



# **ANNUAL GENERAL REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

**On the Audit of the Financial Statements of Donor  
Funded Projects for the year ended  
30<sup>th</sup> June, 2013**



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



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**Your Excellency Dr. Jakaya M. Kikwete,**  
The President of the United Republic of Tanzania,  
State House,  
P.O. Box 9120,  
Dar es Salaam.

**Re: Submission of Annual General Report of the Controller  
and Auditor General on the Financial Statements of Donor  
Funded Projects for the year ended 30<sup>th</sup> June, 2013**

Pursuant to Article 143(4) of the Constitution of the United Republic of Tanzania of 1977 (as amended from time to time) and Sec.34 (1) (c) of the Public Audit Act No. 11 of 2008, I hereby submit to you my third Annual General Report on Donor Funded Projects for the year ended 30<sup>th</sup> June, 2013.

I submit.

**Ludovick S.L. Utouh  
CONTROLLER AND AUDITOR GENERAL**

Office of the Controller and Auditor General,  
The National Audit Office,  
United Republic of Tanzania.

**(Established under Article 143 of the Constitution of the URT)**

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 as amended from time to time and Public Audit Regulation of 2009 amplified by the Public Audit Act, No. 11 of 2008(as amended).

**Vision**

To be a centre of excellence in public sector auditing.

**Mission**

To provide efficient audit services in order to enhance accountability and value for money in the collection and use of public resources.

**Core Values**

**In providing quality services, NAO is guided by the following Core Values:**

- **Objectivity:** We are an impartial organization, offering services to our clients in an objective and unbiased manner;
- **Excellence:** We are professionals providing high quality audit services based on best practices;
- **Integrity:** We observe and maintain high standards of ethical behaviour and the rule of law;
- **People focus:** We focus on stakeholders' needs by building a culture of good customer care and having competent and motivated work force;
- **Innovation:** We are a creative organization that constantly promotes a culture of developing and accepting new ideas from inside and outside the organization; and
- **Best resource utilisation:** We are an organisation that values and uses public resources entrusted to it in efficient, economic and effective manner.

**We do this by:-**

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involving our clients in the audit process and audit cycles; and Providing audit staff with adequate working tools and facilities that promote independence.

- © Pursuant to Section 39 of the Public Audit Act, No. 11 of 2008 this audit report is intended to be used by Government Authorities. However, upon receipt of the report by the Speaker and once tabled in Parliament, the report becomes a matter of public record and its distribution may not be limited.

## TABLE OF CONTENTS

<b>Office of the Controller and Auditor General .....</b>	<b>iii</b>
Vision .....	iii
Mission .....	iii
Core Values .....	iii
List of Tables .....	vi
List of Figures .....	ix
List of Abbreviations .....	x
Acknowledgement .....	xvi
Executive Summary.....	1
<b>CHAPTER ONE.....</b>	<b>11</b>
<b>1.0 BACKGROUND AND GENERAL INFORMATION .....</b>	<b>11</b>
1.1 Audit Mandate and Rationale for Audit.....	11
1.2 Functions and Responsibilities of the CAG on the Donor Funded Projects .....	12
1.3 Organisation of audit work at the National Audit Office .....	12
1.4 Scope and Applicable Audit Standards .....	14
1.5 Accounting Policies.....	14
1.6 Preparation and Submission of Financial Statements for Audit....	15
1.7 Internal Control Systems.....	16
<b>CHAPTER TWO .....</b>	<b>17</b>
<b>BASIS OF AUDIT OPINION .....</b>	<b>17</b>
2.0 Introduction .....	17
2.1 Types of Audit Opinion.....	18
2.2 Audit Opinions issued on Donor Funded Projects .....	19
2.3 Presentation and analysis of audit results .....	21
<b>CHAPTER THREE.....</b>	<b>64</b>
<b>3.0 FOLLOW-UP ON THE IMPLEMENTATION OF THE PREVIOUS YEARS'RECOMMENDATIONS .....</b>	<b>64</b>
Introduction .....	64
3.1 Agricultural Sector Development Programme .....	65
3.2 Health Basket Fund.....	65
3.3 Tanzania Social Action Fund .....	66
3.4 Water Sector Development Programme .....	66
3.5 Other Projects.....	66

<b>CHAPTER FOUR</b>	
<b>4.0 FINANCIAL PERFORMANCE OF THE PROJECTS</b>	67
Introduction	67
4.1 Agriculture Sector Development Programme (ASDP)	67
4.2 Health Basket Fund Programme Financing	70
4.3 Tanzania Social Action Fund (TASAF II)	74
4.4 Water Sector Development Programme	77
4.5 Other Projects	81
<b>CHAPTER FIVE</b>	87
<b>5.0 WEAKNESSES IN FINANCIAL MANAGEMENT</b>	87
Introduction	87
5.1 Agriculture Sector Development Programme (ASDP)	87
5.2 Health Basket Funds (HBF)	93
5.3 Tanzania Social Action Fund (TASAF)	97
5.4 Water Sector Development Programme (WSDP)	104
<b>CHAPTER SIX</b>	108
<b>6.0 REVIEW OF PROCUREMENT PROCESSES</b>	108
Introduction	108
6.1 Agricultural Sector Development Programme (ASDP)	108
6.2 Health Basket Fund (HBF)	112
6.3 Tanzania Social Action Fund (TASAF)	118
<b>CHAPTER SEVEN</b>	125
<b>7.0 SPECIAL AUDITS</b>	125
Introduction	125
7.1 Special Audit of the Health Basket Fund (HBF)	126
<b>CHAPTER EIGHT</b>	134
<b>8.0 CONCLUSIONS AND RECOMMENDATIONS</b>	134
Introduction	134
8.1 General Conclusions	135
8.2 Lesson Learnt from Special Audits Conducted During the Year...	136
8.3 General Recommendations	137
<b>Annexures</b>	140

## LIST OF TABLES

Table 1: Audit Opinions issued in 2012/2013 .....	2
Table 2: Trend of audit opinions issued to Donor Funded Projects	2
Table 3: Financial Performance of the Four Major Projects.....	4
Table 4: Audit Opinions Issued in 2012/13 .....	20
Table 5: Trend of audit opinions issued to Projects .....	20
Table 6: Council issued with Unqualified Opinion .....	22
Table 7: Councils Issued with Qualified Opinion .....	24
Table 8: Council issued with Adverse Opinion .....	28
Table 9: Council issued with Disclaimer Opinion.....	29
Table 10: Councils not allocated with ASDP Funds .....	30
Table 11: Councils issued with Unqualified Opinion .....	31
Table 12: Councils issued with Qualified Opinion.....	34
Table 13: Councils issued with Adverse audit Opinion .....	42
Table 14: Council issued with Disclaimer .....	43
Table 15: Councils not allocated with funds.....	44
Table 16: Councils issued with Unqualified opinion .....	46
Table 17: Councils Issued with Qualified Opinion.....	47
Table 18: Councils Issued with Disclaimer Opinion .....	50
Table 19: Councils not allocated with funds.....	51
Table 20: WSDP implementers issued with Unqualified Opinion..	52
Table 21: WSDP implementers Issued with Qualified Opinion.....	54
Table 22: WSDP implementers issued with adverse opinion.....	56
Table 23: WSDP implementer issued with disclaimer of opinion .	57
Table 24: Councils not allocated WSDP funds .....	58
Table 25: Unqualified Opinion issued to other DFPs.....	58
Table 26: Other Donor Funded Projects issued with Qualified Opinion .....	63
Table 27: Trend of outstanding matters on individual audit reports .....	65
Table 28: Holding Account financing .....	68
Table 29: Source of Funds for ASDP 2012/2013 .....	70
Table 30: PMO-RALG Financing in 2012/2013.....	70
Table 31: Source of Funds for HBF 2012/2013.....	71
Table 32: Transfer of Funds to Beneficiaries .....	72
Table 33: Source of Funds for HBF MoHSW - 2012/2013 .....	73
Table 34: Source of funds for HBF PMO-RALG .....	74

Table 35: Sources of Funds for HBF - LGAs 2012/2013 .....	74
Table 36: Project Financing .....	75
Table 37: Funds Released to LGAs .....	76
Table 38: TASAF III Productive Social Safety Net .....	77
Table 39: Financial Performance .....	78
Table 40: Source of Funds for WSDP 2012/2013 .....	79
Table 41: DPs' Funds to WSDP under Basket Arrangement- 2012/13 .....	79
Table 42: Financial Performance - LGAs 2012/2013 .....	80
Table 43: Financial Performance - MoHSW .....	81
Table 44: Receipts and Disbursement of Global Fund .....	82
Table 45: Receipts and Disbursements - MoHSW .....	82
Table 46: Receipts and Disbursement - BOT USD Account.....	83
Table 47: Receipts and Disbursements - (NACP) .....	83
Table 48: Receipts and Disbursements - Global Fund Round 8....	84
Table 49: Table 49: Receipts and Disbursement - Global Fund Round 9 .....	84
Table 50: Receipts and Disbursement PMO - RALG .....	85
Table 51: Receipts and Disbursements - TACAIDS.....	85
Table 52: Receipts and Disbursement - NIMR Funds .....	86
Table 53: Receipts and Disbursement - DSS .....	86
Table 54: Payments not properly supported.....	88
Table 55: Expenditure with missing payment vouchers .....	89
Table 56: Expenditure charged to wrong account code.....	89
Table 57: Expenditure made out of the approved budget.....	90
Table 58: Ineligible Expenditure on VAT .....	91
Table 59: Deferred payments .....	91
Table 60: Absence of periodic internal audit reports on HBF .....	93
Table 61: Imprest not retired .....	94
Table 62: Missing payment vouchers.....	95
Table 63: Ineligible Expenditure .....	96
Table 64: Sub Projects allocated funds but not implemented ....	97
Table 65: Completed projects not in use .....	98
Table 66: List of Projects not completed .....	99
Table 67: Funds Transferred but not Received.....	101
Table 68: Expenditure charged to wrong expenditure codes ...	102
Table 69: Payments not properly supported.....	102
Table 70: Missing payment vouchers.....	103

Table 71: Unretired Imprests at the year-end.....	104
Table 72: Unsupported Expenditure-others.....	105
Table 73: Ineligible expenditure-others.....	106
Table 74: Procurement without Tender Board Approval.....	109
Table 75: Procurement from unapproved suppliers .....	109
Table 76: Procurement without competitive quotations .....	110
Table 77: Stores items not taken on ledger charge.....	110
Table 78: Goods paid for but not delivered.....	111
Table 79: Fuel issued not recorded into vehicle's log books ....	112
Table 80: Goods procured without Tender Board approval.....	113
Table 81: Procurement from unapproved suppliers .....	114
Table 82: Procurement without inviting price quotations.....	114
Table 83: Store items not taken on ledger charges.....	115
Table 84: Goods paid for but not delivered.....	116
Table 85: Procurement of goods and services through Imprests	117
Table 86: Procurement Made without competitive Quotation ..	118
Table 87: Store items not accounted for.....	118
Table 88: Store items not accounted for.....	119
Table 89: Procurement of goods from unapproved suppliers ...	120
Table 90: Procurement out of annual procurement plan .....	121
Table 91: Tender awarded without being advertised .....	121
Table 92: Unproductive completed projects .....	122
Table 93: Contracts awarded without Tender Board's approval	122
Table 94: Store items not taken on ledger charges.....	123
Table 95: Interest charged due to delay in paying the contractor .....	124



**LIST OF FIGURES**

Figure 1: Funds contributed by DPs ..... 80

## LIST OF ABBREVIATIONS

<b>ADF</b>	African Development Fund
<b>AfDB</b>	African Development Bank
<b>AFS&amp;C</b>	Agriculture, Food Security and Cooperatives
<b>ASDP</b>	Agriculture Sector Development Programme
<b>ASDS</b>	Agricultural Sector Development Strategy
<b>ASLMs</b>	Agricultural Sector Lead Ministries
<b>ASP</b>	African Stockpiles Program
<b>BoQ</b>	Bills of Quantity
<b>BoT</b>	Bank of Tanzania
<b>CAATs</b>	Computer Assisted Audit Techniques
<b>CAG</b>	Controller and Auditor General
<b>CC</b>	CityCouncil
<b>CCTTFA</b>	Central Corridor Transit Transport Facilitation Agency
<b>CIDA</b>	Canada International Development Agency
<b>CMC</b>	Community Managment Committee
<b>CCHP</b>	Comprehensive Council Health lan
<b>DADPs</b>	District Agricultural Development Plans
<b>DANIDA</b>	Danish International Development Agency
<b>DASIP</b>	District Agriculture Sector Project
<b>DBG</b>	District Basket Grant
<b>DC</b>	District Council
<b>DDPs</b>	District Deveopment Plans
<b>DIT</b>	Dar-es-salaam Institute of Technology
<b>DMO</b>	District Medical Officer
<b>DFP</b>	Donor Funded Projects
<b>DRTA</b>	Dar es Salaam Rapid Transport Agency
<b>DSS</b>	Diagnostic Service Section
<b>EGPAF</b>	Elezabeth Glaser Pediatrict AIDS Foundation
<b>EU</b>	European Union
<b>GFS</b>	Government Fund Statistics
<b>GoT</b>	Government of Tanzania
<b>HBf</b>	Health Basket Fund
<b>HSPS</b>	Health Sector Project Support
<b>IA</b>	Irish Aid
<b>IDA</b>	International Development Association
<b>IFAD</b>	International Fund for Agricultural Development

<b>ISA</b>	International Standards on Auditing
<b>ISSAIs</b>	International Standards of Supreme Audit Institutions
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>JICA</b>	Japan International Cooperation Agency
<b>KFW</b>	Kreditanstalt für Wiederaufbau (Germany Development Bank)
<b>LAFM</b>	Local Authority Financial Memorandum
<b>LGCD</b>	Local Government Capital Development Grant
<b>LGFM</b>	Local Government Finance Memorandum
<b>LGAs</b>	Local Government Authorities
<b>LSRP</b>	Legal Sector Reform Program
<b>LPO</b>	Local Purchase Order
<b>MC</b>	Municipal Council
<b>MDAs</b>	Ministries, Departments and Agencies,
<b>MDG</b>	Millennium Development Goals
<b>MIVARF</b>	Marketing Infrastructure, Value Addition and Rural Finance Support Program
<b>MKUKUTA</b>	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania
<b>MoU</b>	Memorandum of Understanding
<b>MoW</b>	Ministry of Water
<b>MoHSW</b>	Ministry of Health and Social Welfare
<b>MSD</b>	Medical Store Department
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NAO</b>	National Audit Office
<b>NBAA</b>	National Board of Accountants and Auditors
<b>NSGRP</b>	National Strategy for Growth and Reduction of Poverty (Tanzania)
<b>NVF</b>	National Village Fund
<b>NWSDS</b>	National Water Sector Development Strategy
<b>OC</b>	Other Charges
<b>OPD</b>	Output Patient Department
<b>OPEC</b>	Organisation of Petroleum Exporting Countries
<b>PAC</b>	Public Accounts Committee
<b>PCCB</b>	Prevention and Combating of Corruption Bureau
<b>PE</b>	Procuring Entities
<b>PFA</b>	Public Finance Act (No. 6 of 2001 revised 2004)
<b>PfMRP</b>	Public Financial Management Reform Programme

<b>PFR</b>	Public Finance Regulations
<b>PMU</b>	Procurement Management Unit
<b>PV</b>	Payment Voucher
<b>PPA</b>	Public Procurement Act (No. 21 of 2004)
<b>PPRA</b>	Public Procurement Regulatory Authority
<b>PSCP</b>	Private Sector Competitiveness Project
<b>RAS</b>	Regional Administrative Secretariat
<b>Reg.</b>	Regulation
<b>RHMT</b>	Regional Health Management Team
<b>RSSP</b>	Road Sector Support Project
<b>SDC</b>	Swiss Agency for Development and Cooperation
<b>Sect.</b>	Section
<b>SIDA</b>	Swedish International Development Agency
<b>SNAO</b>	Swedish National Audit Office
<b>TACAIDS</b>	Tanzania Commission For Aids
<b>TASAF</b>	Tanzania Social Action Fund
<b>TEMESA</b>	Tanzania Electrical, Mechanical and Service Agency
<b>TC</b>	Town Council
<b>TMU</b>	TASAF Management Unit
<b>TPRS</b>	Tanzania Poverty Reduction Strategy
<b>TRA</b>	Tanzania Revenue Authority
<b>UNFPA</b>	United Nations Fund for Population Activities
<b>UNICEF</b>	United Nations International Children's Emergency fund
<b>URT</b>	United Republic of Tanzania
<b>USD</b>	United States Dollars
<b>VAT</b>	Value Added Tax
<b>VFC</b>	Village Fund Coordinator
<b>WSDP</b>	Water Sector Development Programme
<b>WIP</b>	Work in Progress
<b>WHO</b>	World Health Organization

## Foreword

This general report is a summary of results on the audit of Donor Funded Projects financed by Development Partners and the United Republic of Tanzania for the year ended 30<sup>th</sup> June, 2013. The projects are categorized into two categories i.e. major four projects and the other projects as listed below:

First category refers to the major projects funded through Basket Funding arrangement as listed below:-

- Agricultural Sector Development Programme (ASDP),
- Health Basket Fund (HBF),
- Tanzania Social Action Fund (TASAF),
- Water Sector Development Programme (WSDP).

Second category refers to the other projects funded through the bilateral funding arrangements.

The general report for Donor Funded Projects is being prepared and submitted to the President of the URT in accordance with Article 143 of the Constitution of the United Republic of Tanzania of 1977 (as amended from time to time) and Sect. 34(1) & (2) of the Public Audit Act No. 11 of 2008.

Pursuant to Article 143(2) (c) of the Constitution of the URT of 1977 (as amended from time to time), the Controller and Auditor General, is required at least once every year audit and give an audit report in respect of the accounts of the Government of the United Republic, the accounts managed by all officers of the Government of the United Republic, the accounts of all Courts of the United Republic and the accounts managed by the Clerk of the National Assembly.

Under Article 143(4) of the Constitution of the URT, the Controller and Auditor General is required to submit to the President of the URT every report he makes pursuant to the

provisions of sub Article (2) of the same Article. Upon receipt of such reports, the President shall direct the persons concerned to submit these reports before the first sitting of the National Assembly preferably before the expiration of seven days from the day the sitting of the National Assembly began.

The enactment of the Public Audit Act No. 11 of 2008 enhanced the operational independence of my office in the fulfillment of my Constitutional mandate. This was a result of the efforts of his Excellency the President of the United Republic of Tanzania Dk. Jakaya Mrisho Kikweteto enhance accountability in utilization of resource in our country.

The operational independence of my office is expected to enable me acquire the necessary control over all the resources available for the office including human and financial resources, which will enable my office to perform its tasks without being under any undue influence and control of any person or authority.

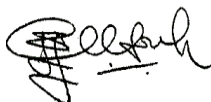
It is worth noting that while my office reports on non compliance with various laws, rules and regulations and on weaknesses in internal control systems across the public sector entities and in particular the Donor Funded Projects in this particular report, the ultimate responsibility for the maintenance of an effective and adequate system of internal control and a compliant framework lies with each Accounting Officer.

Parliament and the Tanzanian public looks upon the Controller and Auditor General and the National Audit Office (NAO) for assurance in regard to financial reporting and public resources management in the Public Sector and in relation to the efficiency and effectiveness of programs administration. My office contributes through recommendations given towards improvements in the public sector performance. In this regard, the Government, Development Partners and my office have a role to play in contributing to Parliamentary and public confidence building in public resources management. However, while the roles of public sector entities and NAO may differ, the

desire for efficient utilization of public resources remains a common ground.

In order to meet the Parliamentarian and the public's expectations, NAO continually reviews its audit approaches to ensure that the audit coverage provides an effective and independent review of the performance and accountability of public sector entities which are recipients of funds from Development Partners. Moreover, we wish to ensure that our audit coverage is well targeted and addresses priority areas so as to maximize our contribution in improving public financial management. Since our work acts as a catalyst in improving public financial management, we continue discussing with our auditees on contemporary issues and developments that impact on public sector management, particularly financial reporting and good governance.

I hope that the Government, the National Assembly, the Development Partners and the public in general will find the information in this report useful in holding the Accounting Officers to account for their stewardship role of Donor funds and their delivery of improved public services to Tanzanians which they are serving. In this regard, I will appreciate to receive feedback from the users of this report on how to further improve it in the future.



Ludovick S.L. Utouh  
**CONTROLLER AND AUDITOR GENERAL**

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National Audit Office,  
Dar es Salaam.

**March, 2014**

## Acknowledgement

I would like to express my gratitude to those who created an enabling environment for me to discharge my Constitutional obligations.

My sincere appreciation is extended to all our stakeholders including the Paymaster General, the Treasury and all Accounting Officers in the respective MDAs and LGAs who are managing and supervising the Donor Funded Projects financed in their jurisdictions for the much needed support, cooperation and for providing vital information needed for the preparation of this Annual General Report.

Also, I would like to thank all the public servants throughout Tanzania mainland, whether in Central or Local Government without forgetting the role of taxpayers and Development Partners to whom this report is dedicated. Their invaluable contributions in building the nation cannot be underestimated.

I would like to acknowledge the professionalism and commitment of my staff in achieving our goals and undertaking the work associated with meeting our ambitious audit programs despite the fact that they have been working in very difficult conditions marked with insufficient funding and working tools, low salaries and sometimes working in very remote locations of our country which are not easily accessible.

Furthermore, I would like to express my thanks to members of my staff for their endeavors to once again enable me discharge my statutory responsibilities. With lots of appreciation, I am obliged to pay tribute to my family and the families of my staff members for their tolerance during our long absence from them in fulfilling these Constitutional obligations.

Lastly, I would also like to thank the Printer for expediting the printing of this report for its timely submission on the statutory due date.



May the Almighty God bless you all as we commit ourselves to promote accountability and good governance on the use of the public resources of this country.

## Executive Summary

This general report provides a summary of the audit results of the financial statements of Donor Funded Projects in the country for the financial year ended 30<sup>th</sup> June, 2013. This part of the report gives an overview of the audit outcomes followed by highlights of salient features noted in the course of audit and summary of recommendations as outlined below:

- A. Background and General Information
- B. Basis of Audit Opinion
- C. Follow up on the implementation of CAG's Recommendations
- D. Performance Report on Major Projects and Others
- E. Financial and Human Resource Management Irregularities
- F. Procurement Irregularities
- G. Results of Special Audits
- H. Conclusion and Recommendations

**A: Background and General Information**

The statutory audit on the financial statements of the Donor Funded Projects existing in the country for the financial year ended 30<sup>th</sup> June, 2013 has been completed. The scope of audit of the Donor Funded Projects comprises: Water Sector Development Programme (WSDP), Agricultural Sector Development Programme (ASDP), Tanzania Social Action Fund (TASAF), Health Basket Fund (HBF) and other Donor Funded Projects.

Summary of the main findings of the audit is incorporated in this general report and the details of the same have been issued separately in the management letters of the Donor Funded Projects reported to the management of each project implementer and to the other stakeholders responsible for the project.

**B: Basis of Audit Opinion**

A total of 509 audit reports were issued for four (4) major donor funded projects during the financial year 2012/13. In addition, 102 audit reports were issued for other donor funded projects during the same period making a total of 611 audit reports for all Donor Funded Projects. The outcome of the audits of the donor funded Projects for the year under review is as shown in the Table 1 below:

**Table 1: Audit Opinions issued in 2012/2013**

Project	Unqualified	%	Qualified	%	Adverse	%	Disclaimer	%	Total
TASAF	95	86.4	13	11.8	-	0	2	1.8	110
ASDP	111	83.5	20	15.0	1	0.7	1	0.8	133
WSDP	119	88.8	11	8.2	3	2.2	1	0.7	134
HBF	103	78.0	26	19.7	2	1.5	1	0.8	132
<b>Sub total</b>	<b>428</b>		<b>70</b>		<b>6</b>		<b>5</b>		<b>509</b>
Other project	99	97.1	3	2.9	0		0		102
<b>Grand Total</b>	<b>527</b>	<b>86.3</b>	<b>73</b>	<b>11.9</b>	<b>6</b>	<b>1.0</b>	<b>5</b>	<b>0.8</b>	<b>611</b>

Table 1 above shows that out the 611 audited projects, 86.3 % got unqualified opinion and 11.9% were issued with qualified opinions whereas 1% and 0.8% of the audited projects were issued with adverse and disclaimer opinions, respectively. Table 2 below shows the trend of audit opinions issued to Donor Funded Projects for the three consecutive financial years.

**Table 2: Trend of audit opinions issued to Donor Funded Projects**

Opinion	2012/2013	%	2011/2012	%	2010/2011	%
Unqualified	527	86.3	497	80.8	484	83.4
Qualified	73	11.9	117	19	92	16.0
Adverse	6	1.0	1	0.2	2	0.3
Disclaimer	5	0.8	0	0	2	0.3
<b>Total</b>	<b>611</b>	<b>100</b>	<b>615</b>	<b>100</b>	<b>580</b>	<b>100</b>

From the above table, it is clear that unqualified opinions has increased by 5.5% from the year 2011/12 to 2012/13 and decreased by 2.6% from the year 2010/11 to 2011/12. The trend in other types of opinions is summarized below.

Qualified opinions increased by 3% from the year 2010/11 to 2011/12 and decreased by 7.1% from the year 2011/12 to 2012/13.

Adverse opinions decreased by 0.1% from the year 2010/11 to 2011/12 and increased by 0. % from the year 2011/12 to 2012/13.

Disclaimer opinions decreased by 0.3% from the year 2010/11 to 2011/12 and increased by 0.8 % from the year 2011/12 to 2012/13.

**C: Follow up on Implementation on CAG's Recommendations**

This chapter aims at providing status of the implementation of the previous years' audit recommendations as they were issued to individual accounting officers. A review shows that the unresolved issues from previous years for 2010/11 were Shs.106,707,796,940; Shs.20,289,040,011 for 2011/12; and Shs.129,329,551,647 for 2012/13.

**D: Performance Report on Major Projects and Others**

This section gives highlights of performance report of major projects and others including sources of financing, expenditure details and unspent balances at the end of the year. It evaluates whether funds appropriated to the projects were exclusively spent for the intended purposes and their contributions to the economy and social development of this country, including challenges encountered; and whether value for money was realized. The financial performance of the four major projects

during the year under review is as reflected in table 3 below:

**Table 3: Financial Performance of the Four Major Projects**

Project	Opening (Shs.)	Received (Shs.)	Available Amount (Shs.)	Expenditure (Shs.)	Closing Balance (Shs.)
<u>TASAF</u>	<u>6,121,150,154</u>	23,044,105,997	29,165,256,151	26,233,530,165	2,931,725,986
<u>ASDP</u>	<u>33,606,929,981</u>	<u>22,450,635,301</u>	<u>56,057,565,282</u>	<u>41,278,807,664</u>	<u>14,778,757,618</u>
<u>WSDP</u>	<u>223,068,169,733</u>	<u>404,142,527,760</u>	627,210,697,493	348,887,313,110	278,323,384,383
<u>HBf</u>	<u>12,802,980,024</u>	167,072,333,709	179,875,313,733	145,960,038,904	33,915,274,829
<u>Total</u>	<u>275,599,229,892</u>	616,709,602,767	892,308,832,659	562,359,689,843	329,949,142,816

#### **E: Financial and Human Resource Management Irregularities**

This chapter aims at providing information on the financial irregularities which have been separately issued to each individual accounting officer. However, the trend for the three years shows that irregularities in financial management are increasing year after year; in 2010/11, 2011/12 and 2012/13 were Shs.3,784,613,760, Shs.5,036,540,269 and Shs.18,775,777,298 and USD 3,391,816 respectively.

On the other hand, unfilled technical posts in LGAs in 2011/12 and 2012/13 were 14,663 and 20,215 staff respectively.

#### **F: Procurement Irregularities**

In the individual management letters submitted to each Accounting Officer, I have made a statement that almost

all major Donor Funded Projects did not fully comply with the procurement laws as required by the Public Procurement Act No. 21 of 2004 and its related Regulations of 2005. My concern is on the level of understanding of the requirements of the country's procurement laws and regulations. The problem still exists as anomalies noted in year 2012/2013 were Shs.32,323,051,169 & USD 114,806 compared to Shs.1,375,404,672 and Shs.39,461,168,319 in years 2010/11 and 2011/12 respectively.

#### **G: Results of Special Audits**

A number of issues were revealed in two (2) special audits conducted on Donor Funded Projects. Major salient features raised from the special audits are shown here under:

##### **(i) Health Basket Fund**

The HBF special audit involved fourteen councils which were picked based on the CCHP performance reports of 2011/12. Out of the fourteen councils, four were picked from the best performing councils, six were from the least performing councils and four councils were nominated by MOHSW. The list of the selected councils is in chapter seven of this report and the major salient issues are as reflected below:

- The allocation formula being used in the calculation of disbursement of funds to districts is not being reviewed annually to take into account changes in the factors of the formula, which are population data, Under-5 mortality rates, poverty count data and district medical route.
- There are cases of delay in disbursing funds to the Councils from Holding Account through the exchequer account. The delay ranged from 4 days to 44 days during the period under review.
- Some Development Partners did not provide full commitment when they signed the Side Agreement

during the financial year 2010/11; their commitments were just provisional.

- The supervisory role of RHMT and PMO-RALG was found ineffective as PMO-RALG did not carry out supportive supervision to RAS and LGAs to evaluate the implementation of CCHP and follow up on implementation of HSBF audit issues and did not conduct RMOs and DMOs annual meetings to strategize the implementation of the milestones on other deliberation from the annual Health Review Meetings.

## **(ii) DANIDA Funded Projects - PFM and SWMP**

### **(a) Participatory Forest Management (PFM)**

The Participatory Forest Management project was conducted to eleven District Councils, two RAS offices Iringa and Lindi, TAFORI and the Ministry of Natural Resources and Tourism (Forest and Beekeeping Division) for the year 2012/13 were as shown below:

- Audit noted that goods worth Shs.13,355,534 were procured by Kilosa DC and RAS - Iringa from suppliers without inviting competitive price quotations contrary to Reg. 68 (4) of Public Procurement (goods, non-consultant services and disposal of Public assets by tender), 2005 and the First Schedule of the Local Government Authorities Tender Board Regulations of 2007.
- Contrary to Regulation No. 68(5) of Public Procurement (goods, non-consultant services and disposal of Public assets by tender), 2005 two (2) Councils procured goods, works and non consultants services amounting to Shs.19,242,500 from suppliers neither approved by the Government Service Procuring Agency (GPSA) nor the Council's Tender Board.
- An amount of Shs.36,454,000 was transferred from Chunya DC development account to the harvesting account (Mapogoro account number 6076600076)

and Programme management did not provide documents to support the transferred amount contrary to Section 5.7 of the Administration and Finance Manual for PFM and Regulation 138 of the Public Finance Regulations, 2004.

- Payments of VAT (Ineligible payments) amounting to Shs.5,716,216 for six Councils were included in the expenditure incurred on various activities by the district councils contrary to Article 9 of the grant agreement between Government of Tanzania and Denmark regarding Environmental Sector Programme Support signed on July 2007.
- An amount of Shs.48,070,000 had been utilized by two (2) Councils and RAS- Iringa in respect of activities not related to the PFM Programme thus some of the planned PFM activities during the year were not implemented as intended.

**(b) Sustainable Wetland Management Program (SWMP)**

Special audit was conducted on Sustainable Wetland Management Program (SWMP) to nine District Councils, RAS Iringa and PMO-RALG for the year 2012/13. Summary of findings are as shown below:

- Payments amounting to Shs.23,929,950 were made by five (5) Councils without adequate supporting documents contrary to Regulation 138 of the Public Finance Regulations (2001).
- The expenditure records of Iringa DC and RAS-Iringa in the cash book and in the expenditure report were not coded to show the budget line financing the activity though SWMP's annual budget outlines the activities planned throughout the year and each activity is comprised of several expenditure items which have specific GFS Codes.
- Five Councils incurred expenditure on various activities amounting to Shs.15,301,600 over and



above the approved SWMP budget contrary to Order 23(1) of LAFM, 2009.

## **H: Conclusions and Recommendations**

Finally, as per the mandate vested in me under Sect.10 of the Public Audit Act No. 11 of 2008, I have made a number of recommendations in Chapter Eight of this report, of which if implemented I believe will contribute in further improving the management of Donor Funded Projects in our country. The conclusions and recommendations include the following among others:

### **General Conclusions**

- Accounting Officers did not adequately manage or supervise projects and in particular, address and implement audit recommendations. There are previous year's recommendations which remained unattended amounting to Shs.129,329,551,647 as at this report date compared to Shs.106,707,796,940 and Shs.20,289,040,011 of the same nature in 2010/11 and 2011/12 respectively.
- There is a serious problem of non-compliance with the requirements of MoU which insist on adherence to the financial and procurement laws of Tanzania. During the year under review, we observed anomalies amounting to Shs.32,031,551,169 & USD 114,806 and Shs.18,775,777,298 & USD 3,391,816 in respect of procurement and financial management respectively.
- There have been remarkable delays in release of funds from Development Partners, Treasury and Parent Ministries to project implementing partners. This has contributed to the delay or non-implementation of earmarked projects as well as huge amounts of unspent balances. For instance, the unspent balances as at 30<sup>th</sup>

June, 2013 were Shs.346,284,115,450 and USD 45,950,595; Shs.221,997,432,753 and USD 51,356,184 as of 30<sup>th</sup> June, 2012; and Shs.299,852,509,319 and USD 213,520,573 as of 30<sup>th</sup> June, 2011.

- Inadequate number of technical staff is a big challenge in implementing Donor Funded Projects in most LGAs and requires immediate managements' attention. During the year under audit, review noted a shortage of 20,215 technical staff compared to the required number of 41,043 whereas, in 2011/2012, the shortage was 14,663 technical staff against the required number of 73,087 staff.

### **General Recommendations**

- Accounting Officers responsible for financial controls and management of the Donor Funded Projects are advised to put more efforts in ensuring that recommendations pertaining to previous years' audit are attended to accordingly, so as to avoid the possibility of recurring the same weaknesses in future.
- The Accounting Officers should abide with budgetary controls over expenditure to ensure that resources are used in an effective, efficient, economical and transparent manner and all expenditures are adequately recorded and reported. There must be appropriate controls and preauditing of expenditures to prevent, detect, report and deal with unauthorised, unvouched, improperly vouched and ineligible expenditures.
- The Ministry of Finance (Treasury) and PMO-RALG are advised to;(a) ensure the implementing MDAs duly comply with terms and conditions of projects' MoUs. This will facilitate the timely release of funds from DPs to the projects; (b) ensure funds under the custody of

the Treasury and LGAs are timely released as approved to the earmarked projects. This will avoid delays in the implementation of projects and any cost overrun resulting from the passage of time and inflation; and (c) follow up with Development Partners to ensure they fulfill their commitments as agreed.

- Human Resources is the key asset to any organization for it to perform as expected, therefore the Accounting Officers of LGAs are advised to ensure the human resources management is given high priority and attention to assist the attainment of the projects' objectives. I, therefore, recommend that the LGAs in collaboration with PMO-RALG and PO-PSM to ensure continuous system of monitoring staffing levels and filling in the vacant positions in the Councils in order to improve the implementation of projects and service delivery to the community.
- MoHSW in collaboration with the PMO-RALG should ensure that the distribution of funds, drugs and medical equipment are need-oriented to avoid under/over allocation to districts. This will promote equity and avoid supplying of unwanted drugs and medical equipment to the districts.
- Central Government should ensure that it increases its funding to the health services that matches the obligations assigned to the Councils in the implementation of National Health Policy of Exemptions and Cost Sharing.
- PMO-RALG should work out a coding system in the use of one Development Account for all development projects such that it should be able to accommodate all the recordkeeping to the extent of enabling the preparation of accurate and reliable financial statements of projects and be able to ascertain the

unspent cash balance for each individual project at the year-end.

## **CHAPTER ONE**

### **1.0 BACKGROUND AND GENERAL INFORMATION**

This report is issued following the comprehensive audit of the accounts and underlying documents of Donor Funded Projects pursuant to Article 143 (4) of the Constitution of the United Republic of Tanzania of 1977 (as amended from time to time) for the financial year 2012/13.

In 2011/12, I issued the second general report on Donor Funded Projects together with the management letters and audit reports to each Accounting Officer. Therefore, outstanding matters in this report refer to the audited reports that were issued to the individual project Accounting Officers last year.

### **1.1 Audit Mandate and Rationale for Audit**

I am required by Article 143 of the Constitution of the URT to audit Public Accounts and all offices, Courts and authorities of the Government of Tanzania and submit my reports thereon to the President who shall cause them to be laid before Parliament.

In discharging these duties, I am required in terms of Section 10 of the Public Audit Act No. 11 of 2008, to satisfy myself that:-

- All reasonable precautions have been taken to safeguard the collection of public money and that the law, directives or instructions relating thereto have been duly observed.
- All money disbursed have been expended and applied under proper authority and for the purpose intended

by such authority and, adequate regulations exist for the guidance of storekeepers and stores accounts and that they have been duly observed.

In addition, I have the duty, by virtue of the same Section to draw the attention of the Parliament to any apparent lack of efficiency, economy and effectiveness in the expenditure or use of public resources.

## **1.2 Functions and Responsibilities of the CAG on the Donor Funded Projects**

My responsibility as Auditor is to express an opinion on the financial statements of Donor Funded projects based on my audit. I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), MoU requirements and such other procedures I considered necessary in the circumstances.

In addition, Sect. 10 (2) of the PAA No. 11 of 2008 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards and legal framework and that reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public money have been properly authorized.

Further, Sect 44(2) of the Public Procurement Act No.21 of 2004 and Reg. No. 31 of the Public Procurement (Goods, Works, Non-consultant services and Disposal of Public Assets by Tender) Regulations of 2005 requires me to state in my annual audit report whether or not the auditee complied with the provisions of the Law and its Regulations.

## **1.3 Organisation of audit work at the National Audit Office**

The report provides a summary of the final results of the audit exercise, which was carried out by my office throughout the country in the course of the year under review. In order for my office to effectively handle this enormous task of auditing all the Donor Funded Projects being implemented by all LGAs in the country, it has established offices in the regional administrative centres in Tanzania mainland for administrative purposes.

### **Audit Staff**

It is worth noting the Government's efforts in improving the welfare of my staff, although there is a need for further improvement. A new organization structure for my office was approved by His Excellency Dr. Jakaya Mrisho Kikwete the President of the United Republic of Tanzania. I have also submitted a proposal of enhanced salary package for my office to the President's Office - Public Service Management. In the meantime, the audit scope has expanded considerably; funds allowing, there is an intention of expanding our offices up to the district level. These efforts would require the approval of the Government and for it to set aside a budgetary provision to cater for this expansion. This office having its presence at the district level will be in line with the government policy of D-by-D in which most of the development funds are spent at the lower administrative levels.

In keeping with current trends, the audit work is no longer confined to financial and compliance auditing. It is my intention to ensure that my audit staff are trained in performance, forensic, environmental, contract auditing, gender based auditing, management auditing, risk based auditing, Information Technology (Computer Assisted Audit Techniques - CAATs) and now in oil and gas auditing. This will enable my office to perform what is commonly referred to as comprehensive audit which encompasses the audit of every aspect of an organization. With the recent discovery of gas reserves and the possibility of

discovery of oil reserves, it is the intention of my office to build the capacity of my auditors to audit this crucial economic area.

## **1.4 Scope and Applicable Audit Standards**

### **1.4.1 Scope of Audit**

The scope of my audit covered the evaluation of the effectiveness of the financial accounting system, internal control over various activities, performance and physical verification of Donor Funded Projects.

Audits were performed to satisfy myself as to the compliance with established regulations, the exercise of economy, efficiency and effectiveness in the utilization of public resources.

In the course of the audit, the findings are brought to the attention of the Accounting Officers of the implementers of the Donor Funded Projects being audited through exit meetings. Accounting Officers are given an opportunity to respond to observations, recommendations and related commentary, after which the Accounting Officers are issued with the audit report containing the audit opinion and a management letter pointing weaknesses observed in the management of the donor funded projects.

### **1.4.2 Applicable Auditing Standards**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organisation of Supreme Audit Institutions (INTOSAI) and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements of planning and performing of the audit to obtain reasonable assurance of whether the financial statements are free from material misstatement.

## **1.5 Accounting Policies**

Financial statements of the DFPs are prepared according to the MoU requirements; although they all observe the Public Financial Management Systems of this country.

Reg.53 of the Public Finance Regulations of 2004 requires that the accounting policies of the Government are so framed to ensure that the resources appropriated by Parliament are properly accounted for. In terms of the Public Finance Act No. 6 of 2001 (revised 2004) all revenues received by the Government shall be deposited into the Consolidated Fund. Payments out of the Consolidated Fund will be made through appropriations by Parliament.

