



**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



ISO 9001:2015 Certified

ANNUAL GENERAL REPORT ON CENTRAL GOVERNMENT AUDIT FOR THE FINANCIAL YEAR 2022/23



**CONTROLLER AND AUDITOR GENERAL
MARCH 2024**



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



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Ref. No.CGA.319/421/01B

28 March 2024

H.E. Dr. Samia Suluhu Hassan,
The President of the United Republic of Tanzania,
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40400 DODOMA.

**RE: ANNUAL GENERAL REPORT OF THE CONTROLLER AND AUDITOR
GENERAL ON THE AUDIT OF CENTRAL GOVERNMENT FOR THE
FINANCIAL YEAR 2022/23**

I am pleased to submit my Annual General Report on the audit of Central Government for the financial year 2022/23 in accordance with Article 143(4) of the Constitution of the United Republic of Tanzania of 1977, and Sect. 34 of the Public Audit Act, Cap. 418.

This report presents audit findings and the recommended measures of redress which aim at fostering accountability in collection and use of the public resources.

I humbly submit,

Charles E. Kichere
Controller and Auditor General
United Republic of Tanzania

ABOUT THE NATIONAL AUDIT OFFICE

Mandate

The statutory mandate and responsibilities of the Controller and Auditor General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 read together with Section 10 (1) of the Public Audit Act, Cap 418.



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ABBREVIATIONS AND ACRONYMS

| | |
|---------|---|
| BRELA | Business Registrations and Licensing Agency |
| CAP | Chapter |
| CAT | Court of Appeal |
| CBWSOs | Community-Based Water Supply Organisations |
| CDTIs | Community Development Institutes |
| CHF | Community Health Fund |
| CMA | Commission for Mediation and Arbitration |
| DSA | Debt Sustainability Analysis |
| DVTC | District Vocational and Training Centres |
| EFD | Electronic Fiscal Device |
| EMDF | Empowering Mining Development Fund |
| ESIA | Environmental and Social Impact Assessment |
| GCC | General Condition of Contract |
| GCLA | Government Chemistry Laboratory Authority |
| GDP | Gross Domestic Product |
| GePG | Government Electronic Payment Gateway System |
| GLGGA | Government Loans, Guarantees and Grants Act |
| GLGGR | Government Loans, Guarantees and Grants Regulations |
| GN | Government Notice |
| GPSA | Government Procurement Services Agency |
| HF | High Frequency |
| JNIA | Julius Nyerere International Airport |
| LITA | Livestock Training Agency |
| MoF | Ministry of Finance |
| MPDSR | Maternal and Perinatal Death Surveillance and Response |
| MSD | Medical Stores Department |
| NEMC | National Environment Management Council |
| NHIF | National Health Insurance Fund |
| NIDA | National Identification Authority |
| NSSF | National Security Social Fund |
| PAYE | Pay As You Earn |
| PHAB | Private Hospitals Advisory board |
| PHLB | Private Health Laboratories Board |
| PO-RALG | President's Office, Regional Administration and Local Government Tanzania |
| PPRA | Public Procurement Regulatory Authority |
| PSSSF | Public Service Social Security Fund |
| RRH | Regional Referral Hospital |

| | |
|--------|--|
| RUWASA | Rural Water Supply and Sanitation Agency |
| RVTSC | Region Vocational and Training Service Centres |
| TATC | Tanzania Automotive Technology Centre |
| TB | Tuberculosis |
| TGFA | Tanzania Government Flight Agency |
| TIA | Tanzania Institute of Accounts |
| TIN | Tax Identification Number |
| TPDF | Tanzania Peoples Defense Force |
| TRAT | Tax Revenue Appeals Tribunal |
| WCF | Workers Compensation Fund |
| WDF | Women Development Fund |
| WSSA | Water Supply and Sanitation Authority |



STATEMENT OF THE CONTROLLER AND AUDITOR GENERAL

I am delighted to present the audit report for the financial year ended on 30 June 2023, which encompasses Ministries, Departments and Agencies. I would like to acknowledge the Government's initiatives, led by H.E. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, in promoting accountability and transparency in public resource management. I also appreciate the cooperation of Ministries, Departments and Agencies (MDAs) management in providing information and clarifications necessary for the preparation of the audit report.

The audit findings encompass a diverse array of financial management practices among the MDAs. While some entities have demonstrated commendable financial management, others have encountered challenges in maintaining financial stability and performance. It is crucial for the Government to intervene and ensure these entities operate efficiently and effectively, contribute to the economy, and deliver high quality services to the citizens.

The report is organized into eleven chapters, each addresses a different area covered in audit, including audit opinions, follow-up of implementation of prior year recommendations, budget management, tax and non-tax revenue, management of public debt, expenditure management, procurement management, management of assets and liabilities, human resources, payroll management and terminal benefits, operational efficiency and governance, internal control, and risk assessment. The report also identifies areas where these entities need to improve their operations and deliver their mandate more efficiently.

In the report, I have provided recommendations on how to improve the operations of the reported entities, increase transparency and accountability, and foster good governance. I trust that these recommendations will be beneficial for the Government and other stakeholders in guaranteeing the provision of high-quality services.

Lastly, I would like to express my sincere gratitude to the National Audit staff for their relentless efforts in conducting out the audits. Their commitment and hard work were key in the preparation of this report, and I am truly grateful for their contributions.

A handwritten signature in green ink, appearing to read 'Charles E. Kichere', is written over a large, sweeping green stroke that underlines the signature.

Charles E. Kichere
Controller and Auditor General
United Republic of Tanzania.

EXECUTIVE SUMMARY

This report analyses the findings, recommendations and conclusions obtained from conducting an audit of the financial statements and compliance of various Government Departments, Agencies, and Other Institutions for the financial year that ended on 30 June 2023. The audit covered 475 Ministries' Votes, and Government Departments and Executive Agencies. This includes 64 Votes, 43 Embassies, 30 Government Departments, Executive Agencies, 19 Special Funds, 19 Political Parties, 34 Referral and Specialised Hospitals, 266 Other Institutions.

(i) Budget

During the financial year 2022/23, the Government collected TZS 41.880 trillion, which was above the approved budget of TZS 41.480 trillion, indicating an over-collection of TZS 400 billion. I also noted that the actual revenue collected during the year under review increased by TZS 3.582 trillion nine percent compared to TZS 38.298 trillion collected in the previous financial year 2021/22.

Domestic revenue from Tax, Non-Tax, and LGA collections has financed the Budget by TZS 26.515 trillion (63%), while TZS 15.365 trillion (37%) emanated from Grants and Borrowings (TZS 759 billion from Grants and TZS 14.606 trillion from borrowing).

(ii) Audit Opinions

For the financial year 2022/23 audit, I issued 475 audit opinions to entities that submitted their financial statements for the audit. 471 audit opinions were unqualified, one qualified, one adverse, and two were issued with a disclaimer of opinions. I also performed audit of the Consolidated Financial Statements which was issued with qualified opinion.

(iii) The Implementation of Prior Years' Audit Recommendations and PAC Directives

As of 30 June 2023, there were 7,342 previously issued audit recommendations. My assessment revealed that 2,946 (40.1%) were implemented, 2,725 (37.1%) are under implementation, 617 (8.4%) were not implemented, 366 (5%) were overtaken by events, and 688 (9.4%) recommendations were reiterated due to continued relevance.

Similarly, my assessment of the implementation of the PAC directives revealed that; Out of 96 PAC directives from my previous years' reports, 38 (39.6%) were

fully implemented, 43 (44.8%) are under implementation, 5 (5.2%) were not implemented, while 1 (1%) was reiterated and 9 (9.4%) were overtaken by events.

(iv) Tax, Non-Tax, Public Debts and Consolidated Fund

(a) Tax Revenue Management

My assessment of operations and tax revenue collection efficiency for the financial year 2022/23, noted that 967 tax cases were at appellant machineries valued at TZS 10.48 trillion, indicating a significant increase of TZS 5.65 trillion (117%) compared to the previous year of TZS 4.83 trillion. Delays in appointments of key members for the hearing of appeals cases and inadequate financial resources were identified as primary causes hindering the proper functioning of appellant machinery.

Further, my scrutiny revealed an overstayed balance of 1,105,466.01 litres of transit fuel, with estimated taxes of TZS 929.6 million that were not exported within the statutory period of 30 days and no localisation was made, which poses the risk of illegal localisation without tax payment.

(b) Non-Tax Revenue Management

My audit noted that two government entities, SUMA JKT GUARD LTD (SGL) and Fire Rescue Force (Vote 14), failed to collect TZS 1.86 billion due to underperformance of services, four Port Health Units failed to collect inspection charges of TZS 879.11 million after the inspection, and the Private Hospital Advisory Board (PHAB) did not collect TZS 768 million from 2,640 re-registered hospital facilities.

I noted that the Women Development Fund issued loans of TZS 1.13 billion to women groups and individuals without insurance coverage. I also noted that loans amounting to TZS 664.50 million, have become overdue for seven to 20 years. On the other instance, the Ministry of Lands, Housing and Human Settlements Development failed to collect TZS 32.43 billion disbursed to Councils for Planning, Surveying, and Titling of Land program after the lapse of the intended collection deadline on 30 June 2022. On Referral Hospitals, I noted four referral hospitals did not collect a sum of TZS 452 million as medical refunds from the health insurance companies and compensation funds due to inadequate follow up while collections of TZS 111.76 millions from medical bills was ineligibly exempted to patients who were supposed to cover for their medical bills.

I also noted that TZS 61.09 billion had remained uncollected by 29 entities despite offering services, TZS 4.058 billion remained idle and unutilized by five Government entities, and three entities collected TZS 7.73 billion out of the GePG.

In the other circumstance, I noted that the Tanzania Airport Authority had a concessional agreement to lease 11,000 square meters of space at Julius Nyerere International Airport in Dar es Salaam for commercial purposes with terms and conditions that have not favoured revenue collection by the government as the annual lease charge, set at USD 4.36 per square meter from 1995 to 2018, were then reduced to USD 4.09 per square meter.

(c) Public Debts Management

As of 30 June 2023, the Public Debt stood at TZS 82.25 trillion, consisting of Domestic and External Debt Stocks of TZS 28.92 trillion and TZS 53.32 trillion respectively, representing an increase from the reported TZS 71.31 trillion in 2021/22, this increase is attributed to net disbursements (new loans net of principal repayments).

The public debt is deemed sustainable, as the ratio of the present value of both external and domestic debt to GDP stays below the established threshold. However, the risk of external debt distress remains moderate, similar to the previous year, and is attributed to inadequate export levels.

(v) Expenditure Management

I found that seven entities violated financial regulations by having unused funds amounting to TZS 2.45 billion in their imprests' expenditure accounts. Also, 13 entities made payments of TZS 2.87 billion without demanding EFD receipts from suppliers and service providers.

I also noted that rehabilitation of chancery in Tanzania High Commission in Kampala Uganda has not commenced despite having funds amounting to TZS 1.78 billion since 4 July 2018. I also noted the high rental expenses for 39 Tanzania Missions abroad of TZS 18.46 billion during the financial year 2022/23.

(vi) Procurement Management

I found that 25 MDAs did not implement their planned procurements of TZS 565.49 billion, four Water Authorities implemented procurements of TZS 537.93 million without having Annual Procurement Plans, and six MDAs made procurements of TZS 1.82 billion out of their Annual Procurement Plans. I noted projects valued at TZS 635.12 billion commenced without the Environmental

and Social Impact Assessment Certificates while 15 MDAs made procurements of TZS 7.12 billion without their Tender Boards approvals.

I also noted ineffective tender invitation, evaluation, and award processes as 16 MDAs procured goods and services amounting to TZS 149.56 billion without using e-procurement. Six MDAs made uncompetitive procurements amounting to TZS 77.67 billion. Procurements of goods worth TZS 2.16 billion were made without contracts and contracts amounting to TZS 4.78 billion were not vetted by the Attorney General or PSE's Legal Officers.

Additionally, I identified some shortcomings in fulfilling contractual obligations. 11 MDAs have settled claims of TZS 38.73 billion late and remained with outstanding claims amounting to TZS 19.37 billion beyond the agreed timeframes. There is accrued interest of TZS 17.48 billion from unpaid arbitration settlements since 2014 by the Ministry of Works, along with interest of TZS 34.82 billion charged to TANROADS on delayed contractors' payments. Also, 46 construction contracts lacked valid performance securities worth TZS 383.76 billion.

I found the Mining Commission and RUWASA failed to call for the performance bond and advance payment bank guarantee worth TZS 675.90 million on terminated contracts. Further, I noted instances of abandoned projects valued at TZS 7.12 billion and a slow pace in executing projects with the contract amount of TZS 200.01 billion.

The rehabilitation of the Tanzanian old chancery building in Washington, DC faces various challenges. These include a substantial cost overrun of 94% exceeding the engineer's estimate, omission of the work from the Annual Procurement Plan, and an unjustified VAT rate of 20% compared to the standard 6% in Washington. Delays in paying Interim Payment Certificates (IPCs) raise the risk of additional interest payments to the contractor and lack of direct engagement from the Project Manager.

Further, I noted that the Medical Stores Department purchased 10 Diathermy machines from a supplier at TZS 136.7 million, disregarding the lowest bidder who offered a price of TZS 103.2 million, leading to increase of avoidable cost of TZS 33.5 million. Similarly, 32 medical equipment were solicited from suppliers without prequalification and tender board approval, resulting in an awarded price of TZS 4.14 billion. There is also pending procurement of medical equipment valued at TZS 13.37 billion, contrary to the plan.

Delays were observed in procuring and distributing the medical equipment, with timeframes ranging from 23 to 1,458 days from the date of funds disbursement to MSD delivery at healthcare facilities. 21 healthcare facilities received equipment worth TZS 1.68 billion, which remains unused.

(vii) Management of Assets and Liabilities

My audit noted 522 grounded items, including motor vehicles and equipment, remained unused. Abandoned and dilapidated buildings were observed in five MDAs and five Embassies, along with undeveloped plots in three Embassies.

In the audit of the advance fund, I noted a loss of TZS 5.73 billion from unrecovered advance loans to employees due to various reasons such as death, dismissal, resignation, or termination. Additionally, advance loans of TZS 2.10 billion were issued to employees, but deductions were never initiated.

In the Agricultural Inputs Trust Fund, I found an anticipated loss on non-performing loans of TZS 20.43 billion, representing approximately 80% of the total outstanding loans as of 30 June 2023.

Regarding liabilities management, I noted accrued interest on unpaid NSSF claims for the construction of Nyerere Bridge (Kigamboni) amounted to TZS 103.22 billion. At the Tanzania Embassy in New York, I noted unpaid property tax and accrued interest for two buildings amounting to USD 847,888.40 (TZS 2.16 billion), resulting from the loss of diplomatic immunity due to the deteriorating conditions of the buildings. I also found that the Tanzania Police Force debt that is denominated in US Dollar has increased by TZS 24.10 billion due to delayed payment. The increase is due to changes in exchange rate.

Additionally, 97 MDAs reported long outstanding liabilities of TZS 1.88 trillion exceeding 12 months, while contingent liabilities amounting to TZS 626.89 billion from pending legal cases were noted in 17 MDAs.

(viii) Operational Efficiency

a) Financial Management

My audit uncovered instances of financial mismanagement across various Ministries, Departments, and Agencies (MDAs). Key issues include additional costs in road infrastructure projects amounting to TZS 13 billion caused by an improper original design and design review that failed to capture the quantities required for the construction site. Also, I found failure to settle demurrage charges amounting to TZS 18.94 billion due to inadequate follow-up and enforcement of contractual terms. Further, lack of financial guarantees from

mining companies totalling TZS 335.16 billion, and losses due to non-revenue water of TZS 9.93 billion.

I also identified instances of financial mismanagement spanning Regional Referral Hospitals, and Specialized Hospitals. Key issues include a loss of revenue amounting to TZS 8.94 billion due to the rejection of health insurance claims by NHIF, delays in reimbursing RRH and Specialized Hospitals' claims amounting to TZS 12.53 billion by NHIF. Moreover, MSD held hospitals' funds of TZS 10.13 billion without supplying drugs and medical supplies, additional costs of TZS 115.5 million incurred on procurement of medical supplies from private suppliers, as well as supplied equipment to RRHs not operating TZS 3.47 billion.

b) Regulatory and Compliance Issues

I found non-disposal of expired drugs worth TZS 1.99 billion, Insufficient essential health equipment at the country borders crossings and airports, that impacts the operations of the Port Health Unit.

c) Political Parties issues

I noted five political parties, namely, Chama cha Kijamii (CCK), National League for Democracy (NLD), NCCR Mageuzi, African Democratic Alliance (ADA) TADEA and Union for Multiparty Democracy (UMD) collected contributions from members totalling TZS 104.08 million without banking the amount into the respective bank accounts of the parties. This is contrary to Sect. 15 (1) of the Political Parties Act [CAP 258 R.E. 2019] that requires every political party which has been fully registered, through its trustees, maintain a bank account in which all the money received by the party be deposited.

Additionally, I noted four political parties, namely, Alliance for Africa Farmers Party (AAFP), Demokrasia Makini (DM), National Reconstruction Alliance (NRA), and National League for Democracy (NLD) failed to submit the annual declaration of properties owned by them to the Registrar of Political Parties for the year ended 30 June 2023.

d) Management of Community-Based Water Supply Organisations

I noted inadequate coverage of water networks in the CBWSO jurisdiction, and compromised sustainability of water projects under CBWSO due to lack of competent staff and under collection of revenue by TZS 1.64 billion.



1.1 Introduction

The report provides findings and recommendations identified during the audit of Central Government entities for the financial year ended 30 June 2023.

The report covers a range of topics, including audit opinions, implementation of prior year recommendations, risk management, internal controls and governance systems, budget preparation and execution, revenue and expenditure management, human resources management, management of assets and liabilities, procurement management and operational efficiency. The report also covers the results of the audit of political parties for the year 2022/23.

1.2 Audit Objectives

The audit aimed to provide an independent opinion on whether the financial statements had been prepared in accordance with an acceptable financial reporting framework, considering all significant factors. Additionally, it aimed to evaluate compliance with procurement laws as well as with the budget act, regulations, and guidelines.

1.3 Audit Methodology

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI) issued by the International Organisation of Supreme Audit Institutions (INTOSAI) and International Standards on Auditing (ISA).

The audit methodology included a combination of procedures, such as examining records and documents, conducting interviews, data analysis and carrying out site visits. The audit also involved testing the internal control systems and assessing their compliance with relevant laws, regulations, and policies.

1.4 Audit Scope

The audit covered the financial statements and compliance audit in the areas of revenue management, expenditure management, procurement and contracts management, payroll and human resources management, and operational efficiency. The audit also included evaluating risk management, internal controls, governance systems of the MDAs, and pre-audit of terminal benefits of government employees whose benefits are paid directly from the consolidated fund.



2.1 Introduction

This chapter summarizes the audit opinions issued for various public sector entities (MDAs) during the 2022/23, along with observations regarding trends in financial reporting and compliance with relevant regulations. The opinions expressed are based on the evaluation of audit evidence obtained throughout the engagements, assessing whether financial statements comply with the applicable financial reporting framework (e.g., IFRS or IPSAS) in all material respects. This evaluation adheres to International Standards of Supreme Audit Institutions (ISSAI) 1200.

2.2 Types of Opinions

Based on the assessment of the financial statements and the underlying supporting documents, there are four types of audit opinions that may be issued. The type of opinion issued depends on the availability of sufficient appropriate evidence to substantiate the information that is explicitly or implicitly presented in the financial statements. These opinions are:

An Unqualified Opinion is issued when an auditor, having obtained sufficient appropriate evidence is satisfied that the financial statements are free from material misstatement and are prepared in accordance with the applicable financial reporting framework. This is the most desirable outcome of the audit as it reflects a high level of confidence in the accuracy of financial reporting.

A Qualified Opinion is expressed when the financial statements are presented fairly, except for the effect of one or more matters. This can occur when sufficient appropriate audit evidence is obtained, and the auditor concludes that misstatements, individually or in the aggregate, are material but not pervasive to the financial statements. Also, a qualified opinion may be issued when the auditor is unable to obtain sufficient appropriate audit evidence to form an opinion, but they conclude that the possible effects of undetected misstatements on the financial statements, if any, could be material but not pervasive.

An Adverse Opinion is expressed when the auditor has obtained sufficient appropriate audit evidence to confirm that a misstatement exists and that the effect of the misstatement, either individually or in aggregate, is both material and pervasive to the financial statements.

A Disclaimer of Opinion occurs when the auditor is unable to obtain sufficient appropriate audit evidence to form an opinion on the financial statements. In such cases, the auditor concludes that the possible effects of undetected misstatements on the financial statements, if any, could be both material and pervasive. In extremely rare circumstances involving multiple uncertainties, the auditor may disclaim an opinion, even if they have obtained sufficient appropriate audit evidence regarding each individual uncertainty. This is because the potential interaction of the uncertainties could have a cumulative effect on the financial statements, making it impossible for the auditor to form an opinion.

2.3 Audit Opinions Issued During the Year

I conducted audits of 475¹ Central Government entities. Out of these 475 entities, 471 were issued with unqualified opinions, one (Civic United Front) was issued with qualified opinions, one (National Reconstruction Alliance) was issued with adverse opinion, two (Alliance for African Farmers Party, and Utegi CBWSO) were issued with disclaimer of opinion. The trend of opinions issued for three years is shown in **Table 1** and detailed in **Appendix I**. And the bases for modifications of opinions are detailed in **Table 2**.

Four² entities which were previously reported in the Central Government Report have been reported in the Public Authorities Report. Also, there are 146³ entities which have been audited for the first time this year. Moreover, two votes (Vote 11 and Vote 60) for the Ministry of Investment, Industry and Trade were merged into Vote 44 to form the Ministry of Industry and Trade.

Further, for the financial year 2022/23 I did not audit two Tanzanian Embassies in Tel Aviv-Israel and Khartoum-Sudan due to the ongoing conflicts in the respective countries.

Table 1: Opinions Issued During the Year and Trend for Three Years

| Opinion Type | 2022/23 | 2021/22 | 2020/21 |
|--------------|---------|---------|---------|
| Unqualified | 471 | 323 | 315 |

¹ This does not include the Consolidated Financial Statements

² Kibaigwa WSSA, Mugumu WSSA, Tarime WSSA and Namtumbo WSSA.

³ Internal Auditor General Division, Public Debt, Tanzania Culture and Arts Fund, Tanzania Fisheries Corporation, The Tanzanian Embassy in Vienna, The Tanzanian Embassy in Jakarta, Tanzania Police Force Rewards and Fines Fund, National Road Safety Council, Youth Development Fund, Tobacco Research Institute of Tanzania, and Makete WSSA and 135 CBWSOs as detailed in Appendix I.

| Opinion Type | 2022/23 | 2021/22 | 2020/21 |
|--------------|------------|------------|------------|
| Qualified | 1 | 10 | 5 |
| Adverse | 1 | 2 | 5 |
| Disclaimer | 2 | 1 | 2 |
| Total | 475 | 336 | 327 |

Source: Individual Audit Reports

Table 2: Entities with Modified Audit Opinion and their Bases

| Name of the Entity | Basis of Opinion |
|------------------------------------|--|
| Alliance for African Farmers Party | <p>Basis for Disclaimer of Opinion</p> <p>In my review of the financial statements for the year ended 30 June 2023, I observed that the Alliance for Africa Farmers Party (AAFP) prepared the statement of financial position as of 30 June 2023, the statement of financial performance, the cash flow statement, and the statement of changes in net assets for the year ended 30 June 2023.</p> <p>However, these financial statements did not include comparative figures for the financial year ended 30 June 2022. The omission of prior year comparable figures significantly limits my ability to assess the financial performance and position of AAFP over time. The availability of these comparative information was crucial for my audit because they have a cumulative impact on the current year's reported figures. Further, it may impact stakeholders' understanding and decision-making based on the financial reports. This is a continuation from previous year audit where the primary information used for preparation of financial statements were not availed for audit.</p> |
| Utegi CBWSO | <p>Basis for Disclaimer of Opinion</p> <p>Utegi CBWSO reported TZS 15,188,518 as total expenses as presented in the Statement of Financial Performance for the year ended 30 June 2023. However, my audit noted that expenses amounting to TZS 14,948,732 (98.7% of TZS 15,188,518) was not supported by relevant documents to evidence the validity of expenses incurred. In the absence of supporting documents, the validity and occurrence of these payments could not be ascertained.</p> |
| | <p>Basis for Adverse Opinion</p> |

| Name of the Entity | Basis of Opinion |
|----------------------------------|--|
| National Reconstruction Alliance | <p>I found that accounts payable were overstated by TZS 2,000,000 due to missing supporting documents. Additionally, revenue accrued of TZS 3,750,000 was disclosed in the statement of financial position but not recognized in the statement of financial performance. There were also inconsistencies between the face of the financial statements and the corresponding notes.</p> <p>The cash flow statement lacked comparative figures for the financial year 2021/22. There were mismatches between disclosed figures in different sections of the financial statements, such as the Statement of Comparison of Budget and Actual Amounts showing a total actual receipt of TZS 6,030,000 instead of the TZS 2,280,000 reflected in the Cash Flow Statements.</p> |
| Civic United Front (CUF) | <p>Basis for Qualified Opinion</p> <p>Understatements of Property, Plant and Equipment (PPE)</p> <p>The financial statements contained understatements related to Property, Plant, and Equipment (PPE). Specifically, the disclosure of PPE lacked corresponding values, despite these assets being actively used by the CUF. This discrepancy is contrary to the requirement outlined in Regulation 22(1) of the Political Parties (Financial Accounting) Regulations of 2019. Consequently, the reported PPE figures do not accurately reflect the party's true financial position as presented in the financial statements</p> |

2.4 Audit of Consolidated Financial Statements

The Government of the United Republic of Tanzania adopted the International Public Sector Accounting Standards (IPSAS) accrual basis of accounting on 1 July 2012 and issued its inaugural IPSAS-compliant Consolidated Financial Statements (CFS) for the fiscal year ended 30 June 2013, as per the requirement of IPSAS 35. However, despite ongoing efforts, the government continue to encounter challenges in achieving fully compliant in the preparation of CFS. Therefore, the CFS has been issued with qualified opinion for the financial year 2022/23. The bases for qualification are detailed in the following paragraphs:

2.4.1 Ineffective eliminations of inter entity balances in the Consolidated Financial Statements

My review of Consolidated Financial Statements and individual controlled entities' financial statements noted non elimination of the balances reported in the CFS. I further noted overstatement of payables amounting to TZS 135.9 billion due to under elimination; overstatement of assets TZS 14.59 billion and overstatement of expenses amounting to TZS 17.89 billion due non elimination of inter entity balances. This is contrary to Para 40 (a) to (c) of IPSAS 35 which requires eliminating in full all inter economic entity assets, liabilities, net assets, equity, revenue, expenses, and cash flows relating to transactions between entities of the economic entity.

Non elimination of the inter entity transactions are attributed to inadequate disclosure in individual financial statements and lack of compensating control by the government to identify the inter entity transactions.

This has led to misstatements in the CFS resulting in inaccurate financial reporting that undermines the reliability of financial information.

2.4.2 Non-Harmonisation of the IPSAS & IFRS Standards and Improper Disclosure of the Standard Departure in CFS

Para 38 and 41 of IPSAS 35 requires a controlling entity to prepare Consolidated Financial Statement using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the economic entity uses accounting policies other than those adopted in the Consolidated Financial Statements appropriate adjustments are required to be made to that member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the economic entity's accounting policies.

The Government entities have adopted cost model approach after initial recognition on investment property which are held to earn rentals and/or for capital appreciation and Property, Plant and Equipment (PPEs) to be stated at cost less accumulated depreciation and accumulated impairment in value.

In reviewing the reported Investment property and Property, Plant and Equipment (PPEs) in the Consolidated Financial Statement (CFS) I noted the following anomalies:

2.4.3 Inconsistency on the applied Cost Vs Fair Value Model in the measurement of Investment Properties

My review of Consolidated statement of financial performance has noted that the Government reported other revenues of TZS 4,223 billion under Note 19. However, out of reported amount TZS 712.09 billion was fair value gains on

assets and liabilities on which TZS 131.81 billion being fair value gain of investment properties maintained at fair value model. Therefore, gain from fair value of investment properties has been included without making adjustment to comply with adopted accounting policy contrary to requirement of cited IPSAS and accounting policy adopted.

a) Inconsistency on the Applied Cost Vs Fair Value Model in the measurement of Property, Plant and Equipment (PPEs)

I further noted that, detailed working of the Consolidated statement of changes in Net Asset reported Revaluation Surplus of TZS 153.08 billion related to revaluation of 13 individual entities' PPEs without being adjusted during preparation of CFS while depreciation expenses charged to PPEs was TZS 3.32 trillion. Reporting revaluation surplus and depreciation of PPEs contradict with requirement of Para 38 of IPSAS 35.

The inconsistencies in the application of accounting models for Investment Properties and Property, Plant and Equipment (PPEs) in the Consolidated Financial Statements are attributed to a nonidentification of the strategy on the departure of accounting policies and reporting framework which has an impact to the balances upon preparation of CFS.

The lack of uniformity in accounting policies undermines the reliability and comparability of financial information, impacting the overall transparency of the Consolidated Financial Statements for stakeholders to make informed decision.

b) Non-disclosure of obligations within Public Sector entities in individual Financial Statements

My review of inter entities elimination noted that, among the 50 sampled entities, 20 reported payables and accruals of TZS 7.42 trillion without providing a schedule for inter-entity government transactions. The anomaly could be attributed to inadequate adherence to accounting guidelines, oversight lapses, or a lack of awareness regarding the specific requirements outlined in Para 3.12 of Accounting Circular No.1 of 2021/22.

The absence of disclosure imposes challenges to identify and eliminate transactions between entities within the economic entity, contradicting the requirement outlined in Para 3.12 of Accounting Circular No.1 of 2021/22 and IPSAS 35 on elimination of transactions, balances, and transfers within the public sector. Also, it may hinder stakeholders' ability to assess the true financial position and performance of the economic entity, thus affecting decision-making.

CHAPTER THREE

IMPLEMENTATION OF PRIOR YEARS AUDIT RECOMMENDATIONS

3.1 Introduction

This chapter provides the implementation status of the audit recommendations issued to management and those charged with Governance of central government entities. This chapter also highlights the status of the implementation of PAC directives issued to some of the entities during the PAC sessions.

As part of my duties, I conducted a follow-up review of the audit recommendations from the previous financial years to assess whether the Accounting Officers had taken appropriate corrective actions in response to those recommendations issued.

I appreciate the effort made by the Paymaster General and Accounting Officers in responding to my reports and providing an action plan for the implementation of the recommendations.

3.2 Implementation of Previous Years' Audit Recommendations

Regulation 38 of the Public Audit Regulations, 2009 requires the Minister or Appropriate Minister to communicate back in writing to the Controller and Auditor General within three months from the date of receiving the CAG's recommendations and prepare a management action plan explaining the extent to which the recommendations have been implemented.

During the year under audit, I followed up on the implementation of the previous year's audit recommendations in 328 Central Government entities (Individual Audit Reports) with a total of 7,342 recommendations.

My assessment revealed that as of 30 June 2023, there were 7,342 previously outstanding key audit recommendations. Out of the 7,342 recommendations, 2,946 (40.1%) were implemented, 2,725 (37.1%) are under implementation, 617

(8.4%) were not implemented, 366 (5%) were overtaken by events, and 688 (9.4%) recommendations were reiterated due to continued relevance. The analysis of the implementation status is shown in **Table 3**.

Table 3: Implementation Status of Previous Years’ Audit Recommendations (five years trend)

| Financial year | Implemented | Under implementation | Not implemented | Reiterated | Overtaken by events | Total |
|----------------|-------------|----------------------|-----------------|------------|---------------------|--------|
| 2022/23 | 2,946 | 2,725 | 617 | 668 | 366 | 7,342 |
| 2021/22 | 2,380 | 2,506 | 1,104 | 637 | 320 | 6,947 |
| 2020/21 | 5,290 | 6,032 | 3,548 | 1,166 | 1,143 | 17,179 |
| 2019/20 | 2,308 | 2,441 | 1,257 | 621 | 333 | 6,960 |
| 2018/19 | 1,508 | 2,003 | 1,211 | 259 | 502 | 5,483 |

Source: Management Letters of the financial year 2022/23

Therefore, it is important to continue monitoring and evaluating the progress towards implementing the outstanding recommendations and to take corrective action where necessary.

3.3 Implementation of the PAC’s Directives

My assessment of the implementation status of the PAC directives revealed that; Out of 96 PAC directives from my previous years’ reports, 38(39.6%) were fully implemented, 43(44.8%) were under implementation, 5 (5.2%) was not implemented, while 1 (1%) was reiterated and 9 (9.4%) were overtaken by events. Inadequate follow-up and delays in implementing my audit recommendations and PAC directives indicate that the vulnerabilities detected have not been sufficiently addressed exposing the entities to the risk of fraud and inefficiency.

I recommended to the PMG, in collaboration with the Accounting Officers, to devote more efforts into fully implementing the outstanding audit recommendations and the PAC directives to improve the performance of the entity by addressing the root causes and implementing mitigation measures to prevent the recurrence of the same anomalies.

CHAPTER FOUR

BUDGET PREPARATION AND EXECUTION



BUDGET
PLANNING

4.1 Introduction

The government creates a budget each year that outlines revenue collection and spending. This tool allows the government to implement national priorities for the year by allocating existing resources.

The 2022/23 Budget highlighted a number of initiatives aimed at enhancing the domestic collection, such as leveraging Information and Communication Technology (ICT) to improve tax estimation, implementing technology-enabled solutions to simplify the process of filing and paying taxes, promoting the use of the Government electronic Payment Gateway (GePG) and control numbers in making Government payments, and creating a more conducive business environment by increasing private sector participation in the economy, establishing additional one-stop centres to provide centralised access to business requirements, and reducing unnecessary expenses.

In this chapter, I present the result of the audit undertaken in relation to the 2022/23 budget as provided hereunder:

4.2 Government Budget for Financial Year 2022/23

For the 2022/23 financial year, the Tanzanian Government projected a nine percent increase in its budget to TZS 41.48 trillion from TZS 37.99 trillion in 2021/22. The funds were expected to be raised from TZS 28.018 trillion in domestic collections, TZS 12.361 trillion in borrowings, and TZS 1.101 trillion in grants.

4.3 Government Planned Expenditures

The budget of TZS 41.48 trillion was allocated to cover the government expenditures of TZS 15 trillion (36%) in development expenditures and TZS 26.48 trillion (64%) in recurrent expenditures.

4.4 Review of Budget Performance

In the 2022/23 financial year, the government collected TZS 41.880 trillion, exceeding the planned estimate of TZS 41.480 trillion by TZS 400 billion. Compared to the actual TZS 38.298 trillion collected in 2021/22, there was nine percent increase of TZS 3.582 trillion. Assessment of Collection performance from each identified source is as follows;

i. Tax Revenue

Tax revenue from Tanzania Mainland reached TZS 22.583 trillion, representing 95.5% of the budget of TZS 23.652 trillion, indicating a shortfall of TZS 1.069 trillion. Compared to the TZS 20.945 trillion collected in 2021/22, there was an increase of TZS 1.638 trillion, equivalent to a growth of eight percent.

ii. Non-tax Revenue

Non-tax revenue, collected by various government entities, such as Ministries, Departments, Embassies, and Regional Secretariats, amounted to TZS 2.7095 trillion, reaching 81% of the approved budget of TZS 3.352 trillion and resulting in an under-collection of TZS 643 billion. Compared to the TZS 2.709 trillion collected in 2021/22, there is a slight increase of collections.

iii. LGA's Own Source

LGA's own-source collection amounted to TZS 1.222 trillion, surpass the approved budget of TZS 1.012 trillion by 21%, resulting in over collection of TZS 21 billion. Compared to the TZS 892 billion collected in 2021/22, there was an increase of collections by TZS 330 billion, equivalent to an increase of 37%.

iv. Grants

During the financial year, grants received totalled TZS 759 billion, equivalent to 69% of the budget of TZS 1.101 trillion, resulting to under-collection of TZS 342 billion. The grants mainly consisted of budget support, development projects, and basket support. Compared to TZS 1.305 trillion received in 2021/22, there was a decrease of TZS 546 billion, equivalent to a decrease of 42%.

v. Domestic Borrowings

Domestic borrowings, primarily consisting of Treasury bills and bonds for rollover and financing, amounted to TZS 6.124 trillion, surpassing the budget of TZS 5.780 trillion by TZS 344 billion, equivalent to six percent. Compared to TZS 6.489 trillion collected in 2021/22, there was a decrease of borrowings by TZS 365 billion, equivalent to six percent.

vi. External Concessional Borrowings

The government received TZS 5.523 trillion in external concessional borrowings during the year, surpassing the TZS 3.547 trillion budget by TZS 1.976 trillion, an increase of 56%. Compared to TZS 4.149 trillion received in 2021/22, there was a substantial increase of TZS 1.374 trillion or a 33% increase.

vii. External non-concessional Borrowings

The government received TZS 2.959 trillion in external non-concessional borrowings, which is 97% of the TZS 3.034 trillion budget, resulting in an under collection of TZS 75 billion. External non-concessional borrowings increased by 64% or TZS 1.150 trillion compared to the TZS 1.809 trillion borrowed in 2021/22. The percentage of contribution from each identified source is shown in Table 4.

Table 4: Percentage Contribution Trend Over Three Years

| Category | 2022/23 (TZS Trillion) | 2021/22 (TZS Trillion) | 2020/21 (TZS Trillion) |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| Estimates | 41.480 | 37.992 | 34.879 |
| Actual collections | 41.880 | 38.298 | 31.326 |
| Contribution in % | | | |
| Tax | 54% | 55% | 56% |
| Non-tax and LGA's collections | 9% | 9% | 9% |
| Domestic Borrowings | 15% | 17% | 16% |
| Grants and External Borrowings | 22% | 19% | 19% |

Source: Financial Statements for Public Debts and Consolidated Fund: 2020/21 to 2022/23

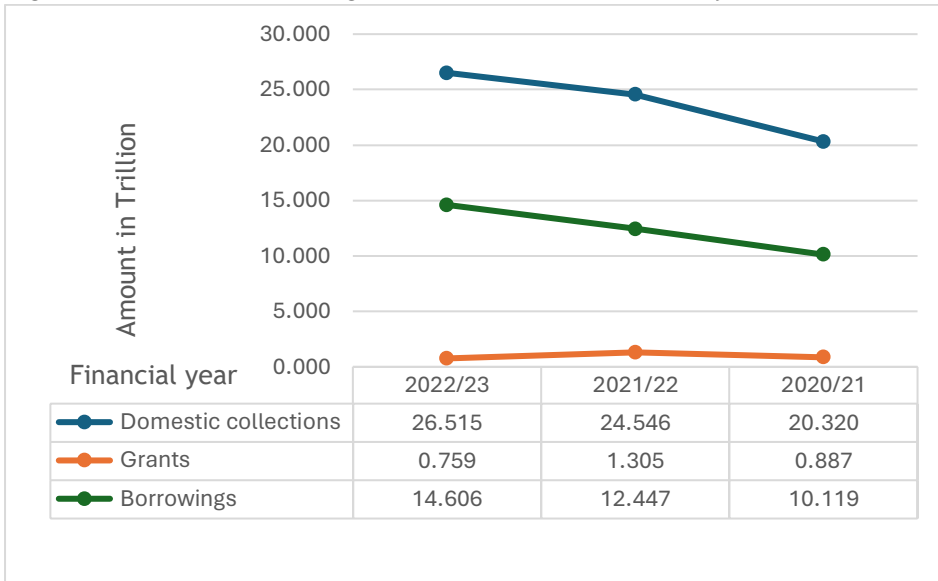
Over the past three years from 2020/21 to 2022/23, there has been a growth in collection performance. In the financial year 2022/23, collections surpassed the budget by 1%, a slight increase from the 0.8% overachievement in 2021/2. Despite this growth, the contribution of tax collections to the overall budget has declined from 2019/20 to 2022/23. On the other hand, the role of grants and external borrowings in financing the total budget collections has grown by 3% in 2022/23 compared to previous years.

4.5 Trend of Domestic Collections, Grants & Borrowings

Domestic collections from taxes, non-taxes, and LGA's own sources totalled TZS 26.515 trillion (63%), while grants and borrowings accounted for TZS 15.365 (37%) trillion (TZS 759 billion (Two percent) from grants and TZS 14.606(35%)

trillion from borrowing). The trend of the government collections, grants, and borrowing is as shown in Figure 1.

Figure 1: Trend of Financing Structure for the last three years



Source: Audited Financial Statement of Public Debts and Consolidated Fund for Financial year 2020/21 to 2022/23

4.6 Consolidated Fund

4.6.1 Accounting Process of the Consolidated Fund

Article 135 of the Constitution of the United Republic of Tanzania requires all government revenue to be deposited in the Consolidated Fund, managed by the Bank of Tanzania, and overseen by the Accountant General. Foreign Source Revenue, provided by Development Partners (DPs), consists of Basket funds, General Budget Support, Project Funds through the Exchequer, and direct-to-project funds (Project Funds outside the Exchequer System) and is allocated either through the Exchequer system or directly to beneficiaries.

Out of TZS 41.880 trillion collected, TZS 38.447 trillion was deposited in the Consolidated Fund, leading to a difference of TZS 3.433⁴ trillion. The difference is due to TZS 3.656 trillion from direct-to-project disbursements and transfer to Zanzibar not recorded in Consolidated Fund and TZS 223 billion from other revenue together with TRA opening balance floats and wharfage deposited in the Consolidated Fund. Despite these funds not being deposited into the

⁴ The difference of TZS 3.433 trillion =TZS 3.656 trillion- TZS 223 billion

consolidated accounts, they were audited and reported through respective project reports. The details can be found in Table 5.

Table 5: Reconciling Actual Revenue Collection and Deposits in the Consolidated Fund (Amounts in TZS Trillion)

| Details | Budget | Actual Collection | Funds received in Consolidated Fund | Variation | Remarks |
|----------------------------|--------|-------------------|-------------------------------------|-----------|---|
| Tax | 23.652 | 22.583 | 22.6919 | 0.108 | The over remittance of Tax collections includes opening balance floats, Wharfage, unbudgeted collections from TRA and net receipts from Zanzibar Revenue Authority (ZRA) received in Consolidated Fund. |
| Non-Tax | 3.3520 | 2.7095 | 2.694 | (0.015) | Collections in 14 Series not remitted in the Consolidated Fund |
| LGA own Collection | 1.012 | 1.222 | 0.840 | (0.382) | LGA's collections not reported in the consolidated Fund |
| Grants | 1.101 | 0.759 | 0.728 | (0.03) | 0.01042 development funds received in holding account and 0.02007 transfer to Zanzibar. |
| Domestic Borrowing | 5.780 | 6.124 | 6.124 | 0 | |
| Non concessional Borrowing | 3.034 | 2.959 | 2.927 | (0.032) | 0.20389 transferred in Public Debt not recorded in Consolidated Fund; 0.00021 Exchange gain in Public Debt not in Consolidated Fund and 0.17188 received in Consolidated Fund not recognized in Public Debt |

| Details | Budget | Actual Collection | Funds received in a Consolidated Fund | Variation | Remarks |
|------------------------|---------------|-------------------|---------------------------------------|--------------|---|
| Concessional Borrowing | 3.547 | 5.523 | 2.327 | (3.197) | Direct to project disbursement |
| Other revenue | - | - | 0.115 | 0.115 | Other Revenue received in a Consolidated Fund |
| Total | 41.480 | 41.880 | 38.447 | 3.433 | |

Source: Audit of Consolidated Fund

4.6.2 Transfers from the Consolidated Fund in 2022/23

The total issue from the Consolidated Fund for both Recurrent Exchequers and Development Exchequers during the year 2022/23 amounted to TZS 39.523 trillion excluding TZS 665.80 billion for transfer refunds and other transfer against total receipts of TZS 38.447 trillion, resulting an overdraft of TZS 1.742 trillion as of 30 June 2023. Details of receipts and issues from the Consolidated Fund is illustrated in **Table 6**.

Table 6: Collections versus Transfer in Consolidated Fund Account

| Details of Collection and Transfer | Amount in Trillion (TZS) |
|---|--------------------------|
| Tax | 22.6919 |
| Non-Tax revenue | 2.694 |
| LGA's Collections | 0.840 |
| Grants | 0.728 |
| Domestic Borrowings | 6.124 |
| External Borrowings | 5.254 |
| Other receipts | 0.115 |
| Total receipts in a Consolidated Fund (A) | 38.447 |
| Exchequer issued | 39.523 |
| Refunds and other transfer | 0.665 |
| Total issue from the Consolidated Fund (B) | 40.189 |
| BOT overdraft in 2022/23 (A-B) | (1.742) |

Source: Audit of Consolidated Fund

4.7 Disbursements from the Consolidated Fund for Central Government Entities

Total disbursement from the consolidated funds were TZS 39.523 trillion; the disbursements for Central Government Entities, including Ministries, Agencies, Commissions, and Departments, amounted to TZS 31.917 trillion. The remaining TZS 7.606 trillion issued for PO-RALG, RAS, and LGA is analysed in the Annual General Report for Local Government Authorities. The management of the budgeted amounts, releases, and expenditures in Sectorial allocation is detailed as follows:

4.7.1 Approved Estimates and Exchequer Release for Recurrent Expenditure

My review of MDA's Financial Statements noted that TZS 20.990 trillion equivalent to 99% was released for recurrent expenditure against the approved revised budget of TZS 21.280 trillion implies under releases of recurrent expenditures by TZS 290 billion. Comparing with the releases of 2021/22 of TZS 17.754 trillion, I observed the increase in recurrent exchequer issue releases by TZS 3.236 trillion equivalents to 18%.

4.7.2 Exchequer Released and Actual Recurrent Expenditure

Actual Recurrent expenditures for MDAs were TZS 20.927 trillion, which is 99.7% of the exchequer released TZS 20.990 trillion, hence TZS 63 billion were not spent and surrendered to Pay Master General (PMG). Compared to recurrent expenditures of TZS 17.541 trillion in 2021/22, I noted the increase in expenditures by TZS 3.386 trillion equivalents to 19%.

I am of the view that unutilized exchequer release implies a slow pace in implementing planned activities or the inability of the management to utilize the released funds timely.

4.7.3 Approved Estimates and Exchequer Release for Development Expenditure

My review of MDAs Financial Statements noted that TZS 10.927 trillion equivalent to 94% was released for development expenditure against the approved estimates of TZS 11.686 trillion. Comparing with the release for 2021/22 of TZS 11.595 trillion, I observed the decrease of releases by TZS 668 billion equivalent to six percent.

4.7.4 Exchequer Released and Actual Development Expenditure

Actual Development expenditures for MDAs reached TZS 10.896 trillion, equivalent to 99% of the released exchequers of TZS 10.927 trillion, leaving an unutilised balance of TZS 31 billion, that was surrendered to Pay Master General (PMG). Compared to the 2021/22 expenditures of TZS 11.397 trillion, there was a decrease of expenditures by TZS 501 billion equivalent to four percent. The unutilised Development release may impact the implementation of planned projects.

4.8 Compliance on Budget

4.8.1 Discrepancy between approved reallocation statements and the reallocations recorded in the system

Section 45 of Budget Act, Cap 439 R.E 2020 requires expenditures charged on the Consolidated Fund under a parliamentary enactment to be in line with specified legislative purposes and the disbursement of Votes contingent will base on performance, approved budgets, and available funds.

In my review of budget management procedure, includes the review of the approved budget under the Appropriation Act, Reallocation Statements (No. 1 and 2) in MUSE system and entities' financial statements and noted a mismatch of TZS 524.99 billion between the revised budget reported in the system and the approved budget after the reallocation. The weakness was noted to be attributed to inconsistencies between the approved reallocation statements and the reallocations recorded in the system aspect which implies a significant weakness in budget management procedures.

I recommend that the Government through the Treasury implements robust oversight mechanisms to ensure that approved reallocations and reallocations recorded in the system are accurately verifies and aligned with approved budget.

4.8.2 Expenditure Incurred Out of Approved Budget

Section 27 (4) of the Budget Act Cap. 439 [R.E 2020] requires the approved appropriation for the government and public entities to be used only in accordance with the purpose described and within the limits set by different classifications within their estimates.

My review noted that four government entities spent a sum of TZS 10.20 billion as payment for recurrent and development activities out of the approved budget, contravening the appropriation Act approved by the Parliament. Refer **Table 7** for details.

Table 7: Expenditure Incurred Out of Approved Budget TZS 10.20 billion

| Entity | Details | Amount |
|----------------------------|--|-----------------------|
| RUWASA | The Agency budgeted TZS 18,885,495,240 for personnel emolument. However, actual expenditure was TZS 22,605,088,700 and TZS 3,719,593,460 was spent above budget. | 3,719,593,460 |
| VOTE 52 | The Ministry made payment to TOL Gases Limited for the procurement of 4,600 medical oxygen cylinders out of Budget | 1,143,990,651 |
| TRA-Expenditure | The authority spent a sum of TZS 2,909,392,371 on items not budgeted, while TZS 2,199,301,347 was expenditure incurred above budget | 5,108,693,718 |
| Deep Sea Fishing Authority | The Authority budgeted TZS 520,812,000 for Administration Costs. However, actual expenditure on Administration Costs revealed actual spending of TZS 758,265,606 above budget by TZS 237,453,606 | 237,453,606 |
| Total | | 10,209,731,435 |

Source: Management Letter of Individual Entity for 2022/23

Allocation of funds to implement unbudgeted activity affects the implementation of the planned activities. Further, it poses a room for misappropriation of Government funds.

I recommend that the Government and responsible authorities monitor compliance with the Budget Act and its regulations for the purpose of achieving value for money and all implementing entities are encouraged to plan and budget for all activities.

CHAPTER FIVE



TAX REVENUE, NON-TAX REVENUE, AND PUBLIC DEBT

5.1 Introduction

This chapter provides an overview of key audit findings on financial and operational considerations within the realm of public finance and administration over the management of tax revenue collection, non-tax revenue collection, the audit of consolidated financial statements, and public debt.

5.2 Management of Tax Revenue by the Tanzania Revenue Authority

The Tanzania Revenue Authority (TRA) was established through the Tanzania Revenue Authority Act, [CAP.399] to be a semi-autonomous Government Agency of the United Republic of Tanzania mandated to impartially, administer and give effect to the laws governing taxes and non-tax revenues. The TRA plays an important role in ensuring the effective collection of revenue, contributing to the government’s financial operations in Tanzania.

In the financial year 2022/23, the Authority collected a total of TZS 22.583 trillion, below the set target of TZS 23.652 trillion. This indicates an under-collection of TZS 1.069 trillion, representing 4.5% of the total revenue targets for Tanzania mainland. **Table 8** provides an analysis of the revenue collection by departments in Tanzania Mainland.

Table 8: Revenue Collection by Department (Tanzania Mainland)

| Department | Approved Estimated Collection TZS(Billion) | Net Actual Collection TZS(Billion) | (Under)/Over or Collection TZS(Billion) | % of (under)/Over collection |
|------------------|--|------------------------------------|---|------------------------------|
| A | B | C | D= (C-B) | E=(D/B) |
| Domestic Revenue | 5,024.15 | 5,287.19 | 263.04 | 5.2 |
| Large Taxpayers | 9,801.57 | 9,032.31 | (769.26) | (7.8) |
| Customs & Excise | 9,432.27 | 9,325.51 | (106.77) | (1.1) |
| Sub total | 24,257.99 | 23,645.01 | (612.99) | (2.5) |

| Department | Approved Estimated Collection TZS(Billion) | Net Actual Collection TZS(Billion) | (Under)/Over Collection TZS(Billion) | % of (under)/Over collection |
|--|--|------------------------------------|--------------------------------------|------------------------------|
| Less: Refunds & Transfer to ZRA | 657.83 | 1,079.05 | 421.21 | 64 |
| Total (Net of refunds) | 23,600.16 | 22,565.96 | (1,034.20) | (4.4) |
| Add: Treasury Vouchers ⁵ | 52.60 | 17.58 | (35.02) | (66.6) |
| Net Inclusive Treasury Vouchers | 23,652.76 | 22,583.54 | (1,069.22) | (4.5) |

Source: Audited Revenue Statements 2022/23

Conversely, in Zanzibar, the actual collection of TZS 456.19 billion exceeded the set target of TZS 454.06 billion, resulting in an over-collection of TZS 2.14 billion, equivalent to 0.5% of the target. Table 9 provides an analysis of the revenue collection by departments in Zanzibar.

Table 9: Revenue Collection by Department (Zanzibar)

| Department | Approved Estimated Collection TZS (Billion) | Net Actual Collection TZS (Billion) | (Under)/over Collection TZS (Billion) | % of (under)/over collection |
|--------------------|---|-------------------------------------|---------------------------------------|------------------------------|
| Domestic Revenue | 226.02 | 231.85 | 5.83 | 2.6 |
| Custom & Excise | 228.04 | 224.35 | (3.69) | (1.6) |
| Net Revenue | 454.06 | 456.19 | 2.14 | 0.5 |

Source: Audited Revenue Statements for 2022/23

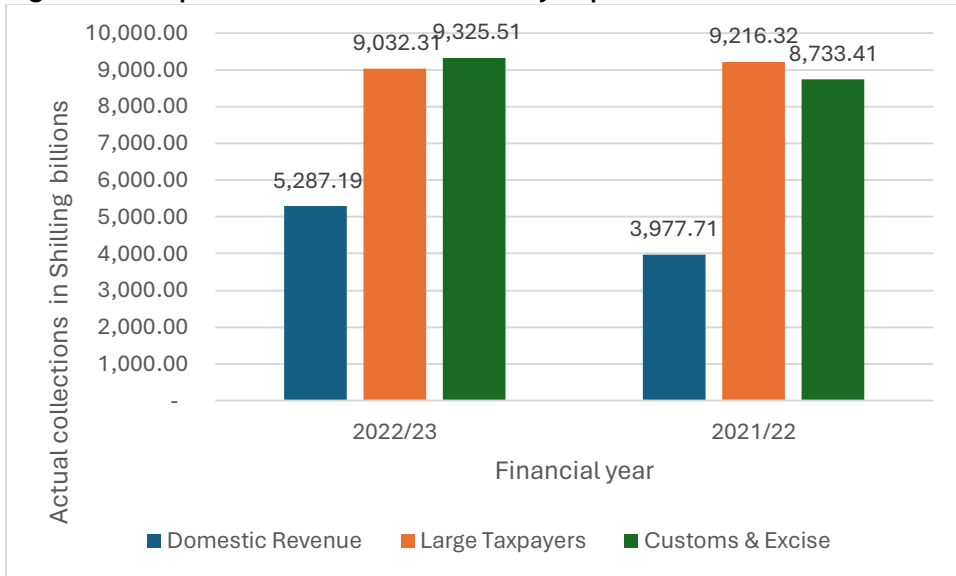
In the reviewed year, Large Taxpayers and Customs & Excise revenue collection departments in Tanzania Mainland fell below their set targets, while the Domestic Revenue department exceeded its target. The overall under-performance was attributed to the non-attainment of set targets in excise duty, withholding taxes, fuel levy, Value Added Tax (VAT), and Corporate Tax. Additionally, there was an over-achievement in refunds, driven by an accelerated verification of claims, leading to higher eligible amounts refunded to taxpayers compared to the planned amount.

In terms of departmental contributions to overall revenue, the Customs and Excise Department accounted for 39.4%, followed by the Large Taxpayer

⁵ Treasury Voucher Cheques are expenses paid through tax system to cover import duties of exempted person which includes; Civil servants, Public Officials and Non-Governmental organizations. In this case TVCs were included as part of collection assessment for Customs & Excise department.

Department at 38.2%, and the Domestic Revenue Department at 22.4%. The comparison of TRA departments’ actual revenue collection for the financial year 2022/23 and 2021/22 is illustrated in **Figure 2**.

