on quarterly basis;
- ✓ Define risk threshold levels for referral to the Board
- ✓ Ensure that staff charged with Risk Management responsibilities have appropriate authority to carry out their functions and have appropriate access to the Board/District Council;
- ✓ Approve the allocation of resources for effective management of risk; and annual Activity Plan of Risk Management Function

### **Chief Budget Manager (CBM)**

- ✓ Establish and maintain the entity's overall Risk Management, internal controls and governance processes and systems and ensure that they are operating efficiently and effectively;
- ✓ Embed Risk Management practices in all RCA's processes;
- ✓ Identify threats to the achievement of RCA's objectives;
- ✓ Analyze Cost-effective risk treatment options;
- ✓ Put in place appropriate controls and treatment measures to manage identified risks;
- ✓ Review on monthly basis, exposure to all forms of risk and reduce it as-far-as reasonably practicable or achievable;
- ✓ Apply a Robust risk management processes as part of a wider management system.

### **Management Risk Committee (MRC)**

- ✓ Ensure that all risks are identified as-far-as is reasonably foreseeable, each risk is appropriately assessed in terms of likelihood and consequence,
- ✓ Develop risk response plan and assessing adequacy of responses, appropriate operational controls are implemented to maximize opportunities and mitigate against potential losses,
- ✓ Ensure that all material risks are monitored as a whole on at least a quarterly basis,
- ✓ Ensure that Entity's risk management methodology is undertaken at the commencement of any substantial project/program or major undertaking by the RCA and is reviewed throughout the life of the project/program or undertaking
- ✓ Establish mechanisms and tools, which shall include constituting Risk Identification Teams, aimed at realizing risk management responsibilities.

### **Head of Department/ Unit**

Heads of Units are Risk Owners for their functions, they are responsible for managing risks affecting their daily operations and ensuring that risk management systems maintained remain robust and appropriate in the light of material changes to the business model, compliant with changes in the external environment and fulfils the requirements articulated in the risk management framework. Specific responsibilities include the following:

- ✓ Engage in the identification of Risk Managers and allocation of specific risk management responsibilities to each such manager to include primary responsibility for managing risk falling under their scope of control on a day-to-day basis;
- ✓ Develop risk appetite / tolerance thresholds for their processes, procedures and operations,
- ✓ ensuring that these are communicated to each business area / function as applicable and recommended to the Audit Committee for approval;
- ✓ Ensure that Management Risk Committee (MRC) reviews and recommends the Department's Risk profile for approval by the Audit Committee;
- ✓ Establish an annual review cycle which evidences that the risk control framework is effectively established and maintained across the entity;
- ✓ Coordinate the Risk Framework as necessary across the entity and gaining input from relevant stakeholders;
- ✓ Ensure that the requirements of the control framework are communicated effectively and providing support, guidance and training to help the embedding of the risk management practices within the business;
- ✓ Define and establish key metrics and other measures for reporting and monitoring exposures against risk appetite;
- ✓ Promote risk awareness within their operations;
- ✓ Report on the overall risk profile (including but not limited to the key metrics) to the Management Risk Committee via the risk profile report and other periodic and ad-hoc reporting as required by the entity Risk Management Framework;
- ✓ Ensure that control failures and breaches of policies within their risk's control framework are reviewed and reported by the business (including escalation to the Director, Risk Management Coordinator and Management Risk Committee that appropriate action plans are in place to bring risk exposures back in line with the entity risk appetite;
- ✓ Prepare risk analysis worksheets on risks concerning their area of operations (quarterly);
- ✓ Oversee remediation of control weaknesses relating to their risk, ensuring that these are set up and resourced appropriately by the business and tracked to conclusion;
- ✓ Monitor Management Information (MI) to verify that the control framework is implemented and operating effectively across the business and to ensure consistency of policy application across RCA.

## **Risk Management Coordinator (RMC)**

The Risk Management Coordinator shall be charged with the responsibility of orchestrating the whole risk management process and shall also operate and manage the RCA's risk management database. He or she shall report functionally to the Chief Budget Manager. The MRC shall have a broad knowledge encompassing a range of operational and technical issues of both generic and specific risks relevant to the entity. The MRC shall have the following responsibilities:

- ✓ Develop and implement the Risk Management Plan;
- ✓ Champion of risk management at strategic and operational levels;
- ✓ Facilitate the identification, analysis and evaluation of risks within the entity;
- ✓ Collect and collate risk information from Process Owners;
- ✓ Initiate the review of Risk Management Policy and Strategy;
- ✓ Process information to generate a risk register and populate the risk management data base;
- ✓ Present risk management reports at risk review meetings including updating and regularly reporting any material items in the Risk Register to the CBM and the Management Risk Committee;
- ✓ Report on Quarterly basis to the Audit Committee; and annually to the Board on the overall effectiveness of the Risk Management Framework, Policy and Strategy;
- ✓ Coordination of the quarterly risk identification exercise undertaken by unit/function managers;
- ✓ Pre-identification of risk categories and provide these to management to aid in their thinking of the various types of risks;
- ✓ Implement initiatives to continually strengthen entity's Risk Management Framework and risk culture by ensuring there are robust processes in place to identify, communicate and manage material risks across the entity;
- ✓ Promote risk management awareness via education to management and staff as required;
- ✓ Coordinate the various functional activities which advise on Risk Management issues within the entity; and Develop risk response processes, including contingency and business continuity programs.

