



# The AUDITOR GENERAL

Journal of the National Audit Office of Tanzania

Vol.1 No.1 January - April 2023



## Inside this issue:

CAG, Charles E. Kichere presented Annual Audit Report to the President, H.E. Dr. Samia Suluhu Hassan

NAOT Forensic Audit Facility is now operational: Documenting the journey and future prospects

Kichere meets with Pan African Federation of Accountants (PAFA) in Dar-es-Salaam

The Necessity of Data Harvesting and Analytics

Qualities of the good and successful Auditor

Querying the Source



Ensuring accuracy and integrity in Financial Reporting. The Controller and Auditor General of the United Republic of Tanzania signs his Annual Audit Report for Financial year 2021/2022, signifying the completion of a rigorous process of Audit. It is the Auditors duty to ensure that the Financial Reports are accurate and transparent, and that public funds are being used effectively and efficiently to a commitment to upholding financial accountability and the public trust.



Proudly standing among the dedicated members of the National Audit Office of Tanzania staff, the Controller and Auditor General (CAG), Mr. Charles E. Kichere and two Auditors from the Technical Support Services Unit (TSSU), Ms. Kauthar Othaman and Mr. Melchades Lwamlema pose for a group photo after successfully completing the preparation of Annual Government Annual Audit Reports for Financial year 2021/2022.



The Speaker of Parliament of the United Republic of Tanzania, Hon. Dr. Tulia Ackson (MP), introduces the Controller and Auditor General (CAG), Mr. Charles E. Kichere, during the tabling to the Parliament of the CAG's Annual General Reports for the Financial year 2021/2022. With years of experience and expertise in upholding transparency and accountability, CAG's Office provides invaluable insights into the management of our public resources and Government spending. A momentous occasion, witnessed by the highest representatives of our democracy.



The Controller and Auditor General (CAG), Mr. Charles E. Kichere presenting the findings from the Annual Audit Report during the press conference held in Dodoma. He is flanked by Chairpersons of the Parliamentary Standing Committees Hon. Halima Mdee (second right), the Chairperson of the Local Authorities Accounts Committee (LAAC) with the Committee's Vice Chairperson, Hon. Stanislaus Mabula (right), Chairperson of the Public Accounts Committee (PAC), Hon. Naghenjwa Kaboyoka (second left) with Committee Vice Chairperson, Hon. Japhet Hasunga (left).



The Chairman's Note..... 2

From the Chief Editor's Desk..... 3

CAG, Charles E. Kichere presented  
Annual Audit Report to the President,  
H.E. Dr. Samia Suluhu Hassan ..... 4

The power of ISO Certification:  
How it will benefit the National Audit  
Office of Tanzania ..... 9

Organizational Culture: Understanding  
and Managing the Heart of the Supreme  
Audit Institution. ....12

NAOT Forensic Audit Facility is now  
operational: Documenting the journey  
and future prospects .....14

CAG, Charles E. Kichere meets with  
Pan African Federation of Accountants  
(PAFA) in Dar-es-Salaam.....18

News in Pictures .....22

The Necessity of Data Harvesting  
and Analytics .....25

Querying the Source .....28

Strengthening Revenue Management in  
Public Institutions in Tanzania: Does the  
Government Electronic Payment  
Gateway (GePG) system matter? .....31

Justice Minister launches Ethics and  
Good Governance Week .....38

Unleashing the Mighty Force of AI:  
Revolutionising Auditing  
as We Know It.....40

Qualities of the good and successful  
Auditor .....42



Mr. Charles E. Kichere

**CHAIRMAN**



Mr. Focus Mauki  
**CHIEF EDITOR**



Ms. Sakina Mfinanga  
**MEMBER**



Mr. Benjamin Mashauri  
**MEMBER**



Ms. Wendy W. Massoy  
**MEMBER**



Mr. Deogratias E. Kirama  
**MEMBER**



Mr. Alcard M. Mumwi  
**MEMBER**

### COPYRIGHT

Since one of the objectives of the National Audit Office is to promote a wider dissemination of scholarly inquiries into the broad field of accounting/auditing, permission will be granted to reproduce any or part of the contents of the journal for education purposes provided that the source and the National Audit Office of Tanzania's copyright is indicated in any such reproduction.

### CONTACT

National Audit Office of Tanzania (NAOT)  
4 Ukaguzi road, Tambukareli, P. O. Box 950, 41104 Dodoma.  
Tel.: +255 (026) 2161200-9 • Fax: +255 (026) 2321245  
Email: ocag@nao.go.tz • Web: www.nao.go.tz



**ukaguzitanzania**

# The Chairman's Note



Dear esteemed reader of **The Auditor General**,

I hope you are in good health and resilient as the world recovers from the COVID-19 pandemic.

Much as this edition of The Auditor General journal abounds with articles on ethics and culture, I would like to focus on this noble area to the National Audit Office of Tanzania (NAOT), in particular.

The NAOT vision, mission, motto and core values are not meant for display, but rather for conforming to their literal interpretation and to their purpose.

If I may borrow the right phrase from our learned brothers and sisters, they are meant for abiding by letter and spirit.

In other words, all of us, NAOT servants and players, regardless of our titles, ought to not only comply with the vision, mission, motto and core values of the office, but also to live up to the intent behind them. The NAOT vision, mission, motto and core values were not devised

out of the blue, rather in line with the mandate of the office. As the Controller of funds from the Consolidated Fund and Auditor of the use of such funds, NAOT calls for a robust moral authority for the office to point an accusing finger at its customers.

Positive ethics and culture being among key building blocks of moral authority, NAOT cannot do without them, if it has to make lasting impact by delivering on its mandate with the country and the globe.

Although it is not as lethal as COVID-19, moral authority is equally infectious. Embracing its building blocks will go a long way in NAOT and its stakeholders winning public confidence.

Once earned, public confidence will pave way for smooth provision of oversight service for the public sector to account for mismanagement or embezzlement of the taxpayers' funds, if any.

With public confidence in place, NAOT will, along with its stakeholders, buttress its constitutional independence to effectively and efficiently promote accountability, transparency and good governance countrywide.

Yes, NAOT needs Parliament, media and the civil society, among others, for it to thoroughly play its role of the taxpayers' watchdog in the public sector just as these other institutions need the office to thwart fraudulent practices.

It is high time, therefore, each of the NAOT staff and stakeholders regularly realigned his or her conduct to conform to the vision, mission, motto and core values of the office. Nothing is impossible to a willing heart.

I wish you all continued good health and safety.

With gratitude,

Charles E. Kichere  
**Controller and Auditor General (CAG)**



# From the Chief Editor's Desk

Dear valued reader,

Welcome to the National Audit Office of Tanzania's The Auditor General journal edition, Vol 1, No 1, January - April 2023. Let me, in the first place, acknowledge receipt and thank you for your comments and ideas. Rest assured that we are working on them to improve the journal's content for it to have an impact and build a strong readership. In store for you in this edition are a series of articles aimed at shedding light on various auditing developments, with authors attempting to convince you to embrace changes through time. Numbers do not lie; as an English adage says. Data is a valuable asset in today's world, yet we rarely use mathematical computations for showing incontestable truth about situations.

The Indian Comptroller and Auditor General (CAG) has shown the way forward on exhausting the sleeping giant by establishing a Centre for Data Management and Analytics to enhance efficiency and accuracy of evidence in audit processes, build capacity in big data analytics, and to use the treasure of data to gain valuable insights. An author highlights in this edition the need for other organisations, including the National Audit Office of Tanzania (NAOT), to devise big data management frameworks and to invest in data management units. Through data harvesting in government and audited entities' websites and repositories, he believes organisations can gather reliable information for efficient and cost-effective solutions for operational adjustments. Another author recommends that NAOT consider obtaining certification 9001:2015 from the International Organisation for Standardisation (ISO) for the office to conform to international standards and best practices, and to improve its ability to serve Tanzanians. Since it serves as a benchmark for quality, reliability and credibility in public sector auditing, ISO 9001:2015 can improve credibility and reputation, performance and efficiency, communication and collaboration; increase customer satisfaction, accountability and transparency; and enhance risk management. Equally important for auditors to consider is application of Artificial Intelligence (AI) to quickly and accurately identify potential risks and



fraud, and to automate repetitive tasks. However, AI though leverages the power of machine learning, natural language processing and other technologies, comes with risks, including of exposure to cyber-attacks, and of making errors. Cyber-attacks are vices committed in the cyber space where, unlike in the physical space, crimes take place virtually, thanks to organisations' weak protection of software, hardware and data. Such vices prompt another author to recommend to organisations, the NAOT included, to raise awareness and to hire experts on cyber security in a bid to prevent and detect cyber threats, given the ability of a cyber-attack to bring a corporate to its knees in a blink of the eye.

Finally, this edition brings you findings of a study on the effectiveness and challenges of the Government's electronic Payment Gateway, popularity known by its GePG acronym, in revenue collection in the country. Thank you for your continued readership of The Auditor General journal. Please, continue reaching out to us with comments and ideas.

**Focus Mauki**  
**Chief Editor**

# CAG, Charles E. Kichere presented Annual Audit Report to the President, H.E. Dr. Samia Suluhu Hassan

By Focus Mauki



The Controller and Auditor General (CAG) of Tanzania, Mr. Charles E. Kichere on March 29, 2023 presented his Annual Audit Report for Financial Year 2021/2022 to The President of the United Republic of Tanzania, H.E. Dr. Samia Suluhu Hassan, to fulfill his mandate and responsibilities under Article 143 of the Constitution of the United Republic of Tanzania, 1977 and Section 34(1) and (2) of the Public Audit Act CAP 418 [R.E. 2021].

The CAG is responsible for Auditing the accounts and financial transactions of all government entities in Tanzania, including ministries, departments, and public institutions. The CAG's main objective is to ensure that public funds are being used efficiently, effectively, and in accordance with the law. By presenting an annual Audit Report, the CAG provides an objective and independent assessment of the government's financial management and performance. The CAG's Report contains information about the government's revenues, expenditures, assets, and liabilities, as well as any significant findings or recommendations.

CAG Reports are important for several reasons. First, it promotes transparency and accountability by providing citizens with information about how public funds are being



**Speaking after receiving the CAG's Audit Reports at Statehouse in Dar es Salaam recently, President Dr. Samia Suluhu Hassan has emphasized on the importance of transparency and accountability within the government operations, the President promised to take the CAG Audit findings seriously by making strong decision and policy development change, and identify areas where she can take strong action to improve the management of public funds and resources.**





used. Second, it helps identify instances of fraud, waste, and mismanagement in government operations, which can lead to corrective action and improved efficiency. Finally, it provides recommendations for improving government operations and financial management, which can ultimately benefit citizens by providing better public services.

In summary, the CAG presents his annual Audit Report every year to fulfill his mandate and responsibilities, promote transparency and accountability, identify instances of fraud and mismanagement, and provide recommendations for improving government operations and financial management.

The President of Tanzania is the head of state and government, responsible for leading the country and implementing policies that promote economic growth, social welfare, and political stability.

“

**By presenting the Annual Audit Report to the President of Tanzania, the CAG, is fulfilling its mandate of promoting good governance and ensuring that public funds are used for the benefit of all Tanzanians.**

**The President can then use the information contained in the Report to inform decision-making and policy development, and take appropriate action to address any issues or concerns raised in the Report.**

”

The President is also the Commander-in-Chief of the armed forces and represents Tanzania in international affairs.

The Controller and Auditor General (CAG) of Tanzania is an independent officer appointed by the President to oversee the financial affairs of the government.

Receiving the Annual Audit Report for the Financial Year 2021/2022 from the CAG is an important event for the President, as it provides an overview of the government's financial performance and identifies areas for improvement. This information can help the President make informed decisions and take action to address any issues that may arise.

The annual Audit Report presented by the Controller and Auditor General to the President is an important part of the accountability process in Tanzania. It provides information on the financial management of the government, highlights areas where there may be inefficiencies or risks, and offers recommendations for improvement. Through published CAG Audit Reports, Tanzania Government is better fighting corruption and promoting accountability by whereby they took the CAG findings obtained from the annual Audit Report seriously and used the information to inform his decisions and policies.

The presentation of the annual Audit Report by the Controller and Auditor General to the President is an important part of the accountability process in Tanzania. It provides information on the financial management of the government, highlights areas where there may be inefficiencies or risks, and offers recommendations for improvement.

Speaking after receiving the CAG's Audit Reports at Statehouse in Dar es Salaam recently, President Dr. Samia Suluhu Hassan has emphasized on the importance of transparency and accountability within the government operations, the President promised to take the CAG Audit findings seriously by making strong decision and policy development change, and identify areas where she can take strong action to improve the management of public funds and resources.

The Controller and Auditor General presents the Annual Audit Report to the President of Tanzania every year in accordance with the Constitution of The United Republic of Tanzania of 1977 and the Public Audit Act. The Laws



requires that the Controller and Auditor General (CAG) of Tanzania prepare and submit an annual Report on the Audited financial statements of the government to the President of Tanzania before 31st March every year.

The purpose of the Annual Audit Report is to provide an independent assessment of the financial management and performance of the government, including its various ministries, departments, and agencies. The Report identifies areas where there may be inefficiencies or risks, and makes recommendations for improvement.

The Report is an important tool for promoting transparency and accountability in government, and helps ensure that public funds are used in an efficient and effective manner.

By presenting the Annual Audit Report to the President of Tanzania, the CAG, is fulfilling its mandate of promoting good governance and ensuring that public funds are used for the benefit of all Tanzanians. The President can then use the information contained in the Report to inform decision-making and policy development, and take appropriate action to address any issues or concerns raised in the Report.

On the other hand the Audit Reports provide citizens with an objective and independent assessment of how the government is using public funds. This helps promote transparency and accountability, as citizens can see how their taxes are being spent. By providing an objective and independent assessment of how the government is using



public funds, Audit Reports enable citizens to hold their government accountable.

Moreover, Audit Reports can help promote transparency in government operations by providing information about government finances and operations that might otherwise be difficult for citizens to access. This can help citizens to better understand how government decisions are made and how public resources are allocated.