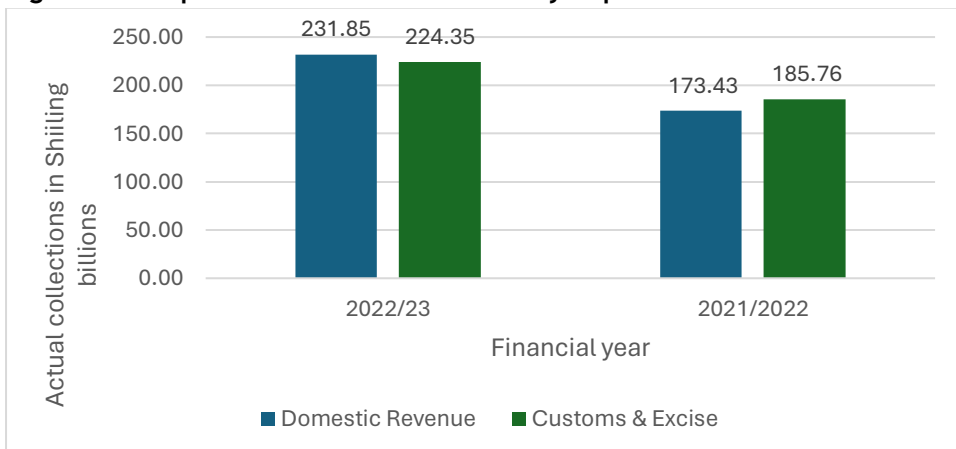
Figure 2: Comparison of actual collection by departments Tanzania Mainland



Source: Audited Revenue Statements for 2022/23 and 2021/22

For Zanzibar, revenue collection shows that the Domestic Revenue Department contributed 50.8%, followed by the Customs and Excise Department with 49.2%. However, the actual revenue collection for the financial year 2022/23 and 2021/22 for the departments is shown in **Figure 3**.

Figure 3: Comparison of Actual Collection by Departments for Zanzibar



Source: Audited Revenue Statements for 2022/23 and 2021/22

A comparison of the actual revenue collection based on departments for the financial years 2022/23 and 2021/22, shows that the contribution to revenue collection has increased by 32.9% for the Domestic Revenue Department, 6.8% for Customs and Excise, and has decreased by 2% for the Large Taxpayer Department.

Moreover, the analysis shows that the Large Taxpayers and Custom & Excise departments did not meet the targeted collections, while the Domestic Department met the targeted collection for the financial year 2022/23.

5.2.1 The Trend of Revenue Collection

The general observation from the financial performance data over the past five years indicates a pattern of under-collection, relative to set targets, with varying degrees of deviation. The percentage of under-collection ranges from 4.0% to 14.0%, suggesting challenges in meeting the goals of revenue collection. There is a noticeable fluctuation in the actual collections compared to the targets, with the most significant under-collection occurring in the financial year 2020/21. This trend raises concerns about the effectiveness of strategies in revenue collection and the need for a closer examination of factors contributing to under-performance. The trend of revenue collection for the United Republic of Tanzania over the past five years is shown in Table 10.

Table 10: Trend of Revenue Collection for Tanzania & Zanzibar

| Financial Year | Targets TZS (Billions) | Actual Collection TZS (Billions) | Under Collection TZS (Billions) | (%) of under collection |
|----------------|------------------------|----------------------------------|---------------------------------|-------------------------|
| 2022/23 | 24,106.81 | 23,039.73 | (1,067.09) | 4.4 |
| 2021/22 | 22,191.17 | 21,303.87 | (887.30) | 4.0 |
| 2020/21 | 20,709.32 | 17,897.86 | (2,811.46) | 13.6 |
| 2019/20 | 19,451.12 | 17,930.88 | (1,520.25) | 7.8 |
| 2018/19 | 18,332.67 | 15,764.66 | (2,568.00) | 14.0 |

Source: TRA Revenue Statements for 2018/19 to 2022/23

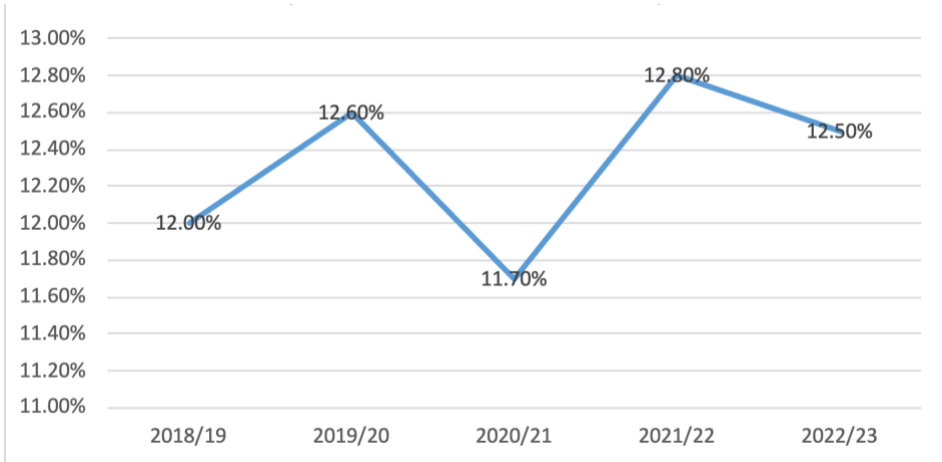
Tax to GDP Ratio

The tax yield, also known as the Tax-to-GDP ratio, is a measure that expresses the relationship between a country's total tax revenue and its Gross Domestic Product (GDP). This ratio provides insights into the level of taxation relative to the size of the economy. A higher tax yield suggests that a larger portion of the country's economic output is being collected as taxes.

Furthermore, in the financial year 2022/23, the performance of the TRA recorded a downward trend in terms of the tax yield (Tax to GDP ratio) at 12.5%

compared to 12.8% in 2021/22. Figure 4 portrays the trend of the country's tax yield to GDP for the trend of five years.

Figure 4: The Country's Tax Yield



A comparison of Tanzania's Tax yield and other East African countries is shown in Table 11.

Table 11: Tax yield for East African Countries for Five Years

| Country | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|----------|---------|---------|---------|---------|---------|
| Kenya | 15.50% | 14.60% | 13.70% | 15.00% | 14.20% |
| Rwanda | 16.30% | 16.20% | 16.30% | 15.80% | 15.00% |
| Tanzania | 12.00% | 12.60% | 11.70% | 12.80% | 12.50% |
| Uganda | 15.10% | 12.10% | 13.00% | 13.50% | 13.70% |
| Burundi | 15.20% | 16.50% | 17.00% | 17.60% | 18.00% |

Source: East African Revenue Authorities Technical Committee (EARATC)

From the table above, I conclude that the data for the years 2018/19 to 2022/23, Tanzania's tax-to-GDP ratio has remained relatively constant, ranging from 11.70% to 12.80%, with a value of 12.50% in 2022/23. Tanzania's ratios are generally lower than some other East African countries, indicating that a smaller portion of the country's economic output is being collected as taxes.

Tanzania's tax efficiency, both in actual and target yields, requires improvement through increased efforts in the mobilization of revenue by widening the tax base, plugging leakages of revenue, improving voluntary tax compliance, and enhancing tax efficiency and effectiveness. These measures will eventually reduce the country's fiscal deficit and narrow the gap in debt financing.

5.2.2 Taxes Amounting to TZS 10.489 Trillion Tied in the Appellant Machinery Pending Ruling

My audit of TRA revenue statements for the year 2022/23 found that the Authority had 967 tax cases at various appellant machinery, with a total value of TZS 10.489 trillion (including USD 19,261,725 converted at a rate of TZS 2339.10/USD) for Mainland.

This represents an increase of TZS 5.653 trillion, equivalent to 117%, compared to the TZS 4.836 trillion position of cases at appellant machineries in 2021/22. The leading causes identified, include delayed appointments or vacancies in key positions, such as board members, chairpersons, and vice-chairpersons, hindering the functioning of the appellant machineries. There were also insufficient financial resources, limiting the number of sessions that the Appellant Machineries could conduct. The movement of tax appeal cases for Tanzania Mainland is indicated in **Table 12**.

Table 12: The Movement of Tax Appeal Cases

| PARTICULAR | NUMBER OF CASES | COURT OF APPEAL (CAT) | | TAX REVENUE APPEALS TRIBUNAL (TRAT) | | TAX REVENUE APPEALS BOARD (TRAB) | | TOTAL | |
|----------------------------|-----------------|------------------------|-------------------|-------------------------------------|------------------|----------------------------------|-------------------|---------------------------|-------------------|
| | | TZS | USD | TZS | USD | TZS | USD | TZS | USD |
| Opening Balance | 898 | 232,905,700,174 | 12,594,326 | 491,162,240,828 | - | 3,699,271,178,162 | 3,118,906 | 4,423,339,119,164 | 15,713,232 |
| Additional Cases | 674 | 23,860,231,891 | - | 104,289,997,089 | 2,926,107 | 7,359,913,504,406 | 12,159,461 | 7,488,063,733,387 | 15,085,568 |
| Sub Total- | 1572 | 256,765,932,066 | 12,594,326 | 595,452,237,918 | 2,926,107 | 11,059,184,682,568 | 15,278,367 | 11,911,402,852,551 | 30,798,800 |
| Settled Cases- | (605) | (51,978,794,894) | (8,610,968) | (311,296,439,597) | (2,926,107) | (1,104,032,613,516) | - | (1,467,307,848,007) | (11,537,075) |
| Outstanding Balance | 967 | 204,787,137,171 | 3,983,358 | 284,155,798,321 | - | 9,955,152,069,052 | 15,278,367 | 10,444,095,004,544 | 19,261,725 |

Source: Revenue Statements 2022/23

Analysis of the Outstanding Tax Appeal cases showing the number of cases and related tax value for each machinery and financial year is shown in Table 13.

Table 13: Outstanding Tax Cases Tanzania Mainland

| YEAR | NO. OF CASES | COURT OF APPEAL (CAT) | | TAX REVENUE APPEALS TRIBUNAL (TRAT) | | TAX REVENUE APPEALS BOARD (TRAB) | | TOTAL | |
|--------------|--------------|------------------------|------------------|-------------------------------------|----------|----------------------------------|-------------------|---------------------------|-------------------|
| | | TZS | USD | TZS | USD | TZS | USD | TZS | USD |
| 2018 | 4 | - | - | 586,364,625 | - | 8,893,085,680 | - | 9,479,450,305 | - |
| 2019 | 6 | - | - | - | - | 7,528,564,872 | - | 7,528,564,872 | - |
| 2020 | 15 | 10,495,589,534 | - | 49,729,889,875 | - | 82,856,439,100 | - | 143,081,918,509 | - |
| 2021 | 157 | 60,655,103,403 | - | 58,129,654,062 | - | 417,941,067,045 | 2,926,107 | 536,725,824,510 | 2,926,107 |
| 2022 | 398 | 124,426,326,016 | 3,983,358 | 115,079,098,431 | - | 2,409,893,268,511 | 254,761 | 2,649,398,692,959 | 4,238,119 |
| 2023 | 387 | 9,210,118,218 | - | 60,630,791,328 | - | 7,028,039,643,845 | 12,097,500 | 7,097,880,553,390 | 12,097,500 |
| TOTAL | 967 | 204,787,137,171 | 3,983,358 | 284,155,798,321 | - | 9,955,152,069,052 | 15,278,367 | 10,444,095,004,544 | 19,261,725 |

Source: Revenue Statements 2022/23

For Zanzibar, there were 96 tax cases with a total value of TZS 20.753 billion as detailed in Table 14.

Table 14: Outstanding Tax Cases Zanzibar

| YEAR | NUMBER OF CASES | TRAB (TZS) | TRAT (TZS) | TOTAL (TZS) |
|--------------|-----------------|-----------------------|--------------------|-----------------------|
| 2019 | 9 | 553,356,113 | - | 553,356,113 |
| 2020 | 1 | - | 19,696,833 | 19,696,833 |
| 2022 | 1 | - | 125,366,562 | 125,366,562 |
| 2023 | 85 | 20,054,190,872 | - | 20,054,190,872 |
| TOTAL | 96 | 20,607,546,985 | 145,063,395 | 20,752,610,380 |

Source: Revenue Statements 2022/23

I recommend that the government expedite the hearing and ruling of cases currently tied up in appellant machineries by taking the following measures: increase the budget for Appellant Machineries, ensure timely appointments of Board members to regions without members, and promptly appoint members, chairpersons, and vice-chairpersons. These actions will enable the conduct of more sessions, facilitating prompt determination of tax appeals. Timely appointments are crucial to maintaining a quorum and ensuring the smooth progress of hearings.

5.2.3 Weakness in Handling Tourism Sector Revenue and Liabilities

My review of TRA revenue statements for the financial year 2022/23 found that TZS 399.73 billion was reported as a collection from the tourism sector. This revenue from the tourism sector comprises Value Added Tax on services provided. The same amount was subsequently transferred to the consolidated fund through the TRA main account.

At the same time, the tourism sector continued to file monthly tax returns, declaring revenue collected by TRA, including VAT. In this case, a tax liability of TZS 87.47 billion related to TANAPA, arising from those returns, remained pending. This is because the revenue expected to settle that liability was collected and transferred to the Government Consolidated Fund.

While the outstanding amount with respect to customers' advance payment was not reported in the financial statements of TANAPA as a liability, the revenue collected was accounted for by TRA. In the event of any cancellation of a trip to the conservation areas or parks, the refunds for the collected tourism fees may not be settled timely because the revenue had already been transferred to the Government Consolidated Fund.

I recommend that the Government harmonises the operation of tourism services with collection processes to achieve compliance in the presentation and efficient provision of services to tourists. The amount collected from any entity includes taxes, and if it is transferred directly to Government Consolidated Fund, then respective entities should refrain from filing returns. All this necessitates the need for amendments in the provision of laws.

5.2.4 E-SEAL Errors on Validation of Transit Goods

My review of transit transactions conducted at Mutukula, Rusumo and Tunduma customs borders found various errors with electronic seals (E-seals). These errors included the absence of the device in the Electronic Cargo Trucking System (ECTS), the available device in the system was in active, and the mismatch of the slave device with the master, making it difficult to deactivate the device and timely validate the transit transaction in the Tanzania Customs Integrated System (TANCIS) system once the inspection is completed.

Further, the analysis found that 238 transactions, consisting of 95 for the Mutukula border, 22 for the Rusumo border and 121 for the Tunduma border, had E-seal problems. These problems resulted in delays in validating transit goods in the TANCIS system, as the validation box was either disabled or unavailable. This sometimes led the TMU (Transit Monitoring Unit) to spend a significant amount of time for clearance.

I recommend that the Government, through the Tanzania Revenue Authority, analyse the frequency of errors on E-Seals by identifying vendors with the highest incidence of issues and taking appropriate actions. These actions may involve replacing specific vendors or directly participating in the procurement of devices. Additionally, Management of TRA must promptly address E-Seal errors to prevent the recurrence of anomalies. Finally, the Management must address malfunctions of the system to prevent delays in the future.

5.2.5 Overstay Balances of Transit Fuel not Localised with Estimated Customs Duties and Levies

My review of quantities of imported fuel declared for transit in manifest data, and quantities of fuel exported to other countries, established an overstayed balance of 1,105,466.01 litres of fuel with estimated taxes of TZS 929.6 million. The fuel was not exported to the destined countries for more than the statutory period of 30 days, and no localisation was made. Eventually, the remaining transit fuel could be illegally localised without paying taxes.

I recommend that the Government, through the Tanzania Revenue Authority, implement enhanced automation for the monitoring of declared transit fuel, ensuring that all quantities are exported to the destined countries. This proactive measure is aimed at preventing discrepancies and overstayed fuel, with the recommendation to collect customs duties and penalties for any identified discrepancies or fuel that has exceeded the allowable transit period.

5.2.6 Unsupported Delivery of Transshipments Fuel Reshipped to Zanzibar with a Bond Value of TZS 368.6 million

My review of data extracted from TANCIS for fuel reported for transshipment and reshipped to Zanzibar found two transactions with a bond value of TZS 368.6 million that were not confirmed to have been delivered at the designated destination point. Unconfirmed transactions of transshipments might have been localised without payment of taxes.

I recommend that the Government, through Tanzania Revenue Authority, conduct follow-ups with the involved oil marketing companies to confirm the delivery of reshipped fuel in Zanzibar, or alternatively, recover related taxes and provide particulars for auditor's verification. Additionally, I insist the TRA to address the problem of the system that contributed to unconfirmed deliveries.

5.2.7 Unfiled 193,993 VAT Returns by 17,575 taxpayers

My review of the e-filing system for the financial year 2022/23 revealed that nine tax regions had a total of 35,642 VAT-registered traders who were required to submit VAT returns. Among these, 18,067 traders, constituting 51% of the total, successfully filed their VAT returns.

However, 17,575 VAT-registered traders, equivalent to 49% of the total, did not fulfil their obligation to file their VAT returns. Non-filing of VAT returns can have adverse effects on revenue targets and potentially lead to loss of Government revenue.

I recommend that the government through the Tanzania Revenue Authority to: (a) take steps that will ensure compliance with the law regarding the submission of VAT return and take appropriate action against those who have not submitted 193,993 returns; and (b) ensure the collection of domestic revenue from delayed taxes and impose penalties for the late submission of those returns.

5.3 Management of Non-Tax Revenue

Non-tax revenue is a critical component of the government's financial planning and sustainability. It involves strategies to maximise revenue from sources other than taxes, such as fees, fines, licenses, permits, rents, royalties, and sales of goods and services.

During the financial year 2022/23, the Government planned to collect a total of TZS 3.35 trillion as non-tax collections, equivalent to eight percent of the total Government Budget. I assessed the compliance with the Acts, Regulations, and various directives governing the management of Non-Tax Revenue, and found deficiencies in revenue collection as explained in the following paragraphs:

5.3.1 Unearned Revenue due to Underperformance of Services

I reviewed the collection performance of various Departments and Agencies in offering the mandated services and found that the sum of TZS 1.86 billion was not collected by the SUMA JKT GUARD LTD (SGL) and Fire Rescue Force (Vote 14) due to lack of capacity in offering services, as follows.

SUMA JKT GUARD Ltd, a subsidiary of SUMA JKT, was established to provide security services for the safety and protection of people, leaders, properties, and government assets. However, I observed that SGL was not fulfilling its security service contracts due to a lack of essential equipment and personnel. This resulted in the failure to earn the potential revenue amounting to TZS 750.30 million for the financial year 2022/23. The subsidiary had only managed to collect TZS 46.86 billion out of the contracted TZS 47.61 billion.

Section 22(2) of the Fire and Rescue Force Act 2021 (amended) and Regulation 14(1) of the Fire and Rescue Force (Safety Inspections and Certificates) 2014 (amended) mandate the Fire and Rescue Force to inspect building plans for fire safety before issuing building permits and collect a fire levy thereafter. However, my review found that six Fire Regional Offices failed to conduct fire safety inspections of 7,578 premises, resulting in unearned revenue amounting to TZS 1.11 billion. The failure was primarily due to insufficient staff and inadequate planning and monitoring. Immediate intervention is necessary to prevent fire incidents in uninspected premises and mitigate loss of revenue due to underperformance of services.

I recommend the Government, through the responsible entities, enhance the capacity to offer services and collect appropriate revenue.

5.3.2 Revenue of TZS 418.32 million Collected not Remitted to the Consolidated Fund

Section 12 of the Public Finance Act, Cap. 348 states that all revenues or other money raised or received for the purposes of the Government must be paid into and form a Consolidated Fund, except for specific funds established by law for purposes or funds that may be retained by the authority that received them to cover its own expenses.

However, TZS 418.32 million was collected by the Tanzania Embassy in Muscat during the financial year 2022/23. The revenue was collected from the certification of various documents at the Embassy. However, the Embassy did not transfer the collected money to the Consolidated Fund.

I am of the view that non-remittance of TZS 418.32 million as per the requirement of the Public Finance Act, and the directive issued delays the allocation of the collected amount in the Consolidated Funds for other development activities and increases the risk of using the amount for unintended activities.

I recommend to the Government through the Ministry of Foreign Affairs and East African Cooperation (Vote 34) to ensure the collected amounts are promptly remitted to the Consolidated Fund as prescribed under section 12 of the Public Finance Act, Cap.348 to minimise the risk of being misused.

5.3.3 Uncollected “KKK” Program Loan from Beneficiaries by the Ministry of Lands

The Ministry of Lands, Housing and Human Settlements Development is responsible for preparing land use plans, issuance of land titles and customary titles, registration of land titles to motivate and enable citizens to have better housing, resolving land and housing disputes, supervising the acquisition and maintenance of land records, moreover, to oversee the collection of Government revenue from the services of the land sector.

To simplify the management of Land and associated collections, the Ministry introduced various measures, including the Land Regularization Process through Planning, Surveying and Titling program, also known as “*Mpango wa Kupima, Kupanga na Kumilikisha*” (KKK).

On 8 November 2021, the Ministry of Lands, Housing and Human Settlements Development signed a memorandum of understanding (MoU) with the Ministry of Finance and PO-LARG to receive program loan of TZS 50 billion from the Ministry of Finance and disburse TZS 41.14 billion to 54 Councils and other five Government entities implement a KKK program aiming to register 218,618 land

parcels by June 2022 and fully recovery of disbursed program fund within six months from the date of signing MoU.

I noted that since the program's commencement, the Ministry registered and approved 212,892 land parcels, falling short of the target by 5,726 parcels. While out of TZS 41.14 billion disbursed for project implementation only TZS 8.71 billion was recovered by the Ministry leaving TZS 32.43 billion advanced to LGAs not been repaid despite lapse of recovery period on 30 June 2022. Moreover, I noted that TZS 876.18 million collected from the sales of land parcels in six LGAs had not been remitted to the Ministry aspect, which affects the disbursed program funds' collection and sustainability.

I recommend the Government, through the Ministry of Land (Vote 48), introduce the recovery strategies for Government funds issued through the implementation of the KKK program to ensure the sustainability of the program.

5.3.4 Absence of Alternative Source of Collections to Finance the Objectives Undertaken by the Empowering Mining Development Funds

The Empowering Mining Development Fund (EMDF) was established in 2012 under the National Empowerment Act of 2004 to provide financial assistance to small and medium-scale miners, promoting entrepreneurship training in the mineral sector, enhancing the capacity of government officials, monitoring economic activities in the sector, and boosting local content contribution to the national economy.

Initially, the primary source of funding for the EMDF was contributions from mining companies operating under the Mining Development Agreements⁶ with the government. However, an amendment done to the Mining Act, 2010 (as amended by the Mining Act, 2017), nullified these agreements and removed the source of revenue for the Fund without introducing alternative means of financing. The absence of sustainable sources of Funds limits the fulfilment of the EMDF's strategic objectives and impedes the growth of the mining sector.

I recommend the Government, through the Ministry of Minerals (Vote 100) and EMDF to come up with an alternative source of funds to finance and enhance continued development activities for the mining sector by supporting small and medium-scale miners.

⁶ Mining Development Agreement these are agreements between the Government and the Mining Company that provide subsidies to the mining companies and in return the Companies will pay the annual contributions to the Government through the EMDF.

5.3.5 House Rent amounting to TZS 4.80 billion not Collected from Government Institutions and Civil Servants Occupying Government Buildings

The Tanzania Building Agency was established with the mission of providing quality and environmentally friendly accommodation to the Government and public servants through efficient and effective business. The Agency entered 112 lease agreements with various Government institutions to provide accommodation to public servants of the respective Institutions, whereas the Institutions are required to pay TBA monthly rent as specified in the respective lease agreements.

I noted that Government institutions and civil servants delayed paying the required rents, amounting to TZS 4.80 billion as per the lease agreements, for periods ranging from 10 months to 10 years. The delay limits own-source collection, which could support the implementation of planned activities, including the construction of new houses and the rehabilitation of deteriorated Government buildings.

I recommend the Government through the Tanzania Building Agency to ensure all tenants settle unpaid rents. Moreover, the agency is encouraged to introduce a salary deduction code that will enable direct recovery of housing allowance to civil servants occupying the premises rather than depending on voluntary settlement of the rental charges.

5.3.6 Absence of Contract Document for Revenue Collections

Regulation 57(1 and 2) of the Public Finance Regulation 2001 mandates Accounting Officers to implement prompt collection and accurate accounting of all government revenue and public funds within their departments. This includes notifying individuals or entities liable for paying revenue of their outstanding debts through bills and demand notes.

I reviewed the collection procedures of two Government entities, including the Tanzania Institute of Accountancy (TIA) and the Ministry of Finance (Vote 50). I found several issues in revenue management as discussed hereunder:

- a) TIA leased out space at the Institute's main gate for the erection of an ATM building to CRDB Bank since 2010 (13 years) without signing any contract governing the operations. In 2023, the Institute negotiated with the Bank and established the accrued consideration that the bank was supposed to pay for the entire operational duration, estimated at TZS 204.76 million. However, this amount has not been collected.

- b) I also found that the Ministry of Finance (Vote 50) collected TZS 218.95 million, being rental fees from 50 tenants without having contract with them to establish a binding agreement with the parties involved, aspect which exposes the parties into legal and financial risks due to undefined terms and conditions of the lease agreements.

The highlighted weaknesses in the collection of revenue are attributed to a lack of proper documentation and oversight in lease agreements. Inadequate procedures for establishing formal contracts and monitoring compliance have led to delays in rent payments, non-collection of accrued consideration, and exposing both parties to legal and financial risks in the absence of any contract.

I recommend the Government and through the Ministry of Finance (Vote 50) and TIA to formalize the contracts, establish clear lease agreements, and review revenue collection procedures to ensure compliance with regulations and enhance transparency and accountability in revenue collections.

5.3.7 Unfavorable Conditions Regarding Annual Concession Fees for Leased Land at Julius Nyerere International Airport in Dar es Salaam

The Ministry of Transport (formerly known as the Ministry of Works, Transport and Communication), in collaboration with the Tanzania Airport Authority (TAA), entered into a concession agreement dated 8 September 1995 for the leasing of land at Julius Nyerere International Airport (JNIA). The agreement granted the lessee the right to use 11,458 square meters of land for 15 years from 1995 to 2010 for provision of catering services. According to the agreement, caterer was required to pay an annual lease of USD 50,000, payable in advance semi-annually. Also, the caterer was required to pay an annual concession fee of three percent of the total annual turnover based on the audited financial statements. The annual lease was to be subjected to review after every five years.

On 8 September 2010, TAA extended the concession agreement with the caterer for 20 years, ending in the year 2030. In 2018 the Agency amended the agreement and reduced the land size from 11,458 to 11,000 square meters, and the price for annual lease charge was lowered from USD 50,000 to USD 45,000. Similarly, the concession fee was reduced from three percent to two percent for three years.

However, during the review of both contracts, I noted that the operations of the lease agreement were in favour of caterer at the expense of revenue collections, as detailed below:

- a) The lease charge of USD 50,000 per annum in the 1995 agreement was not reviewed for 23 years until the amendment of the agreement in 2018, despite the requirement to review the lease charge every five years.
- b) With the new amendment in 2018, the concession fee was reduced from three percent to two percent for three years (2018 to 2021), however the same two percent was consistently used in the subsequent financial years from 2022 to 2023 contrary to the agreement.
- c) Despite the increase in market prices of leasing over time, the lease charge for the agreement in 1995 was USD 4.36 per square meter, which was reduced to USD 4.09 in the revised agreement of the year 2018. This suggests that the reduction of lease charges was beneficial for the lessee (the caterer), leading to a decrease in government revenue earned from the lease agreement since the year 2018 compared to 1995.
- d) I also compared the offered unit price of TZS 23,200 on the annual lease payments of similar concession agreements and found the caterer was offered the lower rates⁷. Thus, a sum of TZS 450.80 million could have been collected subsequently if the Agency did not review the terms of the agreement. Further, an estimate of TZS 884.66 million may not be collected due to unfavourable terms of the agreement.

I recommend the Government through the Ministry of Transport conduct a comprehensive review of the concession agreement including a reassessment of the concession fee and annual leasing charge to align with the existing market price for land leases at the airport.

5.3.8 Unbilled Revenue for Five Years of Re-registration Fees of 2,640 Health Facilities

Regulations 29 (1) and 30 of the Private Hospital Regulations 2018 (validity of regulation) require private hospital facilities to obtain a certificate of registration from the Private Hospital Advisory Board (PHAB) which will be valid for a period of five years from the date of issue and the facility shall pay for every certificate of registration. The registration fee is payable once every five years.

My review of the Hospital's registration done by the Board found that PHAB did not collect five-year re-registration fees of TZS 768 million from 2,640 facilities

⁷ TZS 9,384 in 2020; 9,400 in 2021; TZS 9,421 in 2021; TZS 9,796 in 2023

registered since the establishment of this regulation in 2018. Failure to collect revenue from this source denies the government realization of the intended collection to implement planned development activities.

I recommend the Government and the Private Hospital Advisory Board (PHAB) review collection procedures, enhance monitoring, and raise collection awareness to facilitate the board in revenue collection, and the private hospital facilities comply with the obligation of paying registration fees as required by the law.

5.3.9 Failure to Collect Inspection Charges by Port Health Units

Section 42 of the Public Health Act of 2009, owners of vessels or aircraft, or their agents, are required to pay inspection fees or other charges related to inspection services provided by the Port Health Unit. In line with this, Para 4.1 of the Guidelines for Cross-Border Inspection Charges from January 2016 specifies charges of USD 100 for each International Vessel and TZS 10,000 for National Boats and barges.

My review of the inspection conducted in Arusha, Tarakea, Holili, and Kilimanjaro International Airport (KIA) Health Unit found 68,521 inspections were conducted without collecting inspection charges of TZS 879.11 million from the respective conveyances. Failure to impose charges from identified source of revenue results in a loss of government revenue which could be used to finance expenditures.

I recommend the Government through the Ministry of Health (Vote 52) to strengthen internal controls over revenue management across Inspection points and Port health units, and ensure revenue is collected as intended.

5.3.10 Overdue and Uninsured Loan by the Women Development Funds

The Women Development Fund was established for the purpose of empowering women economically, by providing soft loans to unemployed Women Entrepreneurs to improve their income and well-being. The repayment of the issued loan is expected to be within six months. My review found unrecovered loans of TZS 1.13 billion with anomalies issued by the fund as discusses below.

a) Overdue Recovery of Loan

I noted that the Women’s Development Fund had an outstanding and overdue loan of TZS 475.48 million issued to beneficiaries across 44 Local Government Authorities between 2004 and 2017.

This amount remains uncollected for periods ranging from seven to 20 years, presenting a significant risk to the recoverability of the issued funds. Further, I

found that these loans were issued to the respective beneficiaries without guidelines governing conditions for repayment.

b) Uninsured Loan Issued by Women Development Funds TZS 664.50 million

Paragraph 2.6 (vi) of the Women Development Fund Guideline 2022 requires the issued loan to be insured by the borrower, and the cost of the insurance will be deducted from the loan.

During the financial year 2022/23, the Ministry of Community Development, Gender and Children Welfare and Social Security (MoCDGWSGs) issued loans through the Women Development Fund (WDF) to 25 beneficiaries (11 groups of women and 14 individual women) amounting to TZS 664.50 million. However, these loans were issued without insurance coverage. This oversight poses risks to the recoverability of the loans in cases of default or unforeseen events such as death or severe accidents.

I recommend that the Government through the Ministry of Community Development, Gender, Women & Special Groups (Vote 53) and the Women development Fund to ensure all the issued loans are insured to reduce the risk of non-recoverability more over the overdue loan are recovered for sustainability of the Fund.

5.3.11 Revenue collected out of Collections System

Section 7 of the Public Finance Act, [Cap 348 R.E 2020] mandates the collection of all public funds through the GePG system. In line with this requirement, the Government introduced various policies, strategies, and administrative measures through the budget framework for the financial year 2022/23. These measures emphasize the use of the Government Electronic Payment Gateway System (GePG) and the importance of using control numbers for government payments.

I noted instances of non-compliance during the financial year ended 30 June 2023. Three government entities collected a total of TZS 7.73 billion without using control numbers or a proper collection system in place. Specifically, the Ministry of Education (Vote 46) collected TZS 3.99 billion and Community Based Water Supply Organisation (CBWSOs) collected 3.01 billion out of the GePG system, while the Ministry of Fisheries (Vote 64) collected TZS 730.51 million out of the Fisheries Revenue Management System. Failure to utilize the collection system exposes revenue to the risk of leakage and wastage, hence accelerating the budget deficit.

I recommend all Government entities charged with the responsibilities of collecting revenue to work out challenges associated with revenue collection to abide by Government strategies, policies, and administrative measures, such that all revenues are collected through GePG.

5.3.12 Uncollected Non-Tax Revenue of TZS 61.09 Billion

Non-tax collection refers to the collection of revenue by the Government through means other than taxes. This can include various sources such as fines, fees, charges, royalties, and other forms of payment. During the financial year 2022/23, non-tax collection was estimated to contribute about eight percent⁸ of the Government Budget as it is an important source of collection for the Government which helps to diversify collections.

I reviewed the financial statements of various Central Government entities including the ministries, agencies, and other institutions and noted a balance of TZS 61.09 billion was reported as uncollected non-tax revenue despite the provision of various services offered within their respective mandate. Moreover, a significant part of the reported receivables from non-tax revenue has been outstanding for more than 12 months, hence denying its contribution to finance Government expenditure. Details of entities with the respective receivables are as shown in Table 15.

Table 15: Entities with Uncollected Revenue

| SN | Entity | Amount (TZS) |
|----|--|----------------|
| 1 | National Identification Authority (NIDA) | 11,435,850,221 |
| 2 | Suma JKT Construction | 990,659,090 |
| 3 | Mzinga Holding Company | 957,707,234 |
| 4 | Tanzania Automotive Technology Centre (TATC) | 1,224,545,876 |
| 5 | ICT Commission | 34,125,000 |
| 6 | Ludewa Urban Water Supply and Sanitation Authority | 8,261,900 |
| 7 | Sengerema Water Supply and Sanitation Authority | 408,086,478 |
| 8 | Kishapu Water Supply and Sanitation Authority | 47,591,548 |
| 9 | Chunya Water Supply and Sanitation Authority | 32,463,039 |
| 10 | Kibondo Urban Water Supply and Sanitation Authority | 36,434,315 |
| 11 | Biharamulo Water Supply and Sanitation Authority | 87,673,219 |
| 12 | Kilindoni Water Supply and Sanitation Authority | 27,343,611 |
| 13 | Kasulu Water Supply and Sanitation Authority | 60,514,247 |
| 14 | Songwe Kilindi Water Supply and Sanitation Authority | 25,378,880 |
| 15 | Pangani Basin Water | 271,926,000 |
| 16 | Wami Ruvu Water Basin Board | 100,000,000 |
| 17 | Mbeya Zonal Referral Hospital | 84,800,527 |

⁸ As per Budget speech of June 2022 for Financial year 2022/23

| SN | Entity | Amount (TZS) |
|----|---|-----------------------|
| 18 | Tanzania Official Seed Certification Institute (TOSCI) | 151,330,000 |
| 19 | Tanzania Airport Authority | 11,667,326,498 |
| 20 | Ministry of Energy - Production Sharing Agreement (MEM-PSA) | 663,070,264 |
| 21 | Mining Commission | 29,363,371,841 |
| 22 | Tanzania Wildlife Management Authority | 1,687,943,194 |
| 23 | Ministry of Culture, Arts and Sports -VOTE 96 | 590,445,400 |
| 24 | Morogoro Referral Hospital | 46,499,353 |
| 25 | Tumbi Regional Referral Hospital | 25,020,138 |
| 26 | Government Chemistry Laboratory Authority | 62,060,000 |
| 27 | Private Hospitals Advisory board | 46,642,500 |
| 28 | Temeke Referral Hospital | 108,218,610 |
| 29 | Private Health Laboratories Board | 852,680,000 |
| | Total | 61,097,968,983 |

Source: Individual Management Letters

I recommend the Government and the responsible authorities institute a collection mechanism that will foster the collectability of the outstanding receivables for the purpose of increasing the liquidity of the entities and financing the Government budget.

5.3.13 Idle Cash and Unutilized Funds amounting to TZS 4.058 billion

I reviewed cash management practice for the financial year 2022/23 and found that the sum of TZS 4.058 billion remained unutilised in the bank account of six entities for the period ranging from the year 2018 to 2023.

I further noted that a sum of TZS 2.110 billion held by Tanzania Government Flight Agency (TGFA) lacked utilisation approval in the earmarked development activities; TZS 948.20 million from the Ministry of Transport (Vote 62), Ministry of Culture, Arts and Sports (Vote 96) and the Tanzania Police Force Rewards and Fine Fund was maintained in the entities accounts without remitting the into the Consolidated Fund as revenue. The Sekoutoure Regional Referral Hospital (SRRH) failed to utilise the allocated funds of TZS 1.00 billion, resulting in a prolonged period of inactivity and missed opportunities for socio-economic advancement. A summary of idle cash and unutilised funds is provided in **Table 16**.

Table 16: Idle Cash and Unutilized Funds

| Entity | Remarks | Amount (TZS) |
|---------------------|--|---------------|
| Tanzania Government | Liquidated damages withheld from supplier M/S C-Series company between 2018 and 2022 for failure to deliver the procured | 2,110,294,521 |

| Entity | Remarks | Amount (TZS) |
|--|---|----------------------|
| Flight Agency (TGFA) | aircraft as per the agreed schedule -BOT Revenue and Expenditure Account | |
| Tanzania Police Force Rewards and Fine Fund | The deposits were erroneously directed to the Tanzania Police Force Rewards and Fine Fund collection account instead of the Police Force collection account in 2019 | 148,241,679 |
| Ministry of Transport (Vote 62) | The account has an amount of TZS 409,721,813, which was kept from 2021 to 2023 without being utilised Account | 409,712,813 |
| Ministry of Culture, Arts and Sports (Vote 96) | Retention money for the construction of Benjamin Mkapa Stadium retained for more than five years-Deposit Account | 390,252,110 |
| Sekoutoure Regional Referral Hospital (SRRH) | Development funds released for the renovation of Hospital buildings since 10 November 2022-Deposit Account | 1,000,000,000 |
| | Total | 4,058,501,123 |

Source: Individual Management Letters

The absence of utilisation approval implies a lack of oversight and accountability in budget management. Non-remittance of funds to the Consolidated Fund denies allocation of the respective collection to areas with high priorities, while failure to utilise the allocated funds timely by Sekoutoure Regional Referral Hospital indicates weakness in planning, resulting in missed opportunities for socio-economic advancement.

I recommend the Government and the responsible Entities to provide utilization approvals for idle funds to earmarked development activities and remit all funds to the consolidated fund for allocation to high-priority areas.

5.3.14 Uncollected Revenue from Other Health Insurance Companies and Compensation Funds

Besides NHIF, RRHs have agreements with other Health Insurance companies to provide medical insurance, such as NSSF, TPDF Insurance, Assemble Insurance, Strategies Insurance, and the Workers Compensation Fund (WCF).

My review of the insurance claims documents at RRHs for the financial year 2022/23 revealed that four RRHs failed to collect revenue of TZS 452.63 million as medical refunds from the health insurance companies, community, and compensation funds, as shown in **Table 17**.

Table 17: Uncollected Revenue from Other Insurance Companies and Compensation Funds

| SN | Name of the hospital | Name of the insurer | Amount (TZS) |
|--------------|----------------------|--------------------------------------|--------------------|
| 1 | Morogoro RRH | National Security Social Fund (NSSF) | 19,635,365 |
| | | Workers Compensation Fund (WCF) | 1,656,130 |
| | | Strategies Insurance | 5,042,458 |
| | | Assemble Insurance | 15,799,670 |
| | | Jubilee Insurance | 4,365,730 |
| 2 | Musoma RRH | National Social Security Fund | 60,545,236 |
| | | TPDF Insurance | 6,917,025 |
| | | Assemble Insurance | 4,882,718 |
| | | Strategies Insurance | 5,017,310 |
| 3 | Sekou Touré RRH | Jubilee Insurance | 265,531,315 |
| | | Strategies Insurance | 5,223,445 |
| | | National Security Social Fund (NSSF) | 9,592,450 |
| 4 | Shinyanga RRH | AAR Health Services (T) Ltd | 6,403,130 |
| | | Strategies Insurance (T) Ltd | 10,201,316 |
| | | Jubilee Insurance (T) Ltd | 1,794,900 |
| | | Community Health Fund (CHF) | 30,025,450 |
| Total | | | 452,633,648 |

Source: Individual Management Letters 2022/23

I attribute the anomaly to inadequate follow-up by the management, ensuring that the insurers and the funds adequately remitted the insurance refunds to the respective RRHs, as per the signed agreements.

I recommend the Government, through the Ministry of Health (Vote 52) and Referral Hospitals to enhance efficiency in collections of revenues generated from health insurance users' medical treatments.

5.3.15 Loss of Collections amounting to TZS 111.76 million Due to Ineligible Granted Medical Exemptions

To ensure that Regional Referral Hospitals collect the expected revenue and only eligible patients receive exemptions to medical treatment, a Cost Sharing guideline was issued by the Ministry of Health (Vote 52). Paragraph 5.5.1(e) of the guideline requires the referral hospitals to conduct thorough assessments, including reviewing the patient's medical history, referral letter, and family background. It also requires hospitals to identify special groups qualify for exemptions, such as those with chronic illnesses like HIV/AIDS, Tuberculosis (TB), sickle-cell anaemia, leprosy, cancer, and mental health conditions, as well as individuals aged above 60 years, pregnant women, children below five years old, and financially disadvantaged individuals.

I found that three RRHs did not collect a total of TZS 111.76 million after providing medical exemptions to ineligible patients, including prisoners and others who did not qualify for exemptions without supporting documentation. These hospitals were required to claim medical bills for treating prisoners from the Prison Service department (Vote 29). Such loss of revenue is attribute to inadequate screening of the exempted patients. The details are as shown in the Table 18.

Table 18: Medical Exemptions Granted to Ineligible Patients

| SN | Name of the Hospital | Exempted Amount TZS |
|----|----------------------|---------------------|
| 1 | Meru RRH | 25,365,941 |
| 2 | Sekou Touré RRH | 7,297,490 |
| 3 | Songwe RRH | 79,099,350 |
| | Total | 111,762,781 |

Source: Audit of Health Professionals in Referral Hospital 2022/23

I recommend the Government, through the Ministry of Health (Vote 52) and Referral Hospitals to enhance efficiency in collections of revenues generated from health insurance users' medical treatments.

5.4 Management of Public Debt

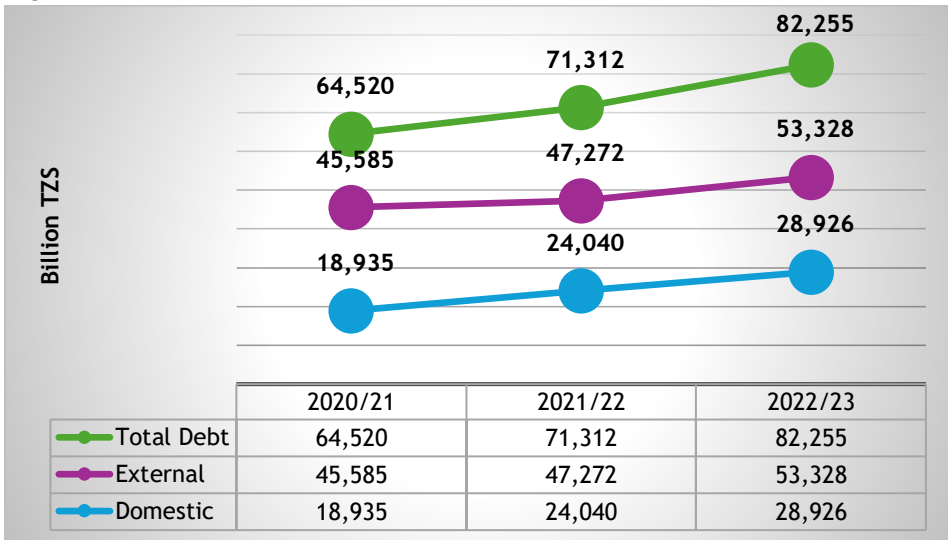
Public Debt refers to the sum of all domestic and external obligations of the Government entities. The Minister of Finance has exclusive authority to manage the government's debt effectively. This includes the power to raise foreign loans, local loans, and issue guarantees and receive grants on behalf of the government. These powers are granted under Sections 3, 6, and 13 of the Government Loans, Guarantees and Grants Act, CAP 134.

5.4.1 Analysis of the Public Debt Portfolio

The Public Debt as of 30 June 2023, stood at TZS 82,254.71 billion compared to TZS 71,312.42 billion reported in 2021/22, an increase of TZS 10,942.30 billion (15%) in the current year compared to the increase of TZS 6,792.79 billion (10.5%) in the previous year.

In the financial year 2022/23, the Public Debt is comprised of domestic and external debt stocks of TZS 28,926.37 billion and TZS 53,328.33 billion, respectively. This is an increase from the previous year's numbers of TZS 24,040.11 billion and TZS 47,272.31 billion. **Figure 5** depicts the trend of Public Debt stock from 2020/21 to 2022/23.

Figure 5: Trend of the Public Debt for the Years 2020/21 to 2022/23



Source: Public Debt Financial statements 2020/21 - 2022/23

5.4.2 Movement of Domestic Debt Stock

In the financial year 2022/23, the domestic debt was increased by TZS 4,886.26 billion, which is equivalent to 20% of the debt registered in 2021/22. The trend of the Domestic Debt portfolio from 2020/21 to 2022/23 is shown in Table 19.

Table 19: Trend of the Domestic Debt Portfolio (Face Value)

| Financial year | Debt Portfolio | Increase | |
|----------------|----------------|-------------|------------|
| | TZS Billion | TZS Billion | Percentage |
| 2022/23 | 28,926.37 | 4,886.26 | 20 |
| 2021/22 | 24,040 | 5,105 | 27 |
| 2020/21 | 18,935 | 3,420 | 22 |

Source: Public debt financial statements 2020/21 to 2022/23

Additionally, I noticed that proceeds from domestic borrowing at face value were TZS 6,374.63 billion, out of which short and long-term borrowings were TZS 2,129.25 billion (33%) and TZS 4,245.39 billion (67%), respectively, for 2022/23. Table 20 shows the composition of domestic borrowing from 2020/21 to 2022/23 (Face Value).

Table 20: Composition of Domestic Borrowings (Face Value)

| Borrowings source | 2022/23 | | 2021/22 | | 2020/21 | |
|-------------------------|-----------------|------------|----------------|------------|-----------------|------------|
| | TZS Billion | % | TZS Billion | % | TZS Billion | % |
| Short term | 2,129.25 | 33.4 | 1,757.75 | 21 | 3,331.21 | 51 |
| Long term | 4,245.39 | 66.6 | 6,797.88 | 79 | 3,218.96 | 49 |
| Total Borrowings | 6,374.63 | 100 | 8,555.6 | 100 | 6,550.18 | 100 |

The increase in domestic borrowings is attributed to rollover of maturing domestic debt obligations and increase in net domestic financing.

5.4.3 Movement of the External Debt Stock

The external debt as of 30 June 2023, stood at TZS 53,328.33 billion against TZS 47,272.29 billion as of 30 June 2022. It recorded an increase of TZS 6,056.04 billion in the current year, equivalent to 11%. The increase was caused by increased disbursements from creditors during the year. Table 21 shows the composition and trend of the external debt from 2020/21 to 2022/23.

Table 21: Composition and Trend of the External Debt Portfolio

| External Debt portfolio | 2022/23 | | 2021/22 | | 2020/21 | |
|----------------------------|------------------|------------|------------------|------------|------------------|------------|
| | TZS Billions | % | TZS Billions | % | TZS Billion | % |
| Multilateral | 33,578.24 | 63 | 28,728.71 | 61 | 26,556.18 | 58 |
| Bilateral creditors | 5,163.57 | 10 | 5,207.57 | 11 | 5,097.65 | 11 |
| Export-import | 5,655.54 | 11 | 5,972.78 | 13 | 6,384.47 | 14 |
| Commercial | 8,930.99 | 17 | 7,363.23 | 16 | 7,546.71 | 17 |
| Total External Debt | 53,328.33 | 100 | 47,272.29 | 100 | 45,585.02 | 100 |
| Increase | 6,056.04 | 11 | 1,687.29 | 4 | 4,343.00 | 10 |

Source: Public debt portfolio worksheet for years 2020/21 to 2022/23

5.4.4 Sustainability of the Public Debt

My review of Debt sustainability reports for public debt published by the government (National Debt Sustainability Analysis (DSA)) in December 2023 noted under baseline scenario in 2022/23 and within the long-term horizon.

Within the baseline scenario, it was observed that the Present Value (PV) of External Public Debt to Gross Domestic Product (GDP) stood at 19.0 percent. Significantly, this figure is below the established threshold of 40 percent.

Likewise, the examination highlighted that the Present Value of total Public Debt to GDP ratios was 35.6 percent. This figure, again, is below the threshold

of 55%. This underscores a favourable fiscal position within the long-term horizon, indicating prudent debt management practices.

The Present Value of Debt to Exports is 113.2 which is below the threshold of 180; the Debt Service to Exports is 12.7, slightly below the threshold of 15, and the Debt Service to Revenue is 14.3, slightly below the threshold of 18. Hence, based on the baseline assessment, the Public Debt is sustainable.

I recommend the Government to strengthen liquidity ratios of debt burden by enhancing efforts to improve the collection of domestic revenues and adopt measures to promote exports and ensure that proceeds of commercial loans are invested in projects with higher returns to foster sustainable growth of GDP.

5.4.5 Untimely Update of Laws Governing Public Debt Management

Public Debt Vote 001 was established on 25 August 2021, followed by the new Approved Functions and Organization Structure (AFOS) of MoF on 23 December 2021.

I found that the Government Loans, Guarantees and Grants Act and Regulations (GLGGA&R) were not yet updated to reflect these major changes in the management of public debt in Tanzania. I noted that the Act was enacted in 1974 with several amendments thereafter, the recent one dated June 2022 but did not consider changes in public debt management. Government Loans, Guarantees and Grants Regulations (GLGGR), dates back to 2003.

For instance, the Laws still recognise the Accountant General's Department as part of the management of public debt. However, the recent reforms in the structure of the MoF have replaced its roles and are no longer involved in the process. The challenge has potential effects on non-compliance with existing Governing laws. Non updating of the law could reduce the legitimacy of the approved function and organisation structure (AFOS) in the eyes of governing laws and may pose accountability of role to risk of misunderstanding.

I was informed that the Management is in the process of conducting an overhaul review of the GLGGA and GLGGR to reflect required updates.

I recommend to the Management to prepare a road map with scheduled milestones on the review of the Government Loans, Guarantees and Grants Act and its Regulations to ensure timely completion of the exercise of updating the existing laws.

CHAPTER SIX

EXPENDITURE MANAGEMENT

6.1 Introduction

Effective management of expenditures is essential for the success of Public Sector Entities (MDAs), ensuring the efficient utilisation of resources to meet their objectives. The audit identified several issues in the expenditure management practices of the MDAs, which require immediate attention from management. This chapter identifies issues and recommendations for improvement.

6.2 Payments Made Without Demanding EFD Receipts

Section 36(1) of the Tax Administration Act (TAA), Regulation 28(1) of the Income Tax (Electronic Fiscal Devices) Regulations 2012, and CAP 438, both the buyer and seller are required to issue and demand EFD receipts. However, I found that 13 entities made payments of TZS 2.87 billion without demanding EFD receipts, as detailed in **Table 22**.

Table 22: Entities Made Payments without Demanding EFD Receipt

| SN | Name | Amount (TZS) |
|-----|--|---------------|
| 1. | Office of Foreign Affairs and East African Cooperation Zanzibar | 154,273,482 |
| 2. | Ardhi Institute Morogoro | 25,559,939 |
| 3. | Beekeeping Training Institute (BTI) | 22,798,582 |
| 4. | Lake Nyasa basin | 151,738,951 |
| 5. | Mbinga WSSA | 12,754,669 |
| 6. | Ministry of Lands, Housing and Human Settlement Development | 465,549,485 |
| 7. | Ushirombo WSSA | 147,321,132 |
| 8. | Tanzania Building Agency | 541,743,142 |
| 9. | Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA) | 1,220,250,000 |
| 10. | RUWASA | 65,349,662 |
| 11. | Tanzania Film Board | 44,556,793 |
| 12. | Temeke RRH | 24,146,015 |

| SN | Name | Amount (TZS) |
|-----|--------------|----------------------|
| 13. | Tumbi RRH | 3,550,600 |
| | Total | 2,879,592,452 |

Source: Individual Management Letters 2022/23

Lack of EFD receipts raises concerns on potential revenue leakage, hindering the accurate tracking and reporting of transactions for tax purposes.

I recommend the Government to take decisive actions against entities violating tax regulations to prevent possible revenue leakage. Also, to strengthen internal controls that will ensure payments are supported by EFD receipts.

6.3 Unused Funds Remained in the Imprest Bank Accounts

Paragraph 3.11 of Accounting Circular No. 1 of 2021/22 dated 7 June 2022, issued by the Accountant General on the preparation of the financial report and the closure of the financial year 2021/22 instructed accounting officers to ensure that imprest account has no balance at the end of the financial year.

On 30 June 2023, seven entities had unused funds amounting to TZS 2.45 billion in their imprest expenditure bank accounts maintained by commercial banks. See details in **Table 23**. This led to a violation of financial regulations, compromised transparency and accountability, and undermined the accuracy of financial reporting. The funds remaining in the imprest account could be misused.

Table 23: Entities with Unused Funds in Imprest Account

| SN | Name | Amount (TZS) |
|----|--|----------------------|
| 1 | Ministry of Home Affairs | 195,213,701 |
| 2 | Mbeya RRH | 72,884,405 |
| 3 | Sekoutoure Regional Referral Hospital | 276,295,207 |
| 4 | Simiyu RRH | 5,926,000 |
| 5 | Kibong'oto Infectious Diseases Hospital | 378,520,569 |
| 6 | Ministry of Education Science and Technology | 1,129,466,074 |
| 7 | Sokoine RRH | 393,012,932 |
| | Total | 2,451,318,888 |

Source: Individual Management Letters 2022/23

I recommend that the Government ensures regular monitoring to uphold compliance with financial regulations, preventing possible misuse of funds retained in imprest accounts.

6.4 Rehabilitation of Chancery not Commenced Despite having the Funds

On 4 July 2018, the Tanzania High Commission in Kampala received USD 783,115, equivalent to TZS 1.78 billion. The funds were meant for the rehabilitation of the Chancery building located along 6 Kagera Road, and the representative old residency located along 4 Ridgeway Street, Kololo Road.

My review found that the funds have remained unused for five years from 4 July 2018 to 30 June 2023. Following the deterioration of the Chancery building, it was decided to shift the Chancery to the staff residential building owned by the Tanzania High Commission in Kampala and vacate the five staff to a rented house incurring a rental cost of TZS 247.93 million per year. It cost TZS 1.23 billion as rental fees for the staff for five years.

Delayed rehabilitation of the building was caused by a prolonged procurement process of the contractor and consultant of the project by the Ministry of Foreign Affairs and East Africa Cooperation. The consultant ABECC, a subsidiary of the Ardhi University, was procured in October 2023, while the contractor was not yet procured.

I consider that unused funds for the rehabilitation of the Chancery raise concerns about missed investment opportunities, emphasising the financial burden of rental expenses incurred by the Commission during the period of five years. Additionally, holding funds for too long might increase the cost of the project due to the escalation of prices for goods and services resulting from inflation.

I recommend the Government to finalise procurement process for Chancery rehabilitation promptly to facilitate the commencement of the rehabilitation works.

6.5 Unauthorised Utilisation of Guarantee Funds in Deposit Account

Regulation 132 of the Public Finance Regulations, 2001 requires the officer authorising the refund of a deposit to satisfy him or herself that a claim received for the refund of a deposit satisfies the purpose for which the deposit was taken, preferably by reference to the original receipt issued, that the person claiming the deposit is the original depositor or is otherwise entitled to the refund.

In my review, I noted that on 1 July 2021, the Permanent Mission of the United Republic of Tanzania to the United Nations in New York received USD 324,112, equivalent to TZS 826.48 million, as guarantee funds from tenants of the Mission office building. Out of the deposited funds, the Mission utilized USD 291,112.43,

equivalent to TZS 672.51 million, during the financial year 2022/23 to cover maintenance expenses of the building and other operational costs.

The utilisation of funds was attributed to un-released funds from the Ministry of Foreign Affairs and East African Cooperation. I consider that unauthorised utilisation of the deposited funds could result in the Mission's inability to pay depositors (tenants) when they claim funds originally deposited in the Deposit Account.

