

SPEECH BY HONOURABLE MIZENGO P. PINDA (MP), PRIME MINISTER OF THE UNITED REPUBLIC OF TANZANIA AT THE OFFICIAL OPENING OF THE ANNUAL AUDITORS CONFERENCE OF THE NATIONAL AUDIT OFFICE, WHITESANDS HOTEL, DAR ES SALAAM - TANZANIA, 20TH JUNE 2001

Mr. Ludovick S.L. Utouh, Controller and Auditor General of the United Republic of Tanzania;

Mr. Terence Nombembe, President of INTOSAI and Auditor General of South Africa;

Auditors General from Namibia, Lesotho, Malawi, Uganda, Zambia, Ghana, India, Botswana and Mozambique;

Madame Fatma Mohamed, Controller and Auditor General of Zanzibar,

Members of the Diplomatic Corps present;

Distinguished Delegates;

Ladies and Gentlemen.

I am greatly honoured to have this opportunity to address this Year's Annual Auditors' Conference of the **National Audit Office of Tanzania of Tanzania**. May I take this opportunity to congratulate the Controller and Auditor General of the United Republic of Tanzania and the National Audit Office of Tanzania for organizing and hosting this Conference.

I therefore, on behalf of the Government and the People of the United Republic of Tanzania and on my own behalf wish to welcome you all to Dar es Salaam. For those who have come from abroad and neighbouring Countries, I welcome you to Tanzania and Dar es Salaam in particular. Dar es Salaam, simply means Haven of Peace! **Karibuni Sana!**

I understand that, previously you invited H.E. President Dr. Jakaya Mrisho Kikwete as Guest of Honour to officiate the opening Ceremony of this Conference, but due to other equally important engagements he is unable to do so. However, I am here to represent him. President Kikwete wishes this Conference fruitful discussions.

Ladies and Gentlemen,

I am informed that the Conference has attracted participants from South Africa, Ghana, Namibia, Sweden, Canada, Lesotho, United Kingdom, Zambia, India, Commonwealth Secretariat, African organisation of English Speaking (AFROSAI-E), World Bank and the host Tanzania. Coming all the way from your respective Countries and Organisation to Tanzania shows your commitment to the issues to be discussed.

Ladies and Gentlemen,

The theme of this Year; *“The Value and Benefit of Supreme Audit Institutions in enhancing Accountability and Economic Growth,”* is timely and topical as most Countries are passing through financial difficulties on Accountability and Economic Growth. I believe, during this Conference, you will be able to discuss critically the roles which have to be played by the modern Supreme Audit Institutions (SAI) which operate in a changing and dynamic environment. Modern Supreme Audit Institutions should be able to enhance transparency, accountability, and economic growth in our respective Countries. As we all know, this requires the attention, commitment and determination from everyone of us.

Ladies and Gentlemen,

Going through the list of participants which I have just mentioned, I am quite convinced that the Agenda for this Conference will be adequately and professionally deliberated upon, to the satisfaction and ultimate realization of the Conference objectives. This is an important Conference for our Auditors to have the opportunity to share experiences with their colleagues from other Countries and Organisations. I am therefore, looking forward to hear what you will deliberate as Conference Resolutions and Recommendations and on how the Supreme Audit Institutions can play their role and

ensure their relevance, values and benefits to the society which they serve.

Ladies and Gentlemen,

The overall objective of the Independent Audit is to make difference in the lives of Citizens by ensuring efficiency and effectiveness in the utilization of Public resources. An independent and effective Supreme Audit Institution is therefore, a necessary precondition for a Democratic State. This does imply that, Auditors in the Public Sector go far beyond the traditional role of an Auditor in the Private Sector. This is because, Public Sector Auditors addresses matters of public interest - the interest of Citizens. Executives and Political leaders have the responsibility to ensure the decisions taken by both Government and the people and subject to oversight so as to guarantee better services to the communities. Our Governments therefore need an institution in the form of Supreme Audit Institution which can service as a watchdog that checks and balances the Public Institutions and therefore, promote transparency and accountability.

Ladies and Gentlemen,

To be able to fulfill their functions and ensure their potential value in Democratic Societies, the Supreme Audit Institutions must be trustworthy to the society which is being served. The Supreme audit Institutions can only deserve trust if they are objectively judged as being credible, independent and accountable. It is only with such foundation of their own function that, Supreme audit Institutions can add value and make a difference in the lives of the Citizens they serve.