Ultimately, the transparency and accountability provided by Audit Reports can help build trust between citizens and their government.

When citizens have confidence that their government is using public funds in an efficient and effective manner, they are more likely to support government initiatives and participate in the governance activities. On the other hand, Audit Reports can help identify instances of fraud, waste, and mismanagement in government operations. This information can be used to hold government officials accountable and prevent future misuse of public funds. Audit Reports are an important tool for identifying instances of fraud, waste, and mismanagement in government operations.

The Reports provide an objective and independent assessment of how public funds are being used, which can help identify any irregularities or suspicious activity. This can include criminal investigations, disciplinary action, or other corrective measures. By taking action against those who engage in fraudulent or wasteful behavior, the government can help prevent future misuse of public funds. Moreover, the identification of fraud and mismanagement can help improve the overall efficiency and effectiveness of government operations. By identifying areas of weakness and implementing corrective measures, the government can reduce the risk of future losses and ensure that public funds are used in the most efficient manner possible.

In summary, the identification of fraud and mismanagement through Audit Reports is critical to maintaining the integrity of government operations and ensuring that public funds are used for their intended purposes. It is an essential part of promoting transparency, accountability, and good governance.

Audit Reports often contain recommendations for improving government operations and financial management. If these recommendations are implemented, it can lead to more efficient and effective use of public resources, which



can benefit citizens by providing better public services. Audit Reports often contain recommendations for improving government operations and financial management, which can lead to more efficient and effective use of public resources. When these recommendations are implemented, it can ultimately benefit citizens by providing better public services.

The recommendations contained in Audit Reports are typically based on best practices and can help the government identify areas where it can improve. For example, an Audit Report may recommend changes to financial management procedures, procurement policies, or human resource practices. These changes can result in cost savings, increased efficiency, and improved service delivery. By implementing these recommendations, the government can demonstrate its commitment to improving performance and accountability. It can also help build public trust by demonstrating that it takes its responsibility to manage public resources seriously.

Furthermore, the implementation of Audit recommendations can help ensure that public services are delivered in a timely and efficient manner. This can have a direct impact on citizens, who rely on public services such as healthcare, education, and transportation. Improving the quality of these services can lead to a better quality of life for citizens and contribute to the overall development of the country.

In summary, Audit Reports can play an important role in improving government performance by providing recommendations for improvement. When these recommendations are implemented, it can result in more efficient and effective use of public resources, which can ultimately benefit citizens by providing better public services. Audit Reports can help citizens participate in the governance process by providing them with information about government operations and finances.

This information can be used by citizens to hold government officials accountable, advocate for changes in government policies, and participate in budgeting and planning processes.

When citizens have access to this information, they are better equipped to hold government officials accountable for their actions. They can use Audit Reports to identify instances of fraud, waste, or mismanagement and to advocate for changes in government policies and practices. Audit Reports can also help citizens participate in budgeting and planning processes by providing information about government revenues and expenditures.

This information can be used by citizens to provide input on budget priorities and to ensure that public resources are being allocated in a manner that reflects the needs and priorities of the community.

Moreover, Audit Reports can help increase public trust in government by demonstrating that the government is committed to transparency and accountability. When citizens see that the government is willing to provide information about its operations and finances, it can help build confidence in the governance process and encourage greater citizen participation.

In summary, Audit Reports can promote citizen participation in the governance process by providing information about government operations and finances. This can help citizens hold government officials accountable, advocate for changes in government policies, and participate in budgeting and planning processes.

Overall, CAG Audit Reports on government finances are an important tool for promoting transparency, accountability, and good governance. They help ensure that public funds are used in an efficient and effective manner, and can empower citizens to participate more fully in the governance process.



# THE POWER OF ISO CERTIFICATION:

## HOW IT WILL BENEFIT THE NATIONAL AUDIT OFFICE OF TANZANIA

By Adam Mniko



ISO 9001:2015 is an internationally recognized standard for quality management systems (QMS) developed by the International Organization for Standardization (ISO). It provides a framework for organizations to ensure their products or services consistently meet customer requirements and are of high quality. The standard outlines a set of requirements organizations must follow to establish, implement, maintain, and continuously improve their QMS.



The ISO 9001:2015 standard is based on the principles of customer focus, leadership, involvement of people, process approach, system approach to management, continual improvement, fact-based decision making, and mutually beneficial supplier relationships. These principles form the basis of the standard and guide organisations in developing a quality management system that meets their specific needs and requirements.

ISO 9001:2015 emphasises the importance of customer satisfaction and requires organisations to determine and meet customer needs and expectations. The standard also requires organisations to establish and monitor performance metrics, conduct regular internal audits, and implement corrective actions to address any identified issues or opportunities for improvement.

Organisations that achieve certification to the ISO 9001:2015 standard demonstrate to customers and other stakeholders that they have implemented an effective QMS and are committed to providing high-quality products or services. Certification to the standard is voluntary, and organisations must undergo an audit by an independent certification body to achieve certification.

### ISO 9001:2015 and Quality Management System:

The International Organisation for Standardisation (ISO) developed the ISO 9001:2015 as a globally recognised standard for QMS. The standard provides a framework for organisations to ensure their products or services consistently meet customer requirements and are of high quality. The QMS based on ISO 9001:2015 provides a systematic approach to process management, risk management, and continuous improvement.

### Advantages of Obtaining QMS Certification Based on ISO 9001:2015:

#### 1. Improved Credibility and Reputation:

Obtaining a certification of QMS based on ISO 9001:2015 demonstrates that the National Audit Office of Tanzania (NAOT) has implemented a systematic approach to process management, risk management, and continuous improvement. This certification provides external validation of the NAOT's commitment to quality and its ability to meet customer requirements. This, in turn, enhances the credibility and reputation of the NAOT, as it demonstrates to stakeholders that the organisation is committed to providing high-quality audit services.



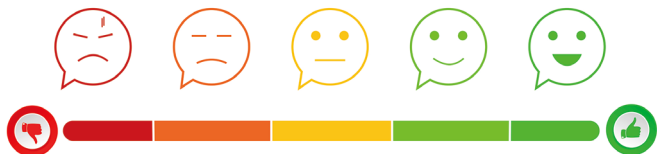
## 2. Improved Performance and Efficiency:

Implementing a QMS based on ISO 9001:2015 provides a framework for continuous improvement. By regularly reviewing and evaluating its processes, the NAOT can identify opportunities for improvement and implement changes to increase efficiency and effectiveness. The QMS based on ISO 9001:2015 also provides a systematic approach to risk management, enabling the NAOT to identify and mitigate potential risks that may impact its operations. This, in turn, results in improved performance and efficiency.

## 3. Improved Customer Satisfaction:

The QMS based on ISO 9001:2015 focuses on meeting customer requirements and ensuring products and services consistently meet their expectations. By implementing this system, the NAOT can identify customer needs and expectations, and develop processes to ensure these needs are met. This, in turn, leads to increased customer satisfaction, which is essential for the success of the organisation.

### How do you like our service ?



## 4. Increased Accountability and Transparency:

Implementing a QMS based on ISO 9001:2015 requires the NAOT to document its processes and procedures. This documentation provides transparency and accountability, as it enables stakeholders to understand how NAOT conducts its operations. This, in turn,

increases transparency and accountability, which are essential for the effective functioning of the NAOT.

## 5. Enhanced Risk Management:

The QMS based on ISO 9001:2015 provides a systematic approach to risk management. By identifying potential risks and developing processes to mitigate them, NAOT can minimise the impact of potential risks on its operations. This, in turn, enhances the risk management capabilities of the NAOT and ensures it can continue providing high-quality audit services.

## 6. Improved Communication and Collaboration:

Implementing a QMS based on ISO 9001:2015 requires the NAOT to develop processes for communication and collaboration. This enables the NAOT to share information and knowledge across different departments and teams, and improving collaboration and teamwork. This, in turn, leads to improved performance and efficiency and enhances the overall effectiveness of the organisation.



## How can ISO 9001:2015 Audit Function at NAOT

### Enhancing consistency and standardisation:

ISO 9001:2015 requires the implementation of standard operating procedures (SOPs) for all key processes. This helps to standardise audit procedures and ensures all audits are conducted consistently, regardless of the auditor or the audit team. By following a consistent approach, NAOT can ensure audit findings and recommendations are reliable and can be used to improve public sector performance.

### Improving risk management:

The QMS based on ISO 9001:2015 emphasises risk management, which can help the NAOT to identify and mitigate risks associated with its audit activities. By identifying potential risks, NAOT can take steps to reduce the likelihood and impact of these risks. This can help to ensure audit activities are conducted efficiently and effectively and audit reports are reliable and timely.



### Increasing efficiency:

Implementing a QMS based on ISO 9001:2015 can help to increase the efficiency of the audit function. By establishing clear procedures and guidelines for audit activities, NAOT can reduce the time required for conducting audits and producing reports. This can enable NAOT to conduct more audits within the same timeframe, which can help to improve public sector performance.

### Enhancing communication:

ISO 9001:2015 requires organisations to establish clear communication channels for all stakeholders. By implementing this requirement, NAOT can ensure stakeholders are kept informed of audit activities and results. This can help to increase transparency and accountability, and to build trust among stakeholders.

### Encouraging continuous improvement:

The QMS based on ISO 9001:2015 requires organisations to continuously monitor and improve their processes. By implementing this requirement, NAOT can identify areas for improvement in its audit function and take steps to address them. This can help to improve the effectiveness of the audit function and can lead to better public sector performance.

### Improving organisation's operations

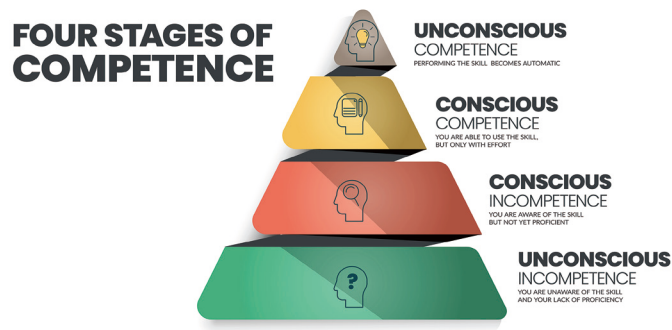
Apart from improving the audit function, ISO certification can also bring several benefits to other operations within a Supreme Audit Institution (SAI). Here are some ways in which ISO certification can improve other operations within an SAI:

#### Improving quality of internal processes:

The ISO 9001:2015 standard requires organisations to establish and implement procedures for their internal processes. By implementing these procedures, the SAI can improve the quality and consistency of its internal processes. This can include processes related to human resources, finance, procurement, and information management.

#### Enhancing staff competence:

ISO 9001:2015 requires organisations to provide training and development opportunities to their staff. By implementing this requirement, the SAI can enhance the competence and skills of its staff. This can improve the quality of audit reports, increase the efficiency of audit activities, and help to attract and retain skilled personnel.



### Improving customer satisfaction:

ISO 9001:2015 emphasises the importance of customer focus and requires organisations to determine and meet customer needs and expectations. By implementing this requirement, the NAOT can improve the satisfaction of its internal customers within the operations. This can lead to increased trust among ourselves and can help to improve our performances.

### Strengthening accountability:

ISO certification can help to strengthen the accountability. By implementing a QMS based on ISO 9001:2015, NAOT can demonstrate its commitment to quality and can provide evidence of compliance with international standards. This can help to build trust with stakeholders and can increase transparency and accountability.

### Supporting continuous improvement:

ISO 9001:2015 requires organisations to continuously monitor and improve their processes. By implementing this requirement, NAOT can identify areas for improvement in its operations and take steps to address these areas. This can help it to improve the effectiveness and can lead to better performance.

In conclusion, ISO certification plays a critical role in enhancing operations of the NAOT. The certification serves as a benchmark for quality, reliability, and credibility in public sector auditing. The ISO certification process ensures the NAOT conforms to the international standards and best practices, and improves its ability to serve the citizens of Tanzania. By achieving ISO certification, the NAOT is able to demonstrate its commitment to excellence, accountability, and continuous improvement. Ultimately, ISO certification is essential for the NAOT to achieve its mandate of ensuring transparency, accountability, and good governance in Tanzania's public sector.

# Organizational Culture: Understanding and Managing the Heart of the Supreme Audit Institution

*Written By: Richard R. Sylvester,*

(Administrative Officer, BD. HRM, Dip. Strategic People Management, Certified ISO 9001:2015 QMS Auditor)



## Introduction:

Supreme Audit Institutions (SAIs) play a critical role in promoting transparency, accountability, and good governance. As independent bodies responsible for auditing finances and operations of governments, SAIs operate in complex and challenging environments. To be effective and remain relevant, SAIs must have a strong

organisational culture that reflects their strategic plans. This article explores the importance and impact of organisational culture in SAIs.

## What is Organizational Culture?

Organisational culture is a complex and many-sided phenomenon that is shaped by a variety of factors, including an organisation's history, leadership style, industry, and employees' demographics. At its core, organisational culture reflects shared beliefs, values, and assumptions that guide an employee's behaviour and decision making. It is often described as the "heart" of an organization, as it influences everything ranging from an employee's morale and productivity to customer satisfaction and organisational performance. Understanding and managing an organisation's culture is essential to building a healthy and sustainable SAI.

## Elements of Organizational Culture:

Organisational Culture encompasses a variety of elements as illustrated in the table below:

Element of Organizational Culture	Description
Values	The fundamental beliefs and guiding principles that shape an employee's behaviour and decision making. They reflect what an organisation stands for and what it aspires to achieve.
Beliefs	The shared assumptions and attitudes that shape how individuals and groups within an organisation perceive the world and make decisions.
Norms	The unwritten rules and expectations that govern behaviour and interactions within an organisation. Norms can include things like communication style, dress code, and work hours.
Symbols	The tangible or intangible representations of an organisation's culture, such as logos, mission statements, or shared stories.
Rituals	The routines, ceremonies, and traditions that reinforce an organisation's culture and values, such as annual events, awards ceremonies, or daily team meetings.
Language	Specific terminology and language used within an organisation, including acronyms, jargons, and slang. Language can be a powerful tool for communicating and reinforcing an organisation's culture.
Assumptions	Underlying beliefs and values that are so deeply embedded in an organizations' culture that they are often unconscious or taken for granted. Assumptions can shape everything, ranging from decision making to an organization's approach to risk.