I recommend the Government, through the Ministry of Foreign Affairs and East Africa Cooperation, to develop guidelines aimed at effectively managing deposit funds within embassies. Additionally, to refund borrowed amounts from special deposit accounts.

6.6 High Rental Expenses for Tanzania Missions Abroad

My review of the 43 audited disclosed that 39 Embassies, High Commissions, and Permanent Missions rent houses for offices and residential purposes. Following the rent, a total of TZS 18.46 billion was spent during the financial year 2022/23. I further established that the Tanzanian Embassy in Moscow paid the highest rent of TZS 1.58 billion followed by the Tanzania Embassy in Abu Dhabi TZS 1.42 billion, and the Tanzanian Embassy in Vienna TZS 1.19 billion.

My further review of the Ministry of Foreign Affairs and East Africa Cooperation concept note for acquisition, rehabilitation, and construction of Tanzania Missions' buildings abroad established that the Embassies that consumed high rent were not planned for construction.

Continued renting was attributed to the Government's failure to develop the plots of land granted by the host Countries, and rehabilitation of the dilapidated buildings, and abandoned buildings. As a result of such failure, the Mission has continued to rent, and there seem to be no plans to have this cost reduced. I consider that the exorbitant payment of rent substantially reduces the funds available for implementation of activities which affects the Mission in implementing its core mandate.

I recommend the Government to update the concept note and solicit funds for the acquisition, rehabilitation, and construction of Tanzania Missions buildings by including the Embassies with high rental costs.

6.7 Non-utilisation of VAT Exemptions for Qualified Water Projects

Regulation 4(2)(a) of the Value Added Tax (Exemption Management Procedures) Regulations, 2021 requires an application for tax exemption to be made to the

Commissioner General within a period of not less than sixty days before the commencement of the project and accompanied with a contract between Government entity and contractor or level one sub-contractor with respect to government funded project approved by the Minister.

I found that RUWASA signed 13 contracts worth TZS 17.41 billion, inclusive of VAT amounting to TZS 2.78 billion, despite the projects qualifying for VAT exemption as stipulated in Regulation 4(2)(a).

Also, I uncovered a delay of up to 420 days in obtaining tax exemption certificates for the contracts worth TZS 3.05 billion, thus affecting project implementation.

The primary cause was the lengthy process of obtaining VAT exemption from the Tanzania Revenue Authority and Ministry of Finance and inadequate contract management. Consequently, paying VAT for projects eligible for exemption reduces available funds for water projects and delays in obtaining exemptions hinder project implementation, impacting the public's access to safe and clean water.

I recommend the Government through Tanzania Revenue Authority to ensure timely issuing of VAT exemptions, and RUWASA to minimise project cost by utilising VAT exemption for effective project implementation.



7.1 Introduction

This section presents the findings observed during my audit of procurement management. Section 48(1) of the Public Procurement Act, Cap 410 requires all Accounting Officers to ensure the procurement of goods, works, or services complies with the procedures prescribed under the Act or its Regulations.

Under Section 48(3) of the Public Procurement Act, Cap 410, my statutory responsibility is to assess and report on whether the Accounting Officers have duly adhered to the prescribed procedures and regulations outlined in the Act.

My audit for the financial year 2022/23 has identified several areas where Ministries, Departments and Agencies (MDAs) did not comply with the prescribed procedures. The details of these weaknesses and my recommendations are outlined in the paragraphs below, categorised into planning, solicitation, and contract implementation stages.

7.2 Inadequate Planning

The planning stage of procurement, encompassing initiation of procurement, designing, and approval processes, lays the foundation for efficient and effective procurement activities.

7.2.1 Unimplemented Procurements and Deviations from Annual Procurement Plans

Section 49 of the Public Procurement Act, CAP. 410, requires a procuring entity to prepare an annual procurement plan for all its procurements, to integrate its procurement budget with its expenditure programme and prevent emergencies and splitting of procurements.

I found unimplemented procurements and deviations from Annual Procurement Plans totalling TZS 567.86 billion, as 25 MDAs did not implement their planned procurements of TZS 565.49 billion, four Water Authorities implemented procurements of TZS 537.93 million without having Annual Procurement Plans,

and six MDAs made procurements of TZS 1.82 billion out of their Annual Procurement Plans. Details are provided in **Appendix II**.

Unimplemented planned activities caused delays in service delivery, leading to inadequate achievement of the intended Government objectives. Furthermore, non-adherence to the annual procurement plan poses risks of ad-hoc procurement decisions and failing to aggregate requirements, compromising transparency and accountability in procurement activities.

I recommend that the Government ensures MDAs prepare realistic procurement plans and that these plans are effectively implemented to enhance transparency and accountability.

7.2.2 Commencement of Projects without Conducting the Environmental and Social Impact Assessment

Regulation 241(3) of the Public Procurement Regulations, 2013 requires a procuring entity to assess the impact on the environment of any works at the planning stage of the project and in any case before procurement proceedings are commenced. Section 81 (3) of the Environmental Management Act, 2004 requires work not to be undertaken without an environmental impact assessment certificate issued by the National Environment Management Council (NEMC).

I found that the Ministry of Health commenced the implementation of one project valued at TZS 2.18 billion before conducting an environmental and social impact assessment (ESIA) and geotechnical investigation. Furthermore, TANROADS initiated 14 projects valued at TZS 632.94 billion before obtaining ESIA certificates from NEMC. Details are provided in **Appendix III**.

Implementing projects without conducting Environmental Impact Assessments (ESIA) risks environmental hazards, potentially harming surrounding communities and leading to wasteful spending of public funds. TANROADS could face fines as per Section 189(c) of the Environmental Management Act, 2004, and essential pre-project alterations might have been overlooked due to the commencement preceding NEMC Certificates.

I recommend that the Government ensures that the construction projects in MDAs commence only after obtaining NEMC certificates. This precautionary measure is essential to guarantee the suitability of the projects and to prevent adverse environmental consequences and wasteful expenditures.

7.2.3 Procurements Made Without Tender Boards' Approvals

Section 33(1) (c) of the Public Procurement Act, CAP. 410 requires the Tender Board to approve all procurements and disposals by tender procedures.

To the contrary, I found that 10 MDAs conducted procurements of TZS 2.11 billion without obtaining approvals from Tender Boards. Additionally, procurements of TZS 5.01 billion made by five MDAs were approved using circular resolutions, which involved fewer Tender Board members than required. Details are in **Table 24**.

Table 24: Entities that Made Procurements Without Tender Boards' Approvals

| SN | Entity | Amount (TZS) | Remarks |
|-----|---|----------------------|---|
| 1. | SUMAJKT Agri-Machinery | 99,247,000 | Not Approved |
| 2. | SUMAJKT Electric Company Limited | 30,000,000 | Not Approved |
| 3. | Ministry of Investment, Industry and Trade | 20,000,000 | Not Approved |
| 4. | Tanzania Forest Fund | 10,525,260 | Not Approved |
| 5. | TANROADS | 777,836,847 | TZS 346,661,847 was not approved while approval of TZS 431,175,000 did not meet quorum. |
| 6. | Mzinga Corporation | 945,498,946 | Not Approved |
| 7. | Mzinga Holding Company Limited | 87,352,334 | Not Approved |
| 8. | Mtwara Zonal Referral Hospital | 262,803,423 | Not Approved |
| 9. | Ministry of Community Development, Gender, Women and Special Groups | 273,975,513 | Not Approved |
| 10. | Ministry of Transport | 38,675,000 | Not Approved |
| 11. | Internal Drainage Basin Water Board | 217,469,180 | Quorum Not Met |
| 12. | Mbeya Regional Referral Hospital | 48,002,808 | Quorum Not Met |
| 13. | Musoma Regional Referral Hospital | 155,283,589 | Quorum Not Met |
| 14. | Ministry of Health | 4,160,306,500 | Quorum Not Met |
| | Total | 7,126,976,400 | |

Source: Individual management letters for the financial year 2022/23

Effecting procurements without obtaining Tender Board approvals undermines the oversight role of the Tender Board in monitoring procurement procedures. It can compromise transparency and accountability in the procurement process, potentially leading to inefficiencies and mismanagement of public resources.

I recommend that the Government ensures respective MDAs comply with procurement regulations by Tender Board approving all procurements undertaken.

7.2.4 Prolonged Procurement Process of Consultancy Services for Design and Supervision of Works in Lusaka, Zambia

Regulation 191(3) of the Public Procurement Regulation, 2013 requires the period fixed for the effectiveness of tenders to be sufficient not exceeding one hundred and twenty days from the final tender submission date.

During my review on 20 February 2023, I noted that the Ministry of Foreign Affairs and East African Cooperation invited bids for the expression of interest through advertisements in three different Zambian newspapers for consultancy services. The consultancy related to the design and supervision of construction projects, namely, Nyerere Plaza, Manda Hill Kilimanjaro Plaza, Tanzanite Exclusive Villas, Ngome Commercial Complex, Ngome Classic Villas, Serengeti Deluxe Villas, Saadani Villas Luxury Homes, Chelston Local Staff Housing Units, Tanzania High Commission New Building, and Zanzibar Executive Office Park Buildings in Lusaka, Zambia. The submission deadline was on 3 March 2023. However, there is no progress on the procurement process.

I consider that there is a risk of increased cost of projects due to escalation of prices for goods and services that delaying the Ministry to obtain the intended objectives.

I recommend that the Government, through the Ministry of Foreign Affairs and East African Cooperation, ensure the finalisation of the procurement process for the consultancy services for the design and supervision of works in Lusaka, Zambia.

7.3 Ineffective Solicitation

This solicitation stage involves invitation, evaluation, and award processes, which are fundamental in selecting the most suitable vendors in a manner that maximizes integrity, accountability, economy, efficiency, transparency, and value for money.

7.3.1 Procurements Processed Out of e-Procurement System

Regulation 342 of the Public Procurement Regulation, 2013 requires procurement entities to implement e-procurement in the public procurement system. During the year ended 30 June 2023, 16 MDAs procured goods and services amounting to TZS 149.56 billion without using an e-procurement system, contrary to the above-cited regulation. The list of MDAs is in Table 25.

Table 25: Entities with Procurement Out of e-Procurement System

| SN | Entity | Amount (TZS) |
|-----|---|------------------------|
| 1. | Law Reform Commission | 26,400,000 |
| 2. | Musoma Regional Referral Hospital | 591,977,855 |
| 3. | Prisons Corporation Sole | 6,551,821,367 |
| 4. | Sekoutoure Regional Referral Hospital | 724,158,727 |
| 5. | Tanzania Gemmological Centre | 132,464,685 |
| 6. | TANROADS | 82,929,007,030 |
| 7. | Business Registrations and Licensing Agency (BRELA) | 1,743,663,520 |
| 8. | Agency for the Development of Educational Management | 40,024,437 |
| 9. | Kasulu Urban Water Supply and Sanitation Authority | 22,894,400 |
| 10. | Kibondo Urban Water Supply and Sanitation Authority | 574,298,028 |
| 11 | Tanzania Livestock Research Institute | 444,213,403 |
| 12 | Handeni Trunk Main Water Supply and Sanitation Authority | 394,483,669 |
| 13 | Ministry of Education, Science and Technology | 51,240,584,534 |
| 14 | Ministry of Community Development, Gender, Women and Special Groups | 173,141,754 |
| 15 | RUWASA | 138,322,426 |
| 16 | Tanzania Building Agency (TBA) | 3,840,689,115 |
| | Total | 149,568,144,950 |

Source: Individual management letters for the financial year 2022/23

The failure to use the e-procurement system in procurements undermines the Government’s objective to increase efficiency, reduce procurement time, and risks, and improve transparency and fairness in public procurement.

I recommend that the Government implements comprehensive measures to enhance transparency and compliance in procurement processes by maximising the usage of e-procurement systems. Also, take appropriate action against those involved in violating procurement regulations.

7.3.2 MDAs Made Uncompetitive Procurements

Regulation 149A of the Public Procurement Regulations, 2013 [GN No. 446 Published on 20/12/2013] as amended by Regulation 51 of the Public Procurement (Amendment) Regulations, 2016 [GN No. 333 Published on 30/12/2016] mandates procuring entities to solicit quotations from each

manufacturer, dealer, or service provider to ensure the best value for money. Regulations 152 and 159 (1) of the Public Procurement Regulations, 2013 [GN No. 446 Published on 20/12/2013] as amended by Regulation 55 and 60 of the Public Procurement (Amendment) Regulations, 2016 [GN No. 333 Published on 30/12/2016] permit restricting tendering and single-source procurement respectively under various circumstances including urgency, the availability of a monopoly supplier, and issues related to national defence and security procurement.

I noted that, on 31 March 2023, the Ministry of Education, Science and Technology, awarded a Framework Contract No.ME-024/2022-23/HQ/G/44 and No.ME-024/2022-23/HQ/G/45, M/S ALAF (T) Ltd, with a total contract sum of TZS 31.46 billion (VAT inclusive) for the supply and installation of ultra-span structures with roof covering materials for construction works at 63 DVTCs and Songwe RVTSC, for the one-year contract period. However, despite procurement being made directly from manufacturers, there was no competition among the shortlisted manufacturers regarding the roof covering materials.

Furthermore, five MDAs used a single source procurement method and restricted tendering process for procured goods and services worth TZS 46.21 billion with invalid or undocumented justifications. The details are in Table 26.

Table 26: MDAs With Uncompetitive Procurements

| SN | Entity | Amount (TZS) | Procurement Method |
|----|---------------------------------------|-----------------------|--|
| 1. | Ministry of Health (Vote 52) | 251,225,000 | Single source |
| 2. | Ministry of Livestock | 18,567,263,031 | Single source |
| 3. | Tanzania Livestock Research Institute | 1,182,782,050 | Single source |
| 4. | RUWASA | 1,872,751,293 | Restricted Tendering |
| 5. | TANROADS | 24,338,476,547 | Single Source and Restricted Tendering |
| | Total | 46,212,497,921 | |

Source: Individual management letters for the financial year 2022/23

The Ministry of Education's procurement practices impeded its Tender Board's intention of securing the most competitive prices. Employing single-source and restricted tendering procurement methods without adequate justifications restricts competition, impacting the quality of procurements and hindering the achievement of value for money in such procurement processes.

I recommend that the Government ensures pertinent MDAs exercise transparency, fairness, and accountability in procurements by fostering competition among shortlisted manufacturers and implementing stringent

oversight mechanisms to curb instances of single-source procurement and restricted tendering without valid justifications.

7.3.3 Nine Tenders Evaluated by Insufficient Members of the Evaluation Committees

Regulation 202 (1) - (2) of the Public Procurement Regulations, 2013 [GN No. 446 Published on 20/12/2013] as amended by Regulation 69 of the Public Procurement (Amendment) Regulations, 2016 [GN No. 333 Published on 30/12/2016] requires the Accounting Officer to establish a tender evaluation committee consisting of three to five members. In exceptional circumstances, the Accounting Officer may constitute an evaluation committee with more than five members, based on the value and complexity of the procurement if there are justifiable reasons for increasing the committee's size.

TANROADS awarded four tenders amounting to TZS 15.34 billion, while the Tanzania Public Service College awarded five tenders totalling TZS 59.68 million. However, both entities evaluated these tenders with two individuals instead of the mandated three as per the cited Regulations.

The evaluation of tenders by an insufficient number of members increases the risk of biased decisions or errors in the evaluation process. With fewer individuals involved, there is a higher chance of oversight or potential manipulation of the tender evaluation process.

I recommend that the Government ensure MDAs maintain compliance with tender evaluation standards by establishing committees with the requisite number of members to uphold transparency, fairness, and accountability in procurement practices.

7.3.4 Correction of Errors During Evaluation Process Not Communicated to the Respective Tenderers

Regulation 207(2)(a) of the Public Procurement Regulation, 2013 requires a procuring entity to correct purely arithmetical errors that are discovered during the examination of tenders and the procuring entity shall give prompt notice of any such correction to a tenderer that submitted the tender.

I noted that tender evaluation committees at the National Irrigation Commission corrected errors in eight contracts, totalling TZS 7.50 billion, and adjusted the bid amounts submitted by the tenderers during the evaluation process. However, the Commission failed to notify the tenderers of these corrections and

changes to their bid prices, which is contrary to the requirements of the Public Regulations.

Failure to communicate corrections to tenderers could raise legal concerns regarding the fairness and legality of the procurement process. Additionally, it creates a lack of transparency since tenderers are unaware of changes that might significantly impact their bids and their competitiveness in the procurement process.

I recommend that the Government ensures National Irrigation Commission notify tenderers of any arithmetical errors discovered during the evaluation process and the corresponding corrections made to their bid prices. This practice is crucial for ensuring that tenderers are fully informed of any changes that may affect their bids, which is vital for maintaining fairness and integrity in the procurement process.

7.3.5 Procurements of Goods Without Contracts

Regulation 164 (2)(j) of the Public Procurement Regulations, 2013 stipulates that a letter of invitation for quotations and any attachment shall contain the form of a contract or Local Purchase Order (LPO) to include all conditions and terms of payments.

My review of procurements made in four MDAs established that payments totalling TZS 2.16 billion were made to suppliers of goods and services without a contract or Local Purchase Orders as detailed in **Table 27**.

Table 27: Entities that Made Procurements Without Contracts

| SN | Entity | Amount (TZS) |
|----|-----------------------------------|----------------------|
| 1. | Mbeya Regional Referral Hospital | 975,229,466 |
| 2. | Lake Tanganyika Basin Water Board | 297,423,000 |
| 3. | Mzinga Corporation | 322,756,665 |
| 4. | Rufiji Basin Water Board | 568,763,400 |
| | Total | 2,164,172,531 |

Source: Individual management letters for the financial year 2022/23

Procurements without a contract could lead to a substantial loss in case of disputes since there will be no legally binding contracts between the parties.

I recommend that the Government ensures MDAs' procurements of goods and services are supported by formal contracts that contain terms and conditions to be complied with between the parties.

7.3.6 Contracts not Vetted by the Attorney General or Legal Officers

Regulations 59(1) and 60(1) of the Public Procurement Regulation, 2013 as amended by Regulation 2 and 3 of the Public Procurement (Amendment) Regulations, 2016 [GN No. 121] respectively stipulate that formal contracts whose value is one billion shillings and above or undertaken through international competitive tendering shall be vetted by Attorney General and contract below one billion shillings shall be vetted by a procuring entity's legal officer before parties sign the contracts.

My review of contract management noted that five MDAs signed contracts and addenda totalling TZS 4.78 billion before undergoing vetting by the Attorney General or their legal officers, as outlined in **Table 28**.

Table 28: Entities with Unvetted Contracts

| SN | Entity | Contract/Addenda Amount (TZS) |
|----|---|-------------------------------|
| 1. | TEMESA | 1,832,250,000 |
| 2. | TANROADS | 2,000,000,000 |
| 3. | Ministry of Health | 393,353,000 |
| 4. | Ministry of Community Development, Gender, Women and Special Groups | 533,884,180 |
| 5. | Tanzania Forest Services Agency | 27,000,000 |
| | Total | 4,786,487,180 |

Source: Individual management letters for the financial year 2022/23

Failure to submit a contract with a value exceeding one billion shillings constitutes non-compliance with Regulation 59 (1)-(2) of the Public Procurement Regulations, 2013. Such non-compliance could lead to losses to MDAs, particularly in disputes for contracts containing clauses that are not favourable to the respective entities.

I recommend that the Government ensure all contracts in respective MDAs are vetted before being signed as required by procurement regulations.

7.3.7 National Irrigation Commission did not Conduct Due Diligence to Contractors for Irrigation Projects

Regulation 373 (1) of the Public Procurement Regulation, 2013 requires the contracting authority to conduct due diligence on the contractor recommended for award by verifying the experience qualification, expertise, and financial capability. The regulation further requires the entity to assess that any litigation or controversy associated with the contractor and its team members does not affect the ability to execute the contract.

In addition, the Attorney General's advice, as outlined in paragraph 11 of response letters dated 5 August 2022, regarding vetting the National Irrigation Commission's contracts, stressed the importance of conducting due diligence on the competence and ability of all contractors before finalising the contracts.

To the contrary, I noted that the National Irrigation Commission did not conduct due diligence to contractors for 25 sampled construction irrigation projects amounting to TZS 408.14 billion.

The absence of due diligence could lead to the selection of contractors who lacked the essential experience, qualifications and capabilities, potentially jeopardising project success.

I recommend that the Government ensures the National Irrigation Commission safeguards public resources and achieves successful execution of irrigation projects by conducting due diligence on contractors.

7.3.8 Contracts Signed by Un-authorized Individuals

Regulation 233 (1) of the Public Procurement Regulation, 2013 [GN No. 446 Published on 20/12/2013] as amended by Regulation 75 of the Public Procurement (Amendment) Regulations, 2016 [GN No. 333 Published on 30/12/2016] requires an accepted tender to be signed by the Accounting Officer of the procuring entity and the person whose tender is accepted for a formal contract within 28 calendar days after fulfilling all conditions before signing the contract.

I noted that the Tanzania Building Agency signed four contracts for the supply of goods amounting to TZS 4.02 billion. However, for the supplier's part, the contracts were signed by individuals who lacked the power of attorney to sign the contracts on behalf of their company.

A contract signed by an unauthorized person is void and may not be considered by the court in case of disputes, rendering it unenforceable and potentially leading to legal complications as well as financial losses for the government.

I recommend that the Government takes measures to ensure contracts at the Tanzania Building Agency are properly signed to prevent potential legal complications and financial losses that may arise from the implementation of these contracts.

7.4 Deficiencies in Implementation of Contracts

The Implementation stage relates to fulfilling contractual obligations by both the employer and the employee, encompassing aspects related to deliveries, constructions, payments, and the overall management and performance of the contracts.

7.4.1 Infringement of Contracts Payment Terms by MDAs

Clause 14.6 to 14.8 of GCC for Standard Tendering Documents for Procurement of Medium and Large Works, 2022 require employers to pay contractors the amount certified by the Project Managers within 28 days from the date the employer has received the certificate, and late payments shall attract financing charges compounded monthly on the amount unpaid during the period of delay.

I noted the infringement of terms of payment to Contractors, Consultants, and Suppliers regarding outstanding claims totalling TZS 57.94 billion by MDAs, and interest incurred on late payments by the Ministry of Works and TANROADS totalling TZS 52.30 billion. Details are outlined in the following paragraphs.

7.4.1.1 Unsettled Claims and Payments Made Beyond Agreed Timeframes

My review of contract implementation noted unsettled MDAs' claims and payments made beyond the agreed timeframes, totalling TZS 58.11 billion by 11 MDAs. This comprises approved certificates and invoices for completed works and supplied goods and services yet to be paid, amounting to TZS 19.37 billion, and TZS 38.73 billion, that were paid late. Delays noted ranged from four to 1193 days. Further details are provided in **Appendix IV**.

7.4.1.2 Accrued Interest from Unpaid Arbitration Settlement Since 2014 by the Ministry of Works

On 4 April 2013, the Ministry of Works received an arbitration order through the International Chamber of Commerce (ICC) regarding a dispute with M/s Sogea Satom. The dispute stemmed from the contract for Rehabilitating the 97.963 km Ibanda - Uyole Road Project, which began in 1991. The project incurred additional work and an extension of 110 days, which the financier (EU) did not approve, resulting in an obligation to the Government. An amicable settlement with the contractor was later reached, and a total of USD 12 million was to be paid by the Government in 2014.

However, as of June 2023, the outstanding amount remained unpaid, totalling TZS 28.06 billion in principal sum. Compound interest, calculated at 7% per

annum as stipulated in Section 2.1 of the Deed of Settlement, has accrued. The annual interest charge amounted to TZS 3.61 billion, contributing to a total interest charge of TZS 17.48 billion as of 30 June 2023.

7.4.1.3 Interest Charged to TANROADS on Delayed Contractors' Payments

I noted that TANROADS was charged interest of TZS 34.82 billion during the financial year 2022/23 due to delay in paying contractors and consultants for road construction projects.

A delay in settling the outstanding claims may result in the government paying a significant amount of interest in the future, which is an avoidable cost. It also undermines the sustainability of the service delivery by the Government and impacts the completion of the construction projects. Consequently, it impedes the timely provision of intended services to beneficiaries. Moreover, such delays could lead to an increase in project costs attributed to accrued interest.

I recommend that the Government settle outstanding claims with the contractor to avoid further accumulation of accrued interest. Also, ensuring timely payment for completed construction work is crucial to prevent wasteful expenditure and maintain fruitful public projects.

7.4.2 Delayed Completion of 21 Government Buildings in Mtumba

In line with the Third Five-Year Development Plan (FYDP III 2021/22 to 2025/26), which has placed top priority on developing the new capital, the Government relocated the hub of government activities to Dodoma to reposition public services closer to the people.

In my assessment of the physical implementation status of the construction of the second phase of Government buildings in the Mtumba area, I found that 21 out of 29 MDAs buildings, valued at TZS 478.81 billion (contract sums), had not been completed by their original completion date. The physical progress ranged from 47% to 85% as of January 2024, and the periods were extended to facilitate the completion of pending works.

In most cases, non-completion of these projects was attributed to inadequate planning, insufficient release of funds, and inadequate supervision and monitoring by management. Physical progress for each building as of January 2024 is in **Appendix V**.

Delays in the completion of these buildings not only prevent the Government from achieving its objective to relocate to the Mtumba area but also result in construction cost overruns and increased government operation costs.

I recommend that the Government closely monitor the progress and take necessary actions to ensure the construction of Government buildings in Mtumba are completed timely. This proactive approach will minimize adverse impacts on service delivery and reduce government operation costs.

7.4.3 Deficiencies noted with Performance Securities

Regulation 29(1) of the Public Procurement Regulation, 2013 requires the procuring entity to demand performance security from the successful tenderer. Performance security guarantees the faithful performance of the contract and the payment of all labourers, suppliers, mechanics, and subcontractors, if any.

During my audit, I noted that 46 construction contracts lacked valid performance securities, amounting to TZS 383.76 billion in guaranteed amounts. Despite the contractual clauses requiring the submission of performance security in the form of performance bonds and bank guarantees, the noted contracts were implemented with unsubmitted or expired performance security, as detailed in Table 29.

Table 29: Entities that had Contracts Without Performance Securities

| SN | Entity | No. of Contracts | Guarantee Amount (TZS) | Remarks |
|----|--------------------------------|------------------|------------------------|---------------|
| 1. | Tanzania Building Agency | 2 | 295,865,760 | Not submitted |
| 2. | TANROADS | 7 | 375,514,215,171 | Not submitted |
| | TANROADS | 11 | 962,955,614 | Expired |
| 3. | National Irrigation Commission | 3 | 2,664,511,686 | Expired |
| 4. | RUWASA | 23 | 4,326,361,445 | Expired |
| | Total | 46 | 383,763,909,676 | |

Source: Individual management letters for the financial year 2022/23

The absence of valid guarantees exposes the completion of the projects in the case of contractors' default.

I recommend that the Government ensures MDAs demand performance securities and their timely renewal to avoid incurring losses that may arise in the event of contractor default.

7.4.4 Delayed Commencement of Contracts

Regulation 69 (3&4) of the Public Procurement Regulations, 2013 requires a procuring entity to forecast its requirements for goods, services, and works as accurately as is practicable with particular reference to services or activities

already programmed in the annual work plan and included in the annual estimates and the forecasts shall include an estimate of the optimum time to the nearest month of performance and completion of services. However, I noted delayed commencement of contracts with the total value of TZS 302.01 as explained in the following paragraphs.

I noted that TANROADS signed three contracts for a total amount of TZS 246.84 billion in a period between December 2022 and April 2023. As of 30 June 2023, all three contractors were paid an advance amount totalling TZS 14.16 billion. However, up to November 2023, five months had elapsed since the advance amount was paid, and all contractors had not mobilised the required personnel and equipment or commenced construction of the Engineer's camp. The road construction works has not yet started.

I also found that between March 2023 and May 2023, TANROADS (TANROADS Dodoma Office) awarded nine road construction projects to various contractors, totalling TZS 37 billion. However, as of the conclusion of the audit in December 2023, the contractors had not commenced construction works, resulting in a delay of more than seven months. TANROADS explained that the projects were financed by the African Development Bank (AfDB), requiring approval (No Objection) from the Bank before signing the contract. This approval was granted on 06 July 2023. However, I am of the view that the delay in commencing the road projects hinders the achievement of targeted objectives, and leading to increased complaints from road users, which could damage the Agency's reputation.

On 21 October 2022, the Tanzania Meteorological Authority entered two contracts: one for the Supply and Installation of Meteorological HF Marine Radars for TZS 3.94 billion and the other for the Supply and Installation of Calibration Laboratory Equipment for TZS 2.51 billion. However, as of 14 December 2023, the implementation of the contracts did not commence due to a lack of funds.

Furthermore, I found that TEMESA signed contracts with M/s Songoro and M/S Africa Marine Engineering for the rehabilitation and construction of ferries for the sum of TZS 11.71 billion. However, both works did not commence due to unpaid advance amounting to TZS 1.51 billion for days ranging between 147 and 168 as of 18 September 2023, from when the contractors' submitted guarantees for advance payment.

The delay in the implementation of the contracts postponed the delivery and implementation of essential services and might also lead to violations of terms, including the timeframe, potentially leading to penalties and disputes.

I recommend that the Government ensures the commencement of projects in the noted MDAs without further delays to ensure timely project completion.

7.4.5 Delay in Delivery of Motor Vehicles and Motorcycles

Regulation 69(1) of the Public Procurement Regulation, 2013 requires a procuring entity to forecast its requirements for goods, services, and works as accurately as is practicable with reference to services or activities already programmed in the annual work plan and included in the annual estimates.

Additionally, the framework agreement between GPSA and Toyota Tanzania Limited specifies a three-month processing and delivery time for orders made by Public Entities (PEs). GPSA maintains customer funds as deposits for bulk procurement of motor vehicles, aiming for value for money and economies of scale.

On the contrary, I noted that 12 MDAs transferred funds to GPSA for the procurement of Motor vehicles and motorcycles. However, there were delays in delivering 42 motor vehicles and 37 motorcycles beyond the agreed delivery times with average days ranging from four to 20 months. Refer Table 30.

Table 30: Schedule of Delayed in Delivery of Motor Vehicles and Motorcycles by GPSA

| SN | Entity | Quantity | Amount (TZS) | Delays (Months) |
|-----------------------|--------------------------|-----------|----------------------|-----------------|
| Motor Vehicles | | | | |
| 1 | Judiciary of Tanzania | 3 | 274,297,762 | 10 |
| 2 | OSHA | 13 | 1,260,200,599 | 8 |
| 3 | LATRA | 3 | 217,731,407 | 8 |
| 4 | NBS | 8 | 580,617,086 | 7 |
| 5 | TARURA | 5 | 362,885,679 | 7 |
| 6 | Ministry of Home Affairs | 4 | 408,424,220 | 6 |
| 7 | TARI | 2 | 197,917,241 | 6 |
| 8 | EWURA | 4 | 703,155,489 | 4 |
| Sub Total | | 42 | 4,005,229,483 | |
| Motorcycles | | | | |
| 1 | NZOVWE FDC | 1 | 2,900,000 | 5 |
| 2 | TFS | 36 | 392,400,000 | 20 |
| Sub Total | | 37 | 395,300,000 | |
| Grand Total | | | 4,400,529,483 | |

Source: Individual management letters for the financial year 2022/23

Delays in the delivery of motor vehicles hindered the institutions' operations, especially in the facilitation of transportation services. Moreover, GPSA is recommended to come up with a comprehensive strategy that could improve efficiency in managing procurements of government motor vehicles.

I recommend that the Government ensures GPSA accurately forecasts its requirements and strengthens contract management practices to ensure the timely delivery of motor vehicles and motorcycles to Public Entities.

7.4.6 Receipts of Goods Before Being Inspected

Regulations 244(1) and 245 of the Public Procurement Regulations, 2013 require the receiving entities to inspect the goods delivered by suppliers and accept them only if they meet specifications stipulated in the contract.

To the contrary, I found that four MDAs made payments for the procurement of goods and services worth TZS 615.15 million from suppliers without being inspected by the Goods Inspection and Acceptance Committee, as detailed in Table 31.

Table 31: Entities that Received Goods Before Being Inspected

| SN | Entity | Amount (TZS) |
|----|---|--------------------|
| 1. | Mzinga Corporation | 256,682,550 |
| 2. | Tanzania Livestock Research Institute | 118,305,975 |
| 3. | Mpwapwa Water Supply and Sanitation Authority | 223,116,019 |
| 4. | Tanzania Film Board | 17,048,000 |
| | Total | 615,152,544 |

Source: Individual management letters for the financial year 2022/23

Paying for procurements of goods and services without conducting inspections could compromise the quality and adherence to contract specifications, potentially resulting in the procurement of substandard or low-quality goods.

I recommend that the Government ensures MDAs inspect the quality of goods before making payments.

7.4.7 Failure to Forfeit Performance Bond and Recover Advance Payment on the Terminated Contracts

Regulation 243 (5) (b) of the Public Procurement Regulations, 2013 provides that in the event a service provider or contractor fails to provide services at the required standard, to remedy faults, or to complete the works to the satisfaction of the procuring entity, the procuring entity may call any

performance security if such has been furnished by the service provider or contractor.

During the audit, the Mining Commission and RUWASA failed to forfeit the performance bond and recover advance payment bank guarantee totalling TZS 675.90 million on the terminated Contracts.

- a) I noted that the Mining Commission engaged MCB Company Limited to construct its headquarters building in Dodoma for a duration extending to 21 January 2022, with a contract value of TZS 4.06 billion. However, the contract was terminated on 21 October 2022, when payments had reached 34%, due to the contractor's failure to complete the construction within the agreed timeframe. Despite the existence of a performance bond valued at TZS 406.98 million, which was valid until 16 November 2024, the Mining Commission did not claim the bond.
- b) Additionally, I found that RUWASA failed to recover advance payment amounting to TZS 268.91 million after the termination of contract No. AE-102/2020-2021/26/001 for the construction of Kwenkambala Earth Fill Embankment Dam and Associated Civil Works in Handeni district - Tanga Region because at the time of termination of the contract, the advance payment guarantee had already expired.

The failure to claim the performance bond and the paid advance resulted in potential financial losses to both the Mining Commission and RUWASA.

I recommend that the Government ensures the recovery of performance bonds and advance payments from defaulting contractors to protect public funds and uphold accountability in procurement processes.

7.4.8 Abandoned Construction Projects

Clause 69.2 (a) of the General Conditions of the Contract requires the client to terminate the contract if the contractor stops working for 28 days without indicating in the current work program and such stoppage has not been authorized by the project manager.

I found that 10 projects worth TZS 7.12 billion implemented by RUWASA were abandoned by contractors for periods of up to four years. Out of these projects, the contractors had abandoned two projects despite being paid advance amounts totalling TZS 530.76 million, while the work in progress were in averaged from 0% to 46%.

Furthermore, I found that one contractor, responsible for a contract worth TZS 718.11 million for hydrogeological surveys, drilling eighteen productive boreholes, and installing hand pumps at various locations abandoned the project since 16 May 2023, due to the non-availability of water in the respective areas.

The primary cause of the abandonment of the water construction projects was insufficient release of funds, resulting in cash flow problems among the respective contractors, as well as inadequate capacity of the contractors and inability to access water in borehole drilling locations. Therefore, the abandonment of the construction projects could lead to the delays in project completion, wastage of resources, and failure to access water supply in the affected areas.

I recommend that the Government ensures timely disbursement of funds and that RUWASA enhances supervision of project implementations to ensure projects are completed within the agreed time frame. Also, take appropriate measures, including recovering TZS 530.76 million paid to contractors, and enhancing the tender evaluation process to engage technically and financially capable contractors in the future.

7.4.9 RUWASA Awarded Tenders at Prices Seven Times Higher Than the Approved Budget

Section 59 (1) and (2) (d) of the Public Procurement Act, CAP. 410 requires the procuring entity to reject all tenders or proposals where tenders or proposals involve costs substantially higher than the original budget or estimates.

I reviewed the Annual Procurement Plan and established that RUWASA planned to award 119 tenders at the approved budget of TZS 45.31 billion. However, the tenders were awarded at a contract price totalling TZS 317.75 billion, which was seven times higher than the approved budget.

Awarding of tenders at prices substantially higher than the original budget created debts to the Government resulting from failure to pay contractors timely, eventually affecting the implementation speed and compromising value for money.

I recommend that the Government ensures RUWASA adheres to the Public Procurement Act by rejecting tenders that exceed the original budget. Additionally, RUWASA should review its procurement processes to enhance cost estimation and budgeting accuracy, thereby preventing unnecessary government debts, ensuring timely contractor payments, and maintaining value for money.

7.4.10 Contracts with Unsecured Advance Payments

Paragraph 15 of the Guideline for Securities in Public Procurement, 2022 stipulates that, if so required and stated in the Procurement Contract and after the signing of the contract, the contractor shall submit to the Procuring entity a request for advance payments in the format provided. Provided in the tendering documents, the advance payment shall only be granted by the Procuring Entity upon receipt of the Advance Payment Bank Guarantee from a reputable bank.

I found that the advance payment guarantees amounting to TZS 3.24 billion for 15 contracts implemented by RUWASA had expired before being fully recovered while the contracts were still in progress.

Unsecured advance payment exposed the government to the risk of financial loss in the event of the contractor's failure to perform its obligations under the contract.

I recommend that the Government ensures RUWASA closely monitors the validity of advance payment guarantees to prevent situations where guarantees expire before contracts are completed. By enforcing proper security measures for advance payments, RUWASA can mitigate the risk of financial loss to the government in the event of contractor default.

7.4.11 Delay in Completion of 62 Water Projects

Regulation 114 of Public Procurement Regulation, 2013 requires the procuring entity to be effective in the management of the procurement of works it is undertaking by monitoring the costs and progress and ensuring timely completion of works by the terms of each contract; take or initiate steps to correct or discipline deviations from observance of contract condition; and ensure that the responsibilities imposed on it by the contract are fully discharged.

I found out that 62 RUWASA water projects valued at TZS 149.96 billion were delayed in completion, ranging from 11 to 1564 days beyond the agreed-upon completion dates. My assessment noted that the anomaly was caused by insufficient funds, which limited adequate payment of the contractors' claims.

Delays in the implementation of water projects may increase construction costs that limit the adequate supply of reliable and safe water services to the intended communities.

I recommend that the Government ensures the timely availability of funds for water projects to facilitate prompt payment of contractors' claims, thus facilitating project progress and minimising delays.

7.4.12 Slow Pace in Execution of Projects

Regulation 114 (b), (c) and (d) of the Public Procurement Regulations, 2013 require a procuring entity is responsible for managing the procurement of works effectively. The entity must monitor the progress of works and ensure they are completed on time according to the terms of each contract, take corrective or disciplinary measures for deviations from contract conditions, and discharge all responsibilities imposed by the contract.

The Tanzania Building Agency is implementing two projects namely, the Construction of the Regional commissioner's Residential Houses in Geita Region and the construction of wards, external works and the radiology building at Chato Referral Hospital. However, an assessment of the implementation and site visit conducted noted that up to January 2024, the progress of works of the two projects amounting to TZS 20.05 billion was lagging with a slippage range between 11% to 22%, in comparison with the contract completion period.

Additionally, I note that the Immigration Services Department entered a contract number ME 014/2018/2019/HQ/W/06 with SUMA JKT Construction Company Ltd for the construction of the Immigration Headquarters building in Dodoma City, at a contract sum of TZS 30 billion. The contract was originally set to be completed in October 2023. However, the audit noted that the construction had yet to be finished, with pending finishing phase activities.

Slow progress of both works is primarily attributed to delays in fund flow. I believe that the slow pace in implementing the projects has affected the completion of the projects, resulting in cost increases and delayed service delivery to intended beneficiaries.

I recommend that the Government enhance supervision of project implementations and ensure timely disbursement of funds for projects to be completed within the agreed time frame.

7.4.13 Overpaid Amount to TANROADS not Refunded After Termination of Memorandum of Understanding

On 19 March 2018, TBA and TANROADS signed a memorandum of understanding (MOU/2017/2018/HQ/W) for the construction of the TANROADS Headquarter office building in Dodoma, for TZS 30.13 billion. The contract was scheduled to be concluded on 15 September 2022.

I found that on 09 March 2023, the TANROADS terminated the Memorandum of Understanding, citing several reasons including slow progress of works, the contractor's failure to request for the extension of time, delay in submitting a justification for the BoQ rate review since December 2022, lack of an updated program of work, and additional works with insufficient pricing.

Following the termination, the final account report of March 2023 revealed that TANROADS overpaid TBA the total of TZS 2.03 billion when compared with the total executed works up to the termination date. In this regard, the executed works worth TZS 12.80 billion (inclusive of an unrecovered advance payment of TZS 6.40 billion) while the actual payment made of TZS 14.83 billion.

TBA explained that the Tanzania Revenue Authority (TRA) confiscated the overpaid amount of TZS 2.03 billion from the bank account because of tax liabilities identified during a tax audit. This created difficulties in refunding the excess fund received from the TANROADS.

Generally, I consider that the observed inefficiencies could result in financial losses, reduced competition, compromised integrity, legal consequences, compromised quality, ethical concerns, loss of credibility, and negative impacts on public services.

I recommend that the Government ensures the Tanzania Building Agency refunds the overpaid amount to TANROADS to ensure timely project completion.

7.4.14 Bottlenecks in rehabilitation works for Tanzanian's old chancery building along 2139 R-Street NW Washington, DC 20008 USA

On 17 October 2022, the Ministry of Foreign Affairs and East African Cooperation signed a contract No. ME-0132020-2021/HQ/W/04 with M&R Construction Group Inc, 14341 Fox Creek Ct Cooksville MD 21723 Washington DC, USA, for the sum of TZS 11.57 billion (USD 5,189,862.38) VAT inclusive (20%). The purpose of the contract was to rehabilitate the Tanzanian's old chancery building, situated along 2139 R-Street, NW Washington, DC 20008, USA. The commencement date for the rehabilitation work was in November 2022, and the completion in November 2025. The advance payment of TZS 923.95 million, equivalent to 8% of the total contract, was paid to the contractor up to February 2024. Upon review of the procurement procedures and execution of the contract, I noted the following anomalies:

a) Contract Sum Exceeded the Engineer's Estimated cost by 94%

My review noted that the engineer's estimated cost for the project was TZS 5.98 billion, while the total amount for the signed contract was TZS 11.57

billion, implying that the contractual cost was higher than the initially estimated cost by TZS 5.59 billion (equivalent to 94%) as prepared and submitted by the consultant of the project M/S Aru Built Environment Consulting Company Ltd in May 2021. No justification was provided for the increase. This is contrary to Reg. 69 (3)(7) of the Public Procurement Regulations, 2013, which requires procuring entities to accurately forecast their needs for goods, services, and works, aligning with planned services or activities outlined in the annual work plan and budget estimates.

b) Rehabilitation Project not included in the Annual Procurement Plan

I noted that the rehabilitation works for Tanzanian's old chancery building, situated along 2139 R-Street NW Washington, DC 20008 USA, was neither included in the Approved Budget nor the Annual Procurement Plan (APPs) for the years 2022/2023 and 2023/24, contrary to Reg. 75(1) of Public Procurement Regulations, 2013 that requires procuring entities to ensure that funds are allocated or committed before commencing procurement proceedings.

c) Inclusion of Supervision and Administrative Cost in Contract Sum USD 357,428.58

Clause 45.2 of General Conditions of Contract requires the Bill of Quantities to be used to calculate the Contract price, and the contractor to be paid for the quantity of the work done at the rate in the Bill of Quantities for each item.

I noted that a total of USD 357,428.58 was included in the BoQ general summary as the cost for supervision and administration of the project to form part of the contractual price, while the Ministry had already signed the contract number ME-013/2020/2021/HQ/C/10 with M/S Aru Built Environment Consulting Company Limited (consultant) for provision of consultancy services including supervision of rehabilitation works for Tanzanian's old chancery building along 2139 R-Street NW Washington, DC 20008 USA at the price of TZS 381.65 million.

d) Double Pricing of Local Authorities' Charges

The Bill of Quantities allowed the provisional sum of USD 522,000 to be the cost for a permit to be issued by the District of Columbia Consumer and Regulatory Affairs (DCRA), certification of all drawings in their respective local building construction codes and conduction of all required inspections.

My review disclosed that the sum of USD 170,204.07 was included in the general summary of the bill of quantities, covering project registration and charges for the local authorities. This was considered double pricing, as the bill of quantities already included the application fee for the permit at the District of

Columbia Consumer and Regulatory Affairs (DCRA), under the provisional sum and prime cost section.

e) Unjustified Payment of VAT

My review of the bill of quantities revealed that the contractual amount was quoted inclusive of 20% VAT. Additionally, on 13 March 2023, an advance payment of TZS 923.95 million was made through PV No. E2003700V2400008 that included 20% VAT, totalling TZS 153.99 million. The rate for the paid VAT was unclear since was not stated in the contract clause and in the form of agreement, considering that in Washington, the rate is 6%. Therefore, the VAT rate of 20% appears higher and unrealistic. I consider that the potential for misappropriation of Government funds through the escalation of the VAT rate along with the Contractors' claims.

f) Delayed Payments to the Contractor

Clause 50 of the GCC requires the Contractor to provide monthly statements of work estimates to the Project Manager, who must review and certify payment within 28 days. The Employer then has 28 days to pay the certified amounts. Late payments incur interest calculated from the due date to the payment date at the prevailing Bank of Tanzania interest rate as of the Contract's signing on 12 October 2022.

My review of correspondences disclosed that the Contractor has raised three claims, including an advance payment and two Interim Payment Certificates (IPCs). The records of payment indicate that the advance payment was delayed by 88 days, which might attract additional completion days. However, as of the audit date in November 2023, IPCs No. 1 and 2 which were raised on 15 March 2023 and 5 May 2023, respectively, remained unpaid, resulting in delays of 253 and 202 days respectively.

g) Unapproved Additional Costs of USD 418,790

According to Clause 48 of the GCC, the Contractor is supposed to provide the Project Manager with a quotation to carry out a variation when requested by the Project Manager.

My review of correspondences indicates that the Ministry of Foreign Affairs and East African Cooperation (MFA&EAC) decided to replace the windows at USD 58,790 and the elevator at USD 360,000, attracting an additional cost of USD 418,790. In response, the Contractor requested USD 248,790 for window replacement and a 50% advance for the replacement of the elevator. However, no evidence of approval for the increased cost was availed for verification. This was attributed to the insufficient fulfilment of responsibilities by the officers

at the Ministry of Foreign Affairs. I consider that the Government incurred a loss without awareness.

h) Inadequate Supervision of the Rehabilitation Project

Clause 5 of the GCC requires the Project Manager to be responsible for supervising the execution of the contract. Upon reviewing Clause 1.1 of the SCC, I noted that M/S ARU Built Environment Consulting Company Limited (ABECC) was appointed as the Project Manager. However, correspondence reviews revealed that the Contractor had been directly communicating with the Client, MFA&EAC, including certifying the claims submitted for payment.

i) Stoppage of the Works

I conducted the physical verifications of the rehabilitation project on 19 July 2023 and 15 November 2023, observing that the Contractor had stopped executing work, however, MFA&EAC failed to provide information on the period when the contract stopped and the completion progress. The Embassy officials stated that the pause was to facilitate investigations initiated by the Permanent Secretary for the MFA&EAC aimed at cost reduction. I consider that stoppage of work might lead to a delay in the implementation of the project, and in turn, attract interest charges.

j) Approval of the Shortlisted Firms Without Evaluating their Capability

Reg. 286 (5) of the Public Procurement Regulations, 2013 requires the PE to evaluate the responses and information obtained and to prepare a short list to be approved by the tender board, by including the best-qualified firms.

I reviewed the Ministerial Tender Board minutes from the meeting held on 16 November 2020, which approved the shortlisted consultant firms for the Design and Supervision of Rehabilitation Works for Tanzania’s Old Chancery Building, situated along 2139 R-Street NW, Washington, DC 2008 USA. I noted that no report was submitted by the Procurement Management Unit (PMU) to the Tender Board for approval, indicating the capability of the shortlisted firms to undertake the assignment.

I recommend that the Government through the Ministry of Foreign Affairs and East African Cooperation: -

- a) revisits the BoQ and take corrective actions on the contractual price
- b) ensures proper supervision of the contract by the project manager;
- c) timely pay the contractor to avoid penalties and payments of interest;
- d) initiate negotiation with the contractor on resuming the work after rectification of the observed anomalies and in future, ensure the procurement procedures are adhered to;

- e) take disciplinary actions against officers involved in the preparation of the contract; and
- f) ensures that in future, all contracts implemented abroad in Embassies and Missions recognize the host Embassy/Mission as part of the contract for smooth implementation and coordination of the project. This is contrary to what is currently being done whereby the contract does not assign any role to the host Embassy/Mission.

7.5 Results of Special Audit Conducted at the Ministry of Health on the Procurement and Distribution of Medical Equipment

In 2015, the Government of Tanzania developed an intervention aiming to reduce maternal and neonatal mortality in communities by investing in and improving the availability and accessibility of Comprehensive Emergency Obstetric and Neonatal Care (CEmONC) services. However, the Ministry of Health, the President's Office - Regional Administration and Local Government Authority (PO-RALG), in collaboration with the Health Basket Fund (HBF) Development Partners, allocated funds from 2017 to 2023 to purchase necessary CEmONC equipment for upgrading and equipping health facilities across the country. The Medical Stores Department (MSD) was mandated to procure and distribute the CEmONC medical equipment to 217 health facilities, for providing CEmONC services.

During the financial year 2022/23, I was engaged by the Ministry of Health to conduct a special audit covering the period from 1 July 2017 to 16 March 2023. The audit focused on assessing the procurement, distribution, and efficacy of equipment within the CEmONC framework. Its primary goals were to determine if the equipment provided value for money, identify reasons for procurement and distribution delays, track fund movements, and offer recommendations for enhancing efficiency to expedite the achievement of intended objectives. Below, I outline the audit findings and provide recommendations:

7.5.1 Noncompliance with Regulations and Established Procurement Processes

My review of contracts and tender documents files in respect of CEmONC services noted the following non-compliance issues.

7.5.1.1 Unfair Disqualification of the Lowest Bidder Causing Additional Cost of TZS 33.5 Million

Regulation 212(a) of the Public Procurement Regulations, 2013 requires the award of a contract to be granted to the lowest evaluated bidder.

I noted that the Medical Store Department procured 10 Diathermy machines through a Call-off order from supplier A at a unit price of TZS 13.67 million hence a total value of TZS 136.7 million. However, the supplier was not the lowest bidder, as the evaluation committee recommended awarding of the contract to supplier B at a unit price of TZS 10.32 million hence the total value of 103.2 million on 23 June 2017. Therefore, this resulted to an avoidable cost of TZS 33.5 million for the 10 machines procured.

I recommend that the Government through MSD strengthen internal controls over evaluation of tenders and adhere to Regulation 212(a) of the Public Procurement Regulations of 2013 to avoid unnecessary increases in cost.

7.5.1.2 Solicitation of Suppliers of Medical Equipment Without Prequalification and Tender Board Approval

Regulation 119 (c) of Public Procurement Regulations, 2013 stipulates that the pre-qualification proceedings may be conducted if a shortlist of capable tenderers is required for tendering. Further, Regulation 148 of the same Regulations requires a procuring entity to consider pre-qualifying tenders to identify those who possess the necessary resources and competence for completion of the eventual contract.

On 25 March 2021, the MSD Tender Board approved the procurement of 18-line items of medical equipment units for Tender No. 009/2020/2021/HQ/G/153 and 14-line items of medical equipment units for Tender No. IE-009/2020/2021/HQ/G/182 through direct sourcing from manufacturers. However, contrary to this decision, MSD invited 24 bidders for Tender No. 009/2020/2021/HQ/G/153 and 26 bidders for Tender No. IE-009/2020/2021/HQ/G/182 through quotations without prequalification to limit the tenders to manufacturers or authorized dealers. Additionally, the selected list was not approved by the Tender Board. The tenders were awarded to various bidders for a total contract value of TZS 4.14 billion (USD 1,784,422.10).

This situation has led to non-responses by the invited bidders, as 20 bidders for Tender No. 009/2020/2021/HQ/G/153 and 14 for Tender No. IE-009/2020/2021/HQ/G/182 did not respond. Furthermore, there was no evidence that all invited suppliers were manufacturers or authorized dealers. For instance, one supplier, namely S.H. Industrials, invited to participate in Tender No. 009/2020/2021/HQ/G/153, responded by stating that they do not deal with medical equipment supply.

Inviting suppliers without prequalification and approval from the Tender Board limited competition, thereby hindering the realization of value for money, and

impeding the assessment of the most cost-effective prices for the procured equipment.

I recommend that the Government through MSD strengthen internal controls over the appraisal and approval of shortlisted manufacturers before invitation.

7.5.1.3 MSD Accepted Four Bids Documents Beyond the Prescribed Submission Deadlines

Regulation 196 (2) of the Public Procurement Regulations, 2013 requires the time for the tender opening to be same as the time set for the deadline for receipt of tenders. This means tender document received after deadline should not be received.

I reviewed the tender evaluation process for tender No. IE-009/2020/2021/HQ/G/182 and noted discrepancies in the submission deadline for priced quotations by bidders. The deadline was set for 1 September 2021 at 14:00 local time. However, it was observed that three bidders submitted their bids late. The inbox of the designated email address indicated that the submissions by the mentioned bidders were made at 15:01, 16:53, and 15:56 local time, respectively. Despite the late submissions, MSD proceeded with their participation in the procurement process, and it was noted that Shandong Horse International Co was among the awarded bidders and was awarded to supply a 25kg washing machine at a value of TZS 15.59 million.

Additionally, I noted that the invitation letter for Tender No. IE-009/2020/2021/HQ/G/153 dated 21 May 2021 required bidders to submit their bids on or before 28 May 2021. However, MSD awarded a contract to Maya Medical Equipment Limited, a tenderer who submitted the bid document for the respective tender on 2 June 2021, 4 days beyond the prescribed deadline. The tender was awarded to supply equipment amounting to TZS USD 381,455 (Equivalent to TZS 881.13 million at an exchange rate used during evaluation). I also noted that this tender was not publicly opened contrary to Regulation 196(3) of Public Procurement Regulation, 2013 which requires the secretary of the tender board to convene and chair a meeting to open the tenders.

Accepting late tender documents favours some bidders at the expense of others, compromising the principles of fairness, transparency, and accountability that are essential for effective and ethical procurement practices.

I recommend that, in future, MSD ensure bids are accepted within the prescribed time stipulated in the tender documents.

7.5.1.4 A Shorter Period Given to Bidders for the Preparation and Submission of Bid Documents and non-use of e-procurement System

The 8th Schedule of the Public Procurement Regulation, 2013, provides the minimum time for preparing and submitting prequalification documents, whereas for International Shopping, eight calendar days is the minimum requirement.

On 21 May 2021, MSD prepared an invitation letter to 24 bidders regarding Tender No. IE-009/2020/2021/HQ/G/153. However, I noted that a short period was given to the bidders, as the invitation letters were sent to bidders on 24 May 2021, and bidders were required to submit their bids on or before 28 May 2021, allowing four days for the submission deadline.

Additionally, I noted the procurement process for tender No. IE-009/2020/2021/HQ/G/182 and No. IE-009/2020/2021/HQ/G/153 were not processed using e-procurement contrary to Regulation 342 of the Public Procurement Regulations 2013, as amended in 2016.

A shorter period for bid preparation and submission deters potential bidders from participating in the procurement process, thereby limiting both competition and the procuring entity's ability to acquire equipment at the most cost-effective prices and the failure to use the e-procurement system affects transparency and fairness in public procurement processes.

I recommend that MSD ensure the process of invitation, submission, and opening of tender is done properly through the recommended system as required by procurement laws and regulations.

7.5.1.5 Contracts not Vetted by the Attorney General TZS 4.22 Billion

Regulations 59(1) of the Public Procurement Regulations, 2013 as amended by Regulations 2 of the Public Procurement (Amendment) Regulations, 2016 [G.N. No 121 of published on 22.4.2016], I noted that MSD entered contract No.IE-009/2020/21/HQ/G/153/02 valued at USD 716,110 (TZS 1.64 billion) involving equipment related to CEmONC services of USD 472,601 (TZS 1.08 billion). However, the contract was executed without undergoing vetting by the Attorney General.