## **Internal Audit**

Internal Audit as "third line of defense" functionally reports to the Audit Committee and administratively reports to the CBM. The Internal Audit will be responsible for:

- ✓ Independently evaluating the effectiveness and efficiency of selected risk management and internal control and compliance practices;
- ✓ Coordinate its program with other entity 'assurance' activities such as Risk Management, Monitoring and Evaluation, Compliance and Legal units Assist in monitoring and evaluating the effectiveness of entity, risk analysis and monitoring program;
- ✓ Liaise and consulting with the RMC and the Management Risk Committee (MRC) on selected risk and compliance matters, which include attendance at their meetings on invitation;
- ✓ Coordinate risk reporting to the Audit Committee, Auditor General and other external auditors as the case may be.

### **Staff and contractors**

All staff and contractors must be aware of their responsibilities in managing risk in their day-to-day roles. This includes:

- ✓ Carrying out their roles in accordance with all policies and procedures;
- ✓ Identifying risks and reporting these to relevant risk owners in accordance with reporting protocols;
- ✓ Report ineffective or inefficient controls;
- ✓ Be aware of the risks that relate to their roles and activities;
- ✓ Ensuring that his or her work environment and practices reflect good risk management standards in order to protect their own health and safety as well as the health and safety of others;
- ✓ Observe and inform Managers or Team Leaders of any specific public risk;
- ✓ Familiarize themselves with all risks (current and potential) that relate to their area of responsibility and actively support and contribute to risk management initiatives; and
- ✓ Report all accidents, incidents and near misses on timely basis.

### **7.16.6. Measures to prevent and build resistance to risks in RCA**

- ❖ **Segregation of duties:**

Segregation of Duties (SOD) is a basic building block of sustainable risk management and internal controls for an entity. The principle of SOD is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department.

❖ **Periodic rotation of staffs**

RCA shall rotate its staffs most especially auditors and inspectors on regular basis as a precautionary measure against corruption in public administration. Job, or staff, rotation has been suggested and adopted as a precautionary measure in public administrations for situations where social relationships could have undesirable consequences.

**7.17. Use of RCA seal, stamp, logo, and headed papers**

The Organic Law N° 01/2012/OL of 02/05/2012 instituting the penal code in its article 606 punishes the following material acts:

- ❖ Counterfeiting the State emblem;
- ❖ counterfeiting stamps or other equivalent documents of the same value and official marks of the State;
- ❖ counterfeiting the seal, postal stamp, or emblem of any authority;
- ❖ counterfeiting headed paper or official printed documents used in institutions established by the Constitution, public administration, or by courts;
- ❖ the counterfeiting or falsification of seals, stamps, or other marks, specifically the illegal use of marks.

Thus, the material element of committing this offense includes among others the use or spread, by any means, documents appearing like those used by Government institutions, which may make people believe their authenticity.

In order to protect RCA staff from committing the offense related to the use of seals, stamps, logos, and headed papers, RCA ensures:

- ❖ The stamp is managed by administrative assistant to DG;
- ❖ The RCA Logos and seals are used in its official documents;

Thus, the seal, logo, and headed papers of RCA are its official symbols, and therefore, a letter, a hardcopy or softcopy medium on which all or one of these symbols are used is considered official.

RCA ensures that they are used appropriately. Therefore, the following are to be considered:

- ❖ Consequently, their use is reserved for the Director General, Chairperson of the Board of Directors, or their delegates, and they always go with the signature for validity;
- ❖ An individual employee cannot personally write to a third party in whatsoever circumstance and make use of RCA-headed paper, logo, and/or seal;
- ❖ A third party (individual or legal entity) is not allowed to possess and/or use RCA-headed paper, logo, and/or seal unless he/she has a valid written contract or memorandum of understanding with RCA, and in that case, a provision is reserved for the use and limitation of those official symbols;
- ❖ RCA managers may use RCA-headed paper, logos, and seals of their RCA branches on official documents within the limits of their territorial and material competencies. They further ensure that the seals of their respective branches are safely kept;
- ❖ RCA staff shall have digital signatures;
- ❖ RCA staffs outlook email shall only be used in work related activities.

## **7.18. Contract management**

### **7.18.1. The objective of Contract Management**

The purpose of contract management is to ensure that all parties to the contract fully meet their respective obligations as efficiently and effectively as possible, delivering the business and operational outputs required from the contract and providing value for money.

Contract management also protects the rights of the parties and ensures required performance when circumstances change. Contract management is regulated by the Ministerial Instructions n° 612/08.11 of 16/04/2014 setting up modalities for drafting, negotiating, requesting opinions, signing, and managing contracts as amended by Ministerial Instructions N° 001/INSTR/MOJ/AG/20 of 20/05/2020. Under the framework of these Ministerial Instructions, as far as contract management is concerned, RCA ensures the following:

### **7.18.2. Persons involved in public procurement contracts management**

- ❖ The management of the public procurement contracts is under the responsibility of the officer or officers of the procuring entity in charge of public procurement;

- ❖ In public procurement contract execution, the public Institution is represented by the supervising official;
- ❖ However, the Rwanda Development Board is responsible for monitoring the execution of investment contracts; and The Ministry in charge of Infrastructure is responsible for monitoring the execution of construction contracts.

### **7.18.3. Contract management team**

The Chief Budget Manager appoints a team composed of not less than 2 people who are in charge of contract management.

### **7.18.4. Contract management file**

Once a contract is signed, RCA establishes a form or an electronic contract management file, recording all performed actions, timeframes, or any other event regarding the implementation of the contract, in order to ensure that appropriate actions or decisions are taken.