### Why is Organisational Culture Important?

SAls operate in a unique and challenging environment. They are responsible for auditing government's agencies and holding them accountable for their use of public funds. This requires a high-level independence, professionalism, and integrity. To be effective, SAls must have a strong organisational culture that reflects these values and reinforces the importance of their role in promoting good governance. A strong organisational culture in SAls can have several benefits, including:

**Increased public trust and public confidence:** A strong organisational culture can help to build public trust and confidence in SAls. When SAls have a reputation for independence, impartiality, and professionalism; the public is more likely to view their work as credible and trustworthy.

**Improved employee morale and engagement:** A positive organisational culture can improve an employee's morale and engagement. When employees feel that their work is meaningful, and that their organization is committed to its values, they are more likely to be motivated and engaged. A healthy organisational culture is like a clean aquarium water in which fish, plants, and other aquatic creatures thrive. On the other hand, a toxic organisational culture is like a dirty aquarium water which has a significant negative impact on the health and well-being of the aquatic pets.

**Staff thrives in a healthy culture**

**A toxic culture is like a dirty aquarium water**



**Enhanced organisational effectiveness and performance:** Organisational culture eats strategy for breakfast, lunch and dinner. No matter how good the SAls strategic plans are, they cannot be attained unless they have been aligned with strong organisational culture. When employees are aligned with an organisation's mission and goals, and when they feel empowered to contribute to its success, they are more likely to perform at a high level.

### Improved collaboration and teamwork:

A positive organisational culture can foster collaboration and teamwork among employees.

When employees feel they are part of a supportive and collaborative work environment, they are more likely to work together to achieve common goals.

### Creating a Strong Organisational Culture in SAls.

Creating a strong organisational culture in SAls requires a deliberate and intentional effort. Some strategies that can help to promote a positive organisational culture include:

**Articulating a clear mission and values:** SAls should have a clear and well-defined mission and set of values that reflect their role in promoting good governance.

**Ensuring independence and impartiality:** SAls must be independent and impartial in their work. They should have policies and procedures in place to ensure they are free from undue influence.

**Recognising and rewarding excellence:** SAls should recognise and reward excellence among their employees. This can help to promote a culture of creativity, innovation and reinforce the importance of their work.

**Organisational Cultural Values Assessment:** SAls should regularly review and assess their culture and make necessary adjustments.

**Investing in employees' development:** SAls should invest in employees' development and training to ensure they have skills and knowledge they need to perform their work effectively. In conclusion, a strong organisational culture is essential for the success of Supreme Audit Institutions. It can help build public trust and confidence, improve employees' morale and engagement, enhance organisational effectiveness and performance, and foster collaboration and teamwork. By promoting a positive organisational culture, SAls can better fulfill their critical role in promoting transparency, accountability, and good governance.

### REFERENCES:

- Azizah, N. N. (2018). The impact of organizational culture on the effectiveness of Supreme Audit Institutions in Indonesia. *Journal of Accounting and Auditing: Research & Practice*, 2018, 1-12. DOI: 10.5171/2018.727640
- Boudreau, J. W. (2017). Culture change in the public sector: A case study of the office of the auditor general of Canada. *Journal of Change Management*, 17(2), 114-135. doi: 10.1080/14697017.2016.1192209.
- Jafari, M. J., Shahabi, M., & Mousavian, S. J. (2019). Organizational culture and performance of supreme audit institutions. *International Journal of Business and Management*, 14(10), 11-22. DOI: 10.5539/ijbm.v14n10p11.
- Kim, K. H., & Jang, S. (2018). The relationship between organizational culture and public sector audit quality. *Journal of Cleaner Production*, 191, 42-50. doi: 10.1016/j.jclepro.2018.04.072.



# NAOT FORENSIC AUDIT FACILITY IS NOW OPERATIONAL: DOCUMENTING THE JOURNEY AND FUTURE PROSPECTS

By **Frank E. Sina**<sup>1</sup>



## 1. Introduction

A SAI plays an important role in strengthening transparency and accountability in the collection and utilisation of public resources. In doing so it enhances public trust and confidence in the government operations. In the United Republic of Tanzania, the Controller and Auditor General (CAG) is the Constitutional Authority, established under Article 143(1) of the Constitution of the United Republic of Tanzania, 1977, (hereinafter 'the Constitution'). He is also the Head of the National Audit Office of Tanzania recognised under Section 20 of the Public Audit Act, (Cap 418), as the Supreme Audit Institution of the United Republic of Tanzania.

The CAG is, through the National Audit Office, a statutory Auditor of all public entities in the United Republic of Tanzania pursuant to provisions of Articles 143(1-6) and 136 of the Constitution of the United Republic of Tanzania of 1977 and Section 5 of the Public Audit Act and other legislations, including the Public Finance Act, (Cap. 348 R:E 2020), the Local Government Authority Finance Act, (Cap 290 R:E 2020) and the Public Audit Regulations, 2009.

The CAG is mandated to undertake various types of audits, including financial, compliance, performance, special audits, forensic audit and any other type of audit as the CAG deems fit to all public entities of the United Republic of Tanzania and donor funded projects. We undertake the audits with the objective of bringing about greater accountability and transparency in the management of public resources. One of the audits this office undertakes is the forensic audit. Recently, the Office has completed the construction of the dedicated office facility which hosts the forensic audit unit and the forensic laboratory. This article seeks to document developments leading to this landmark achievement.

## 2. Forensic Audit Explained

For the purpose of this article, forensic audit is to be understood as an audit which involves specific procedures and audit techniques carried out to produce evidence, with the aim of proving, for example, for how long has fraud been conducted and how it was conducted by who and who concealed it.

Forensic audit involves a collection of evidence for the purpose of substantiating issues that would be relevant in criminal legal proceedings. This usually involves an assessment of the suspect's motive and opportunity for committing fraud; whether there was collusion to commit fraud involving several suspects and whether there is any physical evidence at the scene of the crime. It also includes scrutinising comments made by the suspect during interviews and/or at the time of arrest, and if there is any attempt to destroy evidence of the committed fraud (Smith & Crumbley, 2009). In the advent of technology, forensic audit has progressively evolved.

<sup>1</sup> PhD (Comparative Public Int. Law) Maastricht University, LL.M, (Ohio Northern University- US), LL.M, LL.B, (University of Dar es Salaam), PGDL (Law School of Tanzania), Post-Graduate Certificate in International Business and Development (Lund University & ESAMI). Former Fellow at the Integrity Vice president of the World Bank - Head Office in Washington DC- United States. Advocate Sina is currently a Senior Attorney at National Audit Office -Tanzania.



More and more of technological tools and software are being used during a forensic audit (Kyei K., Zavarisky P., Lindskog D., Ruhl R. (2013), ICDF2C 2012, Rogers, M.K. & Seigfried, K. (2004)). Apart from normal Physical Forensic analysis, which includes handwriting analysis, fingerprint analysis, ink sampling, document dating, simulated forgery of signatures analysis; now computer forensics includes hard disk imaging, e-mail analysis, search for erased files, analysing use and possible misuse of office computers for personal use and ensuring chain of custody for electronic evidence are methods commonly used for forensic auditing (Kabir, I. (2019)). A forensic auditor uses both old and new generation tools, including Audit Command Language (ACL), Idea Arbutus (almost like ACL) and Microsoft Excel or MS SQL. The new generation tools include SAS, R Project, the Python based solutions, Oracle Data Analytics and Verafin. Other tools are specific for text mining such as Semantria, Synapsys and Luminoso. They also use devices like Cellebrite UFED to access, manage and analyse digital data from electronic devices: Mobile phones and tablets (Szeżyńska M., Huebner E., Bem D., Ruan C. (2009)). Auditors must have a legal mandate to use these tools and must be professionally certified. Inevitably, this will involve getting access to ICT devices that store the data.

In Tanzania, the CAG has the mandate to conduct forensic audit. His mandate is derived from provision of Section 29 of the Public Audit Act which gives him the mandate to undertake different types of audits, and Section 27 which provides for communication of incidences of fraud or related offences in the course of forensic or any other type of audit. Under Regulation 82 of the Public Audit Regulations, 2009, the CAG is mandated to perform forensic audit on ministries, independent departments, agencies, local government, public authorities, and other bodies. This is usually upon notification by an officer of NAOT on suspicions of fraud

and upon being satisfied that it is probable that fraud might have occurred with regard to the accounts of any audited entity by the CAG.

When the CAG orders such an audit, a new audit engagement to such entity commences. The nature, time, and scope of such an audit are determined by the CAG. The reports of such audits are submitted to the requesting authority or any other authority as the CAG may determine. In practice, copies of such reports are communicated to investigative organs, particularly the Prevention and Combating of Corruption Bureau, the Director of Criminal Investigations, and the Director of Public Prosecutions. Auditors, who participate in forensic audits whose reports result in prosecutions, are usually called to clarify the audit findings and procedures used and eventually to testify as expert witnesses in courts of law.

### 3. Background and Evolution of the Forensic Audit Function at NAOT

Prior to the year 2008, the Office did not have clear legal mandate to conduct forensic audits. Following the enactment of the Public Audit Act, (Cap. 418), in 2008, the law provided for conduct of special and forensic audits through provisions of Sections 29 and 27 of the Public Audit Act and regulations 88-90 of the Public Audit Regulations issued through Government Proclamation No. 47 dated 6 March 2009. On November 15, 2018, the current NAOT organisation structure was approved by the President, and provide functions of the Forensic Audit Unit. Some of these functions are to: Identify areas for forensic audits; analyses, assess and prepare audit plans for the same; execute forensic audit plans and prepare periodic progress reports; monitor implementation of audit plans and activities and report accordingly; review, compile and submit draft audit reports for the audited entities/auditees to the Director for



further action; follow up the auditees/audited entities on the implementation of the audit recommendations and prepare briefs for parliamentary oversight and sectoral committees and other relevant authorities; prepare and present Audit briefs to the respective parliamentary oversight and sectoral committees and give details and clarifications as and when need arises; build capacity on forensic audit to all public organisations and other stakeholders; conduct investigations into any issue that may require to be investigated and reported upon; carry out special investigations as directed by the CAG; and develop and review mechanisms for quality assurance of forensic audits at all stages and ensure they are adhered to.

The unit is led by the Assistant Auditor General and has progressively been resourced with multidisciplinary professionals from five staff members, who were all accountants, by training to close to 30 staff members comprising financial experts, procurement experts, civil engineers, lawyers, ICT experts and quantity surveyors. The unit also frequently engages experts from other divisions and external consultants during the audit process as the audit scope may require. In relation to the responsibility of detecting and reporting incidences of fraud during the audit process, NAOT now plays a critical role. It is progressively becoming a major source of information used by investigative and prosecution authorities to prove an allegation of loss to the government's entities and other cases related to fraudulent transactions.

#### 4. The Forensic Audit Facility

Prior to the construction of the lab, the forensic staff sat at normal office spaces and the equipment was stored in normal office albeit with added security.

For the purpose of improving the delivery of the forensic audit services and enhancing security of the office, the construction of a special facility, where the forensic auditors would sit and Digital Forensic Laboratory (computer system analysis centre) where digital forensic audit analysis would take place, was thought. The office prepared a road map for the establishment of the forensic audit facility, including acquisition of digital forensic analysis tools and systems. The journey towards actualisation of the same started in 2019 when the first set of specific dedicated ICT equipment for the digital forensic laboratory was procured and delivered. Engagement of Watumishi Housing Company Limited (a public company) that designed the facility and upon approval by the management, the construction of the facility on the second floor of the Ukaguzi House, the Head Office of the National Audit of Tanzania in Dodoma, followed. In 2022, the office received the second batch of the high-tech equipment and software for the digital forensic laboratory (computer system analysis centre). The office was furnished and all the equipment was installed in the facility which has an office space for up to 50 staff members, a mini-conference hall and interview rooms.

#### 5. Recognition the Contributors

The support of the Government was instrumental towards achieving this vision. It did not only approve formal establishment of the forensic audit unit function, but also conferred the office with financial resources that formed part of the funds used for acquiring equipment and software and construction work. Other funders were the Public Finance Management Reform Programme (PFMRP) and the Building Sustainable Anti-Corruption Action in Tanzania (BSAAT) programme as summarised in Table 1.

No.	Activity	Amount Spent (TZS)	Supplier/contractor	Financier
1	Supply of Forensic Laboratory Equipment-Phase I	343,639,076	Ms. Cyber Security Africa Limited of Nairobi Kenya	PFMRP
2	Supply of Forensic Laboratory Equipment -Phase 2	428,839,500	Digital Intelligence INC (USA)	GoT
3	Supply of Forensic Laboratory Equipment -Phase 2	53,339,688	Digital Intelligence INC (USA)	PFMRP
4	Design and Construction of Forensic Audit Facility	285,651,000	Watumishi Housing Company (WHC),	PFMRP
5	Design and Construction of Forensic Audit Facility (Additional works)	34,610,000	Watumishi Housing Company (WHC),	GoT
6	Supply of Office Furniture	241,068,277	Jaffery Ind. Saini Limited	BSAAT
77	Supply and installation of Carpets	29,998,500	Inno-Cather Construction Systems Ltd	BSAAT
<b>TOTAL</b>		<b>1,417,146,041</b>		



The journey towards the establishment of the audit function and ultimately the establishment of the facility has been pioneered by many dedicated public officials.