Failure to submit a contract with a value exceeding one billion shillings to the Attorney General is non-compliance with Regulation 59 (1)-(2) of the Public

Procurement Regulations 2013 which could lead to losses in case of disputes for contracts containing clauses that are not favourable to the respective entities. I recommend that MSD ensure all contracts above TZS 1 billion are vetted by the Attorney General to avoid contractual risks.

7.5.2 Insufficient Procurement of Equipment and Ineffectiveness in the Distribution Exercise

My review of documents related to procurement and distribution of medical equipment for CEmONC intervention and site visits conducted to selected noted anomalies which are covered in paragraphs below.

7.5.2.1 Pending Procurement of Medical Equipment

Paragraph 9 (a) of the MSD Client Service Charter of 2017-2020 requires that a process for special orders for Healthcare Facilities take at least two months from the date of order. Further Paragraph 10.1 of the MSD Client Service Charter of 2021 requires the timely availability of medical supplies at a low price, availability of customer's needs as requested and the special procurement process to take three months from the time the order is paid by the customer until the demand is met.

The plan for the supply and distribution of CEmONC equipment commenced in the financial year 2017/18. I reviewed the MSD implementation report with reference No. EB.169/225/01B/49 dated 16 March 2023 and EPICOR system sales reports for distributed CEmONC medical equipment to Healthcare Facilities and noted that MSD was engaged to procure and distribute 295-line items to 217 Healthcare facilities. However, up to March 2023 213-line items with a value of TZS 57.53 billion were procured and distributed to facilities leaving 82-line items with an estimated value of TZS 13.37 billion yet procured.

Management asserts that COVID-19 is the primary cause of this delay; however, in my view, the ongoing delay hinders the completion of the CEmONC Intervention implementation and leads to delays in achieving the targeted objectives.

I recommend that the Government through MoH, PO-RALG and MSD enter into a binding agreement for completing the procurement of pending items and distribute them to healthcare facilities without further delay.

7.5.2.2 Equipment Distributed to Untargeted Healthcare Facilities

Regulation 242 of MSD Financial Regulations 2011 requires funds to be utilized for the purpose for which the assistance is provided, expenditure shall be within

the budget provided for each category in the grant or credit agreement and reallocation of funds shall not be made unless approved by the funding agency.

I noted that out of 213-line items with a value of TZS 57.53 billion that were procured and distributed to healthcare facilities, medical equipment worth TZS 4.34 billion was procured and distributed to 3886 healthcare facilities which were not in the target. Out of the figure TZS 2.70 billion worth of items were delivery kits that were procured and distributed to untargeted health facilities following instructions made by Ministry of Health through a letter with reference No WAMJW/JUM/02 dated 27 December 2018 and GA.222/558/01/10 of 14. These instructions allowed the procurement of items out of those listed in the schedule of requirements.

The diversion of funds for untargeted health facilities has affected the implementation of procurement and distribution of medical equipment to 217 earmarked healthcare facilities.

I recommend that in the future the Government through MoH, PO-RALG and MSD, comply with targets as agreed with stakeholders and where reallocation is inevitable appropriate approval must be sought before implementation.

7.5.2.3 Mismatch of the Serial Numbers of the Machines Supplied to the Health Care Facilities

My visit to Healthcare Facilities noted that the serial numbers in the MSD sales report for 23 machines were mismatched with the actual serial numbers of the delivered machines at the respective Healthcare Facilities. I also noted a shortfall in capturing information on serial numbers for medical items delivered.

The inconsistency of the serial numbers between the machines and records emanates difficulties in tracking the delivered items and could raise disputes for matters relating to maintenance and warrants during the defect liability period.

I recommend that the Government through MSD expedite matching serial numbers in sales reports with serial numbers allocated in the machines delivered to healthcare facilities.

7.5.2.4 Distributed CEmONC Equipment at Health Facilities while not in the Schedule of Requirements

A Comparison made between the schedule of requirements and actual items procured at the five health facilities noted a discrepancy whereby 15 items worth TZS 79.97 million were procured by MSD while they were not in the schedules of requirements. It was further noted that the items were procured following the instructions made by Ministry of Health through a letter with reference No WAMJW/JUM/02 dated 27 December 2018 and GA.222/558/01/10 of 14. The instruction directed that a total of TZS 2.70 billion be used to buy and distribute Delivery Packs to Regions with low rates of attending clinics and low rates of child delivery at health facilities. Details are shown in **Table 32**.

Table 32: Health Facilities Received Items not in the Schedule of Requirements

| SN | Health Facilities | Line Items | Amount (TZS) |
|----|-----------------------|------------|-------------------|
| 1 | Mjesani Health Centre | 2 | 30,663,600 |
| 2 | Songe Health Centre | 2 | 26,408,874 |
| 3 | Mauno Health Centre | 5 | 17,921,860 |
| 4 | Bahi Health Centre | 4 | 4,740,100 |
| 5 | Bereko Health Centre | 2 | 243,400 |
| | Total | | 79,977,834 |

Source: Physical verification

With this diversion, intended items were affected to the tune of such a reallocated amount.

I recommend that in future, the Ministry of Health adheres to the schedule of requirements and where reallocation is inevitable to ensure proper approval and documentation before making any decision deviating from the earmarked targets.

7.5.2.5 Equipment Delivered to the Health Facilities but not Put in Use

My Physical verification conducted at 23 Health Facilities between 10 to 18 April 2023 observed that 21 of them had received CEmONC Equipment worth TZS 1.68 billion, which, however, had not yet been put into use.

I further found equipment not in use due to a lack of specialised personnel such as radiographers, inadequate infrastructures to accommodate CEmONC equipment such as lack of three phases power supply, incomplete buildings, insufficient space to accommodate equipment the delivered equipment and insufficient training and shortage of reagents. Details of Health Facilities and quantity observed are shown in **Table 33**.

Table 33: Number of Items not In Use for Each Visited Facilities

| SN | Health Facilities | Line items | Amount (TZS) |
|----|---|------------|----------------------|
| 1 | Pwaga Health Centre | 5 | 1,865,906,304 |
| 2 | Bahi Health Centre | 5 | 695,384,940 |
| 3 | Mjesani Health Centre | 7 | 253,996,595 |
| 4 | Tlawi Health Centre | 5 | 176,464,970 |
| 5 | Karume Health Centre | 4 | 171,048,870 |
| 6 | Nyakitonto Health Centre | 4 | 155,194,370 |
| 7 | Songe Health Centre | 2 | 137,452,508 |
| 8 | Kahangara Health Centre | 4 | 134,818,400 |
| 9 | Kayanga Health Centre | 3 | 132,782,900 |
| 10 | Buguruni Health Centre | 2 | 119,657,300 |
| 11 | Nyakahura Health Centre | 25 | 64,350,000 |
| 12 | Nduruma Health Centre | 5 | 60,796,670 |
| 13 | Mauno Health Centre | 3 | 50,683,573 |
| 14 | Bereko Health Centre | 2 | 23,874,808 |
| 15 | Daudi Health Centre | 2 | 22,712,900 |
| 16 | Ipwaga Dispensary | 10 | 20,541,000 |
| 17 | Karema Health Centre | 4 | 16,649,400 |
| 18 | Uyowa (Songambebe) Dispensary-Lls (Kaliua Dc) | 11 | 12,727,760 |
| 19 | Makonge Dispensary | 11 | 5,921,400 |
| 20 | Endabash Health Centre | 2 | 4,211,248 |
| 21 | Zogolo Health Centre | 1 | 3,918,700 |
| | Total | 117 | 4,129,094,616 |

Source: Physical verification

The expected value for money and benefits from the items, worth TZS 1.68 billion has not yet been realized as expected.

I recommend that the PO-RALG ensures medical equipment procured for CEmONC intervention are put into use by prioritising the availability of infrastructures as well as providing training to staff accordingly.

7.5.2.6 Medical Equipment for CEmONC Intervention Phase I Distributed Over the Requirement

I noted that medical equipment for CEmONC intervention Phase I, valued at TZS 417.99 million was distributed to healthcare facilities beyond the specified requirements. The review of MSD proof of delivery confirmed this distribution. A detailed list of items distributed beyond requirements is provided in Table 34.

Table 34: Items Distributed Above Requirements

| SN | Item Name | No. of Healthcare | Quantities Exceeded Estimates | Value (TZS) |
|-----|--|-------------------|-------------------------------|--------------------|
| 1. | Laparotomy Set - Superior Quality with Self-Sterilization Tray | 4 | 17 | 150,152,500 |
| 2. | Mobile Anesthesia Gas Machine (Mobile Ventilator) Machine | 2 | 2 | 104,675,800 |
| 3. | Portable ultrasound Machine | 4 | 4 | 58,337,200 |
| 4. | Mortuary Cabinet (Six Bodies) | 1 | 1 | 29,727,500 |
| 5. | Centrifuge (For 8X15 MLS Tubes) Electrically Operated | 8 | 10 | 27,555,200 |
| 6. | Autoclave 100 litres, Electrical and gas heated or Autoclave 63 litres | 5 | 5 | 18,999,000 |
| 7. | Haemocue Blood Hemoglobin (Hemocue Hb201+) Photometer | 3 | 3 | 7,061,700 |
| 8. | Operating light | 1 | 1 | 6,057,800 |
| 9. | Drip Stand Double-Hook ADJ to 2.5 M Height | 4 | 16 | 5,972,800 |
| 10. | Examination Lamp Light | 9 | 11 | 4,616,000 |
| 11. | Linen Trolley | 4 | 5 | 3,297,500 |
| 12. | Nebulizer Pump Machine | 1 | 1 | 1,539,400 |
| | | | Total | 417,992,400 |

Source: Proof of delivery and reviewed list for phase I

Distribution of medical equipment for CEmONC intervention above the requirements has resulted in overspending on the project funds.

I recommend that MSD ensures medical equipment procured for CEmONC intervention are distributed in line with the requirements identified to avoid misuse of the project funds and attain the intended objective of CEmONC intervention.

7.5.2.7 Unreconciled Errors of TZS 145.36 Million in MSD Sales Reports

I conducted a reconciliation between MSD EPICOR sales reports and the proof of delivery for five visited Healthcare Facilities and noted errors in the report since items worth TZS 145.36 million were reported to be delivered at the respective Health Facilities according to the sales report. However, neither the items nor proof of delivery were found at the facilities during the visits. Details of the Facilities are provided in **Table 35**.

Table 35: Discrepancies between MSD Sales Reports and Actual Delivery

| SN | Healthcare Facilities | Quantity of items | Amount (TZS) |
|--------------|------------------------|-------------------|--------------------|
| 1. | Karema Health Centre | 2 | 1,649,600 |
| 2. | Ipwaga Dispensary | 2 | 3,545,600 |
| 3. | Rungwe Mpya Dispensary | 1 | 329,200 |
| 4. | Mauno Health Centre | 1 | 58,337,900 |
| 5. | Pwaga Health Centre | 2 | 81,506,500 |
| Total | | | 145,368,800 |

Source: MSD Sales Report and Delivery Notes at Health Facilities

Unreconciled errors in the MSD sales reports mislead users by indicating that items have been delivered while they have not.

I recommend that MSD rectify the noted discrepancies from the EPICOR System and deliver the undelivered items.

7.5.3 The Delays in Procurement and Distribution of Goods to Health Facilities

Upon reviewing documents for the procurement and distribution of medical equipment for the CEmONC intervention at healthcare facilities, I noted delays ranging from 23 to 1,458 days. This comparison was made between the date of funds disbursement at MSD and the date of delivery of medical equipment at sampled healthcare facilities. These delays were attributed to the following anomalies:

7.5.3.1 Conflicting Directives on Disbursed Funds Delayed the initiation of Phase I

Paragraph 2 of MSD Special Orders Management of 2015 outlines the procedure for customers to initiate orders. Customers are mandated to submit their requirements to MSD, detailing the specifications of the products needed. MSD then takes responsibility for sourcing the supplier, obtaining prices, calculating the landing cost, and setting the margin to establish the selling price. Once customers confirm the order for procurement, they are required to make payment. Subsequently, MSD procures the products on behalf of customers and ensures pre-installation, installation, training, and commissioning.

On the contrary, I noted conflicting information regarding the amount deposited for the implementation of Phase I which involves 44 Healthcare Facilities. The MSD reconciliation report on CEmONC disclosed the amount initially deposited for implementation across 44 Facilities was TZS 8.64 billion. However, instructions issued by PO-RALG to MSD, referenced as AH. 161/164/02/85 dated 24 September 2018 specified that MSD should utilize TZS 5.70 billion for 44

Healthcare Facilities under Phase I and TZS 2.94 billion for other 27 Facilities not under Phase Subsequently, the TZS 2.94 billion was re-directed to serve the 44 Healthcare Facilities under Phase 1.

This redirection prolonged the initiation of the implementation of the CEmONC intervention. It was further noted that the PO-RALG submitted to MSD the list of beneficiaries and the requirements for Phase I through the letter with Ref. No. CB.161/227/01 dated 26 January 2018 without analysing the costs of items to be procured as well as the timeline for implementation of phase I.

Additionally, I noted a delay in the disbursement of funds to MSD for phase I, which hindered the smooth implementation of activities. The interval between the first instalment and the last instalment for Phase I funds disbursement was eight months. The PO-RALG deposited TZS 8.64 billion to MSD in four instalments as provided in **Table 36**.

Table 36: Analysis of Funds Deposit to MSD

| Instalment No. | Date Deposited | Amount (TZS) |
|----------------|-----------------|----------------------|
| 1. | 19 October 2017 | 5,000,000,000 |
| 2. | 05 May 2018 | 440,000,000 |
| 3. | 18 June 2018 | 2,500,000,000 |
| 4. | 26 June 2018 | 700,000,000 |
| Total | | 8,640,000,000 |

Source: Bank statements

Conflicting Information and Delay in the Disbursement of Funds to MSD for Phase I have impeded the smooth and timely implementation of the CEmONC intervention.

I recommend that PO-RALG and MoH ensure: -

- a) For all pending activities there should be a binding timeline for completion of implementation of procurement and distribution of medical equipment in all phases.
- b) Funds and correct instructions for procurement of medical equipment are provided to MSD on time for implementation of the activities; and
- c) Implementation of activities is based on agreed line items, cost, and timeline.

7.5.3.2 Inadequate Forecast and Inconsistencies in the Implementation of Project

Regulation 69 (3) and (4) of the Public Procurement Regulations, 2013 requires a procuring entity to forecast its requirements for goods, services, and works as accurately as practicable, with reference to services or activities already programmed in the annual work plan and included in the annual estimates. The

forecasts shall include an estimate of the optimum time to the nearest month of performance and completion of services.

I noted that due to inadequate forecast and inconsistencies in implementation, the Ministry of Health had deposited TZS 29.92 billion to MSD for phase II while MSD spent TZS 22.10 billion and had a commitment of TZS 4.32 billion for two-line items, this resulted in excess payment of TZS 3.49 billion due to unrealistic estimates that were later diverted to procure delivery packs for regions with low clinic attendance and low delivery rates. The activity that was not part of the CEMONC interventions.

Furthermore, I observed the initiation of Phase III for 66 healthcare facilities before the closure of Phases I and II. Additionally, Phase IV was initiated for 7 healthcare facilities without agreed closure from Phase I to Phase III, highlighting a lack of implementation timeline.

There was inadequate management of the CEMONC intervention, characterized by uncompleted, overlapping phases, and deliverables. This situation resulted in a delay in the implementation of targeted CEMONC activities.

I recommend that MoH and PO-RALG ensure: -

- a) In future, reliable cost estimates will be established before disbursement of funds to MSD for the implementation of activities.
- b) Implementation of activities is based on agreed items, cost, and timeline and if deviation from the agreement is inevitable prior approval should be obtained from respective authorities.
- c) In future, there are clear plan and arrangement for the completion of the phase before the initiation of the next phase for effective management of activities.

7.5.3.3 Readiness and Need Assessments for CEMONC Intervention were not Adequately Conducted

Regulation 69(3) of the Public Procurement Regulation, 2013 requires a procuring entity to forecast its requirements for goods as accurately as is practicable with reference to services or activities already programmed in the annual work plan and included in the annual estimates.

On the contrary, I noted that the Ministry of Health and PO-RALG instructed MSD to procure and distribute medical equipment for CEMONC intervention to 217 healthcare facilities between 2017/18 to 2020/21 in four phases without conducting adequate readiness and need assessment since the intended

buildings were not sufficient or complete to accommodate the delivered equipment.

The equipment not being utilized led to the failure to achieve the intended objectives.

I recommend that, in future, the PO-RALG ensures there is adequate readiness and need assessment before implementation of the procurement and distribution activities.

7.5.3.4 Absence of Memorandum of Understanding Between PO-RALG and MSD

Regulation 242 of MSD Financial Regulations, 2011 requires funds to be utilized for the purpose for which it was provided for, expenditure shall be within the budget provided for each category in the grant or credit agreement and reallocation of funds shall not be made unless approved by the funding agency. Further Procurement of goods works and services shall be made as per the terms and conditions provided in the agreement in the Memorandum of Understanding (MoU).

I observed that MSD received a total of TZS 65.64 billion from Development Partners disbursed through the Ministry of Health and PO-RALG for the procurement and distribution of CEmONC Equipment to 217 Health Facilities. Although PO-RALG was tasked with supervising and monitoring the CEmONC intervention's implementation, there is no Memorandum of Understanding between PO-RALG and MSD outlining the parties' responsibilities, implementation strategy, and timeframes. The absence of MoU contributed to the delay in the completion of the delivery of the equipment.

I recommend that, in future, PO-RALG and MSD ensure all special orders have a Memorandum of Understanding that stipulates the terms and conditions of the special order.

7.5.3.5 Absence of Quarterly and Annual Implementation Reports for Close Monitoring and Supervision

Regulation 251 of the MSD Financial Regulations 2011 for cash advances requires the Director responsible for Finance to furnish to the financier quarterly statements of account for projects or programmes to support the disbursement of cash advances received.

I noted that MSD received funds totalling TZS 65.64 billion from 2017/18 to 2020/21 from the Ministry of Health (MoH) and PO-RALG for the procurement and distribution of medical equipment for the CEmONC intervention. However,

as of April 2023, MSD management had submitted six monthly reports to the PO-RALG and Ministry of Health Boards and no quarterly or annual reports were prepared regarding funds received, procurement, and distribution of equipment for monitoring and supervision purposes. The absence of quarterly and annual implementation reports impeded the effective monitoring of the CEmONC intervention's implementation.

I recommend that MSD comply with MSD Financial Regulations of 2011 for cash advances and ensure annual and quarterly reports are timely prepared and submitted to the relevant stakeholders for decision-making.

7.5.3.6 Ineffective Management and Factors Hindered the Procurement and Distribution of Medical Equipment for CEMONC Intervention

Paragraph 9 (a) of the MSD Client Service Charter of 2017-2020 requires that a process for special orders for Healthcare Facilities take at least two months from the date of order. Further Paragraph 10.1 of the MSD Client Service Charter of 2021 requires the timely availability of medical supplies at a low price, availability of customer's needs as requested and the special procurement process to take three months from the time the order is paid by the customer until the demand is met.

I noted delays ranging from 60 to 951 days from the date funds were deposited at MSD to the date when call-off orders were raised to suppliers. Furthermore, suppliers took 201 to 341 days to deliver medical equipment ordered to the destination. Additionally, while eight call-off orders specified delivery within 60 to 180 days, nine had no expected date of delivery.

I further noted the frequent changes in directors of the procurement management unit between 2016 to 2023, totalling nine changes, had a significant impact on the implementation of the CEmONC intervention. The outbreak of the Coronavirus (COVID-19) pandemic in early 2020 further exacerbated the situation, MSD had also treated the procurement and distribution of equipment for the CEmONC intervention as a routine procurement, from planning to contract signing of procurement activities.

I recommend that the Government through MSD ensure internal controls over the procurement and distribution of medical equipment are strengthened. Additionally, all factors that contributed to the delayed supply and distribution of medical equipment for CEmONC intervention are mitigated and ensure delivery of the remaining equipment without further delays.

7.5.4 Inadequate Funds Management in CEmONC Intervention

During the audit of CEmONC intervention, I reviewed funds disbursement documents and noted the following: -

7.5.4.1 Absence of Quarterly Account Statements and Code in Epicor for CEmONC Funds

Regulations 251 of the MSD Financial Regulations of 2011 require the Director responsible for Finance to furnish to the financier quarterly statements of account for projects or programmes to support the disbursement of cash advances received.

MSD received TZS 65.64 billion in total from the Ministry of Health and PO-RALG for CEmONC intervention. However, despite not having a separate bank account for the intervention, there was neither a unique code in the EPICOR system to identify funds received and their respective expenditures nor did the Director responsible for Finance furnish to the financier quarterly statements of account for CEmONC intervention to support the disbursement of cash advances received.

The primary reason for these challenges was noted that there was no proper communication and documentation between the parties regarding the nature of the funds transferred to MSD.

Failure to maintain quarterly account statements and a separate code in Epicor for CEmONC Funds has hindered MSD's reporting mechanism, leading to the inadequate delivery of intended services to the community on time. Furthermore, these deficiencies have resulted in time challenges during the auditing process for the funds.

I recommend that the Government through MSD ensure there is a unique identification code in Epicor and maintain quarterly account statements for CEmONC Funds for the smooth operation of activities.

7.5.4.2 Prices of Procured Medical Equipment for Phase I were Overcharged

Para No. 5.1 of the MSD standard procedures for pricing of 30 June 2019, require MSD to apply the standard charging rate of 20.4% on all saleable products and the applicable lading costs are estimated to be at 5.9%.

I reviewed the prices charged by suppliers in comparison with prices on the MSD sales invoice after applying the standard charging rates and noted that the prices listed for 12-line items of medical equipment for the CEmONC

intervention Phase I, as per MSD standard procedures, amounted to TZS 1.66 billion. However, the price charged as per MSD invoices was TZS 2.85 billion, resulting in an overcharge totalling TZS 1.19 billion. Details of the overcharged items are provided in **Table 37**.

Table 37: Details of Overpriced Items

| SN | Item | Quantity (No.) | Price as per MSD standard procedures (TZS) | Price charged as per MSD invoices (TZS) | Overcharged Amount (TZS) |
|--------------|---|----------------|--|---|--------------------------|
| 1. | Autoclave 100 litres, electrical and gas heated | 16 | 47,878,440 | 194,355,200 | 146,476,760 |
| 2. | Caesarian Section Set | 8 | 4,031,122 | 16,887,200 | 12,856,078 |
| 3. | Centrifuge (For 8X15 MLS Tubes) Electrically Operated | 29 | 35,266,831 | 71,108,800 | 35,841,969 |
| 4. | Drip Stand Double-Hook ADJ to 2.5 M Height | 56 | 4,751,597 | 20,904,800 | 16,153,203 |
| 5. | Examination Lamp light | 37 | 3,942,937 | 11,846,348 | 7,903,411 |
| 6. | Flat Iron Industry | 39 | 1,064,601,392 | 1,127,340,630 | 62,739,238 |
| 7. | Laparotomy Set | 99 | 190,754,572 | 621,328,300 | 430,573,728 |
| 8. | Operating light | 2 | 11,488,392 | 68,063,870 | 56,575,478 |
| 9. | Operating theatre table | 42 | 247,939,560 | 652,012,200 | 404,072,640 |
| 10. | Suction Pump Heavy Duty, Electric Capacity 6Litres | 34 | 43,683,042 | 52,050,600 | 8,367,558 |
| 11. | Semi-Automatic Haematology Analyser | 1 | 8,307,601 | 18,469,360 | 10,161,759 |
| Total | | | 1,662,645,486 | 2,854,367,308 | 1,191,721,822 |

Source: Auditor’s analysis based on suppliers and MSD invoices

Overpricing of MSD invoices resulted in an exaggeration of the total expenditure incurred for procurement of medical equipment for CEmONC intervention phase I and ultimately affected the attainment of the intended objective.

I recommend that the Government through MSD ensure adjustment of the price of items overcharged for procurement of medical equipment for CEmONC intervention phase I to reflect the correct value of items distributed for phase I.

CHAPTER EIGHT

MANAGEMENT OF ASSETS AND LIABILITIES

8.1 Introduction

Efficient asset and liability management is essential to government operations to deliver quality services, ensure accountability, and optimise resources. Governments can effectively allocate resources and drive economic growth by monitoring asset acquisition, maintenance, and disposal. Prioritising asset management is essential for good governance and lays the groundwork for sustainable development. Similarly, careful oversight of liabilities is crucial for maintaining financial stability, safeguarding the government's reputation, and mitigating financial risks.

This chapter summarises issues identified during the audit regarding managing government assets and liabilities across Ministries, Independent Departments, and Agencies.

8.2 Management of Assets

I reviewed documents relating to assets and performed physical verification to confirm their existence and working conditions and noted the following.

8.2.1 Unreliable Centralized Government Asset Management Information System

Circular No. 2 with Ref. No. JA.32/233/01 of 15 July 2021 requires Accounting Officers to adopt the Government Asset Management Information System (GAMIS) for accurate record-keeping and asset management. The deadline for asset uploads was set for 31 August 2021. GAMIS serves as the primary custodian for all government assets, enabling harmonized calculations of depreciation, accumulated depreciation, and useful life review. I assessed GAMIS functionality on the central database at the Ministry of Finance - Treasury Services, and noticed various anomalies:

- a) My reconciliation of the total number of registered public entities recorded in the GAMIS against the total number of entities as per the consolidated

financial statement of the financial year ended 30 June 2023 noted a discrepancy of 73 entities. The reconciliation conducted on 7 September 2023 shows that GAMIS recorded 555 entities, compared to the 628 entities disclosed in the Consolidated Financial Statement.

- b) Inappropriate records of the value of assets: I learned that GAMIS showed that the assets of 197 entities procured in previous years had zero accumulated depreciation, while 192 assets of the Dakawa Development Centre were registered with a zero cost. Furthermore, I found assets with a net book value of TZS 961.36 million that couldn't be linked with any entity.
- c) I noted a duplication of the number of entities registered in the GAMIS. Among the duplicated 16 entities, one entity had multiple registrations ranging from three to nine times.

My further review of the assets management conducted at the MDAs uncovered that assets amounting to TZS 243.71 billion from 33 MDAs listed in **Appendix VI** were not recorded in the GAMIS. Many cited a lack of awareness and training on updating assets in the system.

I attribute the anomaly not only to the risk of insufficient utilisation of the GAMIS but also to users' reliability.

Despite these shortcomings and the failure to record these assets in the system, these entities utilize an alternative approach to prepare their financial statements using asset registers. These registers contain essential information about these assets, thus ensuring the accurate preparation of financial statements, the system's shortcomings.

I recommend that the Government enforce compliance with asset management directives to ensure that all entities utilize the asset management system for effective asset management and accurate record-keeping.

8.2.2 Non-disposal of Confiscated Properties Held at Police Stations

Order No. 223 (12) of the Police General Order (PGO), requires the confiscated property to be promptly disposed of. If the Court lacks a suitable storage for disposal, the property may be stored in a Police Exhibit store and managed according to the guidelines outlined in Order No. 229 of the PGO.

My review and physical verification of the management of confiscated properties kept at the Police Stations found the existence of properties in seven Police Stations having a duration of up to four years without disposal, despite

court orders. Confiscated properties at the police stations include two motor vehicles one in Chato, and another in Geita, five motorcycles confiscated since 2019 in Nanyumbu, 12 motorcycles confiscated since 2020 in Mtwara, 16 motorcycles and four motor vehicles confiscated since 2019 in Mbarali, one motor vehicle confiscated since 2022 in Chunya, and one motor vehicle confiscated since 2021 in Buguruni.

I attributed the anomaly to delays in approval from the Director of Government Assets Management for property distribution. Prolonged disposal of these assets increases the cost of storage in terms of resources, as they are exposed to wear and tear and misappropriation.

I recommend that the Government expedite approval processes for the timely disposal of confiscated properties held at police stations to mitigate storage costs and minimise the risks of wear, tear, and misappropriation.

8.2.3 Assets Grounded for Longtime without Maintenance or Disposal

Regulation 254(1) of the Public Finance Regulation 2001 requires that stores, vehicles, plant, or equipment no longer useful or repairable must be retained until there are enough for a Board of Condemnation to inspect them. Additionally, sub regulation (2) requires the preparation of lists of such items, detailing their age and value, and submitting four copies to the Accountant General with a request for inspection and disposal recommendations.

However, my audit found that 27 entities possessed a total of 522 grounded items, comprising 202 motor vehicles and motorcycles in 20 entities, and 320 plants, office furniture, and equipment in seven entities. These assets have remained grounded for a long period without undergoing maintenance or disposal. The list of entities and the number of assets is provided in **Table 38**.

Table 38: Entities with Grounded Assets

| SN | Entity | Assets Descriptions |
|------------------------------------|---|----------------------|
| (A) Grounded Motor Vehicles | | |
| 1. | Law Reform Commission | Four motor vehicles |
| 2. | Tanzania Embassy in Brasilia | One motor vehicle |
| 3. | Utete Water Supply and Sanitation Authority | Three motor vehicles |
| 4. | Mining Commission | 42 motor vehicles |
| 5. | Pangani Basin Water Board | Two motor vehicles |
| 6. | Ministry of Investment, Industry and Trade | Five motor vehicles |
| 7. | Rural Water Supply and Sanitation Agency | Six motor vehicles |

| SN | Entity | Assets Descriptions |
|--|--|--|
| 8. | Tanzania Veterinary Laboratory Agency | 10 motor vehicles |
| 9. | Tanzania Livestock Research Institute | Eight motor vehicles |
| 10. | Makonde Plateau Water Supply and Sanitation Authority | Six motor vehicles |
| 11. | Private Hospital Advisory Board | One motor vehicle |
| 12. | Ministry of Culture, Arts and Sports | Six motor vehicles |
| 13. | Ministry of Community Development, Gender, Women, and Special Groups | One motor vehicle |
| 14. | Sumbawanga Regional Referral Hospital | One motor vehicle |
| 15. | Songea Regional Referral Hospital | Three motor vehicles |
| 16. | Sokoine Regional Referral Hospital | Five motor vehicles |
| 17. | Mwananyamala Regional Referral Hospital | Two motor vehicles |
| 18. | Mawenzi Regional Referral Hospital | Four motor vehicles |
| 19. | Government Chemist Laboratory Authority | Five motor vehicles |
| 20. | Ministry of Health | 87 motor vehicles |
| (B) Grounded Plants and Equipment's | | |
| 1. | SUMAJKT - Chang'ombe Furniture Co. Ltd | Three plants and 22 machines. |
| 2. | Pangani Basin Water Board | 120 office equipment's. |
| 3. | Rural Water Supply and Sanitation Agency | 15 supporting truckers, 20 drilling rig carriers, 3 water bowser, 10 generators, 12 drilling compressors, and 5 auxiliary mud pumps. |
| 4. | Tanzania Livestock Research Institute | Three plants. |
| 5. | Deep Sea Fishing Authority | 20 office furniture items and 60 computers and IT equipment. |
| 6. | Drug Control and Enforcement Authority | 21 air conditioners. |
| 7. | Ministry of Community Development, Gender, Women, and Special Groups | Plant and machinery, office equipment, computer equipment. |

Source: Individual management letters 2022/23

The deficiency of grounded government assets stems from inefficient condemnation approval processes, prolonged asset disposal procedures, and insufficient funding for necessary repairs. Delays in disposing of unserviceable motor vehicles, properties, plants, and equipment do not only accelerate their deterioration but also diminish potential proceeds.

I recommend that the Government allocate sufficient funds and establish maintenance plans for servicing serviceable assets to effectively prolong their usability, while also streamlining the disposal process of unserviceable assets.

8.2.4 Existence of Abandoned, Dilapidated Buildings and Undeveloped Plots of Land

I conducted a physical verification of government-owned buildings and plots within MDAs and Tanzania's Diplomatic missions abroad. I noted a recurrence of the presence of abandoned buildings, dilapidated structures, and undeveloped plots of land, as also identified in my previous year's audit. I noted the following;

I found abandoned and dilapidated conditions in five Mission buildings, contrary to regulation 83(4) of the Foreign Service Regulations, 2016, which require maintenance of Government accommodation every three years. These issues have resulted in continuous increases in rental expenses, penalties imposed by host countries for delayed building renovations, abandoned buildings, undeveloped plots, and ultimately, the loss of diplomatic immunities. Additionally, I noted dilapidated buildings in five MDAs, as detailed in **Table 39**.

Table 39: Entities with Abandoned and Dilapidated Buildings

| SN | Entity | Description | Anomalies Noted |
|----|------------------------------------|---|---|
| 1. | Tanzania High Commission in London | Building acquired in 1979 located at 6 Colin Deep Gardens. Office building constructed in 1774 located in 3 Stratford Place. | <ul style="list-style-type: none"> This building has been abandoned and not repaired. The Mission incurs annual rental expenses of £108,000 (TZS 320 million). The building has an outdated structure with significant structural cracks and other forms of decay. UK Government Property Evaluators issued a stark warning, indicating that the building does not meet safety standards for occupancy according to UK regulations. |
| 2. | Permanent Mission in New York | Building acquired on 30 Sep 2011 for USD 24,886,698 located at 307 East 53 rd Street, New York, NY 10022 | <ul style="list-style-type: none"> The building underwent delayed maintenance The building, have 2,926 square meters, is underutilized, with only two floors occupied by mission staff, occupying 975 square meters (33%), leaving 1,951 square meters (67%) vacant. |
| 3. | Tanzania Embassy in Washington DC | Six-floor building located at 1232 22 nd Street, Washington DC, 20037 and | <ul style="list-style-type: none"> The building requires maintenance of heating/cooling systems and cracks in water distribution. The embassy received a violation notice and fine for building |

| SN | Entity | Description | Anomalies Noted |
|----|--|--|---|
| | | acquired on 14 August 2009. | deterioration, leading to the loss of diplomatic immunity. |
| 4. | Tanzania High Commission in Ottawa, Canada | The High Commissioner's residence building No. 2191 was acquired on 21 August 1967. Located in Niagara Drive ON K1H 6G5. | <ul style="list-style-type: none"> The building suffers from inefficient heating and cooling systems, deteriorating water and wastewater distribution, inadequate parking conditions, drafty windows in winter, non-functional furniture and fittings requires improvements |
| 5. | Tanzania Embassy in Harare | Eight buildings acquired in 1980 in various regions. | <ul style="list-style-type: none"> The buildings require painting of the main office building and renovation/repair of all residential houses (Head of Mission house and servant quarters). The condition of the building has caused an increase in buildings annual insurance costs from TZS 49.89 million to TZS 58.31 million. |
| 6. | Agency for the Development of Educational Management | Five buildings acquired in 2016/17 at Bagamoyo. | <ul style="list-style-type: none"> These buildings have deteriorated and is not fit for use. |
| 7. | Kibong'oto Infectious Diseases Hospital | 33 staff quarters at Kibong'oto hospital. | <ul style="list-style-type: none"> These staff residential buildings are dilapidated and not fit for use. |
| 8. | Sumbawanga Regional Referral Hospital | Three buildings in Sumbawanga acquired in various years. | <ul style="list-style-type: none"> Buildings have extensive roof leakages, leading to the growth; deteriorated floors; and outdated doors and windows. |
| 9. | Ministry of Education, Science and Technology | 57 buildings in various colleges. | <ul style="list-style-type: none"> These buildings have deteriorated over a long period. |

Source: Individual Management Letter

I have also noted the existence of undeveloped plots of land in three Tanzanian embassies in **Table 40**. This not only tarnishes the country's image but also poses the risk of these plots being reclaimed by the host countries, resulting in the loss of diplomatic immunity.

Table 40: Embassies with Undeveloped Plots of land

| SN | Entity | Anomalies Noted |
|----|--|--|
| 1. | High Commission of Tanzania - Abuja, Nigeria | <ul style="list-style-type: none"> The Federal Republic of Nigeria transferred two plots of land valued at TZS 7.03 billion to the Tanzania High Commission in Abuja on 24 April 1989. One plot was designated for chancery land use, while the other for residential purposes. However, on 20 October 2023, Nigeria's Ministry of Foreign Affairs revoked the titles due to the plots remaining undeveloped for 33 years. In response, Tanzania's Ministry of Foreign Affairs dispatched its delegates to reaffirm the commitment to develop the plots. Despite this, Nigeria did not offer any feedback on the matter. |
| 2. | Tanzania High Commission in London | <ul style="list-style-type: none"> An undeveloped plot at 19 Denewood, N6 4AQ, acquired in 1978 but left undeveloped since 2007. The plot is heavily infested with Japanese knotweed, leading to significant damage to neighboring properties. The undeveloped plot, with its condition, has led to complaints from neighbors and directives from UK Government Authorities since 2016 due to the infestation. |
| 3. | Tanzania Embassy in Moroni, Comoro | <ul style="list-style-type: none"> A plot of land, granted to Tanzania by the Government of Comoros for official use and spanning 3,811 square meters, features three symbolic buildings. During a recent inspection, the plot was found to be occupied by encroachers engaging in unauthorized activities, including parking vehicles, dumping waste, erecting structures beyond plot boundaries, and engaging in pedestrian hawking. Notably, the plot lacked a safety fence to prevent third-party intrusion. |

Source: Individual Management Letter

The deterioration of buildings and undeveloped plots is primarily attributed to financial constraints. I believe that this could lead to strained diplomatic relations, loss of trust between the embassy and the host governments, and an unfavourable working environment.

I recommend that the Government implement maintenance plans, allocate sufficient funds for renovating dilapidated buildings, and initiate the development of undeveloped plots in Embassies to safeguard diplomatic immunities.

8.2.5 Buildings at CDTIs, Elderly and Retention Homes are Beyond Repair

Paragraph 14 of the Public Asset Management Guidelines of 2019, states that every Accounting Officer shall be responsible for ensuring that the maintenance plan of an asset is prepared and adhered to.

My review and physical verification conducted at Community Development Training Institutes (CDTIs), Elderly and Retention Homes in various regions of Tanzania Mainland, noted unfavourable conditions of the buildings in use due to their state of disrepair. I found that eight CDTIs, five Elderly Homes, and three retention homes were dilapidated and unfit for use, as shown in **Appendix VII**.

It was understood that the lack of budget was attributed to non-maintenance for a long period. However, such buildings were not only unhealthy and risked the lives of the users, but also prompted the need for extensive rehabilitation which cost the Government.

I recommend that the Government allocate adequate funds for renovating dilapidated buildings at CDTIs, elderly, and retention homes to mitigate risks and ensure a conducive living environment.

8.2.6 Lack of Certificates of Right of Occupancy for Government-Owned Plots

Section 29(1) (a)(b) and (c) of Land Act Cap. 113 (R.E 2019) requires that where the commissioner determines to grant the right of occupancy to a person who has applied for a grant of a right of occupancy; is in occupation of land under a right of occupancy, or an acceptance of an offer of a right of occupancy; or is otherwise entitled to a right of occupancy, he shall issue a certificate referred to as a “certificate of occupancy” to that person. Additionally, directives were issued by the Chief Secretary and Treasury Registrar requiring the acquisition of Certificates of Right of Occupancy for government-owned plots. Despite the requirements, my audit found that 16 entities outlined in **Table 41** had plots without certificates of occupancy.

Table 41: Entities with Plots Lacking Right of Occupancy

| SN | Entity | Plots Description |
|----|---|-------------------------------|
| 1. | Prisons Corporation Sole | 29,287 Acres |
| 2. | SUMAJKT Headquarter | 13 plots |
| 3. | Tanzania Police Force Corporation Sole | 1 plot |
| 4. | Chato Water Supply and Sanitation Authority | 13 plots |
| 5. | Utete Water Supply and Sanitation Authority | 3 plots (6,900 square meters) |
| 6. | Agricultural Seed Agency | 7 plots |

| SN | Entity | Plots Description |
|-----|---|--|
| 7. | Busega Water Supply and Sanitation Authority | 11 plots |
| 8. | Mining Commission | 1 plot |
| 9. | Mbinga Urban Water Supply and Sanitation Authority | 4 plots |
| 10. | Namanyere Water Supply and Sanitation Authority | 7 plots |
| 11. | Lushoto Water Supply and Sanitation Authority | 3 plots |
| 12. | Makete Water Supply and Sanitation Authority | 7 plots |
| 13. | Tanzania Revenue Authority (Expenditure) | 28 plots |
| 14. | Shinyanga Regional Referral Hospital | 133 acres |
| 15. | Prime Minister's Office - Labour, Youth, Employment and Persons with Disabilities | 238 acres in Ilonga-Kilosa, 1,010 acres in Sasanda-Songwe, and 35 acres in Marangu |
| 16. | Ministry of Health | 14 plots |

Source: Individual management letters 2022/23

The lack of proper documentation is primarily attributed to management's inadequate follow-up with the Commissioner of Lands. Without certificates of right of occupancy for government-owned plots, there is a high risk of losing them in case of disputes.

I recommend that the Government, through the Ministry of Land, Housing and Human Settlement Development in collaboration with the pertinent entities to ensure that the certificates of occupancy are obtained so as to preserve right of ownership of the plots.

8.2.7 Anticipated Losses of TZS 20.43 Billion on Non-Performing Loans

Loan loss provision, also known as an allowance for loan losses or impairment on loans, is an accounting term used by financial institutions to anticipate and account for potential losses on loans that may not be repaid in full.

During the audit of the Agricultural Inputs Trust Fund (AGITF), I noted that the Fund had a total outstanding loans of TZS 25.42 billion as of 30 June 2023. Out of this outstanding amount, the AGITF had set a loan loss provision totalling TZS 20.43 billion, indicating an anticipation of incurring losses of approximately 80% of the total loans issued. As part of the loss from the provision of the loan of 20.43 billion, the Fund anticipated 100% losses on outstanding loans exceeding 721 days, totalling TZS 19.83 billion. For the remaining loans of TZS 600 million, the Fund expected losses between one per cent to 50%.

Further, I uncovered that out of the outstanding loans, TZS 1.71 billion represented unrecovered loans from the years 1995 to 1997, indicating a delay of between 26 and 28 years. Also, loans totalling TZS 801.38 million were issued

to four banks that underwent liquidation (closure) by the Bank of Tanzania between the years 2017 and 2018, as depicted in **Table 42**.

Table 42: Loans Issued to Liquidated Banks

| SN | Details | Amount (TZS) | Liquidation Notice Date |
|----|--------------------------------------|--------------------|-------------------------|
| 1 | Kagera Farmers' Cooperative Bank Ltd | 294,301,070 | 17/03/2018 |
| 2 | Mbinga Community Bank Plc | 286,421,895 | 12/05/2017 |
| 3 | Meru Community Bank | 150,000,000 | 04/01/2018 |
| 4 | Njombe Community Bank Ltd | 70,666,667 | 04/01/2018 |
| | Total | 801,389,632 | |

Source: Notice of Liquidation from Deposit Insurance Board

The loss from high provision of loan observed during the audit of AGITF indicates inadequate due diligence on borrowers' creditworthiness and insufficient management of collateral or guarantees, with the management failing to conduct verification of the effectiveness of the collaterals, and ineffective collection efforts. The implications of such high provisions include reduced profitability and capital adequacy ratios for AGITF, potentially leading to financial instability and constraints on future lending activities.

I recommend that the Government, through AGITF as appropriate, strengthen internal controls over the collection of outstanding loans to prevent further losses.

8.2.8 Losses of TZS 5.73 Billion Arising from Unrecovered Loans

Paragraph 7.4 of Circular number 3 of 2011 issued on 30 June 2011 (as amended on 22 March 2012) regarding cash loans to government employees for the purchase of Motor vehicles, Motorcycles, Furniture, and repair of motor vehicles and motorcycles, requires Accounting Officers to ensure timely deduction of loan recoveries from employees' salaries. Further, Paragraph 2.8 of the Operational Manual for the Advances Fund 2021 (Revised Edition December 2022) outlines borrowers' obligations, including the requirement to inform the Fund if loan deductions from their salary have not commenced or have been stopped.

During the review of the operation of the Advance Fund, it was found that loans amounting to TZS 5.73 billion had deductions that initially started but were later stopped (classified under the "Stopped category"). I noted that cessation of deductions was due to various reasons, including death, dismissal, resignation, or termination of employment of the loaned employees, and organizational changes or weaknesses of Human Resources Officers to halt loan deductions.

I also found that loans amounting to TZS 2.10 billion had deductions that did not commence primarily because they were allocated to employees whose net pay were less than one third of their basic salaries.

I am of the view that there is a risk that employees may not be able to benefit from the Advance Fund because of the losses arising from unrecovered loans TZS 5.73 billion, and delayed recovery of granted loans amounting TZS 2.1 billion.

I recommend that the Government through the Advance Fund to strengthening the internal control to identify and address instances where loan deductions have stopped or have not commenced, including regular reviews and monitoring of loan repayments.

8.3 Liabilities Management

I reviewed the management and settlement of obligations across Ministries, Independent Departments, and Agencies and found the following:

8.3.1 Accrued Interest on Unpaid NSSF Claims for the Construction of Nyerere Bridge (Kigamboni) TZS 103.22 billion

On 20 November 2014, the Ministry of Works signed a Finance Agreement with the Board of Trustees of the National Social Security Funds (NSSF) to fund the construction of the Kigamboni (Nyerere) Bridge and its road approaches in Dar es Salaam. The project cost was USD 143.50 million, equivalent to TZS 238.71 billion (revised in 2016 to TZS 328.90 billion).

According to Articles 2, 4, and 5 of the Finance Agreement, NSSF was obliged to contribute 60% of the cost, while the Government was required to contribute 40%. Contributions from each party were to be made based on completed work certificates, with delayed payments accruing interest after 90 days, based on the Bank of Tanzania's applicable rate. NSSF was also granted management rights over the bridge for 30 years post-construction, including toll collection from all motor vehicles and motorcycles crossing the bridge to recover its investment.

In my financial year 2020/21 report, I noted that due to the Government's financial constraints, NSSF financed the project's entire cost. The Government agreed to reimburse NSSF with TZS 215.03 billion, including land acquisition costs amounting to TZS 14.14 billion, 40% of the Government's contribution to the project totalling TZS 124.54 billion, plus accrued interest amounting to TZS 76.34 billion as of 30 June 2021.

However, as of the end of the financial year ended 30 June 2023, the Government had not reimbursed NSSF the total of TZS 215.03 billion. Consequently, the delay led to interest increasing from TZS 76.34 billion as of 30 June 2021 to TZS 103.22 billion as of 30 June 2023.

I was informed that the delay in settling the NSSF debts was caused by the non-release of funds by the Ministry of Finance. In my view, the failure to reimburse NSSF for the project costs could jeopardise the financial stability of the pension fund, potentially resulting in delays in the payment of pensions. These delays in pension payment could adversely affect the well-being and quality of life of retirees and their dependents.

I recommend the Government to ensure reimbursement of NSSF claims for the Nyerere Bridge project to safeguard the stability of the pension fund.

8.3.2 Unpaid Property Tax with Interest

My review at the Tanzania Embassy in New York noted that two buildings were overdue for payment of property tax, including interest totalling to USD 847,888.40, equivalent to TZS 2.16 billion. The amount results from the loss of diplomatic immunity for the buildings due to their dilapidated condition.

Upon review, I noted that one building had lettable floors located along 307 East 53rd Street, New York, NY 10022. The building was subjected to payment of property tax of USD 661,753.83 as of 2 October 2023 (equivalent to TZS 1.68 billion), including the accrued interest resulting from delayed payment. The interest will keep on increasing until it is settled.

The other building was located along 201 East 42nd Street, New York, NY 10017 5704, which was the Ambassador's Residence abandoned in 2010. The building has an accumulated property tax from 2006 amounting to USD 186,134.57 (equivalent to TZS 474.64 million), according to the notice from the Comptroller of the City of Mount Vernon, N.Y. dated 24 April 2023. This was also the third and final notice of the outstanding property tax for the building before the City began the foreclosure proceedings.

Further review disclosed that in July 2023, the Government released the sum of USD 620,715, equivalent to TZS 1.58 billion for settling the outstanding Property Tax while waiting for the response from the City of Mount Vernon to waive the property tax following the request sent that the condition of the building qualified to have diplomatic immunity, and not subjected to property tax.

Additionally, the Tanzania Embassy in New York is waiting for the response from the New York City Department of Building regarding the waiver of penalties and interest accrued from the property tax of 307 E 53rd St before making payment.

The property tax was attributed to the Embassy buildings' deterioration, leading to diplomatic immunity's loss. This tarnish the reputational of Tanzania and could strain diplomatic relations. I consider that the Tanzania Government might incur a loss of TZS 2.16 billion for payment of property tax, which could have been used for other operational activities of the Embassy.

I recommend that the Government, through its Embassy, address the matter by seeking waivers and settling payments to prevent reputational damage and potential financial losses.

8.3.3 Increasing Long Outstanding Debt Due to Foreign Exchange Rate Fluctuations

My audit of the Tanzania Police Force (TPF) noted a total outstanding liability of TZS 621.9 billion as of 30 June 2023, with TZS 268.61 billion pertaining to three foreign suppliers denominated in United States dollars (USD 114,837,957.02). Among these, USD 40,538,708 was due to two suppliers since 2015, while USD 74,299,249 was outstanding to one supplier since 2017.

My analysis learned that if the TPF had settled these obligations on time, they could have incurred a total of TZS 244.51 billion for USD 114,837,957.02. However, as of 30 June 2023, the payments remained outstanding, resulting in the TPF being obligated to pay TZS 268.61 billion, equivalent to USD 114,837,957.02. This represented an increase in the amount payable by TZS 24.10 billion, equivalent to 10% of the amount that could have been paid. Additionally, for the financial year 2022/23 alone, there was an increase of TZS 2.69 billion from TZS 265.92 billion of 30 June 2022, due to the movement of foreign currencies.

I am of the view that the significant increase of outstanding payables is attributed to delayed release of fund for settlement from the MoF, and oversights in opting for hedging techniques during negotiations for payment.

Failure to settle these obligations could lead to continuous increases in government liabilities due to ongoing unfavourable changes in exchange rates, thereby straining available funds for other activities.

I recommend that the Government, through the Ministry of Finance, ensure timely release of funds for settling obligations and explore hedging

techniques for foreign currency-denominated contracts to minimize the risks of foreign currency fluctuation.

8.3.4 Long Outstanding Liabilities at Ministries, Departments, and Agencies

Regulation 44(1) of the Public Procurement Regulation, 2013 provides that, for the purpose of supporting the growth of local firms and enabling them to meet their contractual obligations, procuring entities must ensure timely payments to tenderers. Additionally, Order E. 23 of the Standing Orders for Public Service, 2009 on arrears of salary, allowances, and other benefits requires staff claims to be paid whenever they arise.

However, upon auditing and reviewing the financial statements of Ministries, Departments, and Agencies (MDAs), I noted a total outstanding liability of TZS 3.39 trillion as of 30 June 2023 for the 97 MDAs listed in **Appendix VIII**. Out of the amount, TZS 228.16 billion (7%) represented staff claims, TZS 1.37 trillion (40%) were suppliers' debts, and TZS 1.79 trillion (53%) were other debts.

Of particular concern is TZS 1.88 trillion (56%), representing long-outstanding payables exceeding 12 months, with an additional TZS 1.51 trillion (44%) due within 12 months. These figures highlight the urgent need for prompt action to prevent further accumulation of long-outstanding liabilities.

Long outstanding liabilities are attributed to insufficient allocation of budget and delays in releasing funds from the Ministry of Finance and waiting for verification from the Internal Auditor General.

I recommend that the Government, through the Ministry of Finance, prioritise the timely release of funds for settling obligations to mitigate the risks of delayed payments.

8.3.5 Existence of Contingent Liabilities at MDAs

Contingent liability encompasses potential obligations arising from past events, remaining contingent due to their dependence on uncertain future events beyond the entity's control. In reviewing contingent liabilities within MDAs, I noted pending legal cases arising from various events, awaiting court decisions. These pending cases were primarily related to post-employment staff claims, moving allowances, land disputes, contract breaches and other matters where MDAs are respondents. Specifically, 17 MDAs are involved in various courts and tribunals, each at different stages of hearing, seeking relief of TZS 626.89 billion as of 30 June 2023.

These cases predominantly are attributed to land disputes, mismanagement of post-employment staff claims, and breaches of contract terms. Details are shown in **Table 43**.

Table 43: List of Entities with Contingent Liabilities

| SN | Entity | Amount (TZS) |
|-----|--|------------------------|
| 1. | Ministry of Defence and National Service | 562,952,633,000 |
| 2. | Ministry of Lands, Housing and Human Settlements Development | 16,540,000,000 |
| 3. | Rural Energy Agency | 15,784,715,000 |
| 4. | Tanzania Building Agency | 6,761,962,512 |
| 5. | Tanzania Airports Authority | 6,097,487,009 |
| 6. | Ministry of Agriculture | 5,923,266,075 |
| 7. | Tanzania National Roads Agency | 4,262,154,961 |
| 8. | Ministry of Natural Resources and Tourism | 3,258,176,993 |
| 9. | Accountant General's Department | 1,446,126,162 |
| 10. | Ministry of Education, Science and Technology | 810,893,523 |
| 11. | Tanzania Police Force | 653,488,612 |
| 12. | Mzinga Corporation | 649,533,504 |
| 13. | Mzinga Holding Company Ltd | 641,572,583 |
| 14. | Ministry of Investment, Industry and Trade | 469,809,882 |
| 15. | Tanzania Institute of Accountancy | 404,866,000 |
| 16. | Ministry of Finance - Treasury Service | 194,306,977 |
| 17. | Nelson Mandela African Institution of Science and Technology | 45,500,000 |
| | Total | 626,896,492,793 |

Source: Audited Financial Statements

If determinations are not in favour of these entities, significant financial impact may affect the Government. Additionally, if left unaddressed, these issues may recur in the future.

I recommend the Government to provide legal support to entities involved in ongoing legal litigation and offering necessary legal aid to secure favorable rulings or alternative settlements.

CHAPTER NINE



HUMAN RESOURCES, PAYROLL MANAGEMENT AND TERMINAL BENEFITS

9.1 Introduction

In this chapter, I have summarised findings related to human resources, payroll management, and processing of terminal benefits identified during the audit of various Public Sector Entities.

9.2 Human Resource Management

9.2.1 Non-payment of Hardship Allowance Amounting to TZS 18.25 Billion

Regulation 46(1) of the Prison Service Regulation, 1997 requires that all prison officers be entitled to ration, hardship, transport, and night duty allowances.

The Prison Service Department (Vote 29) payroll allocated a budget of TZS 18.25 billion for hardship allowance, equivalent to 15% of the staff's basic salary. However, in the financial year 2022/23, the prison officers were not paid their hardship allowance because the budget was insufficiently allocated. The non-payment of hardship allowances to prison officers could negatively impact their morale and well-being.

I recommend the Government to conduct a thorough review of the budget allocation for hardship allowances in the Prison Service Department and consider adjusting the budget to ensure well-being of prison officers.

9.2.2 Non-Remittance of Statutory Deductions Amounting to 1.06 Billion

Sections 18 and 19 of the Public Service Social Security Fund Act, 2018, prescribe that the employer's responsibility is to contribute 20% of the employee's monthly salary to the Fund. Failure to remit on time could result in a penalty equal to 1.5% of the amount the employer has failed to remit as required by the Act. Similarly, Section 8 of the National Health Insurance Fund of 1999 and Section 84 of the Income Tax Act, CAP 332 (Revised Edition 2019), insist that timely remittance of deductions and failure to remit those deductions timely will lead to a penalty to the respective entity.

I found that 17 entities did not remit statutory deductions of TZS 1.06 billion to PSSF, NSSF, NHIF and TRA. When employers fail to remit the required contributions, it jeopardises employees' financial security and well-being. They might experience delays or disruptions in receiving the benefits they are entitled to, leading to potential financial hardships and insecurity. Further, the entities could incur unnecessary costs of fines and penalties caused by delayed remittances. Details are shown in **Table 44**.