## **1.6 Preparation and Submission of Financial Statements for Audit**

### **1.6.1 Responsibilities of the Accounting Officer - Central Government**

Sect. 25(4) of the Public Finance Act (PFA) No. 6 of 2001 (revised 2004), obliges the Accounting Officer to prepare financial statements for each financial year which give a true and fair view of the receipts and payments made under the project as at the end of the financial year. It also requires management to ensure that the project management keeps proper accounting records which will disclose with reasonable accuracy its financial position and its responsibility in safeguarding the assets of the reporting entity.

### **1.6.2 Management Responsibilities to the Financial Statements - Local Government Financed Projects**

Where the Local Government Authority receives funds from the Development Partners, preparation of the financial statements is the responsibility of the Council's management as per Order 31(1) of the Local Authorities Financial Memorandum of 2009 and as per the signed



## Memorandum of Understanding between the Local Government Authorities and Development Partners.

Order 11 to 14 of the Local Authorities Financial Memorandum (LAFM) of 2009 requires the LGA managements to establish and support a sound system of internal control within the Council.

### **1.7 Internal Control Systems**

Internal Control System is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. Internal controls play an important role in preventing and detecting frauds/misappropriations and protecting the public resources, both tangible and intangible. Implementing an effective internal control structure is an essential responsibility of the management of the entity.

## CHAPTER TWO

### 2.0 BASIS OF AUDIT OPINION

#### Introduction

The auditor's opinion is a formal opinion, or disclaimer thereof, issued by an independent external auditor as a result of an audit on the financial statements or evaluation performed on an entity or subdivision thereof (called an “auditee”). The opinion is provided to the user of these financial statements as an assurance service in order for the user to make decisions based on the results of the audit.

An auditor's opinion is considered an essential tool when reporting financial information to users. In the public sector, it is intended to advise Parliament and other stakeholders on whether Donor Funded Project's financial statements have been prepared in conformity with the International Public Sector Accounting Standards (IPSAS) and in the manner required by Sect. 25(4) of the Public Finance Act, 2001 (revised 2004) and Order Nos. 11 to 14 of the Local Authorities Financial Memorandum (LAFM) of 2009 including the Donor Funded Project's MoUs compliance with laws and regulations.

In ordinary language, an audit opinion is an assurance on whether the financial information presented by the auditee is materially correct and trustworthy for making various decisions such as the Government's decision on whether the allocations made to Donor Funded Projects have been spent for the benefit of the Tanzania public. It is important to note that the auditor's opinion on the financial statements is on whether the information presented is correct and free of material misstatements, whereas all other determinations are left for the user to decide.

## **2.1 Types of Audit Opinion**

There are four common types of audit opinion, each one presenting a different situation encountered during the auditor's work. The four opinions are as follows:

### **(i) Unqualified Opinion**

Unqualified Opinion is sometimes regarded by many as equivalent to "Clean audit opinion". This type of opinion is issued when the financial statements presented are free of material misstatement and are in conformity with applicable accounting framework including compliance with laws and regulations. It is the best type of an audit opinion an auditee may receive from an external auditor.

In certain circumstances, the audit opinion may be modified by adding an emphasis of matter paragraph to highlight matter(s) affecting the financial statements. The addition of such an emphasis of matter paragraph does not affect the audit opinion. The main objective of the emphasis of matter paragraph is to bring clear understanding of the situation obtained in the audited entity, despite the unqualified opinion given.

### **(ii) Qualified Opinion**

The nature of the circumstances giving rise to qualification will generally fall into one or two categories:

- Where there is an uncertainty which prevents the auditor from forming an opinion on a matter (Uncertainty).
- Where the auditor is able to form an opinion on a matter but this opinion conflicts with the view given by the financial statements (Disagreement in best practice or records keeping and non-compliance with Laws and Regulations).

### **(iii) Adverse Opinion**

An Adverse Opinion is issued when it is determined that the financial statements are materially misstated and, when considered as a whole, do not conform to the applicable accounting framework, essentially stating that the information contained is materially incorrect, unreliable, and inaccurate in order to assess the results of operations.

The wording of the adverse opinion is clear in which I state that the financial statements are not in accordance with applicable accounting framework, e.g. the International Public Sector Accounting Standards (IPSAS).

### **(iv) Disclaimer of Opinion**

A Disclaimer of Opinion, commonly referred to simply as a Disclaimer, is issued when the auditor could not form, and consequently refuses to present, an opinion on the financial statements being audited. This type of opinion is expressed when the auditor tried to audit but could not complete the work due to various reasons and therefore could not issue an opinion. Certain situations where a disclaimer of opinion may be appropriate includes: a lack of auditor's independence, or, when there are significant scope limitations, whether intentional or not, or when the auditee refuses to provide evidence and information to auditor in significant areas of the financial statements and when there are significant uncertainties within the auditee.

## **2.2 Audit Opinions issued on Donor Funded Projects**

(i) Table 4 below presents the types of audit opinions issued to different implementers of Donor Funded Projects for the financial year 2012/2013:

**Table 4: Audit Opinions Issued in 2012/13**

Project	Unqualified	%	Qualified	%	Adverse	%	Disclaimer	%	Total
TASAF	95	86.4	13	11.8	-	0	2	1.8	110
ASDP	111	83.5	20	15.0	1	0.7	1	0.8	133
WSDP	119	88.8	11	8.2	3	2.2	1	0.7	134
HBF	103	78.0	26	19.7	2	1.5	1	0.8	132
Sub total	428		70		6		5		509
Other project	99	97.1	3	2.9	0		0		102
Grand Total	527	86.3	73	11.9	6	1.0	5	0.8	611

- (ii) Trend of audit opinions issued to Donor Funded Projects for the three consecutive financial years is as reflected in table 5 below:

**Table 5: Trend of audit opinions issued to Donor Funded Projects**

Opinion	2012/ 2013	%	2011/ 2012	%	2010/ 2011	%
Unqualified	527	86.3	497	80.8	484	83.4
Qualified	73	11.9	117	19	92	16
Adverse	6	1.0	1	0.2	2	0.3
Disclaimer	5	0.8	0	0	2	0.3
Total	611	100	615	100	580	100

Unqualified opinions has decreased by 2.6% from the year 2010/11 to 2011/12 and increased by 5.5% from the year 2011/12 to 2012/13. This increase indicates improvement in financial management in the current year.

Qualified opinions increased by 3% from the year 2010/11 to 2011/12 and decreased by 7.1% from the year 2011/12 to 2012/13.

Adverse opinions decreased by 0.1% from the year 2010/11 to 2011/12 and increased by 0.8% from the year 2011/12 to 2012/13.

Disclaimer opinions decreased by 0.3% from the year 2010/11 to 2011/12 and increased by 0.8% from the year 2011/12 to 2012/13.

## **2.3 Presentation and analysis of audit results**

This part analyses the grounds which gave rise to issuance of a particular type of opinion to a Donor Funded Project. The analysis is aimed at amplifying the basic criteria used in forming the opinion as discussed below:

The implementers of the four (4) major Donor Funded Projects were audited in the financial year 2012/13 together with one hundred and two (102) individual other Donor Funded Projects, making a total of one hundred and six (106) Projects with 611 individual audit reports been issued.

### **2.3.1 Agricultural Sector Development Programme (ASDP)**

The Government of Tanzania has adopted an Agricultural Sector Development Strategy (ASDS) which sets the framework for achieving the sector's objectives and targets. An Agricultural Sector Development Programme (ASDP) Framework and Process Document was developed jointly by the five Agricultural Sector Lead Ministries (ASLMs) which are Agriculture, Food Security and Cooperatives; Livestock Development and Fisheries; Industries, Trade and Marketing; Water and PMO-RALG. The document provides the overall framework and processes for implementing the ASDS. Development activities at the district level are implemented by the Local Government Authorities (LGAs), based on the District Agricultural Development Plans (DADPs). The DADPs are part of the broader District Development Plans (DDPs).

In line with the ASDP, the Government and Development Partners are working together in formulating a consolidated set of interventions in support of the ASDP.

The interest to support the ASDP basket has been expressed in principle by the following development partners: Danish International Development Agency (DANIDA), Japan International Cooperation Agency (JICA), the European Union (EU), Irish Aid (IA), the International Fund for Agricultural Development (IFAD) and the International Development Association (IDA).

The audit outcomes are narrated below:-

**(a) Unqualified opinion**

A total of one hundred eleven (111) (83.5%) out of the 133 Councils audited this year managed to be issued with Unqualified Opinion as shown in the table 6 below:

**Table 6: Council issued with Unqualified Opinion**

SN	Council	SN	Council
1	Bukombe DC	56	Kilosa DC
2	Chato DC	57	Morogoro DC
3	Geita DC	58	Morogoro MC
4	Biharamulo DC	59	Mvomero DC
5	Bukoba DC	60	Ulanga DC
6	Bukoba MC	61	Masasi DC
7	Karagwe DC	62	Mtwara DC
8	Misenyi DC	63	Mtwara Mikindani MC
9	Muleba DC	64	Nanyumbu DC
10	Ngara DC	65	Newala DC
11	Bunda DC	66	Tandahimba DC
12	Musoma DC	67	Bagamoyo DC
13	Musoma MC	68	Kibaha DC
14	Serengeti DC	69	Kibaha TC
15	Tarime DC	70	Kisarawe DC
16	Magu DC	71	Mafia DC
17	Misungwi DC	72	Mkuranga DC
18	Sengerema DC	73	Rufiji DC

19	Kahama DC	74	Iringa DC
20	Kishapu DC	75	Iringa MC
21	Shinyanga DC	76	Mufindi DC
22	Shinyanga MC	77	Kilolo DC
23	Maswa DC	78	Njombe DC
24	Meatu DC	79	Njombe TC
25	Arusha CC	80	Makete DC
26	Arusha DC	81	Ludewa DC
27	Longido DC	82	Makambako TC
28	Monduli DC	83	Chunya DC
29	Ngorongoro DC	84	Mbarali DC
30	Hai DC	85	Mbeya DC
31	Moshi DC	86	Mbeya CC
32	Mwanga DC	87	Rungwe DC
33	Rombo DC	88	Mbinga DC
34	Same DC	89	Songea DC
35	Siha DC	90	Songea MC
36	Moshi DC	91	Tunduru DC
37	Babati DC	92	Namtumbo DC
38	Babati TC	93	Nkasi DC
39	Mbulu DC	94	Mpanda TC
40	Simanjiro DC	95	Bahi DC
41	Hanang' DC	96	Chamwino DC
42	Handeni DC	97	Dodoma DC
43	Korogwe TC	98	Kongwa DC
44	Lushoto DC	99	Mpwapwa DC
45	Mkinga DC	100	Kasulu DC
46	Muheza DC	101	Kibondo DC
47	Tanga CC	102	Kigoma DC
48	Ilala DC	103	Kigoma/Ujiji MC
49	Kinondoni DC	104	Iramba DC
50	Temeke DC	105	Manyoni DC
51	Kilwa DC	106	Singida DC



52	Lindi DC	107	Singida MC
53	Lindi MC	108	Igunga DC
54	Ruangwa DC	109	Nzega DC
55	Kilombero DC	110	Tabora DC
		111	Tabora MC

**(b) Council issued with Qualified Opinion**

Out of the 133 Councils audited, 20 (15%) were issued with Qualified audit opinion as shown in table 7 below in which the causes for such type of opinion are given.

**Table 7: Councils Issued with Qualified Opinion**

S/N	Council
1	<b>Rorya DC</b>
	<ul style="list-style-type: none"> <li>• Payments amounting to Shs.46,606,158.24 were made to various payees for the execution of various activities without proper supporting activity reports and other particulars.</li> <li>• Expenditure amounting to Shs.16,701,200 was charged to wrong account codes contrary to Oder 23 (1) of Local Government Financial Memorandum, 2009.</li> <li>• Activities paid out of approved ASDP Action Plan Shs.11,740,000.</li> </ul>
2	<b>Kwimba DC</b>
	<ul style="list-style-type: none"> <li>• The Council paid to various payees a total amount of Shs.15,990,000 without supporting documents.</li> <li>• The cash flow Statement disclosed Shs.381,756,002 as transfer to villages in respect of DADPs activities without payment vouchers and acknowledgement receipts to support the transfers.</li> </ul>
3	<b>Mwanza CC</b>
	<ul style="list-style-type: none"> <li>• The Council transferred Shs.117,687,708 to various</li> </ul>

S/N	Council
	community groups for implementation of planned ASDP activities, however the amount transferred was not reported in the statement of financial performance for the year ended 30 <sup>th</sup> June 2013.
4	<b>Ukerewe DC</b>
	<ul style="list-style-type: none"> <li>A sum of Shs.175,721,796 (DADP fund) received from the Ministry of Finance was not disclosed on the Cash Flow Statement as a financing activity.</li> </ul>
5	<b>Bariadi DC</b>
	<ul style="list-style-type: none"> <li>Expenditure amounting to Shs.485,803,736 were not supported with Payment vouchers.</li> </ul>
6	<b>Kiteto DC</b>
	<ul style="list-style-type: none"> <li>Fuel issued but not recorded into vehicle's log books Shs.4,162,400.</li> <li>Expenditure amounting to Shs.13,958,000 was not supported with relevant documents contrary to Order No.8 (2)(c) of the LAFM, 2009.</li> </ul>
7	<b>Kilindi DC</b>
	<ul style="list-style-type: none"> <li>Understatement of cash and cash equivalent figure brought forward in the statement of financial position by Shs. 30,738,745. The balance carried forward in the financial statements for the year ended 30 June 2012 relating to cash and cash equivalent was Shs.70,961,416; however, the reported opening balance on 1 July 2012 was Shs.40,222,671. This figure could not be reconciled.</li> </ul>
8	<b>Korogwe DC</b>
	<ul style="list-style-type: none"> <li>Recurrent Grant understated by Shs.14,477,000.</li> </ul>
9	<b>Pangani DC</b>
	<ul style="list-style-type: none"> <li>Understatement of expenses in the statement of</li> </ul>

S/N	Council
	<p>financial performance by Shs.26,294,696. This related to depreciation charge on PPE which was not reflected in the statement of financial performance.</p> <ul style="list-style-type: none"> <li>• Misstatement of change in payables figure in the cash flow statement by Shs.23,843,831.</li> </ul>
<b>10</b>	<b>Meru DC</b>
	<ul style="list-style-type: none"> <li>• Overstatement of PPE figure and depreciation charges by Shs.62,013,521 and Shs.4,667,685, respectively.</li> <li>• Expenditure amounting to Shs.2,470,000 was not supported with relevant documents.</li> </ul>
<b>11</b>	<b>Karatu DC</b>
	<ul style="list-style-type: none"> <li>• Overstatement of PPE value by Shs.132,500,000.</li> <li>• Cash flows statement reflected wrong figures as outlined below:- <ul style="list-style-type: none"> <li>a) Decrease in inventory is nil while as per the statement of financial position there is a decrease of inventory amounting to Shs.37,000,000</li> <li>b) Decrease in trade payables is Shs.60,382,590.80 while there were no trade payables shown under comparative figures of 2011/2012 of the statement of financial position</li> </ul> </li> </ul>
<b>12</b>	<b>Liwale DC</b>
	<ul style="list-style-type: none"> <li>• Unsupported expenditure amounting to Shs.16,070,000.</li> <li>• Expenditure charged to wrong expenditure codes Shs.7,215,000.</li> </ul>
<b>13</b>	<b>Nachingwea DC</b>
	<ul style="list-style-type: none"> <li>• Payment amounting to Shs.27,850,300 in respect of construction of Nanenane pavilion Ngongo and</li> </ul>

S/N	Council
	<p>purchase of motorbike were made out of the approved budget.</p> <ul style="list-style-type: none"> <li>• Unsupported expenditure amounted to Shs.81,236,506 whose legitimacy could not be confirmed.</li> <li>• Payments amounting to Shs.196,800,655 were charged to wrong expenditure codes.</li> </ul>
<b>14</b>	<b>Mpanda DC</b>
	<ul style="list-style-type: none"> <li>• Shs.21,500,000 which was part of funds allocated for construction of godown at Ikulwe village was noted to have been fraudulently withdrawn from the bank account and misappropriated.</li> </ul>
<b>15</b>	<b>Sikonge DC</b>
	<ul style="list-style-type: none"> <li>• The amount of deferred capital income was understated by Shs.20,088,853.</li> <li>• The supplies and consumables figure reported was Shs.78,574,667 contrary to Note No.18 which showed Shs.7,918,900 leaving the unexplained difference of Shs.70,655,767.</li> <li>• Payment amounting to Shs.150,260,651 was charged to wrong expenditure codes.</li> </ul>
<b>16</b>	<b>Urambo DC</b>
	<ul style="list-style-type: none"> <li>• Non disclosure of receivables and prepayments of Shs.204,035,360 in the statement of financial position.</li> </ul>
<b>17</b>	<b>Kondoa DC</b>
	<ul style="list-style-type: none"> <li>• Deferred payments Shs.14,590,000.</li> <li>• Inadequately supported Payments amounting to Shs.32,360,401 and were made to different activities pertaining to ASDP.</li> </ul>
<b>18</b>	<b>Ileje DC</b>
	<ul style="list-style-type: none"> <li>• Over spending on ASDP activities Shs.23,351,983.</li> <li>• Expenditure of Shs.5,000,000 was noted to have been</li> </ul>

S/N	Council
	<p>charged to wrong expenditure codes without prior approval for reallocation by the Finance Committee.</p> <ul style="list-style-type: none"> <li>The Council procured 670 litres of fuel amounted to Shs.1,675,000. However, documents to support utilization of the fuel were not provided.</li> </ul>
<b>19</b>	<b>Kyela DC</b>
	<ul style="list-style-type: none"> <li>Contract and tender documents in respect of Ngana irrigation scheme Shs.66,827,500 were not produced for audit.</li> <li>The Council through ASDP funds procured fuel amounting to Shs.5,200,000 from various suppliers but was not recorded into the store Ledger.</li> </ul>
<b>20</b>	<b>Sumbawanga DC</b>
	<ul style="list-style-type: none"> <li>Unsupported payments amounting to Shs.1,480,000 contrary to provision of Order 34 (1) and 104 of the LGFM, 2009.</li> <li>Unsupported expenditure amounting to Shs.3,747,500.</li> <li>Payments made without being supported by activity reports Shs.18,340,000.</li> <li>Payments to other than ASDP's approved activities amounting to Shs. 6,647,713</li> </ul>

**(c) Council issued with Adverse Opinion**

One (1) Council has been issued with an adverse audit opinion which is 0.75% as shown in table 8 below:

**Table 8: Council issued with Adverse Opinion**

S/N	Council
<b>1</b>	<b>Sumbawanga MC</b>
	<ul style="list-style-type: none"> <li>Expenditures amounting to Shs.24,618,298 were not adequately supported by relevant supporting documents contrary to Order No. 8 (2)(c) of LGFM, 2009.</li> </ul>

S/N	Council
	<ul style="list-style-type: none"> <li>The figure of property, plant and equipment was disclosed in statement of Financial Position as at 30<sup>th</sup> June, 2013 as Shs.374,039,819.29. However the corresponding figure in the referred Note 27 is Shs.423,959,819.29 resulting to the unexplained difference of Shs.49,920,000.</li> <li>Deferred incomes (Capital Grant) of Shs.378,039,819 was not supported by relevant documents.</li> <li>There was omission of receivable and prepayments of Shs.1,011,500 in the statement of financial position which relates to unretired imprests issued to staff.</li> <li>Amortization of capital grant Shs.33,654,734 for the financial year 2012/2013 has been cross referenced to Note 27 (Non current Assets as detailed in the summary of Fixed Assets) hence does not support the reported figure.</li> <li>Purchased Property, Plant and equipment reported as investing activities disclosed in the Cash flows statement for the financial year 2012/13 was Shs.128,639,000 while the schedule of non current asset reported Shs.135,271,000 as additions for the year. This resulted to unexplained discrepancy of Shs.6,632,000.</li> </ul>

**(d) Council issued with Disclaimer Opinion**

One (1) Council has been issued with a disclaimer opinion which is 0.75% as shown in table 9 below:

**Table 9: Council issued with Disclaimer Opinion**

1	Mbozi DC
	<ul style="list-style-type: none"> <li>There were payments made without being pre auditing amounting to Shs.106,889,500.</li> <li>ASDP funds amounting to Shs.71,176,000 was</li> </ul>

	<p>utilized for LGCDG activities which implies that ASDP activities of the same amount were not implemented as per the approved annual plan.</p> <ul style="list-style-type: none"> <li>• During the year under review ASDP funds amounting to Shs.30,000,000 were diverted to unplanned activities.</li> </ul>
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#### (e) Councils not allocated with ASDP funds

Out of 140 Councils, Seven (7) Councils equivalent to 5% were not allocated with funds for implementation of the Agricultural Sector Development Programme (ASDP) due to the fact that they are new and not included in the prior activities. Dar es Salaam City Council has no agricultural activities as respective district councils participate in the project. The table 10 shows the list of Councils which were not in the ASDP for the year under review.

**Table 10: Councils not allocated with ASDP Funds, 2012/13**

S/N	Council	Reason
1	Geita TC	New Council
2	Ilemela MC	New Council
3	Kahama TC	New Council
4	Bariadi TC	New Council
5	Dar es Salaam CC	No agricultural activities
6	Busokeli DC	New Council
7	Masasi TC	New Council

#### 2.3.2 Health Basket Fund (HBF)

The Government of Tanzania has developed a framework to reform the health sector in order to improve the impact of health service delivery in the country. In order to promote coordinated planning and implementation of services within the health sector, the Ministry of Health and Social Welfare and Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) in collaboration with Development Partners are engaged in a number of initiatives to upgrade health facilities and equipment through the Health Basket Fund arrangements.

As part of the Health Sector Reform Programme and in order to promote coordinated planning and implementation of services within the health sector, the Government of Tanzania adopted a Sector-Wide Approach (SWAP) to the provision of internally and externally obtained health sector resources. Under this approach, the Government and a group of its Development Partners, namely Royal Netherlands Embassy, DANIDA, Irish Aid, SDC, GTZ, KFW, UNFPA and the World Bank entered into joint financing of selected areas of the MOH annual Plan of Activities (POA).

In April 1999 the Government and the donors signed Joint Donor and Government of Tanzania Side Agreement (addendum) in which they confirmed their commitment to implement, in gradual and incremental way, the principles of sector wider approaches in order to achieve sustainable improvements in the health and wellbeing of the people.

The objective of the joint donor funding assistance is to support Tanzania's development efforts in the health sector. The donors supplement increased the annual health budget from US\$ 1.25 to US\$ 1.80 per capital as Health Basket Grant. The audit outcome of the Health Basket Fund is shown hereunder:

**(a) Councils issued with Unqualified Opinion**

One hundred and three (103) Councils out of 132 audited LGAs equivalent to 78% were issued with unqualified audit opinion as shown in Table 11 below:

**Table 11: Councils issued with Unqualified Opinion**

S/N	Council	S/N	Council
1	Biharamulo DC	53	Newala DC
2	Muleba DC	54	Masasi DC
3	Bukoba MC	55	Kisarawe DC



4	Missenyi DC	56	Kibaha DC
5	Ngara DC	57	Mafia DC
6	Kwimba DC	58	Rufiji DC
7	Misungwi DC	59	Bagamoyo DC
8	Ukerewe DC	60	Kibaha TC
9	Magu DC	61	Ilala MC
10	Musoma MC	62	Kinondoni MC
11	Tarime DC	63	Temeke MC
12	Kahama DC	64	Iringa DC
13	Kishapu DC	65	Iringa MC
14	Shinyanga MC	66	Mufindi DC
15	Shinyanga DC	67	Kilolo DC
16	Meatu DC	68	Sumbawanga DC
17	Arusha DC	69	Nkasi DC
18	Arusha CC	70	Chunya DC
19	Longido DC	71	Ileje DC
20	Moshi DC	72	Mbarali DC
21	Moshi MC	73	Mbeya DC
22	Same DC	74	Mbeya CC
23	Mwanga DC	75	Rungwe DC
24	Siha DC	76	Mbinga DC
25	Hai DC	77	Songea MC
26	Rombo DC	78	Songea DC
27	Muheza DC	79	Tunduru DC
28	Tanga CC	80	Bahi DC
29	Mkinga DC	81	Chamwino DC

30	Kilindi DC	82	Dodoma MC
31	Lushoto DC	83	Kondoa DC
32	Korogwe TC	84	Kongwa DC
33	Babati DC	85	Mpwapwa DC
34	Mbulu DC	86	Kasulu DC
35	Simanjiro DC	87	Kibondo DC
36	Hanang DC	88	Kigoma DC
37	Kilwa DC	89	Kigoma/Ujiji MC
38	Lindi MC	90	Iramba DC
39	Nachingwea DC	91	Manyoni DC
40	Lindi DC	92	Singida DC
41	Liwale DC	93	Singida MC
42	Ruangwa DC	94	Nzega DC
43	Kilombero DC	95	Sikonge DC
44	Morogoro DC	96	Tabora DC
45	Mvomero DC	97	Tabora MC
46	Kilosa DC	98	Urambo DC
47	Morogoro MC	99	Njombe DC
48	Ulanga DC	100	Njombe TC
49	Mtwara DC	101	Makete DC
50	Nanyumbu DC	102	Ludewa DC
51	Tandahimba DC	103	Mpanda TC
52	Mtwara MC		

**(b) Councils issued with Qualified Audit Opinion**

Twenty six (26) out of the 132 Councils audited which is equivalent to 19.7% were issued with qualified audit

opinion as shown in table 12 below in which the reasons for such opinions are given.

**Table 12: Councils issued with Qualified Opinion**

S/N	Council
1.	<b>Karagwe DC</b>
	<ul style="list-style-type: none"> <li>• Payments made out of the Health Sector Basket Fund budget Shs.11,386,000 were contrary to Order 23 (1) of the LAFM 2009.</li> </ul>
2.	<b>Sengerema DC</b>
	<ul style="list-style-type: none"> <li>• The Council overstated amortization of recurrent grant by Shs.19,056,569. The correct figure should be Shs.1,013,835,431 and not the reported figure of Shs.1,032,892,000 as at 30<sup>th</sup> June, 2013.</li> <li>• The Council reported unapplied capital grants of Shs.219,749,000 instead of Shs.357,450,161 resulting into understatement by Shs.137,701,161.</li> <li>• The Council paid a total amount of Shs.34,205,000 in respect of various transactions, but the amounts were charged to the wrong accounting codes contrary to Order 23(1) of LGFM, 2009.</li> <li>• The Council purchased medical supplies from MSD for Shs.106,852,100 for which up to the time of audit were not delivered to the Council.</li> </ul>
3.	<b>Bunda DC</b>
	<ul style="list-style-type: none"> <li>• The Council paid total amount of Shs.4,580,000 without supporting documents contrary to Order 8 (2) (c) of the Local Authority Financial Memorandum, 2009.</li> </ul>
4.	<b>Musoma DC</b>
	<ul style="list-style-type: none"> <li>• Payments not supported by relevant documents Shs.15,326,250 contrary to Order 8 (2) (c) of the Local Authority Financial Memorandum, 2009.</li> <li>• Missing Payment Voucher worth Shs.77,114,000</li> </ul>

S/N	Council
	<ul style="list-style-type: none"> <li>The Council made expenditure amounting to Shs.1,260,000 which has been charged to wrong expenditure codes contrary to Order 23 (1) of the LGFM, 2009.</li> </ul>
5.	<b>Rorya DC</b>
	<ul style="list-style-type: none"> <li>The Council paid a total amount of Shs.28,146,745 without attaching appropriate supporting documents contrary to Order 8 (2) (c) of the Local Authority Financial Memorandum, 2009.</li> </ul>
6.	<b>Serengeti DC</b>
	The Council paid a total amount of Shs.27,479,208 without attaching appropriate supporting documents contrary to Order 8 (2) (c) of the Local Authority Financial Memorandum, 2009.
7.	<b>Maswa DC</b>
	<ul style="list-style-type: none"> <li>Council paid Shs.57,981,200 to various suppliers for procurement of various items, however the items were not recorded in the stores ledgers contrary to Order 59 (1) of the Local Government Financial Memorandum, 2009.</li> <li>The Council paid to Shs.93,248,716 to various payees without relevant supporting documents contrary to Order 8 (2) (c) and 10 (2) (d) of the Local Government Financial Memorandum of 2009.</li> <li>There were missing payment vouchers amounting to Shs.15,327,500 contrary to Order 104(1) of the Local Government Financial Memorandum of 2009.</li> </ul>
8.	<b>Meru DC</b>
	<ul style="list-style-type: none"> <li>The HBF financial statements included EGPAF funds amounting to Shs.228,809,539 thus overstating the reported income and expenditure by the same amount.</li> <li>Property Plant and Equipment were understated by</li> </ul>

S/N	Council
	<p>Shs.4,100,000 resulted from wrongly reported additions of computer equipment Shs.2,885,700 instead of Shs.6,985,700.</p> <ul style="list-style-type: none"> <li>• Inventories worth Shs.113,853,189 disclosed in the statement of financial position was not supported by Note and schedule.</li> <li>• Statement of cash flows did not disclose the cash from financing activities and purchase of PPE Shs.29,591,461.</li> <li>• Payment vouchers amounting to Shs.7,149,114 were not adequately supported by documents contrary to Order 8 (2) (c) of LGFM 2009.</li> <li>• The Council incurred nugatory expenditure of Shs.15,749,825 which was paid to M/S Kitwai Engineering Ltd for major repair and maintenance of uninsured ambulance SM 5080 which was involved in accident.</li> </ul>
<b>9.</b>	<b>Monduli DC</b>
	<ul style="list-style-type: none"> <li>• Payment voucher of Shs.3,732,500 paid to the District Executive Director was found missing from its batch. Absence of the payment voucher, made legitimacy of expenditure incurred not justifiable.</li> <li>• Payment vouchers amounting to Shs.12,133,500 were inadequately supported contrary to Order 8 (2) (c) of LGFM 2009.</li> </ul>
<b>10.</b>	<b>Karatu DC</b>
	<ul style="list-style-type: none"> <li>• Contrary to Order 8(2) (c) of LGFM, 2009 payment vouchers amounting to Shs.21,208,000 were not supported by relevant documents, thus validity and genuineness of such payments could not be done.</li> </ul>
<b>11.</b>	<b>Ngorongoro DC</b>
	<ul style="list-style-type: none"> <li>• Shs. 614,220,950 was reported in the statement of financial performance as amortisation of recurrent grants. However, a sum of</li> </ul>

S/N	Council
	<p>Shs.500,253,250 was reported as recurrent expenditure incurred for the year under review. Thus, there is overstatement of amortisation of recurrent grants by Shs.113,967,700.</p> <ul style="list-style-type: none"> <li>• Increase of Accounts Payables amounting to Shs.6,822,000, was not reflected in the cash flows statement, contrary to IPSAS 2.</li> <li>• Shs.515,445,804 was wrongly reported in the cash flows statement under cash flow from investing activities.</li> <li>• A recurrent grant received during the year under review amounting to Shs.451,902,246 was reported as cash flow from financing activities contrary to IPSAS 2.</li> <li>• Payments amounting to Shs.24,530,125 were made to various payees without sufficient supporting documents contrary to Order No 8(2) (c) of LGFM 2009.</li> </ul>
<b>12.</b>	<b>Pangani DC</b>
	<ul style="list-style-type: none"> <li>• Payments amounting to Shs.1,029,000 were made without proper supporting documents contrary to Order 8 (2) (c) of LAFM 2009. The validity of the expenditure could not be ascertained and established.</li> </ul>
<b>13.</b>	<b>Korogwe DC</b>
	<ul style="list-style-type: none"> <li>• The Council had 11,601 litres of diesel in store worth Shs.24,130,080 which were not reflected in the statement of financial position contrary to</li> </ul>

S/N	Council
	<p>IPSAS 12 requirements.</p> <ul style="list-style-type: none"> <li>• There was a prepaid amount of Shs.4,065,800 to MSD which was not reflected in the statement of financial position as prepayment, contrary to IPSAS requirements.</li> </ul>
14.	Handeni DC
	<ul style="list-style-type: none"> <li>• Amount of Shs.474,143,215 was reported in the cash flow statement as amortised grants under cash flow from operating activities. However, according to IPSAS 2 amortised grants do not require to be reported in the cash flow statement prepared using indirect method.</li> <li>• Change in deferred revenue grant was reported to have a nil balance in the cash flow statement. Review of statement of financial position revealed that, there is an increase in deferred revenue grant of Shs.217,402,385 (i.e. the difference between deferred revenue grant at the beginning of the year of Shs.301,358,857 and deferred revenue grant at the end of the year of Shs.518,761,242). Thus there is increase in deferred revenue grant of Shs.217,402,385.</li> <li>• Shs.691,545,600 was reported in the cash flows statement as development Grants received during the year under review. However, during the year the Council did not receive any development grant for implementing Health Basket Fund activities, since the Health Basket fund activities are of recurrent nature. Therefore, Shs.691,545,600 was not supposed to be reflected</li> </ul>

<b>S/N</b>	<b>Council</b>
	<p>in the cash flows statement.</p> <ul style="list-style-type: none"> <li>• Payments amounting to Shs.5,059,500 were not accompanied by relevant supporting documents, contrary to Order No.8 (2)(c) of the LAFM 2009.</li> </ul>
<b>15.</b>	<b>Babati TC</b>
	<ul style="list-style-type: none"> <li>• Payments amounting to Shs.16,692,707.24 were not accompanied by relevant supporting documents, contrary to Order No.8 (2c) of the LAFM 2009.</li> <li>• Deviation of Heath Basket Fund monies to unintended projects activities Shs.110,162,925</li> </ul>
<b>16.</b>	<b>Kiteto DC</b>
	<ul style="list-style-type: none"> <li>• The Council management made payments of Shs.6,618,980 without proper supporting documents contrary to Order 8(2) (c) of Local Government Financial Memorandum of 2009.</li> </ul>
<b>17.</b>	<b>Mkuranga DC</b>
	<ul style="list-style-type: none"> <li>• The Council procured gas to be utilized on vaccination by drugs preservation services for Shs.11,900,000, however, delivery notes and stores records were not provided to justify utilization of the same.</li> <li>• The Council paid Shs.16,204,450.00 from the Basket Health Fund account for procurement of drugs and hospital equipment from various suppliers without having approval from MSD to confirm that the procured items are out of stock.</li> <li>• The Council paid Shs.13,148,000 for the maintenance of motor vehicles which were not routed through the Government Workshop (Works Department) for mechanical inspections before</li> </ul>



S/N	Council
	<p>being sent to private garages for maintenance so as to identify the defects and also after maintenance for post inspection to check if the defects were resolved contrary to Reg. 59 (1-3) of the Public Procurement Regulations of 2005.</p> <ul style="list-style-type: none"> <li>The Council procured drugs and medicine worth Shs.113,273,000 but were not recorded in stores ledger and issue vouchers contrary to Order 59 (1)(2) of LGFM, 2009.</li> </ul>
<b>18.</b>	<b>Kyela DC</b>
	<ul style="list-style-type: none"> <li>The amount disclosed in the statement of financial position as unspent balance is Shs.203,229,290 which significantly differs with the balance of deferred income grant of Shs.111,717,296 by Shs.91,511,994.</li> <li>There was no disclosure in the financial statements in respect of explanatory notes and accounting policies applied in the preparation of financial statements.</li> </ul>
<b>19.</b>	<b>Namtumbo DC</b>
	<ul style="list-style-type: none"> <li>Payment vouchers amounting to Shs.24,881,000 were found missing from their respective batches contrary to Sect. 45 (5) of the Local Government Finances Act of 1982 (revised 2000) and Order 104 of LGFM, 2009.</li> </ul>
<b>20.</b>	<b>Igunga DC</b>
	<ul style="list-style-type: none"> <li>Understatement of the Statement of Changes in Net Assets by unjustified surplus of Shs.43,061,000.</li> <li>The Council treated an amount of Shs.861,315,000</li> </ul>

S/N	Council
	<p>received during the year as capital grant under cash flows from financing activities while only Shs.5,627,000 was presented in cash flows from investing activities as purchase of property, plant and equipment which resulted into a difference of Shs.855,688,000.</p> <ul style="list-style-type: none"> <li>Amount presented as cash and cash equivalent as at the year-end was Shs.267,646,000 instead of Shs.1,140,601,000 resulting into a difference of Shs.872,955,000.</li> </ul>
<b>21</b>	<b>Bukombe DC</b>
	<ul style="list-style-type: none"> <li>Payment vouchers amounting to Shs.35,373,972 were found missing contrary to Order 34(1) of LGFM, 2009.</li> </ul>
<b>22.</b>	<b>Chato DC</b>
	<ul style="list-style-type: none"> <li>Payments amounting to Shs.11,060,000 were made to various payees for the execution of various activities without being supported by their respective signed pay lists.</li> </ul>
<b>23.</b>	<b>Geita DC</b>
	<ul style="list-style-type: none"> <li>There were payments totaling Shs.70,629,168 which lacked necessary supporting documents such as acknowledgement receipts, invoice and delivery notes contrary to Order No. 8(2) (c) of the LGFM (2009).</li> </ul>
<b>24.</b>	<b>Bukoba DC</b>
	<ul style="list-style-type: none"> <li>The Council paid a total amount of Shs.10,247,100 for activities not in the approved budget of the HBF under the Comprehensive Council Health Planning Guideline.</li> </ul>

S/N	Council
25.	<b>Bariadi DC</b>
	<ul style="list-style-type: none"> <li>The Council paid Shs.120,870,000 including an extra duty allowance of Shs.23,620,000 and Subsistence allowances of Shs.97,250,000 without being supported by appropriate application forms that specify the nature and date of activity therefore the validity of these payments could not be confirmed.</li> </ul>
26.	<b>Mwanza CC</b>
	<ul style="list-style-type: none"> <li>The Council paid Shs.22,192,740 to various payees for the execution of various activities without being supported by their respective activity reports and other particulars contrary to Order (8) (2) (c) and 104 of the Local Government Financial Memorandum of 2009.</li> </ul>

**(c) Council issued with Adverse Opinion**

Two (2) Councils have been issued with an adverse audit opinion which is 1.52% as shown in table 13 below in which the reasons for such type of opinion is given.

**Table 13: Councils issued with Adverse audit Opinion**

S/N	Council
1	<b>Sumbawanga DC</b>
	<ul style="list-style-type: none"> <li>Amortization of recurrent grant disclosed in the statement of Financial Performance as Shs.355,846,400 for the financial year 2012/2013 differs from its corresponding amount disclosed in Note 11 of Shs.238,229,719 resulting into an overstatement of Shs.117,616,681.</li> <li>The statement of Financial Position as at 30<sup>th</sup> June, 2013 shows that there is an increase in Deferred income recurrent grant from Shs.23,474,240 in the financial year 2011/12 to Shs.141,090,920.71 in the financial year 2012/13, this change should have been taken care of in</li> </ul>

S/N	Council
	<p>the Cash Flows statement, however no transaction for such change has been reported in the Cash Flows Statement for the year ended 30<sup>th</sup> June, 2013.</p> <ul style="list-style-type: none"> <li>• The statement of Financial Position as at 30<sup>th</sup> June, 2013 shows that there is an increase in Inventories from a nil balance in financial year 2011/12 to Shs.6,365,600 in the financial year 2012/13, this change should have been taken care of in the Cash Flowsstatement.However, no transaction for such change has been reported in the Cash Flows Statement for the year ended 30<sup>th</sup> June, 2013.</li> </ul>
2	<b>Mpanda DC</b>
	<ul style="list-style-type: none"> <li>• Cash and cash equivalents balance was understated by Shs.121,111,109.48 this implies that financial statements were not fairly presented.</li> </ul>

**(d) Council issued with Disclaimer Opinion**

One (1) Council out of 132 Councils has been issued with disclaimer opinion which is 0.76% as shown in table 14 below:

**Table 14: Council issued with Disclaimer**

S/N	Council
1	<b>Mbozi DC</b>
	<ul style="list-style-type: none"> <li>• The Council did not prepare and submit for audit purpose, the financial statements of the Health Basket Fund for the year ended 30<sup>th</sup> June, 2013 as required by MoU and applicable reporting frame work.</li> </ul>

**(e) Councils not allocated funds**

Eight (8) Councils were not allocated with HBF funds because seven councils are new and the Dar es Salaam City has no health operations. Table 15 below shows the list of those councils:

**Table 15: Councils not allocated with funds**

S/N	Council	S/N	Council
1	Ilemela MC	5	Masasi TC
2	Geita TC	6	Dar-Es-Salaam CC
3	Kahama TC	7	Busokeli DC
4	Bariadi TC	8	Makambako TC

### **2.3.3 TANZANIA SOCIAL ACTION FUND (TASAF)**

The Tanzania Social Action Fund Project Phase II was established on 19<sup>th</sup> January, 2005 when the agreement between the Government of the United Republic of Tanzania and the World Bank through the International Development Association (IDA) was signed.