We appreciate the leadership of former CAG, Mr. Ludovick S.L. Utouh (2006-2014), who established the forensic audit unit function at the office. Prof. Mussa J. Assad (2014-2019), who was a firm believer and proponent of the forensic audit function, spearheaded the road map for the lab and led to acquisition of the first batch of the high-tech equipment and software. In a special way, we applaud the incumbent CAG, Mr. Charles E. Kichere (since 2019), for his hearty efforts and hand on command that saw the vision of the establishment of the forensic audit facility come into reality. It is, perhaps, worth appreciating the efforts of the former and the current Directors of Administration and Human Resources in the process. Other officers, who made a recommendable contribution to this process are: Mr. Selemani Mwamba (Now, Ag. Director of Planning, Monitoring and Evaluation - DPME); Ms. Joan Mbuya, the former DPME; Mr. Emmanuel Lazaro, and Ms. Thuwaiba Kassim from Planning, Monitoring and Evaluation Division for solicitation of funds; and Mr. Frank Sina, the Senior Legal Officer for soliciting funds from the BSAAT programme, coordinating the contractual processes and negotiating with suppliers and contractors.

The contribution of office engineers, Mr. Claver Mwinuka, and Mr. Laurian Kidoyi, is also highly appreciated. They have tirelessly supervised the design and construction processes. The vision was pioneered by Mr. Baker Mageuza, the Assistant Auditor General in charge of the forensic audit unit and his highly dedicated ICT experts, namely Mr. Emmanuel Bellium, and Mr Martin Ngonyani.

### **The Future Prospects: Some more works to be done**

Obviously, the construction and its use are one of the major milestones in the realisation of the office strategic objectives of Improved Audit Standards, Methodologies and Reporting framework as reflected in the NAOT Strategic Plan 2021/22- 2025/26.

Nevertheless, there is still work to be done. Forensic auditors need to be more conversant with and skilled in the use of the acquired equipment and software for the computer system analysis centre. This means more capacity building is required. Further, the access, use and storage of information acquired in the analysis processes have to

be well guided to ensure such information is credible and can be used by other law enforcing bodies. This requires preparation and promulgation of guiding instruments, including manuals and policies.

Certainly, more high-tech equipment and software are to be acquired to keep pace with the development of science and technology. More so, the office will have to devise a mechanism for ensuring sustainability of the forensic laboratory equipment through maintenance and replacement of aging equipment which most have a life span of less than 10 years. On the other hand, the office has to embrace and strive to meet the expectations of the stakeholders following the inauguration of this state-of-the-art facility. It is hoped that the facility will enable the office to produce high quality audit reports in a reasonable time, lead to successful investigations and recovery of mismanaged public resources and form part of deterrence frameworks that will prevent corrupt practices in public services.

These will all contribute to attainment of national development targets as reflected in the National Five-Year Development Plan (FYDP III; 2021/22 – 2025/26).

Finally, congratulations to NAOT for the major achievement.

### **REFERENCE**

HERBERT, W. E., TSEGBA, I. N., ENE, E. E., & ONYILO, F. (2017), the Rise of Fraud Examination and Forensic Accounting in Africa: The Nigerian Experience, *Archives of Business Research*, 5(4), 1-18

ICDF2C 2012. *Lecture Notes of the Institute for Computer Sciences, Social Informatics and Telecommunications Engineering*, vol 114. Springer, Berlin, Heidelberg.

KABIR, Ibrahim (2019), *Forensic Audit, Forensic Tools and Techniques for Internal Auditors*.

KYEI K., ZAVARSKY P., LINDSKOG D., Ruhl R. (2013), A Review and Comparative Study of Digital Forensic Investigation Models. In: Rogers M., Seigfried-Spellar K.C. (eds) *Digital Forensics and Cyber Crime*.

ROGERS, M.K. & SEIGFRIED, K. (2004), The future of computer forensics: A needs analysis survey, *Journal of Computer and Security*, 23, 12-16.

SMITH, Stevenson and CRUMBLEY, Larry (2009), Defining a Forensic Audit, *Journal of Digital Forensics, Security and Law*, Vol. 4(1) 61.

SZEŻYŃSKA M., HUEBNER E., BEM D., RUAN C. (2009), Methodology and Tools of IS Audit and Computer Forensics – The Common Denominator. In: Park J.H., Chen H.H., Atiquzzaman M., Lee C., Kim T., Yeo S.S. (eds) *Advances in Information Security and Assurance, ISA 2009, Lecture Notes in Computer Science*, vol 5576. Springer, Berlin, Heidelberg.

# CAG, CHARLES E. KICHERE MEETS WITH PAN AFRICAN FEDERATION OF ACCOUNTANTS (PAFA) IN DAR-ES-SALAAM

By Correspondent

The meeting between the Controller and Auditor General (CAG), Mr. Charles E. Kichere and representatives from Pan African Federation of Accountants (PAFA) in Dar es Salaam focused on topics such as the professional development of accountants in Tanzania, the implementation of international accounting standards, and the promotion of financial transparency and accountability in the country. The meeting also discussed ways in which the CAG's office and PAFA could collaborate to advance these goals.

During this meeting which was held in Dar-es-Salaam in March 2023, CAG explained to PAFA delegates that he has responsibility to ensure proper management of public finances, provide independent assurance on the utilization of public resources, and conduct various audits of public entities while reporting to the Parliament.

"Your interest in Tanzania's accounting profession demonstrates a strong commitment to collaboration and knowledge-sharing, which is vital for the continuous improvement and growth of the profession in our country and making our Institution a credible and modern Institution with high-quality audit services for enhancing public confidence," explained CAG.

CAG further explained that, the accounting profession plays a crucial role in maintaining financial transparency and accountability in both the public and private sectors.

In today's increasingly interconnected and globalized world, accurate and reliable financial information is the foundation of sound decision-making and sustainable growth.

“

**Your interest in Tanzania's accounting profession demonstrates a strong commitment to collaboration and knowledge-sharing, which is vital for the continuous improvement and growth of the profession in our country and making our Institution a credible and modern Institution with high-quality audit services for enhancing public confidence.**

**CAG Kichere**

”

The accounting profession contributes to this process in several ways:

## **Establishing and maintaining high-quality accounting standards:**

Professional accountants adhere to internationally recognized accounting standards, such as International Financial Reporting Standards (IFRS) and International

Public Sector Accounting Standards (IPSAS), to ensure consistency and comparability of financial information across various entities and jurisdictions. These standards help promote transparency, accountability, and better understanding of the financial performance of organizations.

### **Ensuring financial integrity and compliance:**

Accountants play a pivotal role in detecting and preventing financial irregularities, fraud, and corruption. By performing audits, accountants help ensure that organizations follow applicable laws, regulations, and accounting principles, thereby promoting financial integrity and compliance in both public and private sectors.

### **Enhancing public trust:**

The accounting profession helps to build and maintain public trust by providing assurance that financial statements are accurate, reliable, and prepared in accordance with established accounting standards. This trust is essential for the proper functioning of financial markets and the overall stability of the economy.

### **Supporting decision-making and resource allocation:**

Accountants provide valuable financial information and insights to decision-makers in the public and private sectors, facilitating resource allocation, budgeting, and planning processes. This information allows for more informed decisions and helps to optimize the use of resources, contributing to overall organizational efficiency and effectiveness.

In conclusion, the accounting profession plays a vital role in maintaining financial transparency and accountability in the public and private sectors. By upholding high-quality accounting standards, ensuring financial integrity, and promoting continuous improvement, professional accountants contribute to the sustainable growth and development of organizations, industries, and economies around the world.

### **Promotion of the accounting profession by the CAG's office:**

The Office of the Controller and Auditor General (CAG) has undertaken various initiatives and programs aimed at promoting and enhancing the accounting profession in Tanzania.

Some of these key initiatives include:

#### **Capacity building and training:**

The CAG's office has been proactive in providing continuous professional development opportunities to its staff, including in-house training, workshops, and seminars on relevant topics and emerging issues in the accounting and auditing fields. This not only ensures that our professionals are up-to-date with the latest standards and practices but also helps in building a skilled and competent workforce capable of delivering high-quality audit services.

#### **Adoption and implementation of IPSAS:**

The CAG's office has played a significant role in the adoption and implementation of International Public Sector Accounting Standards (IPSAS) in Tanzania. This has involved creating awareness about IPSAS, providing technical assistance and guidance to public entities, and ensuring that financial reporting in the public sector adheres to these internationally recognized standards.

#### **Collaboration with professional bodies:**

The CAG's office actively collaborates with professional bodies, such as the National Board of Accountants and Auditors (NBAA), to support their efforts in regulating the accounting profession and promoting professional standards. This includes participating in joint training programs, sharing best practices, and contributing to the development of accounting and auditing guidelines and frameworks.

#### **Quality assurance and peer review:**

The CAG's office is committed to ensuring that the highest level of quality is maintained in its audit work. To this end, the office has implemented a robust quality assurance program that involves regular internal and external reviews of its audit processes and reports. Furthermore, the CAG's office participates in regional and international peer review initiatives to benchmark its performance against international best practices and standards. For example INTOSAI, AFROSAI, AFROSAI-E, INTOSAI WGEA, and SADCO-PAC.

#### **Public awareness and stakeholder engagement:**

The CAG's office recognizes the importance of engaging with various stakeholders, including the public, to create awareness about the role and importance of the accounting profession in promoting transparency and accountability.



This is achieved through various means, such as public forums, workshops, and media engagements, where the CAG's office shares its audit findings and recommendations to encourage informed discussions and improve overall financial management in the country.

*In summary, the CAG's office is dedicated to promoting and enhancing the accounting profession in Tanzania through a range of initiatives, such as capacity building, adoption of international standards, collaboration with professional bodies, quality assurance, and public awareness. These efforts contribute to the overall improvement of financial transparency, accountability, and good governance in the country.*

### Examples of capacity-building programs, workshops, and seminars organized for accounting professionals

The Office of the Controller and Auditor General (CAG) has organized and participated in numerous capacity-building programs, workshops, and seminars to support the professional development of accounting professionals in Tanzania. Some examples include:

#### IPSAS training workshops:

As part of the adoption and implementation of International Public Sector Accounting Standards (IPSAS) in Tanzania, the CAG's office has organized a series of workshops and training sessions for accounting professionals working in public entities. These sessions focus on the principles, application, and interpretation of IPSAS, enabling participants to better understand and apply these standards in their respective organizations. So far NAOT has 42 IPSAs Certified staff

#### Auditing techniques and methodology seminars:

To ensure that auditors are equipped with the latest auditing techniques and methodologies, the CAG's office regularly conducts seminars and training sessions covering various aspects of financial, performance, and compliance auditing. Topics covered in these sessions include risk-based

auditing, data analytics, internal controls assessment, and fraud detection and prevention.

#### International Financial Reporting Standards (IFRS) workshops:

As part of its efforts to promote high-quality financial reporting in the private sector, the CAG's office collaborates with the National Board of Accountants and Auditors (NBAA) to organize workshops and training sessions on the adoption and application of IFRS. These workshops provide accounting professionals with the knowledge and skills necessary to prepare and present financial statements in accordance with international standards. So far CAG Office has 10 ACCA-IFRS Diploma staff.

#### Ethics and professional conduct seminars:

Recognizing the importance of ethics and professional conduct in the accounting profession, the CAG's office organizes seminars and workshops that emphasize the ethical responsibilities of accounting professionals. These sessions cover topics such as professional independence, objectivity, confidentiality, and integrity, and often include case studies and discussions on ethical dilemmas faced by accountants in their daily work.

#### Information technology and cybersecurity workshops:

As technology continues to transform the accounting profession, the CAG's office organizes workshops and training sessions on information technology and cybersecurity for accounting professionals. These sessions cover topics such as data management, digital transformation, and the use of technology in auditing, as well as best practices for safeguarding sensitive financial information and protecting against cyber threats.

*Through these capacity-building programs, workshops, and seminars, the CAG's office is committed to supporting the continuous professional development of accounting professionals in Tanzania, ensuring they are well-equipped to meet the evolving demands of the profession and contribute to the country's financial transparency and accountability.*

## Progress made in adopting and implementing IPSAS in Tanzania

Tanzania has made significant progress in adopting and implementing IPSAS since 2008. The government has recognized the importance of IPSAS in promoting transparency, accountability, and effective financial management in the public sector. Some of the key achievements and ongoing efforts in adopting and implementing IPSAS in Tanzania include:

### Adoption of the Accrual Basis IPSAS:

The Tanzanian government has decided to adopt the accrual basis IPSAS, which requires the recognition of financial transactions when they are incurred, rather than when cash is received or paid. This provides a more comprehensive view of the financial position and performance of public sector entities, facilitating better decision-making and resource allocation.

### Legal and Regulatory Reforms:

Tanzania has undertaken legal and regulatory reforms to align its financial reporting framework with IPSAS requirements. This includes amending existing legislation and regulations, as well as introducing new ones to support the adoption of IPSAS.

In conclusion, Tanzania has made significant strides in adopting and implementing IPSAS, with a clear commitment from the government to enhance financial reporting, transparency, and accountability in the public sector. While challenges remain, the ongoing efforts and progress made to date demonstrate Tanzania's dedication to achieving a successful transition to IPSAS.

### Manpower - CPAs at NAOT:

NAOT has more than 1029 staff, of which more than 850 are auditors. Our auditors are highly qualified and bring a rich diversity of academic disciplines and experience to their work. Table 1 shows number of Auditors with professional qualifications in different accounting disciplines.

NAOT has dedicated Technical Support Unit to provide consultation and professional advice to audit teams and collaborates with large audit firms to share knowledge among staff.

**Table 1: Auditors with professional qualifications**

Professional Qualifications	Number of Auditors
Certified Public Accountants (CPA-T)	432
Diploma in International Financial Reporting (DiplFR)	10
Diploma in IPSAS	42

## The importance of having qualified CPAs to ensure the quality and credibility of audits conducted by NAOT

The importance of having qualified Certified Public Accountants (CPAs) at the National Audit Office of Tanzania (NAOT) cannot be overstated. Their expertise and qualifications play a crucial role in ensuring the quality and credibility of the audits conducted by NAOT. Some of the key reasons for having qualified CPAs on the team include:

### Technical expertise:

CPAs possess a strong foundation in accounting principles, financial reporting, and auditing standards. Their technical expertise allows them to accurately assess financial statements, identify irregularities, and ensure compliance with relevant regulations.

### Professional judgment:

Qualified CPAs have developed a keen sense of professional judgment through their education and experience. This enables them to make informed decisions and provide appropriate recommendations during the audit process.