Table 44: Entities not Remitted Statutory Deductions

| SN | Name | Payee | Amount (TZS) |
|----|--|------------|----------------------|
| 1 | Registrar of Political Parties | TRA (PAYE) | 3,079,500 |
| 2 | Kawawa Secondary School | NSSF | 37,375,740 |
| 3 | Bunda WSSA | TRA (PAYE) | 55,773,267 |
| | | NHIF | 20,539,680 |
| | | PSSF | 65,074,001 |
| 4 | Busega WSSA | PSSF | 20,874,560 |
| 5 | Ifakara WSSA | PSSF | 890,500 |
| 6 | Kasulu WSSA | PSSF | 46,040,000 |
| 7 | Livestock Training Agency (LITA) | PSSF | 7,847,105 |
| 8 | Lake Tanganyika Basin Water Board (LTBWB) | NSSF | 3,155,000 |
| 9 | RUWASA | WCF | 2,436,890 |
| | | NHIF | 11,386,320 |
| | | TRA (PAYE) | 18,543,328 |
| | | NSSF | 40,886,000 |
| | | HELSB | 4,848,000 |
| 10 | Wanging'ombe WSSA | PSSF | 108,628,720 |
| 11 | Tanzania Forest Research Institute | PSSF | 58,928,813 |
| 12 | Tanzania Revenue Authority | PSSF | 88,442,137 |
| 13 | Tanga RRH | NHIF | 35,408,970 |
| | | PSSF | 118,029,900 |
| 14 | Maswa WSSA | PSSF | 232,247,793 |
| 15 | Makete RRH | NHIF | 788,039 |
| 16 | Tengeru Institute of Community Development | PSSF | 58,291,704 |
| 17 | Community-Based Water Supply Organizations | PSSF | 21,523,000 |
| | Total | | 1,061,038,967 |

Source: Individual Management Letter 2022/23

I recommend the Government to enforce measures such as awareness programs to educate employers about their obligations of remittance of statutory deduction and consequences of non-compliance of Regulations aiming to prevent such issues in the future. Also, to remit the amount to the statutory institutions without further delays.

9.3 Audit of Processed Payments of Terminal Benefits

9.3.1 Purpose of the Pre-Audit

Pre-audit of terminal benefits is conducted to examine and ascertain the legality of the payments, adequacy of information supporting the payments, and accuracy of payments of terminal benefits. By ensuring the accuracy and completeness of supporting documents for payments of terminal benefits, the pre-audit exercise plays a critical role in mitigating financial losses and reducing the risk of fraud and financial irregularities.

9.3.2 Scope of Pre-Audit.

The pre-audit of terminal benefits covers Public Servants whose terminal benefits are paid out of the Consolidated Fund. These terminal benefits include pension and gratuity for public servants with mixed service; military officers and men; intelligence officers; contract gratuity for political leaders and non-citizens; public servants who have been re-engaged in the Service; and public servants whose first appointment was after 45 years of age (contract terms); Additionally, it encompasses compassionate gratuity for non-contributor (non-pensionable public servants).

9.3.3 Performance Out-turn

The pre-audit commenced with 149 retirees’ files brought forward from the financial year 2021/22 and 3,193 files were received during the year 2022/23, making a total of 3,342 files available for pre-audit. Status of examination of files in comparison with prior year is as shown in **Table 45**.

Table 45: Retirees’ files examined during the year 2022/23

| Details | 2022/23 | 2021/22 |
|--|---------|---------|
| Opening balance as of 01 July 2022 | 149 | 137 |
| Received during the year | 3,193 | 3,095 |
| Available for pre-audit | 3,342 | 3,232 |
| Examined and approved | 2,873 | 2,867 |
| Examined and returned to employers (Queried files) | 388 | 216 |
| Balance as of 30 June 2023 (Still under examination) | 81 | 149 |

Source: NAOT receipts register -Pension section

9.4 Results of Pre-Audit of Terminal Benefits Files

The pre-audit of terminal benefits files for the financial year 2022/23 found issues as elaborated in the following paragraphs:

9.4.1 Wrong Computation of Terminal Benefits by Employers

My review of 2,873 approved pension files, found that 41 (1%) retirees’ files were inaccurately computed in terms of the period of service, wrongly applied

salaries, employer’s contributions to the pension fund, and miscellaneous incorrect computations. However, the same was rectified and approved accordingly.

Among the 41 erroneously computed terminal benefits files, 23 files (56%) showed an overstatement of TZS 110.05 million, while 18 files (44%) had an understatement of TZS 138.78 million. The summary of the number of files and specific anomalies uncovered is shown in **Table 46**.

Table 46: Inaccurate Computation of Terminal Benefits

| SN | Subject | Terminal benefits overstated | | Terminal benefits understated | |
|----|--------------------------------------|------------------------------|--------------------|-------------------------------|--------------------|
| | | No. of cases | Amount (TZS) | No. of cases | Amount (TZS) |
| 1 | Incorrect Service Periods | 17 | 72,471,601 | 11 | 64,101,972 |
| 2 | Wrong applied Salaries | 6 | 37,582,426 | 5 | 66,995,871 |
| 3 | Wrong NSSF contributions | 0 | 0 | 1 | 88,064 |
| 4 | Miscellaneous incorrect computations | 0 | 0 | 1 | 7,600,000 |
| | Total | 23 | 110,054,027 | 18 | 138,785,908 |

Source: Pension/Gratuity papers and CAG computations

The identified causes were errors in the calculations of terminal benefits arising from mistakes in arithmetic computations, misinterpretation of benefits policies, inaccuracies in data entry, and the absence of adequate validation checks to identify and rectify errors during the calculation process.

Without my pre-audit, the government would have faced a potential loss of TZS 110.05 million due to overstatements, and pensioners would have experienced a collective underpayment of TZS 138.78 million.

The divulged anomalies reflect the value added by the pre-audit of pension and other benefits payable directly from the Consolidated Fund. It further shows the extent to which lapses of internal controls and weakness on the part of the Accounting Officers could costs both the Government and Pensioners.

I recommend the Government establish a streamlined process for the proper computation of terminal benefits files before being submitted for pre-audit to ensure retirees are paid on time.

9.4.2 Delay in Preparation of Terminal Benefits and Submission of Retiree's Terminal Particulars

Regulation 88 of the Public Service Regulations, 2022, requires employers and employees to keep employment records for reference purposes when calculating the employee's terminal benefits.

Also, Order No. F.48 of the Standing Orders for Public Service, 2009 read together with Regulation 32(4) of the Public Service Regulations, 2022, requires a public servant who is due to retire to notify his intention in writing, to his appointing authority through normal channels, at least six months before the proposed date of cessation of duty.

During the year 2022/23, employers delayed preparing and submitting terminal benefit files for 414 retirees (constituting 13% of total files received) for pre-audit for periods ranging from 1 year to 28 years. The delayed payment of terminal benefits to retirees adversely affects the living standard of retirees, as most of them depend on terminal benefits to meet their daily expenses. The summary of several terminal benefits files and their extent of delays is shown in Table 47.

Table 47: Delays in preparation and submission of terminal benefits files

| Extent of delay | Number of files |
|-----------------|-----------------|
| Up to 2 years | 250 |
| Up to 5 years | 109 |
| Up to 10 years | 30 |
| Up to 20 years | 17 |
| Up to 28 years | 8 |
| Total | 414 |

Source: Pension/Gratuity and audit computations

I recommend that the Government ensure timely submissions of files for pre-audit to the Controller and Auditor General and implement measures to address outstanding discrepancies by instituting a systematic follow-up mechanism with employers, including the establishment of a structured tracking system for efficient verification and timely resolution.

9.4.3 Queried Files not Returned for Pre-Audit Clearance

Regulation 86 (2) of the Public Audit Regulations GN No. 47 of 2009 requires Accounting Officers to respond to the audit query within 21 days from the day of receipt.

As of 30 June 2023, there were 388 files with errors/anomalies which were returned to employers. Of the files, 41 required employers to rectify and return

them to my office for verification. However, up to 30 June 2023, such files had not been returned. Out of 41 files, 31 (76%) have been outstanding for a period ranging from one year to six years, as detailed in **Table 48**. The remaining 347 files related to operational service retirees who were not eligible for compassionate gratuity, and not subjected to verification.

Table 48: Queried files not returned for pre-audit clearance.

| SN | Extent of delay | Number of files |
|--------------|----------------------|-----------------|
| 1 | One year | 7 |
| 2 | Between 1 to 3 years | 11 |
| 3 | Between 3 to 6 years | 13 |
| Total | | 31 |

Source: Pension/Gratuity papers and Audit computations

I recommend that the Government prioritise the prompt handling of pre-audit queries, facilitate timely approval of payments to retirees and prevent delays in processing terminal benefits.

CHAPTER TEN

OPERATIONAL EFFICIENCY

10.1 Introduction

In addition to regularity audit that encompasses financial and compliance audit, I have also conducted operational efficiency audit in selected activities implemented by the government entities. The audit seeks to identify areas where improvements might be made to streamline procedures or implement more effective organizational operations. It examines all aspects of a government's activities, including internal policies, procedures, and processes. By assessing these key elements, an operational efficiency audit sheds light on the government's resource management.

This chapter therefore presents issue identified in the operational efficiency audit conducted to audited entities that needs to be improved. These entities are linked to economy, administration, and social aspects of the government operations.

10.2 Financial Management

I noted the following key issues regarding financial mismanagement in the Ministries, Department and Agencies:

10.2.1 Cost overruns of TZS 13 Billion in Upgrading Tanga-Pangani (50km) Road to Bitumen Standard

On 31 July 2019, TANROADS contracted M/s China Henan International Cooperation Group (TRD/HQ/1008/2019/2020) for the Upgrading of the Bagamoyo (Makurunge)-Saadani-Pangani-Tanga road, spanning 256km, to bitumen standard. Lot 1, comprising the Pangani-Tanga section (50km), totals TZS 69 billion (VAT Exclusive). Initially, the contracted duration ended on 14 November 2021 (revised to 5 December 2022 and 21 November 2023). The supervision of the contract was under DOCHCH Engineering and Management Consultancy, which was engaged effectively from the commencement of the project.

- a) I noted that the construction work for the project exceeded the agreed revised completion time of 5 December 2022. The delay in finishing the

project was caused by various reasons, including delays in payment of both advance and Interim Payment Certificates (IPCs), delayed handover of the site to the contractor because of the delays in compensating Project Affected Persons (PAPs) and reallocation of utilities, and untimely confirmation of the Kirare Bridge location. Consequently, the contractor applied for an extension of time to compensate for the delays, resulting in additional costs of TZS 2 billion.

- b) Further, my review of the interim payment certificate number 13 dated 2 February 2023, identified inaccuracies in the quantities specified in the Bill of Quantities (BOQ), particularly in common excavation to soil and backfilling using imported selected materials. The original BoQ specified 26,000 cubic meters for common excavation to soil, whereas the actual measured quantity required was 502,875.58 cubic meters. Similarly, the original BoQ indicated 200 cubic meters for backfilling using imported selected material, whereas the actual quantity measured during the audit was 3,854.697 cubic meters. These discrepancies in measuring quantities from the original BoQ resulted in a cost increase of TZS 11 billion.

Based on the above analysis, the total additional cost of the project amounted to TZS 13 billion, representing a 17% increase from the original contracted sum. The additional cost was caused by an improper original design and design review that failed to capture the quantities required for the construction site. These irregularities could lead to delays in completing the project and cause inconvenience to road users. Also, they could disrupt the government's budget by necessitating additional funds to cover the additional work.

I recommend the Government to strengthen TANROADS oversight mechanism to prevent additional costs in road infrastructure projects.

10.2.2 Inadequate Funds to Finance Ferry Operations After Leasing Marine Vessels from Azam Marine Company Ltd

On 14 June 2022, the Tanzania Electrical Mechanical and Electronics Services Agency (TEMESA) signed a memorandum of understanding (MoU) with AZAM Marine Company Ltd to lease and operate marine vessels, Sea Taxi 1, and Sea Taxi 2, between Magogoni and Kigamboni ferry stations. This arrangement aimed to supplement TEMESA's capacity following the major rehabilitation of MV Magogoni. Each sea taxi has a capacity of 250 passengers per trip.

As per clause 5 of the MoU, the lessee (TEMESA) is required to pay AZAM Marine Company Ltd a daily service fee of TZS 5,000,000 (inclusive of VAT), along with a withholding tax of 5% on the total amount. The lessor (AZAM Marine Company

Ltd) will issue a monthly invoice for payment detailing the number of days the service was provided to the lessee during that month.

I found that from 1 July 2022 to 30 June 2023, TEMESA collected TZS 5.76 billion in ferry tolls at the Magogoni - Kigamboni Ferry Station. Of this amount, TZS 1.83 billion (equivalent to 31% of the total collections) was paid to AZAM Marine Company Ltd for the operation of sea taxis. As a result, TEMESA was left with TZS 3.93 billion (69%) to cover operating costs such as vessel fuel, labour costs, repairs and maintenance and other overheads. However, I noted that the remaining amount of TZS 3.93 billion was insufficient, leading TEMESA to utilise other sources to subsidise the operating costs at the Magogoni - Kigamboni Ferry Station.

In my view, persisting with the leasing of sea taxis from AZAM Marine Company Ltd adversely impacts the sustainability of the ferry service at Magogoni - Kigamboni Ferry Station. This further exacerbates the dependency on government subsidies to finance its operations instead of achieving self-sufficiency.

I recommend that TEMESA evaluates alternative strategies to reduce reliance on leased sea taxis, including procuring its own new sea taxis or increasing the number of ferries to cope with the increased number of customers.

10.2.3 Underpayment of 3% Electricity Levy amounting to TZS 9.05 billion by TANESCO Due to Underreported Electricity Sales

Section 19(3)(c) of the Rural Energy Act, 2005 requires the Rural Energy Agency (REA) to collect levies of up to five percent on the commercial generation of electricity on the National grid, which are to be deposited into the Rural Energy Fund by the end of each month. Considering this provision, on 1 August 2008, the Minister, through Government Notice No. 118 published in the Government Gazette, instituted an electricity levy order of three percent on electricity generators.

REA obtains information about electricity sales from TANESCO by submitting electricity levy schedules. This process enables REA to prepare invoices to claim 3% of the electricity sales collected by TANESCO.

During my review of reconciliation reports in May 2023, I uncovered that TANESCO reported electricity sales amounting to TZS 3.25 trillion (VAT Exclusive) from 30 July 2021 to 30 April 2023. This resulted in a 3% electricity levy claim to REA, totalling TZS 97.73 billion. However, I found that TANESCO submitted a 3% electricity levy collection schedule amounting to TZS 88.68 billion to REA from 1 July 2021 to 30 April 2023 and paid the amount. This

indicated an underpayment of electricity levy by TZS 9.05 billion. Such discrepancies suggest that TANESCO inappropriately utilised the electricity levy collected on behalf of REA by under-reporting the electricity sales submitted to REA, consequently impacting REA's operations.

Furthermore, the reconciliation report revealed that the primary cause was the absence of integration between the system used in collecting electricity charges and the system used to calculate and submit payments for electricity bills to REA.

Since the Prepaid Metering System (LUKU) provides a breakdown of collections made on electricity bills, including the 3% electricity levy for REA, I recommend REA, in collaboration with TANESCO, to be granted access to the LUKU System to accurately capture the amount for the 3% electricity levy collected by TANESCO and prepare bills that reflect the reality of these collections. Also, underpayment of electricity levy be paid by TANESCO to REA as required by the Rural Energy Act.

10.2.4 Unpaid Penalties (Demurrage) amounting to TZS 18.94 Billion from Delays in Offloading Fuel from Vessels

Clause 18.1 of the contract between suppliers⁹ and oil market companies¹⁰ requires the supplier to be entitled to charge demurrage at a maximum of USD 22,000 and USD 18,000 per day for Automotive Gasoil and Premium Motor Spirit, respectively. Further, clause 18.9 specifies that purchaser, oil marketing companies (OMCs), shall pay prorated final demurrage cost within 14 calendar days of invoice receipts from the supplier.

Demurrage is a fee charged to the owner of goods or a vessel for a delay in loading or unloading cargo beyond the agreed-upon time in a contract. It is a penalty designed to encourage prompt cargo handling and to compensate for the costs incurred by the party waiting for the cargo.

The audit of the Petroleum Bulk Procurement Agency (PBPA) found that fuel suppliers invoiced oil marketing companies (OMCs) a total of USD 8.14 million (TZS 18.94 billion) for demurrage charges covering the period from February 2019 to August 2022. However, as of the time of the audit in October 2023, the OMCs had not paid the amount to the oil suppliers for more than one year, despite collecting the demurrage charges from the end users of the fuel (Public) contrary to the Contract Agreement which requires payment within 14 days.

⁹ Oil suppliers refer to companies involved in the extraction, production, refining, and distribution of crude oil and petroleum products

¹⁰ Oil market companies focus on trading and marketing activities within the broader energy markets, including buying, selling, and trading oil to end users

I am of the view that the demurrage charges were already collected from fuel users but not paid to fuel suppliers, thus benefiting the oil marketing companies from a business perspective. This situation allows OMCs to utilise the amount within the oil business. However, it adversely affects the local oil industry, creating a negative reputation due to delays in timely fuel offloading and payment of demurrage charges. This situation could potentially lead to oil suppliers diverting their business from the country, resulting in lower fuel supply than market demand.

I recommend PBPA to ensure prompt payments of demurrage charges to suppliers by oil market companies.

10.2.5 Lack of Financial Guarantees (Bonds) worth TZS 335.16 billion from Mining Companies Following Approved Mine Closures

Regulation 207(1)-(2) of the Mining (Safety, Occupational Health, and Environmental Protection) Regulations, 2010 requires that holders of Special Mining Licenses and Mining Licenses must provide a rehabilitation bond to cover mining closure costs as outlined in the approved Mine Closure plan by the National Mine Closure Committee. Further, Regulation 207 (3) specifies that this bond and financial guarantee will be established through a separate agreement between the Government and the licensee.

During the audit of Ministry of Minerals, I noted that the National Mine Closure Committee approved six mine closure plans between August 2022 and May 2023. However, as of 30 June 2023, the mining companies had not yet submitted financial guarantees (bonds) totalling USD 144,003,585 (TZS 335.16 billion), contrary to the above regulation. Details shown in Table 49.

Table 49: Approved Mine Closure Plans and Pending payments of Rehabilitation Guarantees

| SN | Licensee | Approval Date | Agreed Guarantee Amount (USD) |
|----|---------------------------|---------------|-------------------------------|
| 1 | Williamson Diamond Ltd | 3/8/2022 | 11,094,000 |
| 2 | North Mara Gold Mine | 7/10/2022 | 111,676,492 |
| 3 | Mbeya Cement Company Ltd | 4/11/2022 | 4,321,626 |
| 4 | Buckreef Gold Company Ltd | 1/12/2022 | 4,345,040 |
| 5 | Stamigold Company Ltd | 29/11/2022 | 10,446,048 |
| 6 | Twiga Cement | 19/05/2023 | 2,120,379 |
| | Total | | 144,003,585 |

Source: Management Letter

Without the necessary financial guarantees in place, there is a higher risk that mining operations may not adequately address environmental rehabilitation and closure requirements, leading to potential environmental degradation and hazards.

I recommend the Government to enforce compliance with regulations regarding submission of the financial guarantees for mine closures by the respective mining companies.

10.2.6 Losses of TZS 9.93 Billion Arising from High Non-Revenue Water Rate

Non-revenue water (NRW) refers to the volume of water produced or acquired by a Water Supply and Sanitation Authority for distribution but lost before reaching its intended customers. As per EWURA standards, the acceptable NRW level for Water Authorities is set depending on the classes of WSSA.

I found that the rate of non-revenue water surpassed the acceptable limit of 20% set by EWURA for water authorities. This results in a loss of TZS 9.93 billion across 12 water authorities, as shown in Table 50. My assessment identified the primary cause of this high non-revenue water level being water leakage due to dilapidated infrastructure of water.

Table 50: Loss from Non-Revenue Water

| SN | Entities | Quantity Lost (ltrs) | Amount (TZS) |
|----|-------------------------|----------------------|----------------------|
| 1 | Wanging'ombe WSSA | 190,578 | 209,635,500 |
| 2 | Turiani Urban WSSA | 648,570 | 604,791,059 |
| 3 | Kibondo Urban WSSA | 153,483 | 72,006,792 |
| 4 | Itumba-Isongole WSSA | 156,778 | 50,012,182 |
| 5 | Lushoto WSSA | 234,763 | 118,320,552 |
| 6 | Namanyere WSSA | 30,496 | 21,591,130 |
| 7 | Rombo WSSA | 5,806,329 | 5,063,118,888 |
| 8 | Bunda WSSA | 384,664 | 798,177,717 |
| 9 | Ifakara Urban WSSA | 80,735 | 91,507,471 |
| 10 | Handeni Trunk Main WSSA | 964,551 | 2,151,235,340 |
| 11 | Tunduru Urban WSSA | 69,172 | 86,603,344 |
| 12 | Maswa WSSA | - | 666,079,452 |
| | Total | 8,720,119 | 9,933,079,426 |

Source: Management letters

The non-revenue water led to the loss of potential revenue that could have been collected and utilised to cover the operational expenses of the water authorities and lessen dependence on government subvention.

I recommend the Government to take appropriate measures including improvement of water infrastructures to reduce non-revenue water.

10.2.7 Delay in Resolving Disputed Amounts of Royalty and Service Levy by Mining Companies

Regulation 12(1) of the Mining (Audit and Inspection of Records) Regulation of 2018 requires mineral rights holders to respond to questions within thirty days after an audit or inspection by the Commission or authorized officer. Failure to comply within the specified timeframe, as stated in Regulation 12(2), may result in the Commission requiring the mineral rights holder to justify why the Commission should not revoke or suspend the mining license.

During the mineral audit conducted by the Mining Commission on 27 mining companies, 14 companies were found with non-compliance charges amounting TZS 6.05 billion. Among these charges were unpaid royalty and service levies, amounting to TZS 4.59 billion owed to the Mining Commission for the year 2020/21. However, only TZS 3.60 billion was settled, leaving TZS 989.93 million contested by three mineral rights holders: Mundarara Ruby Mines Ltd, Salum Motors Transport Co. Ltd, and Hanil- Jiangsu Joint Venture Ltd.

I am of the view that delays in resolving disputed amounts by mining companies, spanning over a period of two years since the financial year 2020/21, affect the Mining Commission's ability to access revenues and allocate resources effectively. Also, the protracted nature of these disputes strain relationships between the Commission and mining companies which may erode trust and exacerbate tensions over time.

I recommend the Government to expediate the process of resolving the disputed amount to ensure appropriate amount is agreed and improve relationships between the Commission and mining companies.

10.2.8 Loss of Revenue from Rejected Health Insurance Claims TZS 8.94 Billion

Section 27(2) of the National Health Insurance Fund Act, 1999, requires that the Fund may deny or reduce the payment of false or incorrect claims or when the claimants fail to comply with the rule or regulations on payment of claims made under this Act.

My assessment of the Regional Referral Hospitals (RRHs), Specialised Hospitals, and Zonal Referral Hospitals disclosed that the National Health Insurance Fund (NHIF) rejected to refund TZS 8.94 billion to 24 RRHs. The rejection was caused by incorrect completion of the submitted NHIF claim forms due to various faults, such as invalid authorisations, improper disease codes, and non-

compliance with the standard treatment guidelines. RRHs submitted total claims of TZS 71.21 billion that the NHIF managed to refund TZS 62.27 billion, resulting in an unpaid (rejected) amount of TZS 8.94 billion. This was equivalent to 13% of the submitted total claims, as shown in **Appendix IX**. However, the rejected amount is equivalent to an increase of TZS 1.4 billion compared to the rejected amount of TZS 7.8 billion reported in the previous financial year, implying that Management has not implemented my recommendations to address the matter.

I recommend the Government through the Ministry of Health to enhance internal checks and provide training on handling of insurance claims so as to improve the accuracy in completing NHIF claim forms.

10.2.9 Delayed Reimbursement of RRHs and Specialised Hospitals Claims by NHIF - TZS 12.52 Billion

Section 28 Cap 395 R.E 2015 of the National Health Insurance Fund (NHIF) Act requires that any claim of funds by the health care provider shall be paid within 60 days of presentation to the funds for such claims.

I assessed NHIF’s timeliness in reimbursing insurance claims submitted by RRHs and Specialised Hospitals for service rendered. I noted that TZS 12.52 billion was delayed being refunded to the respective Hospitals, ranging from 7 to 326 days after the expiration of the refund deadline.

I attribute the anomaly to ineffective insurance claim preparation and monitoring, which resulted in NHIF’s delayed reimbursement to the respective hospitals. For details refer **Table 51**.

Table 51: Delay in reimbursement of Insurance Claims to RRH and Specialised Hospitals

| SN | Name of the hospital | No. of days delayed | Amount (TZS) |
|----|----------------------------------|--------------------------|-----------------------|
| 2 | Benjamin Mkapa Hospital | 142 Days | 5,199,491,539 |
| 2 | Bukoba RRH | From 11 to 67 Days | 537,995,975 |
| 3 | Chato RRH | From 7 to 55 Days | 334,875,785 |
| 4 | Dodoma RRH | From 30 Days to 135 Days | 2,989,741,133 |
| 5 | Geita RRH | From 38 to 64 Days | 262,808,275 |
| 6 | Mbeya RRH | From 72 to 87 Days | 423,059,315 |
| 7 | Mirembe National Mental Hospital | From 35 to 113 Days | 512,072,359 |
| 8 | Musoma RRH | From 72 to 102 Days | 719,250,015 |
| 9 | Singida RRH | From 9 to 326 Days | 866,900,900 |
| 10 | Songea RRH | From 17 to 69 Days | 314,837,145 |
| 11 | Tabora RRH | From 30 to 90 Days | 368,516,495 |
| | Total | | 12,529,548,936 |

Source: Individual Management Letters 2022/23

I recommend the Ministry of Health to ensure that NHIF promptly reimburses RRH claims to facilitate service delivery to the public. Furthermore, RRHs should improve their review process for claim forms to reduce errors and prevent delays in receiving reimbursements from NHIF.

10.2.10 MSD Held Hospitals’ Funds Amounting to TZS 10.13 Billion without Supplying Drugs and Medical Supplies

Regulations 140(3) and 141(3) of the Public Procurement Regulations (2013), require the Medical Stores Department (MSD) to procure and supply catalogue and non-catalogue items that are needed continuously or repeatedly over a certain period.

I found that 16 RRHs and the Zanzibar Ministry of Health had a total of TZS 10.13 billion at MSD. This amount was held by MSD for more than one year, without supplying the drugs, medicines, medical supplies, and reagents. Details are shown in **Table 52**.

I attribute the anomaly to the lack of a binding agreement that would compel MSD to supply the catalogue and non-catalogue items that were out of stock on behalf of hospitals using the allocated funds.

The funds held by MSD not only limited the availability of drugs, medicine, and medical equipment in the hospitals but also dwindled the provision of proper medical services. In retrospect, I reported the same anomaly in the previous report that TZS 20.66 billion was held by MSD implying that Management has not adequately implemented my recommendations.

Table 52: Funds Held by MSD Without Supplying Drugs and Medical Supplies

| SN | Name of the Hospital | Amount (TZS) |
|----|------------------------------|---------------|
| 1 | Bukoba RRH | 255,084,750 |
| 2 | Chato Zonal RRH | 2,980,250,938 |
| 3 | Dodoma RRH | 1,869,218,586 |
| 4 | Geita RRH | 1,029,343,009 |
| 5 | Kibong’oto RRH | 1,314,795,603 |
| 6 | Manyara RRH | 10,115,700 |
| 7 | Mawenzi RRH | 305,822,467 |
| 8 | Mbeya RRH | 984,799,635 |
| 9 | Ministry of Health (Vote 52) | 36,300,000 |
| 10 | Mount Meru RRH | 10,591,300 |
| 11 | Mtwara ZRRH | 275,345,544 |
| 12 | Singida RRH | 11,945,920 |
| 13 | Sekou Toure RRH | 9,935,120 |
| 14 | Songea RRH | 8,843,220 |
| 15 | Songwe RRH | 4,660,420 |

| SN | Name of the Hospital | Amount (TZS) |
|--------------|-----------------------------|-----------------------|
| 16 | Temeke RRH | 799,174,978 |
| 17 | Zanzibar Ministry of Health | 227,707,600 |
| Total | | 10,133,934,790 |

Source: Individual Management Letters 2022/23

I reiterate my recommendation that the Government and the management of regional referral hospitals establish a legal agreement with the Medical Stores Department. Furthermore, in the event of an out-of-stock scenario, MSD should refund any remaining balance to the respective hospitals.

10.2.11 Additional Costs of TZS 115.51 Million Incurred Due to Procurement from Private Suppliers

Regulations 130 (3)(4) and (5) of the Public Procurement Regulations, 2013 (as amended by the Public Procurement (Amendment), and Regulations 2016 (GN No.121 published on 22 April 2016), require procuring entities to order items from the Department's price catalogue within one working day upon reaching buffer stock. If the requested items are unavailable, the Department must issue a non-availability notice within one working day. Upon receiving this notice, the procuring entity can choose an alternative procurement method.

During the financial year 2022/23, three RRHs procured various medical supplies worth TZS 267.34 million from private suppliers. The cost could have been TZS 151.83 million if the medical supplies had been procured from MSD, avoiding the incurred extra costs of TZS 115.51 million, as shown in Table 53.

Table 53: Extra Cost incurred due to Procurement of Medical Supplies from Private Suppliers

| SN | Name of Referral Hospital | Amount (TZS) Paid to Private Vendors | Amount (TZS) per MSD | Extra Cost Incurred (TZS) |
|--------------|---------------------------|--------------------------------------|----------------------|---------------------------|
| 1 | Katavi RRH | 90,575,500 | 61,164,432 | 29,411,068 |
| 2 | Maweni RRH | 81,455,375 | 38,652,911 | 42,802,464 |
| 3 | Tabora RRH | 95,318,720 | 52,017,304 | 43,301,416 |
| Total | | 267,349,595 | 151,834,647 | 115,514,948 |

Source: Individual Management Letters 2022/23

I attribute the anomaly to frequent out-of-stock by the MSD, which is why the hospital opted to procure the medical supplies from private suppliers.

I recommend that the Government through the Ministry of Health enhance MSD's capacity to address the issue of out-of-stock medical supplies to mitigate the additional costs incurred from procuring high-priced medical items from private suppliers, which negatively impacts hospital's liquidity.

10.2.12 Supplied Equipment Worth TZS 3.47 Billion to RRHs Not Put in Use

My review established that various equipment amounting to TZS 3.47 billion supplied to five RRHs were not operating at the time of audit, the equipment observed not in use were such as CT-Scan Machine, Digital X-Ray Machine, and Hemodialysis Machine as shown in **Appendix X**. This is contrary to Regulation 87(1)(h) of the Public Finance Regulations of 2001 which requires prompt utilization/use of the procured supplies.

Insufficient funds prompt the non-completion of the facilities accommodating the installation of the supplied equipment attributed to the anomaly. However, the non-utilization of the equipment not only limits achieving the value for money but also exposes them to the risk of obsolescence.

I recommend the Government to allocate sufficient funds for the completion of the facilities to accommodate the installation of the supplied equipment so that they are put into use without further delay.

Regulatory and Compliance Issues

I found several issues regarding regulatory and compliance within government entities as follows:

10.2.13 Non-Performance of Monitoring and Evaluation on Utilization of Funds Disbursed to Implementing Agencies

Regulation 15 of the National Water Fund Regulations, 2019 requires the Fund to monitor and evaluate the utilization of funds disbursed to implementing agencies for executing planned water projects, ensuring adherence to time, cost, and quality stipulations.

However, I noted that the National Water Fund did not conduct monitoring and evaluation on the utilization of TZS 111.48 billion disbursed to 40 implementing agencies for 367 planned water projects. This lapse was primarily due to inadequate resources, both in personnel and oversight mechanisms within the National Water Fund. Without effective monitoring, there is a risk of mismanagement of funds.

I recommend the National Water Funds to ensure adequate monitoring and evaluation of funds disbursed to implementing agencies to minimize the mismanagement of funds.

10.2.14 Issuance of Concession Area Allocation Certificates for Hunting Blocks Without Ministerial Designation

Special Wildlife Investment Concession Area (SWICA) refers to a designated area within a wildlife conservation or game reserve where private entities or individuals are granted rights to invest in wildlife-related activities such as tourism, hunting, or conservation. These concessions are established to promote sustainable wildlife management, generate revenue for conservation efforts, and stimulate economic development in rural areas while ensuring the protection of biodiversity and natural habitats.

According to Regulation 3 of the Special Wildlife Investment Concession Area Regulations, 2020, the Minister of Natural Resources and Tourism is mandated, upon recommendation by the TAWA Board, to designate specific areas of land within game reserves and game-controlled areas as Special Wildlife Investment Concession Areas.

However, TAWA issued certificates for the allocation of a concession area for hunting blocks (certificate number. TAWA.0003, 0004 and 0005) through SWICA agreements to two investors for 13 areas, even though the respective areas were not designated by the Minister as hunting blocks under special wildlife investment concession areas, as required by Regulation 3. This situation suggests that TAWA management bypassed the mandates of the Minister of Natural Resources and Tourism.

I am of the view that issuing certificates for allocation of concession areas that have not officially been designated as hunting blocks in the SWICA arrangements deviate significantly from SWICA regulations. This raises concerns regarding the transparency and integrity of the allocation process.

I recommend the Government to ensure that TAWA prevents irregular allocation of concession areas without designated by the Minister.

10.2.15 Non-Enforcement Measures Against Entities with Wastewater and Effluents above Recommended Standards by NEMC and TBS

According to Section 65(4) of the Water Resources Management Act of 2009, holders of Discharge Permits are required to adhere to water quality and effluent standards established by the National Environmental Management Council (NEMC) or the Tanzania Bureau of Standards (TBS) to prevent water pollution.

Further, under Section 64(1)(a) and 64(4) of the Water Resources Management Act, 2009, any individual allowing or directly causing waste or effluent to

pollute water bodies commits an offense. Upon conviction, they may be liable for covering the costs of rectifying the damage and restoring water quality or face a fine of at least TZS 300,000, imprisonment for up to one year, or both.

My examination of wastewater tests conducted by the Pangani Basin Water Board at Tanga Cement, Darsh Industries, and Sunflag Limited revealed non-compliance with NEMC and TBS wastewater and effluent standards. I observed that the pH levels of discharged wastewater were recorded at 6.0, which falls outside the required range of 6.5 to 8.5. Additionally, Biochemical Oxygen Demand (BOD) levels measured at 70mg/l exceeded the permissible limit of 30mg/l, while Chemical Oxygen Demand (COD) ranged from 156mg/l to 854.4mg/l, surpassing the allowed threshold of 60mg/l.

The observed deviations from the recommended pH levels and elevated Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD) levels pose significant environmental risks. A pH level outside the required range of 6.5 to 8.5 is harmful to aquatic life and disrupt the balance of the ecosystem. Elevated BOD levels, exceeding the permissible limit of 30mg/l, suggest increased organic matter in the water, which can deplete oxygen levels, leading to hypoxic conditions and negatively impacting aquatic organisms' survival. Further, elevated COD levels, surpassing the allowed threshold of 60mg/l, indicate high levels of organic pollutants, which can degrade the quality of water, impair aquatic habitats, and pose health risks to both humans and wildlife.

Despite these violations and the resultant harm to water sources, the Pangani Basin Water Board did not take any enforcement action against the responsible companies as of October 2023. This is mainly due to inadequate monitoring and enforcement mechanisms by the Pangani Basin Water Board, which contributed to a lack of timely identification and response to non-compliant activities by Tanga Cement, Darsh Industries and Sunflag Limited.

I recommend that Pangani Basin Water Board take appropriate enforcement actions, such as issuing fines and penalties, or suspending/revoking discharge permits in cases where entities fail to comply with the Water Resources Management Act of 2009.

10.2.16 Dams Constructed without Permits

Regulation 9(1) of the Water Resources Management (Dam Safety) Regulations, 2013 requires a person intending to construct a dam or tailings dam to apply for a construction permit to the Director of Water Resources at the Ministry of Water.

I found that during the financial year 2022/23, the Internal Drainage Basin Water Board (IDBWB) implemented 11 dam projects amounting TZS 5 billion. However, I found that the IDBWB did not apply for construction permits, contrary to the requirements of the mentioned regulation.

The primary cause identified was inadequate planning of the dam projects, resulting in the failure to secure construction permits. Consequently, the absence of a construction permit raises concerns about the safety and environmental impact of the dams. The requirements for permits are necessary to ensure that dam construction meet safety and environmental standards.

I recommend the Basin Water Board to ensure that all dam projects comply with regulatory requirements by obtaining the necessary construction permits to guarantee safety and environmental standards.

10.2.17 Unrenewed Water Use Permits causing Loss of Revenue of TZS 1.01 Billion

Section 43 (1) of the Water Resource Management Act of 2009, requires any individual who diverts, dams, stores, abstracts, or uses water from surface or underground sources, or constructs or maintains any works for such purposes, to apply for a Water Use Permit in accordance with the provisions of this Act.

During my review of three Basin Water Boards, I identified 1,200 expired permits for use of water valued at TZS 1.01 billion, as shown in **Table 54**. Despite the expiry of the permits, customers continued to abstract water from the respective sources, leading to a loss of revenue totalling TZS 1.01 billion as annual water use and discharge fees which could have been collected from customers.

Table 54: Expired Permits

| S N | Name | No. of Customers | Amount (TZS) |
|--------|---|---------------------|----------------------|
| 1 | Lake Nyasa Basin Water Board | 319 | 338,245,420 |
| 2 | Wami Ruvu Basin Water Board | 500 | 110,900,000 |
| 3 | Ruvuma and Southern Coast Basin Water Board | 381 | 569,363,524 |
| | Total | 1200 | 1,018,508,944 |

Source: Management letters

This loss directly affects the financial sustainability and operational capacity of the Boards, limiting their ability to carry out essential water resource management activities and infrastructure maintenance. Also, the continued

abstraction of water despite expired permits raises concerns about the sustainable management of water resources, potentially leading to environmental degradation.

I recommend the Boards to initiate a systematic review of all water use permits to identify permits that are expired or nearing expiration. Also, to implement enforcement mechanisms to prevent water abstraction from expired permits, including penalties for non-compliance.

10.2.18 Non-Provision of Water Sanitation Services

Water sanitation services refer to the provision of facilities, infrastructure, and processes designed to ensure proper treatment and disposal of wastewater to prevent the spread of diseases and protect the environment.

Section 20 (a) of the Water Supply and Sanitation Act of 2019 outlines the functions of a water supply and sanitation authority including a provision of water supply and sanitation services as required by this Act or any other written law pertaining to the management of water resources, water quality standards, and environmental conservation.

Contrary to the above requirement, I found that seven water supply and sanitation authorities did not provide sanitation services to the communities. I further learnt that the main cause was due to lack of necessary resources, including funding, infrastructure, and expertise to expand their services to include sanitation. The absence of sanitation services lead to inadequate waste management, increasing the risk of contaminating water sources and environmental pollution, impacting ecosystems and biodiversity. The WSSA which did not provide water sanitation services are Biharamulo, Chato, Songe, Itumba-Isongole, Namanyere, Tunduru Urban, and Maswa.

I recommend the Government to allocate sufficient resources to Water Authorities for the construction and maintenance of sanitation infrastructures.

10.2.19 Businesses Operating Without Valid Business Licenses

Section 3(1) (a) of the Business Licensing Act Business Licensing Act, 1972 stipulates that “No person shall carry on in Tanzania, whether as a principal or agent, any business unless he is the holder of a valid business license issued to him in relation to such businesses.

However, it has come to my attention that 49 businesses in Iringa, Njombe and Arusha, were operating without possessing a valid business license, yet remained undetected by the Business Registrations and Licensing Agency

(BRELA). The primary cause is attributed to two key factors: expired permits not renewed for 33 businesses, and the utilization of inappropriate business license class B issued by local government authorities for 16 businesses.

The failure of BRELA to act on the businesses operating without a proper business license raises concerns about the effectiveness of regulatory oversight and enforcement mechanisms. This situation may indicate potential weaknesses in BRELA's monitoring procedures, potentially allowing businesses to evade regulatory requirements and operate unlawfully.

I recommend BRELA to conduct a thorough review of its monitoring and enforcement processes to identify gaps and weaknesses to ensure businesses are operating with valid business permits.

10.2.20 Inadequate Management of Savings and Credit Cooperative Society

During the audit of the Inspection and Supervision Cooperative Fund, various challenges were observed concerning the administration of Savings and Credit Cooperative Societies (SACCOS), outlined as follows:

a) Insufficient Inspection and Supervision of the SACCOS

Section 93(1) of the Cooperative Societies Act, 2013 states that, the registrar shall make or cause to be made a continuous inspection on the by-laws, activities, and financial affairs of a registered society.

However, I found that cooperative officers conducted off-site and on-site supervision to assess compliance with prudential and non-prudential standards in only 623 out of 2046 SACCOS, equivalent to 30.4%. At the time of the audit, the Commission had 186 Cooperative Officers, falling short of the required number of 677.

b) Existence of 1,245 Unlicensed SACCOS

Regulation 4(1) of the (Microfinance Savings and Credit cooperative societies) Regulations, 2019 requires that a SACCOS shall not carry out any microfinance business unless such SACCOS is licensed by the bank or delegated authority in accordance with the provision of the Act.

However, my review of the annual performance report of the Inspection and Supervision Cooperative Fund for the financial year 2022/23, revealed that out of the registered 2,046 SACCOS, only 801 had licenses, leaving the remaining 1,245 SACCOS operating without licenses (equivalent to 60.9%).

I further learned that the causes of inadequate management of Savings and Credit Cooperative Societies (SACCOS) include insufficient inspection and

supervision by the Commission, coupled with a shortage of Cooperative Officers. This leads to implications such as widespread non-compliance with licensing requirements, with 60.9% of SACCOS operating without licenses, posing regulatory and financial risks.

I recommend the Government to ensure inspection and supervision of Cooperative Funds to address administrative shortcomings to enhance accountability and transparency in cooperative societies.

10.2.21 Lack of Registration and Active License for the Chemical Dealers

Regulation 61 of the Industrial and Consumer Chemicals (Management and Control) Regulations, 2020 requires a person who intends to renew a registration shall apply to the Registrar three months before the expiry of his registration. Where the renewal of the application is made in time, the Registrar shall process the application before the expiry of the initial registration.

My review of the Chemical Dealers Register at the Northern Zone Government Chemical Laboratory found that seven chemical dealers were not registered by the Registrar and 23 chemical dealers did not renew their registration, contrary to the regulation.

The anomaly was due to inadequate follow-up in obtaining the registration documents, such as Environmental Impact Assessment (ESIA), EMP, TIN, Business licenses, and BRELA certificates from other Government Authorities. The incompliance by the chemical dealers increases the risk of malpractice that could harm consumers.

I recommend that the Government takes necessary steps to ensure that chemical traders comply with registration requirements, thereby minimizing the risk of harmful chemicals being exposed to the public.

10.2.22 Unenforced Report Preparation and submission by Registered NGOs

Section 29(1) of the Non-Governmental Organizations Act, 2002 requires each Non-Governmental Organization to prepare and submit to the Ministry of Community Development, Gender, Women and Special Group the activity and audit reports that are to be made public. Further, Para 3.2 (xiv) of the Guidelines for NGO Coordination of April 2020 requires all NGOs operating in the country to submit contracts between them and the donors to the Ministry of Community Development, Gender, Women and Special Group.

Contrary to the requirements, I found that 8,262 NGOs, equivalent to 87% of the total registered 9,453 NGOs in the country, had neither prepared, submitted

the annual activity, and audited reports nor contracts between NGOs and donors.

I attribute the anomaly to inadequate NGO monitoring by the Ministry of Community Development, Gender, Women and Special Group. This limits transparency on the activities of NGOs in the country with uninformed stakeholders.

I recommend the Government to implement enforcement mechanisms to ensure that non-governmental organizations adhere to the procedures for submitting their reports to the Ministry of Community Development, Gender, Women, and Special Groups.

10.2.23 Unresolved Non-Civil Servants Disputes Beyond the 30 Days Limit

Section 86 (4)(5) of the Employment and Labour Relation Act R.E 2019 states that “subject to Section 87; the mediator shall resolve the dispute within thirty days of the referral or any longer period to which the parties agree in writing. The mediator shall decide how mediation shall be conducted and if necessary, may require further meetings within the period referred to in subsection 4.

Contrary to the requirement, my review of the E-Case Management System Report of 30 June 2023 found that 172 disputes of non civil servants lodged at the Commission for Mediation and Arbitration (CMA) had remained unresolved for more than 30 days as of the time of audit in August 2023 without a written agreement between parties for the longevity.

I attribute the anomaly to oversight by the management on their commitment against the required standard time limit to resolve the disputes. However, prolonged resolution of disputes delays justice for the respective seekers.

I recommend that the Government ensures the CMA resolves disputes within the required timeframe to improve public trust in the Commission.

10.2.24 Non-Disposal of the Expired Drugs

Section 86 (4)-(5) of the Employment and Labour Relation Act, [CAP. 366] requires the mediator to resolve the dispute within thirty days of the referral or any longer period to which the parties agree in writing. The mediator is required to decide how mediation to be conducted and if necessary, may require further meetings within the period prescribed in this section.

My review of the register of expired medical drugs for the financial year 2022/23 uncovered various drugs worth TZS 1.99 billion from 10 RRHs expired but were

not disposed of as at the time of the audit, see Table 55. The drugs expired for a period of up to 18 years.

Table 55: None Disposal of the Expired Drugs

| SN | Name of the hospital | Value (TZS) |
|----|----------------------|-------------------------|
| 1 | Benjamini Mkapa | 78,607,030.84 |
| 2 | Bukoba RRH | 7,351,206.05 |
| 3 | Chato ZRH | 68,314,743.00 |
| 4 | Mtwara RRH | 10,276,691.30 |
| 5 | Musoma RRH | 22,177,528.00 |
| 6 | Shinyanga RRH | 1,117,732,174.00 |
| 7 | Simiyu RRH | 389,840,219.56 |
| 8 | Songwe RRH | 2,468,964.03 |
| 9 | Tabora RRH | 6,851,673.16 |
| 10 | Tumbi RRH | 286,420,713.00 |
| | Total | 1,990,040,942.94 |

Source: Individual Management Letters 2022/23

I attribute the anomaly to the procurement or receipt of short shelf-life medicines from MSD and a lack of systematic arrangements of stocks to ensure drugs are issued on a First in First out (FIFO) principle. However, the non-disposal of expired drugs could result in several risks. For instance, unscrupulous individuals might engage in repackaging them for consumption, some expired medicines become hazardous. Moreover, continued keeping of expired drugs do not only increase storage costs but also limits space for other fit products.

I recommend that RRHs dispose of expired drugs in accordance with the requirements of the law. Additionally, they should avoid receiving medicine with a short shelf life to prevent early expiration of medical supplies.

10.2.25 Deficiencies in Operations of the Port Health Units

The establishment of the Port Health Unit aims to deliver health inspection services to airports, border crossing facilities, and passengers to enforce compliance with international health regulations, curb the transmission of infectious diseases, and serve as the primary defence against health-related risks.

My assessment of efficiency in the operations of five Port Health Units established anomalies requiring improvement to achieve the intended purposes.

a) Namanga and Tarakea Borders

My review at those borders disclosed the malfunctioning of the thermal scanner at Namanga Border Crossing from July 2022 to June 2023. I also found expired Hepatitis B rapid test kits and the absence of a motor vehicle at Tarakea Border.

b) Holili Border

Absence of a thermal scanner and a motor vehicle at Holili Border Crossing due to delays in the delivery of its installation accessories which remained unused for more than three years since the delivery date.

c) Arusha Airport

I noticed insufficient operational equipment at the Arusha Airport. The airport is lacking essential equipment, such as motor vehicles (including ambulances), motorcycles, laboratory refrigerators, medical supplies, rapid testing kits, sampling kits, isolation rooms, medical beds, screening sheets, wheelchairs, personal protective equipment, mobile phones, office directories, computers and servers, radio communication devices, fax machines, photocopiers, thermal scanners, UV light torches, sampling kits, test kits, and digital cameras contrary to the second table of Paragraph 1.6 of the Port Health Operation Guideline of September, 2022 which outlined the minimum equipment and material resources requirements the airport should possess.

In addition, the Airport lacks immunisation services, contrary to Para 2.4 of the Guidelines for Cost Sharing of Border Health Services, 2022. The identified shortcomings have the potential to induce delays or interruptions in the delivery of healthcare services, which could limit the border facilities' other functions.

I recommend that the Government through the Ministry of Health enhance the port health units to provide health inspection services at airports and borders to ensure the safety of travelers and the community.

10.3 Infrastructure Management

My audit uncovered areas for improvements in the management of public infrastructure, highlighting the pressing need for immediate intervention and remedial action.

10.3.1 Inadequate Management of Weighbridge Operations

Order 3.6 (e) of the Executive Agencies (The Tanzania National Roads Agency) (Establishment) (Amendment) Order 2020 gives TANROADS mandate to establish and operate weighbridges and enforce axle load control on the road network under its jurisdiction. During the review of weighbridge operations, I identified several weaknesses that demand management's attention, including: -

a) 299 Cases of Transporters Using the Same Permit for Multiple Trips

Regulation 15 (1) (a) the East African Community Vehicle Load Control (Special Loads) Regulations, 2018 stipulate that a person commits an offence if he or she transports any special cargo without a valid permit. Also, Section 9 (3) of the East African Community Vehicle Load Control Act, 2016 requires vehicle carrying any of the loads specified in sub-section (1) without a special permit to be stopped and detained by an authorized officer.

However, my review of weighbridge data from Nala (Dodoma), Himo (Kilimanjaro), Makuyuni (Arusha), and Vigwaza (Coast) Weighbridge Stations for the period between 1 July 2022, and 30 June 2023, I identified 299 instances where transporters utilized the same special load permit, bearing identical reference numbers for multiple trips. Additionally, I observed an increase in the number of such cases from 153 reported in my previous report for the financial year 2021/22 to 299, indicating a lack of efforts in addressing the issue.

b) 93,622 Trucks Pass through Weighbridges Without being Weighed due to Frequent Closures

Section 8 (1) of the East African Community Vehicle Load Control Act, 2016 requires a transporter operating a vehicle of a gross vehicle weight of 3,500 kilograms or more shall present such vehicle to be weighed at every weighing station that is situated along the Regional Trunk Road Network traversed by such vehicle.

However, I found that from 01 July 2022 to 30 June 2023, 15 weighbridge stations were frequently closed. This closure period resulted in 93,622 trucks weighing more than 3,500 kilograms crossing the weighbridge stations without being weighed.

c) 330 Hazardous Loads Transported Without Special Permits Not Detained.

Section 9 (3) of the East African Community Vehicle Load Control Act, 2016 requires a vehicle carrying any of the special categories of vehicle loads without a special permit to be stopped and detained by an authorized officer or directed to proceed to such place as may be necessary, taking into account safety, health or security, and the transporter of such vehicle shall be liable for such fine or other penalty as the national laws of the relevant Partner State shall prescribe.

However, during my review of weighbridge data for six weighing stations located at Nala (Dodoma), Makuyuni (Arusha), Himo II (Kilimanjaro), Vigwaza (Coast), Nangurukuru (Lindi), and Mpemba (Songwe) from 1 July 2022 to 30 June 2023,

I found that 330 vehicles transporting hazardous loads without special permits were not detained at the weighbridge stations, contrary to the mandate outlined above. Thus, resulted to uncollected amount of USD 3,300.

Based on the above findings, the anomalies identified in the weighbridge operations stem primarily from inadequate supervision and enforcement, as well as regular breakdowns of weighing equipment due to insufficient maintenance. Allowing these weaknesses to persist poses risk of significant damage to the roads' pavement and structures and loss of government revenues.

I recommend the Government to ensure TANROADS implement stringent monitoring and enforcement measures to address deficiencies in weighbridge operations.

10.3.2 Non-operational Ferry Vessels

I noted that nine out of the total 35 ferries (equivalent to 26%) were identified as not being in operation for more than six months. The ferries include MV Pangani II, MV Sabasaba, MV Kuchele, MV Tangazo, MV Lindi, MV SAR II, MV Ilagala, and MV Kilombero. Among these inoperative ferries, six were awaiting inspection for repair, while three were deemed dilapidated and economically unfeasible to repair.

The main reasons behind these non-operational ferry vessels include delays in inspection and repair processes, as well as the deteriorated condition of certain vessels resulting from insufficient funding for rehabilitation. Consequently, this has led to disruptions in transportation services, potential revenue losses due to reduced capacity of the ferries, and adverse effects on the overall efficiency and effectiveness of TEMESA's operations.

I recommend that TEMESA takes proactive measures to expedite the inspection and repair process of the non-operational ferry vessels. Also, TEMESA should conduct a thorough assessment of the dilapidated vessels to determine alternative solutions, such as disposal or replacement with new vessels.

10.3.3 Unfinished Construction of 300 Public Servant Houses at Nzuguni, Dodoma

The mission of TBA is to provide quality, environmentally friendly accommodation to government and public servants through efficient and effective business, consultancy services, and real estate management.

On 25 November 2021, TBA commenced the construction of 150 public servant houses (Phase 1) at Nzuguni with an estimated project cost of TZS 14 billion.

The project was planned to be completed by 31 December 2022, but it was revised to 30 November 2023. However, during the site visit conducted on 11 January 2024, I observed that Phase 1 of the project was not yet completed despite the project's expiration on 30 November 2023. Specifically, I found that 39 constructed houses for Phase 1 were still in the finishing stages, while 111 houses were still under construction below the finishing stages.

Furthermore, on 1 February 2023, the Agency began the construction of 150 houses for Phase 2 at a project cost of TZS 6 billion. The project was initially planned to be completed by 31 January 2024, but the completion date was subsequently revised to 30 November 2024. However, during my site visit, I observed that only 50 of the planned 150 houses for Phase 2 had commenced construction, with an average progress estimated at 15%, despite the contract duration having lapsed by 53%.

The incomplete construction projects for Phase 1 and 2, valued at TZS 20 billion, was due to insufficient water supply and financial limitations. Thus, obstruct the agency's mission of providing housing to government and public servants, particularly considering the increasing number of public servants relocating to Dodoma. Also, it can lead to additional cost due to escalation of prices of the construction materials over time.

I recommend the Government to ensure TBA improves project management and communication to prevent delays and discrepancies in execution of works and expedite the completion of Phase 1 and 2 constructions of Nzuguni projects to align with revised timelines.

10.3.4 Encroachment on 717,671.58 hectares of Forest Reserve

Section 26 (g) of the Forest Act of 2002 stipulates that no individual shall occupy or reside on any land within a national or local authority forest reserve unless they are an existing right holder exercising a recognized right within that reserve, or they have been granted a concession, license, or permit as per the provisions of the Act.

However, during the audit of Tanzania Forest Service Agency (TFS), I identified several encroachment issues affecting a total of 717,671.58 hectares of land across various forest reserves, including Nyantakara Forest Reserve (Biharamulo-Kahama), Kyarano Forest Reserve, Kyanyari Forest Reserve, Ruiga Forest Reserve, Nikonga River Forest Reserve, Mkwani Hill Forest Reserve, MlemaKiiga, and Malya Stock Farm Forest Reserve. Despite the significant number of encroachments and their potential impact on the existing natural resources, TFS was yet to develop intervention strategies, policies, or roadmap to address, resolve, and combat these encroachment issues.

The identified encroachment issues across multiple forest reserves have significant implications on environmental degradation, wildlife habitat loss, resource depletion, legal conflicts, economic impact, and damage to institutional credibility.

I recommend TFS to develop intervention strategies, policies, and a roadmap to address identified encroachment issues across multiple forest reserves.

10.3.5 Removal of Automated Surveillance Speed Control Cameras at Ubena Zomozi and Bwawani causing Loss of TZS 381.75 Million

On 16 June 2017, the Ministry of Works signed a contract with M/s Kamang Investment for the supply, installation, testing, and commissioning of automated surveillance speed control cameras for TZS 381.75 million. The project was completed and handed over by the consultant in January 2019. The project aimed at enhancing road safety by monitoring the speed of vehicles and promoting adherence to speed limits at Ubena Zomozi and Bwawani along the TANZAM Highway to reduce the rate of accidents.

I noted that in August 2022, the cameras were removed to allow trucks to transport abnormal loads (height) for the construction of Mbigiri Sugar Factory. However, as of the time of the audit in November 2023, the cameras were not re-installed.

In this regard, I was informed by the Ministry that the cameras were not installed due to outdated technology, which limits the passage of most abnormal cargo through the Tanzania Zambia (TANZAM) highway. Another reason is that the Ministry of Home Affairs is currently in the process of installing advanced technology on the trunk roads, rendering the cameras and associated system obsolete. However, in my view, this oversight highlights inadequate planning by the Ministry, resulting in losses amounting to TZS 381.75 million being the cost of automated surveillance speed control cameras.