Ladies and Gentlemen

In compliance with the Principles of Democracy; the Budget is executed in accordance with Principles of responsibilities, transparency and accountability. After a given period, the Executive must account on how they have utilize the resources allocated to it by the parliament. In order to accomplish the accountability loop, the Supreme Audit Institution has to come in, by undertaking an independent audit and reporting on its findings to the respective authorities.

Ladies and Gentlemen,

Indeed, it is our responsibility to ensure that public resources are properly, efficiently and effectively utilized. By so doing, we can defeat poverty and underdevelopment in our Countries. It is also the responsibility of the Supreme Audit Institutions to ensure that the executives use public resources in a proper way and in the process, assist to promote transparency and accountability and hence contribute in Good Governance.

I have been informed that most of your Institutions undergo self assessment which is a crucial element if the Supreme Audit Institutions should continue to be seen relevant and adding value. I believe that, this initiative of assessing yourselves in terms of value and benefits to the Society will greatly enhance transparency and accountability to those being audited and hence substantially contribute in the economic growth of our Countries.

Ladies and Gentlemen,

Supreme Audit Institutions need to work very closely with Parliamentary oversight Committees and other law enforcing organs in order to have a positive impact on the Country's economic growth. Financial oversight is of paramount importance in accomplishing the accountability loop. In this regard, the role the Supreme Audit Institutions is critical so as to avoid misappropriation of funds, negligence and fraud. This is particularly important, given the reality that we have very limited resources, relative to the pressing developmental challenges our Countries are facing.

Ladies and Gentlemen,

I understand there are some circumstances whereby Governments enter contracts with the Private Sector to provide either Public Services or to build infrastructures. Also, Governments form Partnerships with the Private Sector so as to utilize their capabilities and innovations to help Governments to provide better services to the public. In situations where Private Firms are contracted to provide services on behalf of Government entities, it becomes critical for Government Officials to have a close supervision and monitoring system to ensure that performance is up

to the standard. Equally, it is important that Oversight Agencies including the Supreme Audit Institution are engaged throughout the contract period.

Ladies and Gentlemen,

It is worth noting that, the main objective of conducting an audit is to enable the auditor to express an independent opinion on the Financial Statements of an Auditee. We have experienced many instances where the Financial Statements properly prepared, however, when scrutinized closely one finds that a number of activities undertaken do not reflect the value for money attained. We understand also that Auditors are not Police Officers, Criminal Investigators and the like. However, if Auditors are not vigilant and are unable to help Governments to stamp out Fraud and Corruption on the use of Public Resources, wherever it occurs, it will take us a long period of time before our Countries are able to attain the desired level of development. Let me appeal to the Audit Institutions therefore, to help our Governments to have Financial discipline which in turn will enhance economic growth.

Ladies and Gentlemen,

I am happy to learn that some of the Supreme Audit Institutions including the National Audit Office of Tanzania apart from carrying out Regularity and Compliance Audits, are now engaging themselves in practicing Performance Auditing, Value for Money Auditing, Environmental Audit and Forensic Activities Auditing. The detection of irregularities, wrongdoings and fraud by Government Agencies is quite important in our Countries at the moment. We may want to consider whether it is not better that all Auditors in the Public Sector should be further trained in Forensic Auditing so as to ensure that we have the enhanced capacity to uncover irregularities faster and more effectively.

Ladies and Gentlemen,

Let me take this opportunity to request the National Audit Office of Tanzania and all Supreme Audit Institutions in other Countries to take urgent action to align their work to address the needs of their key Stakeholders. These include the Government, parliament and

Citizens. You should also ensure that the impact of your work is seen, realized and appreciated by the Societies you serve.

That can only be realized by making sure that, you adopt the best practices of auditing, embark on carrying out new types of the audits. Also it is important to improve the way the Audit Reports are communicated to Parliaments and to respective Governments. In this way, Supreme Audit Institutions will remain relevant before the eyes of the Citizens and other Stakeholders because of adding value to the Citizens' wellbeing.

I would therefore, request you and your Institutions to adhere to the motto of the International organization of the Supreme Audit Institutions which states that "**Mutual experiences benefit all**". In the process you will be able to come up with Best Practices and New Methods of dealing with challenges facing your Institutions. Finally, Supreme Audit Institutions should emphasize Good Governance, better accountability and efficient and effective utilization of public resources for the benefit of our people.

Ladies and Gentlemen,

Lastly on behalf of the Government of Tanzania, once again I take this opportunity to thank you and the Organizers for arranging this very interesting Conference. I wish you all the best for a successful Conference and deliberations. I now have the honour to declare this Annual Auditors Conference and deliberations. I now have the honour to declare this **Annual Auditors Conference officially open.**

I thank you very much for your attention.