The form indicates, among others, the following:

- ❖ contract name, number, public institution, service provider/supplier/ contractor/expert, and duration;
- ❖ budget allocated, consumed budget, budget remaining in view of the work done or to be done;
- ❖ schedules of activities in view of the budget;
- ❖ progress in view of the milestones or schedules of work;
- ❖ challenges encountered during execution and suggested solutions, the time it took to resolve those challenges, and consequences on the performance of the contract;
- ❖ Addendum, if any, and the reasons thereof;
- ❖ whether the Ministry of Justice's legal opinion was sought.

On a quarterly basis, RCA appraises itself of the situation of the performance of the contract in a comprehensive way. In the event, a dispute regarding the contract arises or a legal opinion is sought, the Ministry of Justice considers the contract management file as the basis.

### **7.18.5. Actions to be performed by the contract management team**

The contract management team ensures the following:

- ❖ to ensure that the successful bidder respects all deadlines, reports schedules, and fulfills all contract obligations on time and in an adequate manner;
- ❖ to notify the successful bidder of delays and defects to be cured not later than two (2) working days after their occurrence;
- ❖ to ensure that a public institution fulfills its contract obligations and takes all necessary decisions with no delays and in an adequate manner;
- ❖ to effectively monitor the successful bidder's activities on a specified frequency to identify problem areas;
- ❖ to meet with the successful bidder on a regular basis to review progress, and any other information pertaining to the tender.
- ❖ to provide access to State facilities, equipment, data, staff, materials, and information as necessary;
- ❖ to establish the scope of authority, clear lines of communication and reporting, and specific individuals to work directly with the contractor;
- ❖ to put in place a system for the review and follow-up of correspondences, data, and reports;
- ❖ to ensure that all communications related to the contract are done through authorized persons and through authorized channels;
- ❖ to identify potential problems and solutions;
- ❖ to ensure quality, facilitating problem resolution and reporting to the program manager;
- ❖ to coordinate actions with the procurement officer of the Public Institution.

#### **7.18.6. Information on contract management**

- ❖ RCA makes available on its websites all ongoing contracts;
- ❖ In case the media seek to have access to contracts or to documents showing how they were awarded or how they are being managed, RCA provides the information the media seeks, with the exception of the classified contracts.

## **8. Technology usage procedures**

### **8.1. Cooperative Management Information System (CMIS)**

In the backward (past) public service used to provide their services by using manual system which was very expensive in terms of money and time. It is in that context that Government of Rwanda developed the guidelines stated in National Strategy for Transformation document (NST1) to shift from manual to

digitalization, in line with this, RCA acquired a software namely Cooperative Management Information System (CMIS).

this will enable RCA to provide a better service to the cooperatives, stakeholders as well as all RCA administrative and management services will be done smoothly by using paperless approach.

This System also will help to enhance the exchange of information through notifications between RCA HQ, and cooperative members through SMS and Email as well as integrations with multiple external systems like IREMBO, RRA, NIDA, PMO, RGB, BNR, and SACCOs.

## **8.2. Support and maintenance of CMIS and other RCA IT equipment**

In partnership with AOS LTD, the line ministry, and RCA IT helpdesk Officer are in charge of providing Support and maintenance, where we have three developers located to the line ministry, Software Developers, network specialist, and business analyst, they are supposed to fix all technical issues faced by end users anytime and anywhere.

### **8.2.1. Type of support provided by a company under contract and timeline**

<b>N/S</b>	<b>Type of support provided by a company</b>	<b>Timeline</b>
1	Creative maintenance	Unlimited call basis
2	Preventive maintenance	Once per quarter

The table above explains the type of maintenance provided by a company under contract where they can provide a support anytime is needed. It is what we call *unlimited call basis*, another one namely *preventive maintenance* where they should come once per quarter to make a general maintenance for all RCA IT equipment.

Company under contract for IT support services and RCA IT helpdesk Officer will also provide other technical assistance related to IT support services when is needed.

## **8.3. Change management**

Once there is any change from the Cooperative Management Information System (CMIS) the end users should communicate the type of change needed to the RCA Senior Management for approval then RCA Senior Management requires a technical team from the line ministry to make a change.

#### **8.4. Website, mass, and social media management**

Alongside other communication channels, RCA will use its website to transmit the information to the public and stakeholders. RCA website must be regularly maintained and updated with current information and events.

RCA staff in charge of Public Relations is the only one who has the responsibility to upload anything to RCA website with DG's approval following these modalities:

- (1) If the content is of an administrative nature, its upload is authorised by the DG;
- (2) if the content is of research nature, its upload is authorized by the DG also

The IT Officer is responsible for technical support, whereas RISA is responsible for the maintenance of RCA website.

Before publicly using an image of individual (s) or images of RCA activities, consultation between the individual or a concerned unit and RCA administration is required. In this case, the Legal Officer is involved for legal opinion.

#### **8.5. Mass and social media:**

Any reporter or newspaper who wants to make a conversation with RCA staff, should go through the RCA public relations briefly, no RCA staff is allowed to provide an interview without a go-ahead from RCA public relations.

#### **8.6. Security**

Rwanda Information Society Authority (RISA) as well as the Associate in Occupational Studies (AOS LTD) are in charge of CMIS security.

### **9. Logistics and asset management**

#### **9.1. Logistics Management**

RCA logistics consist of different types of stocks (e.g. office stationeries, office consumables, souvenirs, etc.) and movable assets (e.g. vehicles, tables, chairs, computers, printers, photocopying machines, etc.). Acquisition, maintenance and repair of these assets are usually budgeted for during every financial year.