I recommend Ministry of Works to integrate the removed cameras with ongoing initiatives by the Ministry of Home Affairs to minimize losses from unused automated surveillance cameras and ensure adequate planning for effective utilization of taxpayers' funds.

10.3.6 Non-Maintenance of Roads and Airstrip Infrastructure

Section 3 of the Tourism Act, 2008 requires that all persons exercising powers or discharging any duties under this Act shall strive to promote -the National Tourism Policy eco-tourism, cultural tourism and any other forms of tourism that

provides better sectorial linkages, create employment, and foster sustainable development.

During the review of Tanzania Wildlife Management Authority, I found abandoned infrastructures worth TZS 545 million in Maswa Game Reserve, Simiyu Region. One of it includes a 135 km of road, valued TZS 500 million. The road conveys Butuli to Mbono-Makao and was constructed in the year 2021. The other infrastructure is Butuli Airstrip of 1.6 km. It was constructed in the year 2021 valuing TZS 45 million. The purpose of the infrastructures was to promote tourism activities while having easy accessibility, connectivity, and convenience of reaching attractive and conducive destinations. It was also to encourage more people to consider visiting the area through guaranteed transportation. However, during my site visit on 5 September 2023, I observed that the road carriage way and airstrip was not maintained since 2022, rendering the infrastructures unfit for use.

The primary cause of the abandonment of these infrastructures was inadequate allocation of fund for maintenance. Consequently, the abandonment of infrastructure signifies a wastage of resources which undermines the intended promotion of tourism and accessibility to the area.

I recommend the Government to release adequate funds to TAWA for the maintenance of Airstrip and roads infrastructures to promote tourism activities.

10.3.7 Inadequate Management of Airports Infrastructure

During the audit of the Tanzania Airport Authority, I identified significant weaknesses in the management of airport infrastructure, detailed as follow:

a) Abandonment of 217 Airfield Ground Lights at Dodoma Airport

During my site visit at Dodoma Airport, I observed that 217 Airfield Ground Lights (AGL) worth USD 334,986.05 powered by solar were abandoned in the airport store after being replaced by AGL lights powered by electricity. Additionally, I found that there was no plan for reallocating the abandoned AGLs to other airports with extensive need, despite their good condition. Over time, the condition of the abandoned Airfield Ground Lights (AGL) may deteriorate due to various factors such as exposure to the elements, lack of maintenance, and potential damage from mishandling or neglect.

b) Use of Mobile Phones for Communication with the Control Tower at Bukoba Airport

Reg. 259, 260 and 263 of Civil Aviation (Aerodromes) Regulation, 2017 requires an operator to ensure that rescue equipment commensurate with the level of aircraft operations are provided on the rescue and fire fighting vehicle(s),

achieve a response time not exceeding three minutes to any point of each operational runway in optimum visibility and surface conditions. Also, provides a discreet communication system linking a fire station with the control tower, any other fire station on the aerodrome and the rescue and fire fighting vehicles.

During my audit at Bukoba Airport, I found that ground aircraft controller personnel were using mobile phones to receive flight information and communicate with the Mwanza Control Tower, which is not in compliance with Regulations 259, 260 and 263 of the Civil Aviation (Aerodromes) Regulations, 2017.

c) Non-Installation of CCTV Cameras at Geita and Sumbawanga Airports

Regulation 2 of the Civil Aviation Security Regulation, 2018, requires that every operator of an airport serving civil aviation shall be responsible for the security of facilities and employment of security equipment to achieve civil aviation security objectives. However, during my site visits to Geita and Sumbawanga Airports, I observed the absence of CCTV cameras in the terminal buildings, which is contrary to the above-cited Regulation 2.

d) Absence of Fire Hydrants at Mpanda Airport

According to Annex 14 of the Standards and Recommended Practices (SARPs) for Aerodrome Design and Operations under the International Civil Aviation Organization (ICAO), an airport is required to have appropriate fire protection measures in place, including fire hydrants, to ensure the safety of aircraft operations and passengers. However, my physical verification in October 2023 revealed lack of fire hydrants at Mpanda Airport, posing a risk to airport facilities in the event of a fire accident.

e) Forested Area Identified Within Mtwara Airport Premises

My site visit at Mtwara Airport revealed the presence of a forested area within the airport's boundaries. This forested section lacks proper management, raising concerns regarding the airport's operational efficiency, safety, and security. The existence of the forested area poses potential safety hazards due to the possibility of wildlife inhabitation, which could endanger airport personnel, passengers, and aircraft.

f) Safety Risk Posed by Unused Towers at Mtwara Airport

During my audit at Mtwara Airport, I identified the presence of abandoned and unused tower within the airport premises. The presence of unused tower poses a significant safety risk to aircraft during landing and take-off procedures if not properly managed.

I consider that the abandonment of essential equipment, use of mobile phones for communication, lack of CCTV installation, absence of fire hydrants, forest area within the airport and unused tower, contribute to safety risks and inefficiencies of these airport. Urgent actions are required to enhance infrastructure management, regulatory compliance, and safety measures to safeguard personnel, passengers, and aircraft operations.

I recommend the Government to ensure Tanzania Airport Authority enhance airport infrastructure management, regulatory compliance, and safety measures to safeguard personnel, passengers, and aircraft operations.

10.3.8 Water from Completed Dams Fails Test Results

Section 88(1)(a)(l) of the Water Resources Management Act, 2009 requires dam owners to apply for a water use permit to the Director of Water Resources or Basin Water Officer, submitting necessary documents including a water quality report.

My review of the laboratory analytical report on the quality of water from Singida Water Quality Laboratory, issued in August 2023, focused on four completed charcoal dams (Kambi ya Nyasa, Paranga, Hanet and Kelema) in Chemba and Bahi Districts. According to the report, all the dams failed the total coliform and E. coli tests, with total coliform levels ranging from 12% to 56% and E. coli levels between 8% and 15%, surpassing the NEMC National Standard (TZS 789:2018-EAS12:2018) of zero detection (0%).

The report indicated that the turbidity levels for the Kelema and Hanet Dams were 55 NTU and 60 NTU respectively, surpassing the National Standards of 25 NTU. Similarly, the watercolour levels for Kelema Dam and Hanet were 55 TCU and 53 TCU respectively, exceeding the recommended NEMC National Standard of 50 TCU. In this regard, the report concluded that the water from those dams was not suitable for human consumption unless treated.

The primary cause of the failed tests on the quality of water was contamination from external sources, such as agricultural runoff, human or animal waste, or improper handling of construction materials during the dam projects, as well as inadequate maintenance and management practices. The failures on the quality of water pose significant health risks to communities relying on those dams for drinking water, potentially leading to waterborne diseases and other health hazards. Additionally, it raises concerns about the effectiveness and safety of the dam projects, impacting community trust and the success of water resource management efforts.

I recommend the Internal Drainage Water Board to enhance monitoring and enforcement of water quality standards, improve dam maintenance practices, and implement measures to prevent contamination from external sources. Additionally, suspend the use of water from the dams until proper treatment is performed.

10.3.9 Non-Installation of Cumulative Flow Meter at the Abstraction Points to Monitor Actual Quantity of Water Abstracted

Regulation 4 (1) of Water Resources Management (Fees Setting) Regulations, 2019 requires the Basin Water Board to ensure installation of cumulative flow meter at the abstraction point for the purpose of measuring quantity of water abstracted by a particular permit holder.

My review found that in five Basin Water Boards, there were no cumulative flow meters installed for 6,859 water users at abstraction points. I consider that, without metering system, there is a high risk of losing water from excessive abstraction by water users which in turn denies revenue to Basin Water Boards and endanger sustainability of water resources. Refer **Table 56** for more information.

Table 56: Uninstalled Flow Meters at Abstraction Point

| SN | BWB | No. of Customers |
|----|--|------------------|
| 1 | Pangani Basin Water Board | 1,922 |
| 2 | Lake Nyasa Basin Water Board | 849 |
| 3 | Internal Drainage Basin Water Board | 1,264 |
| 4 | Wami Ruvu Basin Water Board | 2,766 |
| 5 | Ruvuma and Southern Coast Basin Water Board (RSCBWB) | 58 |
| | Total | 6,859 |

Source: Management letters

I recommend the Basin Water Boards to ensure cumulative flow meters are installed at each abstraction point of all major water users for controlling and monitoring actual quantity of water extracted from water sources for ensuring sustainable water resources.

10.3.10 Water Meters Not Connected to Customers

Section 21 (c) and (d) of Water Supply and Sanitation Act, 2019 requires water authority to install water meters for the purpose of measuring the amount of water supplied to a consumer; and charge fees for services rendered.

During the financial year 2022/23, I found that five water authorities had 2,318 customers who were not connected with water meters (**Table 57**). This limitation impacted the authority's ability to increase its own source revenue.

Table 57: Customers not connected with water meters

| SN | Name | No. of Customers |
|----|---|------------------|
| 1 | Rujewa Water Supply and Sanitation Authority | 882 |
| 2 | Songe Water supply and Sanitation Authority | 45 |
| 3 | Itumba-Isongole Water Supply and Sanitation Authority | 882 |
| 4 | Liwale Water Supply and Sanitation Authority | 71 |
| 5 | Mombo Water Supply and Sanitation Authority | 438 |
| | Total | 2318 |

Source: Management letters

My assessment revealed that the primary reason for having a significant number of unmetered customers is the water authority's lack of resources to install and maintain adequate metering infrastructure, including meters and related equipment. Without accurate metering, it becomes challenging to charge customers based on their actual water usage, which could result in potential revenue loss or inaccuracies in billing.

I recommend water authorities prioritize the installation of meters for all unmetered customers. This will enable the authority to charge customers based on their actual usage, thereby increasing revenue collection.

10.3.11 Inadequate Management of Construction for Seven Road Projects Financed under (EPC+F) Mode of Contract.

The Engineering, Procurement, Construction, and Financing (EPC+F) mode of contract is a comprehensive agreement in which the contractor or project developer is responsible for overseeing the entire project lifecycle, from design and engineering to procurement, construction, and financing.

On 16 June 2023, TANROADS signed seven contracts under the Engineering, Procurement, Construction, and Financing (EPC+F) Mode of Contract worth TZS 3.75 trillion, as shown in **Table 58**.

During the review of tender and contract implementation, I noted some weaknesses that require urgent intervention, as discussed hereunder:

a) Unclear Government Requirements on Source of Financing for EPC+F Projects

According to the Instruction to Tender (ITT) for EPC + F Tender documents published on TANEPS; bidders were required to submit at least two proposed financiers for the respective bid package.

During the technical and financial appraisal of the proposed financiers conducted in collaboration with the Ministry of Finance, I noted that the terms and conditions of the financiers were found not potentially favourable to the

government. Consequently, the government decided to search for an alternative source of finance the projects.

However, as of the audit conducted in December 2023, the government had not secured financiers for the seven projects. In my view, the failure to establish a comprehensive financing strategy and secure commitments from potential financiers has left the project without a reliable source of funds.

b) Delay in the Commencement of the Projects

I noted that by December 2023, construction works are yet to commence, indicating a delay of six months since the contract signing date.

The main cause for the delay in project commencement is attributed to the contractors' failure to submit the performance bank guarantee, valued at TZS 375.514 billion. This contravenes Sub Clause 14 of the contracts, which requires contractors to provide Performance Security in the form of an Unconditional Bank Guarantee equivalent to 10% of the accepted contract amount, facilitating the issuance of site possession and the Certificate of Commencement by the employer (TANROADS).

Based on these findings, I am concerned that without predefined financing, the projects are susceptible to execution delays, potentially leading to cost overruns (interest on delayed payments), missed deadlines, and potential legal disputes with contractors and financiers, thereby jeopardizing the projects' success.

Table 58: Projects under EPC+F Mode of Contract

| SN | Project Name | Name of Contractor | Contract price (TZS) |
|----|--|--|----------------------|
| 1 | Construction of Masasi-Nachungwea-Liwale (175Km) To Bitumen standard | M/s China Railways 15 Bureau Group Corporation | 234,781,479,143.92 |
| 2 | Construction of Karatu-Mbulu-Haydom-Sibiti River-Lalago-Maswa (339Km) to bitumen standard | M/s China Civil Engineering Construction Corporation (CCECC) JV M/s China Railways 15 Bureau Group Corporation Ltd | 553,493,783,684.32 |
| 3 | Rehabilitation of Igawa-Uyole-Songwe-Tunduma Roads (218Km) to bitumen standard under engineering, Procurement, Construction, and financing (EPC+F) Mode of contract for option 2: (i.e., Duo Carriageway for | M/s China Civil Engineering Construction Corporation (CCECC) | 1,113,011,999,345 |

| SN | Project Name | Name of Contractor | Contract price (TZS) |
|----|--|--|----------------------------|
| | Igawa-Uyole (106Km) Roads Section: Single Carriageway for Mbeya bypass (48.9Km) and Duo Carriageway for IFISI-Tunduma (83Km) | | |
| 4 | Construction of Arusha-Kibaya-Kongwa Junction Road (453.42Km) to Bitumen standard | M/s China Civil Engineering Construction Corporation (CCECC) Jv M/s China Railways 15 Bureau Group Corporation Ltd | 546,294,711,452 |
| 5 | Construction of Handeni-Kiberashi-Kijingu-Njaro-Olboroti Mrijo-Dalai-Chambalo-Chemba- Kwa Mtoro-Singida (460Km) to Bitumen standard | M/s CRCEG-COVEC-CREC4 | 432,542,372,881 |
| 6 | Construction of Mafinga-Mtwango- Mgorolo Roads (81Km) to Bitumen standard under engineering, Procurement, Construction, and financing (EPC+F) Mode of contract | M/s Sinohydro Corporation Ltd | 110,580,728,374.60 |
| 7. | Construction of Kidatu-Ifakara-Lupiro-Malinyi-Kilosa kwa Mpepo-Londo-Lumecha/Songea (512Km) to Bitumen Standards | M/s China Civil Engineering Construction Corporation (CCECC) Jv M/s China Railways 15 Bureau Group Corporation Ltd | 764,437,076,827 |
| | | Total | 3,755,142,151,707.8 |

Source: Management Letters

I recommend the Government to expedite the sourcing of finances for the projects to ensure projects are completed timely to avoid cost escalation. Also, in future, ensure the finances are in place before commencement of projects.

10.3.12 Oxygen Plant at Songwe Regional Referral Hospital Not Timely Installed

The Ministry of Health signed a Contract No. MOHCDGEC/2020-2021/G/04 on 22 October 2020, for supplying, installing, and commissioning 12 medical oxygen plants at Kigoma, Lindi, Morogoro, Mara, Njombe, Tabora, Shinyanga, Simiyu, Mara, Mwanza, Songwe and Katavi under Global Funds Covid 19 Responses Mechanism (C19-RM). The contract was valued at USD 3,125,208 (TZS 7.18 billion) and was originally scheduled for completion within two months, ending

on 22 December 2020 which was subsequently revised to 30 November 2021. Up to 30 November 2021 the contractor was already paid a total of TZS 6.43 billion.

My review and site visit conducted on 18 September 2023, disclosed that the oxygen plant was not installed at Songwe RRH due to incomplete delivery of the plant accessories. Some accessories were delivered¹¹ on 9 January 2023 while others were not delivered by the time of audit in December 2023.

I consider that the lengthy completion of the installation limited the achievement of the value for money and diminished the intended benefits to the community.

I recommend the Government to ensure close follow up by the Ministry of Health over the supplier to guarantee the timely delivery of the remaining accessories required for the installation of the oxygen plant, thereby avoiding further delays in the installation process.

10.4 Evaluation of Strategic Objectives

I noted the non-achievement of the objectives of the government institutions as described below:

10.4.1 Insufficient Seed Production Compared to Demand

Para 3.2.1 (ii) of the Approved Functions and Organization Structure of the Ministry of Agriculture, approved by the President on 4 July 2022, stipulates that the Crop Production Section will enhance the application of improved technologies to increase crop production and productivity.

During the audit of Ministry of Agriculture for the financial year 2022/23, I noted that the seed demand in the country accounted for 187,197 metric tons. However, seed producers managed to produce only 69,639.38 metric tons, leaving a seed demand of 117,557.62 metric tons (63% of total seed demand) unmet.

I further learned that insufficient production of seeds was attributed to inadequate infrastructure for storage, transportation, and distribution, thus affecting the availability of quality seeds. I am of the view that insufficient availability of seeds contributes to a decrease in the overall production of food commodities and affecting local and national food supplies.

¹¹ Delivered accessories includes dryer, connections, compressor, oxygen generator, air tank, and oxygen tank.

I recommend the Government through Ministry of Agriculture to implement a comprehensive approach involving improvements in agricultural practices, infrastructure, policy support, and the development of resilient crop varieties that can withstand environmental challenges, thus meeting the seed demand.

10.4.2 Overreliance on Imported Fertilizers

Paragraph 3.2.2(iv) of the Approved Functions and Organization Structure of the Ministry of Agriculture, sanctioned by the President on 04 July 2022, mandates the Agricultural Inputs Section to stimulate investment in local manufacturing of agricultural inputs.

However, during the financial year 2022/23, the country's total fertilizer stock amounted to 908,731 metric tons, with domestic production contributing only 84,646 metric tons, while the remaining 824,085 metric tons (equivalent to 91% of the total) were imported. Comparatively, in the preceding financial year 2021/22, the imported fertilizer accounted for 379,927 metric tons, comprising 85% of the total fertilizer of 442,651 metric tons. This illustrates an increase in reliance on imported fertilizer from 85% to 91%.

The primary reason cited for this trend is the absence of domestic production for essential fertilizers like SA, CAN, UREA and various NPK combinations, attributed to shortage of raw materials and lack of investors. However, heavy reliance on imports creates economic vulnerability due to price fluctuations, supply uncertainties, and variations of the currency exchange rate in international markets.

I recommend the Ministry of Agriculture to collaborate with development partners to diversify and strengthen the fertilizer supply chain through local manufacturing initiatives, research and development efforts in fertilizer technology, and supportive policies.

10.4.3 Failure to Procure 79,990 Metric Tons of Grains and Insufficient Storage Capacity

According to the NFRA Business Plan, NFRA planned to procure 100,000 metric tons of grains during the financial year 2022/23. However, NFRA managed to procure only 20,010 metric tons of grains, leaving a total of 79,990 metric tons of grains not procured, equivalent to 80% of the initial plan. Out of the procured 20,010 metric tons of grains, 18,463.581 metric tons consist of maize (92%), 1,036.457 metric tons of sorghum (5%), and 509.962 metric tons of rice (3%),

indicating a significant reliance on maize. This signals a potential need for a more diversified approach to consider procurement of other grains than maize.

Further, the 10-year NFRA investment plan from 2014/15 to 2023/24 indicates that NFRA targeted to extend the storage capacity by 255,000 metric tons, from the existing 251,000 metric tons to 506,000 metric tons. The Agency had also planned to construct silos with the capacity of 190,000 metric tons and warehouses having the capacity of 65,000 metric tons. However, as of 30 June 2023, NFRA managed to extend the storage capacity by only 85,000 metric tons (from 251,000 metric tons to 336,000 metric tons), which is below the targeted objective by 170,000 metric tons (67%).

Considering the circumstances outlined above, the primary causes are attributed to ineffective monitoring mechanisms, financial resource constraints, and delays in construction projects. These factors collectively hindered NFRA's ability to procure the planned quantities of grains and expand storage capacity as initially intended. If left unaddressed, these challenges could potentially escalate into food security concerns. Urgent intervention is imperative to mitigate these risks.

I recommend NFRA to Implement robust monitoring systems to track procurement activities and storage capacity expansion projects, ensuring timely identification and resolution of any discrepancies or delays. Also, to request sufficient financial resources to support grain procurement efforts and expedite storage capacity expansion initiatives.

10.4.4 Operational Disruptions due to Suspension of Funds from the Ministry of Agriculture

The Tanzania Agricultural Catalytic Trust aims to drive significant change in the country's agricultural sector by supporting initiatives that improve productivity, sustainability, and resilience. It focuses on mobilizing resources, fostering partnerships, and investing in projects that encourage innovation, technology adoption, and capacity building for smallholder farmers.

On 12 May 2023, the Chief Executive Officer of the Tanzania Agricultural Catalytic Trust (TACT) was notified by the Permanent Secretary of the Ministry of Agriculture, on the suspension of disbursement of fund to the Trust. In the year 2022/23, a total of TZS 460 million was suspended, thus not disbursed to TACT.

In light of the aforementioned suspension, I noted financial constraints that resulted from the suspension of funds, resulting in cash flow issues and

operational disruptions. Also, I found that all Trust employees were terminated on 15 May 2023, compounding the operating burden.

The suspension of disbursement of fund by the Ministry of Agriculture hampers TACT's ability to catalyse transformational change in the Tanzania's agricultural sector by restricting its capacity to support initiatives aimed at enhancing productivity, sustainability, and resilience in agriculture.

I recommend the Government to resolve funding suspension issues to ensure uninterrupted support for agricultural initiatives.

10.4.5 Insufficient Water Production Capacity Compared to Customers Demand

Section 13 (1) of Water Supply and Sanitation Act, 2019 requires water authority to do all necessary means to provide water supply and sanitation services to the area falling under its jurisdiction.

I found that the population water demand at 10 water authorities in the year 2022/23 was 11,096,159 m³. However, the respective water authorities had an annual production capacity of only 3,092,238 m³, resulting in a deficit of 8,003,921 m³ (8 billion litres), equivalent to a shortfall of 72%. The deficit for some water authorities is illustrated in **Table 59**.

Table 59: Water Demand Exceeded the Production

| SN | Name | Annual Demand (m ³ /year) | Annual Production (m ³ /year) | Deficit (m ³ /year) |
|----|--------------------|--------------------------------------|--|--------------------------------|
| 1 | Kilindoni WSSA | 889,140 | 124,830 | 764,310 |
| 2 | Rujewa WSSA | 2,835,840 | 744,965 | 2,090,875 |
| 3 | Kilwa Masoko WSSA | 985,500 | 547,500 | 438,000 |
| 4 | Liwale WSSA | 855,560 | 204,035 | 651,525 |
| 5 | Ludewa WSSA | 709,704 | 399,331 | 310,373 |
| 6 | Mombo WSSA | 634,005 | 337,625 | 296,380 |
| 7 | Namanyere WSSA | 1,074,925 | 88,651 | 986,274 |
| 8 | Utete WSSA | 401,500 | 179,945 | 221,555 |
| 9 | Makete WSSA | 803,000 | 319,740 | 483,260 |
| 10 | Tunduru Urban WSSA | 1,906,985 | 145,616 | 1,761,369 |
| | Total | 11,096,159 | 3,092,238 | 8,003,921 |

Source: Management Letters

I learned that the primary cause of insufficient water production was due to leakages from dilapidated and shortage of infrastructure of water.

Consequently, this could lead to scarcity of water, causing negative impact to households, businesses, and agriculture.

I recommend the Government to prioritize improvement of infrastructure at water authorities to meet water demand.

10.4.6 Insufficient Number of Medical Specialists and Medical Equipment in RRHs

Para 2.4 of the Operational Guideline issued by the Ministry of Health in June 2019 requires RRHs to have sufficient medical specialists, medicines, and equipment.

My review of the Regional Referral Hospitals in the financial year 2022/23 found that 17 RRHs had a shortage of 217 medical specialists and 8 RRHs had a shortage of 179 medical equipment, as shown **Appendix XI**.

I attribute the anomaly to an insufficient budget for the allocation of an adequate number of medical specialists and equipment. The anomaly limited RRHs from providing adequate referral services that prompted referrals to tertiary hospitals.

I recommend the Government to prioritize adequate funding allocation to the health sector. This action will ensure the availability of medical specialists and equipment, thereby improving health services.

10.5 Management of Community-Based Water Supply Organisations

This section provides an overview of the audit of Community-Based Water Supply Organisations (CBWSOs). It outlines the findings observed in the operational and managerial aspects of CBWSOs as they strive to fulfil their functions in line with the established Act.

Community-Based Water Supply Organisations (CBWSO) are established by Section 32 (1) of the Water and Sanitation Act, 2019. The section stipulates that most of the community members must approve the formation of each CBWSO.

CBWSO are registered by District Managers of RUWASA in the respective RUWASA district office, or any person appointed by the Director General of RUWASA to perform the functions of the Registrar in an area that has no RUWASA District Manager.

RUWASA is therefore, tasked with supervising the functioning of CBWSOs, and in addition to its other duties, it assumes the functions of approving the constitution or memorandum of the agreements submitted by proposed

CBWSOs, keeping records and reports of CBWSO, enquiring into any matter regarding the performance of activities and management of the CBWSO. RUWASA also performs such other functions as may be assigned by the Director General of RUWASA on the operation of CBWSOs.

CBWSO has the following functions vested under Section 33(1) of the Water Supply and Sanitation Act, 2019, being authorized to possess both movable and immovable assets, which encompass public water taps and waterworks. They have the prerogative to impose charges to customers for the water provided through public taps or waterworks, deploy water meters to gauge the quantity of water supplied to a water point or consumer, and engage in consultations and collaboration with the village councils or any relevant institutions overseeing land management.

In the financial year 2022/23 I conducted the first audit of CBWSOs by covering 136 CBWSOs out of 1,975 CBWSOs as of 30 June 2023. I established various issues that required necessary actions as summarized below:

10.5.1 Uncollected Water Charges

Section 35 (5) of the Water Supply and Sanitation Act, 2019, requires all water consumers within the area of a community Organisation to pay such rates and charges as may be levied for the provision of water supply with effect from the date of registration of the CBWSO.

Section 38 (a) of the Water and Sanitation Act, 2019 details the main source of funds for CBWSO being water charges payable by each consumer who gets water services from the water scheme.

I reviewed the financial statements of 136 CBWSOs and detected that TZS 1.14 billion was uncollected Revenue from water bills for 50 CBWSOs during the year 2022/23.

The uncollected revenue is one of the main challenges for CBWSO, affecting its ability to finance crucial activities, such as staff salaries, servicing, and maintenance of water facilities. A list of CBWSOs with uncollected water bills is shown in **Appendix XII**.

I recommend the government through RUWASA as an overseer of Community-Based Water Organisations to implement effective revenue collection methods that will guarantee full recovery of water bills, including enhancing the efficiency and capacity of CBWSOs in delivering water services and maintaining water facilities.

10.5.2 Inadequate Coverage of Water Networks in the CBWSO Jurisdiction

Reg. 24 (1) & (2) of the Water Supply and Sanitation (Registration and Operations of Community-Based Water Supply Organizations) Regulations, 2019 requires a community organization to be responsible for the provision of water supply and sanitation services within its service area as prescribed by the CBWSO certificate of registration, which describes villages or streets covered under each CBWSO.

The Registration of CBWSOs aims to give them authority to provide water supply and sanitation services to the service areas.

My review of the certificate of registration and site verifications done for 136 CBWSOs, found that 7 CBWSOs had a coverage of 77 villages registered under them to receive water and sanitation services. However, only 24 villages (32%) received the services, while 53 villages (68%) did not receive water and sanitation services. The summary is shown in **Appendix XIII**.

I consider that inadequate coverage of water networks results in a significant portion of the population having restricted access to clean and safe drinking water, leading to potential health concerns and a higher risk of waterborne diseases.

I recommend the government through RUWASA to ensure sufficient coverage of the water network under the jurisdictions of CBWSOs to ensure the availability of water and sanitation services to the community, and eventually help CBWSOs to achieve the National Goal of ensuring access to water and sanitation services to all citizens.

10.5.3 Water Meters not verified by Weights and Measures Agency

Section 19 (2) of the Weights and Measures Act, (Cap 340), requires every weight, measure, weighing or measuring instrument to be examined and verified by the Weights and Measures Agency (WMA). Also, Section 21 (1) of the Weights and Measures Act, (Cap 340), requires every weight, measure, weighing instrument or measuring instrument used or intended to be used in trade and found to be stamped, be stamped by WMA with the prescribed verification mark in such manner to prevent fraud.

In my audit, I found that 15,827 water meters in 32 CBWSOs were not examined and verified by the Weights and Measure Agency (WMA), which is contrary to the provision of the Weights and Measure Act (Cap 340). This situation was attributed to a lack of awareness, and limited financial and human resources to

engage WMA to carry out examination and verification exercise. Details are shown in **Appendix XIV**.

I am of the view that failure to examine and verify water meters could lead to inaccurate billing to customers, resulting in under or overcharging customers for supplied water, hence revenue losses or issuing unrealistic bills which may tarnish CBWSOs' reputation.

I recommend the Government through RUWASA to comply with the Weights and Measures Act, (Cap 340), such that all water meters at CBWSOs are examined and verified by the Weights and Measures Agency (WMA) to ensure a realistic quantity of supplied water, thus providing realist bills to customers.

10.5.4 Jeopardized Setup and Reporting Structure of CBWSOs

Community-Based Water Supply Organisations (CBWSOs) were established to provide services to rural areas. Section 41 of the Water Supply and Sanitation Act, 2019 vests the responsibility to RUWASA for monitoring the performance of CBWSOs.

My audit of 136 CBWSOs for the financial year ended 30 June 2023, found a jeopardised setup of staff and reporting mechanisms for CBWSOs. Based on CBWSO registration certificates, the top governing body is the Community Water Committee, which is required to meet twice annually as per the Second Schedule of the Water Supply and Sanitation Act, 2019.

The running of day-to-day of CBWSO activities is in the hands of the Community Water management team, as per Section 34 (4) of the Water Supply and Sanitation Act, 2019. My audit of CBWSO disclosed that there was no clear guideline on the remuneration of human resources for CBWSOs. Staff were employed by each CBWSO, in this regard, there were no standardized staff remunerations, and terms of employment contracts, thus the rate of staff turnover was high. I am of the view that for the sustainability of water projects in rural areas, CBWSO staff should be employed by RUWASA instead of being employed by the Community Water Committees.

Nonetheless, some of the staff have no contractual agreements and their presence in CBWSO is volatile. This creates negative consequences on service delivery. This, situation in the long run affects the sustainability of water projects in rural areas.

I recommend the government through RUWASA to consider revising the legislations relating with CBWSO to take over the setup of human resources management in CBWSO and establish a clear employment setup to get the

quality staff and remunerate them for a sustainable water service delivery to the community in rural areas.

10.5.5 Compromised Sustainability of Water Projects under CBWSO

In accordance with Section 32 (1) of the Water and Sanitation Act, 2019, Community-Based Water Supply Organisations are established by the agreement of most of the members of a community to ensure that there is a supply of water and sanitation services to the community in the area under their jurisdiction.

My review of 136 Community-Based Water Supply Organisations (CBWSO) detected risks in the sustainability of service delivery to the community. The risks were observed due to the anomalies highlighted below: -

a) Under Collection of Revenue by TZS 1.64 billion

Section 38 (a) of the Water Supply and Sanitation (Registration and Operations of Community-based Water Supply Organisations) Regulations, 2019, highlights one source of revenue being the water charges payable by each consumer using the water scheme.

In my review, I found that 47 out of 136 CBWSOs budgeted to collect TZS 4.54 billion but managed to collect TZS 2.90 billion (63%). This left them with TZS 1.64 billion (36%) being uncollected.

I am of the view that under collection of revenue contributes to inefficient operations which escalate to unsustainability of service delivery to the community. Details are shown in **Appendix XV**.

b) Lack of competent staff

Section 34(4) of the Water Supply and Sanitation Act 2019 requires that a Water Management Team of CBWSO shall be the executive organ responsible for the day-to-day operations of the community Organisation and shall perform all functions as set out in section 33(1) and the constitution or memorandum of agreement of the community Organisation.

In my review in 36 out of 136 CBWSO, I found that there was lack of competent staff, leading to various non-compliances, thus hindering sustainability of service delivery. These staff lacked competencies in key areas, including accounting, finance, water technicians, procurement, and budgeting. In this regard it is difficult for CBWSOs to afford employing competent staff due to inadequate budget. RUWASA has been handing over to CBWSOs water projects including water infrastructure and equipment which are very expensive.

However, lack of staff competency in mechanical and technical issues (water technicians) exposed water infrastructure and equipment into risk of failure to operate, thus affecting delivery of water services to the public and loss of revenue to the government. Furthermore, lack of accounting personnel resulted into weak internal controls over financial management which is risk to financial accountability and reporting. Sample of respective CBWSOs without competent staff is provided in **Appendix XVI**.

The following challenges resulted from incompetent staff: -

- a) Non-Preparation of Annual Procurement Plan, Contrary to Reg. 69 (7) of the Public Procurement Regulation, 2013;
- b) Preparation of Budget without accounts codes, Contrary to Regulation 115 of PFR 2001;
- c) Exchequer Receipt Voucher books not recorded in the counterfoil register, Contrary to Reg.65 (1) Public Finance Regulations, 2001, requiring the Accounting Officers to record receipt voucher books in the counterfoil register;
- d) Payments not properly supported, Contrary to Regulation 95 (4) of the Public Finance Regulations 2001;
- e) Receipts of goods without being inspected, Contrary to Regulations 244(1) and 245 of the Public Procurement Regulations 2013;
- f) Procurement made without Purchase Orders, Contrary to Regulation 164(2) of PPR, 2013;
- g) Assets register missing relevant information, Contrary to Paragraph 6.2 (ii) of the Public Assets Management Guideline, 2019;
- h) Non-preparation of the fixed asset registers, Contrary to Para 12 of the Public Assets Management Guideline, 2019.

I recommend to the Government through RUWASA to ensure outstanding revenues are collected and statutory deductions are remitted to social security funds; furthermore, to consider revising the legislations relating with CBWSO to address concerns of quality in human resources, such that competent staff are hired for operations of CBWSO to ensure sustainable water service delivery to the community in rural areas.

10.6 Economic Diplomacy Issues

My audit also covered the areas of economic diplomacy and noted the following issues:

10.6.1 Non-Implementation of Economic Diplomacy to Accredited Countries

Para 26 of the New Foreign Policy 2001 aims to promote and protect URT's interests through active economic diplomacy and to align relations with other nations and international entities with economic interests.

The Tanzania Embassy in Cairo was accredited to six countries namely Libya, Lebanon, Jordan, Syria, Iraq, and Palestine. My review noted that Economic Diplomacy was not advocated to countries accredited due to the failure of the embassy to submit accredited documents that provide the legal mandate for the Cairo embassy to access economic diplomacy and security in respective countries.

This was mainly caused by the non-submission of the credential documents by the Ministry of Foreign Affairs and East Africa Corporation to the countries concerned because of political instability and economic hardship. I consider that the opportunity relating to investments and tourism was not obtained.

I recommend the Government through the Ministry of Foreign Affairs and East African Cooperation to streamline document procedures for Libya, Lebanon, Jordan, Syria, Iraq, and Palestine to harness diplomatic relations and economic diplomacy between Tanzania and these countries.

10.6.2 Non-Renewal of Agreement for Honorary Consul

Para 45 of the New Foreign Policy 2001 mandates the Ministry of Foreign Affairs and East African Cooperation to serve as the policy coordinator, ensuring the principles and objectives of the policy are implemented and functioning. The Embassies must be provided with sufficient resources and a favourable working environment to achieve the policy goals. By doing so, the Ministry of Foreign Affairs and East African Cooperation can improve the embassies' effectiveness in providing consular services and promoting trade, investments, and commercial interests.

The United Republic of Tanzania had diplomatic relations with the Republic of Angola since 1975, when Angola gained its independence. However, the Tanzania Embassy in Angola was closed in 1993 due to economic and political challenges in Angola. Since the embassy's closure, Tanzania has maintained consular relations in Angola through an honorary consul, operating under the agreement with the United Republic of Tanzania (URT) and supervised by the Tanzania High Commission in Lusaka.

My review noted that the agreement between Tanzania and the honorary consul expired on 25 January 2022. Despite the Tanzania High Commissioner in Lusaka's efforts to request the extension of time to the Ministry of Foreign Affairs and East Africa Cooperation, I noted that the honorary consul continued to operate in the Angola consulate without a renewed agreement.

This was caused by a late response from the Ministry of Foreign Affairs and East Africa Cooperation. I consider that engaging the Honorary Consul without a valid agreement could jeopardize relations with the URT if complications arise.

I recommend the Government through the Ministry of Foreign Affairs and East African Cooperation to expedite renewal of agreements with honorary consuls in Angola or consider discontinuing operations.

10.6.3 Late Feedback to Exploring the Embassies' Mission Investment Initiatives

Para 26 of the New Foreign Policy 2001 aims to promote and protect URT's political, economic, social, and cultural interests through active and sustainable economic diplomacy and to ensure that URT's relations with other nations and international entities are also driven in line with economic interests.

The United Republic of Tanzania Embassy in Addis Ababa is accredited to the Federal Democratic Republic of Ethiopia, the Yemen Arab Republic, and the Republic of Djibouti. The Embassy also holds accreditation to the African Union and the United Nations Economic Commission for Africa (UNECA). My review noted 15 proposals on unresolved investment initiatives made by Tanzania in Addis Ababa.

My further review of the Tanzania Embassy in Kuala Lumpur uncovered that three Malaysian investors had expressed interest in investing in palm tree farming and constructing a Kibaha plant to manufacture train heads and wagons in Tanzania. However, there has been no feedback from the Tanzanian Government since the submission of the proposal in 2017.

Furthermore, I noted initiatives made by the Tanzania Embassy in Stockholm whereby two investors were interested to invest in Tanzania. One showed interest to build a soccer academy. The other was interested to invest in the Health Sector to make Tanzania to be among the major places for Medical Tourism in Africa. However, no response has been received from the respective MDAs and Public Authorities since the submission in June 2023.

Additionally, I noted that there was no response from the Tanzania Government on five investment proposal initiatives undertaken by the Tanzania Embassy in the Washington DC at different times, between 16 February to 30 June 2023. Lack of feedback from Tanzania Government to the respective authorities caused delay in implementing the initiatives' objectives, hence denying the country to exploit the opportunity effectively.

The lack of feedback was caused by a communication gap between the Government entities in Tanzania and the diplomatic missions due to the absence of a designated focal person to track and analyse business proposals from various investors around the world. I consider that late feedback poses risks to diplomatic relations and collaborative efforts between the Embassies and Tanzanian authorities, which may impede the resolution of critical issues, potentially affecting bilateral cooperation and hindering progress on shared objectives.

I recommend the Ministry of Foreign Affairs and East African Cooperation to appoint a designated focal person at the Ministry of Foreign Affairs to facilitate communication between diplomatic missions and Tanzanian Government Entities who will track and timely response to investment proposals from various investors.

10.6.4 Delay in Strengthening Boundary Reaffirmation Between Tanzania and Kenya

The 2017 African Union Circular mandates the completion of the International Boundary Exercise among African countries by 2021. This process involves reviewing and confirming international boundaries to promote clarity and peaceful coexistence. It emphasises the importance of adhering to the specified timeframe for defining territorial limits.

My review disclosed that Tanzania and Kenya have covered 458 km out of the total available land of 758 km, leaving 300 km of land specifically in rocky terrain yet to be surveyed. Additionally, the survey of boundaries in the lake zone has not commenced. The survey waits for reaffirmation for the remaining 300 km in the rocky terrain.

The delay in the reaffirmation process was attributed to financial constraints. Non-confirmation of boundaries between Kenya and Tanzania could result in uncertainty about territorial jurisdiction, resource ownership, and legal rights. This could impact economic activities, investment decisions, and diplomatic relations, potentially leading to border disputes and conflicts between the two countries.

I recommend the Government through the Ministry of Foreign Affairs to collaborate with Kenya through the Ministry of Lands to expedite the reaffirmation process, preventing further delays.

10.7 Political Parties

This Section presents an overview of the significant issues observed during my audit of the Political Parties, which is mandated by Section 18A (2) (a) of the Political Parties Act, Cap 258 (R.E. 2019). The Act requires every registered political party to prepare and submit financial statements for auditing.

Throughout the audit of 19 political parties, I identified several significant issues that required attention for the financial year 2022/23. These issues are detailed in this section, and I recommend that the Registrar of Political Parties take appropriate measures to address them promptly.

10.7.1 Delayed Submission of Financial Statements for Audit Purposes

Section 18A (2) (a) of the Political Parties Act Cap 258 (R.E 2019), all registered political parties are required to submit their financial statements for auditing by 30 September of each year.

My review established that five political parties; namely, National Reconstruction Alliance (NRA), Tanzania Labor Party (TLP), Chama cha Demokrasia na Maendeleo (CHADEMA), Civic United Front (CUF), and Democratic Party (DP) submitted the financial statements after 30 September 2023.

The delays in the submission ranged from 9 to 52 days. In their responses, the management admitted that the delays were mainly caused by a lack of funds to hire full-time and competent professional accountants who would prepare financial statements on time. I consider that my audit timeline was not effectively implemented as per the audit calendar.

I recommend the Registrar of Political Parties to enforce the hiring of professional accountants for NRA, TPL, CHADEMA, CUF, and DP parties to ensure timely submission of financial statements by 30 September annually.

10.7.2 Unbanked Contributions from Political Party Members

Section 15 (1) of the Political Parties Act CAP 258 [R.E. 2019] states that “every political party which has been fully registered shall, through its trustees,

maintain a bank account in which all the money received by the party in accordance with section 13, shall be deposited”.

My review noted that during the financial year 2022/23, five political parties; namely, Chama cha Kijamii (CCK), National League for Democracy (NLD), NCCR Mageuzi, African Democratic Alliance (ADA), TADEA and Union for Multiparty Democracy (UMD) collected contributions from various members totalling TZS 104.08 million without banking it into the respective bank accounts of the parties. Details of collected contributions are shown in **Table 60**:

Table 60: Political Parties with Unbanked Members Contributions

| SN | Political Party | Unbanked Contribution (TZS) |
|--------------|--|-----------------------------|
| 1. | Chama cha Kijamii (CCK) | 6,401,200 |
| 2. | National League for Democracy (NLD) | 1,100,000 |
| 3. | NCCR Mageuzi | 90,499,000 |
| 4. | African Democratic Alliance (ADA), TADEA | 2,886,100 |
| 5. | Union for Multiparty Democracy (UMD) | 3,200,000 |
| Total | | 104,086,300 |

Source: Individual Management Letters 2022/23

Non-depositing of the contributions was caused by the longstanding habit of avoiding transaction costs through the avoidance of using bank accounts. As for the NLD, the bank account became dormant. Failure to deposit cash collection to the bank accounts attracts the misuse of funds, potentially leading to discrepancies in accounting records and lack of transparency.

I recommend the Registrar of Political Parties to advocate for depositing contributions into party bank accounts and activate the NLD account.

10.7.3 Unrealistic Budget for 15 Political Parties

Section 58(b) of the Budget Act 2015 requires a person vested with authority for public revenue collection to be accountable for efficient collection, accounting, and reporting based on applicable law and taking precautions to prevent mismanagement of the revenue.

My review of the Political Parties’ Budgets disclosed that 15 Political parties budgeted to collect a total of TZS 2.87 billion, out of which TZS 358.66 million was collected, equivalent to 12%. The parties failed to collect TZS 2.51 billion (88%). Furthermore, I noted that two Political Parties, namely, the Alliance for Democratic Change (ADC) and the United Democratic Party (UDP), had

unrealistic budgets, whereby their collections were only 2% of the budget. Details of the budget Performance are shown in Table 61.

Table 61: Under collection of Revenues by Political Parties

| SN | Name of Political Party | Budget (TZS) | Actual Collection (TZS) | Under collection (TZS) | % of under collection |
|----|---|---------------|-------------------------|------------------------|-----------------------|
| 1 | Democratic Party (DP) | 10,000,000 | 1,811,109 | 8,188,891 | 82 |
| 2 | Alliance for Democratic Change (ADC) | 1,078,506,000 | 21,391,000 | 1,057,115,000 | 98 |
| 3 | Alliance for Africa Farmers Party (AAFP) | 9,824,000 | 1,435,300 | 8,388,700 | 85 |
| 4 | Civic United Front (CUF) | 335,700,000 | 196,001,842 | 139,698,158 | 42 |
| 5 | National Reconstruction Alliance (NRA) | 29,250,000 | 6,030,000 | 23,220,000 | 79 |
| 6 | Tanzania Labour Party (TLP) | 8,500,000 | 300,000 | 8,200,000 | 96 |
| 7 | United Peoples Democratic Party (UPDP) | 5,000,000 | 3,765,000 | 1,235,000 | 25 |
| 8 | Union for Multi-party Democracy (UMD) | 12,360,000 | 3,200,000 | 9,160,000 | 74 |
| 9 | Chama cha Kijamii (CCK) | 103,982,800 | 6,401,200 | 97,581,600 | 94 |
| 10 | Chama cha Ukombozi wa Umma (CHAUMA) | 6,000,000 | 1,857,000 | 4,143,000 | 69 |
| 11 | National League for Democracy (NLD) | 8,840,000 | 1,100,000 | 7,740,000 | 88 |
| 12 | National Convention for Construction and Reform | 219,697,546 | 88,503,446 | 131,194,100 | 60 |

| SN | Name of Political Party | Budget (TZS) | Actual Collection (TZS) | Under collection (TZS) | % of under collection |
|--------------|-------------------------------|----------------------|-------------------------|------------------------|-----------------------|
| | (NCCR-Mageuzi) | | | | |
| 13 | Demokrasia Makini (DM) | 17,440,000 | 7,410,000 | 10,030,000 | 58 |
| 14 | Sauti ya Umma (SAU) | 5,800,000 | 1,407,500 | 4,392,500 | 76 |
| 15 | United Democratic Party (UDP) | 1,020,000,000 | 18,048,800 | 1,001,951,200 | 98 |
| Total | | 2,870,900,346 | 358,662,197 | 2,512,238,149 | 88 |

Source: Individual Management Letters 2022/23

Failure to collect contributions from members was caused by the failure of political party members to pay their monthly subscription fees and inadequate follow-up of revenue collection due to non-updating of the membership registers. Similarly, the ADC and UDP political parties prepared unrealistic budgets, leading to under-collection. I consider that failure to collect the budgeted revenue hinders political parties from executing their planned activities and achieving their political goals.

I recommend the Registrar of Political Parties to enforce realistic budget preparation and update membership registers for effective organizational management.

10.7.4 Non-Submission of Annual Declaration of Properties Owned by Political Parties to the Registrar of Political Parties

Section 14 (b) (ii) of the Political Parties Act CAP 258 [R.E.2019] requires Political Parties to make a declaration of all assets owned by the Party to the Registrar of Political Parties at the end of each financial year.

My review established that political parties, namely, Alliance for Africa Farmers Party (AAFP), Demokrasia Makini (DM), National Reconstruction Alliance (NRA), and National League for Democracy (NLD), neither declared all assets for the year ended 30 June 2023 nor fines, suspension, and deregistration were imposed by the Registrar of Political Parties. Failure to submit declarations undermines transparency and accountability, eroding public trust in the political party and its leadership.

I consider that non-submission of justification for the annual declaration of assets owned by the Party could lead to a fine, suspension, or deregistration as

per the provisions of section 21D (2) of the Political Parties Act. Additionally, it limits the office of the Registrar of Political Parties from performing its responsibilities in accordance with section 14 of the Political Parties Act. Under any circumstances, there would be a controversy in ownership, and the Registrar would not be able to straighten it out.

I recommend the Registrar of Political Parties to enforce penalties, including fines for parties failing to submit annual property declarations as mandated by law.

CHAPTER ELEVEN

GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT

11.1 Introduction

Effective governance, robust internal controls, and proactive risk management are essential for sound public administration. They serve as the foundation upon which government entities operate, ensuring transparency, accountability, and careful use of resources. By upholding robust governance principles, governments can nurture public trust, strengthen decision-making processes, and enhance overall organizational efficiency.

In this chapter, I explore the governance frameworks, internal control mechanisms, and risk management practices within Central Government entities. By examining these facets, I aim to evaluate their effectiveness, identify areas for improvement, and issue suitable recommendations.

11.2 Review of Governance across Ministries, Independent Departments, and Agencies

The "Guidelines for Enhancing Internal Control Frameworks in Public Sector Organizations" stipulates that governing boards or councils, present in all Local Government Authorities (LGAs) and some PSOs, bear the ultimate responsibility for establishing the "control environment." This encompasses overseeing the organisation's design and implementing an effective internal control system. Governing boards or councils may delegate this responsibility to specific committees such as Finance and Planning Committees, Audit Committees, etc. My assessment of governance at Ministries, Departments, and Agencies (MDAs) noted the following:

11.2.1 Non-Establishment and Maintainance of Active Governing Boards

The operations of governing boards, advisory boards, boards of trustees, and ministerial advisory boards are governed by their respective establishment instruments. For Executive Agencies, Ministerial Advisory Boards (MAB) operate under Section 6(1) of the Executive Agencies Act, 1997 (GN No. 83 of 2003). Regional hospital boards operate under Guideline for Regional Referral Hospital

Advisory Board mandate, while advisory and oversight boards of other entities operate under their establishment mandates.

Upon reviewing the existence and operations of the governing boards of the MDAs, I noted that 15 entities operated without established governing boards. Additionally, Board of six entities did not conduct the required number of meetings, as outlined in **Table 62**.

Table 62: Entities with no Active Governing Boards and Inadequate Number of Meetings

| SN | Entities | Remarks |
|---|---|---|
| A. Entities with no Governing Boards | | |
| 1. | Road Fund Board | The Board expired in November 2022 |
| 2. | Loliondo WSSA | The Authority has no governing board. |
| 3. | Kibong'oto Infectious Diseases Hospital | The Board of Trustee not yet established |
| 4. | Mbeya Zonal Referral Hospital | The Hospital Advisory Board expired - July 2022 |
| 5. | Environmental Health Practitioners' Council | The Tenure of council members expired - February 2023 |
| 6. | Pharmacy Council of Tanzania | Tenure of the Board expired - October 2021 |
| 7. | Singida Regional Referral Hospital | The Hospital Advisory Board expired - September 2022 |
| 8. | Katavi Regional Referral Hospital | The Hospital Advisory Board expired - October 2022 |
| 9. | Songea Regional Referral Hospital | The Hospital Advisory Board expired - March 2022 |
| 10. | Sokoine Regional Referral Hospital | The Hospital Advisory Board expired - February 2023 |
| 11. | Mwananyamala Regional Referral Hospital | The Hospital Advisory Board expired - August 2022 |
| 12. | Mtwara Zonal Referral Hospital | The Hospital Board not yet established |
| 13. | Mbeya Zonal Referral Hospital | The Hospital Advisory Board expired - July 2022 |
| 14. | Ligula Regional Referral Hospital | The Hospital Advisory Board expired - May 2023 |
| 15. | Dodoma Regional Referral Hospital | The Hospital Advisory Board expired - September 2022 |
| B. Entities Failed to Conduct Board Meetings | | |

| SN | Entities | Remarks |
|----|---|---|
| 1. | The Law School of Tanganyika | The Board held only two meetings instead of four. |
| 2. | National Identification Authority | The Steering Committee held only two meetings instead of four. |
| 3. | Kilindoni Water Supply and Sanitation Authority | The Advisory Committee did not convene any meeting. |
| 4. | Lake Tanganyika Basin Water Board | The Board held only one meeting instead of four. |
| 5. | Njombe Regional Referral Hospital | The Hospital Advisory Board held only two meetings instead of four. |
| 6. | Medical Council of Tanganyika | Council held only two meetings instead of four. |

Source: Individual management letters

I attribute this to delays in appointing board members, difficulties in achieving the required quorum for boards, and insufficient financial resources to convene meetings.

I consider that the absence of active boards weakens decision-making and oversight, impacting entities' strategic direction and performance. Similarly, entrusting these responsibilities to expired boards could lead to difficulty in holding them accountable for their decisions.

I recommend the Government to ensure that responsible entities establish and maintain active boards, appointing members before their tenure expires. Also, ensure that the boards rigorously adhere to the required number of meetings as a fundamental aspect of their duties and responsibilities.

11.2.2 Inefficiencies in Operations of the District Land and Housing Tribunals

The Courts (Lands Disputes Settlements) Act No. 2 of 2002 entrusts the Ministry of Lands with the responsibility of establishing, managing, and overseeing the District Land and Housing Tribunals (DLHTs) to settle land disputes at the district level.

My review of land disputes resolution found that as of 30 June 2023, DLHTs had 15,480 pending disputes. Upon examining the functionality of DLHTs in resolving these disputes, I noted the following:

- a) Non-Establishment of Tribunals in 46 Districts: Contrary to Section 22(1) of the Courts (Lands Disputes Settlements) Act No. 2 of 2002, which requires the Minister responsible for land to establish a DLHT in each district, only 93 DLHTs have been established out of the required 139, leaving 46 DLHTs not established.
- b) Unappointed Chairpersons in 41 DLHTs: Contrary to Section 23(1) of The Courts (Lands Disputes Settlements) Act No. 2 of 2002, which requires each DLHT to have one Chairman and not less than two assessors, 41 DLHTs do not have a Chairperson.

These anomalies, attributed to inadequate human and financial resources, pose a risk to the tribunals' ability to resolve land disputes and fulfil their intended role effectively.

I recommend that the Government, through the Ministry of Lands, Housing and Human Settlements actively facilitate the appointment and establishment of district land and housing tribunals to strengthen and enable the settlement of land disputes at the district level.

11.2.3 Absence of Regulations Governing the Collection and Management of Annual License Fees from Oil and Gas Companies

Section 114 of the Petroleum Act, [Cap 21 of 2015], requires contractors (oil and gas companies) to pay annual fees to the National Oil Company (TPDC) for licenses, as prescribed in the regulations. These annual fees include acreage rental, training and research fees, and revenue collected by the National Oil Company under this section.

However, my review of the Ministry of Energy's Production Sharing Agreement (MEM - PSA) noted that, since the Act's inception in 2015, no regulations have been established to govern the collection and management of such fees. Consequently, there has been a longstanding practice of the Ministry of Energy equally sharing annual training fees paid by contractors with TPDC without any governing regulation and agreement. I further noted that for the financial year 2022/23, MEM - PSA was supposed to receive 50% of USD 1,070,000, which was to be collected by TPDC, i.e., USD 535,000, equivalent to TZS 1.24 billion at the 30 June 2023 exchange rate. However, only USD 166,751.57 was received by MEM - PSA. My assessment attributes this to inadequate follow-up on establishing these regulations.

In my view, the absence of these regulations might contribute to the inefficiency that could have been avoided, if these regulations had been developed.

I recommend that the Government through the Ministry of Energy facilitate the establishment of regulations to govern the collection and management of annual license fees from oil and gas companies, ensuring transparency and efficiency in fee collection and management.

11.2.4 Shortcomings in the Functioning of Audit Committees

Regulation 30 of the Public Finance Regulations, 2001, requires MDAs to establish an Audit Committee, as per the composition and responsibilities outlined in regulations 31 and 32 respectively. Paragraph 5.3 of the December 2014 guideline for internal controls also highlights that the Audit Committee's main role is to ensure the effectiveness and cost-efficiency of the organization's internal control systems. This involves rigorous reviews of the internal control framework, examination of findings from internal and external audits, and consideration of management responses.

Audit Committees must hold quarterly meetings to review audit plans, performance reports, risk management processes, and internal controls. However, persistent deficiencies were identified: seven entities lacked Audit Committees, while 15 entities' committees failed to adequately review financial statements, assess risk management processes, hold the required number of meetings, conduct self-assessment, and prepare annual performance reports. Detailed weaknesses for each entity are provided in **Appendix XVII**.

The shortcomings arose from delays in appointing new committee members and inadequate financial resources allocated to their activities, posing challenges to the audit committees in fulfilling their oversight and advisory objectives effectively.

I recommend that the Government, through respective entities, to ensure that they establish their audit committees and allocate sufficient resources to enable them to adequately perform their responsibilities.

11.2.5 Non-establishment and Inadequate Performance of Internal Audit Units

Regulation 28(1) of the Public Finance Regulations of 2001 requires Accounting Officers to establish effective internal audit units to provide assurance on the adequacy and effectiveness of internal controls within the organization. Additionally, the December 2014 Guidelines for Enhancing Internal Control

Frameworks in Public Sector Organizations require that internal audit units are responsible for providing objective assurance and advice on the effectiveness and adequacy of the Government entity’s internal control framework.