### Maintaining public trust:

The credibility of the audit findings and recommendations is essential in maintaining public trust in the management of public resources. Employing qualified CPAs helps ensure that the audits conducted by NAOT are of the highest quality, and the resulting recommendations are well-founded and reliable.

### Adherence to ethical standards:

CPAs are bound by a strict code of ethics, which requires them to act with integrity, objectivity, and professional competence. By having qualified CPAs on the team, NAOT can ensure that its audits are conducted with the highest ethical standards.

# NEWS IN PICTURES



**Champions on and off the court!** The National Audit Office of Tanzania netball team proudly shows off their hard-earned trophy after dominating the 2023 NAOT Bonanza Competition held in Dodoma in March, 2023. A winning combination of teamwork, dedication, and skill led to this well-deserved victory. Congratulations, team.

**Leading the change towards financial transparency and accountability.** The Acting Director of Planning (DPME), Mr. Seleman Mwamba presents the 2023/2024 Annual budget plan for the National Audit Office of Tanzania to the members of the Parliamentary Accounts Committee (PAC) in March, 2023. With careful planning and strategic allocation of resources, the NAOT under the leadership of the Controller and Auditor General (CAG) continues to uphold its commitment to serving the public interest. Here's to another year of impactful and effective Auditing.



**Teamwork makes the dream work, on and off the field.** The National Audit Office of Tanzania, football team in a group photo during the 2023 staff bonanza in Dodoma in March, 2023. As Auditors, they know the importance of collaboration and communication, and it shows in their impressive performance, winning all tournaments both in and out of the office.

**Going above and beyond to give back to the community.** The National Audit Office staff participates in a blood donation drive as part of the 2023 Annual staff bonanza held in Dodoma in March, 2023. Through their selfless act, they help save lives and make a positive impact beyond the walls of the office. Proud to be part of a team that cares about making a difference."





# NEWS IN PICTURES



**Empowering the next generation of Auditors.** The Controller and Auditor General (CAG), Mr. Charles E. Kichere warmly welcomes new employees during the staff bonanza held in Dodoma in March, 2023. As the NAO continues to uphold its mandate of transparency and accountability, it is crucial to have a strong and dedicated team of professionals. Here's to a bright future and a commitment to public service!

**Building a team of Auditors with exceptional skills and expertise.** The Director of Human Resources, Mr. Novati Mfalamahoha (front) during the Audit training session for new employees aimed at equipping new Auditors with the knowledge and tools necessary to excel in their various Audit roles. As the NAOT continues to strive for excellence in Auditing, investing in the professional growth and development of its employees is a top priority of the Controller and Auditor General (CAG), Mr. Charles E. Kichere. A successful journey ahead!



**Championing gender equality and women's empowerment in the workplace.** The Controller and Auditor General (CAG), Mr. Charles E. Kichere proudly poses for a group photo with the NAOT's women employees during the International Women's Day celebrations. As a Supreme Audit Institution committed to fairness and inclusivity, the NAOT recognizes the invaluable contributions of women in the workforce and remains dedicated to fostering a supportive and empowering work environment for all. Happy International Women's Day to all Women!

**Spreading joy and kindness on 2023 National Labor Day.** The National Audit Office of Tanzania and other staff from Government Institutions visits a Morogoro children's center to donate gifts and spend time with the kids. As public servants, they recognize the importance of giving back to the community and making a positive impact beyond their daily work. A day of service and gratitude for all the hardworking individuals who make a difference in their respective fields.



...from page 21

### Capacity building and knowledge sharing:

Qualified CPAs contribute to the continuous improvement of the audit office by sharing their knowledge and expertise with colleagues. This helps build the capacity of the entire organization and fosters a culture of excellence.

### Enhancing the reputation of NAOT:

Employing qualified CPAs in key positions enhances the reputation of NAOT, both nationally and internationally. This, in turn, can lead to increased collaboration, knowledge sharing, and support from other audit institutions and organizations.

In conclusion, having qualified CPAs at NAOT is essential for ensuring the quality and credibility of the audits conducted by the office, maintaining public trust, and promoting a culture of transparency and accountability in the management of public resources.

## CAG Office Experience in Auditing United Nations and Other International Organisations

### Auditing United Nations organisations

NAOT has extensive experience in auditing United Nations organisations as a member of the United Nations Board of Auditors (UNBOA) from 2012 to 2018.

During this time, NAOT developed a specialised team and undertook capacity-building initiatives to carry out large-scale international audit assignments. We have more than 150 auditors who were involved in this audit. The entities audited by NAOT include UNFPA, UNDP, UNCDF, UN-Women, UNRWA, ICTY, ICTR, IRMCT, UNEP, UN-Habitat, UNON, UNMIL, UNSOS, UNISFA, MONUSCO, and MINUSTAH. We audited various major business transformations within the UN, including implementation of IPSAS Accrual.

## Audit of other International Organizations

### African Union (AU)

NAOT was re-appointed to serve the AU Board of External Auditors for two financial years 2022 to 2023, after successfully completing the first two financial years 2020 and 2021.

### African Civil Aviation Commission (AFCAC)

NAOT has a contract of six years from 2020 to 2025 to audit AFCAC.

### East African Community (EAC)

NAOT with other member states audit annually the EAC.

### Southern African Development Community (SADC)

NAOT also audited SADC, between 2017 and 2019, which is done, on rotational basis.



# The Necessity of Data Harvesting and Analytics

BY FAIZY S. MANSOURY, PMP®, CISA, CPA, MA.M&E, Bacc. BAF

## Context

We are in the 4th industrial revolution where data dictates areas of improvement, weaknesses and decision-making. Unlike our choices, data are produced daily and in every passing millisecond. Yet, this leaves us with two popular options. Either to let go or harvest them, analyse and visualise the trends and patterns of what we did, our current position, and what the future holds.

There is always an attentive attraction from peoples' hearts to what data says, that we are not still exploring. We miss the deep conversation these data are trying to communicate. With harvesting culture, we can read patterns and understand our current situation and what is needed to improve.

***Data have been called the 'currency', the 'lifeblood', and even the 'new oil' of the information economy***

Data Analytics begins with access to data, mapping and managing the relevant internal data sources (SAI Tanzania) and external data sources (Audited entities and third parties, including NGOs and private institutions).

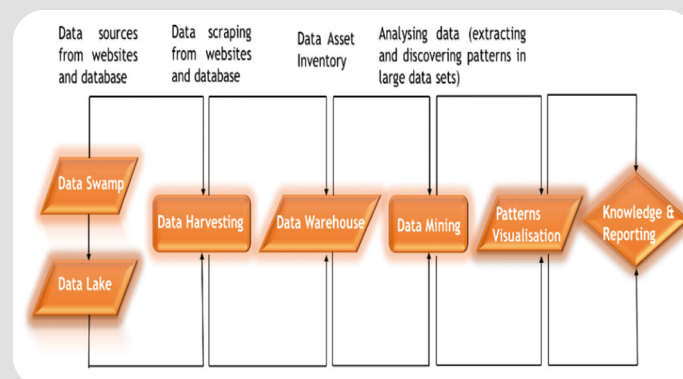
Do we assess whether the Government is improving from our recommendations or analyse the root causes of weaknesses and which ministries or departments are responsible for tackling the issues?

## Substance

Relating our scenario with a prophetic saying: "Do not waste water even if you were at a running stream" – Prophet Muhammad (peace be upon him)<sup>1</sup>. We shall not waste the produced data just because they are self-generated. We shall harvest and use them to grow our entity and national economy.

Through data harvesting in Government and audited entities' websites and data Repositories (data warehouses and data lakes/swamps), the office will gather reliable information for efficient and cost-effective solutions to make operational adjustments. Figure 1 below elucidates the process of harvesting data.

**Figure 1: Data harvesting Input-Output model**



These require analytics to help the Office and the Government make data-driven decisions. As an office, we need to assess what internal and external data are produced daily, weekly, monthly and yearly.

We can then harvest data from our office, auditees and other private institution and mine specific knowledge and insights to improve office and Government operations. CAG of India has established a Centre for Data Management and Analytics (CDMA). The centre's purpose is to enhance the

<sup>1</sup> Sunan Ibn Majah 425



efficiency and accuracy of evidence in the audit process, build capacity in big data analytics, and use the treasure of data to gain valuable insights<sup>2</sup>.

## Big data and analytics

SAI India's initiative challenges other SAIs to exploit the value and big data worthiness for future improvement. Are data like resources' (time, funds, staff) quality and quantities required to accomplish the audits and time taken for the reports to be signed and issued to the public?

How many audits (engagements) are we doing monthly or yearly, and are the left audit due to resource shortage? Or entities with surplus or deficit over the years and their resultants.

With these databases, we can easily manipulate big data, patterns, and correlations can be used to resolve the prevailing problems, predict the future, and prescribe solutions.

Why not create a system that can automatically capture these events' progress and frequencies for easy data mining?

***"Every company has big data in its future, and every company will eventually be in the data business."***

***- Thomas H. Davenport.***

"To find signals in data, we must learn to reduce the noise - not just the noise that resides in the data, but also the noise that resides in us. It is nearly impossible for noisy minds to perceive anything but noise in data."<sup>3</sup>

Big data is transforming the role of traditional business intelligence (BI) (Descriptive) into data science (predictive and prescriptive. See Table 1 below:

See Table 1 below:

**Table 1: Big Data and Analytics Progression**

Traditional BI	Data Science	
Descriptive and Diagnostic	Predictive	Prescriptive
Hindsight	Insight	Foresight
Based on History What happened? Why did it happen?	Based on the predictive model What is likely to happen	Based on the scenarios model What should we do to make things happen

Source: DAMA DMBOK, 2014

**NB:** With more internet-connected devices (Internet of Things), there will be a need for the fifth type of analytics (Cyber analytics), which uses a data-driven approach to identify vulnerabilities and prevent or reduce threats to a minimal level.

## Data and its harvests

Data = knowledge. Big data harvesting, mining, and analytics can help to enhance national systems, which improve the quality of people's lives and help in making informed decisions. The knowledge, facts, and insight in data will make our Government more proactive than reactive. The office and Government can measure the effectiveness of strategies and policies through trends and patterns from data analytics.

Data allows organisations to determine the cause of problems more effectively. Data will enable us to visualise relationships between what is happening in different departments and systems. If the projects are not sustainable or take a long time to be completed, is there a problem with implementers or contractor's capability or inadequate planning of the projects? Data will develop precise theories and introduce robust and everlasting solutions.

Utilising data in our audits and recommendations will help to issue a strong argument for systems change, whether we are advocating for resources (financial and human) from the Government or making a case for changes or improvement of policies and regulations. Illustrating our

<sup>2</sup> <https://analyticsindiamag.com/cag-goes-analytics-way-opens-centre-data-management-analytics/>

<sup>3</sup> <https://www.goodreads.com/quotes/7169343-to-find-signals-in-data-we-must-learn-to-reduce>

argument using data will improve our demonstration of why we need changes. For example, a shortage of staff should be supported by how badly the performance in operations or revenue collections were affected.

Is there an improvement when the staff were increased from 1,000 employees to 2,000, or does it just affect the wage bill negatively instead of GDP positively?

We shall exploit and explore the power and authority in data to tell stakeholders why this decision or situation is wrong, what is the good one, and on what bases. One sure thing about Data harvesting and analytics is that they will increase efficiency. Effective data collection and analysis will allow the Government to direct scarce resources where they are most needed.

To resolve the issue of low-performing projects, we need to analyse the data of high-performing projects and study them to develop better strategies for the low ones. The harvesting will help us establish baselines, benchmarks, and performance goals to keep moving forward. Our organisation probably already has most of the data and expertise we need to begin analysis. We probably already track data regarding our staff. Even if we don't, we need the framework and the practical system to work.

## Conclusion

In today's world, data is a valuable asset. SAI Tanzania does not treat data as an organisational or strategic asset. It is high time the National Audit Office saw the importance of having a big data management framework and Data Management Unit to find the best and most automated yet credible way of harvesting the produced data. With a practical and modern data framework, we can analyse data in the field and conduct centralised analysis (analyse data remotely) through data transmission, harvesting, and mining. Data harvesting, big data and analytics can help predict management and systems failure. It can help discover potential issues by analysing structured data (internal controls, risk management and resources quality and quantity) and multi-structured data (employees' turnover and flow of funds). Audited entities can enhance accountability, operational efficiency, and governance more cost-effectively with these data.

We must integrate data from different formats and identify signals optimising maintenance<sup>4</sup>.

## Way forward

Embracing data harvesting and big data analytics involves resources. Therefore, the office should up its game and train the auditors to manage the would-be universal language in all organisations. Ensure auditors are conversant with R, Python, SAS, SPSS, Tableau, Advanced Excel, ACL, IDEA and SQL. Data heterogeneity is the most severe obstacle to data exchange. The Government and various institutions' information systems use different systems that vary in database schemas and metadata. SAI Tanzania should ensure adherence to the e-Government Interoperability Framework – Standards and Technical Guidelines (eGA/EXT/GIF/001), 2016, and the Electronic Data Sharing and Exchange Guidelines (eGA/EXT/ITA/002), 2021, in the development of interoperable and metadata-driven systems.

Towards a data-driven public sector, the office should enforce more on the advancement of Government systems and maintain databases and registries for critical public data.

This will provide room for value extraction in data assets like Government endeavours and their impacts on the communities towards achieving the SDGs.

## Matching stands

The odds are with those who value and embrace data. To standardise the audit data collection, avoid duplicate efforts and save resources, the International Organisation for Standardisation (ISO) has developed ISO 21378:2019 (Audit data collection). The objective is to standardise the audit data content and formats of areas of purchase, sales, inventory, fixed assets and financial reporting. It provides guidelines and specifications for obtaining accounting data; defines the content requirements of accounting data elements (e.g. fields and tables grouped into modules). Also, defines the format requirements of data elements; specify data interface output files, and provide thoughts for customising the standard to meet the needs of the business structure and process variances that can occur in some organisations.