#### **2.3.3.1 Operational Objectives**

The Second Tanzania Social Action Fund Project (TASAF II) was established to empower Communities to access opportunities that contribute to improved livelihood linked to the Millennium Development Goal (MDG) indicator targets in the Tanzania Poverty Reduction Strategy (PRS). TASAF II also aims at:-

- (i) Promoting formation of voluntary saving groups.
- (ii) Providing support services to communities that will contribute to increased availability and use of basic Social and environment service in line with Specified MDGs targets.
- (iii) Providing employment opportunities to able-bodied individuals in food, insecure households, so as to increase their cash income, skills and opportunities of working in VFC financed public work programmes.
- (iv) Providing assistance to households with vulnerable individuals which include orphans, disabled, elderly, and those infected or affected by HIV/AIDS,

among others to enable them manage sustainable economic activities.

### **2.3.3.2 Project Management**

#### **(i) National Level**

TASAF II Project at the National level is managed by autonomous TASAF Management Unit (TMU) is headed by an Executive Director under the President's Office. TMU Coordinates and executes the daily activities of TASAF II. The Executive Director of TASAF reports to the National Steering Committee (NSC) on all the financial and administrative matters connected with the execution of TASAF II programmes.

#### **(ii) District Level**

At the District level, the District Executive Directors (DED)/ Municipal Directors (MD) as the head of the District Councils/Municipals for the Local Government team, provide the needed support to TASAF II management team led by the Village Fund Coordinators (VFC). The VFCs are appointed by the District or Local Councils from among qualified existing Council/Municipal Staff in accordance with the terms of references provided by the TMU. The VFC coordinates the activities of TASAF II in the District Councils including sensitization and facilitation of the communities on matters pertaining to the implementation/execution of approved community subprojects. VFC is accountable to the TMU on behalf of the Council Directors.

According to the terms of reference in the TASAF Operational Manual, the objective of conducting the audit is to enable the Controller and Auditor General to express an independent opinion on the TASAF project's financial statements for the year under review.

The under listed Councils were audited in the financial year 2012/13 and the type of audit opinion issued and the

reasons for giving rise to the issuance of such opinion are as indicated in the respective tables hereunder:-

**(a) Councils issued with unqualified opinion**

Ninety five (95) Councils out of 110 Councils audited which equivalent to 86.4% managed to get unqualified audit opinion as listed in table 16 below:

**Table 16: Councils issued with unqualified opinion**

S/N	Council	S/N	Council
1	Geita DC	49	Mpwapwa DC
2	Bukoba DC	50	Iramba DC
3	Biharamulo DC	51	Singida DC
4	Misenyi DC	52	Kilolo DC
5	Muleba DC	53	Iringa DC
6	Maswa DC	54	Makete DC
7	Meatu DC	55	Iringa MC
8	Bunda DC	56	Mbeya DC
9	Musoma DC	57	Mbarali DC
10	Magu DC	58	Rungwe DC
11	Sengerema DC	59	Njombe DC
12	Ukerewe DC	60	Ludewa DC
13	Kishapu DC	61	Mbinga DC
14	Shinyanga MC	62	Songea DC
15	Shinyanga DC	63	Mpanda DC
16	Ngorongoro DC	64	Kigoma DC
17	Hai DC	65	Sikonge DC
18	Moshi DC	66	Tabora DC
19	Moshi MC	67	Tabora MC
20	Rombo DC	68	Urambo DC
21	Same DC	69	Igunga DC
22	Siha DC	70	Monduli DC
23	Babati DC	71	Kibondo DC
24	Babati TC	72	Kigoma MC
25	Hanang DC	73	Bahi DC
26	Kiteto DC	74	Tunduru DC
27	Simanjiro DC	75	Songea MC

28	Handeni DC	76	Ileje DC
29	Korogwe TC	77	Mufindi DC
30	Lushoto DC	78	Rufiji DC
31	Mkinga DC	79	Mkuranga DC
32	Muheza DC	80	Mafia DC
33	Tanga CC	81	Kisarawe DC
34	Liwale DC	82	Kibaha TC
35	Kilwa DC	83	Kibaha DC
36	Lindi DC	84	Bagamoyo DC
37	Lindi MC	85	Tandahimba DC
38	Nachingwea DC	86	Newala DC
39	Ruangwa DC	87	Nanyumbu DC
40	Kilombero DC	88	Mtwara /Mikindani MC
41	Kilosa DC	89	Mtwara DC
42	Morogoro DC	90	Masasi DC
43	Morogoro MC	91	Ulanga DC
44	Mvomero DC	92	Mwanga DC
45	Chamwino DC	93	Manyoni DC
46	Dodoma MC	94	Nzega DC
47	Kongwa DC	95	Kwimba DC
48	Kondoa DC		

**(b) Councils Issued with Qualified Opinion**

On the other hand, a total of thirteen (13) Councils out of 104 Councils audited which is 11.9% were issued with qualified audit opinion as listed in table 17 below:

**Table 17: Councils Issued with Qualified Opinion**

S/N	Council
1.	<b>Rorya DC</b>
	<ul style="list-style-type: none"> <li>Expenditure of Shs.20,040,000 were charged to wrong expenditure codes contrary to Order 23(1) of LGFM, 2009.</li> </ul>
2.	<b>Misungwi DC</b>
	<ul style="list-style-type: none"> <li>Amortization of recurrent grant comparative figure was understated by Shs.23,131,729 in the</li> </ul>



S/N	Council
	<p>statement of financial performance. The balance for the amortization of recurrent grant reported for financial year 2011/12 was Shs.27,436,710 compared to Shs.4,304,981 reported in the financial year 2012/13.</p> <ul style="list-style-type: none"> <li>• Recurrent grants of Shs.10,102,463 were presented as new grants received while the Council did not receive any fund during the financial year 2012/13 for TASAF activities.</li> <li>• Transfer from other government entities closing balance for the financial year 2011/12 was Shs.343,695,153 while the opening balance for the financial year 2012/13 was 366,826,882 resulting into overstatement by Shs.23,131,729.</li> </ul>
<b>3.</b>	<b>Mwanza CC</b>
	<ul style="list-style-type: none"> <li>• Notes to the financial statements reflected Shs.351,395,763 in respect of additional assets being Shs.330,012,460 for Buildings and Shs.21,383,303 for work on progress, without submission of evidence of the additional assets of Shs.351,395,763 in the supporting schedules.</li> </ul>
<b>4</b>	<b>Karatu DC</b>
	<ul style="list-style-type: none"> <li>• Improperly vouched expenditure Shs.2,070,000 Contrary to Order 8(2) (c) of LGFM, 2009.</li> </ul>
<b>5</b>	<b>Longido DC</b>
	Payments amounting to Shs.234,955,721 were paid apparently without proper supporting documents contrary to Order 8(2) (c) of LGFM 2009.
<b>6</b>	<b>Mbulu DC</b>
	<ul style="list-style-type: none"> <li>• The Council reported an amount of Shs.116,260,074 as recurrent grant received under</li> </ul>

S/N	Council
	Note No. 1 of recurrent grant in respect of meeting recurrent expenditure and at the same time the whole amount of Shs.116,260,074 was reported in the capital expenditure and its financing as funds received during the year for meeting expenditure of capital nature, thus overstating funds received in the financial statement by Shs.116,260,074.
7	<b>Kilindi DC</b>
	<ul style="list-style-type: none"> <li>The Council overstated depreciation of PPE by Shs.11,166,217.84 due to the application of incorrect rate of depreciation contrary to the depreciation rates as per Council's depreciation policy.</li> <li>Understatement of changes in deferred revenue grant in cash flows by Shs.6,048,765</li> </ul>
8	<b>Korogwe DC</b>
	<ul style="list-style-type: none"> <li>Property, Plant and Equipment Shs.714,024,726 not supported by the schedule contrary to Order 31(6) (b) of Local financial memorandum, 2009.</li> </ul>
9	<b>Pangani DC</b>
	<ul style="list-style-type: none"> <li>Accumulated surplus was overstated due to misstatement of accumulated surplus figure adopted from the previous year by Shs.29,181,578.</li> </ul>
10	<b>Namtumbo DC</b>
	<ul style="list-style-type: none"> <li>Review of the statement of financial position for the year under review noted that, noncurrent assets of Shs.22,906,906 were not supported with supplementary notes contrary to IPSAS 1.</li> </ul>
11	<b>Arusha MC</b>
	<ul style="list-style-type: none"> <li>Payment vouchers and its supporting documents worth Shs.23,966,000 were found missing from the respective batch.</li> </ul>

S/N	Council
12	<b>Arusha DC</b>
	<ul style="list-style-type: none"> <li>• Payments worth Shs.34,628,349 were not sufficiently supported by proper documents contrary to order 8 of LGFM 2009.</li> </ul>
13	<b>Meru DC</b>
	<ul style="list-style-type: none"> <li>• Shs. 20,636,250 was received by the Council but was not recorded in the cash book contrary to Section 3.2 of the Local Authority Accounting Manual, 2009.</li> <li>• The Council transferred Shs.32,613,968.92 for implementation of various activities. However, no clarification was given on how such funds were utilized which implies that these funds might have been used for unintended activities.</li> </ul>

**(c) Councils Issued with Disclaimer Opinion**

Two (2) Councils out of 104 Councils audited which is 2% have been issued with disclaimer opinion as shown in Table 18 below:

**Table 18: Councils Issued with Disclaimer Opinion**

S/N	Council
1	<b>Singida MC</b>
	<ul style="list-style-type: none"> <li>• The financial statements of TASAF for the Council for the year ended 30<sup>th</sup> June, 2013 were not submitted to the Controller and Auditor General for audit purpose.</li> </ul>
2	<b>Bariadi DC</b>
	<ul style="list-style-type: none"> <li>• The Council did not prepare the Financial Statements.</li> </ul>

**(d) Councils not allocated with funds**

30 Councils out of 140 were not allocated with funds due to the fact that some were recently established and some had no funds after TASAF II ended in 2011/12. Thus, only Councils which had carry forward unspent balances from the previous year continued with operations in 2012/13. The list of such councils is detailed in Table 19 below:

**Table 19: Councils not allocated with funds**

S/N	Council	S/N	Council
1	Bukombe DC	16	Mbozi DC
2	Bariadi TC	17	Busokeli DC
3	Musoma MC	18	Sumbawanga DC
4	Serengeti DC	19	Sumbawanga MC
5	Ilemela MC	20	Nkasi DC
6	Kahama DC	21	Dar es Salaam CC
7	Kahama TC	22	Bukoba MC
8	Ilala MC	23	Karagwe DC
9	Kinondoni MC	24	Ngara DC
10	Temeke MC	25	Tarime DC
11	Chunya DC	26	Geita TC
12	Kyela DC	27	Singida DC
13	Mbeya CC	28	Chato DC
14	Masasi TC	29	Kasulu DC
15	Njombe TC	30	Mpanda TC

#### **2.3.4 WATER SECTOR DEVELOPMENT PROGRAMME (WSDP)**

The Water Sector Development Programme was designed to address shortfalls in urban and rural water supply infrastructure, to improve water resource management primarily through strengthening the country's nine Water Basin Offices and to strengthen the sector institutions and their capacities.

In 2002, the Government of the United Republic of Tanzania formulated the National Water Policy with the main aim of providing a comprehensive framework for sustainable development and management of the Nation's water resources, in which an effective legal and

institutional framework for its implementation will be put in place. The National Water Sector Development Strategy (NWSDS) sets forth how the Ministry responsible for Water will implement the National Water Policy to achieve the NSGRP (MKUKUTA) targets. This will in turn guide the formulation of the Ministry's harmonised National Water Sector Development Plan and the Water Sector Development Programme as inputs into the Medium Term Expenditure Framework Financial Planning Process.

The Ministry of Water (MoW) prepared a Water Sector Development Program (WSDP), for the period 2006 - 2025, which is a consolidation of three, sub-sector Programs, namely: Water Resources Management, Rural Water Supply and Sanitation and Urban Water Supply and Sewerage. The program also includes strengthening and building capacity of sector institutions to effectively support implementation of the WSDP.

The WSDP implementers listed below were audited in the financial year 2012/2013 and the results of the audit are underlined below:

**(a) WSDP implementers issued with unqualified opinion**

One hundred and nineteen (119) out of 134 which is 88.8% WSDP implementers have been issued with Unqualified Opinion as shown in table 20 below:

**Table 20: WSDP implementers issued with Unqualified Opinion**

S/N	WSDP Implementer	S/N	WSDP Implementer
1	Treasury Holding Account	61	Rorya DC
2	Ministry of Health and Social Welfare	62	Serengeti DC
3	Ministry of Water	63	Tarime DC
4	Shinyanga MC	64	Kwimba DC

S/N	WSDP Implementer	S/N	WSDP Implementer
5	Tanga CC	65	Magu DC
6	Bahi DC	66	Misungwi DC
7	Dodoma MC	67	Kahama DC
8	Kondoa DC	68	Kishapu DC
9	Kongwa DC	69	Maswa DC
10	Kibondo DC	70	Meatu DC
11	Kigoma DC	71	Arusha CC
12	Kigoma MC	72	Arusha DC
13	Iramba DC	73	Babati DC
14	Manyoni DC	74	Babati TC
15	Singida DC	75	Hai DC
16	Singida MC	76	Hanang' DC
17	Nzega DC	77	Handeni DC
18	Sikonge DC	78	Kilindi DC
19	Tabora DC	79	Kiteto DC
20	Urambo DC	80	Korogwe TC
21	Kilwa DC	81	Longido DC
22	Lindi DC	82	Lushoto DC
23	Lindi MC	83	Mbulu DC
24	Liwale DC	84	Monduli DC
25	Nachingwea DC	85	Moshi DC
26	Mbeya CC	86	Moshi MC
27	Kilombero DC	87	Muheza DC
28	Kilosa DC	88	Mwanga DC
29	Morogoro DC	89	Ngorongoro DC
30	Morogoro MC	90	Pangani DC
31	Mvomero DC	91	Rombo DC
32	Ulanga DC	92	Same DC
33	Masasi DC	93	Siha DC
34	Mtwara DC	94	Simanjiro DC
35	Mtwara MC	95	IRINGA MC
36	Nanyumbu DC	96	Makete DC
37	Newala DC	97	Iringa DC
38	Tandahimba DC	98	Kilolo DC
39	Bagamoyo DC	99	Ludewa DC
40	Kibaha DC	100	Mufindi DC

S/N	WSDP Implementer	S/N	WSDP Implementer
41	Kibaha TC	101	Mpanda DC
42	Kisarawe DC	102	Mpanda TC
43	Mafia DC	103	Kyela DC
44	Mkuranga DC	104	Mbarali DC
45	Rufiji DC	105	Ileje DC
46	Ilala MC	106	Njombe DC
47	Kinondoni MC	107	Njombe TC
48	Temeke MC	108	Nkasi DC
49	Biharamulo DC	109	Sumbawanga DC
50	Bukoba DC	110	Mbinga DC
51	Bukoba MC	111	Namtumbo DC
52	Karagwe DC	112	Songea DC
53	Missenyi DC	113	Songea MC
54	Muleba DC	114	Tunduru DC
55	Ngara DC	115	Rungwe DC
56	Bukombe DC	116	Ruangwa DC
57	Chato DC	117	Mpwapwa DC
58	Geita DC	118	Tabora MC
59	Bunda DC	119	Igunga DC
60	Musoma DC		

**(b) WSDP implementers Issued with Qualified Opinion**  
Eleven (11) WSDP implementers which are 8.2% have been issued with qualified audit opinion as shown in table 21 below:

**Table 21: WSDP implementers Issued with Qualified Opinion**

S/N	WSDP implementer
1	Chamwino DC
	<ul style="list-style-type: none"> <li>Over expenditure of Shs.14,121,242.</li> <li>Expenditure amounted to Shs.42,578,240 were charged to wrong expenditure codes.</li> </ul>
2	Sengerema DC

<b>S/N</b>	<b>WSDP implementer</b>
	<ul style="list-style-type: none"> <li>• Understatement of comparison figure of Amortization of capital grants Shs.41,510,000.</li> <li>• Understatement of increase in deferred recurrent grants Shs.23,898,000.</li> </ul>
<b>3</b>	<b>Ukerewe DC</b>
	<ul style="list-style-type: none"> <li>• Comparative figures in respect of previous period were wrongly presented in the financial statements for 2012/13.</li> <li>• Payments charged to wrong expenditure codes Shs.3,815,000.</li> </ul>
<b>4</b>	<b>Shinyanga DC</b>
	<ul style="list-style-type: none"> <li>• Unplanned expenditure Shs. 251,268,770.</li> <li>• Improperly vouched expenditure Shs. 88,229,100.</li> </ul>
<b>5</b>	<b>Bariadi DC</b>
	<ul style="list-style-type: none"> <li>• Missing Payment Vouchers Shs. 250,728,142.</li> </ul>
<b>6</b>	<b>Karatu DC</b>
	<ul style="list-style-type: none"> <li>• Understatement of Property, Plant and Equipment by Shs.63,279,819.</li> <li>• Improperly vouched expenditure amounting to Shs.84,318,624.</li> </ul>
<b>7</b>	<b>Korogwe DC</b>
	<ul style="list-style-type: none"> <li>• Property, plant and equipment not confirmed Shs.722,845,518.24.</li> <li>• Improperly Vouched Expenditures Shs.18,762,000.</li> </ul>
<b>8</b>	<b>Meru DC</b>
	<ul style="list-style-type: none"> <li>• Improperly vouched expenditure worth Shs.30,925,421.</li> <li>• Missing payment vouchers Shs.4,160,000.</li> </ul>
<b>9</b>	<b>Mkinga DC</b>
	<ul style="list-style-type: none"> <li>• Overstatement of funds received in the financial statements by Shs. 29,840,546.</li> </ul>
<b>10</b>	<b>Mbeya DC</b>



S/N	WSDP implementer
	<ul style="list-style-type: none"> <li>• Payment of allowances and diesel over and above the approved budget by Shs.10,076,892.</li> <li>• There was understatement of figure of total expenditure by Shs.144,736,007.</li> <li>• Undisclosed amount of wages, salaries and employee benefits in the statement of financial performance of Shs. 29,595,000.</li> </ul>
11	<b>Kasulu DC</b> <ul style="list-style-type: none"> <li>• The opening balance reported in the financial statements was understated by Shs.110,888,731.</li> <li>• Overstatement of Cash and Cash Equivalent by Shs.63,209,230 in the cash flows statement.</li> <li>• No statement of comparison of budget and actual amounts was prepared.</li> </ul>

(c) **WSDP implementers issued with Adverse Opinion**  
Three (3) WSDP implementers which are 2.2% have been issued with an adverse audit opinion as shown in Table 22 below:

**Table 22: WSDP implementers issued with adverse opinion**

S/N	WSDP implementer
1	<b>Chunya DC</b>
	<ul style="list-style-type: none"> <li>• Misuse of WSDP funds Shs.226,559,557.53 in the Council Development Account.</li> <li>• Un budgeted expenditure Shs.8,555,000.</li> <li>• Payments amounting to Shs.11,905,300 were not supported by relevant documents.</li> </ul>
2	<b>Sumbawanga MC</b>
	<ul style="list-style-type: none"> <li>• Amortization of recurrent grant in the statement of financial performance is shown as Shs.200,000,000 while Note II the same item is shown as Shs.291,035,312.14.</li> <li>• The statement of the financial Performance did</li> </ul>

S/N	WSDP implementer
	<p>not disclose the figure for amortization of capital grant of which according to Note 27 (Summary of fixed assets) is Shs.73,733,199.39.</p> <ul style="list-style-type: none"> <li>• The Cash flows Statement does not have a category for “Cash flow from financing activities” hence is not in line with IPSAS 2 Par 27 (a).</li> <li>• Capital Grant received as per Cash Flows Statement is Shs.200,000,000 while the same item Note 37 is shown as Shs.269,219,491.53 resulting to a difference of Shs.69,219,492.53.</li> <li>• Capital expenditure as per cash flow statement is Shs.261,820,311.06 while in Note 37 (CAPEX) is shown as Shs.38,357,874.96. Also addition of PPE in Note 27 is shown as Shs.400,829,369 hence raising doubts as to the reliability of these figures.</li> </ul>
3	<p><b>Mwanza CC</b></p> <ul style="list-style-type: none"> <li>• Wrong treatment of increase in deferred capital grants in the Cash flow statement Shs.226,800,123.</li> <li>• Wrong treatment of amortization of recurrent grant in the Cash flow statement Shs.28,813,953.</li> <li>• Deferred Payment Shs.2,544,000</li> <li>• Nugatory expenditure incurred by the Council upon signing and effecting payment in USD instead of Shs which resulted in exchange loss of Shs.30,397,626.</li> </ul>

**(d) WSDP implementers issued with Disclaimer Opinion**

One (1) WSDP implementer which is 0.8% has been issued with Disclaimer audit opinion as shown in Table 23below:

**Table 23: WSDP implementer issued with disclaimer of opinion**

S/N	WSDP implementer
-----	------------------

1	<b>Mbozi DC</b>
	<ul style="list-style-type: none"> <li>The Council did not prepare and submit for audit purposes, the Financial Statements of WSDP for the year ended 30<sup>th</sup> June, 2013 as required by MoU and applicable reporting frame work.</li> </ul>

**(e) Councils not allocated with WSDP funds**

Nine (9) Councils were not allocated with WSDP funds during the year 2012/13 because they were new and some were not in the project areas. The table 24 below shows the list of councils with no WSDP fund allocation:

**Table 24: Councils not allocated WSDP funds**

S/N	Council
1	Musoma MC
2	Dar es Salaam CC
3	Makambaku TC
4	Busokeli DC
5	Ilemela MC
6	Geita TC
7	Kahama TC
8	Bariadi TC
9	Masasi TC

**2.3.5 OTHER DONOR FUNDED PROJECTS**

One hundred and two (102) other Donor Funded Projects including World Bank (IDA), Global Fund, UNDP, AfDB were audited during the year.

Summary of audit opinions issued to these other Donor Funded projects (DFPs) and the results of audit is as shown in table 25 and 26 below:-

**Table 25: Unqualified Opinion issued to other DFPs**

S/N	Name of project
1	Accelerated Food Security Project

2	District Agricultural Sector Investment Project (DASIP)
3	Eastern Africa Agricultural Productivity Project (EAAPP)
4	Plant Breeders' Right Development Fund
5	SIDA/NORAD/MEM BIOFUELS Project
6	The Natural Gas Development Project
7	The Rural Energy Agency
8	Sustainable Management of Mineral Resources Project (SMMRP)
9	Tanzania Energy Development and Access Expansion Project (TEDAP) MEM Component
10	Tanzania Extractive Industries Transparency Initiative (TEITI)
11	The Basic Health Services Project (MOHSW)
12	East Africa Public Health Laboratory Networking Project
13	Monitoring & Evaluation Strengthening Initiatives
14	The Rural Food Fortification Project (RFFP)
15	Support Maternal Mortality Reduction Project
16	Arusha-Namanga Road Project
17	Danish Road Sector Programme Support
18	Road Sector Support Project (RSSP1)
19	Singida - Babati - Minjingu Road Project
20	Belgium Fund For Food Security (BFFS)
21	Lake Tanganyika Integrated Regional Development Programme-AfDF, NORDIC Funds
22	Marketing, Infrastructure, Value Addition And Rural Finance Support Programme (MIVARF)
23	Public Service Reform Programme (II)
24	Basic Health Services Project (PMO-RALG)
25	Rural Water Supply And Sanitation Programme (PMO-RALG)
26	Dar-Isaka-Kigali/Keza-Gitega-Musongati Railway Project
27	Lake Victoria Environmental Management Project (LVEMP II)

28	Legal Sector Reform Programme
29	Magu District Council -UNDP
30	University of Dar es Salaam Directorate of Economics (DoE)- UNDP
31	National Bureau of Statistics -UNDP
32	Ministry of Health and Social Welfare-WHO
33	National Council of People Living with HIV and AIDS (NACOPHA) -UNDP
34	Ministry of State President Office, Finance, Economy and Development Planning -Zanzibar
35	Prevention and Combating of Corruption Bureau (PCCB)-UNDP
36	Hai District Council-UNDP
37	President Office, Planning Commission-UNDP
38	Ministry of Community, Development, Gender and Children.- UNDP
39	Legislature Support Project -LSP; House of Representative Zanzibar- UNDP
40	Tanzania Media Women's Association (TAMWA)-UNDP
41	Tanzania Red Cross Society UNDP-UNICEF UNFPA
42	Ministry of Social Welfare, Youth, Women and Children Development -Zanzibar Project on Legal Enforcement of Gender Laws and Policies
43	Regional Administration Secretary (RAS) -Kilimanjaro
44	National Assembly Legislative Support Project UNDP
45	Tanzania Commission for AIDS (TACAIDS)
46	Strengthening the Protected Area Network in Southern Tanzania (SPANEST) -TANAPA-UNDP
47	Dar Rapid Transit Agency
48	Tanzania Extractive Industries Transparency Initiative (TEITI)(Grant No. 12532)
49	Second Central Transport Corridor Project (SCTC)
50	Transport Sector Supports Project (TSSP)
51	Marine and Coastal Environment Management Project-IDA
52	Marine and Coastal Environment Management

	Project-GEF
53	Africa Stockpiles Programme (ASP)
54	Southern Agriculture Growth Corridor of Tanzania (SAGCOT-PPA)
55	Private Sector Competitiveness Project (PSCP) Component I
56	Private Sector Competitiveness Project (PSCP) Component II
57	Regional Communications Infrastructure Project
58	Information Society and ICT Sector Development (TANZICT) Project
59	Tanzania Strategic Cities Project-(TSCP- PMO RALG)
60	Central Corridor Transit Transport Facilitation Agency (CCTTFA)
61	Science Technology Higher Education Project (STHEP)
62	Policy Advocacy and Analysis Programme UNICEF-PMO RALG
63	Small Entrepreneurs Loan Facility (SELF) Project
64	Tanzania Statistical Master Plan project
65	East Africa Trade and Transport Facilitation Project -Tanzania Ports Authority
66	East Africa Trade and Transport Facilitation Project - SUMATRA
67	Tanzania Energy Development & Access Expansion Project (TEDAP) -TANESCO
68	Financial Sector Support Basket Financing Holding Account
69	Housing Financing Project Designated Account - Basket Fund Holding Account
70	HIV/Aids Basket Fund (Holding Account)
71	Local Government Development Grants - Basket Fund Holding Account
72	Financial Statements Of Legal Sector Basket Financing Fund Holding Account
73	National Rural Water Supply And Sanitation Basket Fund Holding Account
74	Primary Education Development Programme Holding

	Account
75	Public Financial Management Reform Programme - Holding Account
76	Human Resource Development Agricultural Sector Development Programme Basket Financing Holding Account
77	Poverty Monitoring And Master Plan Project Basket Fund - Holding Account
78	Poverty Reduction Budget Support Facility - Holding Account
79	Public Sector Reform Programme II- Holding Account
80	Secondary Education Development Program (Holding Account)
81	STATCAP Basket Fund - Holding Account
82	Revenue Authority Tax Modernization Basket Fund Holding Account
83	Tanzania Commission For Aids - National Multi-Sectoral Framework (NMSF)
84	Health Sector Programme Support (HSPS) Component 3- Support To Multi-Sectoral Response To HIV/AIDS as Implemented By Tanzania Commission For Aids (TACAIDS)
85	Primary Education Development Programme (PEDP)
86	Public Financial Management Reform Programme Phase IV (PFMRP IV)
87	National Multisectoral Strategic Framework Grant (NMSF)-PMO-RALG
88	Health Sector Project Support (HSPS) -PMO -RALG
89	First Health Rehabilitation Project, ADF Loan NumberF/TAN/HEA (-1)-REH/98/26
90	Global Fund Tanzania - Basket Fund Holding Account
91	Global Fund -Ministry of Health and Social Welfare
92	Global Fund Round 8 BOT USD Account
93	National AIDS Control Programme (NACP)
94	Monitoring and Evaluation Global Fund Round 8 as Implemented by the Ministry of Health and Social Welfare

95	Health System Strengthening- Global Fund Round 9
96	Global Fund - PMO-RALG
97	Global Funds -TACAIDS
98	National Institute for Medical Research- (NIMR) - Mwanza Global Fund Round 9
99	Diagnostic Service Section (DSS)

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**Table 26: Other Donor Funded Projects issued with Qualified Opinion**

S/N	Name of Project
1	<b>Ministry of Health - Zanzibar - UNDP</b>
	<ul style="list-style-type: none"> <li>• Inadequate supported expenditure Shs.32,774,000</li> <li>• Shs.100,423,100 received but not utilized during the year was not surrendered back to the WHO. Furthermore, there is no evidence that approval was obtained for the amount to be carried forward;</li> <li>• An amount of Shs.7,045,000 reported in the UNFPA FACE forms as being spent for Renovation of two practicum sites for nursing and midwives students was used for other activities not relating to the project; and</li> <li>• Unexplained difference of Shs.9,068,472 exists between the cash book and the statement of receipts and expenditure for UNICEF project.</li> </ul>
2	<b>Caucus for Children's Rights -UNDP</b>
	<ul style="list-style-type: none"> <li>• Tenders were not invited for all procurements done during the year amounting to Shs.429,117,801 contrary to Section 28 of the PPA.</li> </ul>
3	<b>Africa Medical and Research Foundation (AMREF) - Tanzania - UNDP</b>
	<ul style="list-style-type: none"> <li>• Management has included commitments amounting to Shs.505,406,450 in the Fund Authorization and Certification of Expenditure</li> </ul>



S/N	Name of Project
	(FACE) reports as expenditures which constitute a departure from cash basis of accounting. The reported expenditure in the FACE forms as at 31 December 2012 would have decreased by Shs.440,208,750 and Shs.69,188,305 for the UNICEF WASH and UNFPA Reproductive Health projects respectively giving rise to a surplus of the receipts over payments for the year.

## **CHAPTER THREE**

### **3.0 FOLLOW-UP ON THE IMPLEMENTATION OF THE PREVIOUS YEARS'RECOMMENDATIONS**

#### **Introduction**

This part includes follow - up on the implementations of the previous years' recommendationsof the Controller and Auditor General on the annual general report and summarizes qualitative and quantitative issues raised in the individual audit reports which were either not implemented or partially implemented.

The purpose of the audit recommendations issued to auditees is to enable the respective project implementer's management to rectify anomalies raised during audit of the financial statements by acting promptly and implementing recommendations issued so as to improve the internal controls and management of the projects' resources.

Some of the project implementers have not made efforts to implement the CAG's recommendations.

The attitude of not responding to the weaknesses and anomalies may lead to the recurrence of the same anomalies in subsequent financial years. This is also a

reflection of lack of seriousness and commitment on the part of the Accounting Officers and management of the respective project implementers.

Table 27 below shows a summary of outstanding matters of previous years' audits for the financial years 2010/11 to 2012/13 as follows:

**Table 27: Trend of outstanding matters for three consecutive years on individual audit reports**

Project	F/Year (Shs) 2010/2011	F/Year (Shs) 2011/2012	F/Year (Shs) 2012/2013
ASDP	15,157,333,147	9,086,703,965.97	33,176,375,908
HBF	5,723,114,166	10,982,257,870.41	11,707,805,048
TASAF	971,165,939.57	0	4,509,012,022
WSDP	0	220,078,175	57,904,259,184

The above trend indicates that the project implementers managements have not taken appropriate actions in dealing with recommendations issued in the audit reports.

A summary of Donor Funded projects with the outstanding matters and the Councils involved from the previous years' audits is as shown below:

### **3.1 Agricultural Sector Development Programme**

Various Councils had unsatisfactory progress in implementing outstanding matters arising from the previous years' audits. In this current year's audit ninety three (93) Councils had outstanding issues amounting to Shs.33,176,375,908 as shown in **annexure I**.

### **3.2 Health Basket Fund**

Review of implementation of audit recommendations on the issues raised in the previous audit reports revealed that recommendations raised with a total of Shs.11,707,805,048 in ninety six (96) Councils were

not implemented. Details of these matters are shown in **Annexure II**.

However, progress in implementing audit recommendations has decreased by Shs.5,259,143,704 from the year 2010/11 to 2011/12 and decreased by Shs.725,547,178 from the year 2011/12 to 2012/13.

### **3.3 Tanzania Social Action Fund**

Assessment of implementation of audit recommendations on the issues raised in the previous audit reports revealed that most of the recommendations have been implemented except for matters with total amount of Shs.4,509,012,022. Details of these matters are shown in **Annexure III**.

The trend shows that there is an improvement in year 2011/12; however, there is an increase of unimplemented audit recommendations in the current year for amount of Shs.4,509,012,022.

### **3.4 Water Sector Development Programme**

Assessment of implementation of audit recommendations on the issues raised in the previous audit reports revealed that matters with a total amount of Shs.57,904,259,184 & USD 641,318 as detailed on **Annexure IV** were not implemented.

However, no improvement has been made in implementing the previous years' audit recommendations as there is an increase in value by Shs.57,684,181,009 from the figure reported in the financial year 2011/12 to 2012/13 which is equivalent to 99.6%.

### **3.5 Other Projects**

Assessment of implementation of audit recommendations on the issues raised in the previous audit reports revealed that they were not worked, amount outstanding for this year were Shs.23,855,012,728.12, Euro 347,572 and US\$668,758,776. Details of these matters are shown in Annexure V.

## **CHAPTER FOUR**

### **4.0 FINANCIAL PERFORMANCE OF THE PROJECTS**

#### **Introduction**

This chapter gives a detailed analysis of the portfolio of financial performance of ASDP, WSDP, TASAF, HBF and other audited Donor Funded Projects for the financial year 2012/2013. These projects have been financed by the Government of Tanzania and Development Partners whose financial contribution and implementation status are presented below:

#### **4.1 Agricultural Sector Development Programme (ASDP)**

##### **4.1.1 Introduction**

The programme presents an integration of the ASDP National and Local components into one consolidated set of interventions to be financed through the ASDP Basket Fund which supersedes the ASSP and DADP.

The Government of Tanzania has adopted an Agricultural Sector Development Strategy (ASDS) which sets the framework for achieving the sector's objectives and targets.

An Agricultural Sector Development Programme (ASDP) Framework and Process Document, developed jointly by the five Agricultural Sector Lead Ministries (ASLMs), provides the overall framework and processes for implementing the ASDS. Development activities at national level are based on the strategic plans of the line Ministries while activities at District level are implemented by Local Government Authorities (LGAs), based on District Agricultural Development Plans (DADPs). The DADPs are part of the broader District Agricultural Development Plans (DADPs).

#### 4.1.2 ASDP Basket Fund Holding Account

ASDP Basket Fund Holding Account maintained at the Treasury is financed by contributions and loans from Development Partners through the Embassy of Ireland, Japan, the European Union, International Development Association, and IFAD.

During the year under review, the Programme received total of USD. 29,995,493 from the development partners on top of its opening balance of USD. 14,803,078 from the previous year, resulting into total funds available for the year of USD. 44,798,571. On the other hand, the transfers from programme holding account amounted to USD.29,281,162, leaving USD. 15,517,409 as closing balance at the end of the year as detailed in the Table 28below:

I am highly concerned with a huge unspent balance from implementing agencies of USD. 597,599 and funds not transferred to the project at the end of the year of USD.15,517,409 which in my view has led to non implementation of the planned project activities.

**Table 28: Holding Account financing**

Description	2012/13
Account No.9931206251:	Amount (USD)

<b>Opening Balance 1/7/2012</b>	<b>14,803,078</b>
IDA - World Bank	8,000,000
IFAD Loan	15,545,254
Embassy of Ireland	5,852,640
Embassy of Japan	-
Unspent balance from Project	597,599
<b>Fund available</b>	<b>44,798,571</b>
<b>Transfers</b>	
Ministry of AFS&C	15,624,571
Local Government Authorities	9,839,479
Min. of Livestock and Fisheries	2,577,927
Prime Minister's Office - RALG	287,637
Min. of Industries Trade and Marketing	951,548
<b>Total transfers</b>	<b>29,281,162</b>
<b>Closing balance 30/6/2013</b>	<b>15,517,409</b>

Funds transferred to the ministries listed above were mainstreamed in the Development Vote of the respective ministries and were audited accordingly.

#### **4.1.3 ASDP Local Government Authorities Financing**

The Agricultural Sector Development Programme in LGAs for the financial year 2012/2013 had total funds available amounting to Shs.56,057,565,281.66 which included Shs.33,606,929,980.66 being the balance brought forward from the previous year for ASDP activities. Detailed analysis for each Council is explained in Annexure VI.

As at 30<sup>th</sup> June, 2013, there was an unspent balance of Shs.14,778,757,617 indicating that Councils managed to spend Shs.41,278,807,665 equivalent to 74% of the total funds available. Delays in releases of funds from both Treasury and DPs coped with long procurement processes attributed to the huge unspent balances as shown in Table 29 below:

**Table 29: Source of Funds for ASDP 2012/2013**

<b>Details</b>	<b>Amount (Shs.)</b>
Opening balance 1/7/2012	33,606,929,980.66
Amount received	22,450,635,301.00
Funds available during the year	56,057,565,281.66
Amount spent	41,278,807,664.57
<b>Balance as at 30<sup>th</sup> June, 2013</b>	<b>14,778,757,617.09</b>

#### **4.1.4 ASDP Prime Minister's Office Local Government Authorities Financing**

PMO-RALG had total funds available for ASDP during the financial year of Shs.454,916,329. As at 30<sup>th</sup> June, 2013 there was an unspent balance of Shs.427,706.36 indicating that the project spent Shs.454,488,623 equivalent to 99.9% of available funds as can be elaborated in Table 30 below:

**Table 30: PMO-RALG Financing in 2012/2013**

<b>Details</b>	<b>Amount (Shs)</b>
Opening balance as at 01/07/2012	4,329.00
<b>Add:</b> Funds received during the year:	454,912,000.00
Total funds available during the financial year	454,916,329.00
<b>Less:</b> Total Expenditure for 2012/2013	454,488,622.64
<b>Balance carried down as at 30/06/2013</b>	<b>427,706.36</b>

## **4.2 Health Basket Fund Programme Financing**

### **4.2.1 Introduction**

Development partners finance the Health Basket Funds through a Holding Account at the Bank of Tanzania and thereafter channel these funds to the Ministry of Health and Social Welfare (MoHSW), PMO-RALG and LGAs on a quarterly basis through the Exchequer Account. The funding follows the normal GoT system whereby donors' financial commitments are included as part of the annual budget of the respective entity.

#### 4.2.2 Health Basket Financing Fund (HBFF)

The source of funds for the Health Basket Financing is contributions from Development Partners. During the year under review, the Programme received a sum of USD 103,759,216.76 from the Development Partners and USD 205,441.07 was the unspent balance in year 2010/11, hence was surrendered by MoHSW to the Holding Account maintained by the Treasury. There was an opening balance of USD 2,161,094.65 as opening balance as at 1<sup>st</sup> July 2012 thus making total funds available for the year to be USD 106,125,752.48. Funds for the Programme are deposited in the HBFF deposit Dollar Account which is maintained at the Bank of Tanzania under the supervision of the Accountant General. Details are shown in Table 31:

**Table 31: Source of Funds for HBF 2012/2013**

<b>Development Partners</b>	<b>Amount ( USD)</b>
Ireland	8,142,750
Netherlands	14,066,811.44
CIDA	28,727,237.32
KFW	8,986,229
SWISS	4,302,925
UNICEF	1,000,000
IDA	25,000,000
UNFPA/UNDP	600,000
Royal Danish Embassy	12,933,264
<b>Sub-total from development partners</b>	<b>103,759,216.76</b>
Unspent Balance for Financial year 2010/2011	205,441.07
Opening balance 01 July 2012	2,161,094.65
<b>Grand Total</b>	<b>106,125,752.48</b>

#### 4.2.3 Transfer of Funds to Beneficiaries amounting to - USD 98,366,677.11



During the year under review, a sum of USD 98,366,677.11 was transferred to various beneficiaries leaving a closing balance of USD 7,759,075(7.89%) as at 30<sup>th</sup> June 2013 as shown in Table 32 below:

**Table 32: Transfer of Funds to Beneficiaries**

<b>Receipts</b>	<b>Amount (USD) 2012/2013</b>	<b>Amount (USD) 2011/2012</b>
Opening balance	2,161,094.65	3,806,363.71
Unspent Refunds from MOHSW for FY 2010/11	205,441.07	386,033.17
UNDP	600,000	600,000
Royal Danish Embassy	12,933,264	17,942,000
Ireland	8,142,750	8,810,100
Netherlands	14,066,811.44	23,384,873.63
CIDA	28,727,237.32	24,492,995
KFW	8,986,229	9,430,169
Switzerland	4,302,925	3,244,997.30
UNICEF	1,000,000	1,000,000
Norway	-	<b>5,216,484.09</b>
IDA	25,000,000	10,000,000
<b>Total receipts</b>	<b>106,125,752.48</b>	<b>108,314,016.17</b>
<b>Transfers</b>		
Ministry of Health & Social Welfare	38,654,507.32	52,414,115.83
Local Government Authorities	58,794,483.64	53,297,699.56
PMO-RALG	433,063.17	441,105.86
RAS- Coast and Councils	484,622.98	-
<b>Total transfers</b>	<b>98,366,677.11</b>	<b>106,152,921.27</b>
<b>Closing balance</b>	<b>7,759,075.37</b>	<b>2,610,949.60</b>

#### 4.2.4 Ministry of Health and Social Welfare Programme Financing

Development partners are depositing funds into the Basket Fund Holding Account at the Bank of Tanzania and thereafter the financing is channeled to the Ministry of Health and Social Welfare (MoHSW) on a quarterly basis through the Exchequer system. The funding to the Ministry follows the normal GoT financial management system whereby donors' financial commitments are included as part of the Ministry's annual budget.