### **9.1.1. Management of stocks**

In implementing its action plan, RCA acquires various kinds of office supplies through tendering process. From delivery up to the end user of stock, the following appropriate procedures must apply.

### **9.1.2. Delivery of goods**

Before reception of goods, the Logistics Officer together with the contract management team (Procurement Office and user unit) must check accuracy of delivery notes alongside with the specifications, conditions and quantities of the goods as specified in the Tender document and/or Purchase Order.

### **9.1.3. Reception of goods**

Immediately after delivery of goods, the Logistics Officer together with the contract management team, must check and verify the goods, and fill in the reception note<sup>1</sup> for the delivered items. When necessary, the team comments on items not qualifying with the specifications.

All the representatives of both RCA and the supplier must immediately sign the reception note together with the delivery note.

### **9.1.4. Recording**

Upon reception of goods, the Logistics Officer ensures that all received goods are registered in stock register and stock cards<sup>2</sup>. The information to be recorded is the following:

- |                                    |   |
|------------------------------------|---|
| (1) Date of delivery;              | (6) serial number (if applicable);          |
| (2) name of item;                  | (7) date of fabrication (if applicable);    |
| (3) acquisition value;             | (8) disposable/expiry date (if applicable); |
| (4) quantity received;             | (9) Etc.                                    |
| (5) expiring date (if applicable); |   |

### **9.1.5. Requisition**

For the requisition of an item from the stock:

---

- (1) The Logistics Officer schedules the stock timetable for staff to request items from the stock;
- (2) the timetable must be approved by DAF and displayed on RCA notice board;
- (3) the staff request item from the stock by filling in and signing stock requisition form<sup>3</sup>;
- (4) the staff submits the form to DAF for authorisation;
- (5) the request form must also be signed by the Logistics Officer as in charge of stock;
- (6) the Logistics Officer gives out the item by filling in the stock cards;
- (7) the beneficiary and Logistics Officer sign the stock card.

**Note:**

The whole process of requesting items from stock should not exceed two (3) hours.

**9.1.6. Stock inventory**

The Logistics Officer must update RCA stock inventory on a quarterly basis to ensure:

- (1) Avoidance of stock-outs to prevent disruption of operational activities;
- (2) optimal inventories - to minimize funds tied-up;
- (3) sound internal controls to prevent loss through damage, deterioration, unauthorized use, etc.

An inventory card must be maintained for each type of stock. The card contains information such as the supplier, quantity purchased, quantity issued to user departments (quoting the reference number of the related stock requisition), and at hand – stating the dates of occurrence and associated historical cost. In addition, the card must show the quantity levels at which replenishment should be prompted as well as the maximum quantity beyond which further procurement would be unduly tying funds.

A quarterly stock inventory report must be submitted to DAF with a copy to the DG not later than 10<sup>th</sup> of the first month of the following quarter.

**9.1.7. Stock count**

Stocks at hand must be independently counted and valued at least once in each quarter, in regular intervals by a group of persons not involved in the daily management of stock. The results of the

count are reconciled with the corresponding records in the inventory cards. Physical stock balances are reconciled with book balances per stock records and variances investigated and adjusted for.

Any obsolete stock must be identified and authority sought for its disposal. Only the DG in consultation with the RCA Management Team may give such authority.

At the end of each month, the stocks at hand must be summarized in schedule showing the quantity and values for each inventory category.

### **9.1.8. Summary of stock management procedures**

- (1) Logistics Officer maintains stock cards in order to track acquisitions, stock issues and balances,
- (2) Logistics Officer indicates the stock balance on the stock cards.
- (3) Stock requisitions must be referenced to enable the Logistics Officer to quote the reference number of the related stock requisition and associated historical cost.
- (4) Stock cards must be regularly filled in and updated upon acquisitions and issues.
- (5) Physical stock count results must be reconciled to the quantities in the stock records.

## **9.2.Assets management**

### **9.2.1. General principles**

The Logistics Officer must keep a register to record details of immovable and movable assets at their acquisition. The memorandum information kept in the register must include:

- (1) the cost of acquisition;
- (2) quantities and location of the assets;
- (3) details about change of location;
- (4) estimated useful life;
- (5) estimated time for replacement and asset identification details.

RCA ensures that an independent physical inspection of assets is conducted regularly – say in six (6) months intervals. This is done to ascertain the existence and condition of assets and reconciliation carried out between the results of the physical count and book records. This task includes matching the recorded assets with physical existence and conditions. Any abnormality in the physical count report must promptly be reported in writing.

All additions must be promptly added to the register and write-offs as well as disposals updated in accordance with government guidelines. RCA Management must track the location of assets that are not in the right place, relocate them in the right place and restrict unauthorized movement. Authorized movements of assets must be appropriately recorded in the asset register to enhance proper monitoring of RCA assets.

### **9.2.2. Vehicles**

RCA vehicle (s) is/are exclusively used in RCA activities and interest. The Logistics Officer is responsible of its/their management on a daily basis. She/he makes sure that the vehicle (s) is/are always insured, well maintained, and used in compliance with relevant legislation into force.

In order to be able to use RCA vehicle:

- (1) An employee who intends to use the vehicle fills a requisition form and submits it to the supervisor for authorisation who will also submit it to the Logistics Officer;
- (2) Logistics Officer verifies and signs the form.

NB: In the branches of RCA, the vehicle is requested by RCA staff at the branch and approved by Chief Cooperative Inspector.