<sup>4</sup> [https://www.oracle.com/a/ocom/docs/top-22-use-cases-for-big-data.pdf?source=:ad:pas:go:dg:a\\_emea:71700000089445656-58700007569140952-p68227805863:RC\\_WWMK211028P00062C0001](https://www.oracle.com/a/ocom/docs/top-22-use-cases-for-big-data.pdf?source=:ad:pas:go:dg:a_emea:71700000089445656-58700007569140952-p68227805863:RC_WWMK211028P00062C0001):

# Querying the Source



By **FAIZY S. MANSOURY**, PMP, CISA, CPA(T), MA. M&E, BACC. BAF  
*An Auditor at NAOT Technical Supports Services Unit (TSSU) with 8 years of experience in Compliance and Financial Audit. He can be reached at [fmansoury@nao.go.tz](mailto:fmansoury@nao.go.tz) or +255 625 738 859.*

## Where we stand

Why are we keeping querying the secondary sources when there is a primary source? Why not focus on improving the fiscal and policy environment? Why not go beyond our traditional oversight roles on how programmes and projects implementation do not comply with the acts and regulations and focus more on how policymaking and policy decisions impact the projects and programme implementation?

Do we have an idea, for example, when was the last time the National Water Policy (NAWAPO), 2002, was reviewed or evaluated? If yes, were the lessons learnt incorporated in policies, projects, and programme implementation? Now, instead of recommending projects or controls improvement, why not focus on policy auditing and recommendation, leading to better policy formulation, implementation, and evaluation?

Our country still faces policy and regulatory challenges that slow the private sector's growth and industrialisation. There is duplication, fragmentation, conflicting mandates, overlap and wastage of energy across the government, which questions the preparedness of the government to address the challenges. Blueprint for regulatory reforms to improve the business environment by Ministry of Industry, Trade and Investment, April 2018, highlighted some challenges and how to eliminate them. For example, is a multiplicity of taxes and charges and charging different cess rates on the same product for neighbouring LGAs.

## Status quo

The need for public programmes to be more effective and responsive to citizens' needs is fuelling the government to take an introspective review of its processes and outcomes. NAOT has a role in checking whether the policies planning formulation stages involved were data-driven. Check the reliability and breadth of input and the mechanisms to integrate with future trends and risk. This will address long-term and complex economic, social, and environmental policy challenges<sup>1</sup>.

<sup>1</sup> [https://read.oecd-ilibrary.org/governance/supreme-audit-institutions-and-good-governance\\_9789264263871-en](https://read.oecd-ilibrary.org/governance/supreme-audit-institutions-and-good-governance_9789264263871-en)



## Demanding needs

There is a need to align projects to programme and policy goals due to a lack of coordination between implementing agencies like TANESCO, UWSSAs, TARURA, TANROAD and RUWASA. Non-coordination of implemented projects and programmes which serves one goal has led to a loss of Government resources through the excavation of installed pipes to construct roads or road to lay water pipes. On the other hand, health centres and schools have been constructed without water, electricity, and road infrastructures.

Therefore, in implementing programmes that service Sustainable Development goals number 3 (Good Health and Well-being), 4 (Quality Education), 6 (Clean water and sanitation), 7 (Affordable and clean energy), 9 (Industry, innovation, and infrastructure), 11 (Sustainable cities and communities) the government needs to integrate education, health, water, energy, and infrastructure programmes for efficient use of public resources.

## Continuing work

### Deliberating over the blueprint and other SAls approaches

The blueprint provided guiding principles on how government can take a holistic approach to challenges and constraints emanating from policy, regulations, delivery processes and coordination weaknesses. In distinction from specific programme or policy evaluation undertaken by the government, most SAls performs performance, compliance or financial audits or a combination of those or separate research initiative (Superior Audit Office of Mexico (ASF) and Korea's Board of Audit and Inspection through Audit and Inspection Research Institute (AIRI) and written guidance. It is high time we see how we tackle policy weaknesses in our audits or non-audits activities.

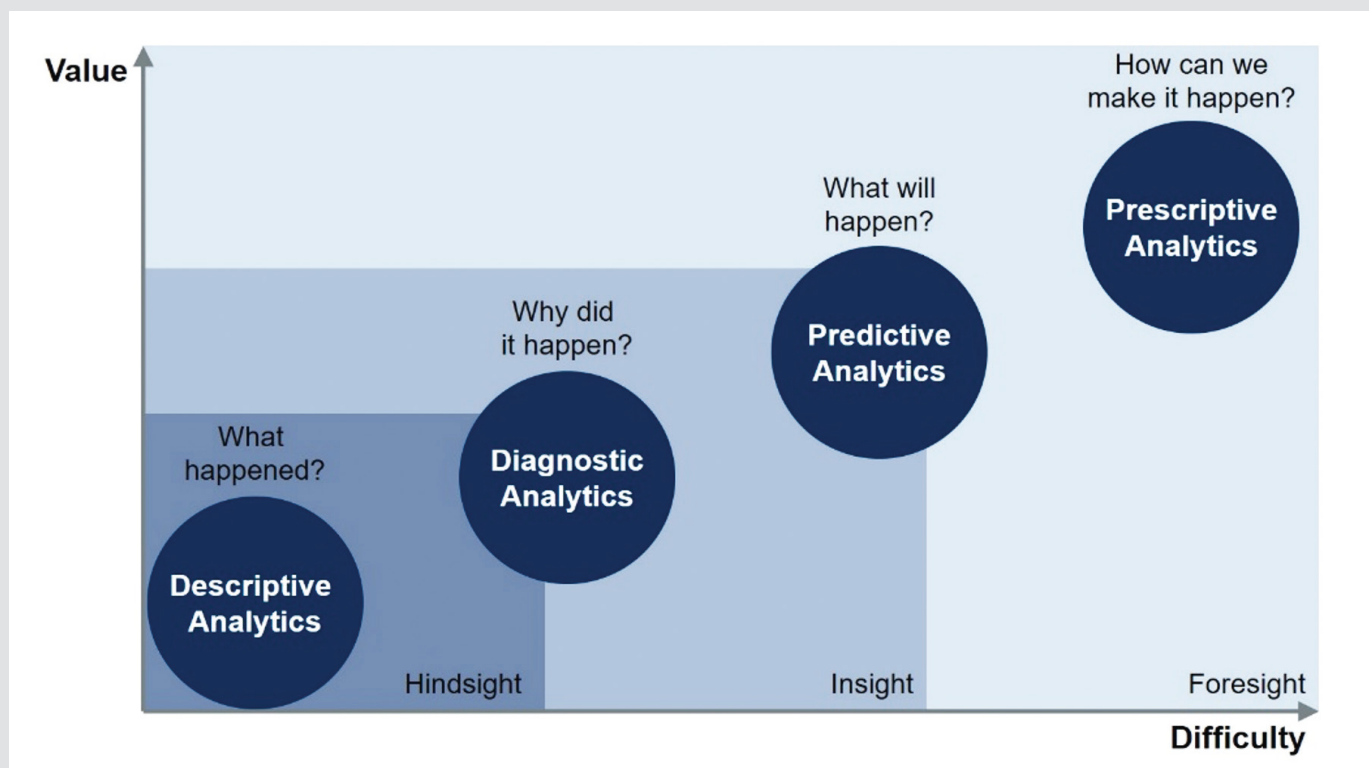
### Auditing National Development Policy: A case of SAI Brazil

SAI Brazil used a compliance audit and written guidance to come up with the following findings: The Government did not assess the policy since it started, there is an inadequate monitoring and evaluation system, unstructured indicators to measure the performance of the policy, the policy formulation did not consider mechanisms to fight major causes of the problems, lack of policy coordination between the central government, state and local level in policy planning, implementation and alignment with other regulations. A measure to improve the situation was adopted after the recommendations.

### A paradigm shift from hindsight and oversight to insight and foresight

A need for quality, timely and reliable audit reports which are the inputs for decision-making and assurance of value for money of government processes, policies and programmes, tips NAOT to up her game from having a backward view (hindsight) and looking forward (foresight).

The office shall shift from only assessing the compliance or effectiveness of internal controls (Hindsight and oversight) to analysing trend data and comparable information across the government, looking for cross-cutting issues with duplication, gaps, and overlaps in all endeavours (insight) and assessing government's preparedness to address socio-economic parameters like population ageing, resources management, inflation, and interests (foresight).



Not to be quoted in the middle, NAOT shall remain dedicated to its role as overseer of accountability and transparency (compliance and financial audits) for better integrity and financial management in the public sector. Impliedly, the rise of insight and foresight activities such as performance auditing and other approaches are not coming at the expense of compliance controls but will lead to more varied types of control.

#### Foreseeing Approach: A case of ANAO

Australian National Audit Office (ANAO) publish an Intergenerational report every five years to provide an authoritative, long-term perspective on challenges to Australia's future and possible solutions. It has proven to be instrumental in advising the government on policy decisions. (ANAO, 2007)

#### Foreseeing Approach: A case of BAI

Korea's Board of Audit and Inspection (BAI) reviewed the entire policy cycle through an assessment of major government policies and programmes, uncovering basic causes of deficiencies and recommending alternations for correction.

## Conclusion

Auditing policies do not shift the tides for NAOT to move into the realm of performance auditing and evaluation but provide objective insight into the efficiency, effectiveness and economy of government programmes, policies, and processes.

# Strengthening Revenue Management in Public Institutions in Tanzania: Does the Government Electronic Payment Gateway (GePG) system matter?

By **Barton Bwire**



## Abstract

Informed by innovation diffusion theory and technology acceptance model, the study sought to assess the effectiveness of GePG system on the revenue collection in Tanzania using the Dar salaam region as the case.

Primary data was collected from a judgmental sample comprising of 172 respondents from different public institutions and customers who make payments through the GePG system. The study deployed the multiple regression models to data analyses.

Our findings show that technology availability and reliability, trust to technology, network strength and awareness have significant role towards adoption and application of the GePG system.

Furthermore, the findings show that the adoption and application of the GePG system play the mediation role by enhancing the revenue management in terms of improved collections, increased government agencies accountability as well as minimizing the level of corruption in revenue collections.

Nevertheless, the challenges facing users while using the system are in one way or the other still limit its application. The article concludes with the recommendations on possible

measures that could be taken to eliminate or reduce these challenges or add up to the functioning of the system.

**Key words:** Revenue collection, Government electronic payment gateway, government accountability, corruption

## 1.0 Introduction

Collection of revenue is very important for every government globally as it enables the government to acquire assets which are not liable to debt and which the government uses to develop its economy. Hence, revenue is collected by the government from the public for support or for the purpose of facilitating the Service Delivery in a country (Mwakalobo, 2015).

It is neither a voluntary payment by the taxpayer nor a donation. Rather it is an enforced payment to the government (Malkawi & Haloush, 2008). Governments therefore collect revenue for investment, socio-economic development, and growth at the grassroots (Olatunji, 2009) and service delivery. Thus, collection of adequate revenue by the government is essential for economic development, growth, and improved service delivery.

In Tanzania, government electronic payment gateway (GePG) is a payment system that was established in June, 2017 to improve the revenue collection; it allows individuals to make payments including settling bills, land rent and other payments to the government by means of electronics through mobile phones and other electronic devices (Khatib, 2018). The introduction of GePG as a result from several challenges in collection of revenues which included high costs associated with revenue collection, limited accessibility of electronic payment services, management of collected revenue, reconciliation of transactions and records keeping (invoices/payments/banking), and the quality of reports generated by the systems (James, 2017).



The system intends to standardize revenue collection practices within the Government and its institutions as well as increase visibility of the transactions at all stages of the collection process (Khatib, 2018). GePG has been designed to help individual customers, companies as well as banks in eliminating or reducing some of the problems inherent in the settlement and payment process. Customers can pay their bills without having to move to the bank's premises (Wahab, 2012).

Efficiency and effectiveness of e-payment systems depend as the convenience, reliability and security of the payment method, the service quality; taste and demographic; and technological advancement (Pariwat & Hataiseere, 2004). GePG is convenient, safe, and secure methods for payment of bills and other transactions by electronic means such as card, telephone, the Internet, Electronic Fund Transfer (Khatib, 2018).

Electronic payment gives consumers an alternative to paying bills and debts by cash, cheque and money order (Wahab, 2012). Therefore, the aim of this study is to examine the determinants for adoption and application of the GePG system as well as its effectiveness in revenue collection, government agencies accountability and corruption control in revenue management.

The study further explores the challenges that could limit the performance of the system to meet the expected outputs by the government.

## 2.0 Literature review and hypotheses development

### 2.1 Government Electronic Payment System (GePG) and revenue collection

Tanzania government has adopted electronic means of payment in business and non-business communication. This communication may be between Person to Government (P2G), Government to Person (G2P) or Government to Government (G2G) (Turban, et al., 2006).

The system was a result of the recent technological advancements in the information and Communication Technology (ICT) as well as the wide spread of mobile telecommunication services in Tanzania which together with other factors had transformed operations in the

financial sector (URT, 2016). The introduction of the ICT Policy (2016) was also one of the major factors that paved a way for the adoption of electronic payment platform in Tanzania. The platform has created a sound environment that support both tax and non-tax revenue collection with less cost and promoted the usage of the latest technologies to promote government operations.

The purpose of the system is to increase productivity and efficiency in revenue collection, increase accountability, and reduce revenue leakages (through corruption and embezzlements) within ministries, independent agencies, and all government institutions (Khatib, 2018).

According to Rogers (1926) innovation diffusion is determined by five benchmarks which include relative advantage, compatibility, complexity, trialability and observability (Rogers, 1962).

As GePG is a newly adopted system, the innovation diffusion theory sheds light in understanding how, why and at what rate the GePG system will spread on process of revenue collection. We thus argue that the use of GePG in revenue collection supersedes the previous system of revenue collection.

The technology acceptance model (TAM) on the other hand, is an information system theory developed by Davis (1989). It explains and models how a new technology and various aspects of it are received and used by the end users. The model has been one of the most influential models of technology with two primary factors influencing new technology which are perceived ease of use and perceived usefulness (Venkatesh, 2003).

Thus, the TAM implies that, the perceived usefulness of GePG is primarily predicting the belief of the government that the technology helps to collect revenue faster, more easily, and more effectively.

Several studies show that there is a number of the significances that have been found after the implementation of the e-payment system (Kapera, 2017).