During the year ended 30<sup>th</sup> June, 2013 the Ministry received a total sum of Shs.76,753,238,000 and actual expenditure incurred during the year amounted to Shs.69,939,114,029 leaving unspent balance of Shs.6,814,123,970.64 as at 30<sup>th</sup> June, 2013 of which Shs.1,843,363,871 was transferred to Deposit Account and Shs.4,970,760,100 was transferred to Holding Account at BoT as per analysis shown in Table 33 below:

**Table 33: Source of Funds for HBF MoHSW - 2012/2013**

Details	Amount (Shs.)
Received during the year	76,753,238,000.00
Expenditure	69,939,114,029.36
Unspent balance	6,814,123,970.64
Transferred to deposit Account	1,843,363,870.64
Transferred to the Holding Account	4,970,760,100.00

#### **4.2.5 PMO-RALG**

The Health Sector Program Support (HSPS) is financed by Ireland, Netherland, Norway, Germany and the World Bank, Swiss Agency for Development and Cooperation. During the year under review, the programme received a total of Shs.687,000,000.

According to the statement of receipts and payments the PMO RALG had total funds available for HSPS during the financial year of Shs.1,199,637,403.42 including an opening balance of Shs.512,637,403.42. However, as at 30<sup>th</sup>, June, 2013 there was an unspent balance of

Shs.518,995,683 equivalent to 43% indicating that the project spent only Shs.680,641,720.42 equivalent to 57% as per details shown in Table 34below:

**Table 34: Source of funds for HBF PMO-RALG**

Details	Amount (Shs)
Opening balance as at 01/07/2012	512,637,403.42
Add: Funds received during the year	687,000,000
Total funds available during the financial year	1,199,637,403.42
Less: Total Expenditure for 2012/2013	680,641,720.42
Balance carried down as at 30/06/2013	518,995,683

#### 4.2.6 Local Government Authorities

During the year under review, the LGAs had a total sum of Shs.101,922,438,330 including total opening balances of Shs.12,290,342,621. However, as at 30<sup>th</sup> June, 2013 there was a total sum of closing balances of Shs.26,582,155,175 equivalent to 26% indicating that the LGAs spent a total sum of Shs.75,340,283,154 as reflected in Table 35below and detailed analysis as shown in Annexure VII.

**Table 35: Sources of Funds for HBF - LGAs 2012/2013**

Details	Amount (Shs.)
Opening balance at 1/7/2012	12,290,342,621
Add: Funds received during the year	89,632,095,709
Total funds available during the year	101,922,438,330
Less: Total expenditure	75,340,283,154
Balance carried down 30/6/2013	26,582,155,175

### 4.3 Tanzania Social Action Fund (TASAF II)

#### 4.3.1 Project Financing

The TASAF II project is financed by the World Bank through the International Development Association (IDA) and the Government of the United Republic of Tanzania (GoT). The DFA was signed between the GoT and IDA on

19<sup>th</sup> January, 2005. The total TASAF II IDA funding is USD 150.0 million comprising of USD 129.0 million credit and USD 21.0 million grant. A sum of Shs.27,239,913,495.08 which includes Shs.12,815,934,118.93 being opening balance from previous year was received from various sources during the year under review. However, up to 30<sup>th</sup> June 2013 there was a deficit of Shs.1,344,592,676.53 indicating that Shs.28,584,506,161.62 was spent as shown in Table No.36 below:

**Table 36: Project Financing**

Description	Amount in Shs.	Amount in USD
Opening balance	12,815,934,118.93	7,911,070.44
Funds received during the year:		
IDA	11,267,671,899.15	6,767,370.51
Government contributions	584,000,000.00	300,300.30
OPEC	3,459,266,021.25	2,077,637.25
Exchange gain/loss	(886,958,554.24)	(482,257.39)
<b>Total receipts during the year</b>	<b>14,423,979,366.16</b>	<b>8,663,050.67</b>
<b>Total funds available during the year</b>	<b>27,239,913,495.08</b>	<b>16,574,121.11</b>
Total Expenditure for 2012/2013	28,584,506,161.62	17,167,871.57
Balance carried down 30/06/2013	(1,344,592,676.53)	(593,750.45)

#### **4.3.2 Funds Released to LGAs**

Total funds available in the LGAs during the year amounted to Shs.29,165,256,151 which included an

opening balance of Shs.6,121,150,154 being unspent monies during the year 2011/2012. However, as at 30<sup>th</sup> June, 2013 the Councils closed accounts with unspent amount of Shs.2,931,725,987 equal to 10% of the amount available. Refer table 37 below.

However, the huge closing balance was caused by various Councils failing to implement projects as planned due to delays in transfer of funds to sub projects; limited experts at LGAs and Ward level for supervision and monitoring of the supported activities; and unreliable and frequent power surges (Annexure VIII).

**Table 37: Funds Released to LGAs**

Details	Amount (Shs.) 2012/2013
Opening balance 1/7/2012	6,121,150,154
Amount received	23,044,105,997
Funds available during the year	29,165,256,151
Amount spent	26,233,530,165
Balance as at 30 <sup>th</sup> June, 2013	<b>2,931,725,987</b>

#### **4.3.3 TASAF III Productive Social Safety Net**

The new program is expected to be implemented for a period of ten years starting from 2012 and will consolidate the performance of TASAF II using Community Driven Development approach and facilitate implementation of public works, livelihood enhancing activities, scaling up of cash transfer programs, support targeted infrastructures as well as capacity building for effective delivery of the program.

TASAF III had total funds available during the financial year of Shs.20,120,091,504 equivalent to USD 12,268,348.48 without the opening balance as this is the first financial report for TASAF III activities. Up to 30<sup>th</sup> June, 2013 there was closing balance of

Shs.4,413,318,809.14 (USD 2,691,048.05) indicating that TASAF spent 15,706,772,694.86 equivalent to USD 9,577,300.43. Details are shown in Table 38 below:

**Table 38: TASAF III Productive Social Safety Net**

Description	Amount in Shs.	Amount in USD
Opening balance as at 1/07/2012	-	-
Funds received during the year:		
IDA	21,786,814,520.00	13,284,643.00
Government contributions	-	-
Exchange gain/loss	(1,666,723,016.00)	(1,016,294.52)
Total receipts	20,120,091,504.00	12,268,348.48
Total funds available during the year	20,120,091,504.00	12,268,348.48
Total Expenditure for 2012/2013	15,706,772,694.86	9,577,300.43
Balance carried down 30/06/2013	4,413,318,809.14	2,691,048.05

#### **4.4 Water Sector Development Programme**

##### **4.4.1 Financial Performance of the Water Sector Basket Fund**

###### **(a) Holding Account**

The Government of the United Republic of Tanzania and the Development Partners committed to contribute to the Water Sector Basket Fund Holding Account. During the financial year 2012/2013, there was total of USD 119,506,425 in which USD 89,765,293 were received during the year while USD 29,734,919 was opening balance from the previous years.

Funds transferred during the year were USD. 102,848,573 which include USD 15,882,015 to Local Government Authorities, USD 150,352 to Ministry of Education and

Vocational Training, USD 56,568,687 to the Ministry of Water, USD 4,292,554 to the Ministry of Health and Social Welfare, USD 94,388 to PMO - RALG and USD 25,860,578 to various projects. The unspent balance as at 30<sup>th</sup> June, 2013 was USD.16,657,851 as shown in Table 39 below:

**Table 39: Financial Performance**

<b>Descriptions</b>	<b>Amount in USD</b>
Opening Balance	29,734,919
AfDB	12,638,254
DFID	26,882,350
IDA	32,670,000
KFW	17,574,688
Unspent Balance	6,213
<b>Total fund Available</b>	<b>119,506,425</b>
<b>Less Transfers</b>	
Local Government Authorities	15,882,015
Ministry of Education and Vocational Training	150,352
Ministry of Water	56,568,687
Ministry of Health and Social Welfare,	4,292,554
PMO - RALG	94,388
WSDP (Forex)	25,860,578
<b>Total funds Transferred</b>	<b>102,848,573</b>
<b>Closing Balance 30/6/2013</b>	<b>16,657,851</b>

**(b) Financing of the Water Sector Development Programme**

During the year under review, the Government of Tanzania and Development Partners released a total of Shs.315,432,908,022 for the WSDP projects. In addition, there were an opening balance of Shs.80,215,610,874 as at 1/7/2012 together with outstanding advances of Shs.78,421,479,555 which made a total of Shs.474,069,998,451 available for use in implementing various WSDP activities in the country.

However, the total expenditure during the year was Shs.275,858,611,472 leaving a balance of Shs.198,211,386,979 at the year-end. The reason for large balance at the year-end was the late and under release of funds by Treasury and DPs as well as bureaucratic procurement procedures in place.

The WSDP financing for the financial year 2012/2013 shows that the GoT contributes only 33% out of the total funds for the project while the rest (67%) is funded by DPs as shown in Table 40 and Table 41.

**Table 40: Source of Funds for WSDP 2012/2013**

<b>Donor/Government</b>	<b>Amount (Shs)</b>
GoT Contributions	104,000,000,000
DPs Contribution to Basket Fund	140,600,387,785
DPs Contribution to Earmarked Projects	66,208,015,031
Other sources-Community Contribution	3,644,457,889
Adjustment: Gain/(Loss) due to Exchange rate fluctuations	980,047,317
<b>Total Contribution/released</b>	<b>315,432,908,022</b>
<b>Add:</b>	
Opening balance as on 1/7/2012	80,215,610,874
Outstanding Advances	78,421,479,555
Total fund available during the year	474,069,998,451
Less: Payments during the year	275,858,611,472
Closing Balance as at 30 <sup>th</sup> June, 2013	<b>198,211,386,979</b>

**Table 41: DPs' Funds to WSDP under Basket Arrangement- 2012/13**

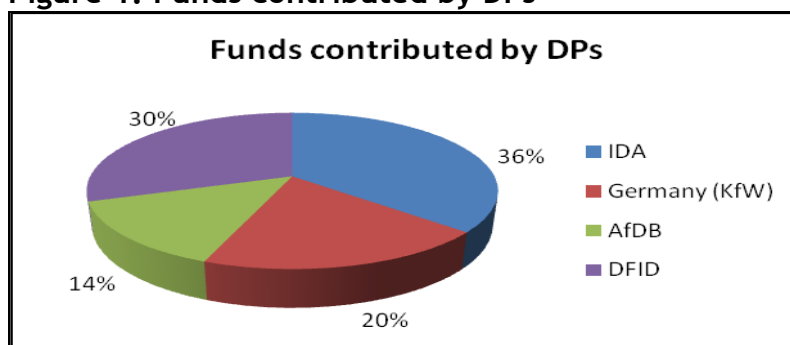
<b>Development Partner</b>	<b>Amount (Shs.)</b>
IDA	51,072,912,990
Germany (KfW)	27,446,096,400
AfDB	19,748,781,686



DFID	42,332,596,707
<b>Total</b>	<b>140,600,387,783</b>

From Table 41 and Figure 1, it is clear that IDA had large share of contribution towards this project (36%), followed by KfW (30%), AfDB (20%), and DFID with 14%).

**Figure 1: Funds contributed by DPs**



### (c) Local Government Authorities

It was further noted that, during the financial year 2012/2013, 131 Councils had total funds available amounting to Shs.144,932,139,042 including opening balance of Shs.63,900,019,304 to implement WSDP activities in the Councils. However, as at 30<sup>th</sup> June, 2013 the Councils closed with an unspent amount of Shs.79,387,536,594 as at 30/6/2013 equal to 54.8% of the amount available indicating that the Councils spent only Shs.65,544,602,448 or 45.2%. Details are as shown in Table 42 below and elaborated in Annexure IX.

**Table 42: Financial Performance - LGAs 2012/2013**

Details	Amount (Shs.)
Opening balance at 1/7/2012	63,900,019,304
<b>Add:</b> Funds received during the year	81,032,119,738
Total funds available during the year	144,932,139,042
<b>Less:</b> Total expenditure	65,544,602,448
<b>Balance carried down 30/6/2013</b>	<b>79,387,536,594</b>

#### (d) MoHSW

During the year under review, the WSDP-NSC Project had total amount of Shs.8,208,560,000 of which Shs.531,060,000 was from the previous year balance and Shs.7,677,500,000 from ADF for the implementation of the approved project activities.

However, the project had spent Shs.7,484,099,190 which is equivalent to 91% of the total funds available and the project closed with unspent balance of Shs.724,460,810 as at 30<sup>th</sup> June, 2013 as shown in Table 43below:

**Table 43: Financial Performance - MoHSW**

Details	Amount (Shs.)
Opening balance 1/7/2012	531,060,000
Add: Receipt during the year	7,677,500,000
Total fund during the year	8,208,560,000
Less: Total expenditure	7,484,099,190
<b>Balance as at 30<sup>th</sup> June,2013</b>	<b>724,460,810</b>

## 4.5 Other Projects

### 4.5.1 Global Fund

#### 4.5.1.1 Global Fund Accounts Maintained at the Treasury

During the financial year 2012/2013, Ministry of Finance received a total of US\$ 53,409,011 from the International Bank for Reconstruction Development (IBRD) to finance Global Fund activities and it had no opening balance. The amount of US\$ 12,961,164 was transferred to the Ministry

of Health and Social Welfare and US\$ 36,528,885 to the Development Revenue leaving a balance of US\$ 3,918,962 as reflected in Table 44 below:

**Table 44: Receipts and Disbursement of Global Fund**

<b>Description</b>	<b>Amount in US\$</b>
Amount Released by Global Fund to Treasury	53,409,011
<b>Transfers</b>	
Ministry of Health	12,961,164
Development revenue	36,528,885
<b>Total fund transferred</b>	<b>49,490,049</b>
<b>Closing balance 30/6/2013</b>	<b>3,918,962</b>

#### **4.5.1.2 Global Fund-Ministry of Health and Social Welfare**

During the year 2012/2013, Ministry of Health and Social Welfare had a total of Shs.171,071,916,834.83 available for implementation of the Global Fund activities. However, as at 30<sup>th</sup> June, 2013 all amounts were transferred to the respective sub recipients as analyzed in Table 45 below:

**Table 45: Receipts and Disbursements - Ministry of Health and Social Welfare**

<b>Details</b>	<b>Amount (Shs.)</b>
Opening balance 1.7.2012	0
Add: Funds Received during the year	171,071,916,834.83
<b>Total funds available during the year</b>	<b>171,071,916,834.83</b>
Less: Total expenditure	171,071,916,834.83
<b>Balance carried down</b>	<b>0</b>

#### **4.5.1.3 Global Fund Round 8 BoT USD Account**

During the year 2012/2013 the Global Fund Round 8 USD Account had a total amount of US\$ 82,118,029.68 available for implementing Global Fund activities. However, as at 30<sup>th</sup> June, 2013 there was unspent balance of US\$ 6,927,765.29 indicating that Global fund Round 8

USD Account spent US\$ 75,190,264.39 (91.56%) as analyzed in Table 46 below:

**Table 46: Receipts and Disbursement - BOT USD Account**

Details	Amount (US\$)
Opening balance at 1/7/2012	12,764,286.92
Add: Fund received during the year	69,353,742.76
Total funds available during the year	82,118,029.68
Less: Total expenditure for 2012/2013	75,190,264.39
Balance carried down 30/6/2013	6,927,765.29

#### 4.5.1.4 National AIDS Control Programme (NACP)

During the year 2012/2013, the National AIDS Control Program (NACP) had a total of Shs.2,563,924,218.58 available for implementation of Global Fund activities. However, as at 30<sup>th</sup> June, 2013 there was unspent balance of Shs.624,494,843.39, indicating that NACP spent only Shs.1,939,429,375.19 (76%) as analyzed in Table 47 below:

**Table 47: Receipts and Disbursements - (NACP)**

Details	Amount (Shs.)
Opening balance 1.7.2012	1,932,197,775.81
Add: Funds Received during the year	631,726,442.77
Total funds available during the year	2,563,924,218.58
Less: Total expenditure	1,939,429,375.19
Balance carried down	624,494,843.39

#### 4.5.1.5 Monitoring and Evaluation of Global Fund Round 8

During the year 2012/2013 the Ministry of Health and Social Welfare had a total of Shs.213,608,578.88 available for implementation of Global Fund activities. However, as at 30<sup>th</sup> June, 2013 there was unspent balance of Shs.147,979,326.43 indicating that the Ministry of Health

and Social Welfare spent only Shs.65,629,252.45i.e. 31% as analyzed in Table 48below:

**Table 48: Receipts and Disbursements - Global Fund Round 8**

Details	Amount (Shs.)
Opening balance at 1/7/2012	58,774,401.14
Add: Funds received during the year	154,834,177.74
Total funds available during the year	213,608,578.88
Less: Total expenditure for 2012/2013	65,629,252.45
Balance carried down 30/6/2013	147,979,326.43

#### 4.5.1.6 Health System Strengthening-Global Fund Round 9

During the year 2012/2013, the Ministry of Health and Social Welfare had a total of Shs.29,332,429,025.86 available for implementation of Global Fund Round 9 activities. However, as at 30<sup>th</sup>June, 2012 there was unspent balance of Shs.12,178,756,946.18 indicating that the Ministry of Health and Social Welfare spent only Shs.17,153,672,079.68 (58%) as analyzed in Table 49below:

**Table 49: Table 49: Receipts and Disbursement - Global Fund Round 9**

Details	Amount (Shs.)
<b>Receipts:</b>	
Opening Balance 01July 2012	4,435,551,638.86
Amount Received During the Year	24,896,877,387.00
<b>Total Funds Available</b>	<b>29,332,429,025.86</b>
Expenditure	17,153,672,079.68
<b>Closing balance as 30<sup>th</sup> June,2013</b>	<b>12,178,756,946.18</b>

#### 4.5.1.7 Global Fund - PMO-RALG

During the year 2012/2013, the PMO-RALG had a total of Shs.397,404,533.84 available for implementation of Global Fund Round 9 activities. However, as at 30<sup>th</sup>June, 2013 there was unspent balance of Shs.3,918,759.64, indicating

that PMO-RALG spent Shs.393,485,774.20(99%) as analyzed in Table 50below:

**Table 50: Receipts and Disbursement PMO - RALG**

Details	Amount (Shs)
Opening balance as at 01/07/2012	75,795,339.37
Add: Funds received during the year	193,721,483.88
Other fund received from refunds	127,887,710.59
<b>Total funds available during the financial year</b>	<b>397,404,533.84</b>
Less: Total Expenditure for 2012/2013	393,485,774.20
<b>Balance carried down as at 30/06/2013</b>	<b>3,918,759.64</b>

#### 4.5.1.8 Global Funds -TACAIDS

The Tanzania Commission for AIDS had a total of Shs.1,738,553,509 available for implementation of Global Funds activities; however as at 30<sup>th</sup> June, 2013 there was unspent balance of Shs.307,236,017.69 indicating that TACAIDS spent Shs.1,431,317,491.05 (82%) of the total funds available as analysed in Table 51below:

**Table 51: Receipts and Disbursements - TACAIDS**

Details	Amount Shs.
Opening balance at 1/7/2012	1,419,815,924.04
Add: Fund Received during the year	318,737,584.70
<b>Total funds available during the year</b>	<b>1,738,553,508.74</b>
Less: Total expenditure for 2012/13	1,431,317,491.05
<b>Balance carried down 30/6/2013</b>	<b>307,236,017.69</b>

#### 4.5.1.9National Institute for Medical Research - (NIMR) - Mwanza Global Fund Round 9

TheNational Institute for Medical Research Mwanza had a total of Shs.2,415,941,804.97 available for implementation of Global Fund activities. However, as at 30<sup>th</sup> June, 2013 there was unspent balance of Shs.3,577,062.05 indicating

that NIMR spent Shs.2,412,364,742.92(99%)of the funds available as analysed in Table 52below:

**Table 52: Receipts and Disbursement - NIMR Funds**

Details	Amount (Shs.)
Receipts:	
Opening Balance 1/7/2012	12,634,047.84
Amount Received During the Year:	
Global Fund	1,558,358,875.00
From fixed deposit	500,000,000.00
Internal transfer	344,948,882.13
Total fund available	2,415,941,804.97
Less: Total expenditure	2,412,364,742.92
Balance 30/6/2013	3,577,062.05

#### **4.5.1.10 Diagnostic Service Section (DSS)**

During the year 2012/2013 the Diagnostic Service Section (DSS) had a total of Shs.1,596,406,020 which was carried over from the previous year for implementing Global Fund Project. However, as at 30<sup>th</sup> June, 2013 there was unspent balance of Shs.42,012,316 indicating that DSS spent only Shs.1,530,408,214 equivalent to 96% as analyzed in Table 53below:

**Table 53: Receipts and Disbursement - DSS**

Details	Amount(Shs)
Opening balance 1/7/2012	1,596,406,020
Total Expenditure	1,530,408,214
Balance carried down 30/6/2013	42,012,316

#### **4.5.2 Other Projects Global Fund exclusive**

The financial performance of 92 other projects was evaluated. Amount available for project implementation during the year was Shs.513,682,759,109.18 and USD 1,827,473,581.84 and the actual expenditure was Shs.332,082,129,223.27 and USD 1,675,991,257.08 leaving

unspent balance of Shs.181,600,629,885.80 and USD 151,482,324.76. See detailed analysis in Annexure X.

## **CHAPTER FIVE**

### **5.0 WEAKNESSES IN FINANCIAL MANAGEMENT**

#### **Introduction**

This chapter aims at providing information on the financial performance of Donor Funded Projects for the year under audit. This includes a review of Donor Funded Projects status in regard to current key audit findings.

The purpose of audit findings and recommendations issued in that regard is to assist the auditees to rectify the issues raised therein in order to improve the financial management and control of resources of the entities.

The major financial management weaknesses noted as for each of the audited project are analyzed hereunder:

### **5.1 AGRICULTURAL SECTOR DEVELOPMENT PROGRAMME (ASDP)**

#### **5.1.1 Payments not properly supported Shs.470,661,014**

There were payments amounting to Shs.470,661,014 made without proper supporting documents contrary to Order No. 8 (2)(c) of the LAFM, 2009. Tarime District Council had



the largest proportion (21%), followed by Nanyumbu District Council (16%) and Rorya District Council (9.9%). Table 54 below shows councils whose payments were not properly supported:

**Table 54: Payments not properly supported**

SN	Council	Amount (Shs)	SN	Council	Amount (Shs)
1	Tarime DC	96,513,700	14	Kilosa DC	9,815,000
2	Nanyumbu DC	74,857,020	15	Mtwara DC	8,524,400
3	Rorya DC	46,606,158	16	Ruangwa DC	6,918,000
4	Kondoa DC	32,360,401	17	Bukombe DC	6,800,000
5	Mbozi DC	28,504,857	18	Rungwe DC	5,759,500
6	Sumbawang a MC	25,925,798	19	Songea DC	5,449,600
7	Kilwa DC	18,672,580	20	Mbinga DC	5,124,000
8	Kasulu DC	17,579,000	21	Sumbawanga DC	3,747,500
9	Ukerewe DC	16,028,000	22	Nkasi DC	2,805,000
10	Kwimba DC	15,990,000	23	Mbulu DC	2,769,000
11	Kiteto DC	13,958,000	24	Mafia DC	1,040,000
12	Bunda DC	13,165,000	25	Longido DC	1,015,000
13	Nachingwea DC	10,733,500	<b>Total</b>		<b>470,661,014</b>

However, the figure has increased by Shs.76,605,318.50 compared to previous year 2011/2012 which had Shs.394,055,695.50 as inadequately supported payments.

#### **5.1.2 Expenditure with missing payment vouchers Shs.703,778,713**

Payment vouchers of Shs.703,778,713 were not produced for audit verification contrary to Order No. 34 (1) of the LAFM, 2009 and Section 45 (5) of the Local Government Finances Act of 1982. Eleven (11) councils were noted to have expenditure with missing payment vouchers whereby

Bariadi District Council had the largest proportion of missing payment vouchers (69 per cent) followed by Nachingwea District Council (11.54%) and Chamwino District Council (7.5%). The accuracy and authenticity of payments made could not be ascertained and confirmed. The absence of payment vouchers limited the scope of audit. List of Councils with missing payment vouchers are shown in Table 55 below:

**Table 55: Expenditure with missing payment vouchers**

SN	Council	Amount (Shs)	SN	Council	Amount(Shs)
1	Bariadi DC	485,803,736	7	Mbozi DC	7,221,222
2	Nachingwea DC	81,236,566	8	Kilwa DC	6,000,000
3	Chamwino DC	52,541,489	9	Morogoro DC	2,200,000
4	Lindi DC	34,708,200	10	Mafia DC	1,845,000
5	Liwale DC	16,070,000	11	Sumbawanga DC	1,480,000
6	Kisarawe DC	14,672,500	<b>Total</b>		<b>703,778,713</b>

However, the figure has increased by Shs.383,716,498 compared to previous year 2011/2012 which had Shs.320,062,215 as missing payment vouchers.

### **5.1.3 Expenditure charged to wrong account codes Shs.632,382,256**

Expenditure amounting to Shs.632,382,256 was charged to the wrong GFS codes contrary to Order No. 23 (1) of LAFM 2009. Charging expenditure into incorrect account codes affects the implementation of respective activities due to diversion of funds and allow the diversion of funds to unplanned and non-priority activities. Nineteen (19) Councils were noted to have charged expenditures into incorrect codes as shown in table 56 below:

**Table 56: Expenditure charged to wrong account code**

S/N	Council	Amount (Shs)	S/N	Council	Amount(Shs)
1	Nachingwea DC	196,800,655	11	Liwale DC	7,215,000
2	Sikonge DC	150,260,651	12	Pangani DC	6,878,584
3	Lindi DC	92,991,000	13	Siha DC	6,195,400
4	Bagamoyo DC	47,439,218	14	Lindi DC	6,109,000
5	Tabora DC	33,121,000	15	Ileje DC	5,000,000
6	Kisarawe DC	16,796,068	16	Mafia DC	4,716,175
7	Rorya DC	16,701,200	17	Nkasi DC	3,900,000
8	Songea DC	13,865,000	18	Rombo DC	3,550,000
9	Arusha DC	9,334,805	19	Kigoma MC	3,188,500
10	Kahama DC	8,320,000	<b>Total</b>		<b>632,382,256</b>

From the table above, it is clear that Nachingwea DC has the largest share of 31% followed by Sikonge DC with 24% and Lindi DC with 15%. However, the figure has decreased by Shs.460,693,507.79 compared to figure reported in 2010/2011 of Shs.171,688,748.21 as expenditure charged to wrong account codes.

#### 5.1.4 Expenditure made out of the approved budget Shs.328,423,420

Eleven (11) Councils incurred expenditure amounting to Shs.328,423,420 for financing various activities that were not budgeted contrary to Order No. 17 (2) & (3) and 18 (1) of the LAFM of 2009. This implies that some planned activities couldnot be implemented as budgeted. List of these councils is as shown in Table 57below:

**Table 57: Expenditure made out of the approved budget**

S/N	Council	Amount (Shs)	S/N	Council	Amount (Shs)
1	Lindi DC	96,620,000	7	Kilwa DC	10,997,580

2	Urambo DC	95,256,827	8	Songea DC	8,542,000
3	Liwale DC	39,605,000	9	Sumbawanga DC	6,647,713
4	Nachingwea DC	27,850,300	10	Lindi MC	2,139,000
5	Chamwino DC	22,805,000	11	Mpwapwa DC	1,180,000
6	Bahi DC	16,780,000	<b>Total</b>		<b>328,423,420</b>

#### 5.1.5 Ineligible expenditure Shs.4,111,033

Part 13.2.2 of the Memorandum of Understanding for the Establishment of Agricultural Sector Development Programme Basket Fund (ASDP) of 2006 requires all procurement of Agriculture inputs and technical works to be exempted from tax. To the contrary, two (2) Councils paid VAT out of the project funds amounting to Shs.4,111,033 on the procured goods and services as shown in Table 58 below:

**Table 58: Ineligible Expenditure on VAT**

SN	Council	VAT paid (Shs.)
1	Singida DC	2,204,253
2	Kigoma MC	1,906,780
	<b>Total</b>	<b>4,111,033</b>

#### 5.1.6 Deferred payments Shs.40,025,931

Examination of payment vouchers and other related documents noted six (6) Councils to have effected payments of Shs.40,025,931 to various payees in relation to expenditure incurred in previous financial year of 2011/2012. Such payments were made without budgetary provision contrary to Order No. 22 (1) of Local Government Financial Memorandum, 2009 as detailed in Table 59 below:

**Table 59: Deferred payments**

SN	Council	Amount (Shs)
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1	Kondoa DC	14,590,000
2	Misenyi DC	12,487,425
3	Kasulu DC	6,841,506
4	Kahama DC	2,087,000
5	Kisarawe DC	2,020,000
6	Ukerewe DC	2,000,000
	<b>Total</b>	<b>40,025,931</b>

#### **5.1.7 Funds not utilized Shs.14,778,757,617.09**

Audit results of various projects audited during the year revealed rollover funds amounting to Shs.14,778,757,617.09 at Council's accounts. The huge unspent balances for the projects were attributed to delay in release of funds and bureaucratic procurement procedures (Annexure VI). The level of unimplemented sub projects continues to have a negative impact on the projects' performance. However, the amount has decreased by Shs.17,459,161,573.60 in the current year as compared to the figure of Shs.32,237,919,190.67 which was reported as funds not utilized in the previous year.

#### **5.1.8 Shortage of Staff in the Council's ASDP Departments**

An examination of councils' staff requirements in the Agriculture and Livestock Departments revealed shortage of 7,471 staff in eighty (80) Councils as shown in **Annexure XI**. Shortage of staff may result into inefficiency and low performance for agricultural projects that eventually limit government efforts in improving the agricultural sector.

#### **5.1.9 Under release of budgeted funds Shs.22,277,845,446**

Various Councils had unimplemented activities pending release of funds with associated budgets. Review of MTEF and ASDP budget documents for the year 2012/2013

revealed that, approved budget in respect of fifty Six (56) councils amounting to Shs.22,277,845,446 as shown in **Annexure XII** were not released as budgeted. Under release of budgeted funds affects implementation of planned activities and consequently the overall objective of improving the agricultural sector in the country cannot be achieved.

## **5.2 HEALTH BASKET FUNDS (HBF)**

### **5.2.1 Funds not utilised Shs.26,582,155,175**

LGAs had a sum of Shs.101,922,438,330 for financing HBF activities within the Local Authorities. However, audit review found that only Shs.75,340,283,154 was spent during the year leaving unspent balance as at the end of the year amounting to Shs.26,582,155,175 equivalent to 26%. This situation indicates that the envisaged services were not provided to the community. A summary of Councils and amounts involved is shown in **Annexure VII**.

### **5.2.2 Lack of periodic Internal Audit reports on the Health Basket Fund**

Assessment made on internal audit unit to fifteen (15) Councils for the financial year ended 30<sup>th</sup> June, 2013 revealed that the Internal Audit Unit did not prepare separate HBF's quarterly reports which would report specifically matters concerning HBF activities. As a result, management of Councils could not internally evaluate the implemented HBF activity which is contrary to Para 6.3(b) of Comprehensive Council Health Planning Guideline of 2011. A list of the Council is shown in Table 60 below.

**Table 60: Absence of periodic internal audit reports - HBF**

<b>S/N</b>	<b>Council</b>	<b>S/N</b>	<b>Council</b>
1	Handeni DC	9	Kongwa DC
2	Korogwe DC	10	Kigoma MC
3	Muheza DC	11	Tabora MC
4	Pangani DC	12	Urambo DC

5	Tanga CC	13	Sumbawanga MC
6	Hai DC	14	Mpanda TC
7	Moshi DC	15	Karagwe DC
8	Same DC		

### 5.2.3 Imprests not retired Shs.28,605,000

Imprests amounting to Shs.28,605,000 for seven (7) Councils issued during the year were not retired after completion of the intended activities contrary to Order 40(3) of the Local Authority Financial Memorandum 2009. The list of Councils and the amount of imprests outstanding is shown in Table 61 below:

**Table 61: Imprest not retired Shs.28,605,000**

S/N	Council	Amount (Shs)
1	Bunda DC	7,795,000
2	Tandahimba DC	6,594,000
3	Monduli DC	4,099,000
4	Handeni DC	3,825,000
5	Lushoto DC	2,400,000
6	Mbinga DC	1,992,000
7	Arusha DC	1,900,000
<b>Total</b>		<b>28,605,000</b>

### 5.2.4 Payments not properly supported - Shs.1,660,648,887

Payments amounting to Shs.1,660,648,887 were made by fifty four (54) Councils without adequate supporting documents contrary to Order 8(2)(c) of the LAFM (2009). In their absence the validity of expenditure incurred could not be ascertained and established. Further analysis found that Chamwino District Council had the largest population (21%) followed by Ilala Municipal Council (16%) and Rungwe District Council (8%) as shown in Annexure XIII. However, the amount of payments made without supporting documents have decreased by Shs.1,436,601,225 from the year 2010/2011 to 2011/2012 and increased by Shs.1,389,584,288 from the year 2011/2012 to 2012/2013.

### 5.2.5 Expenditure with missing payment vouchers Shs.927,786,976

During the financial year 2012/2013, payment vouchers amounting to Shs.927,786,976 were found missing from their respective batches contrary to Order 34(1) of LAFM, 2009. Hence, nature and validity of expenditure incurred could not be ascertained. Seventeen (17) Councils could not be verified thereby limiting the scope of the audit. The details are shown in Table 62 below:

However, the missing payment vouchers have increased by Shs.631,699,698 from the figure reported in the previous year, 2011/2012.

**Table 62: Missing payment vouchers**

S/N	Council	Amount (Shs)	S/N	Council	Amount (Shs)
1	Bariadi DC	575,028,244	10	Kilosa DC	6,369,000
2	Musoma DC	77,114,000	11	Lindi MC	5,039,537
3	Kilwa DC	65,406,990	12	Masasi DC	4,942,000
4	Chamwino DC	65,158,200	13	Sumbawanga DC	3,840,000
5	Bukombe DC	35,373,972	14	Monduli DC	3,732,500
6	Longido DC	29,766,385	15	Newala DC	3,225,000
7	Namtumbo DC	24,881,000	16	Mbinga DC	2,780,000
8	Maswa DC	15,327,500	17	Rufiji/Utege DC	1,975,000
9	Manyoni DC	7,827,648	<b>Total</b>		<b>927,786,976</b>



**5.2.6 Expenditure charged to wrong account codes Shs.383,197,259**

Expenditure amounting to Shs.383,197,259 was noted to have been charged to wrong expenditure codes by twenty eight (28) Councils contrary to Order 23(1) of LAFM, 2009 as shown in **Annexure XIV**.

**5.2.7 Expenditure made out of the approved budget Shs.564,460,287**

During the year under review, twenty five (25) Councils incurred expenditure amounting to Shs.564,460,287 from HBF. However, the audit revealed that the implemented activities were not relating to HBF's activities since these activities had not been included in the Council Comprehensive Health Plan in the financial year 2012/2013. The details are summarized in **Annexure XV**.

**5.2.8 Ineligible Expenditure, Shs.5,819,093**

A review noted two (2) Councils paid VAT out of the project funds on the procured goods and services from various suppliers amounting to Shs.5,819,093. This is contrary to the MoU that requires exemption of all expenditure for goods, works and services financed by HBF resources from all taxes imposed direct or indirectly by the Government of the United Republic of Tanzania. Table 63 below shows the noted cases where consisting of eligible VAT.

**Table 63: Ineligible Expenditure**

S/N	Council	Amount (Shs.)
1	Singida DC	3,794,093
2	Manyoni DC	2,025,000
<b>Total</b>		<b>5,819,093</b>

**5.2.9 Shortage of staff in Health Department**

According to Council establishment, there is specified number of staff required to be working in Health department which is mainly an implementing factor to enhance performance and increase efficiency in delivering health services around the Council. The assessment done in respect of human resource under Health Department noted that, fifty six (56) Councils had shortage of eleven thousand seven hundred and four (11,704) professional and skilled staff. The sample covering the Councils as at 30<sup>th</sup> June, 2013 is as shown in **Annexure XVI**.

### **5.3 TANZANIA SOCIAL ACTION FUND (TASAF)**

#### **5.3.1 No implementation of budgeted projects worth Shs.1,090,493,650.42**

A review noted a number of sub projects which were not implemented although the Councils transferred funds to their respective bank accounts of the sub projects.

The trend shows a slight improvement in implementation of planned activities as compared to the figure of unimplemented projects of Shs.1,651,661,060.43 reported in the previous year. Table 64 shows the details of those projects.

**Table 64: Sub Projects allocated funds but not implemented**

<b>SN</b>	<b>Council</b>	<b>Activity</b>	<b>Amount(Shs)</b>
1	Muleba DC	Fitting of ceiling board at Makangora Primary School	1,174,750
2	Rorya DC	Rehabilitation of dams, construction of roads, purchase of milling machine and wind mills and	493,000,000

		procurement of 300 chicken	
3	Morogoro DC	Road constructionBungu to kolero, Kungwi to Kanisani, Lundi to Tambuu other projects are Kiziwa bee keeping and Malani Beekeeping	199,454,800
4	Mvomero DC	Poultry Keeping and Diary goat keeping at matale village	43,528,675
5	Nanyumbu DC	Road construction and conservation project	295,452,411.42
6	Bagamoyo DC	Construction of fried fish market	57,883,014
<b>Total</b>			<b>1,090,493,650.42</b>

### 5.3.2 Completed projects not put into use Shs.393,488,168

Physical verification of projects during the year found that there were some completed sub-projects in some District Councils which were not put into use. The list is provided in Table 65 below:

However, there was no improvement in this aspect of the completed projects which were not put into use as compared to the figure reported in the previous financial year of Shs.69,630,512.32.

**Table 65: Completed projects not in use**

S/N	Council	Activity	Amount (Shs)
1	Rorya DC	Construction of charcoal dam	177,259,000

2	Shinyanga DC	Construction of market	59,647,550
3	Longido DC	Dining Hall at Ketumbieni sec school	54,053,400
4	Handeni DC	Construction of water tank, and hostel	11,124,298
5	Longido DC	Construction of staff house, pit latrine and Dining Hall	91,403,920
<b>Total</b>			<b>393,488,168</b>

### 5.3.3 Uncompleted Projects - Shs.1,576,618,867

There were uncompleted projects worth Shs.1,576,618,867 as at the end of the year. The list of those projects is shown in the Table 66below:

However there is an improvement in completion of planned projects as there were uncompleted projects worth Shs.3,035,766,732 in year 2010/2011 compared to Shs.1,576,618,867 for the year 2012/2013.