Before and after the journey, the employee signs in the log book indicating departure time, destination, mission objective and arrival time. The log book is well kept by the driver, who regularly records mileage data for each journey in the log book. While on mission, the employee who requested the vehicle must indicate the route/direction to follow. RCA vehicle is only used during working hours. Any exception must be of a sound reason and always subject to prior authorization by the Institute's administration. While on field, RCA vehicle must be parked at a protected public office in that area and at least one of the public servants around should be informed.

### **9.2.3. Disposal of assets**

For any disposal of RCA assets, the DG must appoint the disposal Committee tasked to determine the quantity and value of items to be disposed. The Valuation Committee must be composed of five (5) members, namely DAF, Logistics Officer, and other three (3) members designated by the DG including the President of the Committee. Logistics Officer is the Secretary of the Valuation

Committee, and the Committee reports to the DG. Then decision taken according rules and regulation related to disposal of public institution Assets.

## 10. Service delivery

The Presidential Order N° 021/01 of 24/02/2021 determining professional ethics for public servants provides the guiding principles of a public servant, which public servants are required to observe in their daily duties. They include among others the Person-centeredness of service. Thus, on 29/03/2021, the Ministry of Public Service and Labor (MIFOTRA) availed a quality service delivery standards implementation guide that serves as a national service excellence framework to provide orientation on the required minimum measurable service quality standards towards customer satisfaction. Therefore, RCA ensures its rendered service meets the standards highlighted below.

**Table 12: Standards of service delivery**

N <sup>o</sup>	Standards	Parameters/Factor of standards	Required actions
1	<b>Time &amp; timeliness</b>	❖ Timing of service	<ul style="list-style-type: none"> <li>❖ Define services that can be provided instantly, in a medium time, and long time and clearly communicate them to the public;</li> <li>❖ Define a clear timeline for the services depending on their nature.</li> </ul>
		❖ Customer waiting time and service completion time.	<ul style="list-style-type: none"> <li>❖ Depending on the nature of the service, set a maximum delivery time period, communicate it to customers and make sure compliance with the set timeframe is respected.</li> </ul>
			<ul style="list-style-type: none"> <li>❖ Give a prompt notification within 24h maximum by e-mail, SMS, and any other formal traceable channel of communication.</li> <li>❖ Define mechanisms for keeping customers updated on the progress of his/her request.</li> </ul>
2	<b>Reliability &amp; consistency</b>	❖ Deliver service as promised.	<ul style="list-style-type: none"> <li>❖ Set a mechanism for the timely orientation of customers.</li> <li>❖ Document an Institutional quality commitment, make it public, and ensure</li> </ul>

			<p>that it is effectively communicated across the institution.</p> <ul style="list-style-type: none"> <li>❖ Develop and comply with the service charter.</li> <li>❖ Deliver a service that meets set requirements.</li> </ul>
		<ul style="list-style-type: none"> <li>❖ Completeness</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establish a mechanism to nurture an institutional service excellence culture.</li> <li>❖ Indivisibility: the customer gets a complete service from one location within the institution;</li> <li>❖ Get service completion acknowledgment/feedback from the customer.</li> </ul>
3	<b>Accessibility &amp; Convenience</b>	<ul style="list-style-type: none"> <li>❖ All categories of customers get access to services in a convenient manner.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establish inclusive facilities.</li> <li>❖ Enhance inclusive communication systems.</li> </ul>
		<ul style="list-style-type: none"> <li>❖ Provide services online.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establish mechanisms and capacities to digitalize services.</li> <li>❖ Fast-track institutional targets towards attaining the NST1 target of having 100% online services.</li> </ul>
4	<b>Responsiveness</b>	<ul style="list-style-type: none"> <li>❖ Pro-activeness and creativity.</li> <li>❖ Willingness to serve customers.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Establish mechanisms to act in a proactive and innovative way.</li> </ul>
			<ul style="list-style-type: none"> <li>❖ Document and make public procedures for the handling of complaints and appeals considering all feedback from customers and being open to constructive criticisms.</li> <li>❖ Conduct root cause analysis and implement corrective actions on problems that may arise in the process of service delivery.</li> <li>❖ Ensure that management among other agenda items on management meetings provides orientation on actions to address customer feedback and complaints.</li> </ul>
			<ul style="list-style-type: none"> <li>❖ Identify the nature of internal and external communications and establish</li> </ul>

			mechanisms on how to communicate with customers and stakeholders.
5	<b>Empathy</b>	❖ Individual attention to customers.	❖ Establish inclusive criteria to assist people with special needs.
		❖ Consideration of people with special needs (inclusiveness).	❖ Establish mechanisms to create a good working environment encouraging staff to have empathy.
6	<b>Assurance</b>	❖ Courtesy to customers.	❖ Undertake measures to empower staff on professional ethics.
		❖ Predictability	❖ Ensure that courtesy is included in the institutional code of conduct.
		❖ Staff professionalism.	❖ Establish a mechanism to forecast service compliance in all possible conditions including handling an exceptional service request.
		❖ Building customer confidence and trust.	❖ Establish and adhere to the institutional code of conduct.
7	<b>Tangibles</b>	❖ Signage and directions.	❖ Ensure required competencies profiling to guarantee service compliance.
		❖ Clean environment ❖ Infrastructure and equipment.	❖ Establish methods to evaluate the effectiveness of the actions taken.
			❖ Determine, provide and maintain all required infrastructure (buildings, utilities, equipment, hardware and software, transportation resources, information and communication technology tools) for the operation of the processes.
			❖ Maintain hygiene at work place.

**Annexes:**

**Approved administrative forms / Templates**

## A. TEMPLATE FOR MISSION REPORTING



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



### TRIP REPORT

<b>Mission dates</b>
<b>Itinerary</b>
<b>Purpose of the Mission</b>
<b>Achievements</b>
<b>Key recommendations or Observations</b>
<b>Other Comments</b>

Done at .....on.....