One of the pillars of devolution government is to make establishment of ICT as a nerve point which will turn the

government into electronic government services, which desires to provide electronic government information and services so as to improve productivity, efficiency, effectiveness and governance in all categories (Githinji et al., 2014). According to Gwahula (2018) e-government has the diverse of advantages such as easy facilitation of information aggregation to government and citizens; increased transparency and convenience as well as easy monitoring and controls of government performance (Ariko, 2012) Westminster-type parliament with a Senate and National Assembly - the Lower and Upper Houses, respectively.

These constitutional provisions were premised on the need to secure the rights of ethnic minorities grouped in the Kenya African Democratic Union (KADU).

On the other hand, the adoption and application of new technology such as GePG system depend on several factors/determinants.

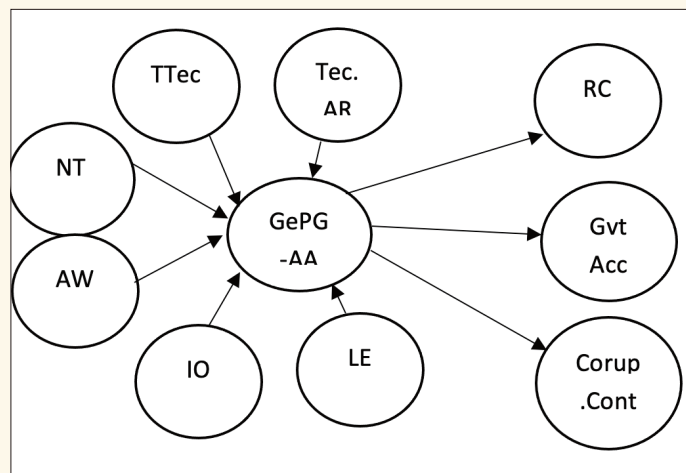
According to James (2017) among of these factors are like conformance which is the ability of the system to meet the expected objectives of the user (herein the government). It also depends on technology availability and reliability (Kapera, 2017) and system interoperability which is the ability of computerized systems or software to exchange and make use of information (El-Haddadeh, 2010).

Other factors include trust on technology, network strength (Islam, 2013), awareness and law enforcement (eg in enforcing the use of system to government agents) (Meiyanti, Utomo, & Sensuse, 2018).

With that theoretical and empirical preamble above, we therefore postulate and test the following hypotheses: -

**H1: The following determinants (technology availability and reliability, trust to technology, interoperability, network strength, awareness, and law enforcement) positively influence the adoption and application of GePG system**

**H2: The adoption and application of GePG mediates the role of the mentioned determinants on revenue management in terms of revenue collection, government agency accountability and corruption control**



**Figure 1: Conceptual framework**

Note: Tec AR = Technology Availability & Reliability, TTec = Trust to Technology, NT = Network Strength, AW = Awareness, IO = Interoperability, LE = Law Enforcement, GePG-AA = GePG adoption & Application, RC = Revenue Collection, Gvt-Acc = Government Agencies Accountability, Corup-Cont = Corruption Control.

### 3.0 Methods

This study was conducted in Dar es Salaam region as the region consist of big number of public institutions that have adopted and use the GePG system. With that criteria 12 public institutions were selected.

To ensure validity of the data, the purposively selected sample of 200 respondents included only those staff and customers that have been using the system for past three years (Cooper & Schindler, 2008). Data were then collected using the questionnaire (Methodology of Research on Social Science, 2006).

The questionnaire comprised the questions that solicit information in the perceived easiness in adopting and using the GePG system (Robert, 2013; Meiyanti et al., 2018), how the prior identified and discussed determinants influence their adoption and use of the system, and how that adoption and usage of the system (Kapera, 2017; Gwahula, 2018) impact the revenue collection, government agencies accountability and corruption control (James, 2017).

To ensure the goodness of fit of the model before the analyses, we ensured the model meets preliminary regression model requirements/ assumptions. The Table.1 below summarizes the tested assumptions and related benchmarks. Multiple regression analyses were then employed to test the postulated hypotheses.

**Table.1: Summary of regression assumptions test results**

S/N	Regression Assumptions	Test(s)	We seek values
		Breusch-Pagan hettest	
1	No heteroskedasticity problem	Chi2(1): 2.41	> 0.05
		p-value: 0.546	
		Variance Inflation Factor	
		Techo Ava & Reliab = 2.03	
		Trust to Techo = 1.25	
2	No multicollinearity problem	Interoperability = 3.82	< 5.00
		Network strength = 1.01	
		Awareness = 1.72	
		Law Enforcement = 1.39	
		Adoption & Application= 1.13	
		Shapiro-Wilk W normality test	
3	Residuals are normally distributed	z: 1.016	> 0.01
		p-value: 0.062	
		Linktest	
4	No specification problem	t: 1.824	> 0.05
		p-value: 0.091	
		Test for appropriate functional form	
5	No functional form problem	F(2,56):17.542	>0.05
		p-value: 0.072	
6	No influential observations	Cook's distance	< 1.00
		no distance is above the cutoff	

## 4.0 Results and Discussion

### 4.1 Descriptive statistics

Out of 200 questionnaires, which were given out, 172 (86%) were successfully filled in and handed back which implies satisfactory response rate (Mugenda 2003). 53% of respondents were male, while 47% were female. In line with Technology Acceptance Model (TAM), Venkatesh and Morris, (2002) found that the decisions to adopt technology by men are mainly determined by the perceived usefulness of technology use, whereas women, in contrast, are more influenced by their perceptions about a system's ease of use and social influences. In terms of age, 29 of the respondents (17%) were



between the ages of 21 – 30 years, 72 of the respondents, (42%) were between the ages of 31 – 40 years, 43 of the respondents, (25%) were between the ages of 41 – 50 years, 21 of the respondents (12%) were are between 51 – 60 years and 7 of the respondents (4%) were above 60 years old. Guarrero (2010) found that age is positively related with perceived difficultness of technological usage, where aged people find it difficult to adopt and apply new technologies.

In terms of experience, majority (about 69.8%) of the respondents have used the system for the period of more than 2 years, while the rest (30.2%) have used the system for the period between 6 months and 2 year.

This shows that the respondents were well competent with information on the subject matter on this study given.

#### 4.2 Multiple regression results in the linkage between determinants for adoption and application of the GePG system and its related effectiveness on revenue management

Table 2 presents the multiple regression results where the analyses followed the stipulated hypotheses. In the model 1, we sort to examine the influence of identified determinants of the adoption and application of GePG system.

The findings partly support the hypothesis 1 where technology availability and reliability, trust to technology, awareness and network strength have statistically and positive significant influence on the adaptation and application of the GePG system while interoperability and law enforcement are statistically insignificant. Though, interoperability found to be statistically insignificant, it has negative influence on adoption and application of the system.

This suggest that the ability of computerized systems and software used in GePG system to gather, exchange, and make use of information in our country is still low. In analyses, we sort to examine the mediation role of adoption and application of the GePG system to revenue management in terms of revenue collections (Model 2), government agencies accountability (Model 3) and corruption control (Model 4). The findings confirm the hypothesis 2 by revealing the statistical and positive mediation role of GePG system on mentioned aspects.

Furthermore, the size of effects reveal that the role of the system is much pronounce in terms of increased revenue collections and minimizing the rate of corruption in public revenue management, than in increased government agencies accountability.

**Table. 2: Multiple Regression estimates**

	GePG Adoption& Application		Revenue Collection		Gvt Agency Accountability		Corruption Control	
	(1)		(2)		(3)		(4)	
	Coef	Std.Err	Coef	Std.Err	Coef	Std.Err	Coef	Std.Err
Techo Availabilty & Reliability	0.119**	0.701	0.037	0.021	0.014	0.009	0.021	0.014
Trust to Technology	0.218**	0.075	0.162	0.090	0.006	0.003	0.13	0.071
Interoperability	n0.091	0.721	0.014	0.011	0.001	0.039	0.006	0.005
Network Strength	0.025**	0.074	0.018	0.012	0.005	0.003	0.021	0.013
Awareness	0.130**	0.082	0.119	0.072	0.011	0.007	0.031	0.019
Law Enforcement	0.034	0.077	0.021	0.014	0.028	0.004	0.023	0.017

GePG Adoption & Application			0.235**	0.083	0.209**	0.071	0.209**	0.071
_cons	0.471**	0.155	0.654*	0.340	0.565	0.302	0.565	0.302
R-squared	0.86		0.74		0.62		0.62	
Adj R-squared	0.83		0.72		0.59		0.59	
F-Statistics	3.03**		5.14***		3.01**		3.01**	
Observations	172		172		172		172	

### 4.3 Challenges encountered while using the GePG system

We as well solicit respondents` opinion on different challenges they encounter while using the GePG system. We asked the respondents to rank the most challenges from the list of possible identified challenges (Rancha et al., 2005) for adoption and application of new technology (herein GePG system).

The scale ranged from 1= Least relevant obstacle to 5= Most relevant obstacle. The following challenges were identified and probed; Lack of Education on using of system; breakdown of the network, high cost of installation, Lack of trust, accounting errors and incompleteness, and Lack of Motivation. Despite its benefits, the system is still faced with several challenges that jeopardize its efficiency and effectiveness.

Additionally, 83.1% of respondents agreed that poor networking in the country make it difficult to access the GePG system. This comes similar with the study by Marlin (2015) posited that the adoption of e-payment system is not possible without proper and straight access of the internet.

Moreover, 76.7% of the respondents agreed that in order to improve effectiveness on revenue management by using GePG system, both GePG stakeholders (the service providers and customers) in various institutions should have enough knowledge about GePG system (Rancha et al., 2005).

### 5.0 Conclusion and recommendations

Motivated by the need of the government to ensure maximum revenue management among its agencies, this study sort to examine the role played by the adoption and

application of the government electronic payment gateway (GePG) system in the forementioned need. Specifically it first examined the influence of various determinants that influence the adoption and application of the GePG system as a new technology. Then, the study examined the mediation role played by adoption and application of the system towards revenue management in terms of enhanced revenue collections, increased government agencies accountability as well as corruption control.

The findings support the postulated hypotheses where the technology availability and reliability, trust to technology, network strength and awareness found to have statistically and positive influence on adoption and application of the system. Where that adoption and application of GePG system found to play a mediation role in increasing revenue management in public institutions.

That mediation role found to be more pronounce in terms of enhanced revenues collections and control of corruption, than in increasing government agencies accountability.

We thus pose the following recommendations for improved GePG system to ensure maximum revenue results. Our recommendations are directed to both service providers and customers. Education on the use of GePG system to both service providers and customers is one of the most important action that should be taken to increase the system awareness.

We further recommend the improvement of internet and network availability in the country so as the GePG system should work properly. This will even improve the interoperability of the GePG system. We further recommend that the government should review its revenue collection standards and audit policies to ensure that all its channels,



departments and other related units are compelled by regulations to adopt GePG system. The government of Tanzania should promote public awareness campaigns to ensure that the consumers get the right information as concerns to GePG system on revenue collection.

#### REFERENCES

- Abu-Shanab, E. & Bataineh, L. (2014). Challenges facing e-Government Projects: How to Avoid Failure? *International Journal of Emerging Science*, 4(4), 207-217.
- Davis, F. D., (1989). Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information Technology. <https://doi.org/10.2307/249008>.
- El-Haddadeh, R. (2010). E-Government Implementation Challenges. 16th Americas Conference on Information Systems (AMCIS).
- Gwahula, R., (2018). The Influence of Perceived Usefulness of GePG on Revenue. *The International Journal of Business & Management*.
- Islam, M. S. (2013). Challenges to the Successful Implementation of e-Government Initiatives in Sub-Saharan Africa. *Electronic Journal of e-Government*, 253-267.
- Kapera, M. (2017). Assessment of Effectiveness of Electronic Fiscal Device in Tax collection in Tanzania. Retrieved from Arusha:
- Khatib, K. (Producer). (2018). Government Electronic Payment Gateway. Retrieved from <https://www.gepg.go.tz/pellentesque-congue-2/>
- Malkawi, B. H., & Haloush, H. A. (2008). The case of income tax evasion in Jordan: symptoms and solutions. *Journal of Financial Crime*, 15(3), 282-294.
- Meiyanti, R., Utomo, B., & Senses, D. (2018). e-Government Challenges in Developing Countries: A Literature Review.
- Mugenda, O., (2003). Research, Qualitative and Quantitative Approaches. Nairobi: ACTS Press.
- Mwakalobo, A. B. S. (2015). Revenue Generation Capacity in Developing Countries: Implications for Physical and Human Capital Development in Tanzania, Kenya and Uganda. *African Journal of Economic Review*, 3(1), 21-39.
- Rogers, E. (1962). Diffusion of Innovations. The Free Press, New York.
- URT. (2016). National Information and Communication Technology Policy. Retrieved from
- Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (Producer). (2003). User Acceptance of Information Technology: Toward. *MIS Quarterly*, 27(3), 425-478.

# Justice Minister launches Ethics and Good Governance Week

By Sakina Mfinanga



The Minister for Justice and Constitutional Affairs, Hon. Dr. Damas Ndumbaro, officially launched commemorations of the Ethics and Good Governance Week on December 6, 2022. The peak of the commemorations was held on December 10, 2022.

Speaking to journalists during the launch of the celebrations, Dr. Ndumbaro said the obligation of the government was to facilitate development of the people. He called upon public officials to observe ethics, human rights, accountability, transparency, and a continuous fight against corruption, which, he said, was the foundation for service delivery to the citizens.

Those bestowed with such responsibilities should ensure government resources are properly utilised for the benefit of the citizens, Dr. Ndumbaro stressed.

“As we commemorate this day, we need to ponder on where we have come from, where we are and where we are going in developing our nation”, he said.

The minister said corruption and violation of human rights compounded by lack of ethical values from both the private and the public sectors were impeding the country's economy.

“

Dr. Ndumbaro said that the obligation of the government is to facilitate development the people. He called upon public officials to be ethical and observe human rights, accountability, transparency, and the fight against corruption should be endless as it is the foundation for delivery of services to the citizens.