**Table 66: List of Projects not completed**

SN	Council	Activity	Amount(Shs)
1	Muleba DC	Construction of pit latrine at Kangaza Primary School	6,818,000
2	Meatu DC	Uncompleted Construction of Mshikamano-Malugala and Kabondo-Mwafuguji roads	3500,000
3	Bunda DC	Construction of Busambu-Namalana and Nyaburundu - Marakmbeka a total	1,738,398.5

		of 10.1 km	
4	Rorya DC	Construction of charcoal dam at Panyako	39,754,320
5	Shinyanga MC	Rehabilitation of Ihapa, Ibinzamata, Songambebe and Bushola roads a total of 17.3km	9,025,000
6	Hanang' DC	Tree Planting at Mingenyi and Soil conservation at Garbapi	36,876,101
8	Mbulu DC	Construction of toilet at Masieda Environment Conservation Centre	16,363,335
9	Korogwe TC	Incompletion of Mtonga Dispensary Shs.14,016,055 and Msambiazi Dispensary 17,380,617	31,396,672
10	Kilwa DC	Rehabilitation and maintenance of road a total of 16km and Construction of OPD at Mchakama and Kiranjeranje	161,585,196
11	Ruangwa DC	29 sub-projects	729,425,996.37
12	Tunduru DC	Rehabilitation of Majimaji -Magomeni Road	15,224,559.60
13	Bahi DC	Rehabilitation of Charcoal dam at Chibeleela village and construction of cow shade at	43,726,150

		Chipaanga	
14	Kiteto DC	Rehabilitation of road at Mesera village	31,433,752
15	Ulanga DC	Supply of power for carpentry work and milling machine	18,669,647
16	Kondoa DC	Water distribution project	125,351,500
17	Babati DC	Construction of Market at Vilima vitatu	72,720,324
18	Longido DC	Construction of roads and culvert	233,009,917
<b>Total</b>			<b>1,576,618,867</b>

#### 5.3.4 TASAF funds transferred from TASAF Headquarters to Mkinga District Council not received Shs.121,281,774

Batch number 17 of a list of funds disbursed from TASAF headquarter to LGAs for the financial year 2012/2013 shows that, Shs.121,281,774 was transferred to Mkinga District Council for implementation of 4 sub-projects. However, audit noted that the amount was not received in the Council bank accounts up to the time of this audit. The list of community projects for the funds not received are shown in Table 67 below:

**Table 67: Funds Transferred but not Received**

<b>Council</b>	<b>Sub Project</b>	<b>Amount(Shs)</b>
Mkinga DC	Tree planting a total of 1200 acres at Mwakikaya, Kisiwani, Mayoyo and Kibewani Village	121,281,774
<b>Total</b>		<b>121,281,774</b>

#### 5.3.5 Expenditure charged to wrong expenditure codes Shs.75,933,865.15

Expenditure amounting to Shs.75,933,865.15 was charged to wrong expenditure codes. Expenditure charged to unrelated codes has increased by Shs.61,670,895.47 from Shs.14,262,969.68 reported in the year 2011/2012. The list of Councils with such payments as shown in Table 68 below:

**Table 68: Expenditure charged to wrong expenditure codes**

S/N	Council	Amount (Shs)	S/N	Council	Amount(Shs)
1	Bunda DC	589,130	7	Liwale DC	7,636,675.86
2	Musoma DC	6,442,433	8	Tunduru DC	5,957,700
3	Rorya DC	20,040,000	9	Longido DC	12,198,547
4	Shinyanga DC	6000,000	10	Lindi DC	3,315,000
5	Ngorongoro DC	260,000	11	Kilosa DC	815,000
6	Handeni DC	6,721,679.29	12	Tunduru DC	5,957,700
Total					75,933,865.15

### 5.3.6 Unsupported payments Shs.384,697,516

An audit review noted payments amounting to Shs.384,697,516 had missing supporting relevant documents. The accuracy and authenticity of payments made could not be ascertained and confirmed due to the absence of the supporting documents. This is contrary to Order 10(2) (d) of LAFM 2009 which requires all expenditure to be supported by relevant documents. Table 69 below shows the list of unsupported payments:

**Table 69: Payments not properly supported**

SN	Council	Amount (Shs)	SN	Council	Amount (Shs)
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1	Rorya DC	1,900,000	9	Kilosa DC	8,817,257.60
2	Sengerema DC	9,630,000	10	Mtwara Mikindani DC	2,444,700
3	Karatu DC	2,070,000	11	Bagamoyo DC	57,899,450
4	Longido DC	234,955,721	12	Kisarawe DC	1,340,000
5	Liwale DC	17,673,694	13	Songea MC	780,000
6	Lindi MC	675,493.46	14	Misungwi DC	285,000
7	Nachingwea DC	24,220,700	15	Kiteto DC	2,435,000
8	Ruangwa DC	19,570,500	<b>Total</b>		<b>384,697,516</b>

### 5.3.7 Unsupported Expenditure amounting to Shs.14,467,373

Payment vouchers amounting to Shs.14,467,373 were not produced for audit. This is contrary to Order No. 104(2) of LAFM 2009 which requires payment vouchers together with their supporting documents to be maintained and given proper security and custody for a period not less than 5 years. The accuracy and authenticity of payments made could not be ascertained and confirmed as the absence of payment vouchers limited scope of audit. The details of the unaudited vouchers are as shown in Table 70 below:

**Table 70: Missing payment vouchers**

SN	Council	Amount(Shs)
1	Bariadi DC	440,000
2	Sengerema DC	9,630,000
3	Kilosa DC	2,275,000
4	Kilwa DC	675,493
5	Nachingwea DC	1,446,880
	<b>Total</b>	<b>14,467,373</b>



**5.3.8 Unsupported Additions of Non current assets -  
Shs.351,395,763**

Note 25 to the financial statements of Mwanza City Council disclosed additions to non current assets amounting to Shs.351,395,763 which were not supported by relevant documents.

**5.4 WATER SECTOR DEVELOPMENT PROGRAMME (WSDP)**

**5.4.1 Unretired Imprests amounting to Shs.4,100,000**

Imprests amounting to Shs.4,100,000 for two Councils issued during the year were not retired after completion of the intended activities contrary to Order 40(3) of the Local Authority Financial Memorandum 2009. However, the imprests not retired have decreased by 1,173,600 from the financial year 2011/2012 to 2012/2013. Table 71 below shows the list of such councils.

**Table 71: Unretired Imprests at the year-end**

S/N	Council	Amount (Shs.)
1	Lindi MC	3,600,000
2	Karatu DC	500,000
<b>Total</b>		<b>4,100,000</b>

**5.4.2 Expenditure without proper supporting documents -  
Shs.1,422,428,791**

There were payments amounting to Shs.1,422,428,791 made without proper supporting documents contrary to Regulation 95(4) of the Public Finance Regulations of 2001 (revised 2004) and Section 45 (5) of the Local Government Finances Act of 1982 and Order 8(2)(c) of the LAFM 2009. Details are in Annexure XVII. However, improperly vouched expenditure has increased significantly by Shs.1,000,791,275 from the financial year 2011/2012 to 2012/2013.

#### **5.4.3 Under staffing in the District Councils**

Our review on status of human resources which is mainly an implementing factor in the Rural Water and Sanitation component noted that most of the Councils have shortage of professional and skilled staff on water sector as per council requirement. The sample covered the hundred and twenty nine (129) Councils as at 30<sup>th</sup> June, 2013 as shown in Annexure XVIII.

#### **5.4.4 Funds for Primary Schools sanitation activities not released Shs.1,512,000,000**

Audit review noted that a sum of Shs.1,512,000,000 was budgeted for primary school sanitation activities but these funds were not released to the Ministry of education and Vocational Training due to non-compliance with MoU's requirements. Hence, sanitation activities at primary schools could not be implemented during the year.

### **5.5 OTHER PROJECTS**

#### **5.5.1 Unsupported Expenditure Shs.3,579,568,088 and US\$ 2,958,445.22**

A test check of the year's payment vouchers and other related records revealed that some projects' managements made several payments totaling Shs.3,579,568,088 and US\$2,958,445.22 which were inadequately supported to justify the expenditure as per details in Table 72 below:

The situation is worsening if compared with previous financial years' audit where improperly vouched expenditure was Shs.77,621,537 and US\$ 154,071.29

**Table 72: Unsupported Expenditure-others**

<b>S/N</b>	<b>Name of the projects</b>	<b>Amount (Shs.)</b>	<b>Amount ( US\$)</b>
1	Eastern Africa Agricultural Productivity Project	15,196,767	

	(EAAPP)		
2	Legal Sector Reform Programme	13,340,000	
3	Sustainable Management of Mineral Resources Project (SMMRP)	43,129,200	
4	The Public Service Reform Programme (II)	68,890,000	
5	Tanzania Strategic Cities Project (TSCP)	1,427,446,216	
6	Tanzania Red Cross Society - UNDP	35,027,000	
7	Region Administrative Secretary-Kilimanjaro-UNDP	11,722,000	
8	Science And Technology Higher Education Project (STHEP)		109,457.98
9	National AIDS Control Programme (NACP)	1,481,800,080	
10	Private Sector Competitiveness Project (PSCP) - Component I		2,848,987.24
11	Dar Rapid Transit Agency (DART)	63,652,000	
12	Accelerated Food Security Project	419,364,825	
<b>Total</b>		<b>3,579,568,088</b>	<b>2,958,445.22</b>

#### 5.5.2 Ineligible expenditure amounted to Shs.673,335,837.79

A total of Shs.673,335,837.79 were paid by various projects implementers for expenditures that are not related to the specific project activities as shown in Table 73 below:

**Table 73: Ineligible expenditure-others**

S/N	Name of the project	Amount (Shs.)
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1	National AIDS Control Programme (NACP)	65,016,000
2	Sustainable Management of Mineral Resources Project (SMMRP)	85,525,100
3	Rural Water Supply and Sanitation Programme (PMO-RALG)	8,231,740.82
4	Tanzania Strategic Cities Project (TSCP)- Kigoma	455,170,586
5	Legal Sector Reform Programme	59,392,410.97
<b>Total</b>		<b>673,335,837.79</b>

The trend shows increase in ineligible expenditure from the previous year which had Shs.299,227,621 and US\$16,976.80.

#### **5.5.3 Unretired imprests- Shs.28,727,900**

Shs.28,727,900 was issued as imprests to various staff for implementing Eastern Africa Agriculture Productivity Project (EAAPP) activities contrary to Reg.103 (1) of the Public Finance Regulation 2001. However, unretired imprests have decreased as compared to that previous year's figure of Shs.11,641,000 and US\$ 159,913.91.

#### **5.5.4 Procurement out of the Annual Activity Plan - Shs.803,038,366**

Management of the programme (Public Financial Management Reform Programme (PFMRP) Holding Account) signed nine (9) contracts in June 2013 worth Shs.803,038,366 which were not in the Annual Activity Plan.

#### **5.5.5 Nugatory Expenditure US\$. 50,813.19**

Science and Technology Higher Education Project (STHEP - DIT) paid M/S Agumba Computers Ltd an advance of USD 50,813.19 being 10% of a contract price. However, the

contractor failed to supply the items eighteen (18) months from the date of signing of this contract on 17<sup>th</sup> July, 2012 which is contrary to contract Agreement. In addition, terms of the contract were vague as they did not indicate the contract period was not included so that could assist the management to charge liquidated damages in case of failure of both parties to meet contractual obligations.

#### **5.5.6 Overpayment of consultancy fees US\$ 54,033**

US\$ 54,033 was overpaid to Economic and Business Foundation in respect of managing the Southern Agriculture Growth Corridor of Tanzania (SAGCOT-PPA) Investors Showcase Conference.

## **CHAPTER SIX**

### **6.0 REVIEW OF PROCUREMENT PROCESSES**

#### **Introduction**

During the course of audit of the financial year 2012/2013, I observed anomalies in the procurement of goods and services made by Tanzania Social Action Fund (TASAF), Agricultural Sector Development Programme (ASDP), Water Sector Development Programme (WSDP), Health Basket Fund (HBF) and Other Projects. The anomalies observed are centered on non compliance with the PPA of 2004 and Public Procurement Regulations (GN. No.97 & 98 of 2005 and GN. No. 177 of 2007) as narrated below:

#### **6.1 Agricultural Sector Development Programme (ASDP)**

##### **6.1.1 Procurement of goods and services without Tender Board Approval Shs.119,854,861**

Many procurement arrangements often fall short of the contracted roles and responsibilities because of poor contract management. In a review of procurement contracts, I noted cases where four (4) Councils procured goods worth Shs.119,854,861 from suppliers without approval from established Tender Boards. This is contrary

to Reg. 40 and 41 of the Public procurement (goods, works, non-consultant services and disposal of public assets by Tender), Regulations 2005 which requires all procurement to be authorized and approved by the Accounting Officer and endorsed by a Tender Board. Councils involved are detailed in Table 74 below:

**Table 74: Procurement without Tender Board Approval**

S/N	Council	Amount (Shs.)
1	Kasulu DC	27,435,930
2	Tarime DC	14,480,000
3	Mufindi DC	35,183,416
4	Mbinga DC	42,755,515
	<b>Total</b>	<b>119,854,861</b>

However, this amount is less by Shs.150,247,851 compared to the figure of Shs.270,102,712 reported in the financial year 2011/2012.

#### **6.1.2 Procurement of goods from unapproved Suppliers Shs.34,610,451**

Regulation No. 68 (5) of Public Procurement (goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005, requires the list of suppliers selected to be submitted to the appropriate Tender Board for approval and thereafter the procuring entity to address a request for quotations to all approved suppliers simultaneously. To the contrary, four (4) Councils procured goods, works and non consultants' services from suppliers who were neither approved by the Government Service Procuring Agency (GPSA) nor the Tender Boards as given in Table 75 below:

**Table 75: Procurement from unapproved suppliers**

S/N	Council	Amount (Shs.)
1.	Kasulu DC	22,652,000
2	Ruangwa DC	7,596,650
3	Arusha DC	1,211,801

4	Mwanga DC	3,150,000
	<b>Total</b>	<b>34,610,451</b>

### 6.1.3 Procurement made without competitive bidding

**Shs.21,358,611**

Compliance with Public procurement procedures is a mandatory aspect of procurement process in order to achieve economic prices from the suppliers as per Reg. 68 (4) of the Public Procurement (goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005, and First Schedule of the Local Government Authorities Tender Boards Regulations, 2007. However, three (3) procuring entities purchased goods worth Shs.21,358,611 without obtaining at least three quotations from eligible suppliers. Details are as shown in table 76 below:

**Table 76: Procurement without competitive quotations**

S/N	Council	Amount (Shs.)
1	Kondoa DC	2,999,000
2	Kibondo DC	8,129,611
3	Ilala MC	10,230,000
	<b>Total</b>	<b>21,358,611</b>

There is a substantial improvement as compared to the financial year 2011/12 where this category had a balance of Shs.252,937,907.

### 6.1.4 Stores not recorded in Ledgers Shs.47,475,847.76

Stores records were not maintained properly to keep trail of inventory movement contrary to Order No. 54 (3) of the LAFM, 2009; consequently, final consumption of goods worth Shs.47,475,847.76 could not be ascertained. Eleven (11) Councils had items not taken on ledger charge as shown in Table 77 below:

**Table 77: Stores items not taken on ledger charge**

S/N	Council	Amount (Shs.)
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1	Chamwino DC	5,182,900
2	Kongwa DC	7,000,000
3	Singida DC	6,675,650
4	Ruangwa DC	4,312,194
5	Mtwara DC	1,449,858.76
6	Geita DC	4,823,500
7	Mwanga DC	5,773,295
8	Mbulu DC	2,459,800
9	Ileje DC	1,675,000
10	Kyela DC	5,200,000
11	Sumbawanga DC	2,923,650
	<b>Total</b>	<b>47,475,847.76</b>

The trend of stores not taken on ledger charge shows that there was an increase by Shs.25,457,335.26 compared to the year 2011/12 which had Shs.22,018,512.50.

#### **6.1.5 Goods paid for but not delivered Shs.84,249,527**

Payments amounting to Shs.84,249,527 were made in advance to various suppliers using ASDP funds. There were no evidence produced to confirm that if the goods were delivered contrary to Order No. 71(1) (b) of the LAFM, 2009. Four (4) Councils were involved as shown in table 78 below:

**Table 78: Goods paid for but not delivered**

<b>SN</b>	<b>Council</b>	<b>Amount (Shs.)</b>
1	Bukoba DC	46,694,527
2	Manyoni DC	25,000,000
3	Tabora MC	9,255,000
4	Mwanza CC	3,300,000
	<b>Total</b>	<b>84,249,527</b>



Trend analysis show an increase by Shs.7,702,664 as compared to the previous year 2011/12 which had a balance Shs.76,546,863 in respect of stores not delivered.

#### **6.1.6 Fuel issued not recorded into vehicles' log books Shs.23,009,441**

An assessment of fuel management and controls revealed that, 10,297 litres of diesel worth Shs.23,009,441 were struck off the ledgers as being issued to different motor vehicles without any record of the amount of fuel issued in the relevant log books of the respective Councils. In the absence of such records, utilization of the issued fuels could not be ascertained. Table 79 below shows seven (7) Councils with such a weakness:-

**Table 79: Fuel issued not recorded into vehicle's log books**

<b>SN</b>	<b>Council</b>	<b>Litres</b>	<b>Amount(Shs)</b>
1	Singida DC	3,190	6,675,650
2	Kiteto DC	2,500	6,490,000
3	Mtwara DC	1,146	2,329,644
4	Iramba DC	1,000	2,125,000
5	Ruangwa DC	870	1,914,000
6	Kibaha DC	921	1,800,147
7	Ileje DC	670	1,675,000
	<b>Total</b>	<b>10,297</b>	<b>23,009,441</b>

## **6.2 Health Basket Fund (HBF)**

### **6.2.1 Procurement of goods and services without Tender Board approval Shs.904,023,258**

Many procurement arrangements often fall short of the contracted roles and responsibilities because of weak contract management. I noted cases where thirteen (13) Councils procured goods worth Shs.904,023,258 from

suppliers without approval from the established Tender Boards contrary to Reg. 40 and 41 of the Public Procurement (goods, works, non-consultant services and disposal of public assets by Tender), Regulations 2005. Councils involved are detailed in Table 80 below:

**Table 80: Goods procured without Tender Board approval**

S/N	Council	Amount (Shs)	S/N	Council	Amount (Shs)
<u>1</u>	Kasulu DC	360,283,250	<u>8</u>	Manyoni DC	35,279,000
<u>2</u>	Nzega DC	103,171,380	<u>9</u>	Longido DC	19,986,900
<u>3</u>	Songea DC	82,335,750	<u>10</u>	Urambo DC	16,817,000
<u>4</u>	Magu DC	77,563,000	<u>11</u>	Kondoa DC	5,904,628
<u>5</u>	Musoma DC	75,360,000	<u>12</u>	Arusha DC	4,480,000
<u>6</u>	Rombo DC	66,783,300	<u>13</u>	Missenyi DC	3,672,000
<u>7</u>	Bahi DC	52,387,050	<b>Total</b>		<b>904,023,258</b>

#### **6.2.2 Procurement of services from unapproved suppliers Shs.297,695,684**

Regulation No. 68(5) of the Public Procurement(goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005, requires the list of suppliers selected to be submitted to the appropriate Tender Board for approval and thereafter the procuring entity shall address a request for quotations to all approved suppliers simultaneously. To the contrary, nineteen (19) Councils procured goods, works and non consultants' services amounting to Shs.297,695,684 from suppliers who were neither approved by the Government Service Procuring Agency (GPSA) nor the Council Tender Board. Details of such procurement made are explained in table 81 below:

There is an increase of amounts by Shs.176,304,181 from the previous year reported figure of unapproved suppliers.

**Table 81: Procurement from unapproved suppliers**

S/N	Council	Amount (Shs.)	S/N	Council	Amount (Shs.)
1	Sengerema DC	55,502,500	11	Kyela DC	6,802,000
2	Bukoba DC	39,314,368	12	Tabora MC	5,900,000
3	Musoma DC	37,500,000	13	Kisarawe DC	5,558,000
4	Serengeti DC	29,106,991	14	Sumbawanga MC	5,032,475
5	Arusha DC	23,272,100	15	Biharamulo DC	5,000,000
6	Kasulu DC	19,704,750	16	Mkinga DC	4,980,000
7	Monduli DC	17,458,200	17	Missenyi DC	3,675,000
8	Kilolo DC	12,600,000	18	Ngara DC	2,798,720
9	Mpanda TC	12,540,450	19	Rorya DC	1,218,750
10	Sumbawanga DC	9,731,380			
<b>Total</b>					<b>297,695,684</b>

### 6.2.3 Procurement made without competitive bidding

Audit noted that goods worth Shs.267,422,480 were procured by fourteen (14) Councils from suppliers without inviting competitive price quotations contrary to Reg. 68 (4) of the Public Procurement (goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005, and the First Schedule of the Local Government Authorities Tender Board Regulations of 2007 as shown in table 82 below.

**Table 82: Procurement without inviting price quotations**

S/N	Council	Amount (Shs.)	S/N	Council	Amount (Shs.)
1	Nkasi DC	104,749,870	8	Monduli DC	9,440,810
2	Kibondo DC	33,911,820	9	Missenyi DC	6,000,000

3	Lindi DC	32,814,000	10	Kyela DC	4,890,000
4	Nzega DC	22,243,080	11	Mufindi DC	3,750,000
5	Longido DC	19,986,900	12	Nachingwea DC	3,159,000
6	Bukoba MC	12,752,000	13	Tabora DC	2,495,000
7	Chato DC	10,000,000	14	Ruangwa DC	1,230,000
Total					267,422,480

#### 6.2.4 Stores not recorded in ledgers Shs.374,479,679

Stores records were not maintained properly to keep trail of inventory movement. Consequently, goods worth Shs.374,479,679 ordered and paid for could not be ascertained as they were not recorded into the respective stores ledgers contrary to Order 54(3) of LAFM, 2009. Nineteen (19) Councils had items not taken on ledger charge. This practice might result into misuse of resources without being detected by management. Details are shown in Table 83 below:

**Table 83: Store items not taken on ledger charges**

S/N	Council	Amount (Shs)	S/N	Council	Amount (Shs)
1	Mpanda DC	91,256,200	11	Bukombe DC	7,800,000
2	Maswa DC	57,981,200	12	Hanang' DC	6,628,750
3	Kinondoni MC	50,613,560	13	Tanga CC	5,353,500
4	Ilala MC	31,069,600	14	Chato DC	4,725,000
5	Mafia DC	25,816,823	15	Musoma DC	4,641,000
6	Urambo DC	21,800,000	16	Arusha DC	3,758,650
7	Sumbawanga MC	21,320,500	17	Nachingwea DC	3,541,000
8	Masasi DC	15,882,396	18	Sumbawanga DC	3,200,000
9	Ruangwa DC	8,848,000	19	Rufiji/Utete DC	1,957,500
10	Longido DC	8,286,000			
Total					374,479,679

#### 6.2.5 Goods not delivered Shs.527,767,998

During the year under review, payments amounting to Shs.527,767,998 were made in advance to various suppliers using HBF. However, the goods were not delivered contrary to Regulation No.122 of PPR 2005 and hence were not accounted for in full in the stores ledgers. Eighteen (18) Councils were reported with this anomaly as described in table 84 below:

**Table 84: Goods paid for but not delivered**

S/N	Council	Amount(Shs)	S/N	Council	Amount(Shs)
1	Geita DC	226,638,600	10	Bahi DC	10,313,200
2	Sengerema DC	106,852,100	11	Shinyanga DC	9,000,000
3	Rorya DC	56,532,650	12	Tanga CC	8,277,700
4	Karagwe DC	22,996,700	13	Tarime DC	3,533,500
5	Muleba DC	18,758,000	14	Pangani DC	3,521,500
6	Misungwi DC	15,946,928	15	Shinyanga MC	2,699,600
7	Bukombe DC	14,026,000	16	Bukoba MC	2,077,800
8	Mkuranga DC	11,900,000	17	Makete DC	1,748,720
9	Nzega DC	11,745,000	18	Longido DC	1,200,000
Total					<b>527,767,998</b>

However, the amount of goods paid for not delivered has decreased by Shs.141,737,496 from the year 2010/2011 to 2011/2012 and increased by Shs.347,064,013 in the current year 2011/12 to 2012/13.

#### 6.2.6 Procurement of medical supplies without MSD approval Shs.1,025,278,064

For typical economical disbursement of funds, hospital equipment and medical supplies should be procured from

Medical Stores Department (MSD) at the most economical prices. However, audit noted that, medical items worth Shs.1,025,278,064 were procured by thirty (30) Councils from private suppliers without MSD approval. This is contrary to Sect.4 of the Local Authorities Tender Boards (establishment and proceedings) Regulations, 2007 and Section 51 of Public Procurement (goods, works, non-consultants services and disposal of public assets by Tender), Regulations 2005 as shown in **Annexure XIX**.

The practice of procurement of medical supplies without MSD approval has increased by Shs.118,787,960 from the year 2010/11 to 2011/12 and also increased by Shs.613,058,464 from the year 2011/12 to 2012/13.

#### **6.2.7 Procurement of goods and services through cash**

**Shs.42,679,688**

Seven Councils (7) granted cash amounting to Shs.42,679,688 to various staff to procure various items contrary to order 68 of LGFM, 2009 which requires orders to be placed by using LPO and subsequently payment is settled by using cheques. Under this circumstance prices paid for the procurement made might not be reasonable and items procured may be of low quality. Details are shown in table 85 below:

**Table 85: Procurement of goods and services via imprest**

<b>S/N</b>	<b>Council</b>	<b>Amount (Shs.)</b>
1	Kasulu DC	9,696,000
2	Lushoto DC	6,895,000
3	Kigoma DC	6,480,000
4	Kahama DC	6,360,000
5	Ngorongoro DC	6,018,000

6	Rombo DC	3,015,000
7	Simanjiro DC	2,190,688
8	Babati DC	2,025,000
<b>Total</b>		<b>42,679,688</b>

### 6.3 Tanzania Social Action Fund (TASAF)

#### 6.3.1 Procurement made without Competitive Quotations Shs.22,239,994

Regulation 68(4) of Public Procurement (goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005, require at least three quotations to be obtained from which the most competitive supplier upon which comparison of a lowest bidder will be selected with emphasis to the quality. Contrary to this regulation, five Councils made procurement without competitive quotations as detailed in table 86 below:

**Table 86: Procurement Made without competitive Quotation**

S/N	Council	Amount (Shs.)
1	Liwale DC	6,572,324
2	Lindi DC	828,170
3	Mtwara Mikindani DC	1,898,000
4	Tandahimba DC	11,350,000
5.	Handeni DC	1,591,500
<b>Total</b>		<b>22,239,994</b>

#### 6.3.2 Store items not accounted for Shs.31,187,725

Payments amounting to Shs.31,187,725 were made by four (4) Councils for procurement of goods which were not recorded in store ledgers. Details are as reflected in table 87 below:

**Table 87: Store items not accounted for Shs.31,187,725**

S/N	Council	Amount (Shs.)
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1	Handeni DC	2,000,000
2	Lindi DC	1,046,500
3	Ruangwa DC	26,100,225
4	Masasi DC	2,041,000
	<b>Total</b>	<b>31,187,725</b>

## 6.4 Water Sector Development Project

### 6.4.1 Uncompleted Projects Shs.50,553,789,814

Uncompleted project activities worth Shs.50,553,789,814.66 were noted as at the end of the year, involving the Ministry of Health and Social Welfare and seventy nine (79) Councils as reflected in Annexure XX.

### 6.4.2 Store items not accounted for Shs.56,567,949

Payments amounting to Shs.56,567,949 were made by nineteen (19) LGAs for procurement of goods which were not recorded in store ledgers. Details are as reflected in table 88 below:

**Table 88: Store items not accounted for**

S/N	LGA	Amount (Shs)	S/N	LGA	Amount (Shs)
1	Kilwa DC	5,384,000	11	Musoma DC	3,192,600
2	Lindi DC	2,508,100	12	Serengeti DC	3,930,000
3	Lindi MC	5,413,591	13	Sengerema DC	1,280,000
4	Nachingwea DC	2,795,900	14	Babati DC	2,785,800
5	Ruangwa DC	4,076,790	15	Babati TC	2,013,250
6	Mtwara DC	2,900,016	16	Hanang DC	3,276,423
7	Mtwara DC	2,277,000	17	Same DC	1,521,750
8	Kibaha DC	1,625,629	18	Simanjiro DC	883,140
9	Rufiji DC	7,815,360	19	Songea DC	2,262,000
10	Biharamulo DC	626,600	<b>Total</b>		<b>56,567,949</b>



However the amount of items not accounted for has increased by Shs.27,972,900 from that reported in the financial year 2011/12 to 2012/13.

#### **6.4.3 Procurement of goods without inviting competitive price quotations, Shs.29, 873,400**

Goods worth Shs.29,873,400 were procured by Kibondo District Council from suppliers without inviting competitive price quotations contrary to Reg. 68 of the Public Procurement (goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005, and the First Schedule of the Local Government Authorities Tender Board Regulations of 2007.

The procurement of goods without inviting competitive price quotations has increased by Shs.19,947,501 from the previous year 2011/12.

#### **6.4.4 Procurement of goods from unapproved suppliers, Shs.33,347,622**

Six (6) Councils procured goods worth Shs.33,347,622 from unapproved suppliers contrary to Reg. 40 of the Public Procurement(goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005. Details are as reflected in table 89 below:-

**Table 89: Procurement of goods from unapproved suppliers**

S/N	LGA	Amount (Shs)
1	Lindi DC	3,300,000.00
2	Ruangwa DC	14,894,622.00
3	Chato DC	2,714,000.00
4	Rorya DC	6,490,000.00
5	Hanang DC	3,305,000.00
6	Ileje DC	2,644,000.00
<b>Total</b>		<b>33,347,622.00</b>

However, this amount is more by Shs.8,047,585 as compared to the reported unapproved procurement in the financial year 2011/12.

#### **6.4.5 Procurement out of annual procurement plan Shs.1,093,736,378**

The audit noted that, contrary to section 45 of the Public Procurement Act of 2004 and the MoU for WSDP between the government and development partners, goods and services amounting to Shs.1,093,736,378 were procured outside the annual procurement plans of two Councils as shown in table 90 below:

**Table 90: Procurement out of annual procurement plan**

<b>S/N</b>	<b>LGA</b>	<b>Amount (Shs)</b>
1	Tabora DC	802,236,378.00
2	Muheza DC	291,500,000.00
<b>Total</b>		<b>1,093,736,378</b>

#### **6.4.6 Tender awarded without being advertised- Shs.163,550,159**

A review of awarded contracts during the year noted that two (2) Councils awarded tenders amounting to Shs.163,550,159 without being advertised as required by Regulation No.80 (3) and (5) of Public Procurement(goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005. List of Councils involved is shown in table 91 below:

**Table 91: Tender awarded without being advertised**

<b>S/N</b>	<b>LGA</b>	<b>Amount (Shs)</b>
1	Nanyumbu DC	67,549,359.00
2	Mkuranga DC	96,000,800.00
<b>Total</b>		<b>163,550,159</b>

#### **6.4.7 Unproductive completed projects - Shs.2,082,757,820**

Audit examination observed that thirteen (13) Councils had paid a total sum of Shs.2,082,757,820 to various contractors for construction of water projects.

However, during the physical inspection of the completed water projects I found that such projects were unable to provide water to the intended communities as planned. The spending on those projects amounted to total loss and hence nugatory expenditure. Table 92 below shows the Councils whose projects could not provide water after completion:

**Table 92: Unproductive completed projects**

S/N	LGA	Amount (Shs)	S/N	LGA	Amount (Shs)
1	Tabora DC	93,635,600	8	Karagwe DC	77,301,500
2	Kondoa DC	19,082,000	9	Bunda DC	495,145,715
3	Urambo DC	89,147,050	10	Handeni DC	7,076,796
4	Kilwa DC	53,758,816	11	Korogwe TC	170,952,082
5	Kilombero DC	322,497,186	12	Rombo DC	9,650,000
6	Bagamoyo DC	193,798,765	13	Mpanda DC	26,000,000
7	Bukoba DC	524,712,310	<b>Total</b>		<b>2,082,757,820</b>

#### **6.4.8 Contracts awarded without the Tender Board's**

##### **Approval- Shs.1,256,270,949**

Audit review of contracts files and related documents noted cases amounting to Shs.1,256,270,949 involving seven Councils whereby contracts were awarded to contractors without being approved by the respective Tender Boards contrary to Regulation 41 (1) of Public Procurement(goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005. Details are as reflected in table 93below:

**Table 93: Contracts awarded without Tender Board's approval**

S/N	LGA	Amount (Shs)
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1	Chamwino DC	338,676,323
2	Iramba DC	51,500,000
3	Kilwa DC	467,743,056
4	Magu DC	319,113,820
5	Karatu DC	41,187,750
6	Mbulu DC	25,500,000
7	Songea DC	12,550,000
<b>Total</b>		<b>1,256,270,949</b>

#### **6.4.9 Computers procured and delivered without technical inspection and acceptance reports Shs.72,452,802**

Regulation 126 and 127 of GN No.97 of 2005 requires the Accounting Officer (AO) to form Goods Inspection and Acceptance Committee for quality assurance of the goods received.

The Ministry of Water paid Shs.72,452,802 in respect of purchasing of iPads and laptop computers but no inspection and acceptance reports or certificates were produced to evidence that all goods received by the ministry were of good quality pursuant to Regulation 126 and 127 of GN No.97 of 2005.

### **6.5 Global Fund and Other Projects**

In the course of audit of the other projects as far as procurement is concerned, the following weaknesses were noted:

#### **6.5.1 Store items not taken on ledger charge Shs.10,399,662,211**

Stores records were not maintained properly to keep trail of inventory movement. Six (6) projects had items not recorded on ledger as detailed in table 94 below:

**Table 94: Store items not taken on ledger charges**

<b>S/N</b>	<b>Project Title</b>	<b>Amount (Shs)</b>
1	Accelerated Food Security	10,295,426,000

	Project	
2	SIDA/NORAD/MEM BIOFUELS	14,067,400
3	Lake Victoria Environmental Management Project (LVEMP II)	14,773,125
4	Ministry of Health and Social Welfare-WHO	7,000,000
5	TANAPA -SPANEST- UNDP	26,393,686
6	National Institute For Medical Research (NIMR) Mwanza Global Fund Round 9	42,002,000
<b>Total</b>		<b>10,399,662,211</b>

There is huge increase of stores not taken on ledger charge in the current year compared to the two previous years amounting to Shs.4,051,263,000 and Shs.164,716,608 for 2010/11 and 2011/12 respectively.

**6.5.2 Procurement made on single quotation Shs.69,205,000**  
Management of Marine and Coastal Environmental Management Project Global Environmental Facility (MACEMP - GEF) had effected procurement of various goods of Shs.69,205,000 through a single quotation contrary to part (a) of the first schedule of the Public Procurement(goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005. However, the level of compliance has increasedas compared to the figure reported in previous year ofShs.2,049,143,383.

**6.5.3 Interest charged due to delay in paying the contractor Shs.766,119,372.44 and US\$ 182,742**  
It was noted that Shs.766,119,372.44 and US\$ 182,742 was paid as interest charges due to the delay in paying certificates to two contractors as detailed in table 95below:

**Table 95: Interest charged due to delay in paying the contractor**

S/No	Project Title	Amount(Shs)	Amount(\$)
1	Road Sector Support Project (RSSP1)	85,785,249.44	
2	Danish Roads Sector Programme Support	680,334,123.00	182,742
<b>Total</b>		<b>766,119,372.44</b>	<b>182,742</b>

The interest charged as a result of late settlement of contractor's certificates has increased enormously from Shs.19,053,525.36 for the previous year to Shs.766,119,372.44 and US\$ 182,742 in the current year. The government should ensure that enough funds are committed and released timely to avoid the payment of penalties in the form of interest.

## CHAPTER SEVEN

### 7.0 SPECIAL AUDITS

#### Introduction

Pursuant to Sect. 29 of the Public Audit Act, 2008 and Reg.79(1) of the Public Audit Regulations of 2009 the Controller and Auditor General may, on request by any person, Institution, Public Authorities, Ministries, Departments, Agencies, Local Government Authorities and such other bodies undertake any special audit. The law also allows the CAG on his own determination to conduct any special audit which he considers appropriate. During the year under review, two (2) special audits of the projects were conducted. Salient features raised from the special audits are shown here under:

## **7.1 Special Audit of the Health Basket Fund (HBF)**

The HBF special audit involved fourteen Councils which were selected based on the CCHP performance reports of 2011/12. Out of the fourteen Councils, four were picked from the best performing Councils, six were from the least performing Councils and four Councils were selected by the MOHSW.

The investigation outcomes have been grouped into four main areas of HBF as shown below:

1. Allocation, planning and disbursements of the District Basket Grant (DBG),
2. Planning, management and use of HBF resources in sampled Councils,
3. Value for Money in sampled Councils and monitoring
4. Reporting use of DBG at regional and national level.

The selected Councils in the three categories are reflected below:

### **Category 1 - Best Performing Councils:**

1. Kiteto District Council
2. Mtwara District Council
3. Mvomero District Council
4. Masasi District Council

### **Category 2 - Least Performing Councils:**

1. Lindi Municipal Council
2. Mbarali District Council
3. Sumbawanga Municipal Council
4. Muleba District Council
5. Kibaha Town Council
6. Mpanda Town Council

### **Category 3 - Added by the MoHSW:**

1. Chamwino District Council
2. Iramba District Council
3. Pangani District Council
4. Iringa District Council

### **Main findings**

- (a) Allocation, planning and disbursement of the District Basket Grant (DBG). The investigation revealed that:**

  - (i) The MoHSW used same figures in the formula for resource allocation to Councils**  
The allocation formula being used in the calculation of disbursements of funds to Councils is not being reviewed annually to take into account changes in the factors of the formula, which are population data, under-5 mortality rates, poverty count data and Council medical route.
  - (ii) There are delays in meeting triggers in the MOU leading to delay in release of funds**  
A review of the BFC meetings revealed that the side agreements were signed in late September and August for the financial year 2010/11 and financial year 2011/12 respectively, due to late provision of essential documents (triggers), which automatically delayed fund releases.
  - (iii) There are cases of delay of the released funds to the Councils**  
This report shows that disbursements for the first and second quarter were received towards the end of the second quarter for the two years reviewed. In addition, there are delays in disbursing funds to the Council from Holding Account through exchequer account. The delay ranged from 4 days to 44 days during the period under review.
  - (iv) Some Development Partners did not provide full commitment when they signed the Side Agreement during the financial year 2010/11; their commitments were just provisional**  
For example, the World Bank had made a tentative commitment of USD 22 million as per signed financial year 2011/2012 Side Agreement but its headquarters only



approved and later disbursed USD 10 million. Tentative commitments affect planning and budget execution.

**(v) Reviews of Regional Secretariats have indicated that some of them do not submit timely the quarterly reports to the PMO-RALG**

Regional Secretariats do not submit Council quarterly reports to PMO-RALG on a timely manner contrary to the requirements of paragraph 4.2 of the CCHP Guidelines.

**(vi) This special audit has highlighted consistent delays in the implementation of planned CCHP activities**

The Councils attribute delays in activity implementation to frequent delay in disbursement of funds to the Councils. In addition, the auditors noted delays in disbursement of funds from Councils centres (health facilities).

**(vii) It has been noted that unspent HBF fund balances do not match with the cost estimates of implementing carried forward activities**

There are instances where the cost estimates to implement the outstanding planned activities were higher than the unutilized funds.

**(viii) In some Councils some carried forward activities were not implemented in subsequent years**

On average, 40% to 45% of the carried forward activities for the financial years 2010/11 and 2011/12, respectively were not implemented in the subsequent years. This anomaly was noted in eight out of the fourteen Councils visited.

**(ix) Delay in remitting funds to the Health Account**

There are delays in transferring funds to Council health account from the development account by the Districts. It takes on average local government authorities 19 days to

process and transfer funds from Council's development bank account to Health bank accounts.

- (x) **Small contribution on the government towards HBF**  
Health Basket Fund remains to be the largest donor in Health Sector in the Districts if one removes personnel emoluments. Its contribution ranges between 14 % in some districts to 55% in others.

- (b) **Planning, management and use of HBF resources in sampled Districts**

**The special audit has shown that:**

- (i) **There is lack of flexibility in the use of HBF resources**  
In addition, grants from some Development Partners outside HBF are being provided for specific purposes and therefore there is no much flexibility on how the district can use the funds.

- (ii) **Some of the planning team members in the districts were not adequately trained in the areas of budgeting process**

This was also echoed during interviews with the planning team members during the visits. Furthermore, some of the LGAs had not received CCHP Guidelines of November 2011.

- (iii) **CCHP planning process does not appear to be all inclusive**

A review noted that the lower level health facilities were not involved in the final stages of the CCHP planning process. Their participation was only limited to pre-planning stage. In addition, the districts were found not to be consistently complying with the CCHP guidelines.

- (c) **Value for Money in sampled districts**

Based on the data from the surveyed districts, up to 31% of health interventions in the LGAs depend their financing on HBF (excluding salary grants). Therefore, sustainability

of health services in the LGAs in the absence of HBF resources will be a challenge. The LGAs stated that in the event that there is a reduction in the allocation of the HBF, some important health interventions will be curtailed unless there is new funding in its place. Interventions likely to be hit most are operations of the CHMT and other non-salary activities at the lower level health facilities.

Procurement of Medical equipment using HBF does not consistently follow the public procurement procedures. In some of the procurements made using HBF resources, this audit noted cases of procurement of medical equipment of inferior quality.