Name: .....

Position: .....

Signature: .....

## B. TRAVEL CLEARANCE FORM



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



### MISSION ORDER

1. Issued to .....
2. ID: .....
3. Position: .....
4. Purpose of Mission: .....
5. Itinerary: .....
6. Date of Departure: .....
7. Expected date of return: .....
8. Duration of the mission: .....
9. Authority granted the mission: **DG/RCA**
10. Mission fees per day: .....
11. Total amount of fees: .....
12. Source of Fund (RCA/Partner):.....
13. Mode of Transport:
14. Bank Name& Account: .....

Issued at .....on.....

Director of the department signature:

Approval by the institution of the place of mission  
Stamp & signature

Authorized by:

Arrival date: ...../...../.....

Departure date: ...../...../.....

.....  
**Director General/RCA**

## C. TEMPLATE OF A BOARD PAPER



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



### TEMPLATE OF A BOARD PAPER

Date: ...../...../20.....

- I. Title/Subject
- II. Problem statement/Issue
- III. Current status
- IV. Proposed solutions
- V. Analysis (Challenge vs. proposed solutions)
- VI. Implication (Budget, etc.)
- VII. Requests to the Board of Directors

**Names & Signature:** .....

**Director General/RCA**

---

*P.O Box 6249 Kigali- Rwanda*

*Website : [www.rca.gov.rw](http://www.rca.gov.rw)*

*E-mail: [info@rca.gov.rw](mailto:info@rca.gov.rw)*

*Promotion, Registration and Regulation of Cooperatives*

**D. ANNUAL LEAVE FORM**



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



**LEAVE APPLICATION FORM**

Employee Name .....

Position .....

Departement:.....

**Type of Leave**

Annual Leave                       Incidental Leave                       Sick Leave

**Reason for Leave**

.....

N<sup>o</sup> of days Leave requested: Year .....-.....(.....days)

Date and Time Leaving Work: Date..... / ...../ ..... **and** Time..... am/pm

Date and Time Recommencing Work: Date..... / ...../ ..... **and** Time..... am/pm

**Employee Signature:** .....

**Administrator to Complete**

N<sup>o</sup> of days Leave requested: .....

Total Number of Days eligible: .....

Reason NOT recommended .....

Director of Department Signature .....

Human Resource Officer Signature .....

Director of Finance and Administration Signature .....

Approved by the Director General .....

Date: ...../...../20.....

**- A copy of this form should be returned to the Human Resources Officer for administration purpose.**

**E. WORK ABSENCE FORM**



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



**WORK ABSENCE FORM**

Employee Name.....

Position.....

Department.....

**Reason for Absence**.....

.....  
.....

No of days requested.....days/day, from..... To.....

N° of hours Requested.....hrs/hrs, from.....am/pm to.....am/pm.

**Employee Signature**.....Date...../...../20.....

*Administration to complete*

Director of Department Signature.....

Human Resource Officer Signature.....

Director of Finance & Administration Signature.....

**N.B: A copy of this form should be returned to the Human Resources Officer for administration purpose.**

*P.O Box 6249 Kigali- Rwanda*

*Website : www.rca.gov.rw*

*E-mail: info@rca.gov.rw*

*Promotion, Registration and Regulation of Cooperatives*

## F. TEMPLATE FOR STAFF PROVISIONAL SUSPENSION



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



Muhanga, on ...../...../20.....

Ref :...../DG/20...../RCA

Mr./Ms/Mrs.....

E-mail:.....

Tel:.....

RCA

Dear Mr/Ms/Mrs.....

**Re:** Provisional Suspension

Reference is made to the Law N° 017/2020 of 07/10/2020 establishing the general statute governing public servants, in its article 40 providing the reasons for suspension from the duties, especially its paragraph..... which stipulates.....

I would like to inform you that you are provisionally suspended from the duties for....(specify the period) with effect from ..... Therefore, you are entitled to.....

Yours sincerely,

Director General

Cc:

- Hon. Minister of Trade and Industry/MINICOM  
Hon. Minister of Public Service and Labor/MIFOTRA)
- Executive Secretary/NPSC
- Chairperson of Board of Directors/RCA

## G. TRANSMISSION FORM

RCA

P.O. Box 6249 KIGALI

Website: [www.rca.gov.rw](http://www.rca.gov.rw)

E-mail: [info@rca.gov.rw](mailto:info@rca.gov.rw)

### TRANSMISSION NOTE / FICHE DE

### TRANSMISSION

To:		For approval <input type="checkbox"/>
From:		For Signature <input type="checkbox"/>
Through:		As requested <input type="checkbox"/>
Date:		For comment <input type="checkbox"/>
Subject:		For action <input type="checkbox"/>
		For Information <input type="checkbox"/>
		For further discussion <input type="checkbox"/>
		For Filing <input type="checkbox"/>
		Feed back <input type="checkbox"/>

### COMMENTS

## H. FORMAT OF THE ANNUAL REPORT ON ASSETS



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY



IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE

### *Format of the annual report on assets*

*Note on moveable and immoveable assets (public property) for inclusion in the annual financial reports submitted to MINECOFIN (The format may be revised by the Accountant General as he or she may deem fit )*

Name of entity \_\_\_\_\_ Date \_\_\_\_\_

*The following are the net book values of noncurrent assets as at mm dd yy:*

Asset class	Cost (FRW)	Depreciation (FRW)	Net book value mm dd yy (N) (FRW)	Net book value mm dd yy (N-1) (FRW)
Land				
Transport equipment				
Office equipment, furniture and fittings				
ICT Equipment, Software and Other ICT Assets				
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
<b>Total</b>				

PREPARED BY:  
APPROVED BY:

VERIFIED BY:

# I. FORM FOR USE FOR PHYSICAL VERIFICATION OF ASSETS



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY



IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE

*Form for use for physical verification of assets*

Name of entity: \_\_\_\_\_

Address: \_\_\_\_\_

Date of verification exercise: ..../..../.....