”



“In recognition of the fight against these vices, the government has continued implementing various strategies, including the National Strategy for Corruption,” he said.

He called upon stakeholders to go through the strategy and evaluate themselves if they adhered to it. Dr. Ndumbaro said corruption hindered efficient delivery of services, leading to



the failure of implementing government projects as well as contribution to low quality services compared with funds deployed for them.

This year's commemoration will be accompanied by various activities, including conducting public awareness sessions. People will be provided with an opportunity for meeting service providers at the famous Nyerere Square grounds in Dodoma City.

The climax of the celebrations will be held on December 10, 2022, when the Chief Justice of the United Republic of Tanzania, Hon. Prof. Hamis Juma, will be the Guest of Honour.

This year's theme is Ethics, Human Rights, Good Governance and the Fight Against Corruption are the Joint Duty Between the Government and the Citizens, among other Stakeholders. The government started by celebrating Ethics and Human Rights and the Fight Against Corruption days separately. In 2016, it decided to commemorate both days jointly, this being the sixth edition.

Key institutions in the commemoration include the Office of the President, Public Service and Good Governance, Ministry of Justice and Constitutional Affairs, Prevention and Combating of Corruption Bureau, Public Ethics Secretariat, National Audit Office of Tanzania, Public Procurement Regulatory Authority, and the Commission of Human Rights and Good Governance.



“

**The Minister said that the country's economy is pulled backwards by corrupt activities and violation of human rights, which are caused by lack of ethical values from both the private and the public sectors.**

**In recognition of the fight against these vices, the government has continued to implement various strategies including the National Strategy on Corruption.**

**He called upon stakeholders to go through the strategy and evaluate themselves if they adhere to the strategy.**

”



# Unleashing the Mighty Force of AI: Revolutionising Auditing as We Know It

By Aziz Dachi



Today's twist of fate has led me to abandon my usual role as a writer for our magazine. Instead, I am enlisting the help of ChatGPT to tackle the task at hand. Allow me to introduce you to this digital marvel - ChatGPT, the chatbot crafted by OpenAI, a renowned firm dedicated to pushing the boundaries of Artificial Intelligence (AI) research and development.

It is worth noting that this exceptional organisation was co-founded by none other than Elon Musk and Sam Altman, former president of Y Combinator.

Now, without further ado, let us delve into the heart of the matter. I tasked ChatGPT with creating an article on the critical role that AI plays in auditing. And in a mere thirty seconds, the piece was complete. I invite you to peruse the article below and see if you can tell whether a human or a machine wrote it.

"Artificial intelligence (AI) is rapidly becoming a valuable tool for auditing. Auditing is the process of examining an organisation's financial records to ensure they are accurate and comply with relevant laws and regulations. AI can help auditors to more quickly and accurately identify potential areas of risk and fraud, and to automate repetitive tasks."

**"While there are potential risks and challenges to consider, the benefits of AI in auditing are clear and are likely to continue to grow in the future."**

One of the main ways that AI is being used in auditing is through the use of machine learning (ML) algorithms. These algorithms can be trained on large amounts of historical data to identify patterns and anomalies that may indicate potential issues. For example, an ML algorithm might be trained to identify unusual patterns of transactions or spending, which could indicate fraudulent activity.

Another way that AI is being used in auditing is through natural language processing (NLP) technologies. These technologies can be used to automatically extract information from unstructured data sources, such as emails and social media posts. This can be especially useful for identifying potential risks or fraud in areas such as anti-corruption, anti-bribery, or compliance. AI can also be used to automate repetitive tasks, such as data entry and data analysis. This can help auditors to focus on more complex



and higher-value tasks. For example, an AI-powered system could automatically extract data from financial records, leaving auditors to review and interpret the results.

In addition to these benefits, AI can also help auditors to be more efficient and effective. By automating certain tasks, AI can reduce the time and resources required for an audit, which can ultimately help to reduce costs for organisations.

Additionally, by identifying potential issues more quickly and accurately, AI can help auditors to minimise the risk of fraud and other financial crimes.

Despite the benefits of AI in auditing, there are also some potential risks and challenges to consider. One potential concern is that AI systems may be vulnerable to hacking or other forms of cyber-attack. Additionally, there is a risk that AI systems may make errors or produce false positives, which could lead to unnecessary investigations and wasted resources. Overall, AI is becoming an increasingly important tool for auditing. By leveraging the power of machine learning, natural language processing, and other AI technologies, auditors can more quickly and accurately identify potential areas of risk and fraud, and automate repetitive tasks.

"While there are potential risks and challenges to consider, the benefits of AI in auditing are clear and are likely to continue to grow in the future."

Astounding! I can understand why you might be sceptical, doubting whether what you just witnessed was even possible. But believe it or not, the pace of technological advancement is nothing short of mind-blowing!

This rapid progress has far-reaching implications, signalling that we are on the cusp of a revolution that will transform the very nature of white-collar work.

It is clear that AI is poised to take over, and if we hope to survive and thrive in this new era, we must integrate it into our audit processes to elevate the quality of our reports, management letters, and documentation.

Get ready, the task that was once sanctioned by the Controller and Auditor General and the Technical Services Support Unit is gearing up to be launched into the future, and it is going to be a wild ride!

# Qualities of the GOOD AND SUCCESSFUL AUDITOR

By CPA - **Elibariki Lyatuu**

Assistant Auditor General - National Audit Office



## Introduction

An auditor is not bound to be effective, or to approach his work with suspicion, or with foregone conclusion that something is wrong. Auditor is watchdog but not a blood hound.

The skill that are needed to be a good auditor are much more than learning debits and credits and completing the audit checklist and audit components. Economist, E.F. Schumacher is quoted as stating "you can either read something many times in order to be assured that you got it all, or else you can define your purpose and use techniques which will assure you have met it and gotten what you need".

You can either review checklists many times in order to be assured that you carried out the audit procedures, or else you can define your audit skills to ensure you that you have met the audit requirements and gotten what you need.

Auditing is complex process which involves many different skills and responsibilities. Also in the current environment, the auditor continue to face ever increasing demands because of the regulations and client expectations.

At a one end of the spectrum, the auditor has a pressure to sufficiently document the work performed and on the

other end, the auditor face pressure to get the work done on time on budget. The pressure can cause auditors to fall into the "complete the checklist trap" giving them the illusion that get the job done on time and the audit opinion will be correct. However, if the only technique an auditor learns how to do is to complete the checklists auditor fails to become a good auditor. The balance of article discusses certain critical characteristics of an auditor that are essential to the auditor become good and successful.

Strong techniques and ethical characteristics are fundamental to audit success. These are not new to any one and should be considered a base line set of characteristics that expected to all auditors. Good auditor continue to build upon these over the course of a career, through what our professions define our "commitment to lifelong learning" throughout the auditor's career you must possess strong ethical foundation and avoid any temptation to "let it pass" when the deeper review of an issue may reveal error or fraud.

This foundation holds true in the technical area as well. The auditor must maintain appropriate technical skills throughout his carrier. If the auditor is not current with the technical rules, could easily miss something and issue an inappropriate opinion.

In article of Alan Anderson, 2012 insists on profession reinforces including these two characteristics through required continuing professional education hours with numerous training sessions being available. As important as technical and ethical characteristics won't set auditor apart. Good auditor also possess the following additional characteristics;

- Vision and instinct
- People Skills





- Decision making skill
- Leadership
- Superior communication skill
- Able to see a Big Picture

### Vision and Instinct

An auditor gain experience in working with numerous clients in multiple companies or institutions and in different industries. A good auditor gain experience and the ability to instinctively understand what the clients business is all about while carrying out the audit, and able to determine a picture of any issues at the business and to translate them into what they might mean in the future.

There is an synonymous quote that sates that “instinct is the nose of the mind” the good auditor does not settle when the client’s answer or transaction doesn’t seem right. Instinct causes auditor to dig dipper to arrive at a conclusion that fits with vision of the business.

### Decision Making Ability

The public relies on auditor to make critical professional judgment. In an objective, professionally, skeptical manner participants in the stock markets who are making invest-

ments decisions place trust and confidence in the auditors during audit of public company financial statements and other issues of company performance.in putting it in mind, auditor can overcame these challenges by using effective decision making process that makes them be aware of potentials biases and traps that have the potential to impede their judgment (Ken Tysianc, 2014).

Once the audit evidence is accumulated, the auditor needs to determine what is relevant and what is not. Decision making is hard. Most every decision involves some conflicts or trade off. The challenging part is to select the best decision given the information that you have gathered to assist with decision. Remember that, client want their auditor to be strong and effective decision makers. Waffling around on decision causes the client to lose confidence in their auditor the thing which you must avoid

### Leadership Skill

Great leader have desire to help others succeeded. Hendry ford said “don’t find faults, find remedy “This statement is classic in the context of leadership, leaders find solutions, they don’t place blame. An auditor that is a leader finds solutions to complex problems at the client and has

the ability and skill to assist in getting the solutions implemented.

A good auditor must strive to become a successful leader, must be earned day in day out. Leadership characteristics can be taught but leadership is seen by the client as the auditor being a teacher and or a trusted and confident one. An audit staff member sees a leader as a mentor and coach.

No single audit or audit firm, for that matter can rise above the quality of its leadership. A common theme on every well run audit or well-run audit institution can be directly linked to leadership, (Alan. Anderson, 2012)

### **Superior Communication Skill**

Superior communication skills allow auditors to have connection and reports with others on the staff, managers, partners, and clients. The technological world in which we believe can negatively impact the audit staff. Ability to become an effective communicator, especially when e-mails become a substitute for face to face communication with audit clients.

A good auditor recognizes the importance of face to face communication and strives to make it the primary model of communication. It is essential that all auditors work to make verbal communication a priority rather than at last resort. In most cases e-mails should be the last resort rather than the first resort.

Auditee want to talk to the auditor and the better the auditor is at effective communication the better conversation is with the auditee. Effective communication occurs when the auditee understands exactly what you are saying. Achieving this is not easy but once achieved, it will set you apart from the rest

### **Able to See the Big Picture**

Auditor need to be able to understand the clients' business and industry. This requires the ability to quickly frame a picture of the client business, the organization and key attributes within it. A good auditor is able to sort out

connections and linkages within the organization to focus the audit approach. The ability to see the big picture is very important to the planning stages of the client. Putting the audit plan together requires an appropriation and understanding of the organization and what constitutes a logical approach to the audit. Audit checklist approach has a tendency to cloud the picture because of the large number of the questions are asked. Many auditors in their attempt to get all the questions completed typically do not take time to step back and ask "what does all this mean" Good auditor will have a much shorter list of targeted questions that are developed specifically for their client which allows him or her to focus on the big picture.

### **Conclusion**

The characteristics of good auditor start with the basic of sound technical ability and solid ethical foundation. A good auditor considers those a baseline and work to grow beyond the "rules and regulations" mind of our profession. Attaining and maintaining the characteristics mentioned in this article requires a personal commitment but are crucial to the auditor's long term success.

Also remember, always the role of the auditors are intertwined with the evolution of the auditing theory itself. As auditing evolved based on circumstances the evolution directly influence the functions and the entire practice of the auditors. A good auditor is not bound to assume when become to do his duty that is dealing with fraudulent and dishonest people, and if circumstances of suspicion arise, auditor has to probe them to the bottom

### **References**

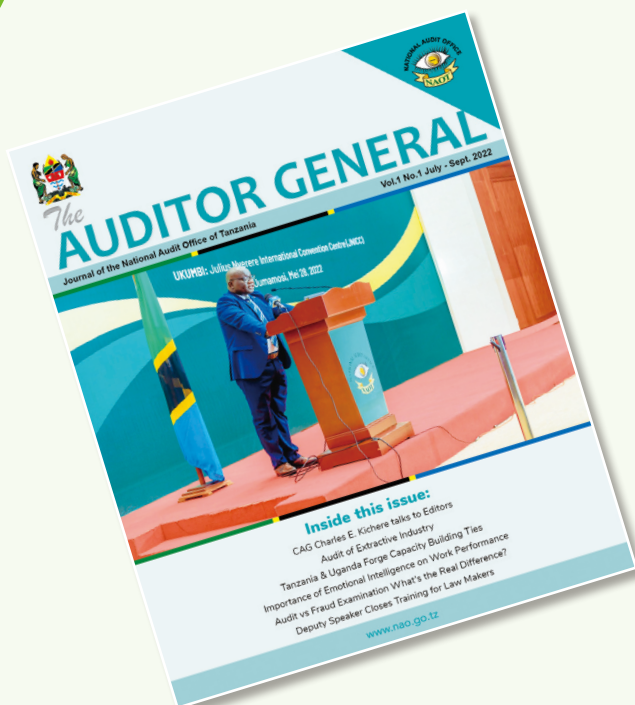
- Alan Anderson, 2012 "the characteristics of a successful auditor"
- ISSAI 140 Quality Control of the SAs issued by INTOSAI Standards Board
- ISSAIs 130 Code of Ethics -issued by INTOSAI Standards Board
- Ken Tysiac, 2014 "five elements of effective judgment process of the auditor"

**Dear Reader,**

The Editorial Board of the Auditor General Journal invites comments, articles, news and feedbacks from our esteemed readers to enable us to enrich and improve the quality and content of the journal. Such information will be published at the discretion of the Chief Editor.

**Send to**

National Audit Office,  
Audit House, 4 Ukaguzi Road, P.O. Box 950, 41104 - Tambukareli  
Dodoma, Tanzania • Email: [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)



**NEVER MISS READING  
THE AUDITOR  
GENERAL**

**The Journal of Supreme  
Audit Institution of  
The United Republic  
of Tanzania**



**ISSUED BY:**

National Audit Office of Tanzania (NAOT)

4 Ukaguzi road, Tambukareli, P. O. Box 950, 41104 Dodoma.

Tel.: +255 (026) 2161200-9 • Fax: +255 (026) 2321245

Email: [ocag@nao.go.tz](mailto:ocag@nao.go.tz) • Web: [www.nao.go.tz](http://www.nao.go.tz)

Website: [www.nao.go.tz](http://www.nao.go.tz)



**ukaguzitanzania**