My assessment identified weaknesses in the functioning of internal audit units in 16 entities: 10 failed to establish internal audit units, and 6 exhibited inadequate performance and shortage of resources, as detailed in **Table 63** and **Table 64**. Such issues persist from the previous audit, when 22 entities were identified with these anomalies. This highlights a lapse in the entities' ability to establish effective internal audit units and ensure they adequately function.

Table 63: Entities with no Internal Audit Unit

| SN | Entities | Category |
|-----|--|--------------------|
| 1. | Tanzania Police Force Corporation Sole | Other Institutions |
| 2. | Busega Water Supply and Sanitation Authority | Other Institutions |
| 3. | Orkesumet Water Supply and Sanitation Authority | Other Institutions |
| 4. | Mbulu Water Supply and Sanitation Authority | Other Institutions |
| 5. | Mbinga Urban Water Supply and Sanitation Authority | Other Institutions |
| 6. | Kibondo Water Supply and Sanitation Authority | Other Institutions |
| 7. | Kibaya Water Supply and Sanitation Authority | Other Institutions |
| 8. | Kasulu Water Supply and Sanitation Authority | Other Institutions |
| 9. | Liwale Water Supply and Sanitation Authority | Other Institutions |
| 10. | Kilwa Masoko Water Supply and Sanitation Authority | Other Institutions |

Source: Individual Management Letters

Table 64: Entities with Inadequacies in Internal Audit Units

| SN | Entities | Category | Remarks |
|----|---|--------------------|---|
| 1. | Tanzania Embassy in Berlin | Other Institutions | Internal audit not performed during the year |
| 2. | Tanzania Embassy in Algiers | Other Institutions | Internal audit not performed during the year |
| 3. | SUMA JKT Headquarters | Other Institutions | Lack of training for the Unit staff, Insufficient financial and human resources |
| 4. | Tanzania Culture and Arts Fund | Other Institutions | Internal audit was not performed during the year |
| 5. | President’s Office Public Service Recruitment Secretariat | Vote 67 | No training to internal audit staff |

| SN | Entities | Category | Remarks |
|----|---|--------------------|------------------------------|
| 6. | Fisheries Education and Training Agency | Other Institutions | Lack of internal audit staff |

Source: Individual Management Letters

The absence of internal audit units denies the organization the earliest opportunity to identify instances of non-compliance, inadequacies, and weaknesses in the internal control framework.

I recommend that the Government, through respective entities, ensure the establishment of internal audit units and allocate sufficient resources to enable them to adequately perform their responsibilities.

11.3 Internal Control Deficiencies within Ministries, Independent Departments, and Agencies

Internal control, as defined by the Ministry of Finance Guidelines Enhancing Internal Control Frameworks in Public Sector Organizations of December 2014, is a dynamic process designed by an organization's management and staff. It aims to manage risks and provide reasonable assurance that the entity's operations adhere to principles of orderliness, ethics, economy, efficiency, and effectiveness. Robust internal controls, complemented by risk management and good governance practices, pave the way for transparent operations, enhanced service delivery, optimized resource utilization, and overall improvement in Government functions. In assessing the effectiveness of internal controls at the MDAs, I noted the following:

11.3.1 Unreturned for Verification 9,319 Permit Books issued for Animal and Animal Products Movement

Regulation 6 of the Animal Diseases (Animals and Animal Products Movement Control) Regulations, as amended by Regulation 2 of the Animal Diseases (Animal and Animal Products Movement Control) (Amendment) Regulations, 2020, requires obtaining a written permit from an inspector to move, migrate or graze animals or animal products within or outside the district, along with paying the required permit fees.

During my assessment of controls surrounding the issuance of Animal and Animal Products Movement Permits and fee collection at the Ministry of Livestock and Fisheries (Livestock Sector), I found that 9,319 permit books were distributed to zonal veterinary Centre's and District Councils. These permit books facilitate movement permission and fee collection for animal and animal products. However, contrary to Regulation 79 of the Public Finance Regulations, 2001, which requires Accounting Officers to maintain accurate records by daily

examining and verifying transactions in cash books, and receipt books, carbon copies of the permit books were not returned to the Ministry for examination and verification after being used.

I attribute this to inadequate follow-up and monitoring by the Ministry over the distributed books, which might potentially undermine the Ministry's ability to authenticate permits issued and revenue collected.

I recommend the Government through the Ministry of Livestock and Fisheries to implement a robust monitoring system to ensure prompt return of all issued permit books for verification after use, enhancing accountability and transparency in permit issuing and revenue collection.

11.3.2 Unsubmitted Revenue Reports of 233 Livestock Markets to the Ministry

Regulation 79 of the Public Finance Regulations, 2001, requires Accounting Officers to maintain accurate records by daily examining and verifying transactions in cash books, receipt books, and other accounts.

However, I found that in the financial year 2022/23, the Ministry of Livestock and Fisheries (Livestock Sector) generated a total revenue of TZS 7 billion from livestock primary markets. Review of the records for the livestock markets at the ministry noted the existence of 504 livestock primary markets under the President's Office, Regional Administration, and Local Government. Out of those, only 271 markets (54%) submitted reports of the revenue collected through livestock movement permit fees, leaving 233 markets (46%) without submitted reports of their revenue collection.

This has been attributed to insufficient controls over cash collections at livestock markets, which consequently exposes the ministry to the risk of misappropriation of public funds.

I recommend that the Government through the Ministry of Livestock and Fisheries enforce stringent controls over cash collections at livestock markets to ensure accurate reporting of revenue from all livestock primary markets, thereby mitigating the risk of misappropriation of public funds.

11.3.3 Inadequate Controls over the Government Bank Accounts Database by the Accountant General

The Accountant General (ACGEN) is responsible for overseeing the opening and closure of Government bank accounts as per Regulation 155 of the Public Finance Regulations, 2001. The ACGEN, through the Cash Management Unit, reviews requests from Government entities to open or close accounts and issues

instructions accordingly. However, my audit revealed that the ACGEN did not maintain adequate controls over the management of the Government bank accounts database, which had registered 78,762 accounts in various commercial banks as of 30 June 2023.

Specifically, there was no documentation to indicate the review of applications for opening a bank account to ensure authorization and alignment with Government objectives. This compromised the effectiveness and accountability of the processes of opening an account. Moreover, the database maintained by the ACGEN was unreliable, as it did not match the actual number of accounts held by some Government entities. For instance, TANROADS confirmed to have only 138 accounts, while the ACGEN database showed 250 accounts for TANROADS. This discrepancy of 112 accounts indicated a lack of control and communication and raised the possibility of unauthorised or fraudulent operations of Government accounts.

These shortcomings pose risks of financial losses, inefficiencies, and misuse of Government funds due to inaccurate data for management controls.

I recommend that the Government through the Accountant General implement robust controls over the maintenance of Government bank accounts and its database to ensure accuracy and alignment with Government objectives, thus mitigating the risks of financial losses and misuse of Government funds.

11.3.4 Existence of Dormant Bank Accounts for More than a Year

Regulation 154 of the Public Financial Regulation of 2001 outlines procedures for managing government bank accounts. It vests the responsibility of approving the opening of bank accounts with the Accountant General, who can appoint one or more Tanzanian banks as government bankers for handling public funds and official banking tasks, in accordance with the Minister's instructions.

My review of the Tanzania Airports Authority (TAA) noted that, TAA maintains three bank accounts, which have remained dormant for over a year. As of 30 June 2023, the closing balance for these accounts was USD 209 and TZS 170.14 million. Additionally, I found that the Tanzania Building Agency has held a total of 33 dormant bank accounts since October 2020. Out of those accounts, seven have balances amounting to TZS 12.48 million as of 30 June 2023.

I consider that these instances reflect inactive management of bank accounts, which, on the contrary, can expose the Government to potential financial losses, mismanagement of public funds, and susceptibility to fraudulent activities.

I recommend that the Government through TAA and TBA, in collaboration with the Accountant General, promptly close all unused accounts to minimise the risk of financial losses, mismanagement of public funds, and susceptibility to fraudulent activities.

11.3.5 Mining Commission's Revenue Collection System and GePG not Integrated

Paragraph 4.2(3) of the GePG Management Framework allows institutions without a billing system the option to utilize the embedded billing module within GePG as a temporary solution while seeking a permanent billing solution. My audit noted that the Mining Commission has employed the Minerals Sales Management System (MIMS) for mineral sales collection and the Mineral Cadastre and Information Management System (MCIMS) for license issuance and management in its operations.

However, upon reviewing its applications, I found that the billing process for miners and brokers relied on the GePG temporary solution, necessitating manual entry of information from the Commission's systems to GePG when generating bills. Manual entry resulted from the absence of automation and integration between the GePG and the Commission's system. It was also attributed to a lack of integration between the MIMS and MCIMS systems. The commission lacks access to the source code in MIMS required for customizing and enabling integration with GePG due to incomplete ownership and management of MIMS.

Lack of integration could negatively impact the overall effectiveness and efficiency of operations and revenue collection.

I recommend that the Government, through the e-Government Authority, to ensure that the Mining Commission integrates its revenue collection systems with the GePG, thereby streamlining operations and enhancing efficiency in revenue collection.

11.3.6 Non-adoption of the Integrated Financial Management System (MUSE) in Financial Management and Reports Preparation

Treasury Circular No. 5 of 2019 emphasizes the necessity of electronic systems adoption for accounting and financial management within Government institutions. Similarly, the directive from the Permanent Secretary of the Ministry of Finance and Planning in April 2020 underscores the importance of utilizing MUSE.

However, upon reviewing compliance within MDAs, I found that not all entities had fully embraced MUSE. I noticed that 26 listed entities in Table 65 did not adopt MUSE and prepare their financial reports from it, citing system challenges and the need for training. Consequently, those entities opted for manual financial management and preparation of financial reports.

Table 65: Entities Not Adopted the Use of MUSE

| SN | Entity |
|-----|--|
| 1. | National Fund for Antiquities |
| 2. | Tanzania Culture and Arts Fund |
| 3. | Embassy of Tanzania in Jakarta |
| 4. | Tanzania Embassy in The Hague |
| 5. | Lake Nyasa Basin Water Board |
| 6. | Rujewa WSSA |
| 7. | Veterinary Council of Tanzania |
| 8. | Busega WSSA |
| 9. | Irrigation Development Fund |
| 10. | Lake Nyasa Basin Water Board |
| 11. | Rujewa WSSA |
| 12. | Orkesumet WSSA |
| 13. | Mbulu WSSA |
| 14. | Mbinga WSSA |
| 15. | Manyoni WSSA |
| 16. | Kiomboi WSSA |
| 17. | Kibaya WSSA |
| 18. | Wanging'ombe WSSA |
| 19. | Songe WSSA |
| 20. | Rombo WSSA |
| 21. | Lushoto WSSA |
| 22. | Loliondo WSSA |
| 23. | Makete WSSA |
| 24. | Mugango-Kiabakari WSSA |
| 25. | Rural Water Supply and Sanitation Agency |
| 26. | Tax Revenue Appeals Board |

Source: Individual management letters

This practice compromises the accuracy and efficiency of financial reporting and disrupts the smooth functioning of those entities in financial management.

I recommend that the Government, through the Ministry of Finance, facilitate and enforce the adoption of MUSE by the respective entities to enhance operational efficiency and accuracy in financial reporting.

11.4 Deficiencies in Enterprise Risk Management and Disaster Recovery Planning

The "Guideline for Developing and Implementing Institutional Risk Management Framework in Public Sector Organizations" of 2012, from the Ministry of Finance, emphasises the Accounting Officers to ensure effective risk management within their entities. A robust enterprise risk management framework is essential for organizations to accurately identify, assess, and mitigate risks. Similarly, adequate disaster recovery planning is essential to ensure the continuity of business operations and service delivery. Upon review, I observed the following deficiencies:

11.4.1 Ineffectiveness in Enterprise Risk Management

My assessment of enterprise risk management noted that 24 entities compared to 27 in the previous year, did not effectively implement enterprise risk management practices. These entities lacked essential components such as designated risk coordinators, comprehensive risk management policies, thorough risk assessments, and up-to-date risk registers.

The deficiencies in risk management stem from the entities' disregard for prioritizing risk management efforts, thereby exposing the entity to risks such as reputational damage, financial losses, and other adverse impacts. Refer **Appendix XVIII**.

11.4.2 Absence of a Disaster Recovery Plan and Lack of Backup Facilities

Section 42(a)-(c) of the e-Government Act, 2019 requires the Public Institutions to develop and implement the proper back up and restoration mechanisms for ICT systems continuity, develop and implement and test the disaster recovery plan and submit the report to the Authority.

My assessment of the preparedness of central government entities for disaster and business continuity management revealed that 15 entities listed in **Table 66** failed to prepare a disaster recovery plan, conduct testing, or have backup facilities in place. These deficiencies were attributed to oversight regarding the importance of such plans or limited resources allocated for disaster efforts.

Table 66: Entities with no Disaster Recovery Plan

| SN | Entities |
|----|----------------------------------|
| 1. | Suma JKT Guard Ltd |
| 2. | Tanzania Automotive Technology |
| 3. | Town Planners Registration Board |
| 4. | Agricultural Seed Agency |
| 5. | Pangani Basin Water Board |

| SN | Entities |
|-----|--|
| 6. | Ardhi Institute Morogoro |
| 7. | Valuers Registration Board |
| 8. | Tanzania Livestock Research Institute |
| 9. | Ardhi Institute Tabora |
| 10. | Tanzania Film Board |
| 11. | Tanzania Nursing and Midwifery Council |
| 12. | Mount Meru Regional Referral Hospital |
| 13. | Musoma Regional Referral Hospital |
| 14. | Singida Regional Referral Hospital |
| 15. | Ministry of Community Development, Gender, Women, and Special Groups |

Source: Individual Management Letters

Without proper disaster recovery measures, organizations are vulnerable to data loss, system downtime, and financial risks.

I recommend that the Government implement a robust risk management framework. Additionally, prioritizes the development of disaster recovery plans, conduct regular testing, implement backup facilities, and allocate sufficient resources for business continuity management

APPENDICES

Appendix I: Audit Opinions Issued for three years

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|----|---|-------------|---------------|---------------|
| 1 | Vote 1: Public Debt | Unqualified | Did not exist | Did not exist |
| 2 | Vote 3: National Land Use Planning Commission | Unqualified | Unqualified | Unqualified |
| 3 | Vote 4: Records and Archives Management (RAMD) | Unqualified | Unqualified | Unqualified |
| 4 | Vote 5: National Irrigation Commission | Unqualified | Unqualified | Unqualified |
| 5 | Vote 6: Internal Auditor General Division | Unqualified | Did not exist | Did not exist |
| 6 | Vote 7: Office of Treasury Registrar | Unqualified | Unqualified | Unqualified |
| 7 | Vote 10: Joint Finance Commission (JFC) | Unqualified | Unqualified | Unqualified |
| 8 | Vote 12: Judicial Service Commission | Unqualified | Unqualified | Unqualified |
| 9 | Vote 13: Financial Intelligence Unit (FIU) | Unqualified | Unqualified | Unqualified |
| 10 | Vote 14 Fire and Rescue Force | Unqualified | Unqualified | Unqualified |
| 11 | Vote 15 Commission for Mediation | Unqualified | Unqualified | Unqualified |
| 12 | Vote 16: Office of the Attorney General | Unqualified | Unqualified | Unqualified |
| 13 | Vote 18: UNESCO National Commission | Unqualified | Unqualified | Unqualified |
| 14 | Vote 19: Office of Solicitor General | Unqualified | Unqualified | Unqualified |
| 15 | Vote 20: The State House | Unqualified | Unqualified | Unqualified |
| 16 | Vote 21: Treasury | Unqualified | Unqualified | Unqualified |
| 17 | Vote 22: Public Debt and General Services | Unqualified | Unqualified | Unqualified |
| 18 | Vote 23: Accountant General's Department | Unqualified | Unqualified | Unqualified |
| 19 | Vote 24: Tanzania Cooperative Development Commission | Unqualified | Unqualified | Unqualified |
| 20 | Vote 25: Prime Minister's Office-Private Office | Unqualified | Unqualified | Unqualified |
| 21 | Vote 26: Vice Presidents Office-Private Office | Unqualified | Unqualified | Unqualified |
| 22 | Vote 27: Registrar of Political Parties (RPP) | Unqualified | Unqualified | Unqualified |
| 23 | Vote 28: Tanzania Police Force | Unqualified | Unqualified | Unqualified |
| 24 | Vote 29: Ministry of Home Affairs-Prisons Services | Unqualified | Unqualified | Unqualified |
| 25 | Vote 30: Presidents Office and Cabinet | Unqualified | Unqualified | Unqualified |
| 26 | Vote 31: Vice President's Office | Unqualified | Unqualified | Unqualified |
| 27 | Vote 32: Ministry of Public Service and Good Governance | Unqualified | Unqualified | Unqualified |
| 28 | Vote 33: President's Office Ethics Secretariat | Unqualified | Unqualified | Unqualified |
| 29 | Vote 34: Ministry of Foreign Affairs and East African Cooperation | Unqualified | Unqualified | Unqualified |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|----|---|-------------|-------------|-------------|
| 30 | Vote 35: National Prosecution Services | Unqualified | Unqualified | Unqualified |
| 31 | Vote 37: Prime Minister's Office | Unqualified | Unqualified | Unqualified |
| 32 | Vote 38: Peoples Defence Forces (TPDF) | Unqualified | Unqualified | Unqualified |
| 33 | Vote 39 National service | Unqualified | Unqualified | Unqualified |
| 34 | Vote 40: Judiciary | Unqualified | Unqualified | Unqualified |
| 35 | Vote 41: Ministry of Constitution and Legal Affairs | Unqualified | Unqualified | Unqualified |
| 36 | Vote 42 The National Assembly | Unqualified | Unqualified | Unqualified |
| 37 | Vote 43: Ministry of Agriculture | Unqualified | Unqualified | Unqualified |
| 38 | Vote 44: Ministry of Industry and Trade | Unqualified | Unqualified | Unqualified |
| 39 | Vote 46: Ministry of Education, Science and Technology | Unqualified | Unqualified | Unqualified |
| 40 | Vote 48: Ministry of Lands, Housing and Human Settlement | Unqualified | Unqualified | Unqualified |
| 41 | Vote 49: Ministry of Water | Unqualified | Unqualified | Unqualified |
| 42 | Vote 50: Ministry of Finance and Planning | Unqualified | Unqualified | Unqualified |
| 43 | Vote 51 - Ministry of Home Affairs | Unqualified | Unqualified | Unqualified |
| 44 | Vote 52: Ministry of Health | Unqualified | Unqualified | Unqualified |
| 45 | Vote 53: Ministry of Community Development, Gender, and Children | Unqualified | Unqualified | Unqualified |
| 46 | Vote 55: Commission for Human Rights and Good Governance | Unqualified | Unqualified | Unqualified |
| 47 | Vote 57: Ministry of Defence and National Service | Unqualified | Unqualified | Unqualified |
| 48 | Vote 58: Ministry of Energy | Unqualified | Unqualified | Unqualified |
| 49 | Vote 59: The Law Reform Commission | Unqualified | Unqualified | Unqualified |
| 50 | Vote 61: National Electoral Commission (NEC) | Unqualified | Unqualified | Unqualified |
| 51 | Vote 62: Ministry of Transport | Unqualified | Unqualified | Unqualified |
| 52 | Vote 64: Ministry of Livestock and Fisheries (Fisheries Sector) | Unqualified | Unqualified | Unqualified |
| 53 | Vote 65: Prime Minister's Office-Labour, Youth, Employment and Persons with Disability (PMO-LYED) | Unqualified | Unqualified | Unqualified |
| 54 | Vote 67: Public Service Recruitment Secretariat | Unqualified | Unqualified | Unqualified |
| 55 | Vote 68: Ministry of Information, Communication and Information Technology | Unqualified | Unqualified | Unqualified |
| 56 | Vote 69: Ministry of Tourism and Natural Resources | Unqualified | Unqualified | Unqualified |
| 57 | Vote 91: Drug Enforcement and Control Authority | Unqualified | Unqualified | Unqualified |
| 58 | Vote 92: Tanzania Commission for Aids | Unqualified | Unqualified | Unqualified |
| 59 | Vote 93: Immigration Services Department | Unqualified | Unqualified | Unqualified |
| 60 | Vote 94: Presidnet'S Office -Public Service Commission | Unqualified | Unqualified | Unqualified |
| 61 | Vote 96: Ministry of Culture, Arts and Culture | Unqualified | Unqualified | Unqualified |
| 62 | Vote 98: Ministry of Works and Transport - Works | Unqualified | Unqualified | Unqualified |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|----|--|-------------|---------------|---------------|
| 63 | Vote 99: Ministry of Livestock and Fisheries (Livestock) | Unqualified | Unqualified | Unqualified |
| 64 | Vote 100: Ministry of Minerals | Unqualified | Unqualified | Unqualified |
| 65 | Agency for Development of Educational Management (ADEM) | Unqualified | Unqualified | Unqualified |
| 66 | Government Procurement Service Agency (GPSA) | Unqualified | Unqualified | Unqualified |
| 67 | Agricultural Seed Agency (ASA) | Unqualified | Unqualified | Unqualified |
| 68 | Bulk Petroleum Procurement Agency (PBPA). | Unqualified | Unqualified | Unqualified |
| 69 | Business Registration and Licensing Agency (BRELA) | Unqualified | Unqualified | Unqualified |
| 70 | Tanzania Culture and Arts Fund (TACAF) | Unqualified | Did not exist | Did not exist |
| 71 | Eastern Africa Statistical Training Centre (EASTC) | Unqualified | Qualified | Unqualified |
| 72 | Handeni Trunk Main Water Supply and Sanitation Authority | Unqualified | Unqualified | Unqualified |
| 73 | Tanzania Fisheries Corporation (TAFICO) | Unqualified | Did not exist | Did not exist |
| 74 | e-Government Authority | Unqualified | Unqualified | Unqualified |
| 75 | Fisheries Education and Training Agency (FETA) | Unqualified | Unqualified | Unqualified |
| 76 | Geologic Survey of Tanzania (GST) | Unqualified | Unqualified | Unqualified |
| 77 | Government Chemist Laboratory Authority | Unqualified | Unqualified | Unqualified |
| 78 | Livestock Training Agency (LITA) | Unqualified | Unqualified | Unqualified |
| 79 | National College of Tourism (NCT) | Unqualified | Unqualified | Unqualified |
| 80 | National Food Reserve Agency (NFRA) | Unqualified | Unqualified | Unqualified |
| 81 | Occupational Safety and Health Agency (OSHA) | Unqualified | Unqualified | Unqualified |
| 82 | Registration Insolvency Trusts Agency (RITA) | Unqualified | Unqualified | Unqualified |
| 83 | Rural Water Supply and Sanitation Agency (RUWASA) | Unqualified | Unqualified | Unqualified |
| 84 | Taasisi Ya Sanaa na Utamaduni (TaSuBa) | Unqualified | Unqualified | Unqualified |
| 85 | Tanzania Agricultural Catalytic Trust (TACT) | Unqualified | Unqualified | Not reported |
| 86 | Tanzania Government Flight Agency | Unqualified | Unqualified | Unqualified |
| 87 | Tanzania Airports Authority | Unqualified | Unqualified | Unqualified |
| 88 | Tanzania Building Agency | Unqualified | Unqualified | Unqualified |
| 89 | Tanzania Forest Service Agency (TFSA) | Unqualified | Unqualified | Unqualified |
| 90 | Tanzania Institute of Accountancy (TIA) | Unqualified | Unqualified | Unqualified |
| 91 | Tanzania Meteorological Authority | Unqualified | Unqualified | Unqualified |
| 92 | Tanzania Public service College | Unqualified | Unqualified | Unqualified |
| 93 | Tanzania Veterinary Laboratory Agency (TVLA) | Unqualified | Unqualified | Unqualified |
| 94 | Tanzania National Roads Agency (TANROADS) | Unqualified | Unqualified | Unqualified |
| 95 | Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA) | Unqualified | Adverse | Unqualified |
| 96 | Water Institute | Unqualified | Unqualified | Unqualified |
| 97 | Weights And Measures Agency (WMA) | Unqualified | Unqualified | Unqualified |
| 98 | Aids Trust Fund | Unqualified | Unqualified | Not existed |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|--|-------------|---------------|---------------|
| 99 | Irrigation Development Fund (IDF) | Unqualified | Unqualified | Unqualified |
| 100 | Ministry of Water -National Water Fund | Unqualified | Unqualified | Not reported |
| 101 | Advances Fund (AF) | Unqualified | Unqualified | Unqualified |
| 102 | Agricultural Inputs Trust Fund (AGITF) | Unqualified | Unqualified | Unqualified |
| 103 | Youth Development Fund | Unqualified | Unqualified | Unqualified |
| 104 | Empowering Mining Development Fund (EMDF) | Unqualified | Unqualified | Unqualified |
| 105 | Inspection and Supervision of Cooperative Fund (ISCF) | Unqualified | Unqualified | Unqualified |
| 106 | Livestock Development Fund (LDF) | Unqualified | Unqualified | Unqualified |
| 107 | National Disaster Management Fund | Unqualified | Unqualified | Unqualified |
| 108 | National Fund for Antiquities (NFA) | Unqualified | Unqualified | Unqualified |
| 109 | National Water Fund (NWF) | Unqualified | Unqualified | Unqualified |
| 110 | Plant Breeders Right Development Fund | Unqualified | Unqualified | Unqualified |
| 111 | Roads Fund Board | Unqualified | Unqualified | Unqualified |
| 112 | Ministry Works - Roads Fund Account | Unqualified | Unqualified | Unqualified |
| 113 | Tanzania Forest Fund | Unqualified | Unqualified | Unqualified |
| 114 | Tanzania Wildlife Protection Fund (TWPF) | Unqualified | Unqualified | Unqualified |
| 115 | Women Development Fund (WDF) | Unqualified | Unqualified | Unqualified |
| 116 | Tanzanian Embassy in Windhoek, Namibia | Unqualified | Unqualified | Unqualified |
| 117 | Tanzanian Embassy in Addis Ababa, Ethiopia | Unqualified | Unqualified | Unqualified |
| 118 | High Commission of Tanzania - Abuja, Nigeria | Unqualified | Unqualified | Unqualified |
| 119 | High Commission of Tanzania - Harare, Zimbabwe | Unqualified | Unqualified | Unqualified |
| 120 | High Commission of Tanzania - Kuala Lumpur, Malaysia | Unqualified | Unqualified | Unqualified |
| 121 | High Commission of Tanzania - London | Unqualified | Unqualified | Unqualified |
| 122 | High Commission of Tanzania - Lusaka, Zambia | Unqualified | Unqualified | Unqualified |
| 123 | High Commission of Tanzania - New Delhi, India | Unqualified | Unqualified | Unqualified |
| 124 | High Commission of Tanzania - Ottawa, Canada | Unqualified | Unqualified | Unqualified |
| 125 | Embassy and Permanent Mission of the United Republic of Tanzania in Vienna | Unqualified | Did not exist | Did not exist |
| 126 | Permanent Mission to the UN - Geneva | Unqualified | Unqualified | Unqualified |
| 127 | Permanent Mission to the UN- New York | Unqualified | Unqualified | Unqualified |
| 128 | Tanzania Embassy in Havana -Cuba | Unqualified | Unqualified | Unqualified |
| 129 | Tanzania Embassy in Seoul - Korea | Unqualified | Unqualified | Unqualified |
| 130 | Tanzania Embassy-The Hague | Unqualified | Unqualified | Unqualified |
| 131 | Tanzanian Embassy in Abu Dhabi, United Arab Emirates | Unqualified | Unqualified | Unqualified |
| 132 | Tanzanian Embassy in Algiers, Algeria | Unqualified | Unqualified | Unqualified |
| 133 | Tanzanian Embassy in Ankara, Turkey | Unqualified | Unqualified | Unqualified |
| 134 | Tanzanian Embassy in Beijing, China | Unqualified | Unqualified | Unqualified |
| 135 | Tanzanian Embassy in Berlin, Germany | Unqualified | Unqualified | Unqualified |
| 136 | Tanzanian Embassy in Brasillia, Brazil | Unqualified | Unqualified | Unqualified |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|---|-------------|---------------|---------------|
| 137 | Tanzanian Embassy in Brussels, Belgium | Unqualified | Unqualified | Unqualified |
| 138 | Tanzanian Embassy in Bujumbura, Burundi | Unqualified | Unqualified | Unqualified |
| 139 | Tanzanian Embassy in Cairo, Egypt | Unqualified | Unqualified | Unqualified |
| 140 | Tanzanian Embassy in Doha | Unqualified | Unqualified | Unqualified |
| 141 | Tanzanian Embassy in Kampala, Uganda | Unqualified | Unqualified | Unqualified |
| 142 | Tanzanian Embassy in Jakarta, Indonesia | Unqualified | Did not exist | Did not exist |
| 143 | Tanzanian Embassy in Kinshasa, Democratic Republic of Congo | Unqualified | Unqualified | Unqualified |
| 144 | Tanzanian Embassy in Kuwait | Unqualified | Unqualified | Unqualified |
| 145 | Tanzanian Embassy in Lilongwe, Malawi | Unqualified | Unqualified | Unqualified |
| 146 | Tanzanian Embassy in Maputo, Mozambique | Unqualified | Unqualified | Unqualified |
| 147 | Tanzanian Embassy in Moroni, Comoro | Unqualified | Unqualified | Unqualified |
| 148 | Tanzanian Embassy in Moscow, Russia | Unqualified | Unqualified | Unqualified |
| 149 | Tanzanian Embassy in Muscat, Oman | Unqualified | Unqualified | Unqualified |
| 150 | Tanzanian Embassy in Nairobi, Kenya | Unqualified | Unqualified | Unqualified |
| 151 | Tanzanian Embassy in Paris, France | Unqualified | Unqualified | Unqualified |
| 152 | Tanzanian Embassy in Pretoria, South Africa | Unqualified | Unqualified | Unqualified |
| 153 | Tanzanian Embassy in Riyadh, Saudi Arabia | Unqualified | Unqualified | Unqualified |
| 154 | Tanzanian Embassy in Rome, Italy | Unqualified | Unqualified | Unqualified |
| 155 | Tanzanian Embassy in Stockholm, Sweden | Unqualified | Unqualified | Unqualified |
| 156 | Tanzanian Embassy in Tokyo, Japan | Unqualified | Unqualified | Unqualified |
| 157 | Tanzanian Embassy in Washington, DC, United States | Unqualified | Unqualified | Unqualified |
| 158 | Tanzanian High Commission in Kigali, Rwanda | Unqualified | Unqualified | Unqualified |
| 159 | Chama Cha Ukombozi wa Umma (CHAUMMA) | Unqualified | Unqualified | Adverse |
| 160 | Democratic Party (DP) | Unqualified | Unqualified | Unqualified |
| 161 | African Democratic Alliance (ADA-TADEA) | Unqualified | Qualified | Unqualified |
| 162 | Alliance For African Farmers Party (AAFP) | Disclaimer | Disclaimer | Disclaimer |
| 163 | Alliance for Democratic Change (ADC) | Unqualified | Unqualified | Adverse |
| 164 | Chama cha Sauti ya Umma (SAU) | Unqualified | Adverse | Qualified |
| 165 | Demokrasia Makini (DM) | Unqualified | Qualified | Disclaimer |
| 166 | National Reconstruction Alliance (NRA) | Adverse | Qualified | Unqualified |
| 167 | Tanzania Labour Party (TLP) | Unqualified | Unqualified | Adverse |
| 168 | Union for Multi-Party Democracy (UMD) | Unqualified | Qualified | Adverse |
| 169 | United Peoples' Democratic Party (UPDP) | Unqualified | Unqualified | Unqualified |
| 170 | Chama Cha Kijamii (CCK) | Unqualified | Unqualified | Unqualified |
| 171 | Civic United Front (CUF) | Qualified | Qualified | Qualified |
| 172 | National League for Democracy (NLD) | Unqualified | Unqualified | Unqualified |
| 173 | United Democratic Party (UDP) | Unqualified | Qualified | Qualified |
| 174 | ACT - WAZALENDO | Unqualified | Unqualified | Unqualified |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|---|-------------|-------------|---------------|
| 175 | Chama cha Demokrasia na Maendeleo (CHADEMA) | Unqualified | Unqualified | Unqualified |
| 176 | Chama cha Mapinduzi (CCM) | Unqualified | Unqualified | Unqualified |
| 177 | National Convention for Construction and Reform (NCCR - MAGEUZI), | Unqualified | Unqualified | Unqualified |
| 178 | Morogoro Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 179 | Chato Zonal Referral Hospital | Unqualified | Unqualified | Unqualified |
| 180 | Mtwara Zonal Referral Hospital | Unqualified | Unqualified | Did not exist |
| 181 | Shinyanga Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 182 | Sumbawanga Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 183 | Temeke Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 184 | Amana Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 185 | Benjamini Mkapa Hospital | Unqualified | Unqualified | Unqualified |
| 186 | Bombo Tanga Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 187 | Bukoba Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 188 | Dodoma Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 189 | Geita Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 190 | Iringa Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 191 | Katavi Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 192 | Kibong'oto Infectious Disease Hospital | Unqualified | Unqualified | Unqualified |
| 193 | Ligula Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 194 | Manyara Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 195 | Maweni Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 196 | Mawenzi Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 197 | Mbeya Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 198 | Mbeya Zonal Referral Hospital | Unqualified | Unqualified | Unqualified |
| 199 | Mirembe National Mental Health Hospital | Unqualified | Unqualified | Unqualified |
| 200 | Mount Meru Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 201 | Musoma Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 202 | Mwananyamala Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 203 | Njombe Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 204 | Sekotoure Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 205 | Simiyu Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 206 | Singida Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 207 | Sokoine Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 208 | Songea Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 209 | Songwe Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 210 | Tabora Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 211 | Tumbi Regional Referral Hospital | Unqualified | Unqualified | Unqualified |
| 212 | Valuers Registration Board | Unqualified | Unqualified | Unqualified |
| 213 | SUMAJKT Bottling Company limited | Unqualified | Unqualified | Unqualified |
| 214 | SUMAJKT Garment Company limited | Unqualified | Unqualified | Unqualified |
| 215 | SUMA JKT Electric | Unqualified | Unqualified | Did not exist |
| 216 | SUMAJKT Catering Company Limited | Unqualified | Unqualified | Unqualified |
| 217 | SUMAJKT Auction Mart Company Limited | Unqualified | Unqualified | Unqualified |
| 218 | SUMAJKT Chang'ombe Furniture Company limited | Unqualified | Unqualified | Unqualified |
| 219 | SUMAJKT Cleaning and Fumigation Company limited | Unqualified | Unqualified | Unqualified |
| 220 | SUMAJKT Port Services Company Limited | Unqualified | Unqualified | Unqualified |
| 221 | SUMAJKT Consultancy Service | Unqualified | Unqualified | Did not exist |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|--|-------------|---------------|---------------|
| 222 | ICT Commission | Unqualified | Unqualified | Unqualified |
| 223 | Bunda class C WSSA | Unqualified | Unqualified | Unqualified |
| 224 | Ifakara class C WSSA | Unqualified | Unqualified | Did not exist |
| 225 | Igunga class C WSSA | Unqualified | Unqualified | Unqualified |
| 226 | Mpwapwa class C WSSA | Unqualified | Unqualified | Unqualified |
| 227 | Orkesument class C WSSA | Unqualified | Unqualified | Unqualified |
| 228 | Ruangwa class C WSSA | Unqualified | Unqualified | Unqualified |
| 229 | Sengerema class C WSSA | Unqualified | Unqualified | Unqualified |
| 230 | Tunduma class C WSSA | Unqualified | Unqualified | Did not exist |
| 231 | Tunduru class C WSSA | Unqualified | Unqualified | Did not exist |
| 232 | National ICT Broadband Backbone | Unqualified | Unqualified | Unqualified |
| 233 | Biharamulo Water Supply and Sanitation Authority | Unqualified | Unqualified | Not reported |
| 234 | Busega class C WSSA | Unqualified | Unqualified | Not reported |
| 235 | Chato class C WSSA | Unqualified | Unqualified | Not reported |
| 236 | Chunya class C WSSA | Unqualified | Unqualified | Not reported |
| 237 | Gairo class C WSSA | Unqualified | Unqualified | Not reported |
| 238 | Itumba- Isongole class C WSSA | Unqualified | Unqualified | Not reported |
| 239 | Kasulu class C WSSA | Unqualified | Unqualified | Not reported |
| 240 | Kibaya class C WSSA | Unqualified | Unqualified | Not reported |
| 241 | Kibondo class C WSSA | Unqualified | Unqualified | Not reported |
| 242 | Kilindoni WSSA WSSA | Unqualified | Unqualified | Not reported |
| 243 | Kilwa Masoko WSSA | Unqualified | Unqualified | Not reported |
| 244 | Kiomboi class C WSSA | Unqualified | Unqualified | Not reported |
| 245 | Kishapu class C WSSA | Unqualified | Unqualified | Not reported |
| 246 | Kondoa class C WSSA | Unqualified | Unqualified | Not reported |
| 247 | Liwale class C WSSA | Unqualified | Unqualified | Not reported |
| 248 | Loliondo class C WSSA | Unqualified | Unqualified | Not reported |
| 249 | Ludewa class C WSSA | Unqualified | Unqualified | Not reported |
| 250 | Lushoto class C WSSA | Unqualified | Unqualified | Not reported |
| 251 | Maganzo class C WSSA | Unqualified | Unqualified | Not reported |
| 252 | Mahenge class C WSSA | Unqualified | Unqualified | Not reported |
| 253 | Makete WSSA | Unqualified | Did not exist | Did not exist |
| 254 | Manyoni-Itigi class C WSSA | Unqualified | Unqualified | Not reported |
| 255 | Mbinga class C WSSA | Unqualified | Unqualified | Not reported |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|--|-------------|---------------|---------------|
| 256 | Mbulu Town class C WSSA | Unqualified | Unqualified | Not reported |
| 257 | Mombo class C WSSA | Unqualified | Unqualified | Not reported |
| 258 | Mugango/Kiabakari class C WSSA | Unqualified | Unqualified | Unqualified |
| 259 | Mwanhuzi class C WSSA | Unqualified | Unqualified | Not reported |
| 260 | Namanyere class C WSSA | Unqualified | Unqualified | Not reported |
| 261 | Rombo class C WSSA | Unqualified | Unqualified | Not reported |
| 262 | Rujewa class C WSSA | Unqualified | Unqualified | Not reported |
| 263 | Songe-Kilindi class C WSSA | Unqualified | Unqualified | Not reported |
| 264 | Turiani class C WSSA | Unqualified | Unqualified | Not reported |
| 265 | Ushiroambo class C WSSA | Unqualified | Unqualified | Not reported |
| 266 | Utete class C WSSA | Unqualified | Unqualified | Not reported |
| 267 | Vwawa Mlowo class C WSSA | Unqualified | Unqualified | Not reported |
| 268 | TMEA Support project to the Ministry of Foreign Affairs and East African Cooperation | Unqualified | Unqualified | Not reported |
| 269 | Consolidated Financial Statements of the Government (CFS) | Qualified | Qualified | Qualified |
| 270 | Mining Commission (MC) | Unqualified | Unqualified | Unqualified |
| 271 | Ministry of Energy Production Sharing Agreement (MEM-PSA) | Unqualified | Unqualified | Unqualified |
| 272 | Nelson Mandela African Institution of Science and Technology (NM-AIST) | Unqualified | Unqualified | Unqualified |
| 273 | Tanzania Livestock Research Institute (TALIRI) | Unqualified | Unqualified | Unqualified |
| 274 | Tanzania National Coordination Mechanism | Unqualified | Unqualified | Unqualified |
| 275 | National Road Safety Council | Unqualified | Unqualified | Did not exist |
| 276 | Tobacco Research Institute of Tanzania (TORITA) | Unqualified | Did not exist | Did not exist |
| 277 | Trade Mark Africa | Unqualified | Did not exist | Did not exist |
| 278 | Town Planners Registration Board | Unqualified | Unqualified | Unqualified |
| 279 | Veterinary Council of Tanzania (VCT) | Unqualified | Unqualified | Unqualified |
| 280 | Environmental Health Practitioners Council | Unqualified | Unqualified | Unqualified |
| 281 | Health Laboratory Practitioners Council | Unqualified | Unqualified | Unqualified |
| 282 | Medical Council of Tanganyika | Unqualified | Unqualified | Adverse |
| 283 | Medical Radiology and Imaging Practitioners Council | Unqualified | Unqualified | Unqualified |
| 284 | Optometry Council | Unqualified | Unqualified | Unqualified |
| 285 | Pharmacy Council | Unqualified | Unqualified | Unqualified |
| 286 | Private Health Laboratory Board | Unqualified | Unqualified | Unqualified |
| 287 | Private Hospital Advisory Board | Unqualified | Unqualified | Unqualified |
| 288 | Tanzania Nursing and Midwifery Council | Unqualified | Unqualified | Unqualified |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|--|-------------|-------------|-------------|
| 289 | Traditional And Alternative Health Practitioners Council | Unqualified | Unqualified | Unqualified |
| 290 | TRA - Expenditure | Unqualified | Unqualified | Unqualified |
| 291 | TRA - Revenue | Unqualified | Unqualified | Unqualified |
| 292 | Bee Keeping Institute- Tabora (BTI) | Unqualified | Unqualified | Unqualified |
| 293 | Forest Industries Training Institute (FITI) | Unqualified | Unqualified | Unqualified |
| 294 | Forestry Training Institute (FTI) | Unqualified | Unqualified | Unqualified |
| 295 | Jitegemee JKT Secondary School | Unqualified | Unqualified | Unqualified |
| 296 | Kawawa JKT Secondary School | Unqualified | Unqualified | Unqualified |
| 297 | Law School of Tanzania | Unqualified | Unqualified | Unqualified |
| 298 | Pasiansi Wildlife Training Institute (PWTI) | Unqualified | Unqualified | Unqualified |
| 299 | Prisons Corporation Sole | Unqualified | Unqualified | Unqualified |
| 300 | Property And Formalization Program (MKURABITA) | Unqualified | Unqualified | Unqualified |
| 301 | SUMAJKT Guard Company Limited | Unqualified | Unqualified | Unqualified |
| 302 | SUMAJKT Agricultural and Industrial segments | Unqualified | Unqualified | Unqualified |
| 303 | SUMAJKT Headquarter | Unqualified | Unqualified | Unqualified |
| 304 | Tanzania Agricultural Research Institute (TARI) | Unqualified | Unqualified | Unqualified |
| 305 | Tanzania Automotive Technology Centre (TATC) | Unqualified | Unqualified | Unqualified |
| 306 | SUMAJKT Construction Company Limited (Consolidated) | Unqualified | Unqualified | Unqualified |
| 307 | Tanzania Film Board (TFB) | Unqualified | Unqualified | Unqualified |
| 308 | Tanzania Gemmological Centre (TGC) | Unqualified | Unqualified | Unqualified |
| 309 | Tanzania Official Seed Certification Institute (TOSCI) | Unqualified | Unqualified | Unqualified |
| 310 | Ardhi Institute Morogoro | Unqualified | Unqualified | Unqualified |
| 311 | Ardhi Institute Tabora | Unqualified | Unqualified | Unqualified |
| 312 | Community Based Conservation Training Centre (CBCTC) | Unqualified | Unqualified | Unqualified |
| 313 | Consolidated Financial Statements of National Service Corporation Sole (SUMAJKT) | Unqualified | Unqualified | Unqualified |
| 314 | Deep See Fishing Authority | Unqualified | Unqualified | Unqualified |
| 315 | Institute of African Leadership for Sustainable Development (UONGOZI) | Unqualified | Unqualified | Unqualified |
| 316 | Institute of Judicial Administration Lushoto - IJA | Unqualified | Qualified | Unqualified |
| 317 | Rural Energy Agency (REA) | Unqualified | Unqualified | Unqualified |
| 318 | Tanzania Wildlife Management Authority (TAWA) | Unqualified | Unqualified | Unqualified |
| 319 | Internal Drainage Basin Water Board | Unqualified | Unqualified | Unqualified |
| 320 | Lake Nyasa Basin Water Board | Unqualified | Unqualified | Unqualified |
| 321 | Lake Rukwa Basin Water Board | Unqualified | Unqualified | Unqualified |
| 322 | Lake Tanganyika Basin Water Board | Unqualified | Unqualified | Unqualified |
| 323 | Lake Victoria Basin Water Board | Unqualified | Unqualified | Unqualified |
| 324 | Pangani Basin Water Board | Unqualified | Unqualified | Unqualified |
| 325 | Rufiji Basin Water Board | Unqualified | Unqualified | Unqualified |
| 326 | Ruvuma and Southern Coast Basin Water Board | Unqualified | Unqualified | Unqualified |
| 327 | Wami Ruvu Basin Water Board | Unqualified | Unqualified | Unqualified |
| 328 | Handeni Trunk Main (HTM) class C WSSA | Unqualified | Unqualified | Unqualified |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|--|-------------|---------------|---------------|
| 329 | Mafinga class C WSSA | Unqualified | Unqualified | Unqualified |
| 330 | Makonde Plateau WSSA | Unqualified | Unqualified | Unqualified |
| 331 | Maswa class C WSSA | Unqualified | Unqualified | Unqualified |
| 332 | Wanging'ombe Water Supply and Sanitation Authority | Unqualified | Unqualified | Unqualified |
| 333 | National Identification Authority (NIDA) | Unqualified | Unqualified | Unqualified |
| 334 | Office of Foreign Affairs and East African Cooperation Zanzibar. | Unqualified | Unqualified | Unqualified |
| 335 | Tanzania Police Force Rewards and Fine Fund | Unqualified | Unqualified | Unqualified |
| 336 | Tanzania Police Force Corporation Sole | Unqualified | Unqualified | Unqualified |
| 337 | Tengeru Institute of Community Development (TICD) | Unqualified | Unqualified | Unqualified |
| 338 | The African Peer Review Mechanism (APRM). | Unqualified | Unqualified | Unqualified |
| 339 | Mzinga Holding Company Ltd | Unqualified | Unqualified | Unqualified |
| 340 | Mzinga Corporation | Unqualified | Unqualified | Unqualified |
| 341 | SUMAJKT Agri Machinery Project | Unqualified | Unqualified | Unqualified |
| 342 | Kimasakina CBWSO | Unqualified | Did not exist | Did not exist |
| 343 | Makilenga CBWSO | Unqualified | Did not exist | Did not exist |
| 344 | Makuyuni CBWSO | Unqualified | Did not exist | Did not exist |
| 345 | Mbuga Nyekundu CBWSO | Unqualified | Did not exist | Did not exist |
| 346 | Olmulo CBWSO | Unqualified | Did not exist | Did not exist |
| 347 | Chisichili CBWSO | Unqualified | Did not exist | Did not exist |
| 348 | Hombolo CBWSO | Unqualified | Did not exist | Did not exist |
| 349 | Mundemu-Nguji CBWSO | Unqualified | Did not exist | Did not exist |
| 350 | Mvumi Mission CBWSO | Unqualified | Did not exist | Did not exist |
| 351 | Nala CBWSO | Unqualified | Did not exist | Did not exist |
| 352 | Nghahelezi-Nghanje CBWSO | Unqualified | Did not exist | Did not exist |
| 353 | Ntomoko CBWSO | Unqualified | Did not exist | Did not exist |
| 354 | Imalabupina CBWSO | Unqualified | Did not exist | Did not exist |
| 355 | Katoro CBWSO | Unqualified | Did not exist | Did not exist |
| 356 | Lulembela CBWSO | Unqualified | Did not exist | Did not exist |
| 357 | Lwangasa CBWSO | Unqualified | Did not exist | Did not exist |
| 358 | Nyakagwe CBWSO | Unqualified | Did not exist | Did not exist |
| 359 | Nyamtukuzi-JWPP CBWSO | Unqualified | Did not exist | Did not exist |
| 360 | Uyovu CBWSO | Unqualified | Did not exist | Did not exist |
| 361 | Izazi CBWSO | Unqualified | Did not exist | Did not exist |
| 362 | Kalengakapyo CBWSO | Unqualified | Did not exist | Did not exist |
| 363 | Kidabaga CBWSO | Unqualified | Did not exist | Did not exist |
| 364 | Kilumsa CBWSO | Unqualified | Did not exist | Did not exist |
| 365 | Migoli CBWSO | Unqualified | Did not exist | Did not exist |
| 366 | BENGIKA-Ngara CBWSO | Unqualified | Did not exist | Did not exist |
| 367 | Kachekiru CBWSO | Unqualified | Did not exist | Did not exist |
| 368 | Kashozi-Imuka CBWSO | Unqualified | Did not exist | Did not exist |
| 369 | Munkweka CBWSO | Unqualified | Did not exist | Did not exist |
| 370 | Murugo CBWSO | Unqualified | Did not exist | Did not exist |
| 371 | KIU-Mpanda CBWSO | Unqualified | Did not exist | Did not exist |
| 372 | Mmasi CBWSO | Unqualified | Did not exist | Did not exist |
| 373 | Mpakato CBWSO | Unqualified | Did not exist | Did not exist |
| 374 | Muongano-Mpanda CBWSO | Unqualified | Did not exist | Did not exist |
| 375 | Wangogo CBWSO | Unqualified | Did not exist | Did not exist |
| 376 | Heru Juu CBWSO | Unqualified | Did not exist | Did not exist |
| 377 | Mkongoro II CBWSO | Unqualified | Did not exist | Did not exist |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|-----------------------------|-------------|---------------|---------------|
| 378 | Mukaka CBWSO | Unqualified | Did not exist | Did not exist |
| 379 | Uviru CBWSO | Unqualified | Did not exist | Did not exist |
| 380 | Uwaka CBWSO | Unqualified | Did not exist | Did not exist |
| 381 | Kirua Kahe CBWSO | Unqualified | Did not exist | Did not exist |
| 382 | Lawate Fuka CBWSO | Unqualified | Did not exist | Did not exist |
| 383 | Losaa Kia CBWSO | Unqualified | Did not exist | Did not exist |
| 384 | Lyamungo-Umbwe CBWSO | Unqualified | Did not exist | Did not exist |
| 385 | Uroki Boma ya Ng'ombe CBWSO | Unqualified | Did not exist | Did not exist |
| 386 | Bachindu CBWSO | Unqualified | Did not exist | Did not exist |
| 387 | Mandawa CBWSO | Unqualified | Did not exist | Did not exist |
| 388 | Mpunana CBWSO | Unqualified | Did not exist | Did not exist |
| 389 | Nangurukuru CBWSO | Unqualified | Did not exist | Did not exist |
| 390 | Supa CBWSO | Unqualified | Did not exist | Did not exist |
| 391 | Endabay CBWSO | Unqualified | Did not exist | Did not exist |
| 392 | Hangwa CBWSO | Unqualified | Did not exist | Did not exist |
| 393 | Mdahalaba CBWSO | Unqualified | Did not exist | Did not exist |
| 394 | Nkaiti CBWSO | Unqualified | Did not exist | Did not exist |
| 395 | Nyumba ya Mungu CBWSO | Unqualified | Did not exist | Did not exist |
| 396 | Bulisumakwi CBWSO | Unqualified | Did not exist | Did not exist |
| 397 | Kibara CBWSO | Unqualified | Did not exist | Did not exist |
| 398 | Komuge CBWSO | Unqualified | Did not exist | Did not exist |
| 399 | NATTAMBISO CBWSO | Unqualified | Did not exist | Did not exist |
| 400 | Sirari CBWSO | Unqualified | Did not exist | Did not exist |
| 401 | Utegi CBWSO | Disclaimer | Did not exist | Did not exist |
| 402 | Igwijima CBWSO | Unqualified | Did not exist | Did not exist |
| 403 | Makongolosi CBWSO | Unqualified | Did not exist | Did not exist |
| 404 | Ngamanga CBWSO | Unqualified | Did not exist | Did not exist |
| 405 | Simike CBWSO | Unqualified | Did not exist | Did not exist |
| 406 | Ubampa CBWSO | Unqualified | Did not exist | Did not exist |
| 407 | Fulwe-Morogoro CBWSO | Unqualified | Did not exist | Did not exist |
| 408 | Lupiro CBWSO | Unqualified | Did not exist | Did not exist |
| 409 | Mlali CBWSO | Unqualified | Did not exist | Did not exist |
| 410 | Mlimba CBWSO | Unqualified | Did not exist | Did not exist |
| 411 | Ngerengere CBWSO | Unqualified | Did not exist | Did not exist |
| 412 | Mangakisemama CBWSO | Unqualified | Did not exist | Did not exist |
| 413 | Msangamkuu CBWSO | Unqualified | Did not exist | Did not exist |
| 414 | Nangololo CBWSO | Unqualified | Did not exist | Did not exist |
| 415 | Tandamalo CBWSO | Unqualified | Did not exist | Did not exist |
| 416 | Umoja-Newala CBWSO | Unqualified | Did not exist | Did not exist |
| 417 | Bukindo-Kagugunguli CBWSO | Unqualified | Did not exist | Did not exist |
| 418 | FEUWASA CBWSO | Unqualified | Did not exist | Did not exist |
| 419 | Muungano-Sengerema CBWSO | Unqualified | Did not exist | Did not exist |
| 420 | Mwamashimba CBWSO | Unqualified | Did not exist | Did not exist |
| 421 | Nyamwaki CBWSO | Unqualified | Did not exist | Did not exist |
| 422 | SHIWASA CBWSO | Unqualified | Did not exist | Did not exist |
| 423 | Igominyi CBWSO | Unqualified | Did not exist | Did not exist |
| 424 | Imalinyi Kidugula CBWSO | Unqualified | Did not exist | Did not exist |
| 425 | JUWAMIS CBWSO | Unqualified | Did not exist | Did not exist |
| 426 | Lugawaso CBWSO | Unqualified | Did not exist | Did not exist |
| 427 | Gwata CBWSO | Unqualified | Did not exist | Did not exist |
| 428 | Hanga CBWSO | Unqualified | Did not exist | Did not exist |
| 429 | Jibondo CBWSO | Unqualified | Did not exist | Did not exist |
| 430 | Makip CBWSO | Unqualified | Did not exist | Did not exist |
| 431 | Mdamato CBWSO | Unqualified | Did not exist | Did not exist |
| 432 | Chimizwalo CBWSO | Unqualified | Did not exist | Did not exist |
| 433 | Kilando CBWSO | Unqualified | Did not exist | Did not exist |

| SN | Entity | 2022/23 | 2021/22 | 2020/21 |
|-----|------------------------|-------------|---------------|---------------|
| 434 | Laela CBWSO | Unqualified | Did not exist | Did not exist |
| 435 | MUZE Group CBWSO | Unqualified | Did not exist | Did not exist |
| 436 | Mwika CBWSO | Unqualified | Did not exist | Did not exist |
| 437 | KIAMBWSO CBWSO | Unqualified | Did not exist | Did not exist |
| 438 | Mbambabay CBWSO | Unqualified | Did not exist | Did not exist |
| 439 | Mkilima CBWSO | Unqualified | Did not exist | Did not exist |
| 440 | NAMRUMBWSO CBWSO | Unqualified | Did not exist | Did not exist |
| 441 | Pengu CBWSO | Unqualified | Did not exist | Did not exist |
| 442 | Buka CBWSO | Unqualified | Did not exist | Did not exist |
| 443 | Bulyang'hulu CBWSO | Unqualified | Did not exist | Did not exist |
| 444 | Bunnema CBWSO | Unqualified | Did not exist | Did not exist |
| 445 | Ilogi CBWSO | Unqualified | Did not exist | Did not exist |
| 446 | Mahembe CBWSO | Unqualified | Did not exist | Did not exist |
| 447 | Mwamwabu CBWSO | Unqualified | Did not exist | Did not exist |
| 448 | Solwa CBWSO | Unqualified | Did not exist | Did not exist |
| 449 | Songambele CBWSO | Unqualified | Did not exist | Did not exist |
| 450 | Isulilo CBWSO | Unqualified | Did not exist | Did not exist |
| 451 | Kiloleli CBWSO | Unqualified | Did not exist | Did not exist |
| 452 | Mwainange CBWSO | Unqualified | Did not exist | Did not exist |
| 453 | Mwandoya CBWSO | Unqualified | Did not exist | Did not exist |
| 454 | Nkimwankoi CBWSO | Unqualified | Did not exist | Did not exist |
| 455 | Jikwamue CBWSO | Unqualified | Did not exist | Did not exist |
| 456 | Londoni CBWSO | Unqualified | Did not exist | Did not exist |
| 457 | Mkombozi CBWSO | Unqualified | Did not exist | Did not exist |
| 458 | UMAUWASU CBWSO | Unqualified | Did not exist | Did not exist |
| 459 | Uyanjo CBWSO | Unqualified | Did not exist | Did not exist |
| 460 | Igamba CBWSO | Unqualified | Did not exist | Did not exist |
| 461 | Inkachika CBWSO | Unqualified | Did not exist | Did not exist |
| 462 | Mchiti CBWSO | Unqualified | Did not exist | Did not exist |
| 463 | Mkwamwa-Mkwajuni CBWSO | Unqualified | Did not exist | Did not exist |
| 464 | Saza CBWSO | Unqualified | Did not exist | Did not exist |
| 465 | Ibologero CBWSO | Unqualified | Did not exist | Did not exist |
| 466 | Igogo CBWSO | Unqualified | Did not exist | Did not exist |
| 467 | Kamawinu CBWSO | Unqualified | Did not exist | Did not exist |
| 468 | Kinamwaka CBWSO | Unqualified | Did not exist | Did not exist |
| 469 | Mwaisaka CBWSO | Unqualified | Did not exist | Did not exist |
| 470 | Nanga-Igunga CBWSO | Unqualified | Did not exist | Did not exist |
| 471 | Ubuki CBWSO | Unqualified | Did not exist | Did not exist |
| 472 | Hale CBWSO | Unqualified | Did not exist | Did not exist |
| 473 | Kibo CBWSO | Unqualified | Did not exist | Did not exist |
| 474 | Kwa Kibuyu CBWSO | Unqualified | Did not exist | Did not exist |
| 475 | Mkata CBWSO | Unqualified | Did not exist | Did not exist |
| 476 | Mlipango CBWSO | Unqualified | Did not exist | Did not exist |