## FORM FOR PHYSICAL VERIFICATION OF ASSETS

ASSET DESCRIPTION	ASSET CODE	ASSET LOCATION	DEPARTMENT /UNIT	CONDITION OF ASSET	COMMENTS/ DISCREPANCIES

PREPARED BY :

VERIFIED BY:

APPROVED BY:

## J. FORMAT FOR THE ASSETS RECONCILIATION REPORT



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



### *Format for the assets reconciliation report*

Descripti on of Asset	Tag No	Physic al Locati on of Asset	User of the Ass et	Condi on of the Asset	Tag number as physical ly verified	Location of the asset as per physical verificati on	Conditio n of the asset as per physical verificati on	Comments on discrepanc ies

Prepared by:

Verified by:

Approved by:

## K. ASSET HANDOVER FORM



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



### *Asset Handover Form*

#### NON CURRENT ASSETS HANDOVER FORM

Name of staff: \_\_\_\_\_

Designation of staff: \_\_\_\_\_

Unit: \_\_\_\_\_

Ref	Asset Description	Asset code	Unit	Location	Comments on the condition of the asset
1					
2					
3					
4					

PREPARED BY :

VERIFIED BY:

APPROVED BY:

**L. FORM FOR ISSUE OF ICT ASSETS AND OTHER SHARED ASSETS/EQUIPMENT**



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY



IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE

*Form for issue of ICT assets and other shared assets/equipment*

TYPE/NAME	CODE	SERIAL NO	FROM	TO	REASON	RETURN DATE

PREPARED BY:

VERIFIED BY:

APPROVRD BY:

**M. TEMPLATE FOR EMPLOYMENT CONTRACT**



REPUBLIC OF RWANDA  
RWANDA COOPERATIVE AGENCY

IKIGO CY'IGIHUGU GISHINZWE GUTEZA IMBERE AMAKOPERATIVE



**Employment Contract**

**Between**

**RCA (RCA)**

**And**

.....

POSITION.....

This CONTRACT hereinafter called the “Contract”, is made by and between the undersigned, RCA (RCA), located at ..... Sector, .....District, represented by ....., the Director General, hereinafter named “Employer”

And ....., Domiciled at ..... Sector, .....District, I.D ..... delivered at ..... District, ..... Sector, hereinafter named “Employee”

It is understood and signed:

**Article one: Objective of the contract**

The objective of this contract is to agree on terms and conditions by which the employer appoints the employee to the position of ..... to help the implementation of RCA’s mandate.

**Article 2: Duty place**

The employee will be based at ..... If needed, the employer reserves a unilateral right to transfer the employee to any other place (Headquarters or Branch).

In case of transfer, the employer shall notify the employee in writing.

If within three (3) working days, the employee does not report to his/her new duty place, the employer reserves the right to terminate the contract.

**Article 3: Specific tasks of the employee**

Under the supervision of ....., the Employee will perform responsibilities attached to this contract and form an integral part of it.

**Article 4: Employee commitments**

The Employee commits him/herself without constraints to:

- ❖ Lend his/her services with professionalism, loyalty, dedication, discipline, and integrity;
- ❖ Accomplish with conscience the duties entrusted to him/her and demonstrate good conduct/behavior;
- ❖ Respect laws, rules, and regulations related to the Public Service, as well as procedure manuals of RCA.

**Article 5: Employer’s commitments**

The employer commitments are as follows:

- ❖ Pay regularly the salary described in this contract;
- ❖ Respect laws and regulations applicable to this contract;
- ❖ Provide all information and instructions necessary for a better achievement of employee functions.

**Article 6: Contract duration**

This contract is concluded for a period of ... (months, or year) starting from ...../...../..... up to ...../...../.....

The contract duration is renewable depending on the following conditions:

- ❖ Satisfactory performance;
- ❖ Availability of job position

**Article 7: Remuneration**

The employer shall remunerate for the service rendered as follow:

- ❖ Gross salary.....
- ❖ Net Salary: .....
- ❖ Communication: .....

The employee will be entitled to the mission allowances in accordance with Presidential Order regulating official missions inside the country and its implementing legal instruments.

**Article 8: Evaluation of performance**

After signing the contract, the employee shall submit to his/her supervisor a signed “Work Performance Evaluation” indicating the targeted results (the quantity, quality, and time for results to be achieved);

At the end of the year and or the contract period, the expected result shall be evaluated by indicating the achievement of expected results (quantity, quality, and time for results achieved).

**Article 9: Governing law**

This contract is concluded and shall be interpreted in accordance with provisions of law governing labor in Rwanda and its implementing orders. Further, the parties agree that:

- ❖ If the provision of this contract is inconsistent with laws in force, the law will be applied automatically and any inconsistent provision shall be amended;
- ❖ Invalidity of one or more provisions of this contract shall not invalidate any other provision of the contract as a whole;
- ❖ For non-stipulated provisions in this contract, provisions of the law governing labor in Rwanda shall be applied.

