

**INTERNAL AUDIT FUNCTION AND RWANDA PUBLIC FINANCIAL  
MANAGEMENT  
A CASE STUDY OF OFFICE OF THE GOVERNMENT CHIEF INTERNAL AUDITOR**

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**ABSTRACT**

The aim of this study was to assess the contribution of internal audit function to Rwanda Public Financial Management a case study of Office of the Government Chief Internal Auditor (OGCIA). Objectives of the research were: to analyse the way the OG CIA has organized the internal audit function within government entities; to evaluate the capacity building program initiated by the OG CIA and to examine whether internal audit function has carried out required duties. For the Government of Rwanda (GoR) this research aimed to recommend to the OG CIA on how they can improve and strengthen the effectiveness of internal audit function. To MKU the copies of this research report will be submitted to the library of MKU so that students who will be interested to conduct further research. The researcher used the Slovin's formula for sampling technique and questionnaires to collect data together with the Statistical Package for Social Sciences (SPSS) to analyze the data and produce results. The research revealed that the government internal audit function was too much understaffed because internal audit units were composed of one single staff and could not deliver the expected fruits. The fact that a big part of internal audit units do not report to audit committee may impair their independence. All GIAs lack updated skills in the areas of accounting and auditing as no one has completed the professional courses related to auditing that should enhance their technical skills in the field. Internal audit capacity has improved. However, OG CIA needs to develop and deliver enough training courses and tools aimed to improve the auditing skills and knowledge of the GoR internal audit staff. A few of GIAs has carried out all required internal audit assignments to improve PFM in budget agencies which led the reliability of financial reports of government entities and existence of intentional errors in their financial reports to be scored at level 2 which means that some improvement is needed. The government of Rwanda should facilitate entities implementing the internal audit structure where there is HIA and auditors so as to meet the required standards. In addition, audit committees should be established to assist the entities in fulfilling their responsibilities. OG CIA should develop and deliver enough training courses and tools aimed to improve the auditing skills and knowledge of the GoR internal audit staff. Government internal auditors are encouraged to update skills in the areas of accounting and auditing. They should undertake professional courses related to auditing such as ACCA and CIA in order to enhance their technical skills in the field. OG CIA and GIAs should carry out a maximum of internal audit assignments (risk based audit plan, financial audit, and performance audit, compliance audit) to improve PFM in budget agencies so as to increase the reliability of financial reports of government entities and reduce the existence of intentional errors in the financial reports.