#### **Special Audit on Use of Health Basket Grant by Districts in the years 2010/11 and 2011/12**

- The review of external audit reports in some of the districts has indicated presence of inappropriate use of HBF resources. In addition, from the reviewed internal audit plans, it did not appear that HBF resources are covered when internal audit activities are conducted.
- LGAs do not maintain separate expenditure codes for each respective funding partner/programme which makes it difficult to differentiate interventions per partner. This is, however, possible under the current Epicor version (9.5).

#### **(d) Monitoring and reporting on use of DBG at regional and national level**

##### **1. It is evident that the Health Facility Committees as required in CCHP guidelines are not effective**

- The review noted that these Committees are not carrying out their tasks effectively. In addition, the supervision visits did not address properly the weaknesses in the Committees.
- Return on investment on computerization, in particular Epicor, is yet to be achieved. Inoted that Epicor is not

fully utilised in the preparation of financial reports because still records are manually maintained. For example, preparations of CCHP quarterly and annual reports for the period under review were done manually. Also, PlanRep, which is a planning tool for LGAs, is not integrated with Epicor and most of LGAs staff lacks adequate training in both Epicor and Planrep.

**2. The supervisory role of the RMHT and PMORALG was found ineffective**

PMO-RALG did not carry out supportive supervision to RS and LGAs to evaluate the implementation of CCHP and follow up of implementation of HSBF audit issues and did not conduct RMOs and DMOs annual meetings to strategize the implementation of the milestones on other deliberation from the annual Health Review Meetings.

**7.2 Special Audit of the DANIDA funded projects - PFM and SWMP**

**7.2.1 Participatory Forest Management (PFM)**

Summary of findings from special audit conducted on Participatory Forest Management project to eleven District Councils, RAS Iringa, RAS Lindi, Tanzania Forestry Research Institute and Ministry of Natural Resources and Tourism (Forest and Beekeeping Division) for the year 2012/13 were as shown below:

- Procurement made without competitive bidding Shs.13,355,534**

Audit noted that goods worth Shs.13,355,534 were procured by Kilosa DC for Shs.1,500,000 and RAS - Iringa for Shs.11,855,534 from suppliers without inviting competitive price quotations contrary to Reg. 68 (4) of the Public Procurement (goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005 and the First Schedule of the

Local Government Authorities Tender Board  
Regulations of 2007.

- **Unapproved procurements Shs.19,242,500**  
Contrary to Regulation No. 68(5) Public Procurement(goods, works, non-consultant services and disposal of public assets by Tender), Regulation 2005two (2) Councils procured goods, works and non consultants services amounting to Shs.19,242,500 (Ileje DC Shs.10,772,500 and Iringa DC Shs.8,470,000) from suppliers neither approved by the Government Service Procuring Agency (GPSA) nor the Council Tender Board.
- **Unsupported fund transfer Shs.36,454,000**  
An amount of Shs.36,454,000 million was transferred from Chunya DC development account to the harvesting account (Mapogoro account number 6076600076). TheProgramme management did not provide with any supporting documents to support the transferred amount contrary to Section 5.7 of the Administration and Finance Manual for PFM and Regulation138 of the Public Finance Regulations, (2001).
- **Funds used for other purposes Shs.48,070,000**  
An amount of Shs.48,070,000 had been utilized by two (2) Councils (Mbarali DC Shs.26,907,000 and Mbozi DC Shs.19,925,000) and RAS- Iringa (Shs.1,238,000) in respect of activities not related to PFM Programme thus some of the planned activities during the year were not implemented as intended.
- **Non preparation of bank reconciliation statement**  
Bank reconciliation statement for the month of June 2013 were not prepared and therefore not availed for review contrary to Section 162 (1) of the Public Finance Regulations, (2001). In the absence of

preparation and review of bank reconciliation statements, errors and/or fraud may go undetected.

- **Unsupported expenditure and unretired imprest Shs.6,100,000**

Payment made by Iringa DC amounting to Shs.6,100,000 in respect of supporting staff and 50 VNRC members to undertake PFRA in 5 village forests for 15 days was made without proper supporting documents contrary to Order 8 (2) (c) of LAFM, 2009.

#### **7.2.2 Sustainable Wetland Management Program (SWMP)**

Special audit was conducted on Sustainable Wetland Management Program (SWMP) to nine District Councils, RAS Iringa and PMO-RALG for the year 2012/13. Summary of the audit findings are as shown below:

- **Unsupported payments amounting to Shs.23,929,950**

Payments amounting to Shs.23,929,950 were made by five (5) Councils Mbarali Shs.10,924,500, Ngorongoro DC Shs.7,005,600, Ludewa DC Shs.2,659,850, Mbeya DC Shs.2,610,000 and Mufindi DC Shs.730,000 without adequate supporting documents contrary to Section 138 of the Public Finance Regulations (2001).

- **Expenditure transactions were not coded according to budget codes**

The expenditure records of Iringa DC and RAS- Iringa in the cash book and in the expenditure report were not coded to show the budget line financing the activity though SWMP annual budget outlines the activities planned throughout the year and each activity is comprised of several expenditure items which have specific GFS Codes. It was therefore not possible to know the budget line financing a particular activity without going through all the payment vouchers.

- **Expenditure made out of the approved budget Shs.15,301,600**

Budget is a control tool for expenditure and management is required to ensure that all expenditures incurred are as per the budget and for any reallocation across budget lines, pre-approval needs to be obtained. Five Councils Iringa DC Shs.720,000, Mbozi DC Shs.1,850,000, Iringa RAS Shs.1,500,000, Ludewa DC Shs.1,987,500 and Mbarali DC Shs.9,244,100 incurred expenditures on various activities amounting to Shs.15,301,600 over and above the approved SWMP budget contrary to Order 23(1) of LAFM 2009. Spending over and above the budget lines implies weak monitoring of activities against the budget.

## **CHAPTER EIGHT**

### **8.0 CONCLUSIONS AND RECOMMENDATIONS**

#### **Introduction**

The detailed audit findings of the individual management letters, reports and special audit reports which are summarized in this General Report were communicated to the respective Accounting Officers for necessary action. The Accounting Officers responsible for implementation of the various Donor Funded Projects are required to prepare structured responses on the CAG's audit findings and recommendations and submit them to the Paymaster General. In this report, I have pointed out several weaknesses in internal control systems in accordance with Reg. 28 - 35 of the Public Finance Regulations, 2001 which resulted from the audits conducted. These matters call for immediate intervention from the Accounting Officers by establishing sound internal control systems that will

effectively address the weaknesses pointed out in this report as summarized below, and in compliance with Sect.12 of the Public Audit Act, No.11 of 2008.

I have made several conclusions and recommendations as listed below which, if implemented, will enhance sound financial management of the Donor Funded Projects within the Government.

## **8.1 General Conclusions**

- The scope of audits of the Internal Audit Units in MDAs and LGAs has left much to be desired. Important areas namely audit of financial statements and operations of Donor Funded Projects particularly on accountability and performance evaluation of projects in line with the MoU requirements were not adequately covered by the Internal Audit Units.
- Since most development projects are done at the lowest administrative levels of government, that is Villages, Accounting Officers of most LGAs have no time to attend to these projects including providing adequate guidance and supervision.
- Accounting Officers did not adequately manage or supervise projects and in particular, address and implement audit recommendations. There are previous year's recommendations which remained unattended amounting to Shs.129,329,551,647 as at this report date compared to Shs.106,707,796,940 and Shs.20,289,040,011 of the same nature in 2010/11 and 2011/12 respectively.
- There is a serious problem of non-compliance with the requirements of MoU which insist on adherence to the financial and procurement laws of Tanzania. During the year under review, we observed anomalies amounting to Shs.32,031,551,169 & USD 114,806 and



Shs.18,775,777,298 & USD 3,391,816 in respect of procurement and financial management respectively.

- There have been remarkable delays in release of funds from Development Partners, Treasury and Parent Ministries to project implementing partners. This has contributed to the delay or non-implementation of earmarked projects as well as huge amounts of unspent balances. For instance, the unspent balances as at 30th June, 2013 were Shs.346,284,115,450 and USD 45,950,595; Shs.221,997,432,753 and USD 51,356,184 as of 30th June, 2012; and Shs.299,852,509,319 and USD 213,520,573 as of 30th June, 2011.
- Inadequate number of technical staff is a big challenge in implementing Donor Funded Projects in most LGAs and requires immediate managements' attention. During the year under audit, review noted a shortage of 20,215 technical staff compared to the required number of 41,043 whereas, in 2011/2012, the shortage was 14,663 technical staff against the required number of 73,087 staff.
- The problem of missing payment vouchers is one of the indicator of ineffective internal control system. This has been a continuous repeating problem with the majority of the Councils for a long time. I would like to remind the management of the Councils on their primary responsibility in ensuring that, accountable documents like payment vouchers are properly safeguarded.

## **8.2 Lesson Learnt from Special Audits Conducted During the Year**

- The responsibility of instituting and overseeing the system of internal control as per ISA 240 and Order Nos.11-14 of the LAFM, 2009 rests with the

Management of the respective Councils. It has been observed that there are weaknesses in the Councils' management on management of a consistent Internal Control System. This situation has led Management to be involved in one way or another to override the system of internal control; some of the indicators are as follows:

- There is a laxity of Councils' managements in securing and safeguarding their accountable documents. This has an impact of limiting the scope of audit
- The Councils' managements have not been effective in discharging their supervisory role in ensuring adherence to the approved budget and as a result project funds were committed to unintended activities. This has had an impact on some of the planned activities not being implemented as intended.

### **8.3 General Recommendations**

- The Internal Audit Units in MDAs and LGAs should be more involved in the audit of the Donor Funded Projects by ensuring adequate coverage of critical areas namely audit of the quarterly performance reports of projects being implemented, proper documentations and record keeping and compliance to the requirements of the MOUs. The Internal Audit should strive to work towards effecting a major improvement on the financial management of the public sector including the handling of Donor Funded Projects.
- Accounting Officers responsible for financial controls and management of the Donor Funded Projects are advised to put more efforts in ensuring that recommendations pertaining to previous years' audit are attended to accordingly, so as to avoid the possibility of recurring the same weaknesses in future audits.

- The Accounting Officers should strengthen management of expenditure to ensure that resources are used in an effective, efficient, economical and transparent manner and that all expenditures are adequately recorded and reported. There must be appropriate processes to prevent, detect, report and deal with unauthorized expenditure, unsupported (unvouched) expenditure, expenditure with no proper supporting documents (improperly vouched), fruitless and wasteful expenditure.
- The Ministry of Finance (Treasury) and PMO-RALG are advised to;(a) ensure the implementing MDAs duly comply with terms and conditions of projects' MoUs. This will facilitate the timely release of funds from DPs to the projects; (b) ensure funds under the custody of the Treasury and LGAs are timely released as approved to the earmarked projects. This will avoid delays in the implementation of projects and any cost overrun resulting from the passage of time and inflation; and (c) follow up with Development Partners to ensure they fulfill their commitments as agreed.
- Human Resources is the key asset to any organization for it to perform as expected, therefore the Accounting Officers of LGAs are advised to ensure the human resources management is given high priority and attention to assist the attainment of the projects' objectives. I, therefore, recommend that the LGAs in collaboration with PMO RALG and PO-PSM to ensure continuous system of monitoring staffing levels and filling in the vacant positions in the Councils in order to improve the implementation of projects and service delivery to the community.
- Accounting Officers should ensure that procurement of works; goods and services comply with the

requirements of the Public Procurement Act of 2004 together with its Regulations of 2005 and Order No.272 of Local Authority Financial Memorandum (LAFM) of 1997 and MoUs in order to avoid unnecessary procurement.

- MOHSW in conjunction with PMO-RALG should enhance or facilitate extensive training to RHMTs and CHMTs on planning and report writing skills and also consider allocating sufficient resources for outreach missions to perform appropriate supervision on the various key health personnel in LGAs.
- Central Government should ensure that it increases its funding to the health services that matches the obligations assigned to the Councils in the implementation of National Health Policy of Exemptions and Cost Sharing.
- The Accounting Officers should abide with budgetary controls over expenditure to ensure that resources are used in an effective, efficient, economical and transparent manner and all expenditures are adequately recorded and reported. There must be appropriate controls and preauditing of expenditures to prevent, detect, report and deal with unauthorised, unvouched, improperly vouched and ineligible expenditures.
- MoHSW in collaboration with the PMO-RALG should ensure that the distribution of funds, drugs and medical equipment are need-oriented to avoid under/over allocation to districts. This will promote equity and avoid supplying of unwanted drugs and medical equipment to the districts.
- PMO-RALG should work out a coding system in the use of one Development Account for all development

projects such that it should be able to accommodate all the recordkeeping to the extent of enabling the preparation of accurate and reliable financial statements of projects and be able to ascertain the unspent cash balance for each individual project at the year-end.

## Annexure I

### Unresolved matters - ASDP

SN	Council	Amount(Shs)	SN	Council	Amount(Shs)
1	Sengerema DC	2,343,687,360	20	Nkasi DC	607,229,406
2	Kwimba DC	2,030,575,000	21	Tarime DC	583,208,343
3	Muleba DC	1,807,746,854	22	Karagwe DC	576,434,770
4	Mvomero DC	1,795,314,299	23	Lindi DC	575,754,928
5	Morogoro DC	1,580,310,000	24	Liwale DC	568,103,560
6	Masasi DC	1,355,897,887	25	Mbinga DC	555,408,570
7	Mbulu DC	1,284,487,660	26	Mtwara DC	546,299,488
8	Kishapu DC	1,278,128,617	27	Mbeya DC	544,534,630
9	Biharamulo DC	828,213,684	28	Korogwe DC	496,806,568

140

10	Chunya DC	741,523,647	29	Iringa MC	456,998,075
11	Kilombero DC	695,855,314	30	Arusha DC	441,653,143
12	Nachingwea DC	672,732,000	31	Kilosa DC	384,000,000
13	Sikonge DC	672,032,580	32	Musoma DC	338,429,000
14	Chamwino DC	658,943,978	33	Tabora DC	328,084,835
15	Geita DC	652,232,213	34	Mpanda TC	328,073,109
16	Rorya DC	651,883,736	35	Mwanza CC	271,328,041
17	Chato DC	643,854,248	36	Kahama DC	265,613,982
18	Songea DC	633,982,491	37	Kilwa DC	264,700,805
19	Ngara DC	620,230,478	38	Ileje DC	247,473,679
<b>SN</b>	<b>Council</b>	<b>Amount(Shs)</b>	<b>SN</b>	<b>Council</b>	<b>Amount(Shs)</b>
39	Bariadi DC	230,235,000	58	Kongwa DC	80,000,000
40	Misungwi DC	208,642,697	59	Mtwara MC	78,683,962
41	Handeni DC	201,798,689	60	Sumbawan ga MC	77,098,489
42	Serengeti DC	201,772,044	61	Tandahimb a DC	71,693,690
43	Mbeya CC	181,891,824	62	Kilindi DC	71,373,000
44	Rufiji DC	161,009,586	63	Kibaha DC	69,433,000
45	Mkuranga DC	157,375,430	64	Bukoba DC	54,000,000
46	Hanang' DC	151,175,500	65	Siha DC	53,151,660
47	Monduli DC	129,354,806	66	Mafia DC	50,707,620
48	Karatu DC		67	Mwanga DC	

		129,208,984			50,280,100
49	Morogoro MC	110,349,715	68	Magu DC	45,489,850
50	Moshi DC	103,065,960	69	Meatu DC	45,485,900
51	Igunga DC	98,937,000	70	Bunda DC	39,955,000
52	Manyoni DC	94,694,928	71	Temeke MC	35,615,000
53	Maswa DC	94,668,650	72	Kigoma MC	35,000,000
54	Longido DC	93,838,099	73	Iramba DC	34,816,200
55	Mufindi DC	93,175,210	74	Bukombe DC	32,863,106
56	Misenyi DC	90,779,916	75	Babati TC	31,943,203
57	Singida MC	84,513,426	76	Urambo DC	29,785,610
<b>SN</b>	<b>Council</b>	<b>Amount(Shs)</b>	<b>SN</b>	<b>Council</b>	<b>Amount(Shs)</b>
77	Lushoto DC	29,126,500	86	Nzega DC	11,500,000
78	Bagamoyo DC	26,642,865	87	Kiteto DC	10,000,000
79	Singida DC	25,620,265	88	Ruangwa DC	9,805,132
80	Bahi DC	18,489,684	89	Ukerewe DC	9,127,964
81	Simanjiro DC	17,850,000	90	Lindi MC	8,954,000
82	Mkinga DC	16,909,879	91	Shinyanga DC	8,715,616
83	Shinyanga MC	14,377,580	92	Tunduru DC	6,286,000
84	Tabora MC	13,509,155	93	Mpwapwa DC	5,222,007
85	Bukoba MC	12,609,430	<b>TOTAL</b>		<b>33,176,375,908</b>

## Annexure II

### Unresolved previous year matters- HBF

S/N	Council	Amount(Shs. )	S/N	Council	Amount(Shs. )
1	Igunga DC	958,215,024	30	Kongwa DC	120,820,961
2	Dodoma MC	817,332,240	31	Kahama DC	119,023,875
3	Sengerema DC	641,168,694	32	Iringa DC	108,466,803
4	Tabora MC	587,635,967	33	Bagamoyo DC	93,043,000
5	Kasulu DC	477,853,545	34	Nachingwea DC	88,483,435
6	Mwanza CC	467,516,113	35	Kisarawe DC	85,379,050
7	Kibondo DC	422,223,895	36	Mbulu DC	84,316,325
8	Temeke MC	399,499,850	37	Ngara DC	84,145,345
9	Urambo DC	353,616,412	38	Lindi DC	81,652,760
10	Kilwa DC	325,481,746	39	Ukerewe DC	78,309,410
11	Kigoma DC	293,950,874	40	Sumbawanga MC	74,270,765
12	Mpanda DC	291,029,593	41	Namtumbo DC	73,545,000
13	Moshi DC	268,100,012	42	Tandahimba DC	66,882,000
14	Chato DC	236,694,175	43	Babati TC	65,598,810
15	Geita DC	219,021,575	44	Hanang' DC	63,454,151



16	Lushoto DC	218,084,200	45	Magu DC	61,382,869
17	Kwimba DC	213,006,152	46	Karatu DC	55,866,245
18	Lindi MC	207,715,026	47	Missenyi DC	50,742,569
19	Rorya DC	206,391,395	48	Karagwe DC	49,919,730
20	Korogwe DC	192,139,950	49	Bariadi DC	47,997,506
21	Njombe DC	163,988,753	50	Arusha CC	47,570,500
22	Nkasi DC	162,583,373	51	Shinyanga dc	47,335,808
23	Babati DC	156,414,372	52	Rufiji/Utete DC	47,322,383
24	Kishapu DC	154,512,475	53	Maswa DC	47,142,700
25	Sumbawanga DC	153,493,964	54	Meatu DC	46,767,536
26	Morogoro DC	153,334,251	55	Monduli DC	44,220,712
27	Tunduru DC	145,917,000	56	Moshi MC	39,368,419
28	Kigoma MC	136,080,217	57	Manyoni DC	38,895,100

S/N	Council	Amount(Sh s.)	S/N	Council	Amount(Shs.)
29	Masasi DC	122,739,000	58	Iramba DC	38,236,300
59	Siha DC	37,296,462	78	Ngorongoro DC	14,912,000
60	Sikonge DC	36,158,046	79	Songea MC	14,060,000
61	Ileje DC	35,632,359	80	Chunya DC	13,340,000
62	Meru DC	35,453,000	81	Mbeya DC	13,117,500
63	Mtwara DC	31,548,385	82	Kondoa DC	12,636,623
64	Korogwe TC	31,507,195	83	Rombo DC	11,056,753
65	Mpanda TC	26,897,900	84	Chamwino DC	10,000,000
66	Musoma DC	23,996,559	85	Tarime DC	7,550,000
67	Mtwara MC	23,200,011	86	Shinyanga MC	7,311,566
68	Mwanga	22,752,550	87	Biharamulo	7,310,000

	DC			DC	
69	Muheza DC	22,192,950	88	Morogoro MC	6,871,000
70	Handeni DC	21,755,000	89	Mbinga DC	6,705,425
71	Misungwi DC	19,126,952	90	Muleba DC	6,310,240
72	Iranga MC	18,199,972	91	Bukoba DC	4,070,922
73	Kibaha DC	16,922,000	92	Arusha DC	3,236,500
74	Ruangwa DC	16,713,672	93	Singida MC	2,173,500
75	Mvomero DC	16,041,500	94	Mkinga DC	2,113,936
76	Tanga CC	15,113,700	95	Bukoba MC	2,045,000
77	Bukombe DC	15,003,960	96	Same DC	1,572,000
			<b>TOTAL</b>		<b>11,707,805,048</b>

### Annexure III

#### Unresolved previous year matters: TASAF

S/N	Councils	Amount(Shs)	S/N	Councils	Amount(Shs)
1	MusomaDC	652,367,864	20	Pangani DC	52,639,309
2	Misungwi DC	390,693,542	21	Kisarawe DC	48,128,793
3	Meatu	372,283,662	22	Moshi MC	46,976,469
4	Masasi DC	315,511,015	23	Igunga DC	46,417,983
5	Tabora MC	297,994,024	24	Sikonge DC	41,999,350
6	Mtwara Mikindani DC	279,886,439	25	Shinyanga DC	34,165,312
7	Kishapu DC	262,987,047	26	Mvomero DC	31,340,000
8	Geita DC	209,148,871	27	Mkinga DC	27,249,055
9	Tarime DC	208,005,127	28	Ruangwa DC	23,894,318
10	Bunda DC	182,257,132	29	Bukoba DC	19,098,300
11	Sengerema	174,900,958	30	Same DC	18,465,297

	DC				
12	Mkuranga DC	118,252,957	31	Babati DC	16,236,281
13	Lindi DC	108,408,082	32	Tabora DC	8,554,000
14	Bariadi DC	108,240,069	33	Mtwara DC	5,251,778
15	Longido DC	104,118,769	34	Kiteto DC	5,095,000
16	Handeni DC	98,694,122	35	Rombo DC	3,893,783
17	Mwanza CC	72,594,500	36	Nachingwea DC	1,686,400
18	Rufiji DC	67,302,421	37	Ngara DC	1,571,342
19	Misenyi DC	52,702,650	<b>TOTAL</b>		<b>4,509,012,022</b>

## Annexure IV

### Unresolved previous year matters (WSDP)

S/N	Council	Amount ( Shs.)	USD	S/ N	Council	Amount ( Shs.)	USD
1	Chamwino DC	799,689,267		46	Serengeti DC	3,000,000	
2	Kondoa DC	11,825,815		47	Tarime DC	377,528,637.5	
3	Kongwa DC	1,010,000		48	Kwimba DC	8,380,754	
4	Kigoma DC	8,050,000		49	Magu DC	156,900,464	
5	Kigoma MC	682,333,622		50	Misungwi DC	426,999,300	
6	Manyoni DC	183,259,027		51	Sengerema DC	847,591,056.75	
7	Singida DC	1,611,555,000		52	Ukerewe DC	559,252,793	195,330
8	Singida MC	27,712,300		53	Kahama DC	878,838,182.50	
9	Nzega DC	304,321,008		54	Kishapu DC	1,885,169,175	
10	Sikonge DC	2,501,015,657		55	Shinyanga DC	8,694,886	
11	Tabora DC	2,900,000		56	ShinyangaMC	396,112,832	
12	Kilwa DC	3,418,950,733	163,578	57	Maswa DC	44,566,540	
13	Lindi DC	2,352,799,635.75		58	Bariadi DC	207,799,000	
14	Lindi MC	1,437,685,511		59	Arusha CC	235,001,246	
15	Liwale DC	496,503,549.63		60	Arusha DC	221,233,246.56	
16	Nachingwea DC	2,053,087,330.86		61	Hanang' DC	65,217,134	
17	Ruangwa DC	406,931,385		62	Handeni DC	682,148,717	
18	Kilombero DC	90,992,700		63	Karatu DC	112,541,120	
19	Kilosa DC	2,571,359,723		64	Tanga CC	607,753,226	
20	Morogoro DC	1,161,181,991.64		65	Pangani DC	2,348,770	
21	Morogoro MC	175,454,663.2		66	Mwanga DC	648,557,994	
22	Mvomero DC	41,722,500		67	Muheza DC	680,890,092	
23	Ulanga DC	356,300,024		68	Moshi DC	5,648,000	
24	Masasi DC	1,264,615,885.29		69	Meru DC	21,346,875	
25	Mtwara MC	338,452,850		70	Lushoto DC	53,135,890	138,710
26	Nanyumbu DC	591,981,500		71	Longido DC	69,088,000	
27	Newala DC	69,376,000		72	Korogwe TC	43,269,560	143,700

28	Kibaha DC	730,939,675		73	Korogwe DC	1,091,825.40	
29	Kisarawe DC	29,881,000		74	Kiteto DC	450,000	
30	Mafia DC	1,414,233,836		75	Mpanda DC	1,009,944,830	
31	Mkuranga DC	482,745,009		76	Mpanda TC	2,069,005,256	
32	Temeke MC	233,478,546		77	Chunya DC	721,257,546	
33	Biharamulo DC	207,741,385		78	Mbeya DC	2,281,068,512	
34	Bukoba DC	653,197,328		79	Ileje DC	341,507,678.74	
35	Bukoba MC	222,373,367		80	Mbeya CC	196,061,276	
36	Karagwe DC	80,306,500		81	Rungwe DC	2,338,296,818	
37	Missenyi DC	311,416,644		82	Mbozi DC	2,830,818,277	
38	Muleba DC	1,225,798,239		83	Nkasi DC	915,423,647	
39	Ngara DC	326,442,350		84	Sumbawanga DC	111,806,500	
40	Bukombe DC	190,297,300		85	Sumbawanga MC	1,548,128,326	
41	Chato DC	405,534,417		86	Mbinga DC	4,150,000	
42	Geita DC	1,591,411,000		87	Namtumbo DC	29,683,000	
43	Bunda DC	786,811,688		88	Songea DC	27,491,144	
44	Musoma DC	51,613,850		89	Songea MC	23,751,706	
45	Rorya DC	2,300,019,537.92			<b>Total</b>	<b>57,904,259,184</b>	<b>641,318</b>

**Annexure V**

**Unresolved Previous years matter-Other Projects**

<b>S/N</b>	<b>Project Name</b>	<b>Amount (Shs)</b>	<b>Amount (€)</b>	<b>Amount (US\$)</b>
1	Accelerated Food Security Project	54,747,684.07		
2	District Agricultural Sector Investment Project (DASIP)	1,971,464,265		
3	Eastern Africa Agricultural Productivity Project (EAAPP)	2,853,000		
4	Legal Sector Reform Programme	1,588,222,596		
5	Health Sector Basket Fund (HBF)	207,158,772		
6	Second Central Transport Corridor Project	425,807,510.45	347,572.44	
7	Road Sector Support Project (RSSP1)	17,085,815		
8	Singida - Babati - Minjingu Road Project	6,023,344,381.36		
9	Marine and Coastal Environment Management Project	9,298,427,830.84		98,303.90
10	Marine And Coastal Environmental Management Project Global Environmental Facility (MACEMP - GEF)	-		652,738,183
11	Private Sector Competitiveness Project (PSCP) Component 1	-		10,930,364.14
12	Regional Communications Infrastructure Project	-		4,991,925
13	Dar Rapid Transit Agency	160,728,090		

14	Rural Water Supply And Sanitation Programme -PMO-RALG	12,007,768		
15	Tanzania Strategic Cities Project	706,613,541.40		
16	Lake Victoria Environmental Management Project	2,183,000		
17	National Bureau of Statistics -UNDP	93, 703,942		
18	Small Entrepreneurs Loan Facility (SELF) Project	1,518,834,651		
19	Health Systems Strengthening Global Fund Round 9	42,620,580		
20	National AIDS Control Programme (NACP)	1,822,913,243		
<b>Total</b>		<b>23,855,012,728.12</b>	<b>347,572.44</b>	<b>668,758,776.04</b>

## Annexure VI

## Agricultural Sector Development Programme (ASDP) - Financial performance

S/N	REGION	DISTRICT	Opening Balance (Shs)	Funds Received (Shs)	Funds Available (Shs)	Expenditure (Shs)	Closing Balance (Shs)
1	GEITA	BUKOMBE DC	585,083,523.00	41,286,000.00	626,369,523.00	416,318,013.00	210,051,510.00
		CHATO DC	298,531,376.00	36,628,347.00	335,159,723.00	266,879,368.00	68,280,355.00
		GEITA DC	223,496,000.00	62,234,000.00	285,730,000.00	117,810,000.00	167,920,000.00
2	KAGERA	BIHARAMULO DC	470,551,022.00	28,976,000.00	499,527,022.00	420,676,867.00	78,850,155.00
		BUKOBA DC	29,726,923.30	193,475,185.00	223,202,108.30	163,969,418.00	59,232,690.30
		BUKOBA MC	6,867.20	29,297,678.00	29,304,545.20	28,966,575.00	337,970.20
		KARAGWE DC	374,676,129.00	53,838,000.00	428,514,129.00	427,762,732.00	751,397.00
		MISENYI DC	30,473,245.00	-	30,473,245.00	-	30,473,245.00
		MULEBA DC	1,317,696,734.00	56,547,000.00	1,374,243,734.00	340,321,100.00	1,033,922,634.00
		NGARA DC	143,060,134.00	37,584,000.00	180,644,134.00	146,630,484.00	34,013,650.00
3	MARA	BUNDA DC					



			648,112,670.20	56,954,000.00	705,066,670.20	688,061,670.20	17,005,000.00
		MUSOMA DC	18,676,001.00	52,536,000.00	71,212,001.00	69,036,850.00	2,175,151.00
		MUSOMA MC	41,747,000.00	14,773,000.00	56,520,000.00	53,960,000.00	2,560,000.00
		RORYA DC	169,031,312.00	343,796,821.00	512,828,133.00	512,665,633.00	162,500.00
		SERENGETI DC	206,356,954.00	49,968,000.00	256,324,954.00	231,711,971.00	24,612,983.00
		TARIME DC	41,077,348.00	72,554,000.00	113,631,348.00	113,426,348.00	205,000.00
4	MWANZA	KWIMBA DC	329,363,002.00	52,393,000.00	381,756,002.00	241,781,002.00	139,975,000.00
		MAGU DC	377,787,697.00	56,880,500.00	434,668,197.00	274,491,680.00	160,176,517.00
		MISUNGWI DC	40,723,173.00	32,221,000.00	72,944,173.00	72,323,535.00	620,638.00
		MWANZA CC	3,627,471.90	129,859,438.00	133,486,909.90	133,383,113.98	103,795.92
		SENGEREMA DC	132,375,420.00	61,201,000.00	193,576,420.00	123,572,420.00	70,004,000.00
		UKEREWE DC	133,906,108.78	175,721,796.00	309,627,904.78	259,636,198.78	49,991,706.00
5	SHINYANG A	KAHAMA DC	327,663,525.69	50,033,000.00	377,696,525.69	129,224,200.00	248,472,325.69

		KISHAPU DC	36,527,264.00	147,957,882.00	184,485,146.00	112,217,950.00	72,267,196.00
		SHINYANGA DC	14,999,880.00	186,522,799.00	201,522,679.00	190,750,180.00	10,772,499.00
		SHINYANGA MC	75,622,129.75	7,369,000.00	82,991,129.75	63,199,750.00	19,791,379.75
6	SIMIYU	BARIADI DC	1,110,739,355.00	53,979,000.00	1,164,718,355.00	643,179,421.00	521,538,934.00
		MASWA DC	18,715,957.88	30,920,000.00	49,635,957.88	48,275,048.83	1,360,909.05
		MEATU DC	152,591,350.00	189,970,773.00	342,562,123.00	185,583,749.00	156,978,374.00
7	ARUSHA	ARUSHA CC	6,289,852.00	20,330,618.00	26,620,470.00	24,179,000.00	2,441,470.00
		ARUSHA DC	7,014,637.00	427,477,894.00	434,492,531.00	186,686,005.00	247,806,526.00
		KARATU DC	273,652,477.00	56,330,000.00	329,982,477.00	517,284,257.00	(187,301,780.00)
		LONGIDO DC	50,279,587.00	38,582,000.00	88,861,587.00	55,101,587.00	33,760,000.00
		MERU DC	6,660,403.00	229,389,744.00	236,050,147.00	229,759,489.00	6,290,658.00
		MONDULI DC	173,317,623.00	59,104,190.00	232,421,813.00	176,373,400.00	56,048,413.00
		NGORONGORO DC	89,750,843.00	237,959,966.00	327,710,809.00	187,503,196.00	140,207,613.00

8	KILIMANJARO	HAI DC	166,792,049.00	35,537,000.00	202,329,049.00	201,979,070.00	349,979.00
		MOSHI MC	4,244,662.00	54,894,875.00	59,139,537.00	58,734,214.00	405,323.00
		MWANGA DC	850,551,342.00	143,812,766.00	994,364,108.00	885,844,833.00	108,519,275.00
		ROMBO DC	35,142,582.00	135,915,659.00	171,058,241.00	101,190,900.00	69,867,341.00
		SAME DC	13,739,394.00	228,118,437.00	241,857,831.00	216,991,347.00	24,866,484.00
		SIHA DC	53,151,660.00	34,332,000.00	87,483,660.00	25,144,400.00	62,339,260.00
		MOSHI DC	257,338,039.00	749,578,379.00	1,006,916,418.00	447,094,843.00	559,821,575.00
9	MANYARA	BABATI DC	37,429,745.89	705,436,481.00	742,866,226.89	674,852,256.30	68,013,970.59
		BABATI TC	9,069.00	239,300,909.00	239,309,978.00	239,006,055.00	303,923.00
		KITETO DC	491,544,034.00	41,847,000.00	533,391,034.00	292,749,754.00	240,641,280.00
		MBULU DC	4,611,451.00	254,305,122.00	258,916,573.00	132,813,733.00	126,102,840.00
		SIMANJIRO DC	91,029,597.00	208,956,007.00	299,985,604.00	212,214,420.00	87,771,184.00
		HANANG' DC	419,757,398.00	47,392,000.00	467,149,398.00	477,401,963.00	(10,252,565.00)

10	TANGA	HANDENI DC	137,578,811.00	38,371,000.00	175,949,811.00	141,425,089.38	34,524,721.62
		KILINDI DC	70,961,416.00	162,132,509.00	233,093,925.00	55,819,416.00	177,274,509.00
		KOROGWE DC	7,118,808.00	48,127,000.00	55,245,808.00	55,093,408.00	152,400.00
		KOROGWE TC	4,337,172.00	134,093,994.00	138,431,166.00	136,190,675.00	2,240,491.00
		LUSHOTO DC	20,255,395.00	51,085,000.00	71,340,395.00	61,930,330.00	9,410,065.00
		MKINGA DC	66,937,793.00	203,471,083.00	270,408,876.00	191,604,142.00	78,804,734.00
		MUHEZA DC	111,999,697.00	281,001,737.00	393,001,434.00	381,108,075.00	11,893,359.00
		PANGANI DC	20,494,994.00	20,167,000.00	40,661,994.00	64,505,824.00	(23,843,830.00)
		TANGA CC	16,325,348.00	9,306,000.00	25,631,348.00	15,997,500.00	9,633,848.00
11	DAR ES SALAAM	ILALA MC	102,066,252.00	81,559,502.00	183,625,754.00	160,887,000.00	22,738,754.00
		KINONDONI MC	139,510,556.00	13,073,000.00	152,583,556.00	134,453,556.00	18,130,000.00
		TEMEKE MC	12,496,999.00	94,647,395.00	107,144,394.00	86,136,000.00	21,008,394.00
12	LINDI	KILWA DC	57,396,780.00	194,693,279.00	252,090,059.00	236,870,580.00	15,219,479.00

		LINDI DC	662,658,357.00	85,342,000.00	748,000,357.00	708,000,357.00	40,000,000.00
		LINDI MC	11,331,274.41	4,744,000.00	16,075,274.41	14,295,860.00	1,779,414.41
		LIWALE DC	882,660,721.00	87,640,175.00	970,300,896.00	1,032,283,646.00	(61,982,750.00)
		NACHINGWEA DC	2,284,536.00	313,865,499.00	316,150,035.00	431,370,321.00	(115,220,286.00)
		RUANGWA DC	45,326,061.00	228,507,868.00	273,833,929.00	249,233,440.00	24,600,489.00
13	MOROGORO	KILOMBERO DC	1,285,885,709.74	76,588,000.00	1,362,473,709.74	388,380,160.52	974,093,549.22
		KILOSA DC	1,660,307,060.00	85,743,000.00	1,746,050,060.00	1,110,449,767.00	635,600,293.00
		MOROGORO DC	1,150,038,928.63	295,839,444.00	1,445,878,372.63	1,151,189,555.30	294,688,817.33
		MOROGORO MC	9,936,716.00	248,155,152.00	258,091,868.00	231,683,174.00	26,408,694.00
		MVOMERO DC	1,298,441,587.00	60,908,000.00	1,359,349,587.00	761,485,000.00	597,864,587.00
		ULANGA DC	859,418,319.00	46,212,000.00	905,630,319.00	344,757,813.00	560,872,506.00
14	MTWARA	MASASI DC	306,110,543.00	52,520,545.00	358,631,088.00	357,839,357.00	791,731.00
		MTWARA DC	421,695,020.00	199,377,159.00	621,072,179.00	287,809,788.00	333,262,391.00

		MTWARA MIKINDANI MC	1,920,747.00	4,733,000.00	6,653,747.00	1,657,500.00	4,996,247.00
		NANYUMBU DC	67,028,448.83	296,567,000.00	363,595,448.83	361,871,930.78	1,723,518.05
		NEWALA DC	3,404,223.62	49,974,380.00	53,378,603.62	25,379,000.00	27,999,603.62
		TANDAHIMBA DC	98,523,570.00	51,241,000.00	149,764,570.00	130,763,687.00	19,000,883.00
15	PWANI	BAGAMOYO DC	802,979,098.00	129,875,900.00	932,854,998.00	397,530,859.50	535,324,138.50
		KIBAHA DC	310,009,742.00	27,364,000.00	337,373,742.00	310,929,889.00	26,443,853.00
		KIBAHA TC	3,870,024.58	59,161,532.00	63,031,556.58	59,028,018.00	4,003,538.58
		KISARAWA DC	187,440,671.00	142,994,431.00	330,435,102.00	324,398,022.00	6,037,080.00
		MAFIA DC	15,162,478.00	12,463,000.00	27,625,478.00	26,239,175.00	1,386,303.00
		MKURANGA DC	316,849,670.00	252,418,310.00	569,267,980.00	258,710,394.00	310,557,586.00
		RUFIFI DC	30,822.00	47,072,528.00	47,103,350.00	47,103,350.00	-
16	IRINGA	IRINGA DC	1,707,669,085.00	890,312,986.00	2,597,982,071.00	2,591,540,807.00	6,441,264.00
		IRINGA MC	16,923,708.00	60,051,175.00	76,974,883.00	22,635,883.00	54,339,000.00

		MUFINDI DC	799,357,270.00	178,154,793.00	977,512,063.00	554,132,034.00	423,380,029.00
		KILOLO DC	276,533,803.91	38,976,000.00	315,509,803.91	308,427,460.00	7,082,343.91
17	NJOMBE	NJOMBE DC	77,266,312.00	536,532,000.00	613,798,312.00	592,157,609.00	21,640,703.00
		NJOMBE TC	15,519,218.00	148,856,961.00	164,376,179.00	161,291,846.00	3,084,333.00
		MAKETE DC	258,011,652.00	301,219,197.00	559,230,849.00	488,760,300.00	70,470,549.00
		LUDEWA DC	572,387,328.00	278,802,416.00	851,189,744.00	401,189,744.00	450,000,000.00
		MAKAMBAKO TC	-	105,032,534.00	105,032,534.00	-	105,032,534.00
18	MBEYA	CHUNYA DC	437,143,000.00	-	437,143,000.00	409,630,000.00	27,513,000.00
		ILEJE DC	173,733,397.00	32,746,000.00	206,479,397.00	229,831,380.00	(23,351,983.00)
		KYELA DC	550,886,048.00	484,126,628.00	1,035,012,676.00	574,091,294.00	460,921,382.00
		MBARALI DC	-	39,915,000.00	39,915,000.00	39,915,000.00	-
		MBEYA DC	30,789,288.00	43,181,000.00	73,970,288.00	73,970,288.00	-
		MBEYA CC	232,359,000.00	12,586,000.00	244,945,000.00	233,359,000.00	11,586,000.00