**Article 10: Disciplinary Regime**

Unless otherwise provided in the rules of procedure, the modalities of imposing disciplinary sanctions shall be done in accordance with laws governing public servants.

However, sanctions to be imposed shall be those provided in article 42 of the Law N° 66/2018 of 30/08/2018 regulating labor in Rwanda.

**Article 11: Liability**

The employee is fully responsible for all materials and/or equipment under his/her possession in order to perform the assigned duty. He or She shall be liable to fully indemnify, defend and hold harmless the employer for and against all and any losses or damages that the employer may suffer or incur (whether directly or indirectly) as a result of his/her fault or as a result of damages caused by his/her act.

**Article 12: Confidentiality**

During the implementation of the contract, the employee shall not disclose any information relating to his/her duties without the written permission of the employer.

**Article 13: Contract termination**

This contract can be terminated by:

- ❖ Mutual agreement between the parties;
- ❖ Either party is subject to comply with provisions of law governing labor in Rwanda.

**Article 14: Dispute resolution**

Any matter of controversy relating to the performance of this contract shall be solved amicably. Failing that, the issue shall be decided in accordance with labor dispute settlement or in accordance with other applicable laws.

**Article 15: Commencement**

This contract comes into force from the date of its signature by the parties. However, it takes effect as of.....

Done at Muhanga, on ...../...../.....

**For the Employer:**

.....

Director General

**For the employee:**

.....

## N. INSPECTION REPORT FORMAT AND CHECKLIST

COOPERATIVE' S NAME.....

ACTIVITY SPECIALISATION.....

SECTOR.....

DISTRICT.....

MEMBERS.....Male.....Female.....

TOTAL CAPITAL SHARE.....

CONTACTS.....

NO	ITEM	ACTIVITIES (Samples)	Findings	Recommen dations	Time frame	Responsi ble
1	Cash verification	Checking whether cash balances correspond with balances in the books of accounts				
2	Governance	Verifying whether cooperatives organs respect their mandate, laws, rules regulations, Policies and Cooperative by-laws				
		Checking minutes of the administrative and governance books, verifying the relevance and substance of the resolutions cooperative different meetings.				
3	Human resource managemen t(staffing)	Checking whether employees have open contracts, performance contracts and evaluation				
		Checking recruitment and remuneration process, (pay roll calculation method)				
		checking the respect of responsibilities of each staff				

4	Book keeping	Checking whether all books of accounts are well filled, signed controlled and filed.				
		transactions are well recorded, controlled and signed on daily basis				
		Checking whether supporting documents are available, well filed, chronologically numbered and kept in a safe place.				
5	Bank Reconciliation	Verifying whether balances in the books of accounts are reconciled with bank statements balances and financial reports				
	Financial reports	Verification whether financial reports are correctly prepared, presented and filed.				
6	Loans and debts management	Checking all staff, board of directors and local leaders loans or debts				
		Checking loan classification and NPL analysis				
		Checking whether loan appraisal and disbursements are complying with credit policy/internal rules and regulations, written off loans.				
7	Business security	Office, security and funds,				
		funds transportation,				
		safety of ledge cards				
		cash management				
		authorization of expenditures				
8	others	Embezzlement cases, suspense a/c, (liability or asset) receivables, payables.....				

Comment of cooperatives representatives:

NAME OF RCA INSPECTOR:

COOPERATIVES

REPRESENTATIVES: .....

POST:

BRANCH:

Stamp of cooperative .....

Attendance list of participants in the inspection

The inspection report format and checklist shall be produced in two copies, one should be the administrative document for the cooperative organization, the and other should be submitted to the RCA.

### O. RCA AUDIT REPORTING FORMAT

NO :	ITEM	ACTIVITIES (Samples depending on coverage period and findings)
1	cover page	10.1. RCA Logo 10.2. Tittle 10.3. Audit coverage and time frame 10.4. Names of audit team and supervisors 10.5. Venue and Date of publication
2	table of contents	2.1.Should cover all contents
3	executive audit summary (general overview)	3.1.Brief introduction and audit objective 3.2.Summary on all audit aspects and findings
4.	general introduction	4.1.Opening introduction 4.2.Background of cooperative 4.3.Reason of audit 4.4.Areas covered by audit 4.5.Audit techniques and tools
5.	strategic and governance aspect	5. Analysis of management tools 5.1.Business plan and strategic plan 5.2.Action plan and Budgeting 5.3.Procedure manual 5.4.Status 5.5.Policies 5.6.Others

6.	body of proper audit	6.1.Governance 6.1.1. Organs 6.1.2. General Assembly 6.1.3. Board of Directors 6.1.4. Supervisory committee 6.1.5. Credit committee 6.1.6. Other committees 6.2.Human resources management
		6.1.Financial analysis 6.1.1. Income generating activities 6.1.2. Analysis of income activities from shares 6.1.3. Analysis of income activities from contributions 6.1.4. others 6.2.Analysis of utilization cash and tangible assets 6.2.1. Financial institutions working with cooperative organization and account mandatories 6.2.2. Transfers between banks and cash 6.2.3. Cash out flow (expenditures)
7.	Analysis of cash flow and Financial information	1.1.Balance sheet with adjustments 1.2. Key ratios with adjustments 1.3. Income statement with adjustments 1.4. Key ratios with adjustments
8.	Analysis of loan management	
9.	Malpractices and faults	9.1.Frauds 9.2.Embezzlement
10.	Challenges	10.1. Challenges in audit
11.	conclusion, recommendations, time frame deadline and responsible organ	11.1. Audit recommendations 11.2. Conclusion 11.3. Annexes