Appendix II: MDAs that did not Adhere to the Annual Procurement Plan

| SN | Entity | Amount (TZS) |
|---|---|----------------|
| Entities with Unimplemented Planned Procurements | | |
| 1 | Agricultural Seed Agency (ASA) | 17,385,680,975 |
| 2 | Business Registrations and Licensing Agency (BRELA) | 4,849,433,634 |
| 3 | Katavi Region Referral Hospital | 5,900,000,000 |
| 4 | Makonde Plateau Water Supply and Sanitation Authority | 553,822,232 |
| 5 | Medical Council of Tanganyika | 1,740,693,545 |
| 6 | Ministry of Agriculture | 26,607,728,839 |

| SN | Entity | Amount (TZS) |
|--|---|------------------------|
| Entities with Unimplemented Planned Procurements | | |
| 7 | Ministry of Community Development, Gender, Women and Special Groups | 1,866,241,515 |
| 8 | Ministry of Education, Science and Technology | 33,094,054,037 |
| 9 | Ministry of Energy | 1,298,282,000 |
| 10 | Ministry of Investment, Industry and Trade | 2,680,340,889 |
| 11 | Mirembe National Mental Health Hospital | 26,171,771,482 |
| 12 | National Food Reserve Agency (NFRA) | 8,210,261,393 |
| 13 | Nelson Mandela-African Institution of Science and Technology | 18,550,877,416 |
| 14 | Rural Energy Agency | 397,963,606,800 |
| 15 | SUMAJKT Consultancy Bureau Company Limited | 232,886,476 |
| 16 | SUMAJKT Ports and Services Co Ltd | 326,200,078 |
| 17 | Tanzania Agricultural Research Institute (TARI) | 7,348,806,845 |
| 18 | Tanzania Commission for Aids (TACAIDS) | 964,743,390 |
| 19 | Tanzania Film Board | 430,095,312 |
| 20 | Tanzania Official Seed Certification Institute | 2,014,814,000 |
| 21 | Tanzania Fertilizer Regulatory Authority (TFRA) | 2,667,127,100 |
| 22 | Wanging'ombe Water Supply and Sanitation Authority | 188,057,124 |
| 23 | Weights and Measures Agency | 886,720,800 |
| 24 | RUWASA | 1,773,707,147 |
| 25 | Tanzania Forest Services Agency | 1,791,987,316 |
| | Sub -Total | 565,497,940,345 |
| Entities that Implemented Procurement Without Annual Procurement Plan | | |
| 1 | Loliondo WSSA | 320,591,991 |
| 2 | Makete WSSA | 15,950,940 |
| 3 | Songe WSSA | 34,560,380 |
| 4 | Ushiroambo WSSA | 166,827,795 |
| | Sub -Total | 537,931,106 |
| Procurements Made Out of Annual Procurement Plan | | |
| 1 | Drug Control and Enforcement Authority (DCEA) | 56,220,490 |
| 2 | e-Government Authority | 381,715,241 |
| 3 | Fire And Rescue Force (Vote 14) | 21,000,000 |
| 4 | Manyara Regional Referral Hospital | 719,059,275 |
| 5 | Songwe RRH | 609,161,692 |
| 6 | Tanzania Livestock Research Institute | 41,097,863 |
| | Sub -Total | 1,828,254,561 |
| | Grand Total | 567,864,126,012 |

Source: Individual management letters for the financial year 2022/23

Appendix III: Projects Commenced Without ESIA Certificates

| Contract No: | Details | Contract/ Work Amount (TZS) |
|--------------------|--|-----------------------------|
| Ministry of Health | Proposed construction of health promotion centre at Njendengwa area Dodoma | 2,184,592,221 |

| Contract No: | Details | Contract/ Work Amount (TZS) |
|--------------|--|-----------------------------|
| TANROADS | Design and Build for Upgrading of Kibaoni - Sitalike (74km) Road to Bitumen Standard; Lot 1: Kibaoni - Mlele Junction (50km) | 88,725,000,000 |
| | Upgrading of Bugene - Kasulo (Benaco) - Kumunazi Road to Bitumen Standard; Lot 2: Bugene - Burigi Chato National Park Section (60km) | 92,839,000,000 |
| | Upgrading of Mianzini - Olemringa - Ngaramtoni Juu and Olemringaringa - Sambasha/Timbolo Roads to Bitumen Standard (18km) | 22,667,000,000 |
| | Upgrading of Karatu - Mbulu - Hydrom - Sibiti River - Lalago - Maswa (389km) Road to Bitumen Standard, Lot 1: Mbulu - Garbabi Section (25km) under Design and Build | 35,171,000,000 |
| | Upgrading of Tarime - Mugumu Road (87.14km) to Bitumen Standard; Lot 1: Mogabiri - Nyamongo Road Section (25km) | 34,662,000,000 |
| | Lot 1: Itoni - Lusitu Section (50km) | 95,946,000,000 |
| | Upgrading of Isyonje - Kikondo - Makete Regional Road (96.2km) to Bitumen Standard: Kitulo - Iniho Section (36.3km) and Construction of Weighbridge at Igala Village | 12,113,000,000 |
| | Rehabilitation of Ibanda - Kajunjumele Paved Section (22km) and Upgrading of Kajunjumele - Kiwira Port Section (6km) to Bitumen Standard Along Ibanda - Kiwira Port Trunk Road and Rehabilitation of Kajunjumele - Itungi Port Paved District Road (4km) | 38,359,000,000 |
| | Lot 1: Ntendo - Kizungu Section (25km) | 45,299,000,000 |
| | Upgrading of Matai - Kasesya (50km): Lot 1: Matai - Tatanda Section (25km) | 37,353,000,000 |
| | Upgrading of Handeni - Kibirashi - Kwamtoro - Singida (434.33km) to Bitumen Standard, Lot 1: Handeni - Mafuleta Section (20km) | 24,439,000,000 |
| | Upgrading to bitumen standard of Ntyuka - Mvumi makulu - Kikombo Jct (76.0km) and Chololo - Mapinduzi (TPDF HQ) 5km, Section I: Ntyuka - Mvumi - Makulu Road (8.6km) and Section II: Kikombo Jct - Chololo - Mapinduzi (TPDF HQ) (16.4km) | 44,890,000,000 |
| | Upgrading of Kitai - Lituhi Road (84.5 km) to Bitumen Standard; Lot 1: Amanimakoro - Ruanda Section (35km) | 60,481,000,000 |
| Total | 635,128,592,221 | |

Source: Individual Management letters for the financial year 2022/23

Appendix IV: Entities with Unsettled Claims and Payments Beyond Agreed Timeframes

| SN | Entity | Contact Details | Remark | Amount (TZS) |
|----|------------------------------|---|------------------------------------|--------------|
| 1. | Tanzania Embassy in Brussels | Rehabilitation of the office building and residence for the Tanzania Embassy in Brussels. | Payments were made late by 42 days | 365,450,664 |

| SN | Entity | Contact Details | Remark | Amount (TZS) |
|-----|---|---|--|----------------|
| 2. | Chato WSSA | Construction of Sludge Disposal Facilities for Chato District. | Payments were made late by 102 days | 324,506,515 |
| 3. | TGFA | Proposed construction of office block and renovation of the government hangar at Julius Nyerere International Airport Terminal 1. | Payments were made late for a period ranging from 39 to 184 days | 782,410,266 |
| 4. | Judicial Service Commission | Construction of a modern, conducive Headquarters Building | Payments were made late for a period ranging from 16 to 60 days | 5,435,170,496 |
| 5. | Ministry of Education, Science and Technology | construction of office building 'wing A' for MoEST - HQ | Payments were made late for a period ranging from 16 to 30 days | 3,415,643,144 |
| 6. | LITA | AE/085/2021-2022/HQ/W/01 LOT1 and AE/085/2022/2023/HQ/W/01/02 | Payments were made late for a period ranging from 30 to 110 days | 489,636,800 |
| 7. | RUWASA | Various Contracts | Payments were made late for a period ranging from four to 572 days as of November 2023 | 27,922,523,283 |
| | | Various Contracts | The amounts have remained outstanding for a period ranging between four to 1193 days as of November 2023 | 18,201,675,867 |
| 8. | Tanzania Livestock Research Institute | Supply farm Equipment and machinery | The amount has remained outstanding for 120 days as of August 2023 | 141,460,000 |
| 9. | TEMESA | Leasing two sea taxis operating from Magogoni - Kigamboni Ferry Station | The amount has remained outstanding for 120 days as of September 2023 | 524,750,000 |
| 10. | Mining Commission | Construction of Office Building for Mining Commission Head Office in Dodoma on | The amount has remained outstanding for 120 days as of November 2023 | 340,127,807 |
| 11. | Forestry Training Institute (FTI) | Various Suppliers | The amounts have remained outstanding for a period ranging between 180 to 1080 days months as of December 2023 | 169,311,371 |

| SN | Entity | Contact Details | Remark | Amount (TZS) |
|----|--------|-----------------|--------|----------------|
| | | | Total | 58,112,666,213 |

Source: Individual management letters for the financial year 2022/23

Appendix V: List of Entities whose Buildings are Delayed being Completed

| SN | Entity | Contractor | Contract Sum (TZS) VAT Inclusive | Original Completion Date | Progress (%) |
|----|---|--|----------------------------------|--------------------------|--------------|
| 1. | Vice President's Office | SUMAJKT Construction Company Limited | 18,873,092,264 | 9 November 2023 | 77 |
| 2. | Ministry of Energy | M/S National Housing Corporation (NHC) | 23,676,776,416 | 29 November 2023 | 72 |
| 3. | e-Government Authority | SUMAJKT Construction Company Limited | 21,684,524,661 | 29 October 2023 | 71 |
| 4. | Ministry of Investment, Industry and Trade | National Housing Corporation (NHC) | 22,986,401,843 | 27 September 2023 | 74 |
| 5. | Office of Solicitor General | SUMAJKT Construction Company Limited | 26,609,088,322 | 24 January 2024 | 47 |
| 6. | Ministry Of Education, Science and Technology | CRJE (East Africa Ltd) | 15,983,440,158 | 24 November 2023 | 84 |
| 7. | Ministry Of Health | Nandhra Engineering & Company Limited | 23,346,618,260 | 16 November 2023 | 85 |
| 8. | Ministry of Agriculture | SUMAJKT Construction Company Limited | 24,187,499,732 | 14 October 2023 | 80 |
| 9. | Ministry of Constitutional and Legal Affairs | SUMAJKT Construction Company Limited | 22,023,481,506 | 29 September 2022 | 80 |

| SN | Entity | Contractor | Contract Sum (TZS) VAT Inclusive | Original Completion Date | Progress (%) |
|-----|---|--|----------------------------------|--------------------------|--------------|
| 10. | Prime Minister's Office | M/s SUMAJKT Construction Company Limited | 22,850,728,800 | 18 April 2023 | 75 |
| 11. | Prime Minister's Office Labour, Youth, Employment and Persons with Disability | SUMAJKT Construction Company Limited | 18,623,690,674 | 17 April 2023 | 67 |
| 12. | Ministry of Culture Arts and Sports | National Housing Corporation (NHC) | 22,843,737,652 | 12 October 2023 | 82 |
| 13. | Ministry of Foreign Affairs and East African Cooperation | Corporation Sole Works Superintendent | 21,940,486,862 | 20 December 2023 | 75 |
| 14. | Ministry of Livestock and Fisheries | National Housing Corporation (NHC) | 23,239,197,333 | 14 October 2023 | 73 |
| 15. | President's Office, Regional Administration and Local Government Tanzania | Corporation Sole Works Superintendent | 20,291,116,857 | 14 October 2023 | 72 |
| 16. | Ministry of Information, Communication and Information Technology | National Housing Corporation (NHC) | 23,948,057,057 | 20 October 2023 | 72 |
| 17. | Ministry of Lands, Housing and Human Settlements Development | National Housing Corporation | 24,987,004,355 | 19 December 2023 | 74 |
| 18. | Ministry of Home Affairs | National Housing Corporation | 22,303,367,637 | 14 October 2023 | 71 |
| 19. | Ministry of Transport | Corporation Sole Works Superintendent | 28,749,877,240 | 01 December 2023 | 71 |
| 20. | Ministry of Minerals | National Housing Corporation | 22,848,921,128 | 14 April 2023 | 72 |

| SN | Entity | Contractor | Contract Sum (TZS) VAT Inclusive | Original Completion Date | Progress (%) |
|-----|--------------------------------|--------------------------------------|----------------------------------|--------------------------|--------------|
| 21. | The Office of Attorney General | SUMAJKT Construction Company Limited | 26,817,046,474 | 9 September 2023 | 66 |
| | | Total | 478,814,155,231 | | |

Source: Individual management letters for the financial year 2022/23 and Progress Report as of January 2024

Appendix VI: Entities that have not Registered their Assets in the GAMIS

| S N | Entity | Assets Value (TZS) |
|-----|--|--------------------|
| 1. | Nairobi High Commission | 28,450,966,934 |
| 2. | Embassy of Tanzania in Havana, Cuba | 293,032,132 |
| 3. | Tanzania High Commission in Kampala | 10,406,385,941 |
| 4. | Tanzania High Commission in Mozambique- Maputo | 8,788,592,144 |
| 5. | Embassy of Tanzania in Kuwait | 364,017,229 |
| 6. | Embassy of Tanzania in Zimbabwe | 668,180,549 |
| 7. | Office of the Solicitor General | 2,865,637,327 |
| 8. | Tanzania Embassy in Brasilia | 375,855,407 |
| 9. | Embassy of Tanzania in Muscat | 6,743,452,763 |
| 10. | Tanzania High Commission in Pretoria, South Africa | 5,860,931,032 |
| 11. | High Commission of the United Republic Tanzania in Windhoek, Namibia | 171,363,312 |
| 12. | Tanzania Embassy in The Hague | 5,929,737,245 |
| 13. | Kilindoni Water Supply and Sanitation Authority | 637,570,494 |
| 14. | Community Based Conservation Training Centre | 645,015,435 |
| 15. | Lake Tanganyika Basin Water Board | 9,923,416,641 |
| 16. | Pangani Basin Water Board | 4,928,592,000 |
| 17. | Pasiansi Wildlife Training Institute | 7,622,249,108 |
| 18. | Beekeeping Training Institute | 7,606,351,332 |
| 19. | Tanzania Veterinary Laboratory Agency | 61,627,692,980 |
| 20. | Mbinga Urban Water Supply and Sanitation Authority | 3,439,237,743 |
| 21. | Mafinga Urban Water Supply and Sanitation Authority | 4,767,992,289 |
| 22. | Kasulu Water Supply and Sanitation Authority | 1,767,356,967 |
| 23. | Deep Sea Fishing Authority | 2,928,929,678 |
| 24. | Chunya Water Supply and Sanitation Authority | 591,671,761 |
| 25. | Ardhi Institute Tabora | 5,426,614,156 |
| 26. | Ardhi Institute Morogoro | 8,014,536,142 |
| 27. | Taasisi ya Sanaa Na Utamaduni Bagamoyo | 11,207,124,345 |
| 28. | Mpwapwa Water Supply and Sanitation Authority | 3,392,663,113 |
| 29. | Loliondo Water Supply and Sanitation Authority | 929,250,599 |
| 30. | Kondoa Water Supply and Sanitation Authority | 3,846,578,404 |
| 31. | Fisheries Education and Training Agency | 20,025,289,322 |
| 32. | Kibong'oto Infectious Diseases Hospital | 11,954,123,298 |

| SN | Entity | Assets Value (TZS) |
|-----|---|------------------------|
| 33. | Inspection and Supervision Cooperative Fund | 1,511,021,628 |
| | Total | 243,711,429,451 |

Appendix VII: Dilapidated buildings

| Dilapidated Buildings in CDTI in September 2023 | | |
|--|---------------|---|
| SN | CDTI | Dilapidated buildings |
| 1 | Mabughai | Staff house |
| | | Hostel |
| | | Dining hall (canteen) |
| 2 | Rungemba | Staff house |
| 3 | Mlale | Staff house |
| | | Hostel |
| | | Dining hall (canteen) |
| 4 | Uyole | Staff house |
| 5 | Monduli | Staff house |
| | | Hostel |
| | | Kitchen |
| | | Dining hall (canteen) |
| 6 | Misungwi | Staff house |
| | | Hostel |
| | | Dining hall (canteen) |
| 7 | Buhare | Hostel |
| | | Staff house |
| | | Teacher's office building |
| | | Hall |
| | | Computer building |
| | | Dining hall (canteen) |
| | | Classrooms |
| 8 | Ruaha | Staff house |
| | | Hostel |
| | | Office buildings |
| Dilapidated buildings at elders' homes and retention homes | | |
| No. | Location | |
| 1 | Kigoma | Elders home Kibirizi |
| 2 | Mwanza | Elders home Bukumbi |
| 3 | Musoma | Elders home Nyabange |
| 4 | Tanga | Retention home and elder's home Msufini |
| 5 | Mbeya | Irambo school |
| 6 | Dar Es Salaam | Retention homes Upanga |
| 7 | Morogoro | Elders home Funga Funga |
| 8 | Kagera | Elders home Kilima |

Source: Individual Management Letters 2022/23

Appendix VIII: Entities with Outstanding Liabilities

| SN | Entity | Outstanding Liabilities (TZS) |
|-----|---|-------------------------------|
| 1. | Agency For the Development of Educational Management | 416,120,551 |
| 2. | Amana Regional Referral Hospital | 2,251,907,843 |
| 3. | Beekeeping Training Institute | 130,242,840 |
| 4. | Benjamini Mkapa Hospital | 4,343,072,252 |
| 5. | Bukoba Regional Referral Hospital | 194,540,440 |
| 6. | Bunda Water Supply and Sanitation Authority | 943,686,563 |
| 7. | Busega Water Supply and Sanitation Authority | 579,436,303 |
| 8. | Business Registrations and Licensing Agency | 257,811,518 |
| 9. | Chato Zonal Referral Hospital | 125,787,820 |
| 10. | Commission for Human Rights and Good Governance | 1,224,673,312 |
| 11. | Dodoma Regional Referral Hospital | 11,683,247,384 |
| 12. | Drugs Control and Enforcement Authority | 356,066,774 |
| 13. | Fisheries Education and Training Agency | 821,974,859 |
| 14. | Government Chemist Laboratory Authority | 1,050,851,311 |
| 15. | Handeni Trunk Main Water Supply and Sanitation | 1,000,857,126 |
| 16. | Igunga Water Supply and Sanitation Authority | 2,591,400,273 |
| 17. | Immigration Services Department | 9,200,841,027 |
| 18. | Institute of Judicial Administration | 197,512,395 |
| 19. | Judiciary of Tanzania | 57,809,156,813 |
| 20. | Kasulu Urban Water Supply and Sanitation Authority | 65,383,199 |
| 21. | Katavi Regional Referral Hospital | 195,784,828 |
| 22. | Kibondo Urban Water Supply and Sanitation Authority | 135,258,474 |
| 23. | Kondoa Water Supply and Sanitation Authority | 260,964,411 |
| 24. | Lake Tanganyika Basin Water Board | 163,601,054 |
| 25. | Makete Water Supply and Sanitation Authority | 111,355,540 |
| 26. | Makonde Plateau Water Supply and Sanitation Authority | 1,548,943,437 |
| 27. | Maswa Water Supply and Sanitation Authority | 1,005,991,650 |
| 28. | Maweni Regional Referral Hospital | 1,560,551,694 |
| 29. | Mawenzi Regional Referral Hospital | 1,248,721,285 |
| 30. | Mbeya Regional Referral Hospital | 444,136,623 |
| 31. | Mbeya Zonal Referral Hospital | 6,853,576,519 |
| 32. | Mining Commission | 1,981,551,085 |
| 33. | Ministry of Agriculture | 31,449,171,876 |
| 34. | Ministry of Community Development, Gender, Women and Special Groups | 2,399,781,006 |
| 35. | Ministry of Culture, Arts and Sports | 5,208,940,368 |
| 36. | Ministry of Defence and National Service | 1,025,031,901,627 |
| 37. | Ministry of Education, Science and Technology | 11,639,153,878 |
| 38. | Ministry of Health | 292,523,061,932 |
| 39. | Ministry of Home Affairs | 1,503,765,196 |
| 40. | Ministry of Lands, Housing and Human Settlements Development | 9,260,493,120 |

| SN | Entity | Outstanding Liabilities (TZS) |
|-----|--|----------------------------------|
| 41. | Ministry of Livestock and Fisheries (Fisheries Sector) | 3,094,660,242 |
| 42. | Ministry of Livestock and Fisheries (Livestock) | 6,428,678,947 |
| 43. | Ministry of Natural Resources and Tourism | 1,656,870,914 |
| 44. | Ministry of Work (Vote 98) | 290,387,436,032 |
| 45. | Mirembe National Mental Health Hospital | 2,178,391,257 |
| 46. | Mtwara Zonal Referral Hospital | 155,436,647 |
| 47. | Mugango/Kiabakari Water Supply and Sanitation Authority | 571,936,465 |
| 48. | Mwananyamala Regional Referral Hospital | 1,690,291,762 |
| 49. | National Electoral Commission | 215,364,078 |
| 50. | National Food Reserve Agency | 353,506,494 |
| 51. | National Identification Authority | 10,271,203,866 |
| 52. | National Information Communications Technology Broadband Backbone | 142,381,484,058 |
| 53. | National Irrigation Commission | 1,546,227,248 |
| 54. | National Land Use Planning Commission | 381,182,989 |
| 55. | National Prosecution Services | 438,153,827 |
| 56. | National Service (JKT) | 4,543,972,355 |
| 57. | Nelson Mandela African Institution of Science and Technology (NM-AIST) | 3,455,042,188 |
| 58. | Njombe Regional Referral Hospital | 1,967,816,894 |
| 59. | Office of Solicitor General | 159,992,773 |
| 60. | Tanzania High Commission Ottawa-Canada | 125,955,092 |
| 61. | President's Office Ethics Secretariat | 109,475,507 |
| 62. | President's Office Public Service Commission | 1,183,523,454 |
| 63. | President's Office Records and Archives Management Department | 240,586,907 |
| 64. | Prisons Service Department | 111,409,379,249 |
| 65. | Registration Insolvency and Trusteeship Agency | 820,126,225 |
| 66. | Roads Fund Board | 214,263,530 |
| 67. | Rombo Water Supply and Sanitation Authority | 1,145,156,253 |
| 68. | Rural Energy Agency | 404,520,743,813 |
| 69. | Rural Water Supply and Sanitation Agency | 199,513,737,357 |
| 70. | Sekoutoure Regional Referral Hospital | 1,316,074,941 |
| 71. | Shinyanga Regional Referral Hospital | 329,981,667 |
| 72. | Simiyu Regional Referral Hospital | 275,769,178 |
| 73. | Songwe Regional Referral Hospital | 330,087,925 |
| 74. | Sumbawanga Referral Regional Hospital | 930,337,886 |
| 75. | Taasisi Ya Sanaa Na Utamaduni Bagamoyo | 176,646,549 |
| 76. | Tanga Regional Referral Hospital | 2,759,853,957 |
| 77. | Tanzania Agricultural Research Institute | 5,458,249,648 |
| 78. | Tanzania Airport Authority | 5,237,420,947 |
| 79. | Tanzania Commission for Aids | 112,684,277 |
| 80. | Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA) | 55,547,999,687 |

| SN | Entity | Outstanding Liabilities (TZS) |
|-----|---|-------------------------------|
| 81. | Tanzania Embassy in Brussels | 917,287,060 |
| 82. | Tanzania Embassy in Kinshasa | 246,224,896 |
| 83. | Tanzania Embassy in Paris | 149,427,854 |
| 84. | Tanzania Embassy in Riyadh, Saudi Arabia | 440,268,898 |
| 85. | Tanzania Embassy in Seoul Korea | 100,467,370 |
| 86. | Tanzania Embassy, Washington, D.C | 2,664,089,014 |
| 87. | Tanzania Forest Research Institute | 1,400,189,622 |
| 88. | Tanzania Government Flight Agency | 2,851,143,319 |
| 89. | Tanzania High Commission in Mozambique- Maputo | 241,680,000 |
| 90. | Tanzania High Commission in Pretoria | 495,107,454 |
| 91. | Tanzania Police Force | 621,908,821,991 |
| 92. | The Law School of Tanzania | 10,739,383,954 |
| 93. | Tumbi Regional Referral Hospital | 652,708,912 |
| 94. | Tunduma Water Supply and Sanitation Authority | 161,554,576 |
| 95. | United Nations Educational, Scientific and Cultural Organization (UNESCO) | 231,225,898 |
| 96. | Ushiroambo Water Supply and Sanitation Authority | 476,967,348 |
| 97. | Vvawa Mlwo Water Supply and Sanitation Authority | 100,034,262 |
| | Total | 3,397,183,561,719 |

Appendix IX: Loss of Revenue Due to Rejection of Health Insurance Claims

| SN | Entity | Amount Claimed (TZS) | Reimbursed Amount (TZS) | Rejected Amount (TZS) |
|----|-------------------------|----------------------|-------------------------|-----------------------|
| 1 | Mbeya RRH | 623,019,845 | 548,567,439 | 74,452,406 |
| 2 | Mbeya Zonal RRH | 21,730,119,899 | 18,996,483,059 | 2,733,636,840 |
| 3 | Mount Meru RRH | 2,665,605,444 | 2,554,574,555 | 111,030,889 |
| 4 | Bukoba RRH | 2,149,971,976 | 1,992,696,557 | 157,275,419 |
| 5 | Chato RRH | 1,042,041,360 | 961,237,975 | 80,803,385 |
| 6 | Geita RRH | 737,851,795 | 711,670,965 | 26,180,830 |
| 7 | Musoma RRH | 2,433,932,548 | 2,171,854,082 | 262,078,466 |
| 8 | Shinyanga RRH | 1,856,967,129 | 1,624,061,463 | 232,905,666 |
| 9 | Simiyu RRG | 885,708,914 | 827,351,769 | 58,357,145 |
| 10 | Temeke RRH | 1,625,483,750 | 1,506,191,470 | 119,292,280 |
| 11 | Sekou Toure RRH | 2,514,002,784 | 2,384,564,779 | 129,438,005 |
| 12 | Amana RRH | 1,357,263,860 | 1,293,370,249 | 63,893,611 |
| 13 | Benjamin Mkapa Hospital | 14,083,348,307 | 10,816,939,704 | 3,266,408,603 |
| 14 | Dodoma RRH | 2,825,573,834 | 2,290,525,430 | 535,048,404 |
| 15 | Iringa RRH | 2,149,150,230 | 2,099,577,715 | 49,572,515 |
| 16 | Ligula RRH | 1,654,613,765 | 1,559,760,555 | 94,853,210 |
| 17 | Mawenzi RRH | 1,240,746,285 | 1,144,467,334 | 96,278,951 |
| 18 | Mtwara RRH | 462,215,835 | 438,496,755 | 23,719,080 |
| 19 | Mwananyamala RRH | 1,058,304,429 | 900,691,955 | 157,612,474 |
| 20 | Songea RRH | 883,153,290 | 810,381,727 | 72,771,564 |
| 21 | Songwe RRH | 713,634,545 | 668,450,185 | 45,184,360 |
| 22 | Tabora RRH | 1,220,943,050 | 1,129,104,638 | 91,838,412 |
| 23 | Singida RRH | 2,610,882,230 | 2,465,540,350 | 145,341,880 |

| SN | Entity | Amount Claimed (TZS) | Reimbursed Amount (TZS) | Rejected Amount (TZS) |
|----|--------------|-----------------------|-------------------------|-----------------------|
| 24 | Maweni RRH | 2,693,615,559 | 2,377,687,523 | 315,928,036 |
| | Total | 71,218,150,663 | 62,274,248,233 | 8,943,902,431 |

Source: Individual Management Letters 2022/23

Appendix X: Equipment supplied but not in use.

| SN | Name of the hospital | Description of the equipment | Quantity | U/Price (TZS) | Total Price (TZS) | Delivery Date/Reference No. | Status on 15 January 2024 | Reasons for not putting in use |
|----|----------------------|--|----------|---------------|-------------------|-----------------------------|---|---|
| 1 | Songwe RRH | Digital ray-ray | 1 | 352,080,000 | 352,080,000 | 21/3/2022 | Installed | Non-completion of EMD, ICU, and Maternity block |
| | | CT-SCAN Machine | 1 | 1,446,939,999 | 1,446,939,999 | 29/11/2022 | Installed | Non-completion of EMD, ICU, and Maternity block |
| | | Patient Multipara meter cardiac monitor | 18 | 19,560,000 | 352,080,000 | 11/3/2022 | Delivered as boxes, not yet inspected and not installed due to incomplete of the building | Non-completion of EMD, ICU, and Maternity block |
| 2 | Songea RRH | Haemodialysis machine (JHM-2028A) Double pump with KT/V, BI-CORD HOLDER, and BPM | 1 PC | 34,017,775 | 34,017,775 | 15/12/2021 | Not installed | Non-construction of dialysis and incinerator building |
| | | Haemodialysis machine (W-T2008-B) Double Pump with KT/V, BI-CORD HOLDER, and BPM | 5 PC | 24,580,326 | 122,901,628 | 15/12/2021 | Not installed | Non-construction of dialysis and incinerator building |
| | | Haemodialysis machine-(SWS-6000A) Single pump with KT/V and BPM | 3PC | 25,968,500 | 77,905,500 | 15/12/2021 | Not installed | Non-construction of dialysis and incinerator building |
| | | Procurement of incinerator vide PV n.0082RVRHV230 0186 supplied by | 1PC | 6,000,000 | 6,000,000 | 11/10/2022 | Not installed | Non-construction of dialysis and incinerator building |

| SN | Name of the hospital | Description of the equipment | Quantity | U/Price (TZS) | Total Price (TZS) | Delivery Date/Reference No. | Status on 15 January 2024 | Reasons for not putting in use |
|--------------|-------------------------------|--|----------|---------------|-------------------------|-----------------------------|--|---|
| | | Incinico Kibola Limited | | | | | | |
| 3 | Mawenzi RRH | Haemodialysis machines | 9 Pc | 30,871,958 | 277,847,626 | 22/12/ 2021 | Not installed | Non-construction of dialysis Building |
| 4 | Mbeya RRH | Hemodialysis Machine-(JHM-2028A) Double Pump With KT/V, BI-C:ORD Holder And BPM | 6 | 34,017,775 | 204,106,649.16 | 21/05/2022 | The equipment are in the store not yet fixed | Non-construction of dialysis Building |
| | | Hemodialysis Machine-(W-T2008-B) Double Pump With Kt/V , BI-C:ORD Holder And BPM | 4 | 24,580,326 | 98,321,302.56 | 21/05/2022 | The equipment are in the store not yet fixed | Non-construction of dialysis Building |
| 5 | Mbeya Zonal Referral Hospital | Laptop Computers 16, Desktop Computers Televisions, Office Tables and Chairs, Sofa set, Tablets 6, Photocopy Machines, | - | - | 2,972,200,479.72 | 0078MZRHV23 01746 | The equipment are in the store not yet fixed | Non completion of the building for fixing the equipment |
| Total | | | | | 5,944,400,959.44 | | | |

Source: Individual Management Letters 2022/23

Appendix XI: Insufficient Number of Medical Specialists and Equipment in RRHs

| SN | Name of Regional Referral Hospital | Absence of Specialists | SN | Name of Regional Referral Hospital | Medical Equipment |
|----|------------------------------------|------------------------|----|------------------------------------|-------------------|
| 1 | Mbeya RRH | 10 | 1 | Mbeya RRH | 10 |
| 2 | Ligula RRH | 2 | 2 | Ligula RRH | 2 |
| 3 | Mawenzi RRH | 10 | 3 | Mawenzi RRH | 10 |
| 4 | Chato ZRH | 13 | 4 | Chato ZRH | 13 |
| 5 | Iringa RRH | 7 | 5 | Geita RRH | 7 |
| 6 | Geita RRH | 7 | 6 | Shinyanga RRH | 10 |
| 7 | Songea RRH | 18 | 7 | Bukoba RRH | 6 |
| 8 | Shinyanga RRH | 10 | 8 | Singida RRH | 121 |
| 9 | Simiyu RRH | 13 | | Total | 179 |
| 10 | Bukoba RRH | 6 | | | |
| 11 | Mtwara ZRH | 13 | | | |
| 12 | Njombe RRH | 12 | | | |
| 13 | Tumbi RRH | 24 | | | |
| 14 | Songwe RRH | 19 | | | |
| 15 | Tabora RRH | 21 | | | |
| 16 | Singida RRH | 14 | | | |
| 17 | Maweni RRH | 18 | | | |
| | Total | 217 | | | |

Source: Individual Management Letters 2022/23

Appendix XII: Uncollected Water Bills

| SN | CBWSO | Region | District | Amount |
|----|---------------|-----------|-------------|---------------|
| | | | | TZS |
| 1 | Bulyangulu | Shinyanga | Kahama | 56,919,500/00 |
| 2 | Bunnema | Shinyanga | Kishapu | 5,507,177/20 |
| 3 | Chisichili | Dodoma | Dodoma | 8,326,000/00 |
| 4 | Igogo | Tabora | Igunga | 2,797,700/70 |
| 5 | Ilogi | Shinyanga | Kahama | 64,601,701/27 |
| 6 | Izazi | Iringa | Iringa | 1,111,465/46 |
| 7 | Kalenga | Iringa | Iringa | 3,171,000/00 |
| 8 | Mahembe | Shinyanga | Shinyanga | 33,279,050/05 |
| 9 | Kidabaga | Iringa | Iringa | 2,765,500/50 |
| 10 | Migoli | Iringa | Iringa | 7,819,800/80 |
| 11 | Benguka | Tabora | Ngara | 15,184,000/00 |
| 12 | Endabay | Manyara | Manyara | 15,184,000/00 |
| 13 | Nkaiti | Manyara | Babati DC | 2,933,500/00 |
| 14 | Mlipango | Tanga | Tanga | 7,944,542/00 |
| 15 | Mvumi Mission | Dodoma | Chamwino DC | 5,063,500/00 |
| 16 | Mwaisaka | Tabora | Nzega | 17,914,070/00 |
| 17 | Mwamabu | Shinyanga | Kishapu | 12,160,202/00 |
| 18 | Nala | Dodoma | Dodoma | 16,292,850/00 |
| 19 | Nanga | Tabora | Igunga | 24,788,502/00 |
| 20 | Ngamanga | Iringa | Iringa | 5,837,000/00 |
| 21 | Ngahenzezi | Dodoma | Chamwino DC | 1,089,200/00 |
| 22 | Solwa | Shinyanga | Shinyanga | 25,694,000/00 |
| 23 | Ubuki | Tabora | Nzega | 2,869,950/00 |
| 24 | Imalabupina | Geita | Geita | 3,135,500/00 |
| 25 | Lwamgasa | Geita | Geita | 1,554,000/00 |
| 26 | Nyakagwe | Geita | Geita | 13,714,500/00 |

| SN | CBWSO | Region | District | Amount |
|----|-------------------|------------|----------|-------------------------|
| | | | | TZS |
| 27 | Uyovu | Geita | Uyovu | 59,503,389/00 |
| 28 | Bukindo | Kagera | Ngara | 1,006,950/00 |
| 29 | Feuwasa | Mwanza | Misungwi | 9,076,580 /00 |
| 30 | Kimasikana | Arusha | Arumeru | 2,108,500/00 |
| 31 | Mwamashimba | Mwanza | Kwimba | 29,421,898/00 |
| 32 | Nyamwaki | Mwanza | Magu | 25,004,075/00 |
| 33 | Shiwasa | Mwanza | Misungwi | 9,361,700/00 |
| 34 | Mundemu | Dodoma | Bahi | 10,781,725/00 |
| 35 | Mlimpakato | Tabora | Mpanda | 12,237,943/00 |
| 36 | Hale | Tanga | Tanga | 2,874,250/00 |
| 37 | Iborogero | Tabora | Igunga | 6,685,150/00 |
| 38 | Katoro | Geita | Geita | 4,721,549/00 |
| 39 | Nyakagwe | Geita | Geita | 12,101,500 |
| 40 | Hang'wa | Mbulu | Manyara | 56,616,050/00 |
| 41 | Imuka | Izigo | Muleba | 8,637,000/00 |
| 42 | Kachekiru | Biharamuro | Kagera | 7,161,450/00 |
| 43 | Kibara | Bunda | Mara | 5,721,240/00 |
| 44 | Komuge | Rorya | Mara | 4,150,000/00 |
| 45 | Makuyuni | Monduli | Arusha | 8,837,000/00 |
| 46 | Murugo | Ngara Dc | Kagera | 7,538,000/00 |
| 47 | Nattambisso | Mara | Mara | 7,799,800/00 |
| 48 | Olmulo | Arusha | Arusha | 34,024,172/85 |
| 49 | Uroki Boma ngombe | Hai | Moshi | 454,068,410/00 |
| 50 | Mwika | Nkasi | Rukwa | 6,051,999/85 |
| | Total | | | 1,142,148,543/68 |

Source: Individual CBWSO Management Letter

Appendix XIII: Insufficient coverage of water networks in the CBWSO jurisdiction

| S N | CBWSO | Region | District | Total villages | No/ of | villages Covered | villages covered | not |
|-----|--------------|-----------|-----------|----------------|--------|------------------|------------------|-----|
| 1 | Ilogi | Shinyanga | Kahama | 16 | | 4 | 12 | |
| 2 | Mahembe | Shinyanga | Shinyanga | 5 | | 2 | 3 | |
| 3 | Mwamabu | Shinyanga | Kishapu | 12 | | 3 | 9 | |
| 4 | Bulyangu | Shinyanga | Kahama | 6 | | 2 | 4 | |
| 5 | Bunema | Shinyanga | Kishapu | 21 | | 5 | 16 | |
| 6 | Mahembe | Shinyanga | Kishapu | 5 | | 2 | 3 | |
| 7 | Ngamanga | Iringa | Iringa | 12 | | 6 | 6 | |
| | Total | | | 77 | | 24 | 53 | |

Source: Individual Management Letters

Appendix XIV: Water meters not examined and verified by WMA/

| SN | Name of CBWSO | Region | District | No of water meters not verified |
|-------|---------------|-----------------|----------------------|---------------------------------|
| 1 | Shinyanga | Kahama District | Bulyanhulu | 676 |
| 2 | Kagera | Ngara Dc | Benguka | 764 |
| 3 | Shinyanga | Kishapu Dc | Bunnema | 192 |
| 4 | Njombe | Ludewa Dc | Lugawaso | 60 |
| 5 | Njombe | Njombe Dc | Tove Mtwango | 1,298 |
| 6 | Dodoma | Dodoma CC | Chischili | 210 |
| 7 | Katavi | Mpanda Dc | MMASI | 194 |
| 8 | Katavi | Mlele | Wangongo | 1,067 |
| 9 | Katavi | Mpanda Dc | Mpakato | 559 |
| 10 | Shinyanga | Kahama Dc | Ilogi | 884 |
| 11 | Shinyanga | Shinyanga Dc | Mahembe | 321 |
| 12 | Arusha | Arumeru Dc | Makilenga | 2,241 |
| 13 | Kagera | Ngara Dc | Bukindo Kagunguli | 163 |
| 14 | Manyara | Hanang' | Endabay | 304 |
| 15 | Mwanza | Misungwi Dc | FEUWASA | 298 |
| 16 | Arusha | Arumeru Dc | KIMASAKINA | 30 |
| 17 | Manyara | Kiteto | Mdahalaba | 6 |
| 18 | Mwanza | Kwimba Dc | Mwamashimba | 508 |
| 19 | Manyara | Nkaiti | Nkaiti | 90 |
| 20 | Mwanza | Magu Dc | Nyamwaki | 1,132 |
| 21 | Mwanza | Misungwi | SHIWASA | 147 |
| 22 | Shinyanga | Kishapu | Mwamwabu | 218 |
| 23 | Dodoma | Dodoma CC | Nala | 224 |
| 24 | Shinyanga | Shinyanga Dc | Solwa | 742 |
| 25 | Mara | Musoma | Balisumakwi | 207 |
| 26 | Mara | Rorya Dc | Komuge | 428 |
| 27 | Ruvuma | Madabaga | Mkilima | 157 |
| 28 | Manyara | Mbulu | Hangwa | 1,146 |
| 29 | Mara | Bunda | Kibara | 408 |
| 30 | Arusha | Monduli | Makuyuni | 143 |
| 31 | Mara | Serengeti Dc | Nattambiso | 400 |
| 32 | Kagera | Biharamulo DC | Kachekiru | 610 |
| Total | | | | 15,827 |

Source: Individual CBWSO Management Letters FY 2022/23

Appendix XV: Under Collection of Revenue

| SN | CBWSO | District | Region | Budget TZS | Actual Collection TZS | Under Collection TZS |
|----|-------------------|-------------|-----------|----------------|-----------------------|----------------------|
| 1 | Katoro | Geita Dc | Geita | 23,000,000.00 | 16,369,550.00 | 6,630,450.00 |
| 2 | Imalabupina | Geita Dc | Geita | 120,000,000.00 | 73,500,700.00 | 46,499,300.00 |
| 3 | Lwamgasa | Geita Dc | Geita | 71,000,000.00 | 36,733,250.00 | 34,266,750.00 |
| 4 | Nyakagwe | Geita Dc | Geita | 99,360,000.00 | 69,858,300.00 | 29,501,700.00 |
| 5 | Uyovu | Bukombe Dc | Geita | 186,294,000.00 | 139,249,446.00 | 47,044,554.00 |
| 6 | Fulwe | Morogoro Dc | Morogoro | 96,000,000.00 | 67,675,835.32 | 28,324,164.68 |
| 7 | Ilogi | Kahama Dc | Shinyanga | 114,624,000.00 | 96,932,105.39 | 17,691,894.61 |
| 8 | Hale | Tanga Dc | Tanga | 79,960,000.00 | 53,778,038.47 | 26,181,961.53 |
| 9 | Iborogero | Igunga Dc | Tabora | 151,827,300.00 | 46,563,712.00 | 105,263,588.00 |
| 10 | Igogo | Igunga Dc | Tabora | 73,887,165.00 | 70,417,964.00 | 3,469,201.00 |
| 11 | Izazi | Iringa Dc | Iringa | 68,887,469.00 | 40,901,653.21 | 27,985,815.79 |
| 12 | Kalenga | Iringa Dc | Iringa | 60,000,000.00 | 55,414,768.00 | 4,585,232.00 |
| 13 | Kidabaga | Iringa Dc | Iringa | 31,219,000.00 | 29,731,999.98 | 1,487,000.02 |
| 14 | Migoli | Iringa Dc | Iringa | 174,427,500.00 | 65,816,900.00 | 108,610,600.00 |
| 15 | Benguka | Ngara Dc | Kagera | 234,889,800.00 | 117,153,700.00 | 117,736,100.00 |
| 16 | Manga kisemama | Nanyumbu DC | Mtwara | 28,500,000.00 | 23,496,240.00 | 5,003,760.00 |
| 17 | Mlipango | Tanga Dc | Tanga | 348,176,000.00 | 243,564,620.00 | 104,611,380.00 |
| 18 | Mwaisaka | Nzega Dc | Tabora | 119,358,000.00 | 92,366,518.00 | 26,991,482.00 |
| 19 | Nanga | Igunga Dc | Tabora | 151,827,300.00 | 85,344,809.00 | 66,482,491.00 |
| 20 | Ngamanga | Iringa Dc | Iringa | 39,534,000.00 | 3,297,000.00 | 36,237,000.00 |
| 21 | Ngeraengere | Morogoro Dc | Morogoro | 154,800,000.00 | 84,342,514.95 | 70,457,485.05 |
| 22 | Ubuki | Nzega Dc | Tabora | 52,256,342.00 | 51,798,006.00 | 458,336.00 |
| 23 | Jibondo | Mafia | Pwani | 23,500,000.00 | 17,488,588.34 | 6,011,411.66 |
| 24 | Isulilo | Maswa | Simiyu | 26,120,000.00 | 8,955,500.00 | 17,164,500.00 |
| 25 | Kiloleli | Busega | Simiyu | 75,768,996.00 | 44,514,308.00 | 31,254,688.00 |
| 26 | Mwandoya | Meatu | Simiyu | 129,000,000.00 | 39,722,686.00 | 89,277,314.00 |
| 27 | Nkimwankoi | Bariadi | Simiyu | 64,000,000.00 | 41,230,039.79 | 22,769,960.21 |
| 28 | Mwainange | Itilima | Simiyu | 47,450,000.00 | 25,595,065.80 | 21,854,934.20 |
| 29 | Nyakagwe | Geita Dc | Geita | 99,360,000.00 | 69,858,300.00 | 29,501,700.00 |
| 30 | IMALINYI-KIDUGALA | Njombe | Njombe | 99,360,000.00 | 69,858,300.00 | 29,501,700.00 |

| SN | CBWSO | District | Region | Budget TZS | Actual Collection TZS | Under Collection TZS |
|----|--------------|-------------|----------|-------------------------|-------------------------|-------------------------|
| 31 | Wangogo | Mlele | Katavi | 140,989,200.00 | 111,766,609.81 | 29,222,590.19 |
| 32 | Hang'wa | Mbulu | Manyara | 310,600,000.00 | 258,946,600.00 | 51,653,400.00 |
| 33 | Inkachika | Momba | Manyara | 10,500,000.00 | 1,981,915.86 | 8,518,084.14 |
| 34 | Lupira | Morogoro Dc | Morogoro | 84,694,800.00 | 72,394,734.00 | 12,300,066.00 |
| 35 | Mkata | Bagamoyo | Pwani | 259,042,611.00 | 190,217,381.00 | 68,825,230.00 |
| 36 | Imuka | Izigo | Muleba | 115,788,000.00 | 70,373,150.00 | 45,414,850.00 |
| 37 | Komuge | Rorya | Mara | 180,000,000.00 | 22,451,821.00 | 157,548,179.00 |
| 38 | Makuyuni | Monduli | Arusha | 37,080,000.00 | 33,462,781.00 | 3,617,219.00 |
| 39 | Munkekwa | Kyerwa | Kagera | 54,250,000.00 | 39,795,135.00 | 14,454,865.00 |
| 40 | Murugo | Ngara Dc | Kagera | 70,300,000.00 | 52,184,750.00 | 18,115,250.00 |
| 41 | Mlali | Morogoro Dc | Morogoro | 35,900,000.00 | 33,002,690.00 | 2,897,310.00 |
| 42 | Mmichiti | Momba | Songwe | 24,432,360.00 | 14,245,963.00 | 10,186,397.00 |
| 43 | Saza | Mbeya | Mbeya | 45,000,000.00 | 38,559,322.72 | 6,440,677.28 |
| 44 | Igwijima | Ilembo | Mbeya | 14,500,000.00 | 7,984,000.00 | 6,516,000.00 |
| 45 | Laela | Sumbawanga | Rukwa | 45,486,200.00 | 30,682,073.33 | 14,804,126.67 |
| 46 | Muze | Sumbawanga | Rukwa | 53,459,000 | 31,676,588 | 21,782,412.00 |
| 47 | Mwika | Nkasi | Rukwa | 14,741,000.00 | 9,419,156.15 | 5,321,843.85 |
| | Total | | | 4,541,150,043.00 | 2,900,675,089.12 | 1,640,474,953.88 |

Source: Submitted individual management letter

Appendix XVI: CBWSO with incompetent staff

| No | CBWSO | District | Region | Missing /professions competencies |
|----|---------------|-------------|-----------|-----------------------------------|
| 1 | Bulyangulu | Kahama | Shinyanga | Accounting |
| 2 | Bunnema | Kishapu | Shinyanga | Accounting |
| 3 | Chisichili | Dodoma | Dodoma | Accounting |
| 4 | Igogo | Igunga | Tabora | Accounting |
| 5 | Ilogi | Kahama | Shinyanga | Procurement and Technical |
| 6 | Izazi | Iringa | Iringa | Technical |
| 7 | Kalenga | Iringa | Iringa | Accounting |
| 8 | Mahembe | Shinyanga | Shinyanga | Procurement and Technical |
| 9 | Kidabaga | Iringa | Iringa | Procurement and Technical |
| 10 | Migoli | Iringa | Iringa | Procurement and Technical |
| 11 | Benguka | Ngara | Tabora | Procurement and Technical |
| 12 | Mlipango | Tanga | Tanga | Procurement and Technical |
| 13 | Mvumi Mission | Chamwino DC | Dodoma | Accounting |
| 14 | Mwaisaka | Nzega | Tabora | Accounting |
| 15 | Nala | Dodma | Dodoma | Accounting |
| 16 | Nanga | Igunga | Tabora | Procurement and Technical |
| 17 | Ngahenzezi | Chamwino DC | Dodoma | Procurement and Technical |
| 18 | Solwa | Shinyanga | Shinyanga | Procurement and Technical |
| 19 | Ubuki | Nzega | Tabora | Accounting |
| 20 | Uyovu | Uyovu | Geita | Procurement and Technical |
| 21 | Bukindo | Ngara | Kagera | Procurement and Technical |
| 22 | Feuwasa | Misungwi | Mwanza | Procurement and Technical |
| 23 | Nyamwaki | Magu | Mwanza | Procurement and Technical |
| 24 | Shiwasa | Misungwi | Mwanza | Procurement and Technical |
| 25 | Mundemu | Bahi | Dodoma | Procurement and Technical |
| 26 | Iborogero | Igunga | Tabora | Procurement and Technical |
| 27 | Heru juu | Kasulu | Kigoma | Procurement and Technical |
| 28 | Mukaka | Buhigwe | Kigoma | Procurement and Technical |
| 29 | Uviru | Uvinza | Kigoma | Procurement and Technical |
| 30 | Isulilo | Maswa | Simiyu | Procurement and Technical |
| 31 | Kiloleli | Busega | Simiyu | Procurement and Technical |
| 32 | Mwandoya | Meatu | Simiyu | Procurement and Technical |
| 33 | Nkimwankoi | Bariadi | Simiyu | Procurement and Technical |
| 34 | Mkongoro II | Kigoma DC | Kigoma | Accounting |
| 35 | Uwaka | Kakonko | Kigoma | Procurement and Technical |
| 36 | Mwainange | Itilima | Simiyu | Procurement and Technical |

Appendix XVII: Entities with Shortcomings in the Functioning of Audit Committees

| S N | Entities | Anomalies Noted |
|--------|---|-----------------------------------|
| 1 | Medical Council of Tanganyika | Did not establish Audit Committee |
| 2 | Sengerema Urban Water Supply and Sanitation Authority | |
| 3 | Mafinga Water Supply and Sanitation Authority | |
| 4 | Kibondo Water Supply and Sanitation Authority | |

| | | |
|----|---|--|
| 5 | Kasulu Water Supply and Sanitation Authority | |
| 6 | Liwale Water Supply and Sanitation Authority | |
| 7 | Kilwa Masoko Water Supply and Sanitation Authority | |
| 8 | Makonde Plateau Water Supply and Sanitation Authority | The committee did not meet to discharge its functions during the year |
| 9 | Rural Water Supply and Sanitation Agency | The committee did not review risk management process and approve the scope of the internal audit function/ |
| 10 | Singida Regional Referral Hospital | The committee did not meet to discharge its functions during the year/ |
| 11 | Pangani Basin Water Board | The committee did not meet to discharge its functions during the year/ |
| 12 | Rujewa Water Supply and Sanitation Authority | No annual report was prepared by the committee and did not review the function of internal audit unit/ |
| 13 | Simiyu Regional Referral Hospital | No committees annual work plan, and annual report/ |
| 14 | Ministry of Constitutional and Legal Affairs | The committee conducted only two meetings instead of four |
| 15 | Mount Meru Regional Referral Hospital | The committee conducted only one meeting during the year, did not review financial statements, and did not prepare an annual performance report/ |
| 16 | The Office of Attorney General | The committee conducted only two meetings during the year |
| 17 | Immigration Services Department | The committee did not conduct an evaluation of risk management/ |
| 18 | Geita Regional Referral Hospital | The committee did not review financial statements, prepare an annual report, and conduct an annual self-assessment/ |
| 19 | Dodoma Regional Referral Hospital | The committee did not perform its responsibilities during the year/ |
| 20 | Mwananyamala Regional Referral Hospital | The committee did not conduct an evaluation of risk management, and review of financial statements/ |
| 21 | Commission for Mediation and Arbitration | The committee conducted only two meetings during the year/ |
| 22 | Ministry of Water | The committee conducted only two meetings during the year/ |

Appendix XVIII: Entities with Ineffectiveness in Enterprise Risk Management

| S N | Entities | Anomalies Noted |
|--------|---------------------------------|---|
| 1. | SUMAJKT Consultancy | Non adoption of risk management practices |
| 2. | Immigration Services Department | Outdated risk register since 2021 |
| 3. | SUMAJKT Ports and Services | Non adoption of risk management practices |

| S N | Entities | Anomalies Noted |
|----------------|--|--|
| 4. | Sengerema Urban Water and Sanitation Authority | Non adoption of risk management practices |
| 5. | Town Planning Registration Board | Absence of approved risk management policy |
| 6. | Chato Water Supply and Sanitation Authority | Non preparation of Risk Management Policy |
| 7. | Valuers Registration Board | Non adoption of risk management practices |
| 8. | Livestock Training Agency | The agency has no risk register |
| 9. | Kibaya Water Supply and Sanitation Authority | Absence of risk management policy |
| 10. | Ardhi Institute Tabora | Non-performance of risk assessment |
| 11. | Tumbi Regional Referral Hospital | No risk management practices |
| 12. | Tanzania Film Board | No risk management practices |
| 13. | Tanzania Cooperative Development Commission | Non-adoption of risk management practices, and risk register not prepared/ |
| 14. | Agricultural Seed Agency | Risk management framework not approved |
| 15. | Simiyu Regional Referral Hospital | Non establishment of the Risk Management Framework |
| 16. | Mbeya Zonal Referral Hospital | Non-preparation of risk management policy |
| 17. | Amana Regional Referral Hospital | Non-adoption of risk management practices, and risk register not prepared/ |
| 18. | Shinyanga Regional Referral Hospital | Non-adoption of risk management practices/ |
| 19. | Bukoba Regional Referral Hospital | Non-adoption of risk management practices/ |
| 20. | Kibong'oto Infectious Diseases Hospital | Non-adoption of risk management practices, and risk register not prepared/ |
| 21. | Tumbi Regional Referral Hospital | Non-adoption of risk management practices/ |
| 22. | Singida Regional Referral Hospital | Risk management framework not established |
| 23. | Sumbawanga Regional Referral Hospital | Non-adoption of risk management practices, and risk register not prepared/ |
| 24. | Benjamin Mkapa Hospital | Non-adoption of risk management practices |

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