		MBOZI DC	187,682,003.64	71,176,000.00	258,858,003.64	261,304,251.45	(2,446,247.81)
		RUNGWE DC	202,399,507.08	57,915,000.00	260,314,507.08	212,033,586.00	48,280,921.08
19	RUVUMA	MBINGA DC	141,995.00	87,931,000.00	88,072,995.00	88,072,995.00	-
		SONGEA MC	2,393,094.00	74,727,943.00	77,121,037.00	69,803,262.00	7,317,775.00
		SONGEA DC	349,520,721.00	54,355,000.00	403,875,721.00	455,883,415.00	(52,007,694.00)
		TUNDURU DC	172,534,992.00	106,431,000.00	278,965,992.00	277,936,627.00	1,029,365.00
		NAMTUMBO DC	2,067,903.00	598,859,576.00	600,927,479.00	562,557,112.00	38,370,367.00
20	RUKWA	SUMBAWANGA DC	237,540,013.00	98,970,000.00	336,510,013.00	402,429,110.00	(65,919,097.00)
		SUMBAWANGA MC	602,952.00	186,895,232.00	187,498,184.00	185,623,127.80	1,875,056.20
		NKASI DC	1,175,061,348.00	778,482,333.00	1,953,543,681.00	944,218,146.81	1,009,325,534.19
21	KATAVI	MPANDA DC	10,297,852.00	666,103,177.00	676,401,029.00	622,586,653.00	53,814,376.00
		MPANDA TC	1,539,014.00	255,238,345.00	256,777,359.00	151,483,728.00	105,293,631.00



22	DODOMA	BAHI DC	111,000,000.00	226,588,111	337,588,111.00	334,786,795	2,801,316.00
		CHAMWINO DC	613,435,901.00	471,053,343	1,084,489,244.00	539,006,268	545,482,976.00
		DODOMA MC	279,668,087.00	20,489,000	300,157,087	276,567,087	23,590,000
		KONDOA DC	205,600,157.00	514,735,205	720,335,362	630,511,604	89,823,758
		KONGWA DC	29,093,422.00	204,854,338	233,947,760	213,975,322	19,972,438
		MPWAPWA DC	524,086,491.00	221,200,619	745,287,110	753,915,887	-8,628,777
23	KIGOMA	KASULU DC	155,302,409.00	721,529,969	876,832,378	846,779,226	30,053,152
		KIBONDO DC	752,937,716.00	60,631,000	813,568,716	579,056,998	234,511,718
		KIGOMA DC	261,664,000.00	674,371,000	936,035,000	530,889,000	405,146,000
		KIGOMA/UJIJI MC	26,825,857.00	102,393,754	129,219,611	108,867,780	20,351,831
24	SINGIDA	IRAMBA DC	9,000.00	397,228,103	397,237,103	365,034,696	32,202,407
		MANYONI DC	22,488,641.00	535,585,989	558,074,630	460,778,629	97,296,001
		SINGIDA DC	244,033,180.00	668,703,170	912,736,350	620,410,667	292,325,683

		SINGIDA MC	132,281,873.00	454,040,252	586,322,125	86,952,652	499,369,473
25	TABORA	IGUNGA DC	69,282,126.69	310,912,290	380,194,417	287,796,417	92,398,000
		NZEGA DC	7,353,448.00	38,646,000	45,999,448	41,628,400	4,371,048
		SIKONGE DC	673,899,318.00	30,808,000	704,707,318	670,271,140	34,436,178
		TABORA DC	8,653,737.00	42,121,000	50,774,737	46,238,000	4,536,737
		TABORA MC	18,315,940.94	79,754,174	98,070,115	88,220,500	9,849,615
		URAMBO DC	424,591,804.00	42,298,000	466,889,804	329,124,278	137,765,526
	TOTAL		33,606,929,980.66	22,450,635,301.00	56,057,565,281.66	41,278,807,664.57	14,778,757,617.09

## Annexure VII

### Health Basket Fund (HBF) - Financial Performance

REGION	S/N	Council	Opening Balance (Shs)	Fund Received (Shs.)	Total Fund available (Shs)	Total Expenditure (Shs.)	Unutilized fund/Closing balance (Shs.)
KAGERA	1	BIHARAMULO DC	81,445,057	395,905,600	477,350,657	287,183,599	190,167,058
	2	KARAGWE DC	302,713,027.88	1,063,501,400	1,366,214,428	1,232,862,570.15	133,351,858
	3	MULEBA DC	185,423,516.30	974,523,400	1,159,946,916	1,070,042,876.17	89,904,040
	4	BUKOBWA MC	0	186,489,000	186,489,000	184,064,733	2,424,267
	5	MISSENYI DC	56,467,677	410,739,200	467,206,877	426,871,583	40,335,294
	6	NGARA DC	119,173,996	873,257,000	992,430,996	694,494,739	297,936,257
	7	BUKOBWA DC	64,836,440	648,530,900	713,367,340	484,637,076	228,730,264
MWANZA	8	KWIMBA DC	78,608,350	850,119,400	928,727,750	839,762,023	88,965,727
	9	MISUNGWI DC	17,322,260	881,514,050	898,836,310	553,145,113	345,691,196
	10	UKEREWE DC	73,877,476	707,919,900	781,797,376	640,606,450	141,190,926
	11	MAGU DC	273,528,226	1,114,497,600	1,388,025,826	1,034,863,716	353,162,110

	12	SENGEREMA DC	192,669,798	1,356,448,600	1,549,118,398	1,136,700,168	412,418,230
	13	MWANZA CC	91,513,018	1,205,036,700	1,296,549,718	830,239,004.11	466,310,714
GEITA	14	BUKOMBE DC	185,246,377.90	1,028,211,400	1,213,457,778	692,894,642.90	520,563,135
	15	GEITA DC	53,125,000	1,879,217,000	1,932,342,000	1,050,438,000	881,904,000
	16	CHATO DC	163,853,788	623,132,900	786,986,688	668,959,726	118,026,962
MARA	17	BUNDA DC	79,782,058.22	691,747,200	771,529,258	752,169,268.52	19,359,990
	18	MUSOMA DC	109,352,498	901,338,700	1,010,691,198	884,811,149	125,880,049
	19	MUSOMA MC	9,456,444.21	265,818,200	275,274,644	212,881,730	62,392,914
	20	RORYA DC	67,937,914	585,715,800	653,653,714	465,489,091	188,164,623
	21	SERENGETI DC	33,599,915	533,590,100	567,190,015	530,319,984	36,870,031
	22	TARIME DC	145,405,423	737,775,101	883,180,524	538,800,314	344,380,210
SHINYANGA	23	KAHAMA DC	127,134,998.80	1,549,420,000	1,676,554,999	1,527,242,775.13	149,312,224
	24	KISHAPU DC	197,196,400.33	657,121,300	854,317,700	671,733,287.74	182,584,413
	25	SHINYANGA MC	16,159,518.82	311,261,200	327,420,719	187,260,401.82	140,160,317
	26	SHINYANGA DC	0	752,412,300	752,412,300	738,377,685	14,034,615
SIMIYU	27	MASWA DC	253,153	856,904,300	857,157,453	763,285,992	93,871,461
	28	MEATU DC	115,400,420.87	724,040,100	839,440,521	646,506,705	192,933,816
	29	BARIADI DC	0	1,584,801,900	1,584,801,900	1,157,274,229	427,527,671

ARUSHA	30	ARUSHA DC	5,686,567	747,894,300	753,580,867	752,065,353	1,515,514
	31	ARUSHA CC	118,317,108	667,028,850	785,345,958	528,059,092	257,286,866
	32	MERU DC	887,954	579,439,200	580,327,154	808,248,739	(227,921,585)
	33	MONDULI DC	48,386,223	335,252,700	383,638,923	355,661,355	27,977,568
	34	LONGIDO DC	60,180,114	223,271,900	283,452,014	138,676,600	144,775,414
	35	KARATU DC	11,340,765	521,878,700	533,219,465	485,603,745	47,615,720
	36	NGORONGORO DC	195,774,864	467,094,800	662,869,664	517,175,804	145,693,860
KILIMANJARO	37	MOSHI DC	332,636,429	1,044,366,700	1,377,003,129	906,752,302	470,250,827
	38	MOSHI MC	31,192,396	335,310,600	366,502,996	329,936,506	36,566,490
	39	SAME DC	70,121,466	588,923,900	659,045,366	468,859,440	190,185,926
	40	MWANGA DC	79,832,134	339,833,800	419,665,934	335,987,396	83,678,538
	41	SIHA DC	25,472,562	243,943,100	269,415,662	210,446,308	58,969,354
	42	HAI DC	2,955,242	464,089,700	467,044,942	422,208,245	44,836,697
	43	ROMBO DC	106,893,869	604,339,700	711,233,569	525,398,225	185,835,344
TANGA	44	MUHEZA DC	255,383,893	482,549,600	737,933,493	576,545,850	161,387,644
	45	TANGA CC	131,110,638	585,956,400	717,067,038	503,244,303	213,822,735
	46	PANGANI DC	64,583,854	222,401,500	286,985,354	142,010,435	144,974,919
	47	MKINGA DC	68,247,981	300,501,700	368,749,681	276,828,946	91,920,735

	48	KILINDI DC	69,752,526	415,149,400	484,901,926	393,084,926	91,817,000
	49	LUSHOTO DC	67,896,999	1,103,916,900	1,171,813,899	1,158,677,858	13,136,041
	50	KOROGWE DC	153,866,050	590,986,500	744,852,550	554,226,385	190,626,165
	51	KOROGWE TC	35,888,862	145,009,900	180,898,762	129,533,169	51,365,593
	52	HANDENI DC	301,358,857	691,545,600	992,904,457	474,143,215	518,761,242
MANYARA	53	BABATI DC	89,501,991	642,197,800	731,699,791	537,962,638	193,737,153
	54	BABATI TC	110,222,924	160,629,800	270,852,724	95,872,057	174,980,668
	55	MBULU DC	176,350,700	631,593,100	807,943,800	428,120,611	379,823,189
	56	SIMANJIRO DC	172,241,272	442,880,100	615,121,372	302,928,789	312,192,583
	57	HANANG DC	0	541,618,800	541,618,800	269,594,353	272,024,447
	58	KITETO DC	59,199,082	498,388,800	557,587,882	501,587,882	56,000,000
LINDI	59	KILWA DC	127,785,647	538,499,300	666,284,947	346,110,880	320,174,067
	60	LINDI MC	36,833,305	132,303,400	169,136,705	166,536,552	2,600,153
	61	NACHINGWEA DC	122,353,983	459,136,200	581,490,183	299,951,847	281,538,336
	62	LINDI DC	124,079,995	744,526,158	868,606,153	705,480,994	163,125,158
	63	LIWALE DC	40,298,898	237,400,400	277,699,298	249,171,948	28,527,350
	64	RUANGWA DC	45,326,061	357,787,900	403,113,961	249,531,600	153,582,361
MOROGORO	65	KILOMBERO DC	201,128,583	811,852,500	1,012,981,083	584,863,265	428,117,818

	66	MOROGORO DC	8,129,094	720,583,200	728,712,294	272,896,133	455,816,161
	67	MVOMERO DC	23,600,984	666,910,000	690,510,984	585,048,945	105,462,039
	68	KILOSA DC	19,710,820	1,329,438,000	1,349,148,820	1,067,091,396.50	282,057,424
	69	MOROGORO MC	170,000,000	527,417,100	697,417,100	443,270,471	254,146,629
	70	ULANGA DC	73,371,775	528,755,000	602,126,775	377,959,730	224,167,045
MTWARA	71	MTWARA DC	115,645,800	553,736,100	669,381,900	484,925,020.74	184,456,879
	72	NANYUMBU DC	19,335,987	314,464,100	333,800,087	170,500,397	163,299,690
	73	TANDAHIMBA DC	169,966,006	536,237,700	706,203,706	343,477,796.54	362,725,909
	74	MTWARA MC	49,965,224	220,337,600	270,302,824	190,732,487	79,570,337
	75	NEWALA DC	40,149,013.97	521,083,500	561,232,514	278,278,531.14	282,953,983
	76	MASASI DC	229,964,044	833,371,300	1,063,335,344	739,834,880	323,500,464
PWANI	77	KISARAWA DC	69,092,061	286,978,000	356,070,061	143,489,000	212,581,061
	78	KIBAHA DC	116,424,892	681,149,100	797,573,992	333,228,901	464,345,090
	79	MAFIA DC	4,964,700	128,987,600	133,952,300	46,426,552	87,525,748
	80	RUFIFI DC	7,329,808	604,334,300	611,664,108	218,749,432.40	392,914,676
	81	BAGAMOYO DC	116,424,892	681,149,100	797,573,992	333,228,901.23	464,345,091
	82	KIBAHA TC	1,549,043	205,067,000	206,616,043	86,799,873	119,816,170

	83	MKURANGA DC	37,685,697	564,979,500	602,665,197	339,817,447	262,847,750
DAR-ES-SALAAM	84	ILALA MC	107,021,655.09	1,479,117,400	1,586,139,055	1,546,347,325	39,791,730
	85	KINONDONI MC	13,508,733.81	2,471,980,900	2,485,489,634	2,483,336,076.81	2,153,557
	86	TEMEKE MC	523,301,063	1,762,159,900	2,285,460,963	1,401,554,784	883,906,179
IRINGA	87	IRINGA DC	101,435,290	676,425,700	777,860,990	758,145,413.01	19,715,578
	88	IRINGA MC	11,857,882	258,549,400	270,407,282	183,935,167	86,472,115
	89	MUFINDI DC	0	798,114,800	798,114,800	645,754,982.65	152,359,817
	90	KILOLO DC	0	531,402,400	531,402,400	527,741,013	3,661,387
RUKWA	91	SUMBAWANGA DC	88,607,733.95	1,063,625,200	1,152,232,934	623,901,184.56	528,331,749
	92	SUMBAWANGA MC	23,474,240	366,355,800	389,830,040	248,739,119	141,090,921
	93	NKASI DC	33,453,398	595,500,300	628,953,698	539,782,854	89,170,844
MBEYA	94	CHUNYA DC	58,481,540	578,354,100	636,835,640	574,674,082	62,161,558
	95	ILEJE DC	32,870,570	355,484,700	388,355,270	275,689,680	112,665,590
	96	KYELA DC	27,500,000	457,205,400	484,705,400	372,988,105	111,717,296
	97	MBARALI DC	0	648,087,100	648,087,100	397,476,717	250,610,383
	98	MBEYA DC	163,030,249	670,030,900	833,061,149	779,463,845	53,597,304
	99	MBEYA CC	32,931,000	614,214,300	647,145,300	540,220,300	106,925,000



	100	MBOZI DC	85,612,992	1,312,900,900	1,398,513,892	1,362,404,966	36,108,926
	101	RUNGWE DC	272,817,898	832,587,300	1,105,405,198	784,265,005	321,140,192
RUUVUMA	102	MBINGA DC	108,943,233	1,096,178,900	1,205,122,132	950,736,061	254,386,071
	103	SONGEA MC	24,949,888	314,359,200	339,309,088	292,551,235	46,757,853
	104	SONGEA DC	33,702	448,690,100	448,723,802	402,739,267	45,984,535
	105	TUNDURU DC	118,218,833.21	698,199,900	816,418,733	391,457,279.21	424,961,454
	106	NAMTUMBO DC	67,944,000	520,339,100	588,283,100	305,851,616	282,431,484
DODOMA	107	BAHI DC	56,976,454	518,611,400	575,587,854	422,745,995	152,841,859
	108	CHAMWINO DC	102,652,059	753,056,400	855,708,459	662,355,420	193,353,039
	109	DODOMA MC	30,985,327	758,343,400	789,328,727	420,526,479	368,802,248
	110	KONDOA DC	48,713,259	1,129,153,500	1,177,866,759	1,126,056,366	51,810,393
	111	KONGWA DC	80,920,298	640,869,300	721,789,598	517,041,524	204,748,074
	112	MPWAPWA DC	74,697,993	693,493,700	768,191,694	506,092,996	262,098,698
KIGOMA	113	KASULU DC	50,741,919	1,600,945,600	1,651,687,519	1,648,198,933	3,488,586
	114	KIBONDO DC	10,517,000	1,077,844,000	1,088,361,000	625,346,000	463,015,000
	115	KIGOMA DC	157,992,000	1,317,116,200	1,475,108,200	1,123,636,207	351,471,993
	116	KIGOMA/UJIJI MC	4,764,027	344,859,800	349,623,827	280,247,894	69,375,933
SINGIDA	117	IRAMBA DC	70,910,000	1,097,013,800	1,167,923,800	847,764,489	320,159,311

	118	MANYONI DC	38,895,100.19	635,989,900	674,885,000	433,364,497	241,520,503
	119	SINGIDA DC	65,744,000	1,073,887,000	1,139,631,000	608,071,000	531,560,000
	120	SINGIDA MC	9,337,044	279,507,400	288,844,444	207,896,823	80,947,621
TABORA	121	IGUNGA DC	284,913,000	861,314,500	1,146,227,500	878,581,963	267,645,537
	122	NZEGA DC	307,177,517	1,064,313,600	1,371,491,117	634,441,581	737,049,535
	123	SIKONGE DC	236,275,195	426,481,600	662,756,795	378,085,074	284,671,721
	124	TABORA DC	65,130,534	816,975,400	882,105,934	727,153,352	154,952,582
	125	TABORA MC	65,130,534	459,644,500	524,775,034	369,822,452	154,952,582
	126	URAMBO DC	484,844,380	979,392,200	1,464,236,580	905,221,545	559,015,035
NJOMBE	127	NJOMBE DC	255,770,672	819,355,300	1,075,125,972	773,663,369	301,462,603
	128	NJOMBE TC	53,871,555	288,284,900	342,156,455	201,801,834	140,354,621
	129	MAKETI DC	126,072,926	350,747,800	476,820,726	356,320,147	120,500,579
	130	LUDEWA DC	11,349,389	380,187,500	391,536,889	320,320,459	71,216,430
KATAVI	131	MPANDA DC	35,522,971.88	498,050,550	533,573,522	829,124,361.58	(295,550,840)
	132	MPANDA TC	6,561,179	61,324,600	67,885,779	55,884,177	12,001,602
<b>Total</b>			<b>12,290,342,621</b>	<b>89,632,095,709</b>	<b>101,922,438,330</b>	<b>75,340,283,154</b>	<b>26,582,155,175</b>

## Annexure VIII

### TASAF - Financial Performance

Region		Council	Opening Balance (Shs)	Received (Shs)	Available (Shs)	Expenditure (Shs)	Balance (Shs)
GEITA	1	Geita DC	16,981,000	9,859,000	26,840,000	11,840,000	15,000,000
KAGERA	2	Bukoba DC	6,916,059	0	6,916,059	6,444,977	471,082
	3	Biharamulo DC	121,906	69,034,350	69,156,256	68,221,940	934,316
	4	Bukoba MC	420,531	0	420,531	284,000	136,531
	5	Karagwe DC	833,211	0	833,211	784,181	49,030
	6	Misenyi DC	4,701,931	0	4,701,931	4,607,328	94,603
	7	Muleba DC	2,319	32,249,565	32,251,884	30,662,586	1,589,298
	8	Ngara DC	27,488,471	0	27,488,471	27,488,471	0
SIMIYU	9	Bariadi DC	440,000	0	440,000	440,000	0
	10	Maswa DC	297,035,489.07	26,049,850	323,085,339.07	322,299,957.10	785,381.97
	11	Meatu DC	208,017,479.96	574,860,182.25	782,877,662.21	766,812,155	16,065,507.21
MARA	12	Bunda DC	1,631,478	93,177,513	94,808,991	94,808,991	0

	13	Musoma DC	15,076,459	126,368,110	141,444,569	141,429,552	15,017
	14	Rorya DC	47,919,786	270,263,713.89	318,183,499.89	318,071,099.89	112,400
	15	Tarime DC	2,134,635.53	0	2,134,635.53	0.00	2,134,635.53
MWANZA	16	Magu DC	2,045,063.94	9,940,000	11,985,063.94	11,894,145.59	90,918.35
	17	Misungwi DC	125,293,525	0	125,293,525	125,204,201	89,324
	18	Mwanza CC	30,228,885	31,424,986	61,653,871	61,653,871	0
	19	Sengerema DC	2,826,019.81	21,687,200	24,513,219.81	23,138,200	1,375,019.81
	20	Ukerewe DC	40,798,702	34,977,552.19	75,776,254.19	68,781,298.19	6,994,956
	21	Kwimba DC	20,267,288.96	366,060,713.66	386,328,002.62	382,997,374.80	3,330,628
SHINYANGA	22	Kishapu DC	11,217,778.44	644,690,199.24	655,907,977.68	643,840,760.15	12,067,217.53
	23	Shinyanga MC	9,573,214.00	628,076,427.10	637,649,641.10	419,025,931.97	218,623,709.13
	24	Shinyanga DC	27,426,269	678,445,367	705,871,636	704,660,730	1,210,906
ARUSHA	25	Karatu DC	16,765,302	13,790,945	30,556,247	30,248,250	307,997
	26	Longido DC	356,892,004	715,568,537	1,072,460,541	1,055,781,306	16,679,235
	27	Ngorongoro DC	15,880,854	718,804,445	734,685,299	711,467,704	23,217,595
	28	Monduli DC	92,664,717	738,006,738	830,671,455	816,061,146	14,610,309
	29	Arusha DC	66,024,329	78,441,273	144,465,602	143,918,403	547,199
	30	Arusha MC	30,899,051	3,179,250	34,078,301	33,807,440	270,861

	31	Meru DC	27,226,936	20,636,250	47,863,186	49,039,681	-1,176,495
KILIMANJARO	32	Hai DC	332,598	0	332,598	125,083	207,515
	33	Moshi DC	88,787,895	26,480,998	115,268,893	113,963,893	1,305,000
	34	Moshi MC	3,117,236	0	3,117,236	1,295,000	1,822,236
	35	Rombo DC	91,448,908	0	91,448,908	91,448,908	0
	36	Same DC	19,093,027	724,857,279	743,950,306	744,475,671	-525,365
	37	Siha DC	20,139,333	104,326,303	124,465,636	126,444,501	-1,978,865
MANYARA	38	Babati DC	31,691,389	906,256,459	937,947,848	934,317,792	3,630,056
	39	Babati TC	77,445,125	26,289,654	103,734,779	81,557,177	22,177,6'2
	40	Hanang' DC	130,224,263	47,302,557	177,526,820	159,700,573	17,826,247
	41	Kiteto DC	195,794,819.00	548,287,221.15	744,082,040.15	305,041,846	439,040,194.15
	42	Mbulu DC	27,296,149	116,260,074	143,556,223	142,744,000	812,223
	43	Simanjiro DC	298,001,428	691,102,002	989,103,430	879,088,834	110,014,596
TANGA	44	Handeni DC	6,204,293	114,382,374	120,586,667	120,052,319	534,348
	45	Kilindi DC	151,356,748	136,589,256	287,946,004	282,479,950	5,466,054
	46	Korogwe DC	57,823,764	0	57,823,764	57,823,764	0
	47	KorogweTC	64,656	58,365,490	58,430,146	56,897,438	1,532,708
	48	Lushoto DC	112,545,110	122,833,704	235,378,814	235,378,814	0
	49	Mkinga DC	19,294,813	0	19,294,813	18,915,869	378,944

	50	Muheza DC	4,945,244	46,793,633	51,738,877	50,015,440	1,723,437
	51	Pangani DC	4,272,245.83	5,789,908.00	10,062,153.83	9,857,304.83	204,849
	52	Tanga CC	239,683	29,323,562	29,563,245	29,563,245	0
LINDI	53	Liwale DC	73,433,502	174,534,823	247,968,325	252,956,521	-4,988,196
	54	Kilwa DC	540,506,074	41,057,079	581,563,153	533,279,829	48,283,324
	55	Lindi DC	140,637,203	1,119,197,761	1,259,834,964	882,762,962	377,072,002
	56	Lindi MC	107,939,939.74	307,089,301.34	415,029,241.08	140,672,737.81	274,356,503.27
	57	Nachingwea DC	16,952,944	118,645,110	135,598,054	99,605,837	35,992,217
	58	Ruangwa DC	126,338,821.65	1,269,152,624.58	1,395,491,446.23	1,110,979,791.85	284,511,654.38
MOROGORO	59	Kilombero DC	2,981,432	0	2,981,432	2,857,500	123,932
	60	Kilosa DC	35,125,668.21	74,852,460.00	109,978,128.21	92,430,009.98	17,548,118.23
	61	Morogoro DC	297,172.45	421,929,550.94	422,226,723.39	406,865,652.00	15,361,071.39
	62	Morogoro MC	8,147,227	0	8,147,227	8,147,227	0
	63	Mvomero	477,018	295,914,630	296,391,648	252,862,973	43,528,675
	64	Ulanga DC	246,496,207	0	246,496,207	234,943,540	11,552,667
MTWARA	65	Masasi DC	39,493,696	99,468,956	138,962,652	138,824,598	138,054
	66	Mtwara DC	20,067,000	391,046,000	411,113,000	244,105,000	167,008,000
	67	Mtwara Mikindani DC	79,000.00	229,543,859.58	229,622,859.58	227,375,904.00	2,246,955.58

	68	Nanyumbu DC	47,807,414.91	691,996,861.12	739,804,276.03	444,351,864.09	295,452,411.94
	69	Newala DC	22,164,874.92	203,741,262.75	225,906,137.67	196,218,195.25	29,687,942.42
	70	Tandahimba DC	1,958,897	60,120,711	62,079,608	62,039,121	40,487
PWANI	71	Bagamoyo DC	35,489,638.75	1,581,701,547.61	1,617,191,186.36	1,544,049,982.74	73,141,203.62
	72	Kibaha DC	4,901,899.75	725,737,119.38	730,639,019.13	729,845,976.36	793,042.77
	73	Kibaha TC	283,695	5,492,428	5,776,123	4,841,750	934,373
	74	Kisarawe DC	68,642,974.94	10,643,823.00	79,286,797.94	79,286,797.94	0
	75	Mafia DC	27,765,103	35,602,122	63,367,225	63,367,225	0
	76	Mkuranga DC	2,231,827	6,107,499	8,339,326	8,335,623	3,703
	77	Rufiji DC	31,142	2,000,000	2,031,142	1,977,820	53,322
IRINGA	78	Mufindi	3,434,647.72	0	3,434,647.72	0.0	3,434,647.72
	79	Iringa DC	8,158,955.86	695,926,680.39	704,085,636	701,139,722.84	2,945,913.41
	80	Iringa MC	123,758,593	0	123,758,593	123,758,593	0
	81	Makete DC	144,089	304,782,756	304,926,845	299,195,906	5,730,939
	82	Kilolo DC	781,797	0	781,797	781,797	0
MBEYA	83	Ileje DC	9,322,215.95	0	9,322,215.95	7,909,141.00	1,413,074.95
	84	Mbalali DC	86,111,668.00	76,212,147.15	162,323,815.15	115,440,207.15	46,883,608
	85	Mbeya DC	26,205,713	5,697,500	31,903,213	7,703,213	24,200,000

	86	Rungwe DC	528,434.50	55,034,362.50	55,562,797.00	54,654,950.51	907,846.49
	87	Ludewa DC	64,504.35	0	64,504.35	64,504.35	0
RUVUMA	88	Songea MC	41,198	10,160,000	10,201,198	10,114,772	86,426
	89	Songea DC	689,986	9,940,000	10,629,986	9,976,600	653,386
	90	Tunduru DC	51,717,196.70	0.00	51,717,196.70	51,006,368.83	710,827.87
	91	Mbinga DC	68,698	17,440,000	17,508,698	12,047,500	5,461,198
	92	Namtumbo DC	14,373,111	10,000	14,383,111	14,383,111	0
Dodoma	93	Bahi DC	221,253,793	135,360,324	356,614,117	306,267,439	50,346,678
	94	Chamwino DC	204,562,468.35	841,616,510.35	1,046,178,978.70	1,041,583,632.34	4,595,346.36
	95	Dodoma MC	293,761,400.66	289,089,136.47	582,850,537.13	522,378,935.96	60,471,601.17
	96	Kondoa DC	207,521,871	47,336,529	254,858,400	254,855,066	3,334
	97	Kongwa DC	209,985,757	273,227,782	483,213,538	427,102,983	56,110,555
	98	Mpwapwa DC	31,869,965	558,325,030	590,194,995	576,010,698	14,184,297
	99	Kibondo DC	43,217	0	43,217	43,217	0
	100	Kigoma DC	2,104,029	119,794,400	121,898,429	121,574,189	324,240
	101	Kigoma MC	2,554,000	0	2,554,000	0	2,554,000
SINGIDA	102	Iramba DC	34,769,000	22,984,118	57,753,118	57,531,052	222,066
	103	Manyoni DC	60,380,471	600,721,417	661,101,888	658,897,759	2,204,129



	104	Singida MC	22,662.50	0	22,662.50	22,662.50	0
TABORA	105	Igunga DC	478,443.19	0	478,443.19	478,443.19	0
	106	Nzega DC	16,244,188	928,860,768	945,104,956	919,866,544	25,238,412
	107	Sikonge DC	4,595,284	0	4,595,284	3,283,600	1,311,684
	108	Tabora DC	9,530,899	0	9,530,899	9,530,899	0
	109	Tabora MC	267,360	0	267,360	0	267,360
	110	Urambo DC	3,492,269	0	3,492,269	0	3,492,269
KATAVI	111	Mpanda DC	2,310,912.37	0	2,310,912.37	861,508	1,449,404.36
NJOMBE	112	Njombe DC	33,326,234	0	33,326,234	30,446,068	2,880,166
MWANGA	113	Mwanga DC	40,555,378	575,178,366	615,733,694	614,731,541	1,002,153
<b>Total</b>			<b>6,121,150,154</b>	<b>23,044,105,997</b>	<b>29,165,256,151</b>	<b>26,233,530,165</b>	<b>2,931,725,987</b>

**Water Sector Development Programme (WSDP) - Financial Performance**

S/N	Council	Opening Balance (Shs)	Received (Shs)	Funds Available (Shs)	Expenditure (Shs)	Closing Balance (Shs)
1	Bahi DC	333,449,979	771,799,433	1,105,249,412	173,597,210	931,652,202
2	Chamwino DC	379,492,622	673,512,571	1,053,005,193	201,302,912	851,702,281
3	Dodoma MC	408,928,574	775,882,526	1,184,811,100	757,990,477	426,820,623
4	kondoa DC	489,091,392	1,377,742,816	1,866,834,208	240,327,788	1,626,506,420
5	Kongwa DC	712,394,122	513,386,465	1,225,780,587	529,981,612	695,798,975
6	Mpwapwa DC	427,776,626	499,588,192	927,364,818	319,861,590	607,503,228
7	Kasulu DC	461,516,854	1,942,288,396	2,403,805,250	715,120,218	1,688,685,032
8	Kibondo DC	8,682,146	2,273,226,024	2,281,908,170	751,363,467	1,530,544,703
9	Kigoma DC	588,566,027	1,438,631,363	2,027,197,390	404,258,712	1,622,938,678
10	Kigoma MC	64,255,526	410,274,285	474,529,811	253,274,714	221,255,097
11	Iramba DC	1,338,984,000	810,108,571	2,149,092,571	1,607,706,571	541,386,000

12	Manyoni DC	1,104,866,928	211,230,920	1,316,097,848	846,983,092	469,114,756
13	Singida DC	1,754,162,000	525,444,516	2,279,606,516	1,487,117,516	792,489,000
14	Singida MC	5,532	1,276,541,526	1,276,547,058	366,894,147	909,652,911
15	Igunga DC	192,041,504	1,251,011,564	1,443,053,068	497,241,567	945,811,501
16	Nzega DC	892,623,320	710,320,484	1,602,943,804	746,077,383	856,866,421
17	Sikonge DC	128,384,332	1,002,845,357	1,131,229,689	623,590,914	507,638,775
18	Tabora DC	109,648,941	680,926,340	790,575,281	216,923,284	573,651,997
19	Tabora MC	354,159,970	79,715,440	433,875,410	367,121,483	66,753,927
20	Urambo DC	527,589,593	351,126,284	878,715,877	101,285,279	777,430,598
21	Kilwa DC	1,014,942,989	313,990,478	1,328,933,467	769,084,797	559,848,670
22	Lindi DC	521,753,079	579,607,686	1,101,360,765	355,249,160	746,111,605
23	Lindi MC	394,095,951	213,353,926	607,449,877	236,499,166	370,950,711
24	Liwale DC	618,768,201	300,828,400	919,596,601	100,654,530	818,942,071
25	Nachingwea DC	1,135,144,722	319,504,676	1,454,649,398	212,643,998	1,242,005,400
26	Ruangwa DC	680,085,245	458,621,495	1,138,706,740	225,234,651	913,472,089

27	Kilombero DC	150,426,008	786,464,290	936,890,298	360,854,223	576,036,075
28	Kilosa DC	207,246,129	281,493,679	488,739,808	399,997,056	88,742,752
29	Moro DC	488,099,029	24,396,671	512,495,700	29,883,747	482,611,953
30	Moro MC	44,921,758	703,164,928	748,086,686	158,512,508	589,574,178
31	Mvomero DC	0	1,025,363,615	1,025,363,615	33,280,000	992,083,615
32	Ulanga DC	502,101,383	350,862,493	852,963,876	227,420,400	625,543,476
33	Masasi DC	941,718,563	457,174,881	1,398,893,444	437,978,216	960,915,228
34	Mtwara DC	1,068,155,003	605,154,819	1,673,309,822	779,806,417	893,503,405
35	Mtwara MC	507,725,100	148,969,184	656,694,284	210,427,238	446,267,046
36	Nanyumbu DC	663,083,585	229,648,804	892,732,389	381,587,179	511,145,210
37	Newala DC	675,431,145	1,004,550,750	1,679,981,895	665,833,416	1,014,148,479
38	Tandahimba DC	807,821,331	542,495,176	1,350,316,507	572,840,905	777,475,602
39	Bagamoyo DC	506,375,809	578,558,610	1,084,934,419	458,227,466	626,706,953
40	Kibaha DC	457,132,131	177,345,869	634,478,000	394,161,026	240,316,974
41	Kibaha TC	541,956,552	139,177,871	681,134,423	452,067,005	229,067,418

42	Kisarawe DC	192,691,560	701,559,070	894,250,630	344,386,024	549,864,606
43	Mafia DC	151,599,989	380,538,914	532,138,903	531,889,227	249,676
44	Mkuranga DC	482,745,009	613,041,232	1,095,786,241	533,088,648	562,697,593
45	Rufiji DC	1,038,898,589	393,868,818	1,432,767,407	809,842,180	622,925,227
46	Ilala MC	88,897,495	212,923,110	301,820,605	301,820,605	0
47	Kinondoni MC	231,746,947	407,810,456	639,557,403	183,331,750	456,225,653
48	Temeke MC	275,245,130	413,021,945	688,267,075	172,224,413	516,042,662
49	Biharamulo DC	401,544,594	402,410,183	803,954,777	233,516,996	570,437,781
50	Bukoba DC	203,027,076	931,593,242	1,134,620,318	478,890,220	655,730,098
51	Bukoba MC	306,054,672	626,841,857	932,896,529	413,468,223	519,428,306
52	Karagwe DC	940,333,049	1,943,754,269	2,884,087,318	1,370,784,075	1,513,303,243
53	Missenyi DC	4,960,506	572,482,965	577,443,471	285,993,494	291,449,977
54	Muleba DC	1,079,908,097	445,580,381	1,525,488,478	338,941,212	1,186,547,266
55	Ngara Dc	372,721,685	359,903,742	732,625,427	266,962,131	465,663,296

56	Bukombe DC	1,619,569,196	690,852,596	2,310,421,792	1,455,952,702	854,469,090
57	Chato DC	106,192,690	1,483,254,378	1,589,447,068	894,954,743	694,492,325
58	Geita DC	102,071	1,758,522,183	1,758,624,254	432,375,049	1,326,249,205
59	Bunda DC	767,476,727	512,554,664	1,280,031,391	1,228,363,921	51,667,470
60	Musoma DC	465,726,509	630,151,176	1,095,877,685	367,242,838	728,634,847
61	Rorya DC	436,835,850	642,000,277	1,078,836,127	223,160,775	855,675,352
62	Serengeti DC	260,238,021	428,726,970	688,964,991	595,900,990	93,064,001
63	Tarime DC	210,460,676	861,157,740	1,071,618,416	246,319,002	825,299,414
64	Kwimba DC	290,156,085	634,389,413	924,545,498	578,053,896	346,491,602
65	Magu DC	463,143,263	545,785,215	1,008,928,478	728,145,795	280,782,683
66	Misungwi DC	63,964,186	731,156,555	795,120,741	413,631,684	381,489,057
67	Sengerema DC	424,896,584	819,132,620	1,244,029,204	688,203,470	555,825,734
68	Ukerewe DC	535,489,098	364,806,898	900,295,996	421,269,728	479,026,268
69	Kahama DC	1,666,674,781	625,154,491	2,291,829,272	1,063,448,297	1,228,380,975
70	Kishapu DC	1,152,041,491	227,018,574	1,379,060,065	876,608,490	502,451,575

71	Shinyanga DC	693,617,137	275,348,136	968,965,273	809,259,134	159,706,139
72	Shinyanga MC	284,503,647	90,473,905	374,977,552	369,533,746	5,443,806
73	Bariadi DC	304,105,931	1,293,984,753	1,598,090,684	354,331,601	1,243,759,083
74	Maswa DC	173,161,473	855,867,314	1,029,028,787	704,540,577	324,488,210
75	Meatu DC	366,432,219	240,800,256	607,232,475	566,633,526	40,598,949
76	Arusha CC	178,646,049	265,142,794	443,788,843	352,283,414	91,505,429
77	Arusha DC	221,333,247	1,022,348,945	1,243,682,192	473,147,087	770,535,105
78	Babati DC	665,264,166	398,701,369	1,063,965,535	456,176,004	607,789,531
79	Babati TC	463,973,788	424,415,957	888,389,745	642,417,889	245,971,856
80	Hai DC	1,092,522,096	261,592,189	1,354,114,285	684,729,946	669,384,339
81	Hanang DC	28,265	926,810,376	926,838,641	765,415,519	161,423,122
82	Handeni DC	319,298,333	1,420,637,329	1,739,935,662	37,479,094	1,702,456,568
83	Karatu DC	1,158,001	636,246,485	637,404,486	227,496,340	409,908,146
84	Kilindi DC	334,378,223	223,588,041	557,966,264	380,561,866	177,404,398

85	Kiteto DC	17,798,965	750,664,975	768,463,940	740,503,732	27,960,208
86	Korogwe DC	654,667,107	384,281,090	1,038,948,197	214,663,455	824,284,742
87	Korogwe TC	724,911,457	18,021,937	742,933,394	386,318,430	356,614,964
88	Longido DC	1,283,032	910,025,813	911,308,845	225,947,246	685,361,599
89	Lushoto DC	1,401,531,805	515,824,499	1,917,356,304	804,899,501	1,112,456,803
90	Mbulu DC	1,160,883,000	187,865,698	1,348,748,698	1,343,922,406	4,826,292
91	Meru DC	70,358,250	901,033,852	971,392,102	272,489,798	698,902,304
92	Mkinga DC	653,358,698	354,250,386	1,007,609,084	656,907,626	350,701,458
93	Monduli DC	363,346,204	3,387,050,003	3,750,396,207	229,365,408	3,521,030,799
94	Moshi DC	459,405,743	601,830,844	1,061,236,587	330,731,320	730,505,267
95	Moshi MC	234,341,215	793,643,261	1,027,984,476	303,412,086	724,572,390
96	Muheza DC	542,255,808	170,636,736	712,892,544	677,997,434	34,895,110
97	Mwanga DC	436,548,948	730,362,217	1,166,911,165	1,114,570,773	52,340,392
99	Pangani DC	427,711,587	212,069,532	639,781,119	298,057,794	341,723,325



100	Rombo DC	308,486,168	166,441,462	474,927,630	101,097,209	373,830,421
101	Same DC	442,427,879	562,166,572	1,004,594,451	919,258,855	85,335,596
102	Siha DC	90,848,326	396,961,867	487,810,193	314,191,465	173,618,728
103	Simanjiro DC	160,979,248	96,356,000	257,335,248	111,821,238	145,514,010
104	Tanga CC	344,046,451	216,068,007	560,114,458	28,332,427	531,782,031
105	Iringa MC	309,628,477	634,070,201	943,698,678	372,892,159	570,806,519
106	Makete MC	530,434,730	890,450,837	1,420,885,567	466,119,505	954,766,062
107	Iringa DC	298,116,123	1,126,049,170	1,424,165,293	640,228,783	783,936,510
108	Kilolo DC	352,261,662	877,759,880	1,230,021,542	824,838,479	405,183,063
109	Ludewa DC	205,748,838	1,053,746,720	1,259,495,558	644,646,509	614,849,049
110	Mufindi DC	427,966,120	420,105,273	848,071,393	355,962,753	492,108,640
111	Mpanda DC	1,442,252,987	525,536,564	1,967,789,551	1,546,804,531	420,985,020
112	Mpanda TC	656,624,259	798,746,670	1,455,370,929	481,503,599	973,867,330
113	Chunya DC	259,212,773	313,512,119	572,724,892	249,574,185	323,150,707

114	Kyela DC	244,424,127	253,975,482	498,399,609	406,560,467	91,839,142
115	Mbalali DC	19,753,948	932,608,428	952,362,376	364,771,197	587,591,179
116	Mbeya DC	1,061,258,524	89,742,282	1,151,000,806	763,339,297	387,661,509
117	Ileje Dc	448,909,071	282,817,576	731,726,647	354,406,588	377,320,059
118	Mbeya CC	405,634,000	247,744,821	653,378,821	56,822,074	596,556,747
119	Rungwe DC	1,044,690,455	219,763,994	1,264,454,449	958,926,992	305,527,457
120	Mbozi DC	1,545,045,365	335,339,922	1,880,385,287	832,573,843	1,047,811,444
121	Njombe DC	503,955,530	432,116,937	936,072,467	661,665,007	274,407,460
122	Njombe TC	224,761,465	1,106,722,804	1,331,484,269	183,139,143	1,148,345,126
123	Sumbawanga MC	216,612,786	269,219,492	485,832,278	381,357,875	104,474,403
124	Sumbawanga DC	305,726,208	996,893,680	1,302,619,888	552,629,003	749,990,885
125	Nkasi DC	265,468,743	471,931,604	737,400,347	343,346,843	394,053,504
126	Mbinga DC	967,325,715	1,070,932,488	2,038,258,203	1,339,267,722	698,990,481
127	Namtumbo DC	600,303,242	200,217,350	800,520,592	527,621,682	272,898,910

128	Songea DC	319,785,063	284,095,171	603,880,234	127,027,251	476,852,983
129	Songea MC	304,306,298	527,084,231	831,390,529	385,861,691	445,528,838
130	Tunduru DC	834,912,456	335,428,582	1,170,341,038	511,551,765	658,789,273
131	Mwanza CC	74,342,546	467,669,552	542,012,098	163,635,941	378,376,157
<b>Total</b>		<b>63,900,019,304</b>	<b>81,032,119,738</b>	<b>144,932,139,042</b>	<b>65,544,602,448</b>	<b>79,387,536,594</b>

## Annexure X(a)

### FINANCIAL PERFORMANCE FOR OTHER PROJECTS (SHS.)

S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
1	Accelerated Food Security Project	58,614,231,780.42	73,867,696,639.43	132,481,928,419.85	65,909,222,321.30	66,572,706,098.55
2	District Agricultural Sector Investment Project (DASIP)	6,093,583,000	7,759,039,000	13,852,622,000	8,871,453,000	4,981,169,000
3	Eastern Africa Agricultural Productivity Project (EAAPP)	639,469,099.99	7,094,763,855.00	7,734,232,945.99	6,752,699,795.83	981,533,159.16
4	Plant Breeders' Right Development Fund	(306,179.13)	49,563,374.56	49,257,195.43	49,138,428.83	118,766.60
5	SIDA/NORAD/MEM BIOFUELS Project	370,279,269.30	720,398,273.62	1,090,677,542.92	422,470,630.08	668,206,912.84
6	The Natural Gas Development Project	3,357,750,166	0	3,357,750,166	865,689,892	2,492,060,274
7	The Rural Energy Agency	0	37,260,227,000	37,260,227,000	16,618,029,000	20,642,198,000
8	Sustainable Management of Mineral	10,343,444,773	35,538,598,473	45,882,043,246	15,926,234,466	29,955,808,780

S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
	Resources Project (SMMRP)					
9	Tanzania Energy Development And Access Expansion Project (TEDAP) MEM Component	1,949,575,309.72	2,000,000,000	3,949,575,309.72	922,988,774.20	3,026,586,535.52
10	Tanzania Extractive Industries Transparency Initiative (TEITI) -CIDA Fund	1,155,304,211.04	573,584,948.28	1,728,889,159.32	1,360,502,308	368,368,851.32
11	The Basic Health Services Project (MOHSW)	780,554,450	9,713,029	790,267,479	771,457,580	18,809,899
12	East Africa Public Health Laboratory Networking Project	3,634,121,925.3	406,771,414.22	4,040,893,339.52	2,839,691,513.00	1,201,201,826.52
13	Monitoring & Evaluation Strengthening Initiatives	810,616,404.02	3,065,008,439.98	3,875,624,844.00	3,054,563,374.68	821,061,469.31
14	The Rural Food Fortification Project (RFFP)	587,619,368.51	216,196,955.80	803,816,324.31	173,825,262.04	629,991,062.27

S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
15	Support Maternal Mortality Reduction Project	606,059,335.75	2,320,555,028.97	2,926,614,364.72	2,691,267,146.41	246,610,773.81
16	Arusha-Namanga Road Project	304,595,353	12,395,606,371	12,700,201,724	12,476,583,180	223,618,544
17	Danish Road Sector Programme Support	182,075,805	1,581,884,165	1,763,959,970	878,859,447	885,100,523
18	Road Sector Support Project (RSSP1)	750,190,431.14	67,030,605,723.52	67,780,796,154.66	67,206,779,389.49	574,016,765.17
19	Singida - Babati - Minjingu Road Project	457,250,827.65	26,905,939,746.30	27,363,190,573.94	27,363,190,573.94	0
20	Belgium Fund For Food Security (BFFS)	256,897,903.65	1,237,641,627.00	1,494,539,530.65	1,089,922,847.00	404,616,683.65
21	Lake Tanganyika Integrated Regional Development Programme -AfDF, NORDIC Funds	2,486,405,810.69	2,188,936,989.81	4,675,342,800.50	2,155,496,757.93	2,519,846,042.56
		187,832,004.70	1,858,866,891.86	2,046,698,896.56	2,046,487,218.89	211,677.67
22	Marketing, Infrastructure, Value Addition And Rural Finance Support Programme (MIVARF)	5,935,194,119	8,817,371,744	14,752,565,863	5,180,853,937	9,571,711,926
23	Public Service Reform Programme (II)	0	20,831,247,000	20,831,247,000	20,831,247,000	0

S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
24	Basic Health Services Project (PMO -RALG)	0	300,000,000	300,000,000	0	300,000,000
25	Rural Water Supply And Sanitation Programme - PMO-RALG	35,338,203.60	350,000,000	385,338,203.60	378,302,264.82	7,035,938.78
26	Dar-Isaka-Kigali/Keza-Gitega-Musongati Railway Project	0	700,000,000	700,000,000	350,939,219	349,060,781
27	Lake Victoria Environmental Management Project (LVEMP II)	26,384,282.00	8,336,618,983.97	8,363,003,265.97	7,975,459,541.71	387,543,724.26
28	Legal Sector Reform Programme	-	8,583,504,920	8,583,504,920	7,518,594,197	1,064,910,723
29	Magu district council - UNDP	287,602,500	266,335,000	553,937,500	372,032,500	181,905,000
30	University of Dar es Salaam Directorate of Economics (DoE)- UNDP	-	759,102,000	759,102,000	421,208,984	337,893,016
31	National Bureau of Statistics -UNDP	70,000,000	1,589,305,000	1,659,305,000	1,515,228,018	144,076,982
32	Ministry of Health and Social Welfare-WHO	405,846,293.61	6,348,671,881	6,754,518,174.61	6,095,479,053.70	659,039,120.91

S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
33	National Council of People Living with HIV and AIDS (NACOPHA) - UNDP	0	101,632,000	101,632,000	92,015,775	9,616,225
34	Ministry of State President Office, Finance, Economy and Development Planning - Zanzibar	0	725,038,500	725,038,500	527,956,900	197,081,600
35	Prevention and Combating of Corruption Bureau (PCCB)-UNDP	0	1,089,105,142	1,089,105,142	888,703,934	200,401,208
36	Hai District Council-UNDP	77,374.87	239,712,000.00	239,789,374.87	145,334,000.00	94,455,374.87
37	President Office, Planning Commission	0	909,299,000	909,299,000	505,148,915	404,150,085
38	Ministry of Community, Development, Gender And Children.- UNDP	9,501,180	117,559,820	127,061,000	110,331,500	16,729,500
39	Legislature Support Project -LSP; House of Representative Zanzibar- UNDP	2,748,400	539,005,100	541,753,500	541,753,500	0



S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
40	Ministry of Health - Zanzibar -UNDP	22,909,298	1,467,094,060	1,490,003,358	1,238,346,211	251,657,147
41	Tanzania Media Women's Association (TAMWA)-UNDP	0	274,255,902	274,255,902	274,172,284	83,618
42	Caucus for Children's Rights -UNDP	275,207,327	427,135,460	702,342,787	589,306,367	113,036,420
43	Tanzania Red Cross Society UNDP	0	271,017,442	271,017,442	259,420,826	11,596,616
44	Ministry of Social Welfare, Youth, Women and Children Development -Zanzibar Project on Legal Enforcement of Gender Laws and Policies	0	161,648,000	161,648,000	161,279,780	368,220
45	Regional Administration Secretary (RAS) - Kilimanjaro	5,012,400	612,286,584	617,298,984	560,058,554	57,240,430
46	National Assembly Legislative Support Project UNDP	0	1,916,467,920	1,916,467,920	1,280,891,690	635,576,230

S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
47	Tanzania Commission for AIDS (TACAIDS)	273,010,710.20	2,521,776,735	2,794,777,445.2	2,070,809,024.20	723,968,421.00
48	Africa Medical and Research Foundation (AMREF) -Tanzania UNDP	186,508,388	133,503,517	<b>320,011,905</b>	<b>320,011,905</b>	0
49	Strengthening the Protected Area Network in Southern Tanzania (SPANEST) -TANAPA	0	730,735,856	730,735,856	583,479,347	147,256,509
50	Policy Advocacy and Analysis Programme UNICEF	0	94,063,000	94,063,000	93,616,400	446,600
51	Small Entrepreneurs Loan Facility (SELF) Project	466,911,182	2,236,430,952	2,703,342,134	2,040,919,297	662,422,836
52	Dar Rapid Transit Agency	0	7,941,990,644.09	7,941,990,644.09	7,300,749,003.63	641,241,640.46
53	Tanzania Commission For Aids - National Multi-Sectoral Framework (NMSF)	0	2,500,000,000	2,500,000,000	2,439,836,668.44.	60,163,331.56
54	Health Sector Programme Support	0	1,624,100,213	1,624,100,213	1,249,856,501.46	374,243,711.46

S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
	(HSPS) Component 3- Support To Multi-Sectoral Response To HIV/AIDS as Implemented By Tanzania Commission For Aids (TACAIDS)					
55	Primary Education Development Programme (PEDP)	30,734,755,683.60	8,982,736,852	39,717,492,535.6	15,193,763,234.66	24,523,729,300.91
56	Public Financial Management Reform Programme Phase IV (PFMRP IV)	0	745,000,000.00	745,000,000.00	488,419,000.00	256,581,000.00
57	National Multisectoral Strategic Framework Grant (NMSF)-PMO-RALG	381,746,499.00	800,000,000.00	1,181,746,499.00	753,247,973.70	428,498,525.30
58	Health Sector Project Support (HSPS) -PMO - RALG	512,637,403.42	687,000,000.00	1,199,637,403.42	680,641,720.42	518,995,683.00

S/No	Name of project	Opening balance (Shs)	Amount received (Shs)	Total Fund available (Shs)	Expenditure (Shs)	Unspent balance (Shs)
59	First Health Rehabilitation Project, ADF Loan Number F/TAN/HEA (-1) REH/98/26	1,224,878,469.11	2,493,288,068.17	3,718,166,537.28	2,652,648,508.80	1,065,518,028.48
Total		134,235,988,758.46	379,446,770,350.72	513,682,759,109. 18	332,082,129,223.2 7	181,600,629,885.8 0

## Annexure X (b)

## FINANCIAL PERFORMANCE FOR OTHER PROJECTS (US\$)

S/N	Name of Project	Opening balance (US\$)	Amount received (US\$)	Total Fund available (US\$)	Expenditure (US\$)	Unspent balance (US\$)
1	Tanzania Extractive Industries Transparency Initiative (TEITI) (IDA Grant No. 12532)	0	240,000	240,000	0	240,000
2	Second Central Transport Corridor Project (SCTC)	15,517,248.93	52,657,083.41	68,174,332.34	48,335,207.96	19,839,124.38
3	Transport Sector Supports Project (TSSP)	15,279,431	70,810,443	86,089,874	70,923,035	15,166,839
4	Marine and Coastal Environment Management Project-IDA	0	1,741,075	1,741,075	1,573,025	168,050
5	Marine and Coastal	168,952.65	1,862,775.24	2,031,727.89	1,955,892.65	75,835.24

S/N	Name of Project	Opening balance (US\$)	Amount received (US\$)	Total Fund available (US\$)	Expenditure (US\$)	Unspent balance (US\$)
	Environment Management Project-GEF					
6	Africa Stockpiles Programme (ASP)	152,309.24	3,796,590.48	3,948,899.72	3,947,574.86	1,324.86
7	Southern Agriculture Growth Corridor of Tanzania (SAGCOT-PPA)	750,000	1,566,659	2,316,659	1,762,877	553,782
8	Private Sector Competitiveness Project (PSCP) Component I	12,153,990.10	1,821,959.46	13,975,949.56	8,376,868.50	5,599,081.06
9	Private Sector Competitiveness Project Component II	248,266	7,901,797	8,150,063	7,119,518	1,030,545
10	Regional Communications Infrastructure Project	4,772,107	9,912,830	14,684,937	11,229,312	3,455,625
11	Information	0	653,410,942.36	653,410,942.36	653,410,942.36	0

S/N	Name of Project	Opening balance (US\$)	Amount received (US\$)	Total Fund available (US\$)	Expenditure (US\$)	Unspent balance (US\$)
	Society and ICT Sector Development (TANZICT) Project					
12	Tanzania Strategic Cities Project- (TSCP- PMO RALG)	11,435,009	83,694,826	95,129,835	68,025,943	27,103,892
13	Central Corridor Transit Transport Facilitation Agency(TTFA)	163,244.44	515,938.28	679,182.72	624,478.49	54,704.23
14	Science Technology Higher Education Project (STHEP)	34,976,047	19,307,928	54,283,975	33,048,945	21,235,030
15	Tanzania Statistical Master Plan project	2,995,437	4,993,046	7,988,483	2,832,165	5,156,318
16	East Africa Trade and Transport Facilitation Project -Tanzania Ports Authority	481,625	343,188.94	824,813.94	342,688.94	482,125
17	East Africa Trade and Transport	111,772	3,722,383	3,834,155	3,301,850	532,305

S/N	Name of Project	Opening balance (US\$)	Amount received (US\$)	Total Fund available (US\$)	Expenditure (US\$)	Unspent balance (US\$)
	Facilitation Project - SUMATRA					
18	Tanzania Energy Development & Access Expansion Project (TEDAP) - TANESCO	9,626,000	10,624,000	20,250,000	10,448,000	9,802,000
19	Financial Sector Support Basket Financing -Holding Account	0	2,955,465	2,955,465	2,955,465	0
20	Housing Financing Project Designated Account - Basket Fund - Holding Account	6,472,084	0	6,472,084	4,000,000	2,472,084
21	Hiv/Aids Basket Fund - Holding Account	1,028,956	11,848,674	<b>12,837,630</b>	12,292,055	545,575
22	Local Government Development Grants - Basket Fund -Holding	139,042	19,611,933	19,750,975	19,743,796	7,178



S/N	Name of Project	Opening balance (US\$)	Amount received (US\$)	Total Fund available (US\$)	Expenditure (US\$)	Unspent balance (US\$)
	Account					
23	Legal Sector Basket Financing Fund Holding Account	2,237,503	4,353,257	6,590,761	5,417,256	1,173,505
24	National Rural Water Supply And Sanitation Basket Fund Holding Account	21,648,820	0	21,648,820	20,888,969	759,851
25	Primary Education Development Programme Holding Account	372,363	1,052,322	1,424,685	795,600	629,085
26	Public Financial Management Reform Programme - Holding Account	568,482	8,419,940	8,988,422	8,070,870	917,552
27	Human Resource Development Agricultural Sector Development	24,755	6,841,142	6,865,897	666,073	6,466,235

S/N	Name of Project	Opening balance (US\$)	Amount received (US\$)	Total Fund available (US\$)	Expenditure (US\$)	Unspent balance (US\$)
	Programme Basket Financing-Holding Account					
28	Poverty Monitoring And Master Plan Project Basket Fund - Holding Account	193,115.53	0	193,115.53	0	193,115.53
39	Poverty Reduction Budget Support Facility - Holding Account	20,098,219	564,019,383	<b>584,117,602</b>	584,117,602	0
30	Public Sector Reform Programme II-Holding Account	6,935,315	7,990,824	14,926,138	12,419,364	2,506,774
31	Secondary Education Development Program - Holding Account	1,733,345	34,032,712	35,766,057	21,659,724.74	14,106,332
32	STATCAP Basket Fund - Holding Account	2,572,027	4,993,046	7,565,073	2,425,160	5,139,913

S/N	Name of Project	Opening balance (US\$)	Amount received (US\$)	Total Fund available (US\$)	Expenditure (US\$)	Unspent balance (US\$)
33	Revenue Authority Tax Modernization Basket Fund Holding Account	4,349,201.17	1,817,740.61	6,166,941.78	3,790,949.58	2,375,992.20
<b>Total</b>		<b>177,204,667.06</b>	<b>1,650,268,914.78</b>	<b>1,827,473,581.84</b>	<b>1,675,991,257.08</b>	<b>151,482,324.76</b>

**Annexure XI**

**Shortage of skilled Staff in Agriculture and Livestock  
Department - ASDP**

S/N	Council	Required Staff	Available Staff	Shortage
1	Handeni DC	511	139	372
2	Lushoto DC	463	142	321
3	Singida DC	497	186	311
4	Iramba DC	342	45	297
5	Urambo DC	335	45	290
6	Rufiji DC	343	74	269
7	Masasi DC	313	58	255
8	Mtwara DC	317	73	244
9	Mpanda DC	329	85	244
10	Muheza DC	362	127	235
11	Moshi DC	395	192	203
12	Morogoro DC	347	148	199
13	Kondoa DC	247	61	186
14	Kilosa DC	375	197	178
15	Babati DC	220	44	176
16	Mkuranga DC	286	135	151
17	Kwimba DC	186	35	151

18	Shinyanga DC	264	113	151
19	Meatu DC	235	94	141
20	Mwanga DC	227	89	138
21	Makete DC	217	85	132
22	Sikonge DC	190	60	130
23	Mbarali DC	234	108	126
24	Iringa DC	267	148	119
25	Ukerewe DC	159	45	115
26	Newala DC	170	67	103
27	Manyoni DC	213	63	99
28	Rorya DC	178	79	99
29	Kibondo DC	128	35	93
30	Kishapu DC	175	90	85
31	Rungwe DC	140	59	81
32	Korogwe DC	209	130	79
33	Lindi DC	134	56	78
34	Musoma DC	119	44	75
35	Tarime DC	130	61	69
36	Hanang' DC	117	49	68

37	Mbozi DC	105	39	66
38	Mbinga DC	181	115	66
39	Ngorongoro DC	111	47	64
40	Meru DC	164	102	62
41	Ludewa DC	145	85	60
42	Tandahimba DC	125	70	55
43	Mbeya DC	127	72	55
44	Kasulu DC	105	51	54
45	Bahi DC	88	36	52
46	Longido DC	97	45	52
47	Pangani DC	96	46	50
48	Kilolo DC	110	63	47
49	Nkasi DC	117	70	47
50	Shinyanga MC	101	59	42
51	Igunga DC	100	62	38
52	Simanjiro DC	88	50	38
53	Mpanda TC	48	15	33
54	Mvomero DC	100	69	31
55	Maswa DC	122	91	31

56	Kilindi DC	75	46	29
57	Dodoma MC	105	77	28
58	Ruangwa DC	107	80	27
59	Morogoro MC	96	69	27
60	Ileje DC	72	45	27
61	Monduli DC	99	76	23
62	Moshi MC	60	37	23
63	Arusha DC	179	157	22
64	Mbeya CC	34	14	20
65	Songea DC	84	64	20
66	Siha DC	38	20	19
67	Njombe TC	21	2	19
68	Namtumbo DC	60	42	18
69	Tanga CC	54	37	17
70	Mafia DC	49	33	16
71	Musoma MC	37	21	16
72	Chunya DC	24	10	14
73	Njombe DC	46	32	14
74	Kongwa DC	35	22	13

75	Kiteto DC	77	64	13
76	Makambako TC	13	-	13
77	Magu DC	35	23	12
78	Arusha CC	75	63	12
79	Iringa MC	16	4	12
80	Hai DC	109	98	11
	<b>Total</b>	<b>13,104</b>	<b>5,584</b>	<b>7,471</b>



## Annexure XII

### Under release of budgeted funds- ASDP

S/N	Council	Amount(Shs.)	S/N	Council	Amount(Shs.)
1	Maswa DC	1,497,662,000	30	Kiteto DC	230,592,720
2	Mbarali DC	1,487,700,000	31	Tandahimba DC	230,024,653
3	Rorya DC	1,472,269,900	32	Handeni DC	213,178,000
4	Bunda DC	1,032,918,256	33	Lushoto DC	211,160,415
5	Chato DC	943,062,684	34	Mkuranga DC	207,500,000
6	Iringa DC	890,625,000	35	Korogwe TC	185,548,006
7	Arusha DC	869,624,106	36	Igunga DC	180,285,710
8	Rungwe DC	857,085,000	37	Monduli DC	179,009,810
9	Songea DC	842,492,034	38	Siha DC	139,286,025
10	Simanjiro DC	840,802,993	39	Pangani DC	133,297,674
11	Tabora DC	721,989,788	40	Longido DC	130,674,000
12	Sumbawanga DC	665,650,364	41	Singida MC	113,100,000
13	Moshi DC	614,564,006	42	Makete DC	93,750,084
14	Nzega DC	589,861,292	43	Babati DC	93,750,000
15	Kibondo DC	564,196,000	44	Mpwapwa DC	90,750,055
16	Kasulu DC	560,234,031	45	Kilindi DC	90,352,432
17	Mbeya DC	530,910,000	46	Mbeya CC	85,222,000
18	Kilombero DC	498,921,363	47	Muheza DC	76,570,263
19	Karatu DC	493,319,000	48	Mafia DC	68,565,000
20	Hai DC	433,213,000	49	Musoma MC	44,498,000
21	Mvomero DC	432,664,320	50	Mbulu DC	38,570,000
22	Urambo DC	422,431,494	51	Njombe DC	35,454,000
23	Ileje DC	355,789,000	52	Ngorongoro DC	34,559,992
24	Meru DC	324,877,838	53	Musoma DC	34,000,000
25	Tabora MC	294,417,000	54	Mkinga DC	20,639,917
26	Rufiji DC	291,456,472	55	Moshi MC	13,812,072
27	Korogwe DC	262,075,890	56	Arusha CC	11,299,530
28	Hanang' DC	258,389,000			
29	Ulanga DC	243,193,257	<b>TOTAL</b>		<b>22,277,845,446</b>

### Annexure XIII

#### Inadequately supported payments Shs. 1,660,648,887 - HBF

S/N	Council	Amount(Shs.)	S/N	Council	Amount(Shs.)
1	Chamwino DC	349,557,360	25	Bahi DC	14,790,500
2	Ilala MC	264,920,728	26	Mbozi DC	13,743,000
3	Rungwe DC	96,235,000	27	Mounduli DC	12,133,500
4	Maswa DC	93,248,716	28	Chato DC	11,060,000
5	Shinyanga DC	77,121,689	29	Ruangwa DC	10,916,750
6	Geita DC	70,629,168	30	Kahama DC	10,510,000
7	Kondoa DC	59,806,000	31	Tandahimba DC	10,080,000
8	Tabora DC	37,880,382	32	Mpwapwa DC	9,891,587
9	Bukombe DC	37,690,000	33	Singida DC	8,590,000
10	Kilosa DC	34,595,000	34	Babati TC	8,515,000
11	Longido DC	31,913,613	35	Meru DC	7,149,114
12	Sengerema DC	31,235,000	36	Sumbawanga DC	7,094,000
13	Nzega DC	30,986,000	37	Kiteto DC	6,618,980
14	Mbinga DC	29,872,000	38	Misungwi DC	6,471,000
15	Tunduru DC	29,819,000	39	Ngorongoro DC	6,290,000
16	Rorya DC	28,146,745	40	Sumbawanga MC	5,985,000
17	Serengeti DC	27,479,208	41	Kongwa DC	5,212,500
18	Mwanza CC	22,192,740	42	Handeni DC	5,059,500
19	Karatu DC	21,208,000	43	Babati DC	4,851,000
20	Lindi DC	19,350,000	44	Ukerewe DC	4,838,000
21	Kilwa DC	18,518,000	45	Kwimba DC	4,696,000
22	Kinondoni MC	17,341,314	46	Siha DC	4,662,500
23	Mpanda TC	15,329,437	47	Bunda DC	4,580,000
24	Musoma DC	15,326,250	48	Lindi MC	3,907,500

S/N	Council	Amount(Shs.)	S/N	Council	Amount(Shs.)
49	Tarime DC	3,750,000	52	Kishapu DC	1,105,000
50	Arusha DC	3,318,106	53	Pangani DC	1,029,000
51	Songea MC	3,000,000	54	Shinyanga MC	400,000
			<b>TOTAL</b>		<b>1,660,648,887</b>

# Annexure XIV

## Expenditure charged to wrong account codes Shs.383,197,259- HBF

S/N	Council	Amount(Shs.)	S/N	Council	Amount(Shs.)
1	Kasulu DC	56,600,000	16	Meru DC	4,100,000
2	Mbinga DC	51,402,500	17	Lushoto DC	3,490,000
3	Sengerema DC	34,205,000	18	Mafia DC	3,464,000
4	Nzega DC	31,681,010	19	Ngorongoro DC	3,110,000
5	Kilombero DC	31,292,000	20	Siha DC	3,000,000
6	Songea DC	23,897,000	21	Kilwa DC	2,885,000
7	Nkasi DC	22,266,800	22	Mwanga DC	2,695,274
8	Manyoni DC	21,075,000	23	Morogoro DC	2,078,900
9	Kilindi DC	17,575,577	24	Kishapu DC	1,798,350
10	Tunduru DC	15,192,900	25	Handeni DC	1,759,800
11	Liwale DC	14,618,648	26	Arusha DC	1,429,000
12	Kigoma DC	11,430,000	27	Musoma DC	1,260,000
13	Simanjiro DC	9,104,000	28	Kibondo DC	497,500
14	Kigoma MC	6,809,000	<b>TOTAL</b>		<b>383,197,259</b>
15	Arusha CC	4,480,000			

**Annexure XV**

**Expenditure made out of the approved budget  
Shs.564,460,287-HBF**

<b>S/N</b>	<b>Council</b>	<b>Amount(Shs.)</b>	<b>S/N</b>	<b>Council</b>	<b>Amount(Shs.)</b>
1	Mbozi DC	135,019,003	14	Mufindi DC	6,363,000
2	Babati TC	110,162,925	15	Tunduru DC	5,630,000
3	Bariadi DC	88,196,416	16	Kigoma MC	4,663,812
4	Geita DC	38,642,790	17	Mwanza CC	4,592,000
5	Liwale DC	30,500,000	18	Mbeya DC	4,055,256
6	Namtumbo DC	24,054,251	19	Arusha DC	3,674,000
7	Pangani DC	19,890,653	20	Liwale DC	2,908,000
8	Mbinga DC	17,312,500	21	Babati TC	2,190,000
9	Mbarali DC	15,725,000	22	Ukerewe DC	1,575,304
10	Kwimba DC	15,482,000	23	Tarime DC	1,535,000
11	Karagwe DC	11,386,000	24	Songea MC	800,000
12	Bukoba DC	10,247,100	25	Missenyi DC	680,000
13	Longido DC	9,175,277	<b>TOTAL</b>		<b>564,460,287</b>

## Annexure XVI

### Shortage of staff in Health Department - HBF

S/N	Council	Requirement	Available	Shortage
1	Kondoa DC	1069	176	893
2	Kasulu DC	947	346	601
3	Sengerema DC	1028	451	577
4	Mpanda DC	813	322	491
5	Geita DC	1797	1350	447
6	Kishapu DC	585	165	420
7	Meatu DC	602	275	351
8	Mafia DC	515	173	342
9	Rungwe DC	853	518	335
10	Muleba DC	806	476	330
11	Mbarali DC	537	223	314
12	Chamwino DC	543	232	311
13	Newala DC	565	259	306
14	Pangani DC	513	214	299
15	Kibondo DC	413	120	293
16	Kilolo DC	565	272	293
17	Sumbawanga DC	354	107	247
18	Mvomero DC	858	618	240
19	Lushoto DC	681	445	236
20	Kyela DC	351	126	225
21	Arusha CC	704	486	218
22	Musoma MC	609	406	203
23	LudewaDC	498	297	201
24	Iringa DC	393	196	197
25	Songea DC	317	138	179
26	Iringa MC	216	41	175
27	Makete DC	363	192	171

28	Kilombero DC	860	693	167
29	Morogoro MC	548	383	165
30	Shinyanga DC	320	162	158
31	Hai DC	472	317	155
32	Namtumbo DC	266	113	153
33	Mtwara MC	269	123	146
34	Mufindi DC	502	357	145
35	Meru DC	400	258	142
36	Muheza DC	277	135	142
37	Masasi DC	248	110	138
38	Manyoni DC	351	213	138
39	Handeni DC	449	314	135
40	Mbozi DC	120	14	106
41	Mkinga DC	227	126	101
42	Korogwe DC	522	434	88
43	Maswa DC	399	314	85
44	Monduli DC	118	35	83
45	Chunya DC	137	60	77
46	Mbeya DC	152	78	74
47	Ileje DC	177	111	66
48	Ulanga DC	210	154	56
49	Njombe TC	291	235	56
50	Lindi MC	103	53	50
51	Mbinga DC	637	594	43
52	Shinyanga MC	217	178	39
53	Kilindi DC	60	24	36
54	Mbulu DC	56	29	27
55	Korogwe TC	140	116	24
56	Babati TC	33	19	14
<b>TOTAL</b>		<b>26,056</b>	<b>14,376</b>	<b>11,704</b>

## Annexure XVII

### Improperly vouched expenditure-WSDP

S/N	WSDP Implementer	Amount(Shs.)	S/N	WSDP Implementer	Amount ( Shs.)
1	Chamwino DC	2,160,000	18	Shinyanga DC	88,229,100
2	Dodoma MC	4,945,000	19	Shinyanga MC	1,119,217.60
3	Kongwa DC	14,206,838	20	Maswa DC	7,330,200
4	Mpwapwa DC	5,251,079	21	Arusha DC	700,000
5	Tabora DC	1,000,000	22	Karatu DC	84,318,624
6	Kilwa DC	12,014,000	23	Ngorongoro DC	5,029,200
7	Lindi DC	19,552,000	24	Mwanga DC	16,210,318
8	Lindi MC	22,188,000	25	Monduli DC	2,596,000
9	Liwale DC	26, 683,675	26	Meru DC	30,925,421
10	Nachingwea DC	73,794,059	27	Longido DC	145,002,846.37
11	Ruangwa DC	7,315,695	28	Korogwe DC	18,762,000
12	Kilosa DC	72,792,500	29	Chunya DC	11,905,300
13	Ilala MC	16,205,000	30	Ileje DC	5,784,322.07
14	Kinondoni MC	2,000,000	31	Mbozi DC	42,172,500
15	Bunda DC	2,245,000	32	Nkasi DC	2,435,000
16	Sengerema DC	20,503,000	33	MOHSW	574,388,763
17	Kishapu DC	109,347,808	<b>TOTAL</b>		<b>1,422,428,791</b>



## Shortage of skilled staff in Water Department- WSDP

S/N	Council	Required	Available	Shortage
1	BAHI DC	17	7	10
2	DODOMA MC	18	14	4
3	KONDOA DC	40	33	7
4	MPWAPWA DC	60	25	35
5	KIBONDO DC	14	7	7
6	KIGOMA DC	32	13	19
7	KIGOMA MC	4	1	3
8	IRAMBA DC	27	10	17
9	MANYONI DC	15	2	13
10	SINGIDA DC	28	8	26
11	NZEGA DC	16	3	13
12	SIKONGE DC	19	12	7
13	URAMBO DC	27	7	20
14	LINDI DC	37	19	18
15	LINDI MC	21	0	20
16	NACHINGWE DC	26	20	6
17	KILOMBERO DC	29	13	14
18	KILOSA DC	26	19	7
19	MOROGORO DC	14	11	11
20	MOROGORO MC	9	2	7
21	MASASI DC	25	14	11
22	MTWARA DC	23	11	12
23	MTWARA MC	15	3	12
24	NEWALA DC	25	16	9
25	MAFIA DC	30	3	27
26	BIHARAMULO DC	19	3	16
27	BUKOBA DC	10	4	6
28	BUKOBA MC	5	2	3
29	KARAGWE DC	33	21	12

30	MISSENYI DC	19	3	16
31	MULEBA DC	28	23	5
32	CHATO DC	8	2	6
33	BUNDA DC	27	24	3
34	MUSOMA DC	27	7	18
35	RORYA DC	27	6	21
36	SERENGETI DC	27	12	15
37	TARIME DC	25	5	20
38	KWIMBA DC	10	2	8
39	MAGU DC	7	2	5
40	SENGEREMA DC	25	18	7
41	KAHAMA DC	28	15	13
42	KISHAPU DC	13	2	11
43	SHINYANGA DC	17	13	4
44	SHINYANGA MC	6	2	4
45	MEATU DC	34	12	22
46	MASWA DC	12	6	6
47	BARIADI DC	28	8	20
48	ARUSHA CC	20	5	15
49	ARUSHA DC	26	9	17
50	BABATI DC	12	3	9
51	BABATI TC	10	8	2
52	HAI DC	16	13	3
53	HANANG' DC	23	20	3
54	HANDENI DC	16	10	6
55	KILINDI DC	9	6	3
56	TANGA CC	10	2	8
57	SIMANJIRO DC	30	6	24
58	SIHA DC	8	5	3
59	SAME DC	33	19	14
60	PANGANI DC	32	19	13
61	NGORONGORO DC	26	4	22
62	MWANGA DC	28	20	8

63	MUHEZA DC	27	6	21
64	MOSHI MC	6	1	5
65	MOSHI DC	50	26	24
66	MONDULI DC	26	5	21
67	MKINGA DC	17	10	7
68	MERU DC	27	16	11
69	MBULU DC	15	14	1
70	LUSHOTO DC	14	6	8
71	LONGIDO DC	10	5	5
72	KOROGWE TC	15	7	8
73	KOROGWE DC	32	29	7
74	KITETO DC	35	26	9
75	IRINGA MC	4	1	3
76	KILOLO DC	8	2	6
77	MUFINDI DC	42	15	27
78	MPANDA DC	12	7	5
79	MPANDA TC	13	2	11
80	CHUNYA DC	4	0	4
81	MBARALI DC	13	5	8
82	MBEYA DC	17	6	11
83	ILEJE DC	3	0	3
84	RUNGWE DC	15	2	13
85	MBOZI DC	39	16	23
86	NJOMBE DC	3	1	2
87	NKASI DC	15	10	5
88	SUMBAWANGA DC	10	3	7
89	MBINGA DC	8	0	8
90	NAMTUMBO DC	26	3	23
91	SONGEA DC	26	8	18
92	SONGEA MC	3	0	3
93	TUNDURU DC	17	10	7
<b>TOTAL</b>		<b>1883</b>	<b>856</b>	<b>1040</b>

## Annexure XIX

### Procurement of medical supplies without MSD approval Shs.1,025,278,064- HBF

S/N	Council	Amount (Shs.)	S/N	Council	Amount (Shs.)
1	Ilala MC	194,766,200	16	Korogwe DC	17,510,000
2	Kasulu DC	116,000,000	17	Moshi DC	17,470,000
3	Karagwe DC	83,091,500	18	Kwimba DC	16,936,000
4	Liwale DC	79,965,200	19	Mkuranga DC	16,204,450
5	Sengerema DC	74,440,000	20	Mbeya CC	12,327,000
6	Mwanza CC	58,470,000	21	Hanang' DC	12,240,000
7	Lindi MC	47,199,950	22	Nachingwea DC	11,955,000
8	Magu DC	36,218,100	23	Bukombe DC	10,495,000
9	Mbozi DC	32,970,000	24	Arusha DC	10,439,150
10	Mkinga DC	32,086,701	25	Tanga CC	9,795,000
11	Sumbawanga MC	24,188,163	26	Nzega DC	9,505,000
12	Longido DC	19,986,900	27	Ukerewe DC	8,524,400
13	Mbulu DC	19,800,350	28	Biharamulo DC	7,245,000
14	Mbeya DC	19,425,000	29	Geita DC	6,030,000
15	Arusha CC	19,105,000	30	Bukoba MC	889,000
<b>Total</b>					<b>1,025,278,064</b>

## Uncompleted Projects- WSDP

Uncompleted Projects/Partial Implemented Projects					
S/N	LGA	Amount (Shs)	S/N	LGA	Amount (Shs)
1	Bahi DC	509,150,247.00	41	Geita DC	25,329,551.77
2	Chamwino DC	1,147,226,773.00	42	Bunda DC	35,500,000.00
3	Dodoma MC	359,204,755.00	43	Musoma DC	935,089,980.00
4	Kondoa DC	1,172,631,000.00	44	Rorya DC	160,102,438.10
5	Kongwa DC	823,833,146.00	45	Serengeti DC	451,298,180.00
6	Kigoma DC	9,000,000.00	46	Tarime DC	787,526,383.00
7	Kigoma MC	1,092,945,590.00	47	Misungwi DC	44,100,000.00
8	Iramba DC	662,523,500.00	48	Sengerema DC	551,712,360.00
9	Manyoni DC	1,015,970,893.75	49	Ukerewe DC	1,286,366,640.00
10	Singida MC	868,860,500.00	50	Kishapu DC	545,985,485.00
11	Nzega DC	1,087,561,214.60	51	Shinyanga DC	270,315,052.00
12	Kilwa DC	218,089,135.00	52	Bariadi Dc	1,243,759,083.00
13	Lindi DC	186,639,920.00	53	Maswa DC	7,200,000.00
14	Liwale DC	163,838,160.00	54	Arusha CC	276,659,292.00
15	Ruangwa DC	440,499,541.00	55	Arusha DC	329,396,004.00
16	Kilosa DC	4,448,703,884.00	56	Hai DC	932,892,200.00
17	Morogoro DC	9,313,000.00	57	Hanang DC	173,543,267.60
18	Morogoro MC	351,491,832.00	58	Korogwe DC	651,323,295.00
19	Mvomero DC	992,083,615.00	59	Korogwe TC	430,642,300.00

20	Ulanga DC	288,419,730.00	60	Longido DC	95,902,975.00
21	Masasi DC	236,985,597.00	61	Mbulu DC	1,843,893,448.80
22	Mtwara DC	893,503,405.22	62	Meru DC	1,038,771,301.60
23	Nanyumbu DC	329,766,401.00	63	Monduli DC	204,604,796.00
24	Newala DC	905,576,078.00	64	Mwanga DC	535,315,103.00
25	Newala DC	1,014,148,479.00	65	Siha DC	741,372,450.00
26	Bagamoyo DC	244,294,578.00	66	Kilolo DC	731,987,519.00
27	Kibaha DC	18,051,572.00	67	Mufindi DC	7,000,000.00
28	Kisarawe DC	105,500,800.00	68	Mpanda TC	619,084,212.00
29	Mafia DC	363,165,440.00	69	Ileje DC	303,056,490.00
30	Ilala MC	620,903,250.00	70	Mbeya CC	320,646,822.30
31	Kinondoni MC	103,804,550.00	71	Mbozi DC	1,118,558,540.00
32	Temeke MC	86,399,172.00	72	Njombe TC	496,852,106.00
33	Biharamulo DC	1,379,275,128.00	73	Nkasi DC	381,668,240.00
34	Bukoba DC	585,310,000.00	74	Sumbawanga DC	438,939,281.00
35	Karagwe DC	706,401,825.00	75	Sumbawanga MC	488,386,772.50
36	Missenyi DC	320,367,190.00	76	Mbinga DC	1,129,433,944.00
37	Ngara DC	1,013,452,574.00	77	Namtumbo DC	884,472,585.00
38	Bukombe DC	514,214,913.00	78	Songea DC	312,571,781.22
39	Chato DC	1,603,301,620.00	79	Tunduru DC	745,156,117.20
40	Geita DC	1,360,504,000.00	80	MOHSW	724,460,810
				Total	50,553,789